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House of Representatives

The House was not in session today. Its next meeting will be held on Tuesday, May 27, 1997, at 10 a.m.

Senate

FRIDAY, MAY 23, 1997

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Lord God almighty! Heaven and Earth are filled with Your glory. Praise and honor be to You, Lord most high. Lord of all creation, re-create our hearts to love You above all. Ruler of the universe, rule in us. Lord of our Nation, we invite You to live in us as our personal Lord. Architect of history, guide the vital page in history that will be written today.

As we prepare for the Memorial Day recess and, at the same time, seek to complete all of the votes on the budget resolution, we realize how closely these two things are intertwined. Help us to see the implications of honoring those who gave their lives in just wars, and the arduous task of honing the budget further to enable Your priorities for our Nation. Sovereign Lord, reign in this Chamber and in our hearts and minds today so that what is decided will reflect Your will and how we work together will reflect Your presence. Grant the Senators renewed strength and resilient determination to finish well. May the shortness of life here on Earth and the length of eternity free them to do their best today as an expression of love to You and gratitude to those who paid the supreme price that this Senate could fulfill its calling of leading this Nation for which they died. Lord God of Hosts, be with us yet, lest we forget, lest we forget. In the name of the Resurrection and Life. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

Mr. DOMENICI. Thank you very much, Mr. President. I hope you are feeling well this morning, Mr. President.

The PRESIDENT pro tempore. Fine.

Mr. DOMENICI. I am feeling well also because we are getting close to completion. If we could finish by 12:30 or so, I will feel even better.

The PRESIDENT pro tempore. You are doing a good job.

Mr. DOMENICI. None of that is supposed to occur in the Senate, but isn't that nice, that we could do that.

SCHEDULE

Mr. DOMENICI. For the information of all Senators, today the Senate will immediately resume consideration of Senate Concurrent Resolution 27, the first concurrent budget resolution. Under the previous order, all time is expired and the Senate will begin a lengthy series of rollcall votes on or in relation to the remaining pending amendments that are in order to the resolution. Therefore, Senators can expect to begin voting on numerous stacked votes momentarily. Senators are asked to remain in the Chamber and in their seats, if possible, to expedite this process.

Again, all Members should be on the floor to begin this series of votes. After final passage of the budget resolution, it is the intention of the majority leader that the Senate consider the CWC implementation bill under the previous order, the supplemental appropriation bill, if the House completes action, and any nominations that have been cleared for action.

I thank my colleagues for their attention.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOMENICI. Mr. President, I ask unanimous consent that all remaining votes in the stacked sequence after the first amendment, the McCain amendment, be limited to 10 minutes each; and, further, there be 2 minutes of debate, equally divided in the usual form, for each vote.

The PRESIDING OFFICER (Mrs. HUTCHISON). Without objection, it is so ordered.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

CONCURRENT RESOLUTION ON THE BUDGET

The PRESIDING OFFICER. The Senate will now resume consideration of Senate concurrent resolution, which the clerk will report.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 27) setting forth the congressional budget for

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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the United States Government for fiscal years 1998, 1999, 2000, and 2001.

The Senate resumed consideration of the concurrent resolution.

Pending:

Kerry amendment No. 309, to allocate funds for early childhood development programs for children ages zero to six.

Dorgan amendment No. 310, to express the sense of the Senate that the Congress should continue efforts to reduce the on-budget deficit without counting Social Security surpluses.

Wellstone modified amendment No. 313, to provide for increases in funding for Headstart and Earlystart, child nutrition programs, and school construction, which will be paid for by reducing tax benefits to the top 2 percent of income earners in the United States as well as by reducing tax benefits that are characterized as corporate welfare or tax loopholes.

Wellstone amendment No. 314, to provide that Pell Grants for needy students should be increased.

Abraham amendment No. 316, to express the sense of the Senate that, to the extent that future revenues exceed the revenue aggregates, those additional revenues should be reserved for deficit reduction and tax cuts only.

Gramm amendment No. 319, to ensure that the discretionary limits provided in the budget resolution shall apply in all years.

McCain-Hollings amendment No. 326, to express the sense of the Senate that the Congress shall take such steps as necessary to reconcile the difference between actual revenues raised and estimates made and shall reduce spending accordingly if Spectrum Auctions raise less revenue than projected.

McCain-Mack amendment No. 327, to express the sense of the Senate with respect to certain highway demonstration projects.

Lautenberg (for Moseley-Braun) amendment No. 333, to express the sense of the Senate regarding the use of budget savings.

Lautenberg (for Moseley-Braun) amendment No. 334, to express the sense of the Senate regarding the value of the Social Security system for future retirees.

Specter amendment No. 338, to provide for a reduction in mandatory spending and an increase in discretionary spending relating to children's health.

Specter amendment No. 339, to provide for a reduction in mandatory spending and an increase in discretionary spending relating to children's health.

Specter amendment No. 340, to restore funding within the discretionary health function to maintain progress in medical research, offset by reductions in Federal agency administrative costs.

Domenici (for Grams) amendment No. 346, to require that the $225 billion CBO revenue receipt windfall be used for deficit reduction and tax relief, and that non-defense discretionary spending be kept at a freeze baseline level.

Domenici (for Coverdell) amendment No. 347, to provide for parental involvement in prevention of drug use by children.

Domenici (for Snowe-Coverdell) amendment No. 349, to express the sense of the Senate relative to higher education tax relief and higher education expenses.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, would the Senator from Arizona yield for one moment? There are 11 first-degree amendments, 1 motion to waive a point of order, and possible second-degree amendments and final passage votes that could occur today. If everybody asks for a vote, that means we could have 15 votes, Senator MCCAIN. At an average of 15 minutes a vote, even though we said 10, it would be at least 4 hours of voting.

I think we can do better. I think at least half of these amendments can be voice-voted, cutting the 4 hours to 2. We will try our best to see if the proponents will accept voice votes. I hope we can encourage Senators not to demand a vote.

I thank Senator MCCAIN, who I am just told will take a voice vote on amendment No. 327. During this first vote, staff will try to determine which ones can be voice-voted.

I yield the floor to Senator MCCAIN.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

AMENDMENT NO. 326

Mr. MCCAIN. I call up amendment No. 326, which is at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for himself and Mr. HOLLINGS, proposes an amendment numbered 326.

(The text of the amendment is printed in the RECORD of May 21, 1997)

Mr. MCCAIN. I yield 10 seconds to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized for 10 seconds.

Mr. BURNS. Madam President, on this amendment, I am heartily supporting this, especially because not supporting the amendment would be irrational, knowing that the blueprint is in front of us that spectrum does not have the value that is put into this bill. So, if we have a track record that proves that it does not, it is outrageous that we would accept the figures in this budget.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Madam President, it is important, as the Senator from Montana said, that we be on record on this issue because there are three pertinent facts that we cannot forget here. Over $26 billion is assumed to be raised from the spectrum auction in the budget. Both the ranking member of the Commerce Committee, Senator HOLLINGS, and myself seriously question whether raising that much money is possible.

Unlike fees or taxes, as we all know, spectrum auctions are a function of the free market, and its value is determined solely by supply and demand. Due to the volatility of this market, as we have seen recently, it is virtually impossible to accurately know what spectrum is worth and, since it is planned to be auctioned 5 years from now, what it will be worth. Even the expert agencies, CBO and FCC, have not been able to accurately gauge spectrum value.

I understand the task of the budgeteers here on this issue, but it is very, very questionable, these figures.

This amendment has been offered by both myself and my good friend, the ranking member and former chairman of the Commerce Committee, Mr. HOLLINGS. Simply, this amendment expresses the sense of the Senate that if the estimates regarding spectrum auctions contained in this resolution prove not be accurate that spending will be adjusted accordingly.

The budget agreement before the Senate relies heavily on spectrum revenues, particularly spectrum auctions, to reduce the deficit and achieve balance by the year 2002. If this resolution passes as currently drafted, the Commerce Committee will be asked to raise between $26 to $28 billion. With the exception of some ancillary fees, the bulk of what the Commerce Committee will be asked to raise is assumed to come from spectrum.

Of the total $26.3 billion in estimated spectrum revenues, about 95 percent, or $24.3 billion, would be derived specifically from spectrum auctions.

The problem is this: experience demonstrates that it's very difficult to reliably estimate what a given block of spectrum is likely to bring at auction. And therefore, as the chairman of the Commerce Committee, I am very concerned that the assumptions contained in the budget resolution will not actually raise the money needed.

In a letter to me last February 26, FCC Chairman Reed Hundt, a staunch proponent of spectrum auctions, said this about predicting spectrum auction values:

> Determining the value of spectrum in advance of an auction is very difficult, and not something the Commission ordinarily does.
>
> One of the benefits of the auction is that the value of spectrum is not determined by government, but by a marketplace in which businesses have actual plans to develop and use spectrum. The value of any block of spectrum in the market thus depends on a number of factors, [including] the location of the spectrum, its technical characteristics, the amount of spectrum to be assigned with each license, the availability of technology suitable for a given band, the amount of spectrum already available for provision of similar services, the number of incumbents presently occupying the spectrum, and whether incumbents will remain licensed in that spectrum or will be relocated to other spectrum.

Not surprisingly, therefore, auction estimates have been inaccurate on both the high side, as well as the low side, ever since the FCC was given spectrum auction authority in the Omnibus Budget Reconciliation Act of 1993.

For example, the very first estimates of the revenue spectrum auctions would generate were very low. At that time Congress predicted that spectrum auctions would generate approximately $10 billion over 5 years. The actual amount generated was over $22 billion in 3 years.

Similarly, the auction of digital broadcast satellite spectrum was estimated to raise less than $40 million. That auction raised $683 million.

Other spectrum auction estimates, however, have been very high. The recent auction of wireless communications spectrum, which we estimated in

August of 1996 would generate $3 billion, raised only $14 million.

All these estimates were based on information provided by a cross-section of experts, including telecom providers, the financial community, and the FCC and NTIA—the expert agencies in this area. I don't fault their expertise, nor am I suggesting that spectrum isn't a valuable commodity and shouldn't be auctioned. To the contrary, it is an extremely valuable natural resource, owned by the public, and allocation should occur by auction.

What I am saying, however, is that just because auctions assign spectrum efficiently to its most valued use does not mean that they can be guaranteed to produce a certain dollar figure. They are not, and were never intended to be, the functional equivalent of cash machines. They function as a component of the free market and therefore are subject to great highs and lows.

As Chairman Hundt recognizes, it is impossible, even for experts, to reliably predict the value that a given block of spectrum is likely to bring at auction. Despite this fact, however, this budget places substantial reliance on these inherently unreliable predictions of spectrum auction revenues to balance the budget.

Here are my specific concerns with the spectrum auction budget assumptions:

First, revenues from auctioning 100 MHz of spectrum formerly used by broadcasters for electronic news gathering are estimated to total $9.7 billion between 1998 and 2002. This estimate is based on the spectrum being roughly comparable in potential usefulness to the lucrative PCS spectrum. Now, however, FCC and NTIA say that this spectrum is not comparable to PCS spectrum because it's already occupied and not suitable for a wide range of potential uses. Thus, a critical element in estimating the spectrum's $9.7 billion value is not accurate.

Second, another $6 billion is estimated to come from the auction of spectrum left over from the reallocation ordered in 1993, plus the auction of new spectrum at now-available higher frequencies. The problems here are that the leftover 1993 spectrum, standing alone, isn't expected to generate all that much, and nobody yet knows precisely what the new high-frequency spectrum is usable for. Thus, what anybody might realistically be expected to bid for it is, at best, a guess. Technology may prove us wrong. But no companies, based on current technology—are clambering for this spectrum.

Third, $5.4 billion more is estimated to come from the auction of analog broadcast channels in the year 2002—even though most of these channels won't even be available for use until 2006. That's tantamount to speculating in spectrum futures.

Moreover, given the broadcasters' vehement objections to being required to give the channels back by 2006 or any other date, we simply cannot be sure when—if ever—these channels will actually be freed up. As Chairman Hundt correctly noted in his February 26 letter,

> When incumbent licensees are present, these licensees often have incentives to oppose the use of auctions to assign licenses in that band.

Thus, the value to bidders of essentially nonexistent channels has got to be seriously questioned.

Fourth, even the projections surrounding the comparatively modest $700 million estimated to come from auctioning so-called 888 telephone numbers are flawed. The $700 million estimate was made before these numbers began being handed out for free some time ago. Based on the quantity of numbers left to auction now, however, the probable revenue would be perhaps half the original $700 million estimate.

Fifth, the impact of these potentially flawed estimates is made worse by the large proportion of spectrum auction revenues that this budget scores in 2001 and 2002. Altogether 70 percent of the total spectrum auction revenues are called for to be generated during these 2 years. However, it is during these outyears that the most spectrum can be expected to be on the market, and the more spectrum you put on the market, the less you are likely to get for it—simple supply and demand.

Finally, there's also a potential problem with the $2 billion lump sum tied to broadcasters' use of their digital TV channels for non-HDTV uses. This $2 billion represents about a 7-percent hit on the $30 billion television broadcast industry. I am not one to protect the broadcast industry, but I am concerned about this fee. In the past, Senator Dole and I had advocated auctioning the digital spectrum before it was given to the broadcasters. That auction alone is estimated to have raised between $20 to $70 billion. However, we were unsuccessful and that spectrum was given free of charge to the broadcasters.

Madam President, balancing the budget is critically important to the future of our country's economy, and spectrum auction revenues have been made critically important to balancing the budget. We must therefore be extremely concerned about the considerable uncertainty inherent in accurately predicting the amount of money spectrum auctions will generate, and we must have an insurance policy against the very real likelihood that these estimates will turn out to be too high.

Madam President, I hope this amendment will pass. Voting for it does not mean that Senators oppose the budget resolution itself. However, supporting this amendment does recognize that the auction numbers assumed in this resolution are subject may not produce the revenue noted and that therefore, the Congress may need to act on this matter in the future.

Mr. HOLLINGS. Madam President, I rise in support of the sense-of-the-Senate resolution. The resolution points out the unreliability of the budget resolution's assumptions about future spectrum auctions. At issue here is the credibility of the entire budget itself. The budget assumes $26.3 billion from spectrum auctions by the year 2002. Such assumptions are not supported by the record. The only explanation is that the Budget Committee and the administration have crafted these assumptions out of thin air.

We are told by CBO that our budget problems can be solved by auctioning the spectrum. People around here continue to think spectrum is a canned good sitting on a shelf at the FCC. These budget numbers are absolutely irresponsible and CBO knows there is no justification for these estimations. Just look at the most recent auction that was held last month. Last fall, the budget negotiators fell short in their offsets and decided to auction a specific 30 MHz of spectrum. CBO told us the auction would yield $2.9 billion. The auction only yielded $13.1 million. Is this how you balance a budget?

I must remind the budget negotiators that the law requires the FCC to assign licenses to use the spectrum by auction and that the assignments shall not be based on revenue considerations. Every time the Congress mandates an auction as a budget offset we are violating our own law. And every time we mandate a specific frequency to be auctioned, we are micromanaging in an area we have no expertise in. The spectrum simply is not a canned good sitting on a shelf. Management of the public's spectrum should not be determined on budget numbers.

Just look at the status of the market for start-up wireless companies. Wall Street is saying there is a glut in the marketplace. There is no financing available for the recent ''C'' block licensees. How can CBO possibly justify $26.3 billion when you look at the April auction in combination with the problems in the ''C'' block?

The FCC recently suspended the interest payments for several of the ''C'' block licensees because they were unable to meet their obligations to the Treasury. How can CBO justify $26.3 billion when ''C'' block licensees are going into bankruptcy and being bailed out by the FCC. The Treasury is not receiving any moneys from these auctions. Even the licensees, such as Nextwave, that violated the law are not being required to make payments. This is a complete disregard for the law. This is nothing more than an effort to prop up this charade that auctions are good.

Look at the case of Nextwave. This company bid several billions of dollars for licenses nationwide. When it came time to file complete documentation of their financial backing, the FCC found that this company was in violation of the foreign ownership limits of the Communications Act. To its credit, the

FCC issued an order requiring Nextwave to divest itself of certain foreign financial commitments and come into compliance with the law. Now, several months later, Wall Street is still showing no confidence in these wireless ventures, so Nextwave has been unable to raise any capital.

So, what does the FCC do? The FCC could not afford another embarrassment on the heels of the April fiasco. So the FCC simply waves its previous order and says, don't worry Nextwave, you are in violation of the law but there are more important issues involved here—we must continue the charade that the auctions are working. How can an agency of this Government be so cavalier in its execution of the law is beyond me. Clearly, it pays to be perceived as being too big a player that the FCC cannot let the company go under.

Tell that to Rocky Mountain Solutions and Carolina PCS. Where was the FCC's consistency in applying the law here? Rocky Mountain Solutions and Carolina PCS had difficulty in raising capital just as the other licensees. Were they in violation of the foreign ownership limits of the law. The answer is ''no.'' Were they a small company and not perceived as a big player? The answer is ''yes.'' Where's the consistency? The FCC held to a strict interpretation of their own auction rules—there was no statutory violation—in denying Rocky Mountain Solutions and Carolina PCS request for more time. When a large company violates the law, there is always a creative interpretation of the law in order to keep up the charade.

How can we have any confidence in the results of these auctions? News reports also indicate that the Department of Justice is investigating collusion and illegal bidding practices in some of the auctions. Obviously, some of the potential bidders think the auctions can be fixed as easily as the budget assumptions.

The Treasury is not going to get the money CBO had projected. The budget cannot be balanced in this way. Why does the Budget Committee and CBO continue to keep their heads stuck in the sand. How can CBO justify not $26.3 billion in light of these recent events? The auctions are not the solution the rhetoric holds them out to be. Clearly the Budget Committee and CBO must have budget blinders on. Their denial of these recent events is further evidence that there is no integrity to these numbers.

Just look at a breakdown of the budget assumptions and the problems with each item.

Auction of the returned analog spectrum: The budget proposal requires an auction of 78 MHz of analog spectrum in 2002 with a mandatory return of the analog spectrum in 2006. CBO scores the analog auction at $5.4 billion. There are many practical problems involved here. First, will there really be an interest in this auction when the winning bidders will not have access to the spectrum for at least 4 years? What about possible delays that may occur from zoning ordinances and tower construction problems? In addition, there remains the question of whether there will be widespread demand for digital TV.

Auction of 36 MHz of spectrum from CH.60–69: This spectrum was originally set aside for the transition to HDTV. No one knows if the FCC plan will actually work. All we have if a computer model from the FCC. All indications are that the FCC'S table of allocations will be challenged at the FCC and possibly in the courts. The budget deal will enshrine the FCC'S plan before we know its implications and possibly foreclose revisions to the FCC'S plan. Such a result would be unacceptably shortsighted. It is highly unlikely this proposal will result in a free and clear nationwide block of spectrum by 2002.

Spectrum penalty: The Budget Committee Assumes $2 billion from a penalty fee that would be levied against those entities who received ''free'' spectrum for advanced, advertiser-based television services, but failed to utilize it fully. This is the most incredulous proposal of all. The Telecommunications Act of 1996 authorized the FCC to assess fees on a broadcaster's flexible use of the spectrum—if the broadcaster elects to offer additional services in addition to its free over-the-air programming. CBO staff has no basis to score this provision. There is no evidence in the record to assume the broadcasters will be capable of offering a subscription-based service by 2002.

Auction of additional 120 MHz: CBO assumes $9.7 billion but where's the spectrum coming from? How can they justify it when the recent auction raised only $13 million when CBO had scored it at $2.9 billion?

Auction 800 and 888 numbers: Here's a small business tax if you ever saw one. The administration's proposal is simply unrealistic. Large companies will simply outbid all the small players and warehouse popular numbers. Furthermore, the FCC does not have sole jurisdiction of toll free numbers. The United States participates with Canada in the North American numbering plan.

Mr. REID. Madam President, there are going to be high priority projects in the transportation bill that passes the Congress this year.

As long as there has been a U.S. House of Representatives, there have always been demonstration projects. The House is showing no signs of giving them up this year.

There is no chance that the House will pass a transportation bill without earmarks for individual Members' projects.

Given that knowledge, do we, as the Members of the Senate, really want to unilaterally disarm? If there are going to be demonstration projects, are we merely going to defer to the House?

Rather than slipping projects into the final bill during the conference, wouldn't it be better to have an open discussion of the relative merits of these projects in committee than on the floor?

At least give the House credit for having a process. The House committee of jurisdiction required that a 14-point check list be filled out for each demonstration project this year. Only a very few projects from that list will be selected for funding.

If the original ISTEA legislation is an indication, well under 10 percent of the final dollar amount will be earmarked for demonstration projects. The original ISTEA bill provided $6.5 billion for demonstration projects out of a total authorization of $155 billion.

I dispute the Senator's notion that all demonstration projects are merely glorified pork. In my home State of Nevada, one of the fastest growing areas in the Nation, we have used earmarks to keep up with the explosion in transportation needs.

The I–15/U.S. 95 Spaghetti Bowl Interchange in Las Vegas, one of the busiest interchanges in one of the fastest growing cities in the United States was built with earmarked funding far more quickly than if it needed to go through a traditional funding process.

Nevada's capital, Carson City, remains one of a handful of State capitals in the United States that is not linked to the Interstate System. An earmark in the original ISTEA funded the first leg of this critical link.

Mr. MCCAIN. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Madam President, I have a minute to respond. I don't think I will use that. But I want to ask Senator MCCAIN, in the interest of helping us with the management here, could we now set this amendment aside and do his amendment we are going to accept?

Mr. MCCAIN. Yes, sir.

Mr. DOMENICI. Madam President, I ask consent the pending McCain amendment be temporary set aside so Senator MCCAIN can offer his second amendment, which will be determined by a voice vote.

The PRESIDING OFFICER. It is so ordered.

AMENDMENT NO. 327

Mr. MCCAIN. Madam President, I ask to call up amendment No. 327.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for himself and Mr. MACK, proposes an amendment numbered 327.

(The text of the amendment is printed in the RECORD of May 21, 1997.)

Mr. MCCAIN. Madam President, the amendment is very simple. It just says we will not have highway demonstration projects. The Senate is on record. I wanted to get the Senate on record again, and I will before we take up ISTEA. We have seen this very unseemly situation over in the other

body, where tens of billions of dollars are special projects called highway demonstration projects, which are really only gauged by the influence of the Members of Congress as opposed to merit. I am very pleased that this body is opposed to highway demonstration projects, and I want the Senate on record as reflecting that deal.

The amendment I offer today is cosponsored by Senator MACK. My resolution states that Congress should not divert limited highway trust fund resources away from State transportation priorities by authorizing new highway projects and Congress should not authorize any new demonstration projects or other similarly-titled projects.

Its a simple proposal, embodying a principle endorsed by three-quarters of the Senate less than 2 years ago. The principle is elementary, fair, and sound. The principle is—No new highway demonstration projects.

Why is this amendment necessary? It is necessary because the largest domestic public works program, the Intermodal Surface Transportation and Efficiency Act [ISTEA], must be reauthorized this year. As my colleagues know, the lion's share of Federal highway and transit funding comes under the ISTEA umbrella. Through a Byzantine set of formula calculations, Federal gas taxes are collected by our States, sent into Federal coffers, and then are redistributed to the States.

Some of us question the necessity of requiring State-collected gas taxes to be sent to Washington. I am one of those individuals. But that is an issue for another debate. Today, I want to focus on a clear abuse in the current highway funding distribution process.

ISTEA funds are governed by a statutory distribution formula with a few limited exceptions. One major exception is funding for highway demonstration projects. It is this exception my amendment seeks to eliminate. This exception is neither necessary nor fair.

What has been said about highway demonstration projects? Let me highlight a few comments.

Secretary of Transportation, Rodney Slater, had this to say during his confirmation hearing before the Senate Committee on Commerce, Science, and Transportation in February:

> The administration has taken a firm position in opposition to demonstration projects * * * [they] take resources from the [highway] trust fund.

He further remarked that ending highway demonstration projects would ''result in greater investment of resources * * * for general distribution based on formula.''

Let me reiterate. The highway allocation process is policy driven. But as the Secretary said, highway demonstration projects are not. The Congressional Research Service [CRS] states:

> The demonstration project approach is often constituent-driven and focuses on increasing Federal outlays allocated to a particular State or district * * * When earmarking occurs, allocation stems less from concerns over marginal social and economic benefits, and more from marginal political benefit.

The Heritage Foundation is strongly against highway demonstration projects. In its ''Balancing America's Budget, Ending the Era of Big Government,'' the Heritage Foundation says:

> Projects earmarked by Congress are classic examples of political favoritism obtained by powerful Senators and Representatives for public works spending in their states and districts. Federal ''demonstration projects'' are even more questionable . . . purely local projects funded by the federal government cannot be justified as being in the national interest.

These are not new sentiments—they have been voiced for years. In fact 2 years ago, the President's budget submission called for the cancellation of some demonstration projects stating:

> Such projects have been earmarked in congressional authorization and appropriations laws. These projects limit the ability of the States to make choices on how to best use limited dollars to respond to their highest priorities.

Pork-barrel highway demonstration projects were discussed in Vice President GORE's Reinventing Government report. It states:

> GAO also discovered that 10 projects—worth $31 million in demonstration funds—were for local roads not even entitled to receive Federal highway funding. In other words, many highway demonstration projects are little more than Federal pork. Looking specifically at the $1.3 billion authorized to fund 152 projects under the 1987 Surface Transportation and Uniform Relocation and Assistance Act, GAO found that ''most of the projects . . . did not respond to States' and regions' most Federal aid needs.

One might have hoped that Federal budget constraints would curb highway pork barreling. But it has not.

In 1982, 10 demonstration projects totaling $362 million were listed for special line-item funding in the Surface Transportation Assistance Act of 1982. The 1982 Federal Budget deficit was $127 billion, and it jumped to $221 billion by 1986.

In 1987, 152 demonstration projects totaling $1.4 billion were named in the Surface Transportation and Uniform Relocation Assistance Act of 1987. The 1987 Federal budget deficit was $149 billion, but it jumped to $269 billion in 1991.

Then in 1991, the mother lode of all demo project bills was signed into law: 538 location-specific projects totaling $6.23 billion were included in the Intermodal Surface Transportation Efficiency Act of 1991.

If the budget deficit has not curbed demonstration projects, maybe fairness will.

It is 1997 and time once again to authorize funding for our Nation's transportation infrastructure. Funding for highway, bridge, and transit needs remain great. Congress should give States the maximum amount of flexibility available to spend their highway dollars in whatever manner best meets their critical transportation needs. The States do not need Congress to micromanage the transportation planning process. And the traveling public certainly is not well served when Washington forces limited funding to be spent on unnecessary road projects.

Two years ago, the Senate adopted my amendment to prohibit the funding for future demonstration projects. That amendment was cosponsored by Senators FEINGOLD and SMITH. It passed by a vote of 75 to 21.

We need to reaffirm Senate opposition to new demonstration projects. There are reports that more than 400 Members in the other Chamber submitted requests to the Committee on Transportation and Infrastructure for highway, bridge, or transit projects. I am informed these requests include more than 1,000 projects. These requests could total hundreds of billions of dollars, hundreds of billions of dollars that would be siphoned away from formula-driven allocations, and poured into individually designated State or local projects.

Past highway demonstration projects took almost $8 billion away from formula-driven allocations to the States. While we can't recapture this $8 billion, we can end the practice. My amendment states that ''Congress should not divert limited highway trust fund resources away from State transportation priorities by authorizing new highway projects and Congress should not authorize any new demonstration projects or other similarly titled projects.''

Mr. President, most Senators want to raise the amount of highway funding for our States and to assure an equitable distribution of that funding. One way to provide more money is to end the practice of designating highway demonstration projects or innovative projects, or any other creative description of pork-barrel projects.

I urge my colleagues to support my amendment.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, this sense-of-the-Senate amendment provides the Senate shall not authorize any new highway demonstration projects during the reauthorization of the Intermodal Surface Transportation Efficiency Act.

We have no objection to the amendment. We are willing to accept it.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. DOMENICI. Madam President, we tried to expedite things and it

turned out we did not. What I would like to do now is ask unanimous consent that we return to the first McCain amendment on which the yeas and nays have been ordered, and that immediately thereafter we return to the second McCain amendment. We will have further discussion on that during the vote.

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

VOTE ON AMENDMENT NO. 326

The PRESIDING OFFICER. The question occurs on amendment No. 326, offered by the Senator from Arizona.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from North Dakota [Mr. DORGAN] is necessarily absent.

The PRESIDING OFFICER. (Ms. COLLINS). Are there any other Senators in the Chamber who desire to vote?

The result was announced, yeas 84, nays 15, as follows:

[Rollcall Vote No. 86 Leg.]

YEAS—84

Abraham	Feingold	Lieberman
Akaka	Feinstein	Lott
Allard	Ford	Lugar
Ashcroft	Frist	Mack
Baucus	Glenn	McCain
Bennett	Gorton	McConnell
Biden	Graham	Mikulski
Bingaman	Gramm	Moseley-Braun
Bond	Grams	Moynihan
Breaux	Grassley	Murkowski
Brownback	Gregg	Nickles
Bryan	Hagel	Reid
Burns	Helms	Robb
Campbell	Hollings	Roberts
Chafee	Hutchinson	Roth
Coats	Hutchison	Santorum
Cochran	Inhofe	Sessions
Collins	Inouye	Shelby
Conrad	Jeffords	Smith (NH)
Coverdell	Kempthorne	Smith (OR)
Craig	Kennedy	Snowe
D'Amato	Kerrey	Specter
Daschle	Kohl	Stevens
DeWine	Kyl	Thomas
Dodd	Landrieu	Thompson
Domenici	Lautenberg	Thurmond
Enzi	Leahy	Warner
Faircloth	Levin	Wyden

NAYS—15

Boxer	Harkin	Reed
Bumpers	Hatch	Rockefeller
Byrd	Johnson	Sarbanes
Cleland	Kerry	Torricelli
Durbin	Murray	Wellstone

NOT VOTING—1

Dorgan

The amendment (No. 326) was agreed to.

Mr. DOMENICI. I move to reconsider the vote.

Mr. LAUTENBERG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New Mexico.

AMENDMENT NO. 327

Mr. DOMENICI. Madam President, I believe we are going to be able to avoid a rollcall vote on the second McCain amendment, No. 327, if Senator REID is permitted to speak for one moment indicating his opposition. I ask unanimous consent that that be the case, after which time we will return to the amendment, and there will not be a rollcall vote on it.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. There will be demonstration projects in the transportation bill that passes Congress this year. As long as there has been a House of Representatives and we have had highways, there have been demonstration projects. The House is showing no signs of giving them up this year. There is no chance—no chance—that the House will pass a transportation bill without earmarks for individual Member projects.

Given that knowledge, do we, as Members of the Senate, really want to unilaterally disarm? There are going to be demonstration projects, which there will be. Are we merely going to defer to the House? Wouldn't it be better, rather than slipping projects into the final bill going to conference, that we have an open discussion of the merits here on the floor?

At least the House—we should give them credit for having a process. The House committee of jurisdiction required that a 14-point checklist be filled out for each demonstration project this year. If you do not meet all 14, you do not get your project.

Only a few projects from the list will be selected for this funding. In the original ISTEA legislation, under 10 percent of the projects had earmarks. So $6.5 billion for demonstration projects out of the total authorization of about $160 billion.

I dispute the notion of the Senator from Arizona that all demonstration projects are glorified pork. That is not true in rapidly growing areas. It is very important to the State of Nevada. We should oppose this amendment.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, this is a sense-of-the-Senate resolution that we should not have any special projects. I urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 327.

The amendment (No. 327) was agreed to.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. If Senators will just bear with me. There is a lot of agreement now on amendments. So I am going to get rid of some of them before we take the next vote, thus eliminating a lot of votes we might have had to have.

AMENDMENT NO. 347, AS MODIFIED

Mr. DOMENICI. Madam President, I send to the desk Senator COVERDELL's amendment No. 347, as modified.

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

The amendment (No. 347), as modified, is as follows:

At the end of title II, add the following:

SEC. . SENSE OF CONGRESS REGARDING PARENTAL INVOLVEMENT IN PREVENTION OF DRUG USE BY CHILDREN.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the provisions of this resolution assume that, from resources available in this budget resolution, a portion should be set aside for a national grassroots volunteer effort to encourage parental education and involvement in youth drug prevention and to create a drug-intolerant culture for our children.

Mr. DOMENICI. It has been cleared on the other side. We accept it.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. DOMENICI. I yield back the time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 347), as modified, was agreed to.

AMENDMENT NO. 333

Mr. DOMENICI. We have also worked out Senator MOSELEY-BRAUN's amendment No. 333.

This amendment is a sense of the Senate that entitlement savings in the budget resolution should be used to protect the long-term future of Social Security and Medicare and maintain Federal discipline.

This is also a sense of the Senate. We urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 333.

The amendment (No. 333) was agreed to.

Mr. LAUTENBERG. I move to reconsider the vote.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 334

Mr. DOMENICI. I call up Moseley-Braun amendment No. 334.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Ms. MOSELEY-BRAUN, proposes an amendment numbered 334.

Mr. DOMENICI. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

(The text of the amendment is printed in the RECORD of May 21, 1997.)

Mr. DOMENICI. Madam President, this amendment is also a sense of the Senate that no change in Social Security should be made to reduce the value of the Social Security system for future generations. It is a sense of the Senate. I urge its adoption.

Ms. MOSELEY-BRAUN. Madam President, I rise to make brief statements concerning two of my amendments to the congressional budget resolution that the Members on both sides of the aisle have agreed to support.

These two amendments are of vital importance. They concern the value of

the Social Security program and the use of budget savings in the mandatory spending areas. These are vitally important amendments because they relate to that important issue of retirement security that should be a part of any discussions about the Federal budget.

The first amendment, which is amendment No. 333, expresses a sense of the Senate that the budget savings in the mandatory spending areas contained in this budget resolution should be used:

to protect and enhance the retirement security of the American people by ensuring the long-term future of the social security system;

to protect and enhance the health care security of senior citizens by ensuring the long-term future of the Medicare program and,

to restore and maintain Federal budget discipline to ensure that the level of private investment necessary for long-term economic growth and prosperity is available.

Mr. President, this amendment is important because:

twenty-two percent of every dollar spent by the federal government goes to the social security program,

another eleven percent of every dollar spent by the federal government goes to the Medicare program,

currently, spending on the elderly accounts for a third of the federal budget, and

while the federal budget deficit has dropped for the fourth straight year to $67 billion in 1997, measures need to be taken to ensure that this trend continues.

I am pleased that my colleagues have accepted this amendment and once again, reaffirmed our commitment to protecting Americans' retirement security and also reducing the deficit.

My second amendment, which is amendment No. 334, is one about which I know many Members of this body are also concerned. It has to do with the value of the Social Security program. I have begun to hold forums in my State as a means of starting the dialog with my constituents about the future of Social Security. I know that other Members have held similar forums in their States as well.

The amendment simply expresses the sense of the Senate that the budget resolution does not assume any legislative changes that would reduce the value of the Social Security program for future generations of retired citizens. This is an important amendment because we have an obligation to ensure that this program which has allowed a generation of Americans to retire with dignity must be preserved.

Madam President, a few facts will highlight the importance of the Social Security program to Americans.

First, 13 percent of the population is over age 65 and that percentage will increase to over 20 percent of the population by 2030;

Social Security provides over 80 percent of retirement income for 60 percent of seniors;

More than half of all senior citizens do not receive any private pension income;

Poverty rates among the elderly are at the lowest levels since we began collecting the data due in a large part to Social Security; and

Finally, the average Americans retiring in 2015 will have paid $250,000 in payroll taxes during their working career.

There is no question that current retirees rely heavily upon Social Security and future retirees expect the value of the program not to be diminished when they need it. Therefore, I am again happy that my colleagues support this amendment. I think we can all agree that we must protect the value of the Social Security program for future generations of Americans.

The PRESIDING OFFICER. If all time is yielded back, the question is on agreeing to the amendment.

The amendment (No. 334) was agreed to.

Mr. LAUTENBERG. I move to reconsider the vote.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, I believe Senator GRAMM of Texas is going to make a point of order.

MOTION TO WAIVE THE BUDGET ACT

Mr. GRAMM. Madam President, under section 601(b) of the Congressional Budget Act, I raise a point of order against the pending budget resolution, as it violates the discretionary spending caps for fiscal year 1998 as previously set in the 1993 budget resolution and reconciliation bill.

The PRESIDING OFFICER. Under the previous order, the Senator has 2 minutes to speak on his point of order.

Mr. GRAMM. Madam President, I think this is a defining moment for the Congress. I think it is a defining moment for those who believe in less Government and more freedom. I think it is a defining moment for people who are concerned about spending.

In 1993, on the floor of the Senate, on a straight party-line vote, with a Democrat majority in both Houses of Congress, and a Democrat President, we set out spending totals, including a cap on spending for fiscal year 1998.

Today, in this budget, we are going to bust that spending total by $8.795 billion. As far as I am aware, this will be the first time ever that a Democrat Congress has set a spending cap that a Republican Congress has come along and waived and violated, in this case by almost $9 billion.

I think that nothing could say more clearly what the problem is with this budget than the fact that we, as the first act in this budget, will be busting a spending cap and setting it aside, violating the rules of the budget in order to bring to the floor a new budget that spends more than the budget it seeks to replace.

I think it tells you something about our commitment to enforcing these numbers that our first act in adopting this budget is going to be to break the very caps that we claim will enforce the new budget.

So I simply want to ask my colleagues to remember, in 1993, when we had another budget on the floor, when it was adopted, we set out a procedure to enforce that budget by setting a cap on spending. Today, we are going to vote, on this vote, whether we are going to waive that spending cap or whether we are going to live up to it.

I hope my colleagues will vote against the motion to waive this budget point of order.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

The Senator from New Mexico.

Mr. DOMENICI. Madam President, parliamentary inquiry. Is it in order for me now to move to waive the point of order?

The PRESIDING OFFICER. The Senator may make the motion to waive.

Mr. DOMENICI. Madam President, pursuant to section 904(c) of the Congressional Budget Act of 1974, I move to waive section 601(b) of the Budget Act, and pursuant to section 24(b) of House Concurrent Resolution 218, fiscal year 1995 budget resolution, I move to waive section 24(a) of House Concurrent Resolution 218 for the consideration of this concurrent budget resolution for fiscal year 1998 as reported, any amendment to the House companion, and any conference report thereon.

Madam President, do I have 2 minutes to argue my case?

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 2 minutes.

Mr DOMENICI. When the 2 minutes is up, we vote?

The PRESIDING OFFICER. The Chair advises the Senator that the yeas and nays have not yet been ordered.

Mr. DOMENICI. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. The first thing you have to understand is that if this point of order is not waived the budget resolution that we propose for the next 5 years falls. It is gone. For those who would like it to disappear and we would have no budget resolution, we can start over, then vote for Senator GRAMM.

Actually, the problem we are confronted with is not one of overspending. It is one of technical estimating, nothing more. Two-thirds of this overage is because we underestimated the outlays—CBO did—the outlays of the expenditures on the Defense Department. Actually, there is no question that we have been operating under a very tight lid, and I do not believe we should be held responsible for a technical error made in the estimating of the costs of the Defense Department.

I believe we should waive this. As one who has been working on budgets, I put it this way. I do not waive the budget

easily but the better thing to do is to get this 5-year budget rather than to kill it over a point of order that, to me, makes little or no sense in the context of the next 5 years.

Whatever time I have remaining I yield back.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the motion of the Senator from New Mexico [Mr. DOMENICI] to waive section 24(a) of the Budget Act.

The yeas and nays have been ordered.

The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from North Dakota [Mr. DORGAN] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 66, nays 33, as follows:

[Rollcall Vote No. 87 Leg.]

YEAS—66

Akaka	Durbin	Lott
Baucus	Feingold	Lugar
Bennett	Feinstein	Mack
Biden	Ford	Mikulski
Bingaman	Glenn	Moseley-Braun
Bond	Gorton	Moynihan
Boxer	Graham	Murkowski
Breaux	Grassley	Murray
Bryan	Hagel	Reed
Byrd	Harkin	Reid
Campbell	Hatch	Roberts
Chafee	Inouye	Rockefeller
Cleland	Jeffords	Roth
Coats	Johnson	Sarbanes
Cochran	Kennedy	Smith (OR)
Collins	Kerrey	Snowe
Coverdell	Kerry	Specter
D'Amato	Kohl	Stevens
Daschle	Landrieu	Thurmond
DeWine	Lautenberg	Torricelli
Dodd	Levin	Wellstone
Domenici	Lieberman	Wyden

NAYS—33

Abraham	Gramm	McCain
Allard	Grams	McConnell
Ashcroft	Gregg	Nickles
Brownback	Helms	Robb
Bumpers	Hollings	Santorum
Burns	Hutchinson	Sessions
Conrad	Hutchison	Shelby
Craig	Inhofe	Smith (NH)
Enzi	Kempthorne	Thomas
Faircloth	Kyl	Thompson
Frist	Leahy	Warner

NOT VOTING—1

Dorgan

The PRESIDING OFFICER (Ms. COLLINS). Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

The point of order falls.

The Senator from New Mexico.

AMENDMENT NO. 316

Mr. DOMENICI. I would like to proceed to Senator ABRAHAM's amendment next, please.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. Thank you, Madam President. I will be very brief. This amendment is great straightforward. It is a sense-of-the-Senate amendment that says that if during the next 5 years the money sent to Washington by our taxpayers back home exceed the projections which we have made in this budget resolution—and I believe they might—that those excess additional revenues may only be spent for tax cuts or to reduce the deficit and cannot be used for more Federal spending.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. LAUTENBERG. Madam President, we are opposed to this amendment. It says that if the current balance results in better than expected economic growth that we ought to go back to the lopsided approach advocated by the majority. I, frankly, think it is illogical. Tax cuts and deficit reductions are not the only policies that can benefit the Nation. And unexpected tax revenue may well be put to good use funding essential Government programs. I don't think that we ought to get locked in at this juncture to insist that any excess revenues would go to tax cuts or deficit reduction. I think we ought to make our judgment at the time that these things occur.

ECONOMIC GROWTH DIVIDEND PROTECTION ACT OF 1997

Mr. ABRAHAM. Madam President, let me begin by praising Senator DOMENICI and the other negotiators for their hard work and diligence. They have worked for almost 4 months to put this resolution together and end the 18-month stalemate between the President and Congress over spending and taxes. Given these circumstances, I believe this agreement is a step in the right direction and I look forward to seeing many of its provisions enacted into law. On the other hand, while I intend support this budget resolution as a whole, I want to express reservations regarding some of its specifics.

First, I consider this resolution to be just a down-payment—not a solution—to the entitlement reforms that will be necessary to ensure the Federal Government's solvency going into the next century. As we all know, the baby boom generation will soon begin to retire, which will place enormous pressure on our Federal entitlement programs. According to the CBO, ". . . outlays for government programs that aid the elderly (Social Security, Medicare, and Medicaid) will burgeon as the number of people eligible to receive benefits from these programs shoots up."

Medicare is the first program to experience this problem and this resolution allows for important reforms to extend its solvency. That said, I believe these reforms neither go far enough nor call for the kinds of fundamental changes that will help Medicare stay solvent past the 10 years targeted by this resolution. I encourage the Finance Committee to embrace reforms like MSA's, Medicare Choice, HMO's, and PPO's as options that will increase patient options even as they hold down costs.

I am also concerned that Congress' historical bias toward ever-increasing spending is once again on display. While Senator DOMENICI and others have worked hard to reject the myriad of new spending proposals requested by the administration, the bottom line is 5-year spending under this resolution will increase by 17 percent between today and 2002. That increase is faster than the rate of inflation, and well above the growth rates encompassed in the past two budget resolutions.

By creating new Federal entitlements, this resolution opens the door for huge, unexpected spending increases down the road. I applaud efforts to improve the health of this Nation's children, but I believe the provision to make such funding mandatory is conterproductive to our efforts to restrain the growth of government spending. For that reason, I support efforts to make this funding discretionary.

Finally, I am concerned that the tax cuts called for in this resolution are so modest, especially in comparison to the spending increases included. In particular, I am concerned that, where, according to a USA Today poll from this March, 70 percent of the American people believe that they need a tax cut, under this resolution, Federal spending will grow 17 percent over 5 years while the net tax cuts are less than 1 percent of the total tax burden. Balancing the budget is one of my top priorities, but reducing the burden of government on Americans is my ultimate goal.

Why do Americans need a tax cut? According to the President's own economists, the tax burden on Americans is the highest ever—31.7 percent. According to the National Taxpayer Union, the average American family now pays almost 40 percent of their income in State, local, and Federal taxes. For all the talk about the "end of big government," the tax burden today is the highest ever. And while we address that burden in a small, incremental way with this budget resolution, we are also creating the possibility for ever-more spending later on.

I believe we need to tilt the playing field away from more spending and toward more tax reduction. Toward that end, I have offered amendment number 316 along with Senators BROWNBACK, COVERDELL, KYL, ASHCROFT, SESSIONS, ALLARD, HUTCHINSON, and FAIRCLOTH in order to focus the attention of the Senate on the plight of American taxpayers. I am also introducing legislation today which would codify this rule change into law.

Madam President, as we all know, on May 2d the Congressional Budget Office provided budget negotiators with a gift of sorts. In a letter to Senator DOMENICI, the CBO report that for this year, the deficit would be $45 billion less than previously reported. Instead of $112 billion, the deficit this year would be closer to $67 billion.

Moreover, the CBO suggested that this $45 billion windfall would extend over the next 5 years, so that the total devicit over that time would be reduced by $225 billion.

From my perspective, Madam President, this windfall can be viewed as a mixed-blessing. On the one hand, the continued strong performance of the

economy means more jobs and opportunity for Americans—as well as additional revenues to the Government.

On the other, coming as it did at literally the last possible moment in the budget negotiations, the windfall resulted in opening up opportunties for the administration to demand even higher levels of spending in 1998 and beyond. It is my understanding that all sorts of spending issues that had previously been closed were reopened following the CBO's surprise announcement.

One area that remained closed, however, was the issue of tax cuts. While the last 2 weeks have been filled with one announcement after another about increases in this program, and new funding for that program, the net tax cut number has remained stubbornly fixed at $85 billion.

I am going to support this resolution because I believe its net effect will be to reduce both the size and scope of the Federal Government. I am also going to support this resolution because, according to all accounts, the tax cuts incorporated in the plan will include significant incentives for economic growth and job creation—incentives like reducing the rate on which we tax capital gains and increasing the allowable contributions to IRA's.

These incentives will, I believe, result in higher economic growth over the next 5 years and increase—not decrease—revenues to the Federal Treasury.

Which brings me to my amendment.

What I am proposing is that, to the extent that tax revenues under this budget agreement—tax cuts and all—exceed the projections by the Joint Committee on Taxation, that extra revenue should be reserved for tax cuts and/or deficit reduction—not additional Government spending.

This is not an idle proposition—history shows that pro-growth tax cuts like cutting the capital gains tax rate result in large bonuses for the Treasury. Between 1978 and 1985, while the top marginal rate on capital gains was cut almost in half—from 35 to 20 percent—total annual Federal receipts from the tax almost tripled. They rose from $9.1 billion annually to $26.5 billion annually.

Conversely, when Congress raised the rate in 1986, revenues actually fell well below what was anticipated. Capital gains revenues actually fell following the Tax Reform Act of 1986. Economists across the board predict that cutting the capital gains rate will result in a revenue windfall for the Treasury. These windfalls should be given back to the taxpayers.

In pursuit of that goal, I am offering today, a sense-of-the-Senate amendment which in support of future tax cuts. It says, ''To the extent that actual revenues exceed the revenues projected under this resolution, that revenue windfall should be reserved exclusively for additional tax cuts and deficit reduction.''

Madam President, 2 years ago, a Readers Digest poll asked Americans: ''What is the highest percentage of income that is fair for a family of four making $200,000 to pay in all taxes?'' The median response, regardless of whether the respondent was rich or poor, black or white, was 25 percent.

A similar Grassroots Research poll last March discovered that a majority of Americans would favor a constitutional amendment that would prohibit Federal, State, and local taxes from taking ''a combined total of more than 25 percent of anyone's income in taxes.''

Yet, the Tax Foundation tells us that a dual-income family today pays an average 38.4 percent of their income in taxes to State, local, and Federal Governments.

This budget starts us down the long road toward reducing the tax burden on American families—but it is just the beginning. I intend to continue that fight. I hope my colleagues will support my amendment.

Mr. ABRAHAM. Madam President, I just seek unanimous consent to add Senators FAIRCLOTH, ALLARD, and HUTCHISON of Texas as additional cosponsors.

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

The Senator from New Mexico.

Mr. DOMENICI. I don't believe I have any time.

The PRESIDING OFFICER. Does the Senator from Michigan yield back the remainder of his time?

Mr. ABRAHAM. I yield the remainder of my time.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 56, nays 44, as follows:

[Rollcall Vote No. 88 Leg.]

YEAS—56

Abraham	Frist	McCain
Allard	Gorton	McConnell
Ashcroft	Gramm	Murkowski
Bennett	Grams	Nickles
Bond	Grassley	Roberts
Brownback	Gregg	Roth
Burns	Hagel	Santorum
Campbell	Hatch	Sessions
Chafee	Helms	Shelby
Coats	Hutchinson	Smith (NH)
Cochran	Hutchison	Smith (OR)
Collins	Inhofe	Snowe
Coverdell	Jeffords	Specter
Craig	Kempthorne	Stevens
D'Amato	Kohl	Thomas
DeWine	Kyl	Thompson
Domenici	Lott	Thurmond
Enzi	Lugar	Warner
Faircloth	Mack	

NAYS—44

Akaka	Bingaman	Bryan
Baucus	Boxer	Bumpers
Biden	Breaux	Byrd
Cleland	Hollings	Moseley-Braun
Conrad	Inouye	Moynihan
Daschle	Johnson	Murray
Dodd	Kennedy	Reed
Dorgan	Kerrey	Reid
Durbin	Kerry	Robb
Feingold	Landrieu	Rockefeller
Feinstein	Lautenberg	Sarbanes
Ford	Leahy	Torricelli
Glenn	Levin	Wellstone
Graham	Lieberman	Wyden
Harkin	Mikulski	

The amendment (No. 316) was agreed to.

Mr. DOMENICI. Madam President, I move to reconsider the vote.

Mr. MURKOWSKI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senate will be in order. The Senator from New Mexico is recognized.

AMENDMENT NO. 313

Mr. DOMENICI. Madam President, I believe we are ready to go to Senator WELLSTONE's amendment.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Thank you, Madam President. May I have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. WELLSTONE. Madam President, the budget——

Mr. DOMENICI. The Senate is not in order. We have to hear.

The PRESIDING OFFICER. The Senate will be in order. Senators desiring to converse will retire to their cloakrooms. Senators will take their seats. The Senator from Minnesota.

Mr. WELLSTONE. Madam President and Senators, the budget is all about priorities. This amendment speaks to priorities. This amendment says that we invest in crumbling schools all across our country $5 billion, that we should do that now. This amendment says that, while we have made progress with Head Start in this budget agreement, still only half the children, if you consider early Head Start, are covered and we should cover more of these children. This amendment says that last year we made cuts in the school breakfast program, we made cuts in the child nutrition programs for Family Head Start Centers, and therefore we ought to restore that nutritional funding for poor children in America.

Madam President, altogether this amendment says we make investments in these areas to the tune of about $20 billion over the next half decade, and the offset is to make sure that the cuts in taxes are targeted to middle income and small business, not the top 2 percent of the economic profile in the country, and that we look at all of these loopholes and deductions in corporate welfare.

The PRESIDING OFFICER. The time of the Senator has expired.

It is the Chair's understanding that the Senator is calling up amendment No. 313?

Mr. WELLSTONE. That is correct.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from New Mexico.

Mr. DOMENICI. Madam President, this amendment would reduce tax relief contained in the resolution by $16 billion in order to increase spending in programs that the Senator would like to see increased. It happens, in the programs that he would like to see increased, such as Head Start, this budget resolution has an increase of $2.7 billion. It makes it a priority program, so it will most probably be funded at that extraordinarily high level. That was agreed upon. But sometimes, no matter how much you do, it is not enough. In this case, the President brags about the fact that Head Start is going up and going up appreciably, $2.7 billion, yet the Senator would reduce our tax cut for the American people in order to add yet more to that program.

I do not believe that is what we ought to do. I yield back any time I have. Does the Senator from any time remaining?

The PRESIDING OFFICER. The time of the Senator has expired. All time has expired.

AMENDMENT NO. 357 TO AMENDMENT NO. 313

(Purpose: To provide children who have been victims of violent crime the ability to transfer to another school by allowing States and local educational agencies to use Federal education funds in the jurisdiction of the Labor Committee to assist such victims in attending any other school of their choice, whether public, private, or sectarian)

Mr. DOMENICI. On behalf of Senator COVERDELL, I submit a second-degree amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. COVERDELL, proposes an amendment numbered 357 to amendment No. 313.

On page 3, line 3, increase the amount by 0.
On page 3, line 4, increase the amount by 0.
On page 3, line 5, increase the amount by 0.
On page 3, line 6, increase the amount by 0.
On page 3, line 7, increase the amount by 0.
On page 3, line 11, increase the amount by 0.
On page 3, line 12, increase the amount by 0.
On page 3, line 13, increase the amount by 0.
On page 3, line 14, increase the amount by 0.
On page 3, line 15, increase the amount by 0.
On page 4, line 4, increase the amount by 0.
On page 4, line 5, increase the amount by 0.
On page 4, line 6, increase the amount by 2,539,000,000.
On page 4, line 7, increase the amount by 0.
On page 4, line 8, increase the amount by 0.
On page 4, line 12, increase the amount by 0.
On page 4, line 13, increase the amount by 0.
On page 4, line 14, increase the amount by 0.
On page 4, line 15, increase the amount by 0.
On page 4, line 16, increase the amount by 0.
On page 21, line 25, increase the amount by 0.
On page 22, line 1, increase the amount by 0.
On page 22, line 8, increase the amount by 2,539,000,000.
On page 22, line 9, increase the amount by 0.
On page 22, line 16, increase the amount by 0.
On page 22, line 17, increase the amount by 0.
On page 22, line 24, increase the amount by 0.
On page 22, line 25, increase the amount by 0.
On page 26, line 6, increase the amount by 0.
On page 26, line 7, increase the amount by 0.
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On page 26, line 15, increase the amount by 0.
On page 26, line 22, increase the amount by 0.
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On page 27, line 5, increase the amount by 0.
On page 27, line 6, increase the amount by 0.
On page 27, line 13, increase the amount by 0.
On page 27, line 14, increase the amount by 0.
On page 38, line 14, increase the amount by 0.
On page 38, line 15, increase the amount by 0.
On page 40, line 17, decrease the amount by 0.
On page 41, line 7, decrease the amount by 0.
On page 41, line 8, decrease the amount by 0.
On page 43, line 21, increase the amount by 0.
On page 43, line 22, increase the amount by 0.
On page 43, line 24, increase the amount by 0.
On page 43, line 25, increase the amount by 0.
On page 44, line 2, increase the amount by 0.
On page 44, line 3, increase the amount by 0.
On page 44, line 5, increase the amount by 0.
On page 44, line 6, increase the amount by 0.

Mr. DOMENICI. I yield my time to the Senator from Georgia.

Mr. COVERDELL. Madam President, the issue embraced by this amendment is simple but important. In too many schools across our Nation the focus for our children is not on education but survival. Just 2 days ago, as I read from the Washington papers, four teenagers were arrested and charged with gang raping a 14-year-old girl last month by luring her from a cafeteria at a public high school in Queens to an unused classroom to carry out the attack, the authorities said yesterday. This amendment would allow local school districts, agencies, the right to use a voucher system to allow a victim of a crime to escape this kind of environment.

Madam President, I yield my time.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Madam President, my colleagues on the other side do not want to have an up-or-down vote on whether or not they are willing to invest in child nutrition programs and whether or not they are willing to invest in rotting schools. Instead of this increased investment, they want to now vote on the proposition that we have funds that go in an unlimited, unconditional way through a private voucher plan. That is what this vote is all about.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Madam President, we are talking now about a whole different program outside the budget resolution. Vouchers —vouchers do not deserve to be debated in this context. We ought to absolutely oppose it. I hope we will find some of our friends on the Republican side who will also oppose the notion of transferring these funds into school vouchers.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Do Senators yield back all their time? All time is yielded.

The question is on agreeing to the second-degree amendment. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER (Mr. ROBERTS). Are there any other Senators in the Chamber who desire to vote?

The result was announced, yeas 51, nays 49, as follows:

[Rollcall Vote No. 89 Leg.]

YEAS—51

Abraham	Frist	McCain
Allard	Gorton	McConnell
Ashcroft	Gramm	Murkowski
Bennett	Grams	Nickles
Bond	Grassley	Roberts
Brownback	Gregg	Roth
Burns	Hagel	Santorum
Campbell	Hatch	Sessions
Coats	Helms	Shelby
Cochran	Hutchinson	Smith (NH)
Coverdell	Hutchison	Smith (OR)
Craig	Inhofe	Snowe
D'Amato	Kempthorne	Stevens
DeWine	Kyl	Thomas
Domenici	Lott	Thompson
Enzi	Lugar	Thurmond
Faircloth	Mack	Warner

NAYS—49

Akaka	Feingold	Levin
Baucus	Feinstein	Lieberman
Biden	Ford	Mikulski
Bingaman	Glenn	Moseley-Braun
Boxer	Graham	Moynihan
Breaux	Harkin	Murray
Bryan	Hollings	Reed
Bumpers	Inouye	Reid
Byrd	Jeffords	Robb
Chafee	Johnson	Rockefeller
Cleland	Kennedy	Sarbanes
Collins	Kerrey	Specter
Conrad	Kerry	Torricelli
Daschle	Kohl	Wellstone
Dodd	Landrieu	Wyden
Dorgan	Lautenberg	
Durbin	Leahy	

The amendment (No. 357) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MURKOWSKI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 313

The PRESIDING OFFICER. The question recurs on the Wellstone No. 313, as amended.

The question is on agreeing to the amendment.

The amendment (No. 313), as amended, was agreed to.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I believe Senator GRAMS has an amendment. He is going to call it up.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

AMENDMENT NO. 346

Mr. GRAMS. Mr. President, I call up amendment No. 346.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. GRAMS] proposes an amendment numbered 346.

(The text of the amendment is printed in the RECORD of May 21, 1997.)

The PRESIDING OFFICER. The Senator is recognized.

Mr. GRAMS. Thank you, Mr. President. I will be brief, but I will try to talk loudly.

This is a simple and straightforward amendment, and it will address just two of the weaknesses of the budget agreement; namely, big spending for the Government and small tax relief for working Americans.

All it does is to require that we use half of the $225 billion of the CBO revenue windfall for tax relief and half for deficit reduction and keep nondefense discretionary spending at the cap freeze baseline level.

If the $225 billion in extra money is, indeed, real, it did not fall mysteriously from the sky. It is money that belongs, first and foremost, to the American taxpayers, and it should be put to proper use. Keeping nondefense spending at freeze baseline levels would reduce total spending by only 1.5 percent over the next 5 years. If American workers are working harder and producing more, they should be able to keep it, not send it to Washington.

So I urge my colleagues to support this amendment, and I thank you very much, Mr. President.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who seeks time? The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I say to my fellow Senators, it is with regret that I have to oppose this amendment. Essentially, this would totally break the budget agreement. We would be back at ground zero. This would propose to take another $134 billion in cuts out of the domestic programs beyond that which we did in this budget, another $134 billion cut off the discretionary programs that are only growing at half a percent.

I also must tell you the so-called windfall was used in the following manner: Only $30 billion of it was used for spending over the 5 years, and that went for defense, transportation, and dropping the per capita cap on Medicare.

I believe that we had to do that. I believe it was in everybody's interest that we do that. That is where it went, and that is what we did. So if time has expired, I move to table the amendment.

The PRESIDING OFFICER. The question is on the motion to lay on the table the amendment No. 346.

Mr. MACK. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 73, nays 27, as follows:

[Rollcall Vote No. 90 Leg.]

YEAS—73

Abraham	Dorgan	Lieberman
Akaka	Durbin	Lott
Baucus	Feingold	Lugar
Bennett	Feinstein	Mack
Biden	Ford	Mikulski
Bingaman	Frist	Moseley-Braun
Bond	Glenn	Moynihan
Boxer	Gorton	Murkowski
Breaux	Graham	Murray
Bryan	Hagel	Reed
Bumpers	Harkin	Reid
Burns	Hatch	Robb
Byrd	Hollings	Roberts
Campbell	Inouye	Rockefeller
Chafee	Jeffords	Sarbanes
Cleland	Johnson	Shelby
Cochran	Kempthorne	Smith (OR)
Collins	Kennedy	Snowe
Conrad	Kerrey	Specter
Craig	Kerry	Stevens
D'Amato	Kohl	Torricelli
Daschle	Landrieu	Wellstone
DeWine	Lautenberg	Wyden
Dodd	Leahy	
Domenici	Levin	

NAYS—27

Allard	Grassley	Nickles
Ashcroft	Gregg	Roth
Brownback	Helms	Santorum
Coats	Hutchinson	Sessions
Coverdell	Hutchison	Smith (NH)
Enzi	Inhofe	Thomas
Faircloth	Kyl	Thompson
Gramm	McCain	Thurmond
Grams	McConnell	Warner

The motion to lay on the table the amendment (No. 346) was agreed to.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Thank you, Mr. President.

Mr. President, might I say to the Senate, in terms of the budget resolution, unless something untoward occurs, we have no more than three votes remaining. So we ought to be finished in reasonably short order, although I want to remind everyone that in the morning announcement the leader said we might have votes in the remainder of the day on judges and a treaty. So before you assume there will be no additional votes, you better check with the hot line or with the leadership office.

Mr. DOMENICI. The next amendment is Wellstone amendment No. 314.

I yield the floor.

AMENDMENT NO. 314

Mr. WELLSTONE. I call up amendment No. 314.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE], for himself, Mr. REED, Mr. BINGAMAN, and Mr. MOYNIHAN, proposes amendment numbered 314.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

(The text of the amendment is printed in the RECORD of May 21, 1997.)

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. I proposed the amendment with Senator REED, and also as cosponsors are Senator BINGAMAN and Senator MOYNIHAN.

This amendment, I say to my colleagues, expands the Pell grant program. It takes it up to $3,500. It is authorized up to $4,500 right now. It is a commitment of about $6 billion over 5 years. This will help thousands of families.

This will make a huge difference, especially to families with incomes of about $25,000 to $30,000 who, more or less, fall between the cracks on some of the other assistance that we are giving. So it is very targeted. It is very effective. The money comes from loopholes and deductions.

We could be talking about tens of billions, if not hundreds of billions of dollars, in that. Just invest a little more in the Pell grant program. This is extremely important to working families in our country.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. I thank the Chair.

I ask the Senator, do you yield back your time?

Mr. WELLSTONE. Senator REED was going to speak.

The PRESIDING OFFICER. The Senator has 4 seconds remaining under his time.

Mr. WELLSTONE. I thought we had 2 minutes.

Mr. FORD. Equally divided.

The PRESIDING OFFICER. The Chair reminds the Senator that there was 1 minute for each side.

Mr. WELLSTONE. Mr. President, it was my mistake, I say to my colleagues.

I ask unanimous consent that Senator REED have 30 seconds to speak.

Mr. DOMENICI. No objection.

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

Mr. REED. I thank the Chair. I will make two very brief points.

First, in 1972, we passed the Pell grant. If we simply indexed that grant for inflation, the maximum Pell grant today would be $4,300. We are asking for an increase from $3,000 in this budget to $3,500. Second, back in 1980, the maximum Pell grant covered 72 percent of the cost of a 4-year public college. Now it covers roughly 20 percent. We need more. That is what the Wellstone-Reed amendment asks us to do.

Mr. WELLSTONE. I ask unanimous consent that Senator MOSELEY-BRAUN be added as an original cosponsor.

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

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, this amendment should be defeated. The budget resolution before the Senate increases Pell grants from $2,700 to $3,000. Even the President of the United States says that is adequate. This will be a very healthy increase. We have already done that. I do not believe we ought to add further moneys to the Pell grants and take it away from the taxpayers of this country. It is that simple. There is adequate funding already in this bill.

I yield back the balance of my time.

AMENDMENT NO. 358 TO AMENDMENT NO. 314

(Purpose: To ensure that the provisions of this resolution assume that any higher education tax relief are consistent with the objectives set forth in this resolution and shall include provisions that encourage parents and students to save for higher education expenses and that provide relief from the debt burden associated with borrowing to pay for a postsecondary education)

Mr. DOMENICI. Mr. President, I send a second-degree amendment to the desk on behalf of Senator SNOWE and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Ms. SNOWE, for herself and Mr. COVERDELL, proposes an amendment numbered 358.

Mr. DOMENICI. Mr. President, I ask unanimous-consent reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 3, line 4, increase the amount by 0.
On page 3, line 5, increase the amount by 0.
On page 3, line 6, increase the amount by 0.
On page 3, line 7, increase the amount by 0.
On page 3, line 12, increase the amount by 0.
On page 3, line 13, increase the amount by 0.
On page 3, line 14, increase the amount by 0.
On page 3, line 15, increase the amount by 0.
On page 4, line 5, increase the amount by 0.
On page 4, line 6, increase the amount by 0.
On page 4, line 7, increase the amount by 0.
On page 4, line 8, increase the amount by 0.
On page 4, line 13, increase the amount by 0.
On page 4, line 14, increase the amount by 0.
On page 4, line 15, increase the amount by 0.
On page 4, line 16, increase the amount by 0.
On page 21, line 25, increase the amount by 0.
On page 22, line 1, increase the amount by 0.
On page 22, line 8, increase the amount by 0.
On page 22, line 9, increase the amount by 0.
On page 22, line 16, increase the amount by 0.
On page 22, line 17, increase the amount by 0.
On page 22, line 24, increase the amount by 0.
On page 22, line 25, increase the amount by 0.
On page 43, line 21, increase the amount by 0.
On page 43, line 22, increase the amount by 0.
On page 43, line 24, increase the amount by 0.
On page 43, line 25, increase the amount by 0.
On page 44, line 2, increase the amount by 0.
On page 44, line 3, increase the amount by 0.
On page 44, line 5, increase the amount by 0.
On page 44, line 6, increase the amount by 0.

Ms. SNOWE. I thank Senator DOMENICI.

I understand the intent of the amendment offered by the Senator from Minnesota in terms of expanding the Pell Grant Program, and I am pleased the budget agreement includes increasing the maximum grant by $300.

Unfortunately, the Senator's amendment is in violation of the budget agreement, so I am offering an amendment that says we shall include two types of tax cut proposals in the $35 billion postsecondary educational tax cut package in this budget agreement. One proposal would provide incentives for parents and students to save for a postsecondary education. The other proposal would be to try to offset the debt that is incurred by students as a result of borrowing to attend college.

My amendment is consistent with the objectives that were put forward in the budget agreement, as agreed to by President Clinton and the negotiators, and I urge its adoption.

Mr. President, as we all know, the budget resolution provides for $85 billion in net tax relief over the coming 5 years. In a May 15, 1997, letter to President Clinton, the Speaker of the House and the Senate majority leader agreed that the tax package ''must include tax relief of roughly $35 billion over 5 years for postsecondary education, including a deduction and a tax credit.'' The letter further stipulated that this package of postsecondary education tax cuts ''should be consistent with the objectives put forward in the HOPE scholarship and tuition tax proposals contained in the administration's fiscal year 1998 budget.''

Now, even before that letter was crafted, there had been concerns about the inclusion of any type of education tax cuts in the balanced budget plan. For some, the inclusion of such targeted tax cuts would undermine the overall effort to provide broad-based tax relief for as many Americans as possible. For others, the postsecondary tax cut proposals put forward by President Clinton were viewed as potentially counter-productive because they might actually encourage tuition increases or grade inflation.

Regardless of how one feels about educational tax cuts in general—or President Clinton's postsecondary education tax cut proposals specifically—I think we can all agree that the objective of the $35 billion education tax cut package in this resolution, and President Clinton's fiscal year 1998 educational tax cut proposals, are clear: Postsecondary educational tax cuts must promote access to a higher education while addressing the needs of parents and students.

And the amendment I am offering today would encourage that we do both. It is an amendment stating that our $35 billion postsecondary tax cut package shall provide tax incentives that encourage students and parents to save for a postsecondary education, and provide relief from the debt burden associated with borrowing to pay for a postsecondary education. These two proposals—and my amendment—are not only consistent with the objectives laid out by President Clinton in his own budget proposal, but also with the objectives outlined in the May 15 letter from the Speaker of the House and our majority leader.

Mr. President, a strong commitment to education is included in this budget agreement because of a recognition that education is the great equalizer in our society that can give every citizen of our Nation—regardless of race, income, or geographic background—the same opportunity to succeed in the global economy of the 21st century. It's the same reason I decided to make education a priority during the 1995 and 1996 balanced budget debate, and fought to preserve funding for the Student Loan Program—a program that ensures access to higher education for lower-income students. A bipartisan majority of the Senate shared that commitment, and we now have the opportunity to further strengthen access to higher education through the crafting of sound tax proposals within this balanced budget package.

As we seek to identify proposals that would improve access to a higher education, it is critical that we first recognize the primary barrier that stands between a student and a post-secondary education: rising costs. According to the Institute of Higher Education Policy, students at the undergraduate level have seen tuition increases outpace inflation for more than a decade. As a result of these increasing costs, an estimated 7.6 million students will require and receive aid in 1997—and this number is expected to increase to 8.1

million in 1998. Similarly, due to the significant costs of graduate and professional school training, borrowing by these students is increasing even faster than the record rate of increase in total student loan borrowing overall.

How much money is borrowed by students to meet these rising costs? According to a 1996 analysis by USA Group Loan Services, the typical student loan borrower—including undergraduate, graduate, and doctoral students—now accumulates more than $10,000 in educational debt. By the same token, the interest paid on this borrowing is enormous. In Maine alone, students pay $25 million in interest on their student loan debts every year. Clearly, these rising costs and accumulating debts place the future of our children and our Nation at stake. Many students may wonder if they will ever be able to pay off the debt burden they will absorb if they go to college—and others will simply drop the idea of pursuing a higher education altogether in light of these numbers.

Mr. President, Congress must remain committed to ensuring that every individual has the opportunity to pursue a higher education while adopting policies that ensure students are not dissuaded from attending a post-secondary institution for financial reasons. While no tax cut can completely remove financial barriers to a higher education, we can certainly endorse sound policies as part of this resolution that adhere to the agreement reached with the White House and move us in the right direction. I believe that providing incentives for parents and students to save for a higher education, and providing tax relief for the debt accumulated by those who need to borrow, is among the policies we should adopt to move us in that direction.

While the amendment I am offering today does not endorse any specific bill or plan, I would like to note that I offered legislation on May 1 that would accomplish both of these goals. S. 680, the ''Go to College!'' Tax Incentives Act, would promote savings by young Americans and their parents to prepare for the rising cost of a higher education, and ensure that students are not discouraged from applying for students loans simply because of the debt burden they would incur in seeking a higher education.

First, the legislation provides an incentive for parents and children to put aside as much as $1,000 per child annually in an education savings account that would be allowed to grow tax free. Planning for the future is critical when one considers the rising cost of tuition, and my incentive to save would make such planning less difficult. Second, the legislation provides a tax credit of $1,500 for the interest paid on student loans, thereby encouraging students to borrow as necessary to go to college—not balk at the cost of a higher education and the related debt they need to incur.

Many Members of this body have supported restoring the deduction for interest paid on student loans—as evidenced in both of the Republican and Democratic leader bills, S. 1 and S. 12 respectively. While I, too, have long supported the restoration of this deduction, the credit I am proposing in S. 680 would be even more beneficial. Simply put, a tax deduction lowers a student's gross income on the Federal income tax form—but a tax credit actually reduces the tax liability of a student. Although this provision would not benefit students immediately, they would be assured of substantial tax relief once they begin to pay off the student loan debt they accumulated when they chose ''go to college'' in the first place.

Again, the amendment I am offering today does not call for the adoption of the ''Go to College!'' Tax Incentives Act—rather, I mention my bill only to show that there are proposals on the table that would achieve the objectives sought by President Clinton, and that can be further reviewed during budget reconciliation. Ultimately, any number of these proposals could effectively meet the objectives set forth by President Clinton and the majority leader, and I am hopeful that we will adopt the best such approaches during the reconciliation process. Therefore, although the amendment I am offering today does not endorse a specific bill, it ensures that we at least adopt two types of proposals that will move us in the right direction.

Mr. President, we must ensure that our nation's students do not turn away from pursuing a higher education due to rising costs and increasing debt burdens. This amendment would ensure that we address these issues during the ongoing reconciliation process, while remaining consistent with the objectives laid out in this balanced budget agreement, and I urge its adoption. Thank you, Mr. President.

Mr. WELLSTONE. Mr. President, we will agree to a voice vote on this amendment.

With all due respect to my colleague, whom I greatly respect, No. 1, this second-degree amendment strikes out all the investment, so as opposed to plugging some of the loopholes in corporate welfare we make no investment in the expansion of Pell grants. That is what this vote is about.

No. 2, you can talk about savings. Families with incomes under $20,000 a year—since 1979, 8 percent of them, women and men from those families, have been able to graduate from college. Do you not think we ought to make sure they get assistance?

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. Mr. President, no one objects to Pell grants. This should be a vote about expanding the Pell grants so we can change the reality that faces working families in this country.

In 1975, 80 percent of Federal financial assistance was in the form of grants and 20 percent in loans. Today, those numbers are reversed. I believe we should expand the Pell grants along the lines of the Wellstone-Reed amendment.

I hope we can do that sometime.

The PRESIDING OFFICER. All time has expired. The question now is on agreeing to the second-degree amendment of the Senator from Maine.

The amendment (No. 358) was agreed to.

Mr. DOMENICI. I move to reconsider the vote.

Mr. LAUTENBERG. I move to lay it on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 314

The PRESIDING OFFICER (Mr. THOMAS). The question now occurs on the amendment of the Senator from Minnesota, as amended.

The amendment (No. 314), as amended, was agreed to.

Mr. DOMENICI. Senator SPECTER has an amendment, and I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

AMENDMENT NO. 340

Mr. SPECTER. Mr. President, I call for a vote on amendment No. 340.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER] proposes an amendment numbered 340.

(The text of the amendment is printed in the RECORD of May 21, 1997.)

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, this is a very important amendment because it will determine whether we will have an increase in NIH grants and, in fact, whether we will have NIH grants at their current level.

Night before last, by a vote of 98 to 0, this body passed a sense-of-the-Senate resolution which increased NIH grants by $2 billion. But the fact is that the 550 account on health is cut by $100 million. This amendment asks the Senate to put its money where its mouth is. If the sense of the Senate which passed two nights ago is to have any sense, this amendment has to be agreed to.

I understand that the leadership is opposed to this amendment. I understand that there is an argument that nothing we do here on this budget resolution amounts to anything; that it is all up to the appropriators. In a sense, that is correct. But I believe the appropriators will be influenced by a positive vote here, especially when the leadership is going to try to defeat this amendment.

If this amendment is defeated, I can explain to the constituency groups who come to me as chairman of the subcommittee that there was no money. But if this sense-of-the-Senate resolution for $2 billion is to be understood, this amendment has to pass.

I thank the Chair.

Mr. DOMENICI. I yield time in opposition to the chairman of the Appropriations Committee.

Mr. STEVENS. Mr. President, I ask Senators to do something irregular—that is, pick up the bill and look at what this amendment does to the Appropriations Committee. On page 23, you will see on line 9 an increase of $137.8 billion for health. If you look at page 35 where this amendment touches, it has ''new budget authority for allowances''—no new budget, no outlays.

What it means is we would have to go into every other account and pull out money to put it in this one account, an account that is already increased under this budget by $137.8 billion.

The Senator came to me and asked me if I would be bound by this. I checked with Senator BYRD. We cannot be bound by this. Some of those accounts—by the way, this is an absolute across-the-board cut—cannot take that.

For those of you in agriculture, agriculture has already been cut. Space and technology has already been cut. We have to go in and cut those further in order to put this money into an account that has already a $137.8 billion increase under this budget.

I urge you to vote against it, because we do not want to have to go against the sense of the Senate. But we would have to under this because we cannot comply with this.

I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alaska to lay on the table the amendment of the Senator from Pennsylvania. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 63, nays 37, as follows:

[Rollcall Vote No. 91 Leg.]

YEAS—63

Abraham	Dorgan	Lieberman
Allard	Enzi	Lott
Ashcroft	Faircloth	Lugar
Bennett	Ford	McCain
Biden	Frist	McConnell
Bond	Gorton	Murkowski
Breaux	Gramm	Nickles
Bryan	Grams	Reid
Bumpers	Gregg	Roberts
Burns	Hagel	Rockefeller
Byrd	Hatch	Roth
Campbell	Helms	Sessions
Chafee	Hutchinson	Shelby
Cleland	Hutchison	Smith (NH)
Coats	Inhofe	Smith (OR)
Cochran	Johnson	Stevens
Conrad	Kempthorne	Thomas
Coverdell	Kyl	Thompson
Craig	Landrieu	Thurmond
Daschle	Lautenberg	Torricelli
Domenici	Leahy	Warner

NAYS—37

Akaka	Collins	Feingold
Baucus	D'Amato	Feinstein
Bingaman	DeWine	Glenn
Boxer	Dodd	Graham
Brownback	Durbin	Grassley
Harkin	Levin	Santorum
Hollings	Mack	Sarbanes
Inouye	Mikulski	Snowe
Jeffords	Moseley-Braun	Specter
Kennedy	Moynihan	Wellstone
Kerrey	Murray	Wyden
Kerry	Reed	
Kohl	Robb	

The motion to table the amendment (No. 340) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, if I could have the attention of the Senate, everybody is asking where we are on this.

The PRESIDING OFFICER. May we have order? The Senator from New Mexico.

Mr. DOMENICI. Mr. President, let me say to Senators I have about five clean-up matters and one amendment we are going to accept, and then we go right to final passage. That should not be longer than 3 or 4 minutes.

AMENDMENT NO. 359

(Purpose: To make technical corrections)

Mr. DOMENICI. Mr. President, I send a managers' technical corrections amendment to the desk. It has been approved by both sides. It is nothing but numbers, number changes.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for himself and Mr. LAUTENBERG, proposes an amendment numbered 359.

On page 4, increase the amount on line 4 by $1,800,000,000.

On page 4, decrease the amount on line 5 by $100,000,000.

On page 4, decrease the amount on line 7 by $200,000,000.

On page 4, decrease the amount on line 8 by $300,000,000.

On page 4, decrease the amount on line 13 by $200,000,000.

On page 4, decrease the amount on line 14 by $100,000,000.

On page 4, decrease the amount on line 15 by $200,000,000.

On page 4, decrease the amount on line 16 by $400,000,000.

On page 4, decrease the amount on line 20 by −$200,000,000.

On page 4, decrease the amount on line 21 by −$100,000,000.

On page 4, decrease the amount on line 22 by −$200,000,000.

On page 4, decrease the amount on line 23 by −$400,000,000.

On page 5, increase the amount on line 2 by $4,800,000,000.

On page 5, increase the amount on line 3 by $6,200,000,000.

On page 5, increase the amount on line 4 by $6,100,000,000.

On page 5, increase the amount on line 5 by $7,700,000,000.

On page 18, increase the amount on line 8 by $1,800,000,000.

On page 23, increase the amount on line 15 by $100,000,000.

On page 23, increase the amount on line 22 by $100,000,000.

On page 24, increase the amount on line 12 by $100,000,000.

On page 29, decrease the amount on line 18 by $200,000,000.

On page 29, decrease the amount on line 19 by $200,000,000.

On page 30, decrease the amount on line 2 by $300,000,000.

On page 30, decrease the amount on line 3 by $300,000,000.

On page 30, decrease the amount on line 10 by $300,000,000.

On page 30, decrease the amount on line 11 by $300,000,000.

On page 30, decrease the amount on line 18 by $300,000,000.

On page 30, decrease the amount on line 19 by $300,000,000.

On page 39, line 1, strike beginning with the word ''provide'' through line 4, the word ''outlays'', and insert ''reduce the deficit''.

On page 39, decrease the amount on line 22 by $35,000,000.

On page 39, decrease the amount on line 23 by $75,000,000.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 359) was agreed to.

AMENDMENT NO. 309

Mr. DOMENICI. Mr. President, I call up amendment 309. This amendment creates a reserve fund with no money in it for childhood education. I urge we adopt it.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. KERRY, for himself, proposes an amendment numbered 309.

(The text of the amendment is printed in the RECORD of May 21, 1997)

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 309) was agreed to.

AMENDMENT NO. 319 WITHDRAWN

Mr. DOMENICI. I understand, Senator GRAMM, you withdraw amendment 319?

Mr. GRAMM. I do.

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

The amendment (No. 319) was withdrawn.

Mr. LAUTENBERG. Mr. President, I would like to engage in a colloquy with Senator DOMENICI regarding the investment in transportation that is included in this budget agreement.

Mr. President, as most of my colleagues know, I am a strong believer in increasing investment in transportation, whether for roads, bridges, rail systems, aviation, or mass transit. All modes of transportation are important, and all need to be supported.

We have been working hard in the negotiations to increase total investment in transportation, and we have had some success. We have increased total transportation outlays over the President's request by more than $8 billion over the next 5 years. That is not as much as I would like, but it is a start.

I would like to clarify one element of the budget agreement as it relates to

spending the estimated revenues of the highway trust fund over the next 5 years. That is a goal with which I agree. In an ideal world, I would support even higher spending levels from the highway trust fund.

However, it is important to clarify that, while this agreement includes an assumption that we will spend from the highway trust fund the amounts equivalent to receipts currently estimated to come into the trust fund, the possibility that receipts will grow beyond the levels currently estimated could endanger our ability to comply with other equally important assumptions in this agreement including increased spending for mass transit and Amtrak.

In the end, the Appropriations Committee will have to set ceilings for individual subcommittees and funding levels for specific transportation programs, and I want to clarify that increases in highway trust fund spending will not negatively impact other modes of transportation, especially mass transit and Amtrak.

I therefore would ask my good friend, the chairman of the Budget Committee, do you agree that nothing in this agreement, nor in the budget resolution, requires the Senate to spend all gas tax revenues without regard for the potentially negative impact on other modes of transportation?

Mr. DOMENICI. Senator LAUTENBERG is correct.

The budget resolution contains an assumption that the Appropriations Committee will provide adequate funding to spend all gas tax revenues into the highway trust fund. In addition, the budget resolution also contains an assumption which provides increased funding for mass transit and Amtrak, in addition to the increase in highway trust fund spending. Therefore, I am optimistic that this agreement provides enough funding to accomplish our mutual goals of spending all trust fund revenues while maintaining our commitments to other modes of transportation, including increased funding for mass transit and Amtrak.

Mr. MCCAIN. Mr. President, I rise for the purpose of entering into a short colloquy with the distinguished chairman of the Budget Committee. Mr. DOMENICI, I understand that the budget resolution assumes reinstatement of the aviation excise taxes, which fund important aviation safety and security programs, and include the 10 percent tax on the price of domestic airline tickets.

Mr. DOMENICI. That is correct.

Mr. MCCAIN. As you know, the National Civil Aviation Review Commission has undertaken a review of the appropriate funding structure for the national aviation system, and is scheduled to report its legislative recommendations at the end of this summer. The commission may develop an acceptable alternative to the traditional aviation excise tax system. Am I correct in assuming that the budget resolution does not preclude substituting an alternative funding mechanism for the current aviation excise taxes?

Mr. DOMENICI. That is my understanding, as well. The budget resolution assumes reinstatement of the aviation excise taxes. This assumption should not be read to preclude replacement of the taxes with an alternative means of funding the national aviation system, as long as that alternative is consistent with the budget resolution.

Ms. SNOWE. Mr. President, when it comes to our budget deliberations, the temptation of politics has often made our search for a balanced budget a difficult one. For a long time, I think all Members of this body would agree that too much time was spent aggressively defending narrow or partisan interests. Personal political interests were sometimes placed above pressing national interests. And common, bipartisan objectives were too seldom charted or pursued. The result for our Nation is now as widely known as it was troublesome: Spending kept expanding. Deficits kept rising. And confidence in Government kept diminishing.

But here today, Mr. President, with a balanced budget plan before us for the first time in 28 years, it's encouraging to think that we may be reaching a new beginning. Much of the credit for bringing us to this point belongs to the chairman of the Budget Committee, PETE DOMENICI. The chairman has demonstrated his unwavering commitment to a balanced budget during his years of service on the Budget Committee, and, ultimately, it was his leadership that brought both sides to the table and made this day possible. For his ongoing efforts, I believe that the chairman is deserving of our thanks—and the thanks of generations of Americans to come.

Let me also thank our majority leader, TRENT LOTT, for his effort and commitment to making this agreement possible, and the President of the United States for his willingness to negotiate and compromise. I know that it is the hope and expectation of most Americans that President Clinton will continue to stay focused on the balanced budget goal and see this plan through to fruition.

And, finally, we should also recognize the other leaders of the House and the Senate who were engaged in this process. They, too, pursued this resolution with determination and vigor—and forged consensus on some very divisive issues. We would not be here today without their leadership.

But Mr. President, we have also reached this encouraging point in our budget deliberations because—at last—there is a widespread recognition that deficits threaten this Nation in unacceptable ways—and that decisive action is needed now to ward off economic crisis. The numbers speak for themselves. According to estimates from the President's own Office of Management and Budget, if we do nothing, the deficit will double in 15 years, then double again every 5 years thereafter. Left unchecked, according to OMB, the deficit would reach $2 trillion by 2025.

We also know that such a scenario would prove intolerably costly to this Nation. OMB forecasts that if we fail to reign in the deficit now, future generations will suffer an 82-percent tax rate and a 50-percent reduction in benefits in order to pay the bills we are leaving them today. And the Congressional Budget Office has issued a similarly grave warning, arguing a year ago that: ''* * * current U.S. budget policies cannot be sustained without risking substantial economic damage.''

Eighty-two-percent tax rates. Fifty-percent reductions in benefits. Substantial economic damage. This is not some futuristic nightmare, Mr. President. This is the economy that lies ahead for America unless we act now, unless we lay the groundwork for long-term deficit elimination by adopting this resolution.

Mr. President, this agreement provides us with an historic opportunity to place our country back on the right fiscal path. But it also provides the American people some assurance that our political process can work. After more than 2 years of competing proposals, acrimonious debates, and fruitless negotiations, many Americans have become understandably cynical of our ability and even willingness to ever agree on a plan to balance the budget. But this agreement should give us some hope. It proves that we can compromise on specifics without compromising on principle—that when an agreement indisputably benefits the American people, we can set aside partisanship and get the job done.

Of course, while the resolution before us today is an encouraging one and should be celebrated, we should also recognize what it is not. This is only a first step, Mr. President, and no Member of this body can say with certainty that this resolution signals a conclusive end to the failed budget politics of old. Indeed, I believe that only a balanced budget amendment to the Constitution can ensure that fiscal prudence and responsibility will be exercised indefinitely into the future.

And let me be clear about another matter. The budget resolution before us is not perfect. Are there flaws in it? Yes, Mr. President, I think there are. In fact, I suspect that every Member of this body could find aspects that trouble them in this resolution—aspects that they may have written in a slightly or even greatly different manner.

For instance, some may criticize this resolution because it expands new entitlements or does too little to reform existing entitlements before the baby boom generation begins to retire. In fact, it is with the latter concern in mind that I am particularly troubled by the assumption of home health care being shifted from part A to part B of Medicare. I fear that this shift may actually imperil this vital program even as it masks the true problems of the

Medicare trust fund, which must be addressed if we are to preserve and protect the Medicare Program for senior citizens in the future. Still others may criticize this plan as being insufficient in terms of deficit reduction because it would cut the deficit by only 1 percent of today's GDP over the next 5 years, or because it provides what they consider to be too much of an increase in discretionary spending. To put these types of concerns in the words of one analyst from the CATO Institute: ''On balance, this is a bad deal. Republicans should just say no.''

Conversely, there are those who may see the cuts quite differently and argue that this agreement goes too far in cutting certain programs and does too little to fund new initiatives. Still others do not support the tax relief included in this resolution, or argue that the package of tax cuts being discussed would disproportionately benefit higher income individuals or families.

But Mr. President, after 28 years of deficit spending, we can no longer let the perfect be the enemy of the good. We can no longer let politics drive our budget decisions because for 2 years—2 years, Mr. President—Republicans and Democrats have squared-off over a variety of issues, while offering competing plans. And the result has been wholly unimpressive. There has been no agreement. No plan for a balanced budget. And I think it's worth noting that the only reason that we have this resolution before us today is that competing budget plans were unsuccessful. It is compromise that offers us this chance to reach agreement and lay the groundwork for long-term balance. But if each Member of this body rejects such compromise and demands instead that the plan do exactly what he or she would want in the ideal world, then only one thing is for sure: This plan will be derailed—and our historic opportunity will be lost.

And lest we focus only on those parts of the budget that are less than perfect, let's not overlook the incredibly positive aspects of this plan. For instance, not only will this plan balance the budget in the year 2002, if its policies are continued, OMB tells us that it will lead to a surplus of $34 billion in the year 2007. And while many have cited the fact that the total deficit reduction in this plan will be only $204 billion over the next 5 years, they fail to mention that there will be more than $700 billion in additional savings during the 5 years thereafter. Consider for a moment the two dramatically different futures that potentially lie ahead for this Nation: If we reject this plan and continue with the status quo, we will add another $1.1 trillion to the national debt over the next 10 years. On the other hand, if we use the 2002 to 2007 surpluses to buy-down the debt, this plan will ensure that more than $800 billion would be available for useful investments, and not eaten up by the national debt.

Perhaps most importantly, by putting us on a course to balance the budget in 5 short years, this plan will also allow us to address the significant long-term threats described by OMB and CBO because we will have laid the groundwork for even larger reforms in the coming years. And it will also hold future Congresses accountable to maintain this same level of fiscal responsibility.

And let's not forget the important impact that a balanced budget will have on economic growth. I know that there are those who say that our economy is doing well. They point to the growth rate for the last economic quarter and the fact that we now have had continuous growth for 6 straight years, and they say things could not be rosier. And it's at least partly true, Mr. President. We are now approaching the post-World War II record for the longest period of growth without a recession. But no one is projecting that the economy will maintain this pace, and the average annual rate of growth during the current 6-year streak has been an unimpressive 2.5 percent—the lowest level of growth during a recovery in this century.

But, tragically, even this lethargic annual rate of growth is not predicted to last—and cannot last—unless we tackle the deficit now. Look out to future years and we see that the economy is anticipated to grow at even more anemic rates; 2.0 percent in 1998; 2.1 in 2000. The numbers are not impressive. However, with the enactment of a balanced budget plan, CBO tells us that potential growth will be enhanced because resources now devoted to consumption can instead be used for investment. So, Mr. President, this resolution presents us with our most direct and tangible means of stimulating economic growth in the short-term, even as we seek to extend our current economic expansion for another 5 years.

And, finally, to those concerned with various details of the plan, let's remember this: Within the framework of this resolution, there are specific levels of savings in various programs, specific levels of tax cuts and the resolution even includes some of the policies that should be used to achieve these targets. But, appropriately, this resolution does not spell out all of the details, and it leaves opportunities for the authorizing and appropriating Committees to fulfill the parameters and benchmarks that have been set. So let's remember that the goal of this resolution—a balanced budget in 2002—is in ink, but some of the details are still in pencil. And that's OK. The administration will continue to have the opportunity to encourage specific spending priorities, and Members of this body will also have their opportunity to influence and mold these decisions.

Now, Mr. President, let me address one final question. Whenever there is a political initiative as significant as the one before us, pundits begin to ask: ''Who is the political winner in this agreement? Is it Republicans? Or is it Democrats?'' Well, let me suggest an answer: The winner in this resolution is our Nation and its people. Deficits have damaged this Nation and its citizens for 28 years and set us on an inevitable economic crash course. But today, with this resolution, we have an opportunity to avert this crash by ending these deficits in the short-term, which lays the groundwork for eliminating them completely in the long-term. What lies before us is a framework for achieving a balanced budget by 2002 and holding off the pending disaster that inaction invites.

So I think our goal could not be more clear: We cannot let this opportunity slip through our hands. We must begin anew—never again permitting our Nation to be recklessly endangered by deficits and deficit spending. We must move forward with a recognition that our budget belongs to the people—and, as such, it must always be handled carefully and responsibly. These are our challenges—and, together, we can and must meet them.

Mr. President, ''a journey of a thousand miles begins with the first step.'' I am reminded of this Chinese proverb today because this resolution represents such a monumental first step in our journey to a balanced budget. To be sure, our journey is not complete. And it will not be complete unless Members of this body, the House of Representatives, and the President maintain a strong commitment in the coming years to follow through and make this balanced budget goal a reality. We cannot falter in these coming challenges. But, in the meantime, we should celebrate today for all that it represents. Mr. President, this resolution places our Nation on the right path and, against a future of uncontrolled deficits and all that the dangers and problems that these deficits entail, this resolution gives us hope for a new beginning of fiscal sanity, economic growth, and prosperity.

So I think our choice should be clear. We need to take this path—and we need to adopt this resolution. The benefit of doing so, Mr. President, is too great. The cost of failing to do so, conversely, is simply too severe.

Mr. REED. Mr. President, like many I recognize that this budget agreement is a good faith effort. It shows a recognition by Republicans that their past plans were extreme and unpopular. Indeed, the agreement acknowledges, to a degree, that Americans want us to invest in priorities.

However, for all its positive steps, I do not believe it is the right budget outline for our future. I support a balanced budget plan, but I cannot support a resolution which sets in motion a questionable package of unfair tax cuts and other misguided priorities.

The agreement contains a number of laudable elements. The welfare act's excesses are curbed. It takes a small first step toward health care coverage for children, and important education tax credits are provided. And it does purport to continue the march toward a balanced budget.

Indeed, we would not be able to consider this agreement without the 1993 budget agreement. With only Democratic votes, that package has cut the deficit for 4 years in a row and brought the deficit to its lowest point as a percentage of the Gross Domestic Product [GDP] since 1974. Ironically, my colleagues on the other side of the aisle predicted the 1993 budget would cause economic collapse and ruin. Yet, today, the economic growth generated, in part, by the 1993 budget has brought us to the point where it is conceivable to reach budget balance. Today's national economy is a marvel of low inflation, low unemployment, and strong revenues, which is good news for many although it has yet to reach some in my State of Rhode Island.

Again, there are sound elements of this plan, but I would caution that a budget resolution is short on specifics, long on figures, and tends to obscure the magnitude of what is under consideration. While the budget resolution is nonbinding, it imposes an austere procedural and fiscal discipline on what the Senate can and cannot do. Certainly the defeat of the Hatch-Kennedy amendment showed that this budget resolution can, and could continue to be, used to thwart efforts to meet even the health care needs of America's children.

Mr. President, for all its effort, I believe this agreement falls short in a number of key areas.

First, the deal's economic assumptions are optimistic, and are based on a $225 billion midnight revenue windfall estimate from the Congressional Budget Office. Sadly, the accuracy of these estimates is not guaranteed. Since 1980, CBO's revenue estimates have been wrong 11 times, and, on several occasions, these estimates have been off by more than $50 billion. I would also add that try as the Senate might, the business cycle cannot be legislated out of existence. My sincerest hope is that the current economic growth continues, however, history shows that what goes up usually comes down. If we experience a downturn, this agreement could need massive retuning, which would probably not include the elimination of tax breaks for the well-to-do, but would mean pain for society's most vulnerable.

Second, and, most important, I believe the agreement's nontargeted tax breaks are the wrong direction for an agreement which claims to balance the budget. When we are engaged in the task of trying to balance the budget, we should not make the job more difficult by enacting questionable tax breaks for those individuals who are already benefiting handsomely from the current economic growth.

This agreement calls for tax cuts totaling $250 billion over 10 years. When it comes to taxes, what starts small, explodes later. Indeed, 44 percent of the cost of the agreement's tax breaks are packed into the years 2005, 2006, and 2007. Indeed, the cost of these tax cuts grows 32 percent in the final 2 years of the deal. What does this portend for the second 10 years of the agreement? According to the nonpartisan Center on Budget and Policy Priorities, the revenue loss could reach up to $650 billion from 2008 to 2017. I would hasten to remind my colleagues that this is the time when the baby boom retirees will begin to place enormous pressure on already strained entitlement programs.

In contrast, targeted, middle-class tax breaks, like the Hope Scholarship, are supportable because they help working families afford college and prepare their children for the competitive international economy. Unfortunately, the agreement lacks even the attractiveness of closing corporate welfare loopholes that subsidize the shipment of jobs overseas and other questionable business activities to pay for tax breaks.

Mr. President, the specifics of the tax bill this agreement calls for are questionable to say the least. As the resolution's year-by-year revenue loss tables show, there is plenty of budgetary room for time bombs and gimmicks. Indeed, after the revenue loss from the tax breaks doubles between 1999 and 2000, it falls in 2001 and 2002, but it keeps rising and explodes after 2007. As others have pointed out, the pattern is not accidental. Instead, it is designed to permit a number of questionable tax gimmicks to give the appearance of fairness and fiscal propriety. One such revenue trick is to phase in the capital gains indexation which conveniently hides the first 5 year revenue loss and assumes more revenue early on in the second 5 years as investors rush to cash in on capital gains indexing. According to experts, capital gains indexing will cost three times as much in the second 5 years as in the first 5 years of the budget deal.

Some may argue that if gimmicks are employed and subsequently wreak havoc on deficit reduction, Senators will do the right thing and repeal these taxes. Mr. President, I am not so sure that you can put the tax cut genie back in the bottle. This agreement contains no commitment to control a revenue loss explosion. Indeed, all of the President's requests for such assurances were rejected by Republicans. The word ''permanent'' is used to describe the capital gains tax cuts, but not the President's education tax incentives. I would also add that it is very difficult to repeal taxes both politically and practically. For example, phased-in capital gains indexing and other revenue games are hard to repeal or modify because taxpayers will have accepted the Government's tax cut offer on which the Senate would be hard pressed to renege.

But, I am not simply concerned with revenue loss and tax cut chicanery. I believe that many of the tax cuts called for in this agreement are of dubious merit and value. The best example of this fact is an across the board capital gains tax cut. Such a proposal is not investment oriented. There will be no holding period or connection to investments in small businesses. As Paul Volker, former head of the Federal Reserve said before the Senate Finance Committee:

> ''. . . a near-term reduction in the capital gains tax rate from present levels does not strike me as a pressing matter, especially given the current performance of the economy and the medium and longer-term budgetary prospects . . . [A] very large across the board reduction of capital gains taxes poses serious problems of equity and complexity, of revenue loss and of distortion of decision making.
>
> If public policy is to make a serious effort to raise the level of savings and investment, and do so equitably, the priorities seem to me clear. We should move as fast as we can toward a surplus in the Federal budget.''

There are those who would argue that a capital gains cut would help millions of Americans. However, the typical beneficiary of a capital gains cut is not a middle-income family. Indeed, households with incomes over $100,000 receive about three-quarters of all capital gains income, and as the Joint Tax Committee reported—JCS–4–97:

> ''. . . [W]hile many taxpayers may benefit from an exclusion or indexing for capital gains, the bulk of the dollar value of any tax reduction will go to those taxpayers who realize the bulk of the dollar value of gains.''

In other words a capital gains tax cut benefits the wealthy who actually have capital gains.

There are other questionable tax cuts in this plan, such as the estate tax cut which would only benefit the top 1.2 percent of estates and the backloaded IRA proposal which aims to increase savings for retirement, but causes a revenue loss explosion when the pressure on entitlements is most acute due to the baby boomers. Again, the President had tax proposals which were better and helped family business owners without significantly adding to the deficit.

Third, while the agreement correctly focuses on education through a $35 billion targeted tax incentives for college costs, a commitment to increase the Pell grant for fiscal year 1998, a commitment to technology in the classroom, and a minimal commitment to improving literacy, the need may exceed what this plan allows due to its 10 percent reduction in domestic investment in real terms. Groups like the Committee for Education Funding are greatly concerned about the restrictive discretionary spending caps in the agreement which could severely thwart efforts to invest in our education needs. The agreement contains no school construction funds and little room in budget caps for such an initiative. There is no room for further Pell grant increases, as the defeat of my amendment to increase Pell grant funding demonstrates. There are scarce resources for the estimated $4.8 billion price tag to reform schools as suggested by the National Commission on Teaching and America's Future. Moreover, there is no commitment to fund

Goals 2000, School to Work, national service, or the burgeoning need for research into early childhood development

Fourth, the agreement makes very modest room for health care needs, and, as I have stated there was no room in this agreement for a more robust children's health care program paid for with a tax on tobacco. I am also concerned that there are limited resources available for the National Institutes of Health's fight against cancer and HIV.

Fifth, I am concerned that the $115 billion in Medicare cuts called for in the agreement may exceed what is absolutely needed to preserve Medicare. Indeed, the level of cuts in the years 2001 and 2002 total $69 billion. I am also disturbed that no solid estimates are available for the premium increases that many seniors face. The agreement also ignores the long-term-solvency issues of the Medicare program and may leave some with the mistaken impression that Medicare is guaranteed to be there for them. There are even those in the other body who would like to add the dubious concept of medical savings accounts to this plan.

Sixth, the agreement ignores our investment deficit, and even its new initiatives lose ground due to inflation and in relation to the growing tax cuts. Specifically, infrastructure investment is frozen at a time when the U.S. Department of Transportation estimates we need $50 billion each year just to properly maintain our transportation system. Last week, a Rhode Island television station ran a series on the poor road conditions of my State, but sadly this agreement provides only minimal assistance to fix Rhode Island's roads. In the area of housing, the agreement notably extends essential section 8 contracts for senior housing, but leaves little for other affordable housing programs. Last, my colleagues should ask themselves whether the budget caps employed to offset the cost of unsound tax cuts will crowd out important programs and hamstring the Senate's ability to respond to the needs of all Americans in an increasingly competitive world?

The agreement does not continue the path of deficit reduction begun by the 1993 budget agreement. Indeed, the deficit actually increases in each of the next 3 years from $67 billion this year to $90 billion in 1998 to $90 billion in 1999 to $83 billion in 2000. Then miraculously, the deficit falls as the Congress starts to cut $69 billion from Medicare, $49.7 billion from domestic investments, $46 billion from defense, and $10 billion from Medicaid. All these reductions fall in just 2 years, leaving little margin for unsound budget estimates or exploding tax cuts.

Mr. President, on balance there is much in this agreement that should be applauded, and the bipartisanship it displays is laudable. It acknowledges that the Contract With America embodied the wrong policies and priorities for our future. It provides for some investments in health care and education. It restores some benefits for legal immigrants hurt by last year's welfare act, and it builds on the success of the 1993 deficit reduction package.

However, the fundamental question is, Does this agreement meet the challenges of the future? Will it allow us to truly reform education? Will it help more working families afford college? Will it rebuild our roads, bridges, and rails? Will it provide opportunities for those making the transition from welfare to work? Most important, is this agreement fair or does it ask too much of those who can least afford it?

Mr. President, this budget resolution is not the plan for our future. It is too generous where fiscal discipline is required and too tight-fisted where investment is direly needed. And, sadly, it fails to meet the test of fairness and honesty we owe hard working American families.

Mr. President, as the specific legislation to implement this agreement is developed, I am hopeful that its excesses can be curbed, and I would urge my colleagues to accept amendments which would make this plan worthy of greater support.

Mr. LEVIN. Mr. President, the revenue provisions in the budget resolution which is before the Senate reflects the bipartisan budget agreement entered into by the President and the congressional leadership. I quote from the Budget Committee's report accompanying this resolution:

> The Bipartisan Agreement assumes the net tax cut shall be $85 billion over the next five years and not more than $250 billion over the next ten years, to provide tax relief to American families. Under the Agreement, revenues would continue to grow, from $1554.9 billion in 1997 to $1890.4 billion in 2002, an increase of $335.5 billion over the five year period.
>
> As always, the Ways and Means Committee in the House and the Finance Committee in the Senate will determine the specific amounts and structure of the tax relief package. The tax-writing committees will be required to balance the interests and desires of many parties (while protecting the interests of taxpayers generally) in crafting the tax cut within the context of the goals adopted by the Bipartisan Budget Agreement.

I also want to read those guidelines from the letter sent to the President on May 15, 1997, from the Speaker of the House and the Senate majority leader:

> It was agreed that the net tax cut shall be $85 billion through 2002 and not more than $250 billion through 2007. We believe these levels provide enough room for important reforms, including broad-based permanent capital gains tax reductions, significant death tax relief, $500 per child tax credit, and expansion of IRAs.
>
> In the course of drafting the legislation to implement the balanced budget plan, there are some additional areas that we want to be sure the committees of jurisdiction consider. Specifically, it was agreed that the package must include tax relief of roughly $35 billion over five years for post-secondary education, including a deduction and a tax credit.

Would the distinguished ranking member of the Budget Committee agree that this agreement and this budget resolution leave great flexibility for the Congress to shape the tax reconciliation bill?

Mr. LAUTENBERG. I do agree with the Senator from Michigan.

Mr. LEVIN. Does the Senator agree that within the parameters of an $85 billion net tax cut through the year 2002 and no more than $250 million over the next 10 years, including $35 billion in tax relief over 5 years for post-secondary education, including a deduction and a tax credit, there is significant flexibility in the size and the targeting of a permanent capital gains tax reduction and in the size and the specifics of death tax relief included in the package?

Mr. LAUTENBERG. Again, the Senator is correct.

Mr. LEVIN. Does the Senator agree that the term ''broad-based'' as applied to permanent capital gains reductions as in the agreement letter, and in the committee report is subject to a reasonable debate as to its interpretation?

Mr. LAUTENBERG. I agree with the Senator.

Mr. LEVIN. And does the Senator agree that the term ''significant'' as it is applied to estate tax relief in that same letter and in the report is subject to reasonable interpretation as to the size and specific provisions of any change in the estate tax?

Mr. LAUTENBERG. I do agree.

Mr. LEVIN. As I read the table summarizing the agreement, entitled ''Long Range Summary, 1997–2007,'' on page 77 of the committee print, there is an agreement regarding net tax figures for the years 1997 through 2002. The word ''agreement'' appears above the columns for those years. The word ''projections'' appears above the columns for the years 2003 through 2007. Am I correct then that the net tax cut figures for the years 2003 through 2007 are not agreements on specific numbers, but the numbers in those years are simply OMB projections?

Mr. LAUTENBERG. The Senator from Michigan is correct.

Mr. LEVIN. I thank the distinguished ranking member of the Budget Committee. I ask these questions to reflect my concern that any tax bill produced pursuant to the budget agreement and this budget resolution not set in motion tax policies which will create large deficits in the next decade. Also, I strongly believe we must carefully study the effect of any tax provisions which we include in the revenue reconciliation legislation to assure that it is fair, and not weighted to benefit principally those who need it least.

Mr. KENNEDY. Mr. President, with reluctance, I oppose this budget resolution. It has many worthwhile features, and I am hopeful that as the process continues, it can be significantly improved. In its current version, it has too many obvious defects.

It contains excessive tax cuts that are likely to balloon in the future and lead to massive new deficits that make

the pledge of a genuinely balanced budget a hollow promise. It fails to ask the rich to make a fair contribution to reducing the deficit, and rewards them with massive tax breaks instead. It threatens the system that delivers health care to the elderly. It contains excessive reductions in the needed level of public investment. And it does not do enough to provide health insurance coverage to the 10 million children without such coverage today.

The last time a budget promised balance and large, ballooning tax cuts at the same time was the Reagan budget of 1981. And the tax cuts in this budget do balloon in the future. As a May 21 study by the Center on Budget and Policy Priorities shows, the tax cuts in the budget are growing at a rate of 32 percent in the final 2 years of the first 10-year period. That study also indicated that the tax cuts are likely to cost about $650 billion, nearly two-thirds of a trillion dollars in the second 10-year period, from 2008 through 2017.

The budget also asks too little sacrifice from corporate tax subsidies.

Our recent budget history should teach us that we only have so much money for tax cuts. We should target those scarce tax cut dollars to working families and the middle class. But too many of the tax cuts that the Republican majority brags about in this budget would benefit the very wealthiest individuals and corporations.

As part of the bipartisan budget agreement, Speaker GINGRICH and Senator LOTT wrote to the President, ''We believe these levels provide enough room for * * * broad-based permanent capital gains reductions, significant death tax relief, * * * and expansion of IRAs.'' President Clinton will be hard-pressed to preserve his important tax cuts for education if the Republican majority in Congress holds to its present course.

The capital gains tax cuts in S. 2, the Republican leadership tax bill, would cost $33 billion in the first 5 years and fully $96 billion in the second 5 years. More than 85 percent of its benefits would go to those with incomes greater than $100,000 a year, according to an analysis by Citizens for Tax Justice. Fully two-thirds of the benefits from lowering the capital gains tax rate would go to the top 1 percent of taxpayers—those with incomes above $241,000. This wealthy elite would get an average tax cut of about $6,800 from the capital gains tax cut, while families in the middle fifth of the population would get an average tax cut of $4.

The estate tax cuts in S. 2, the Republican leadership tax bill, would cost $18 billion in the first 5 years and $48 billion in the second 5 years. All of the benefits of these tax cuts would go to the 1 percent of estates larger than $600,000 in value.

A 1989 Joint Tax Committee analysis of an IRA provision similar to that in the Republican leadership tax bill found that 95 percent of the benefits went to the top fifth of taxpayers.

Reasonable restrictions on the tax cuts for capital gains and estate tax relief place much less of a burden on the deficit. The Democratic leader, for example, has introduced targeted capital gains tax cuts that cost $4.5 billion, and estate tax cuts that cost $3 billion over the next 5 years.

In addition, this budget takes only modest steps to control the massive subsidies that the tax laws now bestow on the wealthy. It has been estimated that over four-fifths of tax subsidies go to the richest fifth of the population. At a time when billions of dollars of budget cuts are being proposed in health benefits for the elderly, it makes no sense to provide tax breaks to billionaires who renounce their citizenship.

The tax expenditures listed in a December 1996 Senate Budget Committee report add up to more than $2.7 trillion over the next 5 years. That's more than 30 percent of the cost of running the entire Federal Government over the same time period. These tax entitlements represent a larger share of the Federal budget than Social Security, Medicare, Medicaid, or any spending program.

Together with Senator JOHN MCCAIN and other Senators, I have joined in a bipartisan effort to reduce corporate subsidies using a base-closing type Federal commission. Cutting corporate subsidies would introduce a needed element of fairness in the budget. When so many individuals and families are being asked to bear a heavy burden of budget cuts, there should be no free rides for special interest groups and their cozy subsidies.

Medicare cuts, at $115 billion, make up nearly two-fifths of the total spending cuts in this budget. These Medicare cuts grow to $155 billion over 6 years, and $215 billion over 7 years. Even though this budget does not ask as much of beneficiaries as did the Republican budgets of the last 2 years, cuts of this size raise serious questions about the continued willingness of Medicare providers to participate in the system.

Defense did not sacrifice to make its contribution. The levels in the budget are essentially the higher of either the President's or the Republicans' proposals. The Republicans' levels were higher in the short run, and the President's levels were higher in the long run.

Domestic appropriations contribute $61 billion over 5 years and are assumed to contribute $273 billion over 10 years to keep the budget in balance. Coming after the 1990 budget, which essentially froze total appropriations, these cuts seriously reduce the pool of money from which education, research, and other needed investments are made to ensure the future growth of the economy.

The budget does make a worthwhile start for children's health, by allotting $16 billion—$3.2 billion a year on average—over the next 5 years. But the budget also takes $14 billion out of Medicaid at the same time, leaving doubts about how much net funding will actually reach children in need.

We should be realistic about what $3.2 billion a year can and cannot do. According to the Congressional Budget Office, the Federal cost of providing Medicaid coverage to one child in 1997 will be $860. At $860 per child, $3.2 billion dollars a year will cover about 3.7 million children. This level is only one-third of the number of uninsured, just enough to cover those children below poverty with a little left over. If we stop at the $16 billion in the budget agreement, we will be leaving out almost 7 million children in working families who earn too much for Medicaid but not enough to buy the health insurance their children need.

The $20 billion over the next five years in the Hatch-Kennedy CHILD amendment was designed to help these families, and I regret that it was narrowly defeated. Senator HATCH and I continue to believe that is should be included in the budget, and we intend to offer it as part of the reconciliation bill later this year.

The debates ahead will offer realistic opportunities to improve the budget package in all of these areas and eliminate its worst provisions. I look forward to working with my colleagues to enact a balanced budget that truly reflects the Nation's needs and priorities.

Mr. KEMPTHORNE. Mr. President, I rise today in support of Senate Concurrent Resolution 27, the Concurrent Budget Resolution for fiscal year 1998. This resolution charts the course to achieve the goal that the people of America and Idaho want and deserve—a balanced budget. With the spending targets set forth in this resolution Congress will balance the federal budget for the first time in nearly 30 years.

This accomplishment has a very personal perspective for me because the last we had a balanced budget, in 1969, I was a junior in high school. Now, almost 30 years later, as we are on the verge of balancing the budget again, I have two children in high school who have never seen a balanced budget. An entire generation of Americans has lived their entire lives under the burden of a national debt that is now almost $20,000 for every man, woman and child in this country. Our children deserve a better future than having to pay the interest on a $5 trillion debt. This budget resolution offers them hope for a better tomorrow.

Mr. President, I am proud to support this monumental budget resolution not only because it achieves a balanced budget and eliminates the national debt, but because it accomplishes these goals while providing significant tax relief to working American families. This resolution confirms that the money in the Federal budget belongs to the taxpayers of this country, not the government, and it s about time we start leaving more of it where it belongs, in the taxpayers pocket.

This resolution provides families with a $500 per child tax credit, cuts

the estate tax, provides a capital gains tax reduction and allows tax relief for education costs. And the resolution provides for these tax cuts while reducing Federal spending more than one trillion dollars over the next decade.

This resolution doesn't forget our commitment to the elderly. We accomplish these tax cuts and spending reductions without making any legislative changes to Social Security, and we shouldn't, Social Security is not the problem. This budget also insures the solvency of Medicare by simply slowing the rate of growth while still allowing spending to increase 28 percent, more than twice the rate of inflation. This is an increase from $209 billion this year up to $280 billion in 2002. Without this reform the Medicare Trustee s report estimated that the Medicare Part A trust fund would be bankrupt by 2001.

Mr. President, the budget resolution before us is a strong plan for reversing the decades old Washington habit of spend, spend, and spend some more. It won't be easy to stop this out of control deficit train and turn it around, but Republicans are determined to get the job done, and we will.

I am proud to vote for this resolution and with it a brighter tomorrow for our children. I ask my colleagues to join me in supporting Senate Concurrent Resolution 27.

I yield the floor.

Mr. GLENN. Mr. President, I rise to comment on the important resolution before us today, the concurrent budget resolution. This is truly a remarkable occasion. We are considering the outlines of a plan that will balance the budget over the next 5 years.

This bipartisan proposal achieves a number of important accomplishments. The most significant of course is balancing the budget by 2002. I believe that the Budget Committee Chairman DOMENICI and ranking member LAUTENBERG have done an outstanding job in their work to bring this agreement to the floor of the Senate.

Without a constitutional amendment, this agreement will balance a budget that has been the focal point of national debate and a goal supported by most every candidate for President and Senator for at least as long as I have been in office.

Four years ago we proposed cutting the budget deficit in half. After many difficult and contentious votes, Senate Democrats along with a tie breaking vote from Vice-President GORE helped enact a program that set us on a course of real deficit reduction. Many criticized that effort and predicted economic disaster. But now after 4 years of economic growth and reduced deficits we are in a position to finish the job. After 4 years, our deficit has been reduced from $290 billion down to $67 billion.

This proposal outlines a plan to extend the solvency of the Medicare trust fund for at least a decade. It will expand beneficiaries' choice of private health plans by allowing preferred provider plans and provider sponsored plans to compete in the managed care programs in Medicare. Additional preventive health benefits are provided and beneficiary copayments for outpatient services are limited. Part B premiums are maintained at 25 percent of program costs and any increases necessary for home health care benefits are phased in over 7 years. Low income seniors are protected from any potential home health premium increases.

In order to ensure that important areas of service are adequately protected this agreement identifies priorities such as education reform, Pell grants, child literacy, and Head Start.

Two very important initiatives are anticipated in this agreement. The first provides $16 billion to expand health coverage to up to 5 million children who do not now have health insurance. The second revises last year's welfare reform to restore necessary benefits to disabled immigrants. I believe that the President's initiatives on these issues are commendable.

Although important progress is made in this agreement, I want to make clear that I have a number of concerns.

I have worked on and voted on budget agreements before and I recognize some of the pitfalls. My first concern is the question of tax cuts. If the first priority of this agreement is to balance the budget, I do not believe that we should make that job any harder. This agreement calls for a net tax cut of $85 billion over 5 years. Why can't we eliminate these cuts and balance the budget sooner? Why can't we apply those funds to establish a budget surplus and apply it to debt reduction?. Or at least, why can't we wait to determine if this agreement and its underlying assumptions prove successful? What happens to our deficit reduction and balanced budget efforts in the event of an economic downturn? There is no assurance that this agreement will be as successful as the one 4 years ago.

I recognize that tax incentives have historically been employed to stimulate a sluggish economy. Although some may argue our economic growth could be even higher, last quarter's 5.6 percent growth is the highest in 10 years. The stock market is at record highs, a core inflation rate of 2.5 percent in the last year is the best in 30 years, the monthly unemployment rate of 4.9 percent is at a 25 year low. I am not convinced that this is time to use tax cuts to stimulate the economy. I believe that deficits should be reduced in good economic times. If tax cuts are to be used in good economic times what tools will we have in a less favorable economy?

The tax cuts anticipated in this resolution are calculated to cost a net $85 billion over 5 years. I am concerned, however, that beyond the scope of the 5 year resolution the cost of these tax cuts will go even higher. Indeed the agreement expects that the 10 year cost will rise to $250 billion.

Even though this agreement provides for a balanced budget in 2002, entitlement spending is expected to soar beyond the turn of the century. Yes, we improve the solvency of Medicare in this budget and put it on a firm footing for 10 years, but beyond that time frame Medicare costs will rise. This agreement continues to use the surplus provided by the Social Security system to reach a balance. Beyond the turn of the century the surpluses will provide retirements benefits for baby boomers. I am concerned that again we are putting off finding a solution to these problems when relatively small steps taken now can avoid much larger steps that will undoubtedly need to be taken later.

During the consideration of the resolution I supported efforts to provide additional support for children without health insurance, additional support for early childhood development, and additional support to rebuild crumbling schools. Although we were unsuccessful on these amendments, this will not be the end of the work. Those battles will continue throughout the reconciliation and appropriations process and I am hopeful that we will have some success.

Let me say further that I recognize that just because this agreement does not solve each and every problem is no reason to oppose it. The perfect then becomes the enemy of the good. Important progress is made here and although not perfect I intend to vote for the good.

GROWTH WINS

Mr. ROTH. Mr President, it is no coincidence that the first balanced budget agreement in a generation has come about at a time when the economy is red hot and when joblessness has dropped below 4.9 percent. The expanding economy has been shrinking the deficit as well as the gulf between both sides of the budget debate.

Any lingering distance between Congress and the administration was swept away on the eve of the budget agreement when the Congressional Budget Office predicted that a tidal wave of new money would flood the treasury in the next 5 years.

These new CBO estimates project that even without a budget agreement, increased revenues and decreased outlays would shrink the deficit an additional $225 billion.

Perhaps even more important than the first balanced budget in a generation, this tidal wave of new money has washed away the ground underneath opponents of growth. Nothing signified the victory of growth over zero-sum, class-warfare politics more clearly than the words of President Clinton's former Labor Secretary Robert Reich when he told the New York Times a few weeks ago, ''The fact is, a lot of the deficit solved itself. It was the one solution that no one thought of.''

Actually, it was the guiding philosophy of the Kemp-Roth tax cut. If I may quote Jack Kemp, ''Even with spending

restraint, we cannot balance the budget consistently without economic growth.''

Mr President, on this point the record is quite clear. Following the tax cuts in the early eighties the economy did soar. But so did the deficit. The problem was, while revenues to the Federal Government doubled during the decade, spending more than doubled.

In short, growth did its job—we just asked too much of it. The amount of wealth produced by our country was astounding and continues to be astounding. However, it is not limitless. So neither can our spending be limitless.

We can protect the elderly and offer a helping hand to the poor, but only with solid growth in the economy. Without growth, the poor and elderly are pitted against each other in competition for meager resources, while the rich are vilified for their success. Left unchecked, these battles corrode the American dream.

Mr President, I believe this budget represents a new coalition, bound by the common objective of higher growth. Because growth is the key to funding worthwhile social programs without unfairly burdening middle-class families. It is the key to providing a strong defense and a clean environment. It is the key to rebuilding the American dream.

Growth has won the debate because it has proven itself. Even the more ardent opponents of growth oriented policies must realize that to raise $225 billion from taxpayers would require a typical middle-class family to pony up an additional $450 per year

Some will argue that the huge Clinton tax increase of 1993 is responsible for the low deficit, high growth, low unemployment economy we now enjoy. But that ignores the fact that this economic expansion began during the Bush administration. Others say it is the information age, along with deregulation and corporate restructuring that strengthened our economy.

Regardless of who is right, and I do have some thoughts on the subject, I relish such a debate about the connection between taxes and growth. What is no longer debatable is that growth is the key to higher income for all Americans as well as higher revenues for the Federal Government.

Look how far we have come in just 5 years. When President Clinton took office, he offered a $19 billion dollar stimulus package predicated on the notation that private enterprise could not produce the jobs our country needed. We no longer harbor fears about the ability of America to produce for her citizens.

Some make the point that this budget will only be balanced for 5 years. And this is true. It is also true that we face additional challenges beyond 2002 in both Social Security and Medicare, especially when the baby boom begins to retire. But the seeds of a solution to these long-term problems can also be found in this budget. Explicitly it restrains spending. Implicitly, it acknowledges that growth is the key to finding revenue for popular programs.

Both sides of the American political conversation are now committed to playing within the bounds of fiscal restraint, while searching for ways to promote growth. This formula has served us well in the past and it will serve us well in the future.

The old bromide is true. A rising tide does lift all boats. And the same tidal wave that has lifted millions of Americans to unprecedented new heights of prosperity in the past 6 years has also finally sunk that leaky old boat, class warfare.

There are only two roads we can travel. One is to downsize the American dream and learn to live in a slow growth world; the other is to grow the economy up to level that makes the American dream possible. With this budget agreement, Congress and the President have decided its better to grow up.

Ms. MIKULSKI. Mr. President, I rise in support of the budget resolution. I support this resolution for two reasons. First, it continues the progress we have made since 1993 in moving toward a balanced budget. Second, it protects priorities which are vital to our Nation's future.

It is not a perfect plan. There are parts of it that give me serious pause. I am especially concerned by the deep cuts in Medicare. I know that this budget resolution only provides a blueprint for other committees to follow. So, I reserve the right to vote against the final Medicare package if the cuts threaten health care for our senior citizens.

With this resolution, we are finally taking the historic step of balancing the Federal budget for the first time since 1969. In 1993, I was proud to support President Clinton's economic plan. Since that plan was enacted, our deficit has been reduced from $290 billion to less than $70 billion.

The 1993 vote was strong medicine. But it was the right medicine for our economy. Today, we have an opportunity to finish the job we began in 1993. We can adopt this resolution which will bring us to a balanced budget by the year 2002.

But, unlike previous attempts to balance the budget, this resolution protects crucial investments in our future. Balancing the budget must be based on principles. First and foremost, it must meet families' day-to-day needs.

I believe this resolution succeeds in putting families and children first. It makes major investments in education—from adding 1 million children to the Head Start Program to making it possible for millions of students to receive a college education.

This resolution expands health care coverage to 5 million uninsured children. I want to do more. This resolution still leaves another 5 million children with no health insurance. I am supporting the Kennedy-Hatch CHILD bill which would make sure that every child has access to immunizations, early detection screening, and basic health care. I view the commitment made in this budget resolution to children's health as a downpayment on the job. I hope we will finish the job by enacting the CHILD bill later this year.

The bill before us will continue our progress in making our neighborhoods safe. It ensures that the programs of the 1994 crime bill, which have been so effective in bring down crime rates, will be continued.

I am particularly pleased that the budget resolution protects the violent crime reduction trust fund, including the community policing or COPS Program. The COPS Program has already put over 1,200 new police officers on the streets in my State of Maryland.

Under this budget agreement, environmental protection will also be strengthened. It ensures that another 500 Superfund sites can be cleaned up by the end of 2000, and provides funding to help communities clean up brownfield areas so that they can be redeveloped.

Under this balanced budget agreement, we will also be taking important steps to move people from welfare to work and to provide tax relief for working families. It will enable us to provide help for those who practice self help.

As the Finance Committee begins putting together the tax component outlined in this budget agreement, I hope they make tax relief for middle income families their priority. I want to enact capital gains relief. I think we owe it to those who have invested in their community through purchasing and maintaining a home. They should be able to realize the full gain on their investment, and not have it taken away through capital gains taxes.

I hope we can do something to provide capital gains relief for other types of investments as well. I believe that the longer you hold an investment, the less you should pay in capital gains. That rewards those who invest in our economy for the long run, without rewarding those who are just out to make a fast buck.

I want us to have estate tax relief, so that a car dealer in Frederick can pass on the business to the next generation, or a small family farm in western Maryland or the Eastern Shore can stay in the family.

I hope the Finance Committee will put together a tax package that puts families first. If the tax package is unfairly tilted toward the well-to-do, I will oppose it.

Although I will support this budget resolution, I must be clear that there are parts of it that give me great pause. I am particularly troubled by the $115 billion in cuts in the Medicare Program. If we were given the opportunity to vote separately on each of the major components of this package, I would oppose the Medicare component.

In the last Congress, when the majority party was attempting to push through $270 billion in cuts to the Medicare Program to provide tax cuts for the wealthy, I opposed them. I said at the time that we did not have a $270 billion solvency problem in the Medicare Program, rather we had a $89 billion solvency problem. I was joined by the majority of my Democratic colleagues in that point.

So to see a resolution which calls for $115 billion in cuts to Medicare is of deep concern to me. I acknowledge this is much better than plans that were before us over the last 2 years. However, I am still concerned about the impact on seniors and on health care providers of this magnitude of cuts.

I realize that the budget resolution does not cut a single dollar from the Medicare Program. It only provides a guideline for the authorizing committee to follow. We are a long way from making any actual changes in Medicare. So I hope that the Finance Committee will exercise extreme care in crafting the Medicare piece of the budget reconciliation bill. I believe we can ensure the solvency of Medicare without creating a financial burden for seniors or providers.

Let me acknowledge one final area of concern. America owes a special debt to our veterans. We have a sacred commitment to honor all of our promises to them. I want to ensure that we provide adequately for veterans' health care.

I am pleased that we passed an amendment to express the sense of the Senate that we must provide sufficient funding for veterans programs and benefits. This amendment includes language to urge that third party payments—that is, payments from private insurers—be used only to supplement, not supplant veterans health care funding. It makes clear that the Senate intends to keep our faith with America's veterans. I won't stand for anything less than that.

Despite these reservations, I will support this resolution. It plots our course toward a balanced budget and puts families and children first. I believe this budget resolution will make a real difference in the lives of working Americans, and I will support it as a framework for future action.

Mr. ENZI. Mr. President, I rise in opposition to Senate Concurrent Resolution 27, the Budget resolution. The budget resolution before us has gone through an incredible amount of negotiating to get to this point. I commend the Budget Committee chairman and the ranking member for working so diligently on this budget.

As we began our work on the blueprint for our Nation's future, I had certain criteria in mind the budget resolution had to meet in order for me to support it. Unfortunately, this budget does not meet enough of my criteria to justify my support.

I would like to take this opportunity to explain my position and those provisions which I feel leaves this agreement short of the mark.

I feel that a good budget agreement should balance the budget before the year 2002. The Congressional Budget Office estimates a $225 billion windfall of unexpected revenues over the next 5 years. We should be giving this unexpected revenue back to the American people and use it to reduce the deficit.

It also concerns me that there are no enforcement measures in place to ensure that the budget will remain in balance after the year 2002, let alone before that.

Finally, the spending cuts are back loaded in the last 2 years of the agreement, and will take place after President Clinton leaves office. That isn't right. I believe the American working families expect action from us today—not promises for a better tomorrow.

I voted for amendments that I felt would make the budget more enforceable and realistic. Without these meaningful amendments, the resolution does not go far enough. The amendments would ensure that the debt limit would not be increased, and that these additional unexpected Federal revenues and the projected $225 billion revenue windfall would go toward tax cuts and deficit reduction.

If we don't produce a balanced budget, we lose, and generations to come will lose right along with us. A balanced budget only gets more difficult to achieve the longer we wait.

If we are genuinely concerned about the welfare of our children, we should first look at balancing the budget while it is still realistic and possible for us to do so. The longer we wait the more we turn our children's dreams and hopes for a brighter future into a terrible nightmare. They look to us for leadership. They look to us to pass a budget that actually balances, and continues to balance the budget every year. I have no intention of letting them down.

I yield the floor.

Mr. LEVIN. Mr. President, the budget resolution which the Senate is now considering represents the next step forward in a process begun in 1993. It reflects a considerable bipartisan accomplishment of the congressional leadership and the President. While I don't agree with it in every specific, it represents the best opportunity to reach a balanced budget by the year 2002, in a way which protects Medicare, Medicaid, funding for education and environmental protection.

In 1992, the deficit in the Federal budget was $290 billion which represented 4.7 percent of the gross domestic product. The most recent estimate of the deficit for fiscal year 1997 is $67 billion, approximately eight-tenths of one percent of the gross domestic product.

Over the 5 years from 1993 to 1998, the deficit has been reduced by about 1 trillion dollars from the deficit for those 5 years projected at the time. This remarkable progress has come about in large part as a result of the deficit reduction package which President Clinton presented in 1993, and which this Senate passed, without a single Republican vote, by a margin of one vote, the Vice-President's.

The economy has responded to the steady reduction of the deficit. The economy grew for the first quarter of 1997 at a 5.6 percent rate, with an inflation rate of 2.7 percent. The unemployment rate is now 4.9 percent, the lowest in 24 years. This compares to an unemployment rate in 1992 of 7.5 percent. More than 12 million new jobs have been created since President Clinton took office. Now, this budget agreement, reflected in the budget resolution before us, holds the promise of bringing us even closer to finishing the job.

This budget gets many of the nation's priorities right. It protects Medicare and Medicaid—while assuring the solvency of the Medicare trust fund for another decade—it includes an important new initiative for children's health insurance, assures necessary funding for the protection of our natural environment, and perhaps most importantly, it includes the largest increase in investment in the education of our children in over 30 years. The agreement includes the commitment to pass $35 billion of postsecondary education tax cuts and funding for the President's initiatives in child literacy, school technology, Head Start, and an increase in the maximum Pell Grant to $3,000. Overall, this represents a 13 percent increase over the five years of the budget, and a 36 percent increase in education and training from last year's budget resolution.

Mr. President, the resolution before us also makes room in the budget for $250 billion in net tax cuts over the next 10 years, and $85 billion in net tax cuts over the next 5 years. This could provide an opportunity, within the confines of a budget which balances in 2002, to provide investment in our Nation's future growth and tax relief to middle income families. This will require, however, that the Congress show the discipline and the determination to shape the tax legislation which this budget resolution will make possible in such a way as to meet these objectives.

Toward that end, providing they are part of a real package that gets us to a zero deficit by 2002, I intend to support the education tax cuts which the President has proposed, a $500-per-child tax credit adequate to provide tax relief to middle income families with children, and capital gains relief for homeowners. Also, I believe that, if consistent with the deficit reduction goals laid out in the resolution, that targeted capital gains relief for long-term investments and an incremental approach to estate tax relief should be used.

We must be careful, as we stand on the threshold of a balanced budget, not to set in motion tax policies which will create large deficits in the next decade.

For that reason, I hope that the tax-writing committees will consider tying tax reductions to actually accomplished milestones of deficit reduction.

Second, we must carefully study the effect of any tax provisions which we include in the final tax reconciliation legislation to assure that it is fair, and not weighted to benefit those who need it least. Many of the capital gains and estate tax proposals which we have seen proposed over the last several years would clearly have mostly benefited the top 10% of income earners.

The budget resolution before us leaves great flexibility to the tax-writing committees, and ultimately to the House and Senate to fashion an equitable tax bill that provides not only tax relief, but investment in our nation's future, particularly through education. Also, and very importantly, the resolution provides for the tax provisions to be considered separately in a reconciliation bill after the other elements of the balanced budget have been enacted. This will provide the Senate with the opportunity to reject a tax bill which is inconsistent with balancing the budget and keeping it balanced in the years beyond 2002, and/or a tax bill which does not focus its relief on middle-income families and investment in education. It will also provide the President with the opportunity to veto such legislation. While I hope that course will prove unnecessary, it does provide greater assurance that the budget agreement that we will soon ratify in this budget resolution will produce an outcome of which we can be truly proud.

Mr. President, I want to commend all of those who worked to produce this bipartisan budget resolution. It is with hope that we are finally approaching a balanced budget which protects the nation's priorities that I will support this resolution.

Mr. FRIST. Mr. President, I rise today in support of Senate Concurrent Resolution 27, the 1998 concurrent budget resolution, which outlines the bipartisan budget agreement between the President and the Congress. While I acknowledge the legislation's shortcomings, I support the overall agreement because it is a step in the right direction for our country.

Before I begin, I want to commend Senator DOMENICI and the other negotiators for their tireless and unwavering commitment to reaching this agreement. Their leadership serves the American people well.

Today, this bipartisan balanced budget resolution fulfills a series of promises that we made to the American people. We promised to pass a balanced budget by 2002—reflecting our commitment to economic growth, fiscal responsibility, and the simple principle that our Government should live within its means. Today, the plan before us will achieve that goal. We promised to strengthen Medicare—reflecting our commitment to the health care of senior citizens. Today, the plan before us will extend the solvency of Medicare's part A hospital insurance trust fund for 10 years and make structural reforms that will preserve the program in the future.

We promised tax relief to help families and promote economic growth—reflecting our belief that the American people, rather than the Federal Government, should make decisions about how to spend, save, or invest their hard-earned income. Today, the agreement before us includes $250 billion in permanent tax cuts over 10 years including a $500-per-child tax credit, capital gains relief, death tax reform, expanded individual retirement accounts [IRA's], and education tax incentives. For every $1 in new spending, we cut taxes $3.50.

We also promised to reduce the size and scope of the Federal Government. Today, the agreement before us reduces total Government spending $320 billion over 5 years and more than $1 trillion over 10 years. That's savings of $1,200 over 5 years and $3,800 over 10 years for each man, woman, and child in America. In fact, for every new $1 added to this budget, we reduce spending $15.

In constructing this budget, we promised to reject gimmicks and rosy economic scenarios in our assumptions. Unlike the President's past two budgets, the agreement before us does not include mechanisms that automatically and arbitrarily impose one-time spending cuts or tax increases to eliminate budget shortfalls. It is also based on the conservative economic assumptions of the Congressional Budget Office [CBO], which forecasts economic growth even more conservatively than most private economists at about 2.1 percent annually over the next 5 years. We chose these assumptions so we could err on the side of caution.

However, even the most conservative assumptions involve a considerable degree of uncertainty. Forecasting the performance of a multi-trillion-dollar economy is far from an exact science. I believe we have done the best we could with the information we have available. But if the agreement does not produce the expected results due to unforeseen circumstances, I will not be discouraged as long as we maintain our focus on a balanced budget and fiscal responsibility.

Finally, we promised to reject rhetoric and partisan rancor to work together—Republicans and Democrats alike—to achieve results for the American people. In this spirit, we have worked to accommodate the President's priorities, and he has worked to accommodate ours. Today, the agreement before us is the product of countless hours of negotiations between a Democratic President and a Republican Congress. I hope we can continue working in a bipartisan manner.

Mr. President, I cannot express my support without also outlining my concerns in four particular areas. First, this agreement does not adequately restrain long-term entitlement spending growth to prepare for the Baby Boomers' retirement just over a decade away. In fairness, the authors of this agreement do not claim that it does. But as we approach this new demographic era, we must be acutely aware of this situation.

Today, 200,000 Americans turn 65 every year. By 2011, 1.5 million Americans will turn 65 every year, a trend that will continue for 20 years. As the elderly population increases, our younger working population will shrink. Today, there are 4.9 workers paying for every retiree's benefits in programs like Social Security and Medicare. In 2030, when we will have many more retirees to support, there will only be 2.8 workers to support each beneficiary.

This dramatic demographic shift will bring significant economic, political, social, and cultural changes that will transform our society. If we continued on our current spending course, entitlements—our automatic spending programs—and interest on the debt would consume all federal revenues in just 15 years—leaving not a single dollar for roads, education, national parks, medical research, defense, or other basic government functions. I believe this agreement will help ease this demographic pressure, but more work lies ahead. We must begin sooner rather than later to deal with these problems fairly and effectively.

This week, I joined with Senator KERREY in offering a Sense of the Senate amendment on the need for entitlement reform. Specifically, it encouraged Congress and the President to work to enact structural reforms in entitlement spending in 1997 and beyond which sufficiently restrain the growth of mandatory spending in order to keep the budget in balance over the long term, extend the solvency of the Social Security and Medicare trust funds, and to avoid crowding out funding for basic government functions, and that every effort should be made to hold mandatory spending to no more than 70 percent of the Federal budget. I am pleased that the Senate adopted this amendment unanimously. While a Sense of the Senate amendment is not binding, I believe it will help lay the foundation for more substantive reforms in the future.

Medicare is my second concern. As the second largest entitlement in the budget serving more than 38 million seniors, Medicare will have a profound impact on our long-term fiscal health. When we consider that the average two-earner couple receives $117,000 more in benefits than they paid in taxes and premiums and factor in that Medicare is projected to be bankrupt before the baby boomers retire, we see the urgent nature of this problem. While I am encouraged by the bipartisan attempt to modestly restrain Medicare growth, we must redouble our efforts to save and strengthen this vital program through true structural reform.

In addition to the demographic pressures outlined earlier, Medicare also faces the challenge of delivering 21st century health care through a bureaucratic 1960's delivery system. Clearly, piecing together fair and balanced policy options that achieve the required $115 billion in savings should not be our only goal. Working within the framework of this budget agreement, Congress should adopt structural reforms that tailor the program specifically to seniors' needs.

These reforms should give beneficiaries more choices among competing health plans—similar to the ChoiceCare proposal introduced by Senator GREGG and my Provider Sponsored Organizations [PSO] bill—while retaining the current fee-for-service option for any senior who wants it. With these options, seniors could choose a plan that covers prescription drugs, a benefit not available under the current program. We also need to educate our young people about the benefits of long-term-care insurance. By changing the structural dynamics of the system, we truly can prepare Medicare for the challenges that await us.

My third concern involves our investment in research and development. Advances in technology have been responsible for one-third to one-half of our long-term economic growth through improved capital and labor productivity and the creation of new products and services. Despite this important relationship, our Federal investment in research and development has been falling as a percent of our gross national product [GNP] compared to other advanced nations. Unfortunately, this budget agreement does not reverse this troubling trend.

While some research and development investments such as the National Institutes of Health [NIH] and the National Science Foundation [NSF] are protected, many others are cut. Total Federal research and development funding could fall up to 14 percent over the next 5 years. As a percentage of GNP, it will have dropped more than 30 percent from 1994 to 2002. As a research scientist and chairman of the Commerce Science, Technology, and Space Subcommittee, I believe that underfunding research and development risks our national security and our economic competitiveness. If this trend continues, we will be retreating from investments with a proven record of returns that have made us healthier, wealthier, more productive, and more secure than almost any civilization in world history.

Finally, my fourth concern is education. Time after time in this Chamber, we have stressed the importance of a balanced budget to our children. With a balanced budget, they can leave the deficit spending of the past behind and look forward to a future of better economic opportunities. To take advantage of these opportunities, our children will need a quality education. I am pleased that education is a priority in this agreement. However, we are not targeting our resources where they are needed most—elementary and secondary education.

In the President's budget, about 85 percent of the new education spending and tax initiatives are directed toward higher education. This budget agreement is structured in a similar way. These facts are troubling when you consider that only 28 percent of fourth graders are proficient in reading, only 21 percent of eighth graders are proficient in math, and about 30 percent of college freshman must take remedial coursework.

Our higher education institutions are the envy of the world, but without a stronger K–12 education system, this academic superstructure rests on a foundation of quicksand. I am concerned that our academic success will not last if we do not target our resources where there is the greatest need and greatest potential. Ultimately, we should consider targeting at least 50 percent of new education resources toward elementary and secondary education in the future. I urge my colleagues to focus more on this problem.

Mr. President, as I have mentioned, my vote today is not the final solution to our budget problems. My vote today is merely a down payment on a long-term commitment to my constituents in Tennessee and to all Americans—a commitment to fiscal responsibility.

The issues raised by this agreement will not disappear if this resolution passes. In fact, we will debate them again and again this year as we implement the agreement in the appropriations and reconciliation process. However, we can build on the momentum of this agreement to recommit ourselves to the discipline and diligence necessary to free our children from debt and unlock the doors of economic opportunity for our future. I look forward to meeting this challenge.

Ms. MOSELEY-BRAUN. Mr. President, today the Senate will vote on the blueprint our nation will follow to reach fiscal balance by the year 2002. I commend the efforts of the President and the Congressional leadership to reach this agreement. It is clear that unless we get our deficit under control, we will be leaving our children—and our children's children—a legacy of debt that will make it impossible for them to achieve the American Dream.

This budget resolution reflects public opinion. This is a bipartisan agreement because of clear public opposition to continued deficit spending.

Although the deficit has been reduced in the past few years, our Nation's debt still obscures our ability to focus on the issues that most impact Americans' daily lives. The deficit under President Carter was $73.8 billion when he left office. Under President Reagan it ballooned to $221 billion, and reached $290 under President Bush. When President Clinton took office, he inherited a $290 billion deficit. The national family was in debt $4.4 trillion.

Under President Clinton's leadership, however, the deficit has been reduced to $67 billion, the lowest nominal level since 1981. During the Bush administration, private sector growth averaged 1.3 percent annually, but under President Clinton, growth has averaged 3.5% per year. Furthermore, last year's deficit was 1.4 percent of the size of our economy, well below the deficits of other major economies, and the smallest level since 1974. This year, it will fall to about 1 percent of the economy.

President Clinton's 1993 economic budget plan gave the signal to the world's financial markets that Democrats were committed to fiscal responsibility and that we would put our country on a glide path to balance. Our Nation is now in our 6th straight year of economic growth. Unemployment was 7.5 percent in 1992. Last month it fell to 4.9 percent, the lowest level in a quarter century.

During the first quarter of this year, the economy grew at an annual rate of 5.6 percent, the best in a decade. And since President Clinton took office, more than 12 million new jobs have been created.

The best news about this resolution is that it continues the trend begun in 1993: this budget makes strides toward balance. Balance was a precondition of this agreement. While I regret that we did not pass a balanced budget amendment to the Constitution, the proof of the pudding is in the eating: the President and congressional leaders have reached a consensus and agreed that this budget should reach balance in the year 2002. And this budget has achieved that.

Mr. President, an area where the nation has reached a consensus is tax cuts. Everybody likes tax cuts. Public opinion is always in favor of tax cuts and this budget resolution provides for a net tax cut of $85 billion over 5 years.

The tax cuts include: a child tax cut; about $35 billion in higher education tax cuts; a capital gains tax cut; a cut in the estate tax; and a variety of other tax proposals included in the President's budget, including the welfare-to-work tax credit.

But this budget resolution only outlines the overall framework of the budget. The tax cuts that were agreed upon must be finalized in reconciliation in the Finance Committee. But these are the likely ones.

While I support the concept of these proposals, I would have preferred to finish balancing the budget first.

Mr. President, the budget resolution also reflects the popular support for health care and Medicare. And the changes contained in the Medicare Program will not hurt seniors.

The agreement calls for $115 billion in Medicare savings, keeping the Medicare trust fund secure for another decade. It expands seniors' choices of private health plans by allowing preferred provider organizations and provider-sponsored plans to compete in Medicare's managed care program.

Furthermore, this agreement will make some fixes to the Medicaid Program. While the resolution does not contain a per-capita cap, which would have hurt Illinois, it calls for $13.6 billion in net Medicaid savings. It restores Medicaid coverage for certain legal immigrants. It provides food stamps to individuals subject to last year's welfare reform bill time limits, who are seeking work but have not been able to find a job. And it provides a welfare-to-work initiative.

The other good news is that this budget also provides for: expansion of the funding for Superfund hazardous waste cleanups; help up for to five million children, who currently lack health insurance, receive health insurance coverage by 2002; and it provides for the largest increase in education spending in 30 years.

This budget resolution does however, contain a few disappointments. It does not come to grips with the fundamental challenges our Nation faces in the coming years. Instead of confronting these challenges and taking steps to meet them, it is the budgetary equivalent of the scene from ''Casablanca'' when Claude Rains says ''Round up the usual suspects.'' In this case, the ''usual suspects'' are domestic discretionary spending and cuts in reimbursements for Medicare and Medicaid health providers.

Like Captain Renault, this agreement is more concerned with the appearance of action than with actually achieving something. And unlike the situation in ''Casablanca'', where the captain's inaction produced a good result, the failure to address our fundamental retirement security and investment challenges now, makes the future more difficult for all of us.

Since 1991, discretionary spending has remained relatively flat. While the President has resisted deeper cuts this year, this budget resolution nonetheless short-changes domestic spending. The agreement cuts investments in non-defense discretionary programs by at least $61 billion below the level needed to maintain the current level of services. This agreement represents roughly a 10 percent cut in real terms in non-defense discretionary programs. This translates into less money for cops on the streets, less money for sewers, and less money for our highways—fundamental public investments needed to keep our country strong.

The squeeze is being put on discretionary funding to pay for tax cuts. Furthermore, nothing is being done to address entitlement spending. This budget resolution does nothing to address the ominous long-term issue facing our country: changing demographics and its effect on our ability to maintain retirement security for future generations.

I was a member of the Bipartisan Commission on Entitlement and Tax Reform. The Commission made it clear that unless we get the deficit under control, by the year 2003, mandatory spending—most of which goes to Medicare and Social Security—plus interest on the national debt, will account for fully 73 percent of the total Federal budget.

Though the current economic news is generally good, and the economy continues to expand, this trend may not continue. The Congressional Budget Office's report entitled ''The Economic and Budget Outlook: Fiscal Years 1998–2007,'' points out that ''Despite the improved outlook through 2007 . . . the budget situation will start to deteriorate rapidly only a few years later with the retirement of the first baby boomers and the continued growth of per-person health care costs.''

By the year 2012, the Social Security trust fund will begin spending more than it takes in. And by the year 2029, the trust fund will have exhausted all of its resources. After 2012, when there are no more surpluses, Federal deficits will really begin to explode, an explosion fueled by the looming retirement of the baby boom generation.

The fact that for the next 15 years Social Security will be running a surplus, works to disguise the extent of the problem, as does the fact that the retirement security budget is currently roughly in balance. Social Security and Medicare payroll taxes, Medicare part B premiums, and interest earned by the Social Security and Medicare trust funds roughly equal the spending by those two programs, at least for the moment.

The long-term prognosis, however is nowhere near as favorable and the problem with this budget resolution is that it does nothing to address these problems now, while there is still time. Granted, the proposed set of Medicare reductions will extend the solvency of the trust fund until 2008. There are also some true systematic reforms to the Medicare Program that will move many of the program features toward prospective payment systems.

However, this is not nearly enough. This budget resolution does not even extend the Medicare Program solvency to the year 2010 when the baby-boom generation begins to retire. Think about this: Currently, 13 percent of the population is over age 65, and that number will double by the year 2030. The problem of fixing Medicare for the long run is only going to get more difficult. If we wait until the next millennium to deal with Medicare, it is going to take a lot more than $115 billion over five years to fix the problem. If we want Medicare to exist for our children and for many of us, we have to seize this opportunity to overhaul the program in a long-lasting way.

Equally depressing is our complete ignoring of needed Social Security reform. There has been a lot of talk over the last few years about tax cuts and the need to give Americans some relief from the burden of excess taxation. As you may know, 70 percent of Americans pay more in payroll taxes than income taxes. The average worker retiring in 2015 will pay $250,000 in payroll taxes over her working career.

People pay these taxes into a system that they believe will provide them with some measure of retirement security. They expect Medicare to be there to cover health care costs and they expect Social Security to be around to provide a measure of income support. Eighty percent of Americans get more than 50 percent of their retirement income from Social Security.

The Social Security system, just like Medicare, is not prepared for our future changes in demographics. Current retirees can expect to get back in benefits what they paid in taxes plus interest within eight years.

For the vast majority of past and current retirees, Social Security has been a great value. They paid into the system with the promise that when it was their turn to retire, Social Security would be there. Well, the outlook is not as good for future generations of retirees. Already, the probability of getting back what they will pay into the system is diminishing. In the year 2015, it will take the average worker 13 years to recover what he pays in payroll taxes.

This already eroding value of Social Security is compounded by the facts that we are planning to reduce the consumer price index which will lengthen the time it takes to recoup taxes and even more problematic, the trust fund is expected to become insolvent in 2029.

A lot of work has been left undone by this budget resolution. This resolution does not even begin to make the reforms necessary to ensure that the next generations of Americans can retire with the same dignity as their grandparents and parents. Cutting $115 billion from Medicare is simply a quick fix to get past the initial 2001 exhaustion date. Future seniors should not have to worry about whether Medicare will pay their doctor's bill or whether their Social Security check will arrive on time.

Mr. President, I was particularly disappointed that this proposal did not invest in education infrastructure. It is a sad fact of life that in thousands upon thousands of classrooms all across the country, our schools are not physically up to the task of educating all Americans for the 21st century. Too many of our schools are literally falling down around our children.

Too many of our schools are overcrowded to the point where students cannot learn effectively. Too many of our schools do not have the physical infrastructure necessary to support the integration of computers into classrooms.

According to the U.S. General Accounting Office, which at my request conducted an intensive, 2-year study of the condition of America's schools, 14 million children attend schools in such poor condition they need major renovations or outright replacement; 7 million children attend schools with life-

threatening safety code violations; and it will cost $112 billion just to bring schools up to what the GAO calls good, overall condition—in other words—up to code. This budget resolution does nothing to address these concerns.

Mr. President, education does not just provide benefits to individuals. Education benefits the public. Every single American benefits from improvements to our elementary and secondary education system.

It is unfortunate, then, that we continue to pay for our education system as though its benefits were individual and local in nature. In order to remain the world's economic leader, we must reform our education funding system that was designed to meet the needs of yesterday's economy.

Our reliance on local property taxes to pay for elementary and secondary education causes wide disparities in the abilities of school districts to adequately fund education. Under our current system, wealthy communities with low tax rates can often generate sufficient revenues to build the finest facilities, while poor communities with very high tax rates often cannot raise enough to support even mediocre schools. While many poor districts try their hardest, and have the highest tax rates, the system works against them.

According to the U.S. General Accounting Office, poor and middle-class school districts in 35 States make a greater local tax effort than wealthy districts. In my home State of Illinois, the poorest districts tax themselves at an average rate of 43 percent higher than the wealthiest districts. This phenomenon is our school finance system's greatest irony: the lowest-income areas often have the highest property tax rates and the schools with the fewest resources.

The GAO found that although most states make some attempt to supplement local funding in poor districts, wealthy school districts in 37 states have more total funding per pupil than poor districts. These disparities exist even after adjusting for differences in geographic and student need-related educational costs. In Illinois, the wealthiest 20 percent of districts have almost two-thirds as much to spend per pupil than the other 80 percent.

Because we rely on the local property tax to fund education, the opportunities available to our children are subject to the vagaries and disparities of local property wealth. Children in wealthy communities are able to attend the best schools and have the most opportunities, while children in poor and middle-class communities often have access to second-rate facilities and lesser opportunities. This budget resolution does nothing to reverse these trends.

In conclusion, I believe that our Nation's budget, reduced to its essentials, is very much like the budget of any family. It should balance revenues and spending, it should address the needs and priorities of the various family members, it should be fair in the apportionment of spending and sacrifice, and it should lay a foundation for the future well-being of its members.

It should address the looming needs of the American family, especially in regards to health care and retirement security, as well as reinvestment in the infrastructure which is in progressively worse shape.

The agreement reached can be thought of as a decision to pay off some, but not all, of the old bills, to give more support to a variety of family activities, and to give up a part time job. Because the economy is so robust, those decisions represent the cashing in of a prosperity dividend.

Mr. President, Congress must not only look at the 5 and 10 year effect of the policies we enact. We need to look at how the policies we change today affect the future. It is true that long-term economic estimates are notoriously unreliable, but having said that, long-term budget problems are in no small part related to long-term demographic trends. And long-term demographic trends are reliable.

Our actions now will impact future generations, our grandchildren. For example, if Social Security were examined under the requirements of private pension funds, you would find that it is underfunded by hundreds of billions of dollars. Congress should look outside the budget horizon, particularly at the long-term budgetary consequences of tax cuts. Tax cuts are back-loaded in this resolution.

Mr. President, in Alice in Wonderland, Alice asked the Cheshire Cat, ''Which way should I go?'' And the Cheshire Cat responded ''It depends on where you want to go.'' Congress must decide which way to go. Mr. President, this budget resolution will balance the budget. But more work needs to be done to meet our obligations to future generations of Americans, to invest in people and to protect their retirement security. Every generation of Americans has addressed and resolved challenges unique to their time. That is what makes our country great. Now is the time to take steps toward ensuring that our generation will honestly address its needs so that future generations will have at least the same opportunity.

Our generation should leave no less than we inherited.

Mr. SMITH of New Hampshire. Mr. President, I rise to voice my concerns about the budget resolution we debate here today. Since the announcement of a budget deal earlier this month, I have carefully examined the plan, contemplated its effect on our economy and the future of our children, and pondered the advice of many. I have also observed the floor debate and statements of my colleagues, and have heard the views of many of my constituents in New Hampshire. After much deliberation, I must oppose this budget.

While I do not support the resolution, I would like to commend my colleagues who have worked so hard to try to craft a good plan. I appreciate their efforts and the difficult discussions they have endured. Most importantly, I realize that negotiating with the White House is no easy task. However, my concerns about the deficit, the exploding growth of entitlements, and the huge tax burden on Americans, far outweigh the temptation of a politically appealing agreement with the President. History has taught us that the most politically expedient solution is not always good for Americans.

What happened to the Republican Congress that came into town in 1995, ready to attack the problems in our economy that had been ignored for decades? Where is the spirit of dedication that accompanied our success and the commitment to our principles that led to our win? Where are those voices that denounced Washington's business as usual? I cannot answer these questions, but I do know that we should not disappoint the voters who trusted us.

For a minute, allow me to set aside the rhetoric that surrounds this debate and look at the facts. Fact 1: Under the plan, the era of big government is not over. This budget deal proposes to spend $5 billion more than even President Clinton requested for fiscal year 1998. In fact, spending for 1998 increases about $70 billion from 1997—a bigger increase than any budget passed by Democrat-controlled Congresses in recent years. Over 5 years, this plan spends $189 billion more than Congress proposed in last year's budget resolution. The so-called savings that have been celebrated by proponents are just reductions from the inflation-adjusted baseline that rises each year.

Fact 2: All the pain is in the out-years. Since Congress revisits the budget resolution every year, we cannot count on anything past 1998 and we have no assurance that the cuts in spending will ever be achieved in 2001 and 2002. At the very least, we must cease the fairy tale rhetoric about savings that will be achieved over the next decade.

Fact 3: The deficit goes up! While the deficit for this year is projected to be $67 billion, under this plan, it is estimated to grow to $90 billion for the next 2 years and then drop slightly to $83 billion in 2000. Not until 2001, does the deficit drop to below today's level. If we can reduce the deficit from $53 billion in 2001 to 0 in 2002, why can't we reduce it by $53 billion this year? Furthermore, the deficit reduction is due, in large part, to suspicious economic assumptions. Overnight, the Congressional Budget Office discovered a $225 billion ''fiscal dividend'' of new tax revenues that may or may not be realized in the out-years.

Fact 4: The tax cuts will not provide noticeable relief. While we must vote on the spending increases now, we have but a skeleton of a commitment on tax relief for Americans—legislation which won't be discussed until next month. Since we have already promised away

$35 billion for the President's education credit, the tax writing committees are left with very little room to accommodate the equally important capital gains tax reductions, death tax reform, the $500 per child tax credit, expansion of individual retirement accounts [IRA's] and other relief provisions. For instance, $100 billion would not even cover the full $500 credit. These restrictions will produce scaled-down, phased-in, and barely noticeable adjustments.

Fact 5: The proposal contains no real entitlement reform. This budget proposes $115 billion in Medicare savings, but does absolutely nothing to fundamentally restructure the ailing program. In fact, the biggest reform is an accounting change that we condemned as a ''gimmick'' just last year—and rightly so. Worse yet, the plan wipes out many of the real reforms we enacted in last year's welfare reform legislation by restoring welfare payments to legal immigrants and expanding Food Stamp work slots.

Fact 6: The budget deal protects additional money for Presidential priorities, but no programs are terminated. While the resolution guarantees that spending will go up for programs such as Head Start and bilingual education, there is not one word about reforming or eliminating arts funding, AmeriCorps, or corporate welfare programs. Since total discretionary spending increases in this legislation, I hold out little hope that wasteful spending programs will be tackled this year.

A legitimate balanced budget plan should shrink the size of Government, reduce the deficit, and reform entitlement programs. The budget must be accompanied by a credible tax package that includes complete repeal of the estate tax; a 50 percent cut in the capital gains tax rate; an immediate $500 per child tax credit available to all, regardless of income; and creation of an ''IRA-Plus'' plan. These tax cuts should be financed by reducing spending, not increasing other taxes.

Although this plan contains many serious flaws, it is my hope that we can renegotiate a plan that meets but one condition: it must be a good deal for Americans. In its current form, I cannot, in good conscience, support this budget resolution.

Mr. JOHNSON. Mr. President, I rise in support of Senate Concurrent Resolution 27, the fiscal year 1998 budget resolution.

Mr. President, this bipartisan budget agreement represents a hard-fought achievement for our nation. It is neither the perfect plan, nor is it the plan that I would write if I were solely responsible for this enormous task. What this plan does represent, however, is a compromise between two parties, a compromise between Congress and the administration, and a delicate balance of important national investment and tax priorities. Under the circumstances, no plan could be perfect. This plan, nevertheless, is a good plan.

Mr. President, this plan is the culmination of more than 2 years of debate. During the course of this debate we have witnessed several critical events: the shutdown of the Federal Government, the death of the so-called Contract With America, and the emergence of a group of centrists committed to a sensible approach to balancing the Federal budget.

In order to understand this agreement in its proper context, we should take a moment to remember that this agreement today would not be possible without tough votes cast by Democrats on the Omnibus Reconciliation Act of 1993. The success of that deficit reduction package is indisputable. When President Clinton took office in January 1993, the Federal budget deficit stood at $290 billion. Experts are now projecting a deficit for this year in the range of $67 billion. We have seen, for the first time in a century, declining deficits for 5 years in a row, and the deficit as a percentage of the size of the economy is at its lowest in decades. Not a single Republican supported the 1993 deficit reduction bill. Not one. Yet, without this enormous achievement, we could not be finishing the job today.

It is also vitally important that we remember the great battle over the shape of Government that has taken place over the past 2 years. At the beginning of the 104th Congress, we heard talk of a revolution. We were told that we needed to cut Medicare by $270 billion over 7 years. We were told that Medicaid should be reduced by $170 billion, and that Federal Government would no longer guarantee health care coverage for the poorest Americans. And we were told that the earned income tax credit—a program that reduces the tax burden on low- to moderate-income working families—should be cut by $32 billion. Speaker GINGRICH's revolution also called for massive reductions in discretionary spending, leading to cuts in critical education programs, veterans' programs, and environmental protection.

These large-scale reductions would be necessary because Speaker GINGRICH's plan contained a massive tax cut of $280 billion over 7 years. The majority of the tax cuts would be of little benefit to typical American families. In fact, with the cuts in the EITC, many families needing the most help would have paid higher taxes.

Democrats knew that there was a better way. We said that we could balance the budget by 2002, but we had to do it with the right priorities. We said that we could balance the budget while enacting a modest package of tax cuts that would be targeted to typical American families. We said that we could preserve Medicare, invest in education, and balance the budget. This budget agreement proves that we were right.

With a better-targeted tax cut package, this agreement allows us to balance the budget while making investments in critical priorities. The agreement provides $35 billion in tax cuts for education, funding for the child tax credit, and still leaves room for relief in estate and capital gains taxes.

The agreement would increase funding for Pell grants by $8.6 billion over 5 years. This funding boost would increase the maximum Pell grant to $3,000—which is a $300 increase—and it would expand eligibility so that more students can be provided assistance.

The agreement will provide $16 billion over 5 years for innovative new programs to provide health care coverage for 5 million children who have no health insurance. This achievement stands in stark contrast to proposals in the Contract With America that would have removed the Federal guarantee of health care coverage under Medicaid.

The bipartisan agreement allows for the largest expansion of education programs since the time that Lyndon Johnson was President. Head Start will be expanded by $2.7 billion, allowing for 1 million children to be enrolled in this critical program by 2002. This is a vast improvement over the Contract With America, which called for the elimination of the Department of Education, cuts in student loans, and reductions in Head Start.

The agreement provides for growth in Federal student loan programs, increasing student loan volume by $7 billion by the year 2002. In contrast, the Contract With America would have added to student debt burdens by charging interest while the students were still in school.

The agreement will reform Medicare to extend the life of the Medicare trust fund for 10 years. Rather than receive benefit reductions, Medicare beneficiaries will be eligible for new preventive care benefits, such as mammography coverage, other cancer screening, and diabetes management.

The agreement will implement President Clinton's proposed budget for the National Park Service, producing an increase of $57 million over current budget levels.

The budget plan provides key funding for crop insurance programs, allocating $200 million necessary from discretionary funds to reimburse crop insurance agents for the cost of administering the program.

The agreement will fund the President's budget request for tribal priority allocations, which pay for law enforcement, child protection, education, and road maintenance on our Nation's reservations. This provision will boost funding by $200 million for the next fiscal year, and by $800 million over 5 years.

I do want to take a moment, however, to express my concern that the tax-writing committees in both the House and the Senate take considerable care as they fill in the details of the agreement to reduce taxes by a net $85 billion over 5 years and $250 billion over 10 years. There may be great temptation to structure these tax cuts so that their full cost to the Treasury is not felt until the years beyond the 10-year path laid out by this agreement. It would be a grave mistake, and

highly irresponsible, to pass into law a tax cut package that could not be sustained over the long term. Our goal should be to keep this budget in balance for good. Accordingly, I urge my colleagues on these committees to keep long-term fiscal considerations in mind.

Mr. President, I want to thank all those on both sides of the aisle that spent countless hours negotiating this agreement. We have not yet finished the job, but the passage of this resolution is a crucial step down the road to balanced budget.

Mr. FAIRCLOTH. Mr. President, I reluctantly have to rise in opposition to this balanced budget agreement.

Mr. President, this agreement will balance the budget in 5 years. But, we are already $5 trillion in debt. We can't wait 5 years. We can't go deeper into debt, just to spend more on domestic programs.

In the last 40 years, the Government has grown too big—it is time for our national debt to get smaller. In fact, this budget could actually be balanced by the year 2000 rather than 2002, and still provide tax relief for working families, were it not for the first 3 years of higher spending which the President insisted upon. I want to commend my colleagues who negotiated with the President, and I have no doubt it was difficult to persuade the President to agree to a budget that ever achieves balance. But I simply cannot support the spending increases and tax increases in this budget.

If this budget resolution is enacted, spending will grow—that's right, grow—by $267 billion over 5 years, rising from $1.622 trillion this year to $1.692 trillion in 1998, $1.753 trillion in 1999, $1.809 trillion in 2001, and $1.889 trillion in 2002. Under this budget deal, deficits will grow next year alone by 35 percent, from $67.2 billion to $90.4 billion. In fact, deficits will be above this year's level for each of the next 3 years. This budget deal allows spending to balloon over the next 3 years, and it does not begin to control spending until the year 2001, which of course will be after the end of the President's second term.

In fact this agreement will actually produce the largest increase in social spending in the last 15 years.

While we're spending at records levels, the agreement gives little in the way of tax relief. And much of the tax relief that is provided is really robbing Peter to pay Paul. The agreement includes a gross tax cut of $135 billion, but let's take another look at that so-called tax cut. If you look elsewhere in the agreement, you'll see that it actually includes $50 billion in new tax increases, including $34 billion in tax increases from the airport and airway trust fund tax.

In addition, the Bureau of Labor Statistics will adjust the Consumer Price Index downward by 0.25 percent. That's another $6 billion in tax increases. In other words we are cutting taxes with one hand, and raising them with another, so the Government can keep spending and deficits can keep growing.

Most of the deficit reduction in this bill comes not from tough choices and policy changes that control Government spending, but from rosey-scenario assumptions made by economists. We are assuming that economic growth will be strong enough, and inflation will be low enough that all the hard choices will be taken care off for us. In fact, 99 cents out of every dollar of deficit reduction in this bill is simply assumed. As my good friend, Senator GRAMM has noted, only 1 cent out of every dollar, or $3 billion out of $350 billion, comes from changes in public policy.

Congress and the President should tell the American people the hard truth about the Nation's deficit. A balanced budget requires hard choices. It cannot be achieved simply by wishing it away.

Even though I cannot support this budget agreement, I must note that this is perhaps the best agreement that could be achieved, considering that we have been negotiating with a President who is dedicated to increasing the size of the Federal Government.

In fact, I find it very instructive to compare this budget agreement with the budget produced in 1993, when the President and a Democratic Congress unveiled their own budget plan. That 1993 budget raised taxes by $241 billion, provided absolutely no net tax relief, and never achieved balance, but continued deficit spending as far as the eye could see. The Clinton budget of 1993 provided spending reductions of $193 billion, as against a net total of $241 billion of tax increases. The current balanced budget agreement of 1997 provides $320 billion of spending reductions, and gives the American people a net total of $85 billion in tax relief.

Without the current balanced budget agreement, it is likely that the Federal Government would face another Government shutdown. This agreement should prevent that from happening.

Is this a perfect agreement? No, it is not. Unfortunately, no agreement which attempts to reconcile a philosophy of tax and spend Government growth with one of tax relief and fiscal restraint is likely to be perfect. Perhaps it is the best that can be achieved under this President.

Although it is perhaps the best that Congress can get from this President, the Nation deserves much better, and for that reason I plan to vote against the budget agreement. With that, Mr. President, I yield the floor.

Mr. KYL. Mr. President, Gen. George S. Patton once said, ''if everybody is thinking alike, then somebody isn't thinking.''

Mr. President, I have no doubt that this budget is going to pass. There appears to be a lot of sentiment on both sides of the aisle that the deal must be approved even though it is flawed in many respects. But, like General Patton, I hope each of us and every American will actually evaluate the budget agreement on its merits before deciding whether or not to go along. I, for one, have concluded that the deal—on its merits—should not be supported, and there are several reasons why.

First, consider the deficits that are projected under the budget agreement. The deficit this year is expected to total $67 billion. We are trying to get a zero deficit—to balance—by the year 2002. But under this budget, the deficit goes up, not down. It climbs 34 percent—to $90 billion next year—and then remains in that range for 2 more years. Only in the final 2 years of the 5-year plan—in 2001 and 2002—would the deficit drop dramatically.

Think about that. We are at a $67 billion deficit now, and we are trying to get to balance in 5 years. This budget lets Congress and the President go on a spending binge for 3 years, and then requires us to eliminate a $90 billion deficit in just 2 years. It cannot be done.

It is as if you decided to go on a diet and lose 20 pounds by the Fourth of July. But instead of losing the weight gradually, you decided to put on 10 more pounds and then started the diet in earnest on July 1. You would fail to achieve your goal. The same is the case regarding deficit reduction. If it is going to take 5 years to eliminate a $67 billion deficit, how can we possibly eliminate a $90 billion deficit in just 2 years? The answer is that we will not.

Second, consider tax relief. Of course, the budget itself does not include a family tax credit, capital gains relief, relief from death taxes, on an education tax credit. It merely establishes the overall size of the tax cut that will be written later. But the amount of tax relief we will be able to provide is very small: a net total of $85 billion over 5 years—about 1 percent of the $8.6 trillion in tax revenue that will be collected over that time period. A tax cut of 1 percent. It is minuscule.

It is going to be impossible to provide all of the tax cuts that we have promised within that small amount.

Mr. President, the tax relief we promised to working families—to help small businesses create jobs and provide better wages—will total $188 billion alone. President Clinton's education credit will cost another $35 billion. And there are a variety of other tax cuts as well.

What that means is that a single mother probably cannot count on a full $500-per-child tax credit. It probably will be something less, phased in over a period of time. And maybe only some parents will qualify.

It means that small businesses, including those started by women and minorities, cannot count on the tax relief that would enable them to expand, hire new people, pay better wages, and do the things necessary to become more competitive.

It certainly will not be significant enough to prolong the economic expansion, which is already reaching historic

lengths. That means the economy will probably slow, and people would be hurt be recession. We can prevent that by providing the economy with the shot in the arm that it needs to keep on growing. But that will require a larger, more meaningful tax cut.

Third, consider whether or not this budget preserves Medicare for our seniors today and for those who will count on it in the future. Instead of going bankrupt in 2 years, this budget lets Medicare go bankrupt in less than 10 years. We need to make sure Medicare is safe and solvent for the long haul, particularly when the first wave of the Baby Boom generations begins to retire in 2010. This budget does nothing to protect Medicare for the next generation.

It merely delays insolvency, mainly by reducing provider reimbursements, which will either diminish the quality of care provided to today's generation of older Americans or drive more doctors and hospitals out of the Medicare Program altogether, leaving seniors with limited health-care choices.

It shifts the costs of home health care from part A to part B—a gimmick that we roundly denounced when the President proposed it before.

Fourth, consider whether or not this budget makes good on the President's pledge that ''the era of big government is over.'' It does not. In fact, there are 13 new mandatory and entitlement programs in this agreement. And their costs will explode early in the next century.

Fifth, and this may be the most telling of all, to pass this budget agreement we will first have to waive the discretionary spending caps for fiscal year 1998 that were established by the Democrat Congress and the Democrat President in 1993. Outlays will actually exceed the statutory cap by about $7 billion. In other words, the Republican majority, which was sent to Washington to try to curb spending, will allow spending to grow even more than the free-spending Congress of the early 1990's.

Mr. President, this budget will not produce the intended results. It merely postpones all of the tough decisions until a new President and a new Congress are elected early in the next century. It is, as Yogi Beara once said, deja vu all over again—a remake of the 1990 and 1993 budget deals that simply yielded more spending, bigger government, and more taxes.

I intend to vote ''no.''

Mr. BYRD. Mr. President, the Budget Resolution before us today is nothing more than a blueprint that, if implemented in its entirety through subsequent reconciliation and tax legislation, purports to balance the federal budget by 2002. Whether or not a balanced budget will actually be achieved in five years, Heaven only knows. Having said that, this agreement must nevertheless be recognized as the byproduct of a reasonable compromise between a Democratic President and a Republican Congress. Such bipartisan cooperation has not been witnessed in recent years, when two government shutdowns have highlighted the paucity of compromise in our federal government.

Mr. President, I would like to commend the leaders from both parties who have worked hard to forge a balanced-budget agreement that will likely pass both houses of Congress. However, I also want to remind all Senators that most of us did not sign the Bipartisan Budget Agreement announced by the President and the Congressional leadership on May 2, 1997, and we are not thereby bound to its individual components. As much as we want to jump on this budgetary bandwagon, we must be careful not to subject this Budget Resolution to any less scrutiny than would be applied to a strictly partisan budget proposal.

Mr. President, the Budget Resolution before us today purports to achieve a budget surplus of $1 billion in FY 2002. To accomplish this task, discretionary spending will be cut by a total of $138 billion over five years, Medicare and Medicaid will be cut by $129 billion, and other mandatory programs will be reduced by approximately $40 billion. In addition, the proposal would amend budget rules to extend the statutory caps for discretionary spending and the pay-as-you-go requirements for mandatory spending through 2002. While I am concerned about the depth of the spending cuts targeted towards discretionary spending, which has been declining sharply as a percentage of the federal budget since the 1960's, I cannot ignore the substantial improvement in discretionary funding that this Budget Resolution achieves over its immediate predecessors. Furthermore, this plan places spending priorities on many needed investments in transportation infrastructure, educational assistance, environmental protection, and crime-prevention programs.

Mr. President, if the Budget Resolution included only the aforementioned spending reductions, I would likely be standing on the floor today declaring my unequivocal support for its passage. However, the Budget Resolution before us also includes certain provisions that have nothing to do with balancing the budget. In fact, these provisions—namely, the $85 billion in net tax cuts included in Senate Concurrent Resolution 27—take us in the opposite direction and make it more difficult to balance the budget. In essence, Mr. President, if we approve these tax cuts, we are with one hand digging deeper the very hole our other hand is trying so hard to fill. Such ambidexterity should not be relied upon to balance the budget. We should eschew all tax cuts until after we firmly erase the budget deficits that have so plagued our nation in recent years. Tax cuts were, after all, the primary culprit for the rapid escalation in the federal budget deficit in the 1980's. It is all too easy to enact tax cuts and save the pain for later. We have done it before, and the lessons learned from that exercise should instruct us not to do it again.

Mr. President, some may guarantee that the Budget Resolution before us today will balance the budget in five years and still provide such tax relief. If the economy continues to perform at close to its current pace, that very well may be true. However, if the economy turns sour in the next five years, the tenuous $1 billion surplus projected for FY 2002 under this Budget Resolution may be worth less than the paper on which it is printed here today. We may never see that surplus, or anything close to it, if we combine the contradictory goals of tax cutting and budget balancing in this resolution. Suppose, for example, that we provide these tax cuts today and then find ourselves in the year 2000 well above the deficit targets proposed by this resolution. Will we be able to repeal these foolhardy tax cuts to bring us closer to balance? Will we be able to tell those beneficiaries of these tax cuts to give them up? I have served in this body long enough to recognize that tax cuts such as the ones included in this Budget Resolution are virtually a one-way street; there is no turning back. We should steer clear of this diversion and stay focused on the course of balancing the budget.

Mr. President, before I conclude my remarks, I want to remind all Senators of the actions that have helped to bring us to this point, where balancing the federal budget is well within our reach. According to the Congressional Budget Office, the FY 1997 budget deficit will be approximately $67 billion, or less than one percent of Gross Domestic Product (GDP). Just five years ago, many Senators will remember that we were facing a budget deficit of $290 billion, or about 4.7 percent of GDP. This considerable improvement in the fiscal order of our nation did not occur by accident. Rather, it can be traced directly to the passage in 1993 of the Omnibus Budget and Reconciliation Act (OBRA–93) by the 103rd Congress, with the support of President Clinton. That landmark legislation combined responsible spending cuts and revenue increases to begin the painful—but necessary—process of eliminating the deficit. There can be no doubt of the success of OBRA–93 in bringing down the deficits and stimulating economic growth. We are currently in our sixth consecutive year of economic growth, unemployment has dipped below five percent, and inflation has remained in check. The Budget Resolution before us today continues the task of balancing the budget from the propitious starting point made possible by OBRA–93, and it relies on projections of similar economic conditions in the future. Mr. President, it is safe to say that, were it not for OBRA–93, the task of balancing the budget by FY 2002 would be substantially more difficult, and the Budget Resolution before us today would not come close to balance.

After discussing what actions have made this Budget Resolution possible, however, I believe it is also important to focus on what actions were not needed. Specifically, I am referring to the proposed constitutional amendment to balance the budget, which was again defeated earlier this year. Without constitutionally tying the hands of this and future Congresses, the leaders of the Congress and the President have come together to forge a balanced-budget plan. The plan is not perfect, by any means, but it must serve as a reminder that, in order to balance the budget, it takes only the courage to stand in the well of this chamber and cast our vote for a specific plan to eliminate the deficit. There is no substitute for courage that can be drawn from such an ill-conceived constitutional amendment.

In conclusion, Mr. President, let me announce my intention to support final passage of S. Con. Res. 27.

I commend the members of the majority and minority leadership, and the Budget Committee, who have come together with equanimity to work out a bipartisan budget agreement with the White House. Compromise is never easy to achieve, but its results may well be worth our efforts. After all, let us not forget that the Senate itself was, according to ''The Federalist Papers,'' the ''result of compromise between the opposite pretensions of the large and the small States.'' Similar conflicting ''pretensions'' have helped mold the bipartisan budget agreement before this body into a reasonable approach to balance the budget.

Mr. President, I yield the floor.

Ms. LANDRIEU. Mr. President, I rise in support of Senate Concurrent Resolution 27, the bipartisan budget agreement as amended during the debate of the past few days. Mr. President, I believe that the Budget Resolution represents an important victory for this body and for the American people in that we can finally look forward to a balanced budget by 2002. Priorities like Medicare, Medicaid, education and the environment have been protected. This agreement, the first true balanced budget in 28 years, delivers on a personal promise of mine to work to strengthen the economy, balance the budget and put families first.

Mr. President, I salute the work of both parties as the primary reason this agreement was reached. Each side had to give and take to get us to this point. I commend the President and the congressional leadership, particularly Senator DOMENICI and Senator LAUTENBERG, for their responsible conduct throughout this entire process. We are in their debt.

Mr. President, the budget agreement puts more resources into educating America's children—from Head Start to college—than the Federal government has done in 30 years. It secures Medicare's solvency for a decade, cleans up poisonous waste sites and will help move millions of Americans from welfare to work. Just as important, it accomplishes all this and gives needed tax relief to hard-working families and small businesses through capital gains and estate tax cuts and a $500 per child tax credit.

Mr. President, this agreement only begins our work, it doesn't end it. I will go forward with my colleagues fighting for families—to strengthen our investment in children by repairing their crumbling schools, extending medical coverage to more children, and cutting juvenile crime—and to strengthen Social Security and make retirement secure for every working American.

Mr. KERRY. The Senate shortly will be taking a very momentous step. We will be acting on a budget resolution designed to eliminate the federal budget deficit by 2002. This has been an objective many of us have fervently sought for many years. It has been my objective since I came to the Senate in 1985.

The Federal Government has run a deficit continuously for more than 30 years, but it soared to what were then almost inconceivable heights in the 1980s during the Reagan and Bush Administrations. As a result of those stratospheric deficits, the national debt has multiplied several times, exacting a toll from our economy, increasing interest rates, and making debt service one of the largest expenditures in the Federal budget.

I would like nothing more than to vote for a solid budget resolution that would achieve balance while allocating resources in a way most likely to meet our most pressing national needs. Because of the strength of my desire to achieve balance and eliminate the deficit, I am tempted to vote for the resolution that the Senate is considering today. It does, of course, project balance in 2002.

Mr. President, I know how difficult it is to achieve a budget compromise, which entails bridging the great differences among elected officials—the President and his Administration and both Democrats and Republicans in the Congress. President Clinton and his senior advisers, the Senate and House Republican leadership, and the chairmen and ranking members of the House and Senate Budget Committees have labored mightily for many weeks to try to devise the plan on which we will be voting today. Given those differences they had to bridge, I think they are to be commended for what they accomplished.

But above all the applause for the deal they struck, and the bipartisan congratulatory cheers simply for laying aside the usual bickering and sticking with the plan they have prepared, I hear my conscience saying it is wrong to ignore my core set of values and what I believe should be the priorities for our Nation.

This budget deal, Mr. President, may be historic. I strongly support the fact that it achieves balance in 5 years, and if that balance actually is achieved, it surely will be historic. But that is far from the only measure that should be applied to a budget. Deficit elimination is a vital objective, but it is neither an economic policy nor a statement of priorities for our Nation or its Government.

Said another way, it matters, and matters greatly, how we achieve balance, not just that we achieve it.

Mr. President, despite the fact it achieves balance, and despite the fact that one can imagine many budgets that would be worse for our Nation—indeed, one need look no further than the draconian budget the congressional Republicans tried to force down our throats as recently as 2 years ago—this budget does not meet America's needs as I believe they can and must be met while achieving budget balance. It fails this test in two ways—one of those consists of vital activities it fails to include, and the other consists of the detrimental effects of its contents.

The foremost deficiency of this budget is that it has no vision for America's children. To partially address this deficiency, I offered an amendment to enable the Senate to consider legislation later this year to meet the critical early developmental needs of children from birth to age 6. I applaud the managers for accepting this amendment. But earlier, the Senate rejected a bipartisan amendment that would have provided the budgetary room needed to enact a program providing health insurance to the millions of children who do not now have it.

We were presented with a deal that gives lip service to some of our critical domestic needs by providing limited room for so-called Presidential initiatives. These include $16 billion over 5 years to provide health insurance to children who do not now have it; an increase in Pell grants; and increased funding for bilingual and immigrant education, child literacy initiatives, Head Start, and Environmental Protection Agency and National Park Service operations. But the allocations for these categories fall far short of the additional investments that are needed in these and other critical areas.

The share of our gross domestic product invested in education, training, infrastructure, and civilian research and development will continue to decline for the next 5 years under this budget blueprint. Many Senators—on both sides of the aisle—pointed this out during the debate and each one in turn was rebuffed.

Look at the amendment by my great friend and colleague, the senior Senator from Massachusetts, Senator KENNEDY, and the chairman of the Judiciary Committee, Senator HATCH. The amendment they offered would enable an expansion of health coverage to all uninsured American children. But their amendment was defeated—shot down for the sake of the deal. Look at the amendment by my able friend, the senior Senator from Illinois. Senator

MOSELEY-BRAUN attempted to set aside $5 billion for school construction. Of the schools in Massachusetts, 92 percent are in disrepair, and this money would have been a downpayment on our obligation to allow these children and all American children to have at a minimum a proper setting in which to learn. But Senator MOSELEY-BRAUN's amendment was rejected. And, why? Because it purportedly would have busted the deal.

The Senator from Minnesota, Senator WELLSTONE, sought to increase funding for Head Start, school lunches, and school construction. Republicans cynically demolished that amendment by passing a substitute amendment calling for a school voucher program.

At the head of the list of the harmful features of the bill can be placed the effects of its tax cuts. I support and believe the Nation can benefit greatly from the President's initiatives to provide assistance through the Tax Code to American families and individuals to help them meet the costs of higher and continuing education. But this budget resolution includes tax cuts that are sufficiently large that the result inescapably will be to increase the deficit—yes, I said increase the deficit—for at least the next 2 years.

Considerably more potentially destructive, despite a fuzzy commitment by the deal cutters that the tax cuts will not be backloaded—that is, they will not result in mushrooming revenue loss in the future, the revenue losses will significantly increase in the outyears. The net revenue loss over 5 years will be $85 billion; the net loss over 10 years is projected to be $250 billion.

Mr. President, while President Clinton did win some less-than-ironclad assurances that the Republican-controlled Finance and Ways and Means Committees will include some of his tax cut priorities regarding education tax deductions and credits and a child tax credit, the Republicans insist on including sweeping, broad-based, across-the-board capital gains and estate tax reductions among a host of tax cuts. These cuts will have a dramatically skewed distribution, providing the greatest portion of their benefits to taxpayers with annual incomes placing them among the top 5 percent of the Nation.

It is instructive to look at two proposals. Reducing capital gains taxation from 28 percent to 19.6 percent will yield 85 percent of the benefit to the top 5 percent of taxpayers, all with incomes exceeding $100,000. Reducing the estate tax by increasing the exemption from $600,000 to $1 million will benefit only the wealthiest 1 percent of households. Under current law, 98 percent of Americans who die leave estates wholly exempt from estate taxes. Such proposals can only be viewed as Republican ''welfare-for-the-rich'' at its worst.

Mr. President, while non-defense discretionary accounts are squeezed harder as we approach the magical balance to occur in 2002, and while most Americans have worked hard and sacrificed for the past 5 years to keep our economy booming and slash the deficit more than $200 billion and will be required to tighten their belts further by this resolution, the richest Americans and American corporations are absolved from contributing to the final push to 2002. The deal virtually ignores corporate welfare—both that which exists among discretionary spending programs and the far larger amount which exists in the Internal Revenue Code.

At a time when beneficiaries of spending programs—especially lower-income beneficiaries—have been subjected to significant reductions in those benefits they have received, corporate beneficiaries are asked to bear virtually none of the cost of achieving budget balance, much less paying for the investments in people and infrastructure that are so badly needed.

As my distinguished friend, the eternally junior Senator from South Carolina, Senator HOLLINGS, said on the floor on Tuesday evening, there is a scarcity of discipline in this budget and even less willingness to take less-than-pleasant budget medicine now in order to experience economic and budgetary order in later years. Instead, even that limited budgetary reckoning the deal entails is largely postponed until the final 2 years of the deal. Because of this, the national debt will increase significantly in the next several years, resulting in ever-higher debt service costs which must be borne by the budget until that debt is reduced.

I reiterate that I staunchly support balancing the Federal budget. But I do not believe in balancing the budget in just any way. One roadmap for achieving balance is not the same as every other roadmap for achieving balance. There unquestionably is a difference. Indeed, I have worked on and voted for balanced budget plans over the years with colleagues on both sides of the aisle. But, I cannot vote for this one. It is a Wizard of Oz budget deal—no home, no heart, no brain, and no courage.

If this budget passes and becomes the operative structure for fiscal decision making by the Congress, as I expect it may, I will work diligently to do everything possible to meet the needs of America's children, and other pressing needs, within its constraints, and to alter those constraints where it is possible to do so.

But, with no joy, I will vote no on final passage, greatly disappointed and saddened that the Senate has not taken the steps and provided the opportunities that are so badly needed to fairly confront and meet our Nation's most critical needs while achieving a balanced budget.

Mr. DASCHLE. Mr. President, this is an historic occasion. This budget outline is the first plan Congress has produced in 28 years to balance the budget.

I want to thank all of those who worked so hard to get us to this point, including the President and Vice President, Erskine Bowles, Frank Raines, John Hilley and others at the White House, Senators FRANK LAUTENBERG, ranking member of the Senate Budget Committee, House minority leader DICK GEPHARDT and JOHN SPRATT.

I also want to thank our partners across the aisle: Senate majority leader LOTT, Senator PETE DOMENICI, chairman of the Senate Budget Committee, Speaker GINGRICH and Congressman JOHN KASICH.

And all the staff, in both houses, the administration and including my own, who have worked so diligently to complete this agreement.

Finally, I want to thank two former colleagues, Senators Jim Sasser and Harris Wofford, who were defeated for re-election in 1994—in no small part because they supported the 1993 deficit reduction plan. Without that plan we would not be here today. Because of that plan, we've been able to cut the budget deficit by 75 percent. In less than 5 years, we've gone from a $280 billion deficit to a $67 billion deficit.

The U.S. economy has added more than 12.5 million new jobs, and 3 million small businesses. Our economy is now growing at a virtually unparalleled rate of 3.5 percent a year. Unemployment is at its lowest level in 24 years. Young people graduating from college this month are entering one of the best job markets in years. That's a remarkable record of progress.

I support this budget resolution because it builds on that progress. Make no mistake: This budget plan is not the culmination of the Contract With America. It is, in some fundamental ways, a repudiation of that contract.

Where the contract targeted tax relief to those who needed it least, this budget agreement targets it to those who need it most. Where the contract would have left Medicare to wither on the vine, this agreement extends the solvency of the Medicare trust funds for a decade. Where the contract represented a declaration of war, this resolution is instead a declaration of principles.

There is a difference between a budget that slashes and burns to get to zero, and a budget that is truly balanced. This resolution—if we adhere to it—will result in a balanced budget that addresses not only our financial deficit, but our investment deficit as well. This budget plan sets aside $35 billion in education tax relief, to help working families pay for college and job training. This plan will provide health insurance for 5 million children—half of the uninsured children in America. This plan extends the life of Superfund, so we can clean up the environmental mistakes of our past, and it invests in environmental safeguards, so we can avoid mistakes in the future. This budget keeps Medicare solvent for another decade—without gouging senior citizens who depend on the program.

It is a good deal. But it is not a done deal. We still have a long way to go before this declaration of principles is

translated into an actual budget—13 individual appropriations bills, plus a reconciliation bill.

We know full well, from the last Congress, how difficult these next steps can be. It is my hope that we will also remember the painful consequences of refusing to take those steps. As long as the commitments we have received now in writing are honored, we will proceed in good faith toward reconciliation.

That does not mean, however, that we will be passive observers of this process. Any attempt to undermine our agreement and skew the tax relief to benefit disproportionately those who need tax relief the least will be met with forceful opposition. So will any effort to shortchange our agreement on education tax credits and children's health insurance.

The time for negotiations on these priorities is over. There is more than enough money, and flexibility, in this budget plan to honor these important commitments. There is also enough room in this framework to accommodate our proposal to help communities rebuild crumbling schools, and replace obsolete schools. According to the Government Accounting Office, one-third of all schools—serving 14 million children—require extensive repair or replacement. Almost 60 percent of schools have at least one major structural problem, from sagging roofs to cracked foundations. About half have unhealthy environmental conditions, such as poor ventilation or inadequate heating. Half lack the basic electrical wiring needed to connect them to the information superhighway.

It is wrong for us to hobble future generations with the debts of this generation; that is why we are taking these steps to eliminate the deficit. But it is equally wrong to deny future generations the basic tools they will need to make a life for themselves and their own families. Education is the most important of those tools, and that includes safe, adequate schools.

It is our hope that we can have a truly balanced budget on its way to the President's desk before the August recess. Then we need to turn our attention to other concerns, including juvenile drug abuse and crime, pension reform and, yes, campaign finance reform. Bipartisanship does not come easy to this Congress. But this budget outline proves it is not impossible.

It is my hope that we will be able to work together to make sure this balanced budget framework is not the only bipartisan victory of this Congress, but merely the first. There is much more we need to do.

AMENDMENTS NOS. 310, 338, 339, 349 WITHDRAWN

Mr. DOMENICI. Mr. President, I ask unanimous consent that any amendments that were pending at the desk and have not been called up be withdrawn.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Amendments Nos. 310, 338, 339, 349 were withdrawn.

The PRESIDING OFFICER. Under the previous order, the clerk will report House Concurrent Resolution 84.

The assistant legislative clerk read as follows:

A Concurrent Resolution (H. Con. Res. 84) establishing the Congressional Budget for fiscal years 1998 through 2002.

The PRESIDING OFFICER. All after the resolving clause is stricken, and the text of Senate Concurrent Resolution 27 will be inserted in lieu thereof.

The question now occurs on agreeing to the concurrent resolution, House Concurrent Resolution 84, as amended.

Mr. DOMENICI. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. There is a request for a second.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question occurs on agreeing to House Concurrent Resolution 84, as amended. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced, yeas 78, nays 22, as follows:

[Rollcall Vote No. 92 Leg.]

YEAS—78

Abraham	Dorgan	Lieberman
Akaka	Durbin	Lott
Baucus	Feingold	Lugar
Bennett	Feinstein	Mack
Biden	Ford	McCain
Bingaman	Frist	McConnell
Bond	Glenn	Mikulski
Boxer	Gorton	Moseley-Braun
Breaux	Graham	Murkowski
Brownback	Grassley	Murray
Bryan	Gregg	Nickles
Burns	Hagel	Reid
Byrd	Harkin	Robb
Campbell	Hatch	Roberts
Chafee	Hutchinson	Rockefeller
Cleland	Hutchison	Roth
Cochran	Inouye	Santorum
Collins	Jeffords	Sessions
Conrad	Johnson	Shelby
Coverdell	Kempthorne	Smith (OR)
Craig	Kerrey	Snowe
D'Amato	Kohl	Stevens
Daschle	Landrieu	Thurmond
DeWine	Lautenberg	Torricelli
Dodd	Leahy	Warner
Domenici	Levin	Wyden

NAYS—22

Allard	Helms	Sarbanes
Ashcroft	Hollings	Smith (NH)
Bumpers	Inhofe	Specter
Coats	Kennedy	Thomas
Enzi	Kerry	Thompson
Faircloth	Kyl	Wellstone
Gramm	Moynihan	
Grams	Reed	

The concurrent resolution (H. Con. Res. 84), as amended, was agreed to, as follows:

Resolved, That the resolution from the House of Representatives (H. Con. Res. 84) entitled ''Concurrent resolution establishing the congressional budget for the United States Government for fiscal year 1998 and setting forth appropriate budgetary levels for fiscal years 1999, 2000, 2001, and 2002.'', do pass with the following amendment:

Strike out all after the resolving clause and insert:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1998.

(a) DECLARATION.—The Congress determines and declares that this resolution is the concurrent resolution on the budget for fiscal year 1998 including the appropriate budgetary levels for fiscal years 1999, 2000, 2001, and 2002 as required by section 301 of the Congressional Budget Act of 1974.

(b) TABLE OF CONTENTS.—The table of contents for this concurrent resolution is as follows:

Sec. 1. Concurrent resolution on the budget for fiscal year 1998.

TITLE I—LEVELS AND AMOUNTS

Sec. 101. Recommended levels and amounts.
Sec. 102. Social security.
Sec. 103. Major functional categories.
Sec. 104. Reconciliation.

TITLE II—BUDGETARY RESTRAINTS AND RULEMAKING

Sec. 201. Discretionary spending limits.
Sec. 202. Allowance in the Senate.
Sec. 203. Allowance in the Senate for section 8 housing assistance.
Sec. 204. Environmental reserve.
Sec. 205. Priority Federal land acquisitions and exchanges.
Sec. 206. Allowance in the Senate for arrearages.
Sec. 207. Intercity passenger rail reserve fund for fiscal years 1998–2002.
Sec. 208. Mass transit reserve fund for fiscal years 1998–2002.
Sec. 209. Highway reserve fund for fiscal years 1998–2002.
Sec. 210. Exercise of rulemaking powers.

TITLE III—SENSE OF THE SENATE

Sec. 301. Sense of the Senate on long term entitlement reforms, including accuracy in determining changes in the cost of living.
Sec. 302. Sense of the Senate on tactical fighter aircraft programs.
Sec. 303. Sense of the Senate regarding children's health coverage.
Sec. 304. Sense of the Senate on a medicaid per capita cap.
Sec. 305. Sense of the Senate that added savings go to deficit reduction.
Sec. 306. Sense of the Senate on fairness in medicare.
Sec. 307. Sense of the Senate regarding assistance to Lithuania and Latvia.
Sec. 308. Sense of the Senate regarding a national commission on higher education.
Sec. 309. Sense of the Senate on lockbox.
Sec. 310. Sense of the Senate on the earned income credit.
Sec. 311. Sense of the Senate on repayment of the Federal debt.
Sec. 312. Sense of the Senate supporting long-term entitlement reforms.
Sec. 313. Sense of the Senate on disaster assistance funding.
Sec. 314. Sense of the Senate on enforcement of bipartisan budget agreement.
Sec. 315. Sense of the Senate regarding the National Institutes of Health.
Sec. 316. Sense of the Senate regarding certain elderly legal aliens.
Sec. 317. Sense of the Senate regarding retroactive taxes.
Sec. 318. Sense of the Senate on social security and balancing the budget
Sec. 319. Sense of the Senate supporting sufficient funding for veterans programs and benefits.
Sec. 320. Sense of Congress on family violence option clarifying amendment.
Sec. 321. Sense of the Senate on tax cuts.
Sec. 322. Sense of the Senate regarding assistance to Amtrak.
Sec. 323. Sense of the Senate regarding the protection of children's health.

Sec. 324. Deposit of all Federal gasoline taxes into the Highway Trust Fund.
Sec. 325. Sense of the Senate early childhood education.
Sec. 326. Highway Trust Fund not taken into account for deficit purposes.
Sec. 327. Airport and Airway Trust Fund not taken into account for deficit purposes.
Sec. 328. Military Retirement Trust Funds not taken into account for deficit purposes.
Sec. 329. Civil Service Retirement Trust Funds not taken into account for deficit purposes.
Sec. 330. Unemployment Compensation Trust Fund not taken into account for deficit purposes.
Sec. 331. Sense of the Senate concerning Highway Trust Fund.
Sec. 332. Sense of the Senate concerning tax incentives for the cost of post-secondary education.
Sec. 333. Sense of the Senate on additional tax cuts.
Sec. 334. Sense of the Senate regarding truth in budgeting and spectrum auctions
Sec. 335. Highway demonstration projects.
Sec. 336. Sense of the Senate regarding the use of budget savings.
Sec. 337. Sense of the Senate regarding the value of the social security system for future retirees.
Sec. 338. Sense of the Senate on economic growth dividend protection.
Sec. 339. Deficit-neutral reserve fund in the Senate.
Sec. 340. Support for Federal, State, and local law enforcement officers.
Sec. 341. Sense of Congress regarding parental involvement in prevention of drug use by children.

TITLE I—LEVELS AND AMOUNTS

SEC. 101. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years 1998, 1999, 2000, 2001, and 2002:

(1) FEDERAL REVENUES.—For purposes of the enforcement of this resolution—

(A) The recommended levels of Federal revenues are as follows:

Fiscal year 1998: $1,199,000,000,000.
Fiscal year 1999: $1,241,900,000,000.
Fiscal year 2000: $1,285,600,000,000.
Fiscal year 2001: $1,343,600,000,000.
Fiscal year 2002: $1,407,600,000,000.

(B) The amounts by which the aggregate levels of Federal revenues should be changed are as follows:

Fiscal year 1998: $−7,400,000,000.
Fiscal year 1999: $−11,100,000,000.
Fiscal year 2000: $−22,000,000,000.
Fiscal year 2001: $−22,800,000,000.
Fiscal year 2002: $−19,900,000,000.

(C) The amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1998: $113,500,000,000.
Fiscal year 1999: $119,100,000,000.
Fiscal year 2000: $125,100,000,000.
Fiscal year 2001: $130,700,000,000.
Fiscal year 2002: $136,800,000,000.

(2) NEW BUDGET AUTHORITY.—For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 1998: $1,386,700,000,000.
Fiscal year 1999: $1,440,100,000,000.
Fiscal year 2000: $1,488,939,000,000.
Fiscal year 2001: $1,520,200,000,000.
Fiscal year 2002: $1,551,600,000,000.

(3) BUDGET OUTLAYS.—For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 1998: $1,372,000,000,000.
Fiscal year 1999: $1,424,100,000,000.
Fiscal year 2000: $1,468,800,000,000.
Fiscal year 2001: $1,500,700,000,000.
Fiscal year 2002: $1,515,900,000,000.

(4) DEFICITS.—For purposes of the enforcement of this resolution, the amounts of the deficits are as follows:

Fiscal year 1998: $−173,000,000,000.
Fiscal year 1999: $−182,200,000,000.
Fiscal year 2000: $−183,200,000,000.
Fiscal year 2001: $−157,100,000,000.
Fiscal year 2002: $−108,300,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 1998: $5,593,500,000,000.
Fiscal year 1999: $5,841,000,000,000.
Fiscal year 2000: $6,088,600,000,000.
Fiscal year 2001: $6,307,300,000,000.
Fiscal year 2002: $6,481,200,000,000.

(6) DIRECT LOAN OBLIGATIONS.—The appropriate levels of total new direct loan obligations are as follows:

Fiscal year 1998: $34,000,000,000.
Fiscal year 1999: $33,400,000,000.
Fiscal year 2000: $34,900,000,000.
Fiscal year 2001: $36,100,000,000.
Fiscal year 2002: $37,400,000,000.

(7) PRIMARY LOAN GUARANTEE COMMITMENTS.—The appropriate levels of new primary loan guarantee commitments are as follows:

Fiscal year 1998: $315,700,000,000.
Fiscal year 1999: $324,900,000,000.
Fiscal year 2000: $328,200,000,000.
Fiscal year 2001: $332,200,000,000.
Fiscal year 2002: $335,300,000,000.

SEC. 102. SOCIAL SECURITY.

(a) SOCIAL SECURITY REVENUES.—For purposes of Senate enforcement under sections 302, 602, and 311 of the Congressional Budget Act of 1974, the amounts of revenues of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1998: $402,800,000,000.
Fiscal year 1999: $422,300,000,000.
Fiscal year 2000: $442,600,000,000.
Fiscal year 2001: $461,600,000,000.
Fiscal year 2002: $482,800,000,000.

(b) SOCIAL SECURITY OUTLAYS.—For purposes of Senate enforcement under sections 302, 602, and 311 of the Congressional Budget Act of 1974, the amounts of outlays of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1998: $317,600,000,000.
Fiscal year 1999: $330,600,000,000.
Fiscal year 2000: $343,600,000,000.
Fiscal year 2001: $358,100,000,000.
Fiscal year 2002: $372,500,000,000.

SEC. 103. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, and new primary loan guarantee commitments for fiscal years 1998 through 2002 for each major functional category are:

(1) National Defense (050):

Fiscal year 1998:
(A) New budget authority, $268,200,000,000.
(B) Outlays, $266,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $600,000,000.

Fiscal year 1999:
(A) New budget authority, $270,800,000,000.
(B) Outlays, $265,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $800,000,000.

Fiscal year 2000:
(A) New budget authority, $274,800,000,000.
(B) Outlays, $268,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,100,000,000.

Fiscal year 2001:
(A) New budget authority, $281,300,000,000.
(B) Outlays, $270,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,100,000,000.

Fiscal year 2002:
(A) New budget authority, $289,100,000,000.
(B) Outlays, $272,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,100,000,000.

(2) International Affairs (150):

Fiscal year 1998:
(A) New budget authority, $15,900,000,000.
(B) Outlays, $14,600,000,000.
(C) New direct loan obligations, $2,000,000,000.
(D) New primary loan guarantee commitments, $12,800,000,000.

Fiscal year 1999:
(A) New budget authority, $14,900,000,000.
(B) Outlays, $14,600,000,000.
(C) New direct loan obligations, $2,000,000,000.
(D) New primary loan guarantee commitments, $13,100,000,000.

Fiscal year 2000:
(A) New budget authority, $15,800,000,000.
(B) Outlays, $15,000,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $13,400,000,000.

Fiscal year 2001:
(A) New budget authority, $16,100,000,000.
(B) Outlays, $14,800,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $13,800,000,000.

Fiscal year 2002:
(A) New budget authority, $16,400,000,000.
(B) Outlays, $14,800,000,000.
(C) New direct loan obligations, $2,200,000,000.
(D) New primary loan guarantee commitments, $14,200,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1998:
(A) New budget authority, $16,200,000,000.
(B) Outlays, $16,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:
(A) New budget authority, $16,200,000,000.
(B) Outlays, $16,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:
(A) New budget authority, $15,900,000,000.
(B) Outlays, $16,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:
(A) New budget authority, $15,800,000,000.
(B) Outlays, $15,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:
(A) New budget authority, $15,600,000,000.
(B) Outlays, $15,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1998:
(A) New budget authority, $3,100,000,000.
(B) Outlays, $2,200,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:
(A) New budget authority, $3,500,000,000.
(B) Outlays, $2,400,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:
(A) New budget authority, $3,200,000,000.

(B) Outlays, $2,300,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $2,900,000,000.
(B) Outlays, $2,000,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $2,800,000,000.
(B) Outlays, $1,900,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $0.
(5) Natural Resources and Environment (300):
Fiscal year 1998:
(A) New budget authority, $23,900,000,000.
(B) Outlays, $22,400,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $23,200,000,000.
(B) Outlays, $22,700,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $22,600,000,000.
(B) Outlays, $23,000,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $22,200,000,000.
(B) Outlays, $22,700,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $22,100,000,000.
(B) Outlays, $22,300,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(6) Agriculture (350):
Fiscal year 1998:
(A) New budget authority, $13,100,000,000.
(B) Outlays, $11,900,000,000.
(C) New direct loan obligations, $9,600,000,000.
(D) New primary loan guarantee commitments, $6,400,000,000.
Fiscal year 1999:
(A) New budget authority, $12,800,000,000.
(B) Outlays, $11,300,000,000.
(C) New direct loan obligations, $11,000,000,000.
(D) New primary loan guarantee commitments, $6,400,000,000.
Fiscal year 2000:
(A) New budget authority, $12,200,000,000.
(B) Outlays, $10,700,000,000.
(C) New direct loan obligations, $11,100,000,000.
(D) New primary loan guarantee commitments, $6,500,000,000.
Fiscal year 2001:
(A) New budget authority, $11,000,000,000.
(B) Outlays, $9,500,000,000.
(C) New direct loan obligations, $11,000,000,000.
(D) New primary loan guarantee commitments, $6,600,000,000.
Fiscal year 2002:
(A) New budget authority, $10,700,000,000.
(B) Outlays, $9,100,000,000.
(C) New direct loan obligations, $11,000,000,000.
(D) New primary loan guarantee commitments, $6,700,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1998:
(A) New budget authority, $6,600,000,000.
(B) Outlays, −$900,000,000.
(C) New direct loan obligations, $4,700,000,000.
(D) New primary loan guarantee commitments, $245,500,000,000.
Fiscal year 1999:
(A) New budget authority, $11,100,000,000.
(B) Outlays, $4,300,000,000.
(C) New direct loan obligations, $1,900,000,000.
(D) New primary loan guarantee commitments, $253,500,000,000.
Fiscal year 2000:
(A) New budget authority, $15,200,000,000.
(B) Outlays, $9,800,000,000.
(C) New direct loan obligations, $2,200,000,000.
(D) New primary loan guarantee commitments, $255,200,000,000.
Fiscal year 2001:
(A) New budget authority, $16,100,000,000.
(B) Outlays, $12,100,000,000.
(C) New direct loan obligations, $2,600,000,000.
(D) New primary loan guarantee commitments, $258,000,000,000.
Fiscal year 2002:
(A) New budget authority, $16,700,000,000.
(B) Outlays, $12,500,000,000.
(C) New direct loan obligations, $2,700,000,000.
(D) New primary loan guarantee commitments, $259,900,000,000.
(8) Transportation (400):
Fiscal year 1998:
(A) New budget authority, $46,400,000,000.
(B) Outlays, $40,900,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $46,600,000,000.
(B) Outlays, $41,300,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $47,100,000,000.
(B) Outlays, $41,400,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $48,100,000,000.
(B) Outlays, $41,300,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $49,200,000,000.
(B) Outlays, $41,200,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1998:
(A) New budget authority, $8,800,000,000.
(B) Outlays, $10,400,000,000.
(C) New direct loan obligations, $2,900,000,000.
(D) New primary loan guarantee commitments, $2,400,000,000.
Fiscal year 1999:
(A) New budget authority, $8,500,000,000.
(B) Outlays, $10,900,000,000.
(C) New direct loan obligations, $2,900,000,000.
(D) New primary loan guarantee commitments, $2,400,000,000.
Fiscal year 2000:
(A) New budget authority, $7,800,000,000.
(B) Outlays, $11,000,000,000.
(C) New direct loan obligations, $3,000,000,000.
(D) New primary loan guarantee commitments, $2,400,000,000.
Fiscal year 2001:
(A) New budget authority, $7,800,000,000.
(B) Outlays, $11,400,000,000.
(C) New direct loan obligations, $3,100,000,000.
(D) New primary loan guarantee commitments, $2,500,000,000.
Fiscal year 2002:
(A) New budget authority, $7,800,000,000.
(B) Outlays, $8,400,000,000.
(C) New direct loan obligations, $3,200,000,000.
(D) New primary loan guarantee commitments, $2,500,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1998:
(A) New budget authority, $60,000,000,000.
(B) Outlays, $56,100,000,000.
(C) New direct loan obligations, $12,300,000,000.
(D) New primary loan guarantee commitments, $20,700,000,000.
Fiscal year 1999:
(A) New budget authority, $60,500,000,000.
(B) Outlays, $59,300,000,000.
(C) New direct loan obligations, $13,100,000,000.
(D) New primary loan guarantee commitments, $21,900,000,000.
Fiscal year 2000:
(A) New budget authority, $64,239,000,000.
(B) Outlays, $60,700,000,000.
(C) New direct loan obligations, $13,900,000,000.
(D) New primary loan guarantee commitments, $23,300,000,000.
Fiscal year 2001:
(A) New budget authority, $63,000,000,000.
(B) Outlays, $61,900,000,000.
(C) New direct loan obligations, $14,700,000,000.
(D) New primary loan guarantee commitments, $24,500,000,000.
Fiscal year 2002:
(A) New budget authority, $63,300,000,000.
(B) Outlays, $62,300,000,000.
(C) New direct loan obligations, $15,400,000,000.
(D) New primary loan guarantee commitments, $25,700,000,000.
(11) Health (550):
Fiscal year 1998:
(A) New budget authority, $137,800,000,000.
(B) Outlays, $137,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $100,000,000.
Fiscal year 1999:
(A) New budget authority, $145,000,000,000.
(B) Outlays, $144,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $154,100,000,000.
(B) Outlays, $153,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $163,400,000,000.
(B) Outlays, $163,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $172,200,000,000.
(B) Outlays, $171,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(12) Medicare (570):
Fiscal year 1998:
(A) New budget authority, $201,600,000,000.
(B) Outlays, $201,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $212,100,000,000.
(B) Outlays, $211,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $225,500,000,000.
(B) Outlays, $225,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $239,600,000,000.
(B) Outlays, $238,800,000,000.

(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $251,500,000,000.
(B) Outlays, $250,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1998:
(A) New budget authority, $239,000,000,000.
(B) Outlays, $247,800,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $100,000,000.
Fiscal year 1999:
(A) New budget authority, $254,100,000,000.
(B) Outlays, $258,100,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $100,000,000.
Fiscal year 2000:
(A) New budget authority, $269,600,000,000.
(B) Outlays, $268,200,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $100,000,000.
Fiscal year 2001:
(A) New budget authority, $275,100,000,000.
(B) Outlays, $277,300,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $100,000,000.
Fiscal year 2002:
(A) New budget authority, $286,900,000,000.
(B) Outlays, $285,200,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $100,000,000.
(14) Social Security (650):
Fiscal year 1998:
(A) New budget authority, $11,400,000,000.
(B) Outlays, $11,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $12,100,000,000.
(B) Outlays, $12,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $12,800,000,000.
(B) Outlays, $12,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $13,000,000,000.
(B) Outlays, $13,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $14,400,000,000.
(B) Outlays, $14,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1998:
(A) New budget authority, $40,500,000,000.
(B) Outlays, $41,300,000,000.
(C) New direct loan obligations, $1,000,000,000.
(D) New primary loan guarantee commitments, $27,100,000,000.
Fiscal year 1999:
(A) New budget authority, $41,500,000,000.
(B) Outlays, $41,700,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $26,700,000,000.
Fiscal year 2000:
(A) New budget authority, $41,700,000,000.
(B) Outlays, $41,900,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $26,200,000,000.
Fiscal year 2001:
(A) New budget authority, $42,100,000,000.
(B) Outlays, $42,200,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $25,600,000,000.
Fiscal year 2002:
(A) New budget authority, $42,300,000,000.
(B) Outlays, $42,400,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $25,100,000,000.
(16) Administration of Justice (750):
Fiscal year 1998:
(A) New budget authority, $24,800,000,000.
(B) Outlays, $22,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $25,100,000,000.
(B) Outlays, $24,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $24,200,000,000.
(B) Outlays, $25,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $24,400,000,000.
(B) Outlays, $25,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $24,900,000,000.
(B) Outlays, $24,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1998:
(A) New budget authority, $14,700,000,000.
(B) Outlays, $14,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $14,400,000,000.
(B) Outlays, $14,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $14,000,000,000.
(B) Outlays, $14,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $13,700,000,000.
(B) Outlays, $14,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $13,100,000,000.
(B) Outlays, $13,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(18) Net Interest (900):
Fiscal year 1998:
(A) New budget authority, $296,500,000,000.
(B) Outlays, $296,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $304,600,000,000.
(B) Outlays, $304,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $304,900,000,000.
(B) Outlays, $304,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $303,700,000,000.
(B) Outlays, $303,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $303,800,000,000.
(B) Outlays, $303,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(19) Allowances (920):
Fiscal year 1998:
(A) New budget authority, −$0.
(B) Outlays, −$0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, −$0.
(B) Outlays, −$0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, −$0.
(B) Outlays, −$0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, −$0.
(B) Outlays, −$0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, −$0.
(B) Outlays, −$0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(20) Undistributed Offsetting Receipts (950):
Fiscal year 1998:
(A) New budget authority, −$41,800,000,000.
(B) Outlays, −$41,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, −$36,900,000,000.
(B) Outlays, −$36,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, −$36,900,000,000.
(B) Outlays, −$36,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, −$39,200,000,000.
(B) Outlays, −$39,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, −$51,100,000,000.
(B) Outlays, −$51,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

SEC. 104. RECONCILIATION.

(a) RECONCILIATION OF SPENDING REDUCTIONS.—Not later than June 20, 1997, the committees named in this subsection shall submit their recommendations to the Committee on the Budget of the Senate. After receiving those recommendations, the Committee on the Budget

shall report to the Senate a reconciliation bill carrying out all such recommendations without any substantive revision.

(1) COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY.—The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within its jurisdiction that increase outlays by $300,000,000 in fiscal year 2002 and $1,500,000,000 for the period of fiscal years 1998 through 2002.

(2) COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS.—The Senate Committee on Banking, Housing, and Urban Affairs shall report changes in laws within its jurisdiction that reduce the deficit $434,000,000 in fiscal year 2002 and $1,590,000,000 for the period of fiscal years 1998 through 2002.

(3) COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION.—The Senate Committee on Commerce, Science, and Transportation shall report changes in laws within its jurisdiction that reduce the deficit $14,849,000,000 in fiscal year 2002 and $26,496,000,000 for the period of fiscal years 1998 through 2002.

(4) COMMITTEE ON ENERGY AND NATURAL RESOURCES.—The Senate Committee on Energy and Natural Resources shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays $6,000,000 in fiscal year 2002 and $13,000,000 for the period of fiscal years 1998 through 2002.

(5) COMMITTEE ON FINANCE.—The Senate Committee on Finance shall report to the Senate changes in laws within its jurisdiction—

(A) that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays $40,911,000,000 in fiscal year 2002 and $100,646,000,000 for the period of fiscal years 1998 through 2002; and

(B) to increase the statutory limit on the public debt to not more than $5,950,000,000,000.

(6) COMMITTEE ON GOVERNMENTAL AFFAIRS.—The Senate Committee on Governmental Affairs shall report changes in laws within its jurisdiction that reduce the deficit $1,769,000,000 in fiscal year 2002 and $5,467,000,000 for the period of fiscal years 1998 through 2002.

(7) COMMITTEE ON LABOR AND HUMAN RESOURCES.—The Senate Committee on Labor and Human Resources shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays $1,057,000,000 in fiscal year 2002 and $1,792,000,000 for the period of fiscal years 1998 through 2002.

(8) COMMITTEE ON VETERANS' AFFAIRS.—The Senate Committee on Veterans' Affairs shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays $681,000,000 in fiscal year 2002 and $2,733,000,000 for the period of fiscal years 1998 through 2002.

(b) RECONCILIATION OF REVENUE REDUCTIONS.—Not later than June 27, 1997, the Senate Committee on Finance shall report to the Senate a reconciliation bill proposing changes in laws within its jurisdiction necessary to reduce revenues by not more than $20,500,000,000 in fiscal year 2002 and $85,000,000,000 for the period of fiscal years 1998 through 2002 and $250,000,000,000 for the period of fiscal years 1998 through 2007.

(c) TREATMENT OF CONGRESSIONAL PAY-AS-YOU-GO.—For purposes of section 202 of House Concurrent Resolution 67 (104th Congress), legislation which reduces revenues pursuant to a reconciliation instruction contained in subsection (b) shall be taken together with all other legislation enacted pursuant to the reconciliation instructions contained in this resolution when determining the deficit effect of such legislation.

(d) ADJUSTMENTS.—

(1) DEFICIT NEUTRAL ADJUSTMENTS.—Upon the reporting of reconciliation legislation pursuant to subsection (a), or upon the submission of a conference report thereon, and if the Committee on Finance reduces the deficit by an amount equal to or greater than the outlay reduction that would be achieved pursuant to subsection (a)(5)(A), the Chairman of the Committee on the Budget, with the concurrence and agreement of the ranking minority member, may submit appropriately revised reconciliation instructions to the Committee on Finance to reduce the deficit, allocations, limits, and aggregates if such revisions do not cause an increase in the deficit for fiscal year 1998 and for the period of fiscal years 1998 through 2002.

(2) FLEXIBILITY ON ADJUSTMENTS.—

(A) IN GENERAL.—If the adjustments authorized by paragraph (1) involve a reduction in the revenue aggregates set forth in this resolution, in lieu of revenue reductions, the Chairman of the Committee on the Budget may make upward adjustments to the discretionary spending limits in this resolution, or any combination thereof.

(B) LIMIT.—The adjustments made pursuant to this subsection shall not exceed $2,300,000,000 in fiscal year 1998 and $16,000,000,000 for the period of fiscal years 1998 through 2002.

TITLE II—BUDGETARY RESTRAINTS AND RULEMAKING

SEC. 201. DISCRETIONARY SPENDING LIMITS.

(a) DISCRETIONARY LIMITS.—In this section and for the purposes of allocations made for the discretionary category pursuant to section 302(a) or 602(a) of the Congressional Budget Act of 1974, the term ''discretionary spending limit'' means—

(1) with respect to fiscal year 1998—

(A) for the defense category $269,000,000,000 in new budget authority and $266,823,000,000 in outlays; and

(B) for the nondefense category $257,857,000,000 in new budget authority and $286,445,000,000 in outlays;

(2) with respect to fiscal year 1999—

(A) for the defense category $271,500,000,000 in new budget authority and $266,518,000,000 in outlays; and

(B) for the nondefense category $261,499,000,000 in new budget authority and $292,803,000,000 in outlays;

(3) with respect to fiscal year 2000, for the discretionary category $537,193,000,000 in new budget authority and $564,265,000,000 in outlays;

(4) with respect to fiscal year 2001, for the discretionary category $542,032,000,000 in new budget authority and $564,396,000,000 in outlays; and

(5) with respect to fiscal year 2002, for the discretionary category $551,074,000,000 in new budget authority and $560,799,000,000 in outlays;

as adjusted for changes in concepts and definitions and emergency appropriations.

(b) POINT OF ORDER IN THE SENATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), it shall not be in order in the Senate to consider—

(A) a revision of this resolution or any concurrent resolution on the budget for fiscal years 1999, 2000, 2001, and 2002 (or amendment, motion, or conference report on such a resolution) that provides discretionary spending in excess of the discretionary spending limit or limits for such fiscal year; or

(B) any bill or resolution (or amendment, motion, or conference report on such bill or resolution) for fiscal year 1998, 1999, 2000, 2001, or 2002 that would cause any of the limits in this section (or suballocations of the discretionary limits made pursuant to section 602(b) of the Congressional Budget Act of 1974) to be exceeded.

(2) EXCEPTION.—

(A) IN GENERAL.—This section shall not apply if a declaration of war by the Congress is in effect or if a joint resolution pursuant to section 258 of the Balanced Budget and Emergency Deficit Control Act of 1985 has been enacted.

(B) ENFORCEMENT OF DISCRETIONARY LIMITS IN FY 1998.—Until the enactment of reconciliation legislation pursuant to subsections (a) and (b) of section 104 of this resolution—

(i) subparagraph (A) of paragraph (1) shall not apply; and

(ii) subparagraph (B) of paragraph (1) shall apply only with respect to fiscal year 1998.

(c) WAIVER.—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(d) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the concurrent resolution, bill, or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(e) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, outlays, new entitlement authority, revenues, and deficits for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

SEC. 202. ALLOWANCE IN THE SENATE.

(a) ADJUSTMENTS.—In the Senate, for fiscal year 1998, 1999, 2000, 2001, or 2002, upon the reporting of an appropriations measure (or the submission of a conference report thereon) that includes an appropriation with respect to paragraph (1) or (2), the Chairman of the Committee on the Budget shall increase the appropriate allocations, budgetary aggregates, and discretionary limits by the amount of budget authority in that measure that is the dollar equivalent, in terms of Special Drawing Rights, of—

(1) an increase in the United States quota as part of the International Monetary Fund Eleventh General Review of Quotas (United States Quota); or

(2) any increase in the maximum amount available to the Secretary of the Treasury pursuant to section 17 of the Bretton Woods Agreement Act, as amended from time to time (New Arrangements to Borrow).

(b) COMMITTEE SUBALLOCATIONS.—The Committee on Appropriations of the Senate may report appropriately revised suballocations pursuant to sections 302(b)(1) and 602(b)(1) of the Congressional Budget Act of 1974 following the adjustments made pursuant to subsection (a).

SEC. 203. ALLOWANCE IN THE SENATE FOR SECTION 8 HOUSING ASSISTANCE.

(a) ADJUSTMENT FOR DISCRETIONARY SPENDING.—In the Senate, for fiscal year 1998, upon the reporting of an appropriations measure (or upon the submission of a conference report thereon) that includes an appropriation for Section 8 Housing Assistance which fully funds all contract renewal obligations during that fiscal year, the Chairman of the Committee on the Budget may increase the appropriate allocations in this resolution by an amount that does not exceed $9,200,000,000 in budget authority and the amount of outlays flowing from such budget authority.

(b) COMMITTEE SUBALLOCATIONS.—The Committee on Appropriations of the Senate may report appropriately revised suballocations pursuant to sections 302(b)(1) and 602(b)(1) of the Congressional Budget Act of 1974 following the adjustments made pursuant to subsection (a).

SEC. 204. ENVIRONMENTAL RESERVE.

(a) ADJUSTMENTS FOR MANDATORY SPENDING.—

(1) ALLOCATIONS.—In the Senate, upon the reporting of legislation (or upon the submission of a conference report thereon) pursuant to subsection (b), the Chairman of the Committee on the Budget may increase the allocation pursuant to sections 302(a) and 602(a) of the Congressional Budget Act of 1974 to the Committee on

Environment and Public Works by an amount that does not exceed—

(A) $200,000,000 in budget authority and $200,000,000 in outlays for fiscal year 1998; and

(B) $1,000,000,000 in budget authority and $1,000,000,000 in outlays for the period of fiscal years 1998 through 2002.

(2) PRIOR SURPLUS.—For the purposes of section 202 of House Concurrent Resolution 67 (104th Congress), legislation reported (or the submission of a conference report thereon) pursuant to paragraph (1) shall be taken together with all other legislation enacted pursuant to section 104 of this resolution.

(b) LIMITATIONS.—The adjustments made pursuant to this section shall only be made for legislation that provides funding to reform the Superfund program to facilitate the cleanup of hazardous waste sites.

SEC. 205. PRIORITY FEDERAL LAND ACQUISITIONS AND EXCHANGES.

(a) ADJUSTMENT FOR DISCRETIONARY SPENDING.—In the Senate, for fiscal year 1998, upon the reporting of an appropriations measure (or upon the submission of a conference report thereon) that includes an appropriation for the National Park Service's Land Acquisition and State Assistance account at the fiscal year 1998 request level (as submitted on February 6, 1997) and up to an additional $700,000,000 in budget authority for priority Federal land acquisitions and exchanges during that fiscal year, the Chairman of the Committee on the Budget may increase the appropriate allocations by an amount that does not exceed $700,000,000 in budget authority and the amount of outlays flowing from such budget authority.

(b) COMMITTEE SUBALLOCATIONS.—The Committee on Appropriations of the Senate may report appropriately revised suballocations pursuant to sections 302(b)(1) and 602(b)(1) of the Congressional Budget Act of 1974 following the adjustments made pursuant to subsection (a).

SEC. 206. ALLOWANCE IN THE SENATE FOR ARREARAGES.

(a) ADJUSTMENT FOR DISCRETIONARY SPENDING.—In the Senate, for fiscal year 1998, 1999, and 2000, upon the reporting of an appropriations measure (or upon the submission of a conference report thereon) that includes an appropriation for arrearages for international organizations, international peacekeeping, and multilateral development banks during that fiscal year, the Chairman of the Committee on the Budget may increase the appropriate allocations, aggregates, and discretionary spending limits in this resolution by an amount that does not exceed—

(1) $415,000,000 in budget authority and the amount of outlays flowing from such budget authority for fiscal year 1998;

(2) $1,227,000,000 in budget authority and the amount of outlays flowing from such budget authority for fiscal year 1999; and

(3) $242,000,000 in budget authority and the amount of outlays flowing from such budget authority for fiscal year 2000.

(b) COMMITTEE SUBALLOCATIONS.—The Committee on Appropriations of the Senate may report appropriately revised suballocations pursuant to sections 302(b)(1) and 602(b)(1) of the Congressional Budget Act of 1974 following the adjustments made pursuant to subsection (a).

SEC. 207. INTERCITY PASSENGER RAIL RESERVE FUND FOR FISCAL YEARS 1998–2002.

(a) IN GENERAL.—If legislation is enacted which generates revenue increases or direct spending reductions to finance an intercity passenger rail fund and to the extent that such increases or reductions are not included in this concurrent resolution on the budget, the appropriate budgetary levels and limits may be adjusted if such adjustments do not cause an increase in the deficit in this resolution.

(b) ESTABLISHING A RESERVE.—

(1) REVISIONS.—After the enactment of legislation described in subsection (a), the Chairman of the Committee on the Budget may submit revisions to the appropriate allocations and aggregates by the amount that provisions in such legislation generates revenue increases or direct spending reductions.

(2) REVENUE INCREASES OR DIRECT SPENDING REDUCTIONS.—Upon the submission of such revisions, the Chairman of the Committee on the Budget shall also submit the amount of revenue increases or direct spending reductions such legislation generates and the maximum amount available each year for adjustments pursuant to subsection (c).

(c) ADJUSTMENTS FOR DISCRETIONARY SPENDING.—

(1) REVISIONS TO ALLOCATIONS AND AGGREGATES.—Upon either—

(A) the reporting of an appropriations measure, or when a conference committee submits a conference report thereon, that appropriates funds for the National Railroad Passenger Corporation and funds from the intercity passenger rail fund; or

(B) the reporting of an appropriations measure, or when a conference committee submits a conference report thereon, that appropriates funds from the intercity passenger rail fund (funds having previously been appropriated for the National Railroad Passenger Corporation for that same fiscal year),

the Chairman of the Budget Committee shall submit increased budget authority allocations, aggregates, and discretionary limits for the amount appropriated for authorized expenditures from the intercity passenger rail fund and the outlays flowing from such budget authority.

(2) REVISIONS TO SUBALLOCATIONS.—The Committee on Appropriations may submit appropriately revised suballocations pursuant to sections 302(b)(1) and 602(b)(1) of the Congressional Budget Act of 1974.

(d) LIMITATIONS.—

(1) IN GENERAL.—The revisions made pursuant to subsection (b) shall not be made—

(A) with respect to direct spending reductions, unless the committee that generates the direct spending reductions is within its allocations under sections 302(a) and 602(a) of the Budget Act in this resolution (not including the direct spending reductions envisioned in subsection (b)); and

(B) with respect to revenue increases, unless revenues are at or above the revenue aggregates in this resolution (not including the revenue increases envisioned in subsection (b)).

(2) BUDGET AUTHORITY.—The budget authority adjustments made pursuant to subsection (c) shall not exceed the amounts specified in subsection (b)(2) for a fiscal year.

SEC. 208. MASS TRANSIT RESERVE FUND FOR FISCAL YEARS 1998–2002.

(a) IN GENERAL.—If legislation is enacted which generates revenue increases or direct spending reductions to finance mass transit and to the extent that such increases or reductions are not included in this concurrent resolution on the budget, the appropriate budgetary levels and limits may be adjusted if such adjustments do not cause an increase in the deficit in this resolution.

(b) ESTABLISHING A RESERVE.—

(1) REVISIONS.—After the enactment of legislation described in subsection (a), the Chairman of the Committee on the Budget may submit revisions to the appropriate allocations and aggregates by the amount that provisions in such legislation generates revenue increases or direct spending reductions.

(2) REVENUE INCREASES OR DIRECT SPENDING REDUCTIONS.—Upon the submission of such revisions, the Chairman of the Committee on the Budget shall also submit the amount of revenue increases or direct spending reductions such legislation generates and the maximum amount available each year for adjustments pursuant to subsection (c).

(c) ADJUSTMENTS FOR DISCRETIONARY SPENDING.—

(1) REVISIONS TO ALLOCATIONS AND AGGREGATES.—Upon the reporting of an appropriations measure, or when a conference committee submits a conference report thereon, that appropriates funds for mass transit, the Chairman of the Budget Committee shall submit increased budget authority allocations, aggregates, and discretionary limits for the amount appropriated for authorized expenditures from the mass transit fund and the outlays flowing from such budget authority.

(2) REVISIONS TO SUBALLOCATIONS.—The Committee on Appropriations may submit appropriately revised suballocations pursuant to sections 302(b)(1) and 602(b)(1) of the Congressional Budget Act of 1974.

(d) LIMITATIONS.—

(1) IN GENERAL.—The revisions made pursuant to subsection (b) shall not be made—

(A) with respect to direct spending reductions, unless the committee that generates the direct spending reductions is within its allocations under sections 302(a) and 602(a) of the Budget Act in this resolution (not including the direct spending reductions envisioned in subsection (b)); and

(B) with respect to revenue increases, unless revenues are at or above the revenue aggregates in this resolution (not including the revenue increases envisioned in subsection (b)).

(2) BUDGET AUTHORITY.—The budget authority adjustments made pursuant to subsection (c) shall not exceed the amounts specified in subsection (b)(2) for a fiscal year.

SEC. 209. HIGHWAY RESERVE FUND FOR FISCAL YEARS 1998–2002.

(a) IN GENERAL.—If legislation generates revenue increases or direct spending reductions to finance highways and to the extent that such increases or reductions are not included in this concurrent resolution on the budget, the appropriate budgetary levels and limits may be adjusted if such adjustments do not cause an increase in the deficit in this resolution.

(b) ADJUSTMENTS FOR BUDGET AUTHORITY.—Upon the reporting of legislation (the offering of an amendment thereto or conference report thereon) that reduces direct non-highway spending or increases revenues for a fiscal year or years, the Chairman of the Committee on the Budget shall submit revised budget authority allocations and aggregates by an amount that equals the amount such legislation reduces direct spending or increases revenues.

(c) ESTABLISHING A RESERVE.—

(1) REVISIONS.—After the enactment of legislation described in subsection (a), the Chairman of the Committee on the Budget may submit revisions to the appropriate allocations and aggregates by the amount that provisions in such legislation generates revenue increases or direct non-highway spending reductions.

(2) REVENUE INCREASES OR DIRECT SPENDING REDUCTIONS.—Upon the submission of such revisions, the Chairman of the Committee on the Budget shall also submit the amount of revenue increases or direct non-highway spending reductions such legislation generates and the maximum amount available each year for adjustments pursuant to subsection (d).

(d) ADJUSTMENTS FOR DISCRETIONARY SPENDING.—

(1) REVISIONS TO ALLOCATIONS AND AGGREGATES.—Upon the reporting of an appropriations measure, or when a conference committee submits a conference report thereon, that appropriates funds for highways, the Chairman of the Committee on the Budget shall submit increased outlay allocations, aggregates, and discretionary limits for the amount of outlays flowing from the additional obligational authority provided in such bill.

(2) REVISIONS TO SUBALLOCATIONS.—The Committee on Appropriations may submit appropriately revised suballocations pursuant to sections 302(b)(1) and 602(b)(1) of the Congressional Budget Act of 1974.

(e) LIMITATIONS.—

(1) IN GENERAL.—The revisions made pursuant to subsection (c) shall not be made—

(A) with respect to direct non-highway spending reductions, unless the committee that generates the direct spending reductions is within its allocations under section 302(a) and 602(a) of the Budget Act in this resolution (not including the direct spending reductions envisioned in subsection (c)); and

(B) with respect to revenue increases, unless revenues are at or above the revenue aggregates in this resolution (not including the revenue increases envisioned in subsection (c)).

(2) OUTLAYS.—The outlay adjustments made pursuant to subsection (d) shall not exceed the amounts specified in subsection (c)(2) for a fiscal year.

SEC. 210. EXERCISE OF RULEMAKING POWERS.

The Congress adopts the provisions of this title—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change those rules (so far as they relate to that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

TITLE III—SENSE OF THE SENATE

SEC. 301. SENSE OF THE SENATE ON LONG TERM ENTITLEMENT REFORMS, INCLUDING ACCURACY IN DETERMINING CHANGES IN THE COST OF LIVING.

(a) FINDINGS.—

(1) ENTITLEMENT REFORMS.—The Senate finds that with respect to long term entitlement reforms—

(A) entitlement spending continues to grow dramatically as a percent of total Federal spending, rising from fifty-six percent of the budget in 1987 to an estimated seventy-three percent of the budget in 2007;

(B) this growth in mandatory spending poses a long-term threat to the United States economy because it crowds out spending for investments in education, infrastructure, defense, law enforcement and other programs that enhance economic growth;

(C) in 1994, the Bipartisan Commission on Entitlement and Tax Reform concluded that if no changes are made to current entitlement laws, all Federal revenues will be spent on entitlement programs and interest on the debt by the year 2012;

(D) the Congressional Budget Office has also recently issued a report that found that pressure on the budget from demographics and rising health care costs will increase dramatically after 2002; and

(E) making significant entitlement changes will significantly benefit the economy, and will forestall the need for more drastic tax and spending decisions in future years.

(2) CPI.—The Senate finds that with respect to accuracy in determining changes in the cost of living—

(A) the Final Report of the Senate Finance Committee's Advisory Commission to study the CPI has concluded that the Consumer Price Index overstates the cost of living in the United States by 1.1 percentage points;

(B) the overstatement of the cost of living by the Consumer Price Index has been recognized by economists since at least 1961, when a report noting the existence of the overstatement was issued by a National Bureau of Economic Research Committee, chaired by Professor George J. Stigler;

(C) Congress and the President, through the indexing of Federal tax brackets, social security benefits, and other Federal program benefits, have undertaken to protect taxpayers and beneficiaries of such programs from the erosion of purchasing power due to inflation; and

(D) the overstatement of the cost of living increases the deficit and undermines the equitable administration of Federal benefits and tax policies.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions in this resolution assume that—

(1) Congress and the President should continue working to enact structural entitlement reforms in the 1997 budget agreement and in subsequent legislation;

(2) Congress and the President must find the most accurate measure of the change in the cost of living in the United States, and should work in a bipartisan manner to implement any changes that are necessary to achieve an accurate measure; and

(3) Congress and the President must work to ensure that the 1997 budget agreement not only keeps the unified budget in balance after 2002, but that additional measures should be taken to begin to achieve substantial surpluses which will improve the economy and allow our nation to be ready for the retirement of the baby boom generation in the year 2012.

SEC. 302. SENSE OF THE SENATE ON TACTICAL FIGHTER AIRCRAFT PROGRAMS.

(a) FINDINGS.—The Senate finds that—

(1) the Department of Defense has proposed to modernize the United States tactical fighter aircraft force through three tactical fighter procurement programs, including the F/A–18 E/F aircraft program of the Navy, the F–22 aircraft program of the Air Force, and the Joint Strike Fighter aircraft program for the Navy, Air Force, and Marine Corps;

(2) the General Accounting Office, the Congressional Budget Office, the Chairman of the Joint Chiefs of Staff, the Under Secretary of Defense for Acquisition and Technology, and several Members of Congress have publicly stated that, given the current Department of Defense budget for procurement, the Department of Defense's original plan to buy over 4,400 F/A–18 E/F aircraft, F–22 aircraft, and Joint Strike Fighter aircraft at a total program cost in excess of $350,000,000,000 was not affordable;

(3) the F/A–18 E/F, F–22, and the Joint Strike Fighter tactical fighter programs will be competing for a limited amount of procurement funding with numerous other aircraft acquisition programs, including the Comanche helicopter program, the V–22 Osprey aircraft program, and the C–17 aircraft program, as well as for the necessary replacement of other aging aircraft such as the KC–135, the C–5A, the F–117, and the EA–6B aircraft; and

(4) the 1997 Department of Defense Quadrennial Defense Review has recommended reducing the F/A–18 E/F program buy from 1,000 aircraft to 548, and reducing the F–22 program buy from 438 to 339.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this resolution assume that, within 30 days, the Department of Defense should transmit to Congress detailed information pertaining to the implementation of this revised acquisition strategy so that the Congress can adequately evaluate the extent to which the revised acquisition strategy is tenable and affordable given the projected spending levels contained in this budget resolution.

SEC. 303. SENSE OF THE SENATE REGARDING CHILDREN'S HEALTH COVERAGE.

(a) FINDINGS.—The Senate finds that—

(1) of the estimated 10 million uninsured children in the United States, over 1.3 million have at least one parent who is self-employed and all other uninsured children are dependents of persons who are employed by another, or unemployed;

(2) these 1.3 million uninsured kids comprise approximately 22 percent of all children with self-employed parents, and they are a significant 13 percent of all uninsured children;

(3) the remaining uninsured children are in families where neither parent is self-employed and comprise 13 percent of all children in families where neither parent is self-employed;

(4) children in families with a self-employed parent are therefore more likely to be uninsured than children in families where neither parent is self-employed; and

(5) the current disparity in the tax law reduces the affordability of health insurance for the self-employed and their families, hindering the ability of children to receive essential primary and preventive care services.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this resolution assume that from resources available in this budget resolution, a portion should be set aside for an immediate 100 percent deductibility of health insurance costs for the self-employed. Full-deductibility of health expenses for the self-employed would make health insurance more attractive and affordable, resulting in more dependents being covered. The government should not encourage parents to forgo private insurance for a government-run program.

SEC. 304. SENSE OF THE SENATE ON A MEDICAID PER CAPITA CAP.

It is the sense of the Senate that in order to meet deficit reduction targets in this resolution with respect to medicaid—

(1) the per capita cap will not be used as a method for meeting spending targets; and

(2) the per capita cap represents a significant structural change that could jeopardize the quality of care for children, the disabled, and senior citizens.

SEC. 305. SENSE OF THE SENATE THAT ADDED SAVINGS GO TO DEFICIT REDUCTION.

(a) FINDINGS.—The Congress finds that—

(1) balancing the budget will bring numerous economic benefits for the United States economy and American workers and families, including improved economic growth and lower interest rates;

(2) the fiscal year 1998 budget resolution crafted pursuant to an agreement reached between the Congress and the Administration purports to achieve balance in the year 2002;

(3) the deficit estimates contained in this resolution may not conform to the actual deficits in subsequent years, which make it imperative that any additional savings are realized be devoted to deficit reduction;

(4) the Senate's ''pay-as-you-go'' point of order prohibits crediting savings from updated economic or technical data as an offset for legislation that increases the deficit, and ensures these savings are devoted to deficit reduction; and

(5) Congress and the Administration must ensure that the deficit levels contained in this budget are met and, if actual deficits prove to be lower than projected, the additional savings are used to balance the budget on or before the year 2002.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this resolution assume that—

(1) legislation enacted pursuant to this resolution must ensure that the goal of a balanced budget is achieved on or before fiscal year 2002; and

(2) if the actual deficit is lower than the projected deficit in any upcoming fiscal year, the added savings should be devoted to further deficit reduction.

SEC. 306. SENSE OF THE SENATE ON FAIRNESS IN MEDICARE.

(a) FINDINGS.—The Congress finds that—

(1) the Trustees of the Medicare Trust Funds recently announced that medicare's Hospital Insurance (HI) Trust Fund is headed for bankruptcy in 2001, and in 1997, HI will run a deficit of $26,000,000,000 and add $56,000,000,000 annually to the Federal deficit by 2001;

(2) the Trustees also project that Supplementary Medical Insurance (SMI), will grow

twice as fast as the economy and the taxpayers' subsidy to keep the SMI from bankruptcy will grow from $58,000,000,000 to $89,000,000,000 annually from 1997 through 2001;

(3) the Congressional Budget Office reports that when the baby-boom generation begins to receive social security benefits and is eligible for medicare in 2008, the Federal budget will face intense pressure, resulting in mounting deficits and erosion of future economic growth;

(4) long-term solutions to address the financial and demographic problems of medicare are urgently needed to preserve and protect the medicare trust funds;

(5) these solutions to address the financial and demographic problems of medicare are urgently needed to preserve and protect the medicare trust funds;

(6) reform of the medicare program should ensure equity and fairness for all medicare beneficiaries, and offer beneficiaries more choice of private health plans, to promote efficiency and enhance the quality of health care;

(7) all Americans pay the same payroll tax of 2.9 percent to the medicare trust funds, and they deserve the same choices and services regardless of where they retire;

(8) however, under the currently adjusted-average-per-capita cost (AAPCC), some counties receive 2.5 times more in medicare reimbursements than others;

(9) this inequity in medicare reimbursement jeopardizes the quality of medicare services of rural beneficiaries and penalizes the most efficient and effective medicare service providers;

(10) in some states, the result has been the absence of health care choices beyond traditional, fee-for-service medicine for medicare beneficiaries, which in other counties and states plan providers may be significantly over-compensated, adding to medicare's fiscal instability; and

(11) ending the practice of basing payments to risk contract plans on local fee-for-service medical costs will help correct these inequities, mitigate unnecessary cost in the program, and begin the serious, long-term restructuring of medicare.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this resolution assume that the Finance Committee should strongly consider the following elements for medicare reform—

(1) any medicare reform package should include measures to address the inequity in medicare reimbursement to risk contract plans;

(2) medicare should use a national update framework rather than local fee-for-service spending increases to determine the annual changes in risk plan payment rates;

(3) an adequate minimum payment rate should be provided for health plans participating in medicare risk contract programs;

(4) the geographic variation in medicare payment rates must be reduced over time to raise the lower payment areas closer to the average while taking into account actual differences in input costs that exist from region to regional;

(5) medicare managers in consultation with plan providers and patient advocates should pursue competitive bidding programs in communities where data indicate risk contract payments are substantially excessive and when plan choices would not diminish by such a bidding process; and

(6) medicare should phase in the use of risk adjusters which take account of health status so as to address overpayment to some plans.

SEC. 307. SENSE OF THE SENATE REGARDING ASSISTANCE TO LITHUANIA AND LATVIA.

(a) FINDINGS.—The Senate finds that—

(1) Lithuania and Latvia reestablished democracy and free market economies when they regained their freedom from the Soviet Union;

(2) Lithuania and Latvia, which have made significant progress since regaining their freedom, are still struggling to recover from the devastation of 50 years of communist domination;

(3) the United States, which never recognized the illegal incorporation of Lithuania and Latvia into the Soviet Union, has provided assistance to strengthen democratic institutions and free market reforms in Lithuania and Latvia since 1991;

(4) the people of the United States enjoy close and friendly relations with the people of Lithuania and Latvia;

(5) the success of democracy and free market reform in Lithuania and Latvia is important to the security and economic progress of the United States; and

(6) the United States as well as Lithuania and Latvia would benefit from the continuation of assistance which helps Lithuania and Latvia to implement commercial and trade law reform, sustain private sector development, and establish well-trained judiciaries.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this resolution assume that—

(1) adequate assistance should be provided to Lithuania and Latvia in fiscal year 1998 to continue the progress they have made; and

(2) assistance to Lithuania and Latvia should be continued beyond fiscal year 1998 as they continue to build democratic and free market institutions.

SEC. 308. SENSE OF THE SENATE REGARDING A NATIONAL COMMISSION ON HIGHER EDUCATION.

It is the sense of the Senate that the provisions of this resolution assure that a national commission should be established to study and make specific recommendations regarding the extent to which increases in student financial aid, and the extent to which Federal, State, and local laws and regulations, contribute to increases in college and university tuition.

SEC. 309. SENSE OF THE SENATE ON LOCKBOX.

It is the Sense of the Senate that the provisions of this resolution assume that to ensure all savings from medicare reform are used to keep the medicare program solvent, the Treasury Secretary should credit the Medicare Hospital Insurance Trust Fund (Part A) with government securities equal to any savings from Medicare Supplemental Medical Insurance (Part B) reforms enacted pursuant to the reconciliation instructions contained in this budget resolution.

SEC. 310. SENSE OF THE SENATE ON THE EARNED INCOME CREDIT.

(a) FINDINGS.—The Senate finds that—

(1) an April 1997 study by the Internal Revenue Service of Earned Income Credit (EIC) filers for tax year 1994 revealed that over $4,000,000,000 of the $17,000,000,000 spent on the EIC for that year was erroneously claimed and paid by the IRS, resulting in a fraud and error rate of 25.8 percent;

(2) the IRS study further concluded that EIC reforms enacted by the One Hundred Fourth Congress will only lower the fraud error rate to 20.7 percent, meaning over $23,000,000,000 will be wasted over the next five years; and

(3) the President's recent proposals to combat EIC fraud and error contained within this budget resolution are estimated to save $124,000,000 in scoreable savings over the next five years and additional savings from deterrent effects.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this resolution assume that the President should propose and Congress should enact additional programmatic changes sufficient to ensure that the primary purpose of the EIC to encourage work over welfare is achieved without wasting billions of taxpayer dollars on fraud and error.

SEC. 311. SENSE OF THE SENATE ON REPAYMENT OF THE FEDERAL DEBT.

(a) FINDINGS.—The Senate finds that—

(1) Congress and the President have a basic moral and ethical responsibility to future generations to repay the Federal debt, including money borrowed from the Social Security Trust Fund;

(2) the Congress and the President should enact a law that creates a regimen for paying off the Federal debt within 30 years; and

(3) if spending growth were held to a level one percentage point lower than projected growth in revenues, then the Federal debt could be repaid within 30 years.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this resolution assume that—

(1) the President's annual budget submission to Congress should include a plan for repayment of the Federal debt beyond the year 2002, including the money borrowed from the Social Security Trust Fund; and

(2) the plan should specifically explain how the President would cap spending growth at a level one percentage point lower than projected growth in revenues.

SEC. 312. SENSE OF THE SENATE SUPPORTING LONG-TERM ENTITLEMENT REFORMS.

(a) FINDINGS.—The Senate finds that the resolution assumes the following—

(1) entitlement spending has risen dramatically over the last thirty-five years;

(2) in 1963, mandatory spending (i.e., entitlement spending and interest on the debt) made up 29.6 percent of the budget, this figure rose to 61.4 percent by 1993 and is expected to reach 70 percent shortly after the year 2000;

(3) this mandatory spending is crowding out spending for the traditional ''discretionary'' functions of Government like clean air and water, a strong national defense, parks and recreation, education, our transportation system, law enforcement, research and development and other infrastructure spending;

(4) taking significant steps sooner rather than later to reform entitlement spending will not only boost economic growth in this country, it will also prevent the need for drastic tax and spending decisions in the next century.

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that the levels in this budget resolution assume that Congress and the President should work to enact structural reforms in entitlement spending in 1997 and beyond which sufficiently restrain the growth of mandatory spending in order to keep the budget in balance over the long term, extend the solvency of the Social Security and Medicare Trust Funds, avoid crowding out funding for basic Government functions and that every effort should be made to hold mandatory spending to no more than 70 percent of the budget.

SEC. 313. SENSE OF THE SENATE ON DISASTER ASSISTANCE FUNDING.

(a) FINDINGS.—The Senate finds that—

(1) emergency spending adds to the deficit and total spending;

(2) the Budget Enforcement Act of 1990 exempts emergency spending from the discretionary spending caps and pay-go requirements;

(3) the Budget Enforcement Act of 1990 expires in 1998 and needs to be extended;

(4) since the enactment of the Budget Enforcement Act, Congress and the President have approved an average of $5,800,000,000 per year in emergency spending;

(5) a natural disaster in any particular State is unpredictable, by the United States is likely to experience a natural disaster almost every year.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the functional totals underlying this concurrent resolution on the budget assume that the Congress should consider in the extension of the Budget Enforcement Act and in appropriations Acts—

(1) provisions that budget for emergencies or that require emergency spending to be offset;

(2) provisions that provide flexibility to meet emergency funding requirements associated with natural disasters;

(3) Congress and the President should consider appropriating at least $5,000,000,000 every year within discretionary limits to provide natural disaster relief;

(4) Congress and the President should not designate any emergency spending for natural disaster relief until such amounts provided in regular appropriations are exhausted.

SEC. 314. SENSE OF THE SENATE ON ENFORCEMENT OF BIPARTISAN BUDGET AGREEMENT.

(a) FINDINGS.—The Senate finds that—

(1) the bipartisan budget agreement is contingent upon—

(A) favorable economic conditions for the next 5 years; and

(B) accurate estimates of the fiscal impacts of assumptions in this resolution; and

(C) enactment of legislation to reduce the deficit;

(2) if either of the conditions in paragraph (1) are not met, our ability to achieve a balanced budget by 2002 will be jeopardized.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the functional totals and limits in this resolution assume that—

(1) reconciliation legislation should include legislation to enforce the targets set forth in the budget process description included in the agreement and to ensure the balanced budget goal is met; and

(2) such legislation shall—

(A) establish procedures to ensure those targets are met every year;

(B) require that the President's annual budget and annual Congressional concurrent resolutions on the budget comply with those targets every year;

(C) consider provisions which provide that if the deficit is below or the surplus is above the deficits projected in the agreement in any year, such savings are locked in for deficit and debt reduction; and

(D) consider provisions which include a provision to budget for and control emergency spending in order to prevent the use of emergencies to evade the budget targets.

SEC. 315. SENSE OF THE SENATE REGARDING THE NATIONAL INSTITUTES OF HEALTH.

(a) FINDINGS.—Congress finds that—

(1) heart disease was the leading cause of death for both men and women in every year from 1970 to 1993;

(2) mortality rates for individuals suffering from prostate cancer, skin cancer, and kidney cancer continue to rise;

(3) the mortality rate for African American women suffering from diabetes is 134 percent higher than the mortality rate of Caucasian women suffering from diabetes;

(4) asthma rates for children increased 58 percent from 1982 to 1992;

(5) nearly half of all American women between the ages of 65 and 75 reported having arthritis;

(6) AIDS is the leading cause of death for Americans between the ages of 24 and 44;

(7) the Institute of Medicine has described United States clinical research to be ''in a state of crisis'' and the National Academy of Sciences concluded in 1994 that ''the present cohort of clinical investigators is not adequate'';

(8) biomedical research has been shown to be effective in saving lives and reducing health care expenditures;

(9) research sponsored by the National Institutes of Health has contributed significantly to the first overall reduction in cancer death rates since recordkeeping was instituted;

(10) research sponsored by the National Institutes of Health has resulted in the identification of genetic mutations for osteoporosis; Lou Gehrig's Disease, cystic fibrosis, and Huntington's Disease; breast, skin and prostate cancer; and a variety of other illnesses;

(11) research sponsored by the National Institutes of Health has been key to the development of Magnetic Resonance Imaging (MRI) and Positron Emission Tomography (PET) scanning technologies;

(12) research sponsored by the National Institutes of Health has developed effective treatments for Acute Lymphoblastic Leukemia (ALL). Today, 80 percent of children diagnosed with Acute Lymphoblastic Leukemia are alive and free of the disease after 5 years; and

(13) research sponsored by the National Institutes of Health contributed to the development of a new, cost-saving cure for peptic ulcers.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that this Resolution assumes that—

(1) appropriations for the National Institutes of Health should be increased by 100 percent over the next 5 fiscal years; and

(2) appropriations for the National Institutes of Health should be increased by $2,000,000,000 in fiscal year 1998 over the amount appropriated in fiscal year 1997.

SEC. 316. SENSE OF THE SENATE REGARDING CERTAIN ELDERLY LEGAL ALIENS.

It is the sense of the Senate that the provisions of this resolution assume that—

(1) the Committee on Finance will include in its recommendations to the Committee on the Budget of the Senate changes in laws within the jurisdiction of the Committee on Finance that allow certain elderly, legal immigrants who will cease to receive benefits under the supplemental security income program as a result of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2105) to continue to receive benefits during a redetermination or reapplication period to determine if such aliens would qualify for such benefits on the basis of being disabled; and

(2) the Committee on Finance in developing these recommendations should offset the additional cost of this proposal out of other programs within the jurisdiction of the Committee on Finance.

SEC. 317. SENSE OF THE SENATE REGARDING RETROACTIVE TAXES.

(a) FINDINGS.—The Senate finds that—

(1) in general, the practice of increasing a tax retroactively is fundamentally unfair to taxpayers; and

(2) retroactive taxation is disruptive to families and small business in their ability to plan and budget.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the levels in this budget resolution assume that—

(1) except for closing tax loopholes, no revenues should be generated from any retroactively increased tax; and

(2) the Congress and the President should work together to ensure that any revenue generating proposal contained within reconciliation legislation pursuant to this concurrent resolution proposal, except those proposals closing tax loopholes, should take effect prospectively.

SEC. 318. SENSE OF THE SENATE ON SOCIAL SECURITY AND BALANCING THE BUDGET.

(a) FINDINGS.—The Senate finds that—

(1) this budget resolution is projected to balance the unified budget of the United States in fiscal year 2002;

(2) section 13301 of the Budget Enforcement Act of 1990 requires that the deficit be computed without counting the annual surpluses of the Social Security Trust Funds; and

(3) if the deficit were calculated according to the requirements of section 13301, this budget resolution would be projected to result in a deficit of $108,700,000,000 in fiscal year 2002.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the assumptions underlying this budget resolution assume that after balancing the unified Federal budget, the Congress should continue efforts to reduce the on-budget deficit, so that the Federal budget will be balanced without counting social security surpluses.

SEC. 319. SENSE OF THE SENATE SUPPORTING SUFFICIENT FUNDING FOR VETERANS PROGRAMS AND BENEFITS.

(a) FINDINGS.—The Senate finds that—

(1) veterans and their families represent approximately 27 percent of the United States population;

(2) more than 20 million of our 26 million living veterans served during wartime, sacrificing their freedom so that we may have ours; and

(3) veterans have earned the benefits promised to them.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the assumptions underlying this Budget Resolution assume that the 602(b) allocation to the Department of Veterans Affairs will be sufficient in fiscal year 1998 to fully fund all discretionary veterans programs, including medical care; and

(2) funds collected from legislation to improve the Department of Veterans Affairs' ability to collect and retain reimbursement from third-party payers ought to be used to supplement, not supplant, an adequate appropriation for medical care.

SEC. 320. SENSE OF CONGRESS ON FAMILY VIOLENCE OPTION CLARIFYING AMENDMENT.

(a) FINDINGS.—Congress finds the following:

(1) Domestic violence is the leading cause of physical injury to women. The Department of Justice estimates that over 1,000,000 violent crimes against women are committed by intimate partners annually.

(2) Domestic violence dramatically affects the victim's ability to participate in the workforce. A University of Minnesota survey reported that ¼ of battered women surveyed had lost a job partly because of being abused and that over ½ of these women had been harassed by their abuser at work.

(3) Domestic violence is often intensified as women seek to gain economic independence through attending school or training programs. Batterers have been reported to prevent women from attending these programs or sabotage their efforts at self-improvement.

(4) Nationwide surveys of service providers prepared by the Taylor Institute of Chicago, Illinois, document, for the first time, the interrelationship between domestic violence and welfare by showing that from 34 percent to 65 percent of AFDC recipients are current or past victims of domestic violence.

(5) Over ½ of the women surveyed stayed with their batterers because they lacked the resources to support themselves and their children. The surveys also found that the availability of economic support is a critical factor in poor women's ability to leave abusive situations that threaten them and their children.

(6) The restructuring of the welfare programs may impact the availability of the economic support and the safety net necessary to enable poor women to flee abuse without risking homelessness and starvation for their families.

(7) In recognition of this finding, the Committee on the Budget of the Senate in considering the 1997 Resolution on the budget of the United States unanimously adopted a sense of the Congress amendment concerning domestic violence and Federal assistance. Subsequently, Congress adopted the family violence option amendment as part of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

(8) The family violence option gives States the flexibility to grant temporary waivers from time limits and work requirements for domestic violence victims who would suffer extreme hardship from the application of these provisions. These waivers were not intended to be included as part of the permanent 20 percent hardship exemption.

(9) The Department of Health and Human Services has been slow to issue regulations regarding this provision. As a result, States are hesitant to fully implement the family violence option fearing that it will interfere with the 20 percent hardship exemption.

(10) Currently 15 States have opted to include the family violence option in their welfare plans, and 13 other States have included some type of domestic violence provisions in their plans.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the provisions of this Resolution assume that—

(1) States should not be subject to any numerical limits in granting domestic violence good cause waivers under section 402(a)(7)(A)(iii) of the Social Security Act (42 U.S.C. 602(a)(7)(A)(iii)) to individuals receiving assistance, for all requirements where compliance with such requirements would make it more difficult for individuals receiving assistance to escape domestic violence; and

(2) any individual who is granted a domestic violence good cause waiver by a State shall not be included in the States' 20 percent hardship exemption under section 408(a)(7) of the Social Security Act (42 U.S.C. 608(a)(7)).

SEC. 321. SENSE OF THE SENATE ON TAX CUTS.

It is the sense of the Senate that the Concurrent Resolution on the Budget assumes that—

(1) a substantial majority of the tax cut benefits provided in the tax reconciliation bill will go to middle class working families earning less than approximately $100,000 per year; and

(2) the tax cuts in the tax reconciliation bill will not cause revenue losses to increase significantly in years after 2007.

SEC. 322. SENSE OF THE SENATE REGARDING ASSISTANCE TO AMTRAK.

(a) FINDINGS.—The Senate finds that—

(1) Amtrak is in a financial crisis, with growing and substantial debt obligations approaching $2,000,000,000;

(2) Amtrak has not been authorized since 1994;

(3) the Senate Committee on Commerce, Science, and Transportation favorably reported legislation to reform Amtrak during the last two Congresses, but no legislation was enacted;

(4) the Finance Committee favorably reported legislation in the last Congress that created a dedicated trust fund for Amtrak, but no legislation was enacted;

(5) in 1997 Amtrak testified before the Congress that it cannot survive beyond 1998 without comprehensive legislative reforms and a dedicated source of capital funding; and

(6) Congress is obligated to invest Federal tax dollars responsibly and to reduce waste and inefficiency in Federal programs, including Amtrak.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this resolution assume that:

(1) Legislative reform is urgently needed to address Amtrak's financial and operational problems.

(2) It is fiscally irresponsible for Congress to allocate additional Federal dollars to Amtrak, and to distribute money from a new trust fund, without providing reforms requested by Amtrak to address its precarious financial situation.

(3) The distribution of money from any new fund to finance an intercity rail passenger fund should be implemented in conjunction with legislation to reauthorize and reform the National Rail Passenger Corporation.

SEC. 323. SENSE OF THE SENATE REGARDING THE PROTECTION OF CHILDREN'S HEALTH.

(a) FINDINGS.—The Senate makes the following findings:

(1) Today's children and the next generation of children are the prime beneficiaries of a balanced Federal budget. Without a balanced budget, today's children will bear the increasing burden of the Federal debt. Continued deficit spending would doom future generations to slower economic growth, higher taxes, and lower living standards.

(2) The health of children is essential to the future economic and social well-being of the Nation.

(3) The medicaid program provides health coverage for over 17,000,000 children, or 1 out of every 4 children.

(4) While children represent ½ of all individuals eligible for medicaid, children account for less than 25 percent of expenditures under the medicaid program.

(5) Disproportionate share hospital (DSH) funding under the medicaid program has allowed States to provide health care services to thousands of uninsured pregnant women and children. DSH funding under the medicaid program is critical for these populations.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this resolution assume that the health care needs of low-income pregnant women and children should be a top priority. Careful study must be made of the impact of medicaid disproportionate share hospital (DSH) reform proposals on children's health and on vital sources of care, including children's hospitals. Any restrictions on DSH funding under the medicaid program should not harm State medicaid coverage of children and pregnant women.

SEC. 324. DEPOSIT OF ALL FEDERAL GASOLINE TAXES INTO THE HIGHWAY TRUST FUND.

(a) FINDINGS.—The Senate makes the following findings:

(1) Since 1956, Federal gasoline excise tax revenues have generally been deposited in the Highway Trust Fund and reserved for transportation uses.

(2) In 1993, Congress and the President enacted the first permanent increase in the Federal gasoline excise tax which was dedicated to general revenues, not the Highway Trust Fund.

(3) Over the next five years, approximately $7,000,000,000 per year in Federal gasoline excise tax revenues will be deposited in the general fund of the Treasury, rather than the Highway Trust Fund.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions in this resolution assume that Congress should in the extension of the Budget Enforcement Act, ISTEA reauthorization, appropriations Acts, and in any revenue bills, that all revenues from Federal gasoline excise taxes, including amounts dedicated to general revenues in 1993, should be dedicated to the Highway Trust Fund so that such taxes may be used for the purpose to which they have historically been dedicated, promoting transportation infrastructure and building roads.

SEC. 325. SENSE OF THE SENATE EARLY CHILDHOOD EDUCATION.

(a) FINDINGS.—The Senate finds the following:

(1) Scientific research on the development of the brain has confirmed that the early childhood years, particularly from birth to the age of 3, are critical to children's development.

(2) Studies repeatedly have shown that good quality child care helps children develop well, enter school ready to succeed, improve their skills, cognitive abilities and socioemotional development, improve classroom learning behavior, and stay safe while their parents work. Further, quality early childhood programs can positively affect children's long-term success in school achievement, higher earnings as adults, decrease reliance on public assistance and decrease involvement with the criminal justice system.

(3) The first of the National Education Goals, endorsed by the Nation's governors, passed by Congress and signed into law by President Bush, stated that by the year 2000, every child should enter school ready to learn and that access to a high quality early childhood education program was integral to meeting this goal.

(4) According to data compiled by the RAND Corporation, while 90 percent of human brain growth occurs by the age of 3, public spending on children in that age range equals only 8 percent of spending on all children. A vast majority of public spending on children occurs after the brain has gone through its most dramatic changes, often to correct problems that should have been addressed during early childhood development.

(5) According to the Department of Education, of $29,400,000,000 in current estimated education expenditures, only $1,500,000,000, or 5 percent, is spent on children from birth to age 5. The vast majority is spent on children over age 5.

(6) A new commitment to quality child care and early childhood education is a necessary response to the fact that children from birth to the age of 3 are spending more time in care away from their homes. Almost 60 percent of women in the workforce have children under the age of 3 requiring care.

(7) Many States and communities are currently experimenting with innovative programs directed at early childhood care and education in a variety of care settings, including the home. States and local communities are best able to deliver efficient, cost-effective services, but while such programs are long on demand, they are short on resources. Additional Federal resources should not create new bureaucracy, but build on successful locally driven efforts.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the budget totals and levels in this resolution assume that funds ought to be directed toward increasing the supply of quality child care, early childhood education, and teacher and parent training for children from birth through age 3.

SEC. 326. HIGHWAY TRUST FUND NOT TAKEN INTO ACCOUNT FOR DEFICIT PURPOSES.

It is the sense of the Senate that the assumptions underlying this budget resolution assume that the Congress should consider legislation to exclude the receipts and disbursements of the Highway Trust Fund from the totals of the Budget of the United States Government.

SEC. 327. AIRPORT AND AIRWAY TRUST FUND NOT TAKEN INTO ACCOUNT FOR DEFICIT PURPOSES.

It is the sense of the Senate that the assumptions underlying the budget resolution that the Congress should consider legislation to exclude the receipts and disbursements of the Airport and Airway Trust Fund from the totals of the Budget of the United States Government.

SEC. 328. MILITARY RETIREMENT TRUST FUNDS NOT TAKEN INTO ACCOUNT FOR DEFICIT PURPOSES.

It is the sense of the Senate that the assumptions underlying this budget resolution assume that the Congress should consider legislation to exclude the receipts and disbursements of the retirement and disability trust funds for members of the Armed Forces of the United States from the totals of the Budget of the United States Government.

SEC. 329. CIVIL SERVICE RETIREMENT TRUST FUNDS NOT TAKEN INTO ACCOUNT FOR DEFICIT PURPOSES.

It is the sense of the Senate that the assumptions underlying this budget resolution assume that the Congress should consider legislation to exclude the receipts and disbursements of the retirement and disability trust funds for civilian employees of the United States from the totals of the Budget of the United States Government.

SEC. 330. UNEMPLOYMENT COMPENSATION TRUST FUND NOT TAKEN INTO ACCOUNT FOR DEFICIT PURPOSES.

It is the sense of the Senate that the assumptions underlying this budget resolution assume that the Congress should consider legislation to exclude the receipts and disbursements of the Federal Unemployment Compensation Trust Fund from the totals of the Budget of the United States Government.

SEC. 331. SENSE OF THE SENATE CONCERNING HIGHWAY TRUST FUND.

(a) FINDINGS.—The Senate finds that—

(1) there is no direct linkage between the fuel taxes deposited in the Highway Trust Fund and the transportation spending from the Highway Trust Fund;

(2) the Federal budget process has severed this linkage by dividing revenues and spending into separate budget categories with—

(A) fuel taxes deposited in the Highway Trust Fund as revenues; and

(B) most spending from the Highway Trust Fund in the discretionary category;

(3) each budget category referred to in paragraph (2) has its own rules and procedures; and

(4) under budget rules in effect prior to the date of adoption of this resolution, an increase in fuel taxes permits increased spending to be included in the budget, but not for increased Highway Trust Fund spending.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) in this session of Congress, Congress should, within a unified budget, change the Federal budget process to establish a linkage between the fuel taxes deposited in the Highway Trust Fund, including any fuel tax increases that may be enacted into law after the date of adoption of this resolution, and the spending from the Highway Trust Fund; and

(2) changes to the budgetary treatment of the Highway Trust Fund should not result in total program levels for highways or mass transit that is inconsistent with those assumed under the resolution.

SEC. 332. SENSE OF THE SENATE CONCERNING TAX INCENTIVES FOR THE COST OF POST–SECONDARY EDUCATION.

It is the sense of the Senate that the provisions of this resolution assume that any revenue reconciliation bill should include tax incentives for the cost of post-secondary education, including expenses of workforce education and training at vocational schools and community colleges.

SEC. 333. SENSE OF THE SENATE ON ADDITIONAL TAX CUTS.

It is the sense of the Senate that nothing in this resolution shall be construed as prohibiting Congress in future years from providing additional tax relief if the cost of such tax relief is offset by reductions in discretionary or mandatory spending, or increases in revenue from alternative sources.

SEC. 334. SENSE OF THE SENATE REGARDING TRUTH IN BUDGETING AND SPECTRUM AUCTIONS.

(a) The Senate finds that—

(1) the electromagnetic spectrum is the property of the American people and is managed on their behalf by the Federal Government;

(2) the spectrum is a highly valuable and limited natural resource;

(3) the auctioning of spectrum has raised billions of dollars for the Treasury;

(4) the estimates made regarding the value of spectrum in the past have proven unreliable, having previously understated and now overstating its worth;

(5) because estimates of spectrum value depend on a number of technological, economic, market forces, and other variables that cannot be predicted or completely controlled, it is not possible to reliably estimate the value of a given segment of spectrum; therefore,

(b) It is the Sense of the Senate that as auctions occur as assumed by this Resolution, the Congress shall take such steps as necessary to reconcile the difference between actual revenues raised and estimates made and shall reduce spending accordingly if such auctions raise less revenue than projected.

SEC. 335. HIGHWAY DEMONSTRATION PROJECTS.

(a) FINDINGS.—The Senate finds that—

(1) 10 demonstration projects totaling $362,000,000 were listed for special line-item funding in the Surface Transportation Assistance Act of 1982;

(2) 152 demonstration projects totaling $1,400,000,000 were named in the Surface Transportation and Uniform Relocation Assistance Act of 1987;

(3) 64 percent of the funding for the 152 projects had not been obligated after 5 years and State transportation officials determined the projects added little, if any, to meeting their transportation infrastructure priorities;

(4) 538 location specific projects totaling $6,230,000,000 were included in the Intermodal Surface Transportation Efficiency Act of 1991;

(5) more than $3,300,000,000 of the funds authorized for the 538 location-specific projects remained unobligated as of January 31, 1997;

(6) the General Accounting Office determined that 31 States plus the District of Columbia and Puerto Rico would have received more funding if the Intermodal Surface Transportation Efficiency Act location-specific project funds were redistributed as Federal-aid highway program apportionments;

(7) this type of project funding diverts Highway Trust Fund money away from State transportation priorities established under the formula allocation process and under the Intermodal Surface Transportation and Efficiency Act of 1991;

(8) on June 20, 1995, by a vote of 75 yeas to 21 nays, the Senate voted to prohibit the use of Federal Highway Trust Fund money for future demonstration projects;

(9) the Intermodal Surface Transportation and Efficiency Act of 1991 expires at the end of fiscal year 1997; and

(10) hundreds of funding requests for specific transportation projects in Congressional Districts have been submitted in the House of Representatives.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) notwithstanding different views on existing Highway Trust Fund distribution formulas, funding for demonstration projects or other similarly titled projects diverts Highway Trust Fund money away from State priorities and deprives States of the ability to adequately address their transportation needs;

(2) States are best able to determine the priorities for allocating Federal-Aid-To-Highway monies within their jurisdiction;

(3) Congress should not divert limited Highway Trust Fund resources away from State transportation priorities by authorizing new highway projects; and

(4) Congress should not authorize any new demonstration projects or other similarly-titled projects.

SEC. 336. SENSE OF THE SENATE REGARDING THE USE OF BUDGET SAVINGS.

(a) FINDINGS.—The Senate makes the following findings:

(1) Poverty rates among the elderly are at the lowest level since our Nation began to keep poverty statistics, due in large part to the social security system and the medicare program.

(2) Twenty-two percent of every dollar spent by the Federal Government goes to the social security system.

(3) Eleven percent of every dollar spent by the Federal Government goes to the medicare program.

(4) Currently, spending on the elderly accounts for ⅓ of the Federal budget and more than ½ of all domestic spending other than interest on the national debt.

(5) Future generations of Americans must be guaranteed the same value from the social security system as past covered recipients.

(6) According to the 1997 report of the Managing Trustee for the social security trust funds, the accumulated balance in the Federal Old-Age and Survivors Insurance Trust Fund is estimated to fall to zero by 2029, and the estimated payroll tax at that time will be sufficient to cover only 75 percent of the benefits owed to retirees at that time.

(7) The accumulated balance in the Federal Hospital Insurance Trust Fund is estimated to fall to zero by 2001.

(8) While the Federal budget deficit has shrunk for the fourth straight year to $67,000,000,000 in 1997, measures need to be taken to ensure that that trend continues.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this resolution assume that budget savings in the mandatory spending area should be used—

(1) to protect and enhance the retirement security of the American people by ensuring the long-term future of the social security system;

(2) to protect and enhance the health care security of senior citizens by ensuring the long-term future of the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.); and

(3) to restore and maintain Federal budget discipline to ensure that the level of private investment necessary for long-term economic growth and prosperity is available.

SEC. 337. SENSE OF THE SENATE REGARDING THE VALUE OF THE SOCIAL SECURITY SYSTEM FOR FUTURE RETIREES.

(a) FINDINGS.—The Senate makes the following findings:

(1) The social security system has allowed a generation of Americans to retire with dignity. Today, 13 percent of the population is 65 or older and by 2030, 20 percent of the population will be 65 or older. More than ½ of the elderly do not receive private pensions and more than ⅓ have no income from assets.

(2) For 60 percent of all senior citizens, social security benefits provide almost 80 percent of their retirement income. For 80 percent of all senior citizens, social security benefits provide over 50 percent of their retirement income.

(3) Poverty rates among the elderly are at the lowest level since the United States began to keep poverty statistics, due in large part to the social security system.

(4) Seventy-eight percent of Americans pay more in payroll taxes than they do in income taxes.

(5) According to the 1997 report of the Managing Trustee for the social security trust funds, the accumulated balance in the Federal Old-Age and Survivors Insurance Trust Fund is estimated to fall to zero by 2029, and the estimated payroll tax at that time will be sufficient to cover only 75 percent of the benefits owed to retirees at that time.

(6) The average American retiring in the year 2015 will pay $250,000 in payroll taxes over the course of his or her working career.

(7) Future generations of Americans must be guaranteed the same value from the social security system as past covered recipients.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this resolution assume that no change in the social security system should be made that would reduce the value of the social security system for future generations of retirees.

SEC. 338. SENSE OF SENATE ON ECONOMIC GROWTH DIVIDEND PROTECTION.

(a) FINDINGS.—The Senate finds that with respect to the revenue levels established under this resolution:

(1) According to the President's own economists, the tax burden on Americans is the highest ever at 31.7 percent.

(2) According to the National Taxpayers Union, the average American family now pays almost 40 percent of their income in State, local, and Federal taxes.

(3) Between 1978 and 1985, while the top marginal rate on capital gains was cut almost in half—from 35 to 20 percent—total annual Federal receipts from the tax almost tripled from $9,100,000,000 annually to $26,500,000,000 annually.

(4) Conversely, when Congress raised the rate in 1986, revenues actually fell well below what was anticipated.

(5) Economists across-the-board predict that cutting the capital gains rate will result in a revenue windfall for the Treasury.

(6) While a USA Today poll from this March found 70 percent of the American people believe that they need a tax cut, under this resolution Federal spending will grow 17 percent over five years while the net tax cuts are less than 1 percent of the total tax burden.

(b) SENSE OF SENATE.—It is the sense of the Senate that with respect to the revenue levels established under this resolution, to the extent that actual revenues exceed the revenues projected under this resolution due to higher than

anticipated economic growth, that revenue windfall should be reserved exclusively for additional tax cuts and/or deficit reduction.

SEC. 339. DEFICIT-NEUTRAL RESERVE FUND IN THE SENATE.

(a) IN GENERAL.—In the Senate, revenue and spending aggregates may be changed and allocations may be revised for legislation that provides funding for early childhood development programs for children ages zero to six provided that the legislation which changes revenues or changes spending will not increase the deficit for—

(1) fiscal year 1998;

(2) the period of fiscal years 1998 through 2002; or

(3) the period of fiscal years 2002 through 2007.

(b) REVISED ALLOCATIONS.—

(1) ADJUSTMENTS FOR LEGISLATION.—Upon the consideration of legislation pursuant to subsection (a), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this section. These revised allocations, functional levels, and aggregates shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations, functional levels and aggregates contained in this resolution.

(2) ADJUSTMENTS FOR AMENDMENTS.—If the chairman of the Committee on the Budget submits an adjustment under this section for legislation in furtherance of the purpose described in subsection (a) upon the offering of an amendment to that legislation that would necessitate such a submission, the chairman shall submit to the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this section. These revised allocations, functional levels, and aggregates shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations, functional levels and aggregates contained in this resolution.

(c) REPORTING REVISED ALLOCATIONS.—The appropriate committee shall report appropriately revised allocations pursuant to sections 302(b) and 602(b) of the Congressional Budget Act of 1974 to carry out this section.

SEC. 340. SUPPORT FOR FEDERAL, STATE, AND LOCAL LAW ENFORCEMENT OFFICERS.

(a) FINDINGS.—The Senate makes the following findings:

(1) Our Federal, State, and local law enforcement officers provide essential services that preserve and protect our freedoms and security, and with the support of Federal assistance, State and local law enforcement officers have succeeded in reducing the national scourge of violent crime, as illustrated by a murder rate in 1996 that is projected to be the lowest since 1971 and a violent crime total in 1996 that is the lowest since 1990.

(2) Through a comprehensive effort to attack violence against women mounted by State and local law enforcement, and dedicated volunteers and professionals who provide victim services, shelter, counseling, and advocacy to battered women and their children, important strides have been made against the national scourge of violence against women, illustrated by the decline in the murder rate for wives, ex-wives, and girlfriends at the hands of their ''intimates'' fell to a 19-year low in 1995.

(3) Federal, State, and local law enforcement efforts need continued financial commitment from the Federal Government for funding and financial assistance to continue their efforts to combat violent crime and violence against women.

(4) Federal, State and local law enforcement also face other challenges which require continued financial commitment from the Federal Government, including regaining control over the Southwest Border, where drug trafficking and illegal immigration continue to threaten public safety and menace residents on the border and throughout the Nation.

(5) The Violent Crime Reduction Trust Fund established in section 310001 the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) fully funds the Violent Crime Control and Law Enforcement Act of 1994, including the Violence Against Women Act, without adding to the Federal budget deficit.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions and the functional totals underlying this resolution assume that—

(1) the Federal Government's commitment to fund Federal law enforcement programs and programs to assist State and local efforts to combat violent crime, including violence against women, will be maintained; and

(2) funding for the Violent Crime Reduction Trust Fund will continue in its current form at least through fiscal year 2002.

SEC. 341. SENSE OF CONGRESS REGARDING PARENTAL INVOLVEMENT IN PREVENTION OF DRUG USE BY CHILDREN.

It is the sense of the Congress that the provisions of this resolution assume that, from resources available in this budget resolution, a portion should be set aside for a national grassroots volunteer effort to encourage parental education and involvement in youth drug prevention and to create a drug-intolerant culture for our children.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. LAUTENBERG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

[Applause.]

The PRESIDING OFFICER. Under the previous order, the Senate insists on its amendment, requests a conference with the House and is authorized to appoint conferees.

The majority leader.

Mr. LOTT. Mr. President, I have a couple unanimous consent requests that I think Members will be very interested in. First, let me take a moment to comment on the cooperation and the significance of that vote.

It truly was a bipartisan effort. It was cooperation between the Congress and the President. I think we should be proud of it, and it is an example of what I hope we can do more of in the future.

I thank the Democratic leader for his efforts, his willingness to be on the floor and work with us on some of these votes. We had a couple of bumpy spots along the way, but I think the result was a good one.

I particularly thank the chairman of the committee. I know he feels a rush of emotion right now. He has been working on trying to get us to this type of budget resolution for 25 years. I think he has done a great job. I commend him and thank him for the great work he has done.

[Applause, Senators rising.]

Mr. LOTT. Also, the Senator from New Jersey stood right there with him. They worked together. He kept his word, and we got a tremendous result here of 78 to 22, overwhelming. Without that type of cooperation across the aisle from the Budget Committee, it could not have been achieved. So I thank one and all for what has been achieved today.

[Applause, Senators rising.]

Mr. DASCHLE. If the majority leader will yield for just a moment, I know people are waiting for the vote on the judges, so we need to be expeditious. I, too, commend the distinguished Budget Committee chairman and the ranking member for the extraordinary demonstration of leadership. This vote would not have been possible were it not for the way they worked with the White House, with us, in coming to the vote we have today.

This is a historic moment. We will balance the budget as a result of this resolution. Democrats and Republicans alike can take credit and can take a great deal of pride in what we have done today. So I commend them and appreciate very much their leadership today.

Mr. DOMENICI. Mr. President, will the leader yield for 1 minute?

Mr. LOTT. Mr. President, I say to the chairman, I will yield to him. He has earned the time.

Mr. DOMENICI. I don't want to start thanking people, because there are so many who did so much. I do want to say, from my standpoint, that my highest, highest thanks go to our majority leader. He has not been a majority leader for a long time, and this is a very, very difficult undertaking. There were a lot of potential pitfalls.

Frankly, I commend him for being a very, very courageous majority leader. He has a lot of courage. When something has to be done and he agrees to do it, it is like you have a great army with you; we just move. If he wasn't in the lead, I was, and we took turns and we got this done.

I also want to say that this is a bipartisan effort. I say to Senator DASCHLE, thank you. When we had trouble, we would call on him.

Last but not least, I always knew FRANK LAUTENBERG, but I didn't know we were really friends. I think I can say we have a bond between us now that came about because we worked on a very, very difficult set of issues for a long time. I thank him and his staff for their cooperation, and close by saying to all the Senators, thanks for the way you conducted yourselves. This is a complicated, messy process, but I think we did the Senate well, which I always want to do.

I will close by saying that the one staff person I must always recognize, and I think the White House at one point suggested without Bill Hoagland we couldn't put this together. I thank him publicly.

Frank, it is good to be your friend.

Mr. LAUTENBERG. If I may, Mr. President, I too, want to say that my work with Pete DOMENICI was illuminating, a learning experience at times. His smile sometimes was beguiling, but the steel nerves always showed through. It was a good experience.

I noted with one of our colleagues over there, Senator NICKLES—and I am sure that he does not mind my quoting him here—he said that this markup in the budget was the least acrimonious that he had seen in his 17 years on the Budget Committee. I, too, in the 14 years I have been on the Budget Committee.

We had plenty of differences. Do not let anybody think it was smooth going all the way. But there was a determination to get the job done. It was largely PETE's leadership and our willingness to just put aside some differences.

My leader, TOM DASCHLE, was always there to encourage me and the team.

Senator LOTT, too, you know how to push at times and how to pull at other times. You still got us going in the same direction. I don't get it. But it was a pleasure working with the majority leader.

My team, John Cahill, Bruce King, Sander Lurie, Marty Morris, Sue Nelson, Mitch Warren, and the others whom I was fortunate enough to inherit from the experienced days of Senator Exon and Senator Sasser, Amy Abraham, Matt Greenwald, Phil Karsting, Jim Klumpner, Nell Mays, and Jon Rosenwasser, everybody helped enormously. I want to say Bill Hoagland and the majority leader's team were cooperative. They tried to always make sure we understood exactly what was going to be in there. There was no attempt to deceive or fool.

Thus, we have an agreement that we can all be proud of. The American people should be proud of it. They saw us cooperating, as the majority leader said. And here we saw a vote of 78 to 22. That is pretty darn good.

Thank you very much. I yield the floor.

Mr. LOTT. I thank the Senator.

I do have a couple unanimous-consent requests to make. I think Members will be very interested in this. Then we can go on with some closing statements and some wrapup information.

We have some other matters that we are going to try to work through in the afternoon. But if we can get these two agreements, then we could announce there would be no further votes today. I think that would be very important.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate now proceed to executive session to consider the following nominations: No. 73, Donald Middlebrooks; No. 74, Jeffrey Miller; No. 75, Robert Pratt. I further ask unanimous consent that the nominations be confirmed en bloc, the motions to reconsider be laid upon the table, statements relating to any of these nominations be printed in the RECORD, the President be immediately notified of the Senate's action, and that the Senate then resume legislative session.

The PRESIDING OFFICER. Is there objection?

Mr. LEAHY. Reserving the right to object, Mr. President, we are now at the end of May. We have confirmed a grand total of two judges in this session. If we confirm these, it will make five, one a month, which is zero population growth in the Federal judiciary.

I will not ask for a rollcall, but we have been told over and over again these were all being held up so we could have rollcalls on them. I suspect we will not have them because it will be embarrassing to see that three excellent, well-qualified judges, held up all this time, then would get voted on virtually unanimously.

I will also note Margaret Morrow, the one woman who was on the panel on this, still is not before the Senate and still is being held for mysterious holds on the Republican side.

I urge my good friend, the majority leader—and he is my good friend—I urge him to do this. I have been here 22 years with outstanding majority leaders, Republicans and Democrats, with Senator Mansfield, Senator BYRD, Senator Baker, Senator Dole, and Senator Mitchell as majority leaders. And now I have the opportunity to serve with the distinguished Senator from Mississippi as the majority leader.

No majority leader has ever allowed the Senate before to do what is happening to the Federal judiciary now. I urge my friend from Mississippi not to allow this Senate to be the first Senate that acts toward the Federal judiciary or diminishes the integrity and the independence of our Federal judiciary, the integrity and independence recognized and commended and praised throughout the world, to let it be diminished here.

I urge the distinguished majority leader to work with the distinguished Democratic leader, the distinguished chairman of the Judiciary Committee, Mr. HATCH, and myself and others, to move these judges. We have 100 vacancies. We have 25 to 28 sitting before the committee that could go immediately, or nearly immediately. We have to do this and stop—stop—the belittling and diminishing of our Federal judiciary. It is part of what makes this a great democracy. We should not allow it to happen.

I will not object to the request of the distinguished majority leader.

The PRESIDING OFFICER. Is there objection to the request?

Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

THE JUDICIARY

Donald M. Middlebrooks, of Florida, to be United States District Judge for the Southern District of Florida.

Jeffrey T. Miller, of California, to be United States District Judge for the Southern District of California.

Robert W. Pratt, of Iowa, to be United States District Judge for the Southern District of Iowa.

STATEMENT ON THE NOMINATION OF ROBERT W. PRATT

Mr. LEAHY. Mr. President, I am delighted that the majority leader has decided to take up the nomination of Robert W. Pratt to be a U.S. District Judge for the Southern District of Iowa. Mr. Pratt is a well-qualified nominee.

We first received Robert Pratt's nomination in August 1996. He was not accorded a hearing last Congress and the President renominated him on the first day of this Congress for the same vacancy on the District Court for the Southern District of Iowa. He had a confirmation hearing on March 18 where he was supported by Senator HARKIN and Senator GRASSLEY and was reported to the Senate by the Judiciary Committee on April 17, more than 4 weeks ago.

With this confirmation the Senate has confirmed five Federal judges in five months—one Federal judge a month. Even with the three judicial confirmation votes today, there are still almost 100 judicial vacancies in the Federal courts. Since this session began, vacancies on the Federal bench have increased from 87 to 103 and we have proceeded to confirm only five nominees. After these three confirmations, after more than doubling our confirmation output for the entire year in this one afternoon, we still face 98 current vacancies today and that number is continuing to grow. At this rate, we are falling farther and farther behind and more and more vacancies are continuing to mount over longer and longer times to the detriment of more Americans and the national cause of prompt justice.

Mr. President, I ask unanimous consent to have printed in the RECORD recent articles on the crisis caused by the vacancies in the Federal courts.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From Time, May 26, 1997]

EMPTY-BENCH SYNDROME—CONGRESSIONAL REPUBLICANS ARE DETERMINED TO PUT CLINTON'S JUDICIAL NOMINEES ON HOLD

(By Viveca Novak)

The wanted posters tacked to the walls of courthouses around the country normally depict carjackers, kidnappers and other scruffy lawbreakers on the lam. But these days the flyers might just as well feature distinguished men and women in long dark robes beneath the headline ''Help Wanted.'' As of this week, 100 seats on the 844-person federal bench are vacant. Case loads are creeping out of control, and sitting judges are crying for help.

The situation is urgent, says Procter Hug Jr., chief judge of the Ninth Circuit Court of Appeals, which covers California and eight other Western states. Hug says that with a third of its 28 seats vacant, the court has had to cancel hearings for about 600 cases this year. Criminal cases take precedence by law, so at both the trial and appellate levels, it is civil cases that have been crowded out. Civil rights cases, shareholder lawsuits, product-

liability actions, medical-malpractice claims and so forth are being pushed to the back of the line, however urgent the complaints. Chief Judge J. Phil Gilbert of the southern district of Illinois went an entire year without hearing a single civil case, so overwhelmed was he by the criminal load in a jurisdiction down to two judges out of four. ''It's litigants who end up paying the price for the delays,'' says A. Leo Levin, a professor at the University of Pennsylvania Law School.

Things won't improve any time soon. Democratic Senators have been slow in recommending names to the White House, which in turn has dragged its feet in forwarding those recommendations to the Senate for confirmation. At a private meeting with federal judges last week, Clinton promised to send close to two dozen new names to Capitol Hill by July 4. But once they get there, they face new hurdles. Last year the Senate confirmed only 17 federal district-court judges and none for the appeals courts. This year looks even worse, with only two confirmations thus far. The number of days from nomination to confirmation is at a record high of 183, and 24 seats have been vacant more than 18 months, qualifying them as judicial emergencies.

This slowdown in judicial confirmations is not due to congressional lethargy. Just the opposite. With Republicans firmly in control of the Senate, many of the party's theorists feel they have the power—and the rightful mandate—to implement the ideals of a conservative revolution that lost its focus in recent years. So they have been not so quietly pursuing a historic change in the ambiguous ''advise and consent'' role the Constitution gives the Senate in the selection of federal judges. The successful assault by Democrats on Ronald Reagan's nomination of Robert Bork for the Supreme Court helped open the way for what has become a more partisan and ideological examination of all judicial nominees.

Some Republicans have as much as declared war on Clinton's choices, parsing every phrase they've written for evidence of what they call judicial activism. That label has long been applied to judges who come up with imaginative new legal principles in their decisions rather than simply following the letter of the law or the Constitution. Lately the term has been tossed around like insults at a brawl. ''The Republicans define 'activist' according to their political agenda,'' says a federal judge. ''It's O.K. to be an activist if you're striking down affirmative action and gun-free school laws. It's not if you're overturning abortions restrictions and the line-item veto.''

Meanwhile, nominees are left adrift. The federal bench's poster child of the moment is Margaret Morrow. Nominated in May 1996 with broad bipartisan support, Morrow was the first woman president of the California Bar Association, has had a distinguished career in private practice and could fill a trophy case with her awards and citations. She cleared the judiciary committee unanimously but got stuck in last year's G.O.P. freeze-out on the Senate floor. Clinton sent her name back up this year, but in the meantime, conservatives began raising questions about some of her writings the committee hadn't seen. After another hearing, she received a letter from Republican Senator Charles Grassley asking her position on every ballot initiative that's come up in California over the past decade, in effect asking which levers she pulled in the voting booth. Morrow's nomination still isn't scheduled for a vote, and she isn't even the longest-suffering nominee. That distinction belongs to William Fletcher, named by Clinton to the Ninth Circuit in April 1995.

Orrin Hatch, chairman of the Senate Judiciary Committee, says he would like to clear the backlog. ''Playing politics with judges is unfair, and I am sick of it,'' he said in March. But those close to him say he's feeling pressure from the right, and indeed his remarks have become more combative. Last week he told a group of judges that he would refuse ''to stand by to see judicial activists named to the federal bench.''

Republicans are also aiming rocket launchers at those lucky enough to have already been issued their robes. Proposals range from having three-judge panels, rather than a single judge, hear challenges to ballot initiatives to radical notions like amending the Constitution to eliminate lifetime tenure. Lawmakers have taken to threatening impeachment proceedings against judges whose rulings they dislike. House majority whip Tom DeLay of Texas, a chief proponent of using the impeachment process much more freely than it is now, says he wants ''to make an example'' of someone this year. Some candidates they're considering: Judge Thelton Henderson in California, who struck down a voter-approved referendum ending state affirmative-action programs (he has since been reversed); Judge John Nixon in Tennessee, who has reversed several death-penalty convictions; and Judge Fred Biery in Texas, who has refused to seat a Republican sheriff and county commissioner because of a pending lawsuit challenging some absentee ballots. Not mentioned are judges like New York's John Sprizzo, who freed two men who had blocked access to an abortion clinic because they acted on religious grounds.

So far, the Republicans see no real downside to picking on the third branch of government. ''Some of these rulings have inflamed mainstream America,'' says Clint Bolick of the conservative Institute for Justice. ''So when the GOP elevates this issue, it is seen as a winner.

It's ironic that these fusillades should be coming now, when even activists like Bolick concede that Clinton's nominees have been mostly moderate, and liberals are moaning that the President hasn't done enough to counteract the effect of 12 straight years of Republican court choices. But what it adds up to is ''probably the most intense attack on the judiciary as an institution ever,'' says Robert Katzmann, a lawyer and political scientist who has written a book on Congress and the courts. ''The framers of the Constitution tried to create a system in which judges would feel insulated from political retribution. That's being undermined.''

[From U.S. News, May 26, 1997]

THE GOP'S JUDICIAL FREEZE—A FIGHT TO SEE WHO RULES OVER THE LAW

(By Ted Gest and Lewis Lord)

When Bill Clinton was first elected, liberals thought they would finally get a chance to rectify what they saw as a great injustice. For 12 years, Ronald Reagan and George Bush had packed the judiciary with conservative judges. And their rulings were shifting power toward police and corporations and away from criminal suspects, environmentalists, and trade unions. Clinton, it seemed, would be able to shift the balance of power back.

Well into Clinton's second term, the judiciary's composition has barely changed, thanks to an aggressive Republican strategy of thwarting Clinton's nomineees—and a remarkable timidity on the president's part. During his first term, when Democrats controlled the Senate for two years, 202 of his nominations were confirmed. But in the past 16 months, with the GOP firmly in control, the Senate has approved the nominations of only 18 district judges and one circuit court of appeals judge. Roughly 100 judgeships—12 percent of the judiciary—are vacant, including a record 24 ''judicial emergencies,'' seats that have been open for at least 18 months. Judges are working nights and weekends on the stacks of new cases that keep piling up. Countless civil disputes involving businesses and families—whether a worker should get a disability benefit, whether a loss is covered by insurance, whether an alien should be deported—are being held up for months.

Congress has insisted on playing an unprecedented role. In the past, the Senate paid close attention to a president's Supreme Court nominees but usually gave him a free hand in selecting other federal judges. Now, the Republican Senate is demanding—and often getting—a voice in whom Clinton appoints to the district courts, where judges and juries make basic rulings involving federal law, and to the appeals courts, which decide most constitutional and other big issues. ''It's a scandalous and stunningly irresponsible misuse of the Senate's authority,'' says law professor Geoffrey Stone, the provost at the University of Chicago.

AUTHORITY CHALLENGED

The slowdown could become a constitutional showdown. ''In all of American history there has never been a situation where a newly elected president has faced this of challenge to his judicial nominations,'' says Sheldon Goldman, author of the upcoming book *Picking Federal Judges: Lower Court Selections From Roosevelt to Reagan*. ''The gauntlet has been thrown down to President Clinton. And now we will see if he is going to fight or if he's going to back off.''

Last week, Chief Justice William Rehnquist, a conservative, chastised the White House and the Senate for leaving so many vacancies. ''Unless the executive and the legislative branches change their ways,'' Rehnquist told the Federal Judges Association, ''the future for judicial appointments is bleak.'' He urged judges to meet with senators from their areas. One judge who recently did is Procter Hug Jr. of Reno, Nev., chief of the nation's busiest court—the nine-Western-state 9th U.S. Circuit Court of Appeals, which has lost nine of its 28 judges to retirement. Hug asked Sen. Orrin Hatch, chairman of the Senate Judiciary Committee, for action, and Hatch replied that he would hold one judicial nomination hearing each month. ''Nationally, there are 25 circuit-judge vacancies,'' said Hug. ''The have *got* to hold more than one a month.''

Republicans are resisting Clinton nominees aggressively in part because they had to fight so long to get the judiciary to their liking. The Reagan White House shrewdly decided not to rely solely on GOP senators, who might have picked judges mainly because of connections instead of ideology. Instead, Reagan created the Federal Judicial Selection Committee, which sought judges willing to reject affirmative action, give police more authority, allow restrictions on abortions, and permit voluntary school prayer.

The emphasis on ideology stirred a hostile Democratic reaction. Democrats in 1987 successfully blocked the nomination to the Supreme Court of Robert Bork, which increased Republican determination to protect their gains. And they have. Reagan's appointees and those of Bush are now considered the most conservative since the judges whom Franklin Roosevelt assailed 60 years ago for curbing his New Deal, and they make up more than half the federal judiciary.

FAILURE TO FIGHT

Liberals had hoped that Clinton would pull the courts back from the right and, by the year 2000, establish a majority of left-leaning judges. But he hasn't. For one thing, he has been slow to send up nominees, partly because the Senate has been reluctant to move

those already pending. Clinton has nominated candidates for fewer than one third of the vacancies. More important, he has shown an aversion to fighting for controversial nominees. One prominent example involved an old friend, Georgetown University law professor Peter Edelman. Clinton decided in 1995 not to nominate Edelman for a seat on the appeals court in Washington, DC, after conservatives served notice they would mount a Bork-like challenge, citing Edelman's writings as ''too liberal.''

In essence, Clinton rejects the liberal view that he should counter the Reagan-Bush emphasis on conservative views. ''He doesn't want to make a federal bench in his image,'' House counsel, Abner Mikva. ''What he really wants is a high-quality bench that will do the right thing regardless of ideology.'' Other insiders say that when the White House sets legislative priorities, it is more interested in winning votes from key senators on policy issues than in pressing them to support judicial nominees.

This has left liberal activists bitterly disappointed. ''He has an enormous opportunity to reshape the federal bench,'' says Nan Aron of the Alliance for Justice, an umbrella organization of public-interest law groups, ''but rather than hit the ground running, he has silently tolerated an unprecedented number of attacks on the federal judiciary.''

Liberals like Aron are doubly disappointed because those nominations Clinton has pushed have not been particularly liberal. His trial judges, according to one study, seem closer in ideology to Gerald Ford's judges than they do to those of Jimmy Carter, who are considered the most liberal of current judges.

To the extent Clinton has had a broad agenda for the judiciary, the guiding principle has been not philosophy but race and gender. ''Clinton's first term,'' says Goldman, who teaches political science at the University of Massachusetts—Amherst, ''was the first ever in which most of a president's appointments went to women or minorities.''

NOT MAINSTREAM?

Republicans argue that they have no choice but to hold up Clinton's nominees because many are ''judicial activists'' far out of the mainstream. One would-be district judge tarred as an activist is Margaret Morrow of Los Angeles, a former state bar president who was first nominated to the bench more than a year ago. In 1988, Morrow wrote an article suggesting that California might be putting too many questions to a vote in citizens' referendums. Senators now are demanding to know her positions on many referendum issues.

''Judicial activists do not abide by the law,'' says Hatch, who defines a judicial activist as ''someone who makes law as a superlegislator and usurps power from two other co-equal branches.'' Mikva, who was a longtime judge before working at the White House, offers a different view: ''An activist judge is a judge who makes a decision you don't like.''

This month, Hatch did remind his GOP colleagues that Clinton had won and thus was entitled to make nominations. ''He deserves respect and support for his nominees as long as they are qualified,'' the senator said. But he also has said that judicial activists are not qualified.

The Clinton administration insists that it has a grip on the problem. ''We are doing as much bipartisan consultation as we can . . . to see how Republican senators' views can be absorbed into the system,'' says White House Counsel Charles Ruff. That approach fails to placate Clint Bolick of the Institute for Justice, a libertarian group. When Clinton was re-elected, he said, ''the stakes doubled,'' and the prospect of a Democrat appointing a majority of judges became a ''very real concern, not an abstract concern.'' Bolick's goal is to thwart any Clinton choice who doesn't meet his sharply conservative standards. He expects that in the coming months his fellow conservatives will go after even more Clinton nominees.

Mr. HARKIN. Mr. President, it is a privilege for me to speak today in behalf of Robert Pratt, to serve on the U.S. District Court for the Southern District of Iowa.

I have known Bob and his wonderful family for almost 25 years. I met him when we were both fresh out of law school. We landed jobs at the Polk County Legal Aid Society. And it was this experience that made a permanent impression on me.

Since that time, Bob has dedicated his life to using the law to improve people's lives, their communities and their future. He is currently in private practice in Des Moines and continues to devote his practice to the legal needs of lower income and economically disadvantaged Iowans.

Bob Pratt is, quite simply, one of the best public interest lawyers in the country. And his respect for the rule of the law and his faith in our country's system of justice is truly inspiring.

I believe that Bob possesses all of the qualifications necessary to assume the very serious responsibilities carried out by any Federal judge. He has the temperament, the intellectual rigor, the compassion, and the ability to be fair and impartial.

I am also proud to say that Bob enjoys bipartisan support from the Iowa legal community. Robert Downer, former President of the Iowa State Bar Association, and a Republican, states: ''It has been my privilege to be acquainted with Mr. Pratt for some time, and I regard him very highly both personally and professionally. With the heavy caseload in the Southern District of Iowa it will be of great benefit to litigants in that court if he can be confirmed without delay.''

Mr. President, I am proud to continue Iowa's fine tradition of judicial selection based upon merit. I believe Bob Pratt reflects very proudly on all of us who have chosen to be public servants. And I have no doubt that he will make an excellent U.S. District judge for the Southern District of Iowa.

STATEMENTS ON THE NOMINATION

Mr. LEAHY. Mr. President, I am delighted that the majority leader has decided to take up the nomination of Donald M. Middlebrooks to be a U.S. District Judge for the southern district of Florida. Mr. Middlebrooks is a well-qualified nominee.

The Judiciary Committee unanimously reported his judicial nomination to the full Senate more than 4 weeks ago. The southern district of Florida desperately needs him to manage is growing backlog of cases.

We first received Donald Middlebrooks' nomination in September 1996. He was not accorded a hearing last Congress and the President renominated him on the first day of this Congress for the same vacancy on the district court for the southern district of Florida, which vacancy has existed since October 1992. This is another of the judicial emergency vacancies that we did not fill last year. It has been vacant for more than 4½ years. He has the support of both Senator GRAHAM and Senator MACK and was reported by the Judiciary Committee to the Senate on April 17.

With this confirmation, the Senate has confirmed three Federal judges this year—the same amount of times we have gone on vacation in 1997. At this rate, we are falling farther and farther behind and more and more vacancies are continuing to mount over longer and longer times to the detriment of more Americans and the national cause of prompt justice. We must do better.

Mr. President, I look forward to working with the chairman and other members of the Judiciary Committee and the full Senate to move the nominations process forward so that the Senate confirms the judges that the Federal courts need to ensure the prompt administration of justice.

Mr. GRAHAM. Mr. President, I join all those in America who are concerned about filling judicial vacancies in expressing gratitude to Senators HATCH and LEAHY for bringing judicial nominations to the floor for our timely consideration.

Florida, with some of the busiest districts in the Nation, has three Federal judicial vacancies. With our action today, one of those vacancies is no more, and the people of Florida's southern district will soon be served by an outstanding and experienced member of both the legal and larger south Florida community—Mr. Don Middlebrooks.

I look forward to working with my colleagues to fill all of the judicial vacancies in Florida. But today's action is a very positive step forward.

Mr. President, the people served by the jurists we confirm have a right to expect judges who bring unquestioned competence, strong integrity, devotion to duty, and diversity of experience with them to the Federal bench.

Throughout his career—as an undergraduate and law student at the University of Florida, a public servant, and a distinguished member of the south Florida legal community—Don Middlebrooks has met—and exceeded—this standard of excellence time and time again.

Mr. Middlebrooks started his career in the public service at the University of Florida, where his fellow undergraduates elected him president of the student body.

That excellence in student government was followed by distinction at the University of Florida Law School and, eventually, outstanding service in the Florida State government.

In 1974, Don Middlebrooks was asked to serve the people of Florida as assistant general counsel to then-Governor

Reubin Askew. He served with such distinction that Governor Askew ultimately elevated him to the post of general counsel.

Three years later, as Governor Askew's second and final term was coming to a close, Mr. Middlebrooks left Tallahassee and joined the south Florida offices of Steel, Hector, & Davis, one of our State's oldest and largest law firms.

His 20 years of experience with highly complex legal issues makes him especially well-prepared for the cases that he will see as a Federal district court judge in south Florida.

But the fact that Don Middlebrooks has spent the last two decades in the private sector does not mean that he has neglected his commitment to public service.

In addition to handling numerous pro bono cases himself, Mr. Middlebrooks was chairman of Steel, Hector, & Davis' public service committee when the firm received the American Bar Association pro bono award and the Florida Supreme Court chief justice's law firm commendation.

He has also been a civic leader. The list of his involvements is long and distinguished—chairman of the Palm Beach County Criminal Justice Commission, president of the Florida Bar Association, member of the Florida Ethics Commission.

Perhaps Don Middlebrooks' most important civic contribution has been his tireless commitment to the welfare of Florida's youngest generation—its children.

In addition to being the father of 11-year-old Amanda and 9-year-old Jack, Mr. Middlebrooks has served as chairman of the Palm Beach County Children's Services Council, chairman of the Florida Bar Commission for Children, and a member of the Florida Commission on Child Welfare.

Mr. Chairman, throughout his life, Don Middlebrooks has been respected by his peers, hailed for his outstanding service to the people of Florida, honored for his civic involvements, and praised for his skill and competence in the legal arena.

I have no doubt that this pattern of distinction and outstanding service will continue once he is invested as a Federal judge in the southern district of Florida.

STATEMENTS ON THE NOMINATION OF JEFFREY T. MILLER

Mr. LEAHY. Mr. President, I am delighted that the majority leader has decided to take up the nomination of Jeffrey T. Miller to be a U.S. district court judge for the southern district of California. Judge Miller is a well-qualified nominee.

The Judiciary Committee unanimously reported his nomination to the Senate more than 4 weeks ago. The southern district of California desperately needs Judge Miller to help manage its growing backlog of cases.

We first received Judge Jeffrey Miller's nomination in July 1996. He was not accorded a hearing last Congress and the President renominated him on the first day of this Congress for the same vacancy on the district court for the southern district of California, which vacancy has existed since December 1994. This is one of the judicial emergency vacancies that we should have filled last year. This vacancy has persisted for 2½ years. He has the support of both Senators from California. He had a confirmation hearing on March 18 and his nomination was considered and reported to the Senate by the Judiciary Committee on April 17.

With this confirmation, the Senate has confirmed four Federal judges this year—the same number as the number of amendments to the Constitution that have been considered and defeated by the House of Representatives and the Senate. At this rate, we are falling farther and farther behind and more and more vacancies are continuing to mount over longer and longer times to the detriment of more Americans and the national cause of prompt justice. We must do better.

Mrs. FEINSTEIN. Mr. President, I want to thank the majority leader for calling up these judicial nominations for votes by the Senate, and in particular for calling up Judge Jeffrey Miller, who has been nominated to the U.S. district court for the southern district of California in San Diego.

It was my distinct pleasure to recommend Judge Jeffrey Miller to the President. I feel strongly he is extremely well qualified for the position.

Judge Miller has been serving for 10 years as a superior court judge in San Diego, having been appointed by a Republican Governor, George Deukmejian, in 1987.

Judge Miller previously spent 19 years with the State attorney general's office.

He earned both his undergraduate and law degree from the University of California at Los Angeles in the 1960's. He first devoted himself to public service by working in the Peace Corps for a year.

During his experience in the Los Angeles attorney general's office from 1968 to 1974, he briefed approximately 60 cases on behalf of the people, urging affirmation of trial court convictions before the court of appeals in more than half of those cases.

Of those cases, published opinions were issued in 13, all but 1 affirming trial court convictions.

From 1974 to 1987, Judge Miller supervised attorneys and carried his own caseload in the tort and condemnation section of the attorney general's office, which oversaw the San Diego, Orange, San Bernardino, and Riverside areas. Here he represented the State in matters ranging from class action lawsuits to California Highway Patrol officers sued for false arrest.

Judge Miller has argued two cases before the U.S. Supreme Court. Both cases were argued successfully on behalf of the State.

His lengthy and distinguished experience as a prosecutor prepared him well for his appointment in 1987 as a superior court judge.

Since then, he has handled many sensitive high-profile criminal and civil cases including two murder cases where the juries rendered convictions with full sentences.

This has prepared him extremely well for the criminal and civil caseload facing the southern district judges.

Simply put, Judge Miller is one of the most respected and trusted judicial figures in the San Diego area. He is both fair minded and thoughtful, yet remains tough and decisive.

His bipartisan support and solid judicial background make him a strong nominee for confirmation. Among those who have endorsed Judge Miller's nomination are those who know the judge's work best:

Presiding Judge James R. Milliken of the superior court described Judge Miller as ''a superb judge'' and ''a fine, insightful person. He understands legal issues and problems and does an absolutely wonderful job in the courtroom.''

Judge Anthony Joseph, a colleague on the San Diego Superior Court, wrote: ''His positive outlook and pragmatic approach are essential in this era.''

Judge Daniel Kremer of the U.S. court of appeals noted that Judge Miller ''is particularly well known for his ability to handle complex cases efficiently and fairly.''

Retired Justice Charles Froehlich, Jr., of the court of appeals said: ''He is a person of very high ethical standards. He would indeed be a credit to the local district court bench.''

Judge Judith Haller of the court of appeals wrote: ''Judge Miller would be an outstanding selection and one which would be extremely well received by members of our legal community. He is one of those rare individuals who receives unanimous praise from all who have worked with him professionally or who know him personally.''

Judge Miller is an active member of the California Judges Association.

He has been elected to the executive committee and served on that committee as supervising judge of the north county branch of the San Diego Superior Court. He has also chaired the joint jury committee and the rules committee.

Let me conclude by saying how important it is to fill the vacancies on the southern district bench. Presiding Judge Judith Keep has provided some startling information about workload in the southern district, which I would like to submit for the RECORD.

There are currently two vacancies on the southern district bench. The six judges now serving in the southern district faced a caseload of 5,674 cases in 1996. Five years earlier, the total filings in this district were 2,914. That represents a 95-percent increase in the workload from 1991 to 1996 for the southern district judges.

In addition, the vacancy Judge Miller would fill has been vacant since December 28, 1994—more than 26 months. Judge Gordon Thompson took senior status on December 28, 1994.

This vacancy has only made the workload on the southern district more intense.

So I urge my colleagues to address the workload problem by confirming this eminently qualified candidate, Judge Jeffrey Miller.

I thank the Chair, and I yield the floor.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

Mr. LOTT. Mr. President, we will have just some response from the chairman in a moment. But let me proceed to the next unanimous-consent request.

CHEMICAL WEAPONS CONVENTION IMPLEMENTATION ACT OF 1997

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to Calendar No. 60, S. 610.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 610) to implement the obligations of the United States under the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction, known as ''the Chemical Weapons Convention'' and opened for signature and signed by the United States on January 13, 1993 which had been reported from the Committee on the Judiciary, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Chemical Weapons Convention Implementation Act of 1997''.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Definitions.

TITLE I—GENERAL PROVISIONS

Sec. 101. Designation of United States National Authority.
Sec. 102. No abridgement of constitutional rights.
Sec. 103. Civil liability of the United States.

TITLE II—PENALTIES FOR UNLAWFUL ACTIVITIES SUBJECT TO THE JURISDICTION OF THE UNITED STATES

Subtitle A—Criminal and Civil Penalties

Sec. 201. Criminal and civil provisions.

Subtitle B—Revocations of Export Privileges

Sec. 211. Revocations of export privileges.

TITLE III—INSPECTIONS

Sec. 301. Definitions in the title.
Sec. 302. Facility agreements.
Sec. 303. Authority to conduct inspections.
Sec. 304. Procedures for inspections.
Sec. 305. Warrants.
Sec. 306. Prohibited acts relating to inspections.
Sec. 307. National security exception.
Sec. 308. Protection of constitutional rights of contractors.
Sec. 309. Annual report on inspections.
Sec. 310. United States assistance in inspections at private facilities.

TITLE IV—REPORTS

Sec. 401. Reports required by the United States National Authority.
Sec. 402. Prohibition relating to low concentrations of schedule 2 and 3 chemicals.
Sec. 403. Prohibition relating to unscheduled discrete organic chemicals and coincidental byproducts in waste streams.
Sec. 404. Confidentiality of information.
Sec. 405. Recordkeeping violations.

TITLE V—ENFORCEMENT

Sec. 501. Penalties.
Sec. 502. Specific enforcement.
Sec. 503. Expedited judicial review.

TITLE VI—MISCELLANEOUS PROVISIONS

Sec. 601. Repeal.
Sec. 602. Prohibition.
Sec. 603. Bankruptcy actions.

SEC. 3. DEFINITIONS.

In this Act:

(1) CHEMICAL WEAPON.—The term ''chemical weapon'' means the following, together or separately:

(A) A toxic chemical and its precursors, except where intended for a purpose not prohibited under this Act as long as the type and quantity is consistent with such a purpose.

(B) A munition or device, specifically designed to cause death or other harm through toxic properties of those toxic chemicals specified in subparagraph (A) which would be released as a result of the employment of such munition or device.

(C) Any equipment specifically designed for use directly in connection with the employment of munitions or devices specified in subparagraph (B).

(2) CHEMICAL WEAPONS CONVENTION; CONVENTION.—The terms ''Chemical Weapons Convention'' and ''Convention'' mean the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction, opened for signature on January 13, 1993.

(3) KEY COMPONENT OF A BINARY OR MULTICOMPONENT CHEMICAL SYSTEM.—The term ''key component of a binary or multicomponent chemical system'' means the precursor which plays the most important role in determining the toxic properties of the final product and reacts rapidly with other chemicals in the binary or multicomponent system.

(4) NATIONAL OF THE UNITED STATES.—The term ''national of the United States'' has the same meaning given such term in section 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22)).

(5) ORGANIZATION.—The term ''Organization'' means the Organization for the Prohibition of Chemical Weapons.

(6) PERSON.—The term ''person'', except as otherwise provided, means any individual, corporation, partnership, firm, association, trust, estate, public or private institution, any State or any political subdivision thereof, or any political entity within a State, any foreign government or nation or any agency, instrumentality or political subdivision of any such government or nation, or other entity located in the United States.

(7) PRECURSOR.—

(A) IN GENERAL.—The term ''precursor'' means any chemical reactant which takes part at any stage in the production by whatever method of a toxic chemical. The term includes any key component of a binary or multicomponent chemical system.

(B) LIST OF PRECURSORS.—Precursors which have been identified for the application of verification measures under Article VI of the Convention are listed in schedules contained in the Annex on Chemicals of the Chemical Weapons Convention.

(8) PURPOSES NOT PROHIBITED BY THIS ACT.—The term ''purposes not prohibited by this Act'' means the following:

(A) PEACEFUL PURPOSES.—Any peaceful purpose related to an industrial, agricultural, research, medical, or pharmaceutical activity or other activity.

(B) PROTECTIVE PURPOSES.—Any purpose directly related to protection against toxic chemicals and to protection against chemical weapons.

(C) UNRELATED MILITARY PURPOSES.—Any military purpose of the United States that is not connected with the use of a chemical weapon and that is not dependent on the use of the toxic or poisonous properties of the chemical weapon to cause death or other harm.

(D) LAW ENFORCEMENT PURPOSES.—Any law enforcement purpose, including any domestic riot control purpose and including imposition of capital punishment.

(9) TECHNICAL SECRETARIAT.—The term ''Technical Secretariat'' means the Technical Secretariat of the Organization for the Prohibition of Chemical Weapons established by the Chemical Weapons Convention.

(10) SCHEDULE 1 CHEMICAL AGENT.—The term ''Schedule 1 chemical agent'' means any of the following, together or separately:

(A) O-Alkyl ($\leq C_{10}$, incl. cycloalkyl) alkyl
(Me, Et, n-Pr or i-Pr)-phosphonofluoridates
(e.g. Sarin: O-Isopropyl methylphosphonofluoridate Soman: O-Pinacolyl methylphosphonofluoridate).

(B) O-Alkyl ($\leq C_{10}$, incl. cycloalkyl) N,N-dialkyl
(Me, Et, n-Pr or i-Pr)-phosphoramidocyanidates
(e.g. Tabun: O-Ethyl N,N-dimethyl phosphoramidocyanidate).

(C) O-Alkyl (H or $\leq C_{10}$, incl. cycloalkyl) S-2-dialkyl
(Me, Et, n-Pr or i-Pr)-aminoethyl alkyl
(Me, Et, n-Pr or i-Pr) phosphonothiolates and corresponding alkylated or protonated salts
(e.g. VX: O-Ethyl S-2-diisopropylaminoethyl methyl phosphono- thiolate).

(D) Sulfur mustards:
2-Chloroethylchloromethylsulfide
Mustard gas: Bis(2-chloroethyl)sulfide
Bis(2-chloroethylthio)methane
Sesquimustard: 1,2-Bis(2-chloroethylthio)ethane
1,3-Bis(2-chloroethylthio)-n-propane
1,4-Bis(2-chloroethylthio)-n-butane
1,5-Bis(2-chloroethylthio)-n-pentane
Bis(2-chloroethylthiomethyl)ether
O-Mustard: Bis(2-chloroethylthioethyl)ether.

(E) Lewisites:
Lewisite 1: 2-Chlorovinyldichloroarsine
Lewisite 2: Bis(2-chlorovinyl)chloroarsine
Lewisite 3: Tris (2-clorovinyl)arsine.

(F) Nitrogen mustards:
HN1: Bis(2-chloroethyl)ethylamine
HN2: Bis(2-chloroethyl)methylamine
HN3: Tris(2-chloroethyl)amine.

(G) Saxitoxin.
(H) Ricin.

(I) Alkyl (Me, Et, n-Pr or i-Pr) phosphonyldifluorides
e.g. DF: Methylphosphonyldifluoride.

(J) O-Alkyl (H or $\leq C_{10}$, incl. cycloalkyl)O-2-dialkyl
(Me, Et, n-Pr or i-Pr)-aminoethyl alkyl
(Me, Et, n-Pr or i-Pr) phosphonites and corresponding alkylated or protonated salts
e.g. QL: O-Ethyl O-2-diisopropyl- aminoethyl methylphosphonite.

(K) Chlorosarin: O-Isopropyl methylphosphonochloridate.

(L) Chlorosoman: O-Pinacolyl methylphosphonochloridate.

(11) SCHEDULE 2 CHEMICAL AGENT.—The term ''Schedule 2 chemical agent'' means the following, together or separately:

(A) Amiton: O,O-Diethyl S-[2-(diethylamino)ethyl]

phosphorothiolate and corresponding alkylated or protonated salts.

(B) PFIB: 1,1,3,3,3-Pentafluoro-2-(trifluoromethyl)-1-propene.

(C) BZ: 3-Quinuclidinyl benzilate

(D) Chemicals, except for those listed in Schedule 1, containing a phosphorus atom to which is bonded one methyl, ethyl or propyl (normal or iso) group but not further carbon atoms,

e.g. Methylphosphonyl dichloride Dimethyl methylphosphonate

Exemption: Fonofos: O-Ethyl S-phenyl ethylphosphonothiolothionate.

(E) N,N-Dialkyl (Me, Et, n-Pr or i-Pr) phosphoramidic dihalides.

(F) Dialkyl (Me, Et, n-Pr or i-Pr) N,N-dialkyl (Me, Et, n-Pr or i-Pr)-phosphoramidates.

(G) arsenic trichloride.

(H) 2,2-Diphenyl-2-hydroxyacetic acid.

(I) Quinuclidine-3-ol.

(J) N,N-Dialkyl (Me, Et, n-Pr or i-Pr) aminoethyl-2-chlorides and corresponding protonated salts.

(K) N,N-Dialkyl (Me, Et, n-Pr or i-Pr) aminoethane-2-ols and corresponding protonated salts

Exemptions: N,N-Dimethylaminoeth- anol and corresponding protonated salts N,N-Diethylaminoethanol and corresponding protonated salts.

(L) N,N-Dialkyl (Me, Et, n-Pr or i-Pr) aminoethane-2-thiols and corresponding protonated salts.

(M) Thiodiglycol: Bis(2-hydroxyethyl)sulfide.

(N) Pinacolyl alcohol: 3,3-Dimethylbutane-2-ol.

(12) SCHEDULE 3 CHEMICAL AGENT.—The term ''Schedule 3 chemical agent'' means any the following, together or separately:

(A) Phosgene: carbonyl dichloride.

(B) Cyanogen chloride.

(C) Hydrogen cyanide.

(D) Chloropicrin: trichloronitromethane.

(E) Phosphorous oxychloride.

(F) Phosphorous trichloride.

(G) Phosphorous pentachloride.

(H) Trimethyl phosphite.

(I) Triethyl phosphite.

(J) Dimethyl phosphite.

(K) Diethyl phosphite.

(L) Sulfur monochloride.

(M) Sulfur dichloride.

(N) Thionyl chloride.

(O) Ethyldiethanolamine.

(P) Methyldiethanolamine.

(O) Triethanolamine.

(13) TOXIC CHEMICAL.—

(A) IN GENERAL.—The term ''toxic chemical'' means any chemical which through its chemical action on life processes can cause death, temporary incapacitation or permanent harm to humans or animals. The term includes all such chemicals, regardless of their origin or of their method of production, and regardless of whether they are produced in facilities, in munitions or elsewhere.

(B) LIST OF TOXIC CHEMICALS.—Toxic chemicals which have been identified for the application of verification measures under Article VI of the Convention are listed in schedules contained in the Annex on Chemicals of the Chemical Weapons Convention.

(14) UNITED STATES.—The term ''United States'' means the several States of the United States, the District of Columbia, and the commonwealths, territories, and possessions of the United States and includes all places under the jurisdiction or control of the United States, including—

(A) any of the places within the provisions of paragraph (41) of section 40102 of title 49, United States Code;

(B) any civil aircraft of the United States or public aircraft, as such terms are defined in paragraphs (17) and (37), respectively, of section 40102 of title 49, United States Code; and

(C) any vessel of the United States, as such term is defined in section 3(b) of the Maritime Drug Enforcement Act, as amended (46 U.S.C., App. sec. 1903(b)).

(15) UNSCHEDULED DISCRETE ORGANIC CHEMICAL.—The term ''unscheduled discrete organic chemical'' means any chemical not listed on any schedule contained in the Annex on Chemicals of the Convention that belongs to the class of chemical compounds consisting of all compounds of carbon, except for its oxides, sulfides, and metal carbonates.

TITLE I—GENERAL PROVISIONS

SEC. 101. DESIGNATION OF UNITED STATES NATIONAL AUTHORITY.

(a) DESIGNATION.—Pursuant to paragraph 4 of Article VII of the Chemical Weapons Convention, the President shall designate the Department of State to be the United States National Authority.

(b) PURPOSES.—The United States National Authority shall—

(1) serve as the national focal point for effective liaison with the Organization for the Prohibition of Chemical Weapons and other States Parties to the Convention; and

(2) implement the provisions of this Act in coordination with an interagency group designated by the President consisting of the Secretary of Commerce, Secretary of Defense, Secretary of Energy, the Attorney General, and the heads of agencies considered necessary or advisable by the President.

(c) DIRECTOR.—The Secretary of State shall serve as the Director of the United States National Authority.

(d) POWERS.—The Director may utilize the administrative authorities otherwise available to the Secretary of State in carrying out the responsibilities of the Director set forth in this Act.

(e) IMPLEMENTATION.—The President is authorized to implement and carry out the provisions of this Act and the Convention and shall designate through Executive order which agencies of the United States shall issue, amend, or revise the regulations in order to implement this Act and the provisions of the Convention. The Director of the United States National Authority shall report to the Congress on the regulations that have been issued, implemented, or revised pursuant to this section.

SEC. 102. NO ABRIDGEMENT OF CONSTITUTIONAL RIGHTS.

No person may be required, as a condition for entering into a contract with the United States or as a condition for receiving any benefit from the United States, to waive any right under the Constitution for any purpose related to this Act or the Convention.

SEC. 103. CIVIL LIABILITY OF THE UNITED STATES.

(a) CLAIMS FOR TAKING OF PROPERTY.—

(1) JURISDICTION OF COURTS OF THE UNITED STATES.—

(A) UNITED STATES COURT OF FEDERAL CLAIMS.—The United States Court of Federal Claims shall, subject to subparagraph (B), have jurisdiction of any civil action or claim against the United States for any taking of property without just compensation that occurs by reason of the action of any officer or employee of the Organization for the Prohibition of Chemical Weapons, including any member of an inspection team of the Technical Secretariat, or by reason of the action of any officer or employee of the United States pursuant to this Act or the Convention. For purposes of this subsection, action taken pursuant to or under the color of this Act or the Convention shall be deemed to be action taken by the United States for a public purpose.

(B) DISTRICT COURTS.—The district courts of the United States shall have original jurisdiction, concurrent with the United States Court of Federal Claims, of any civil action or claim described in subparagraph (A) that does not exceed $10,000.

(2) NOTIFICATION.—Any person intending to bring a civil action pursuant to paragraph (1) shall notify the United States National Authority of that intent at least one year before filing the claim in the United States Court of Federal Claims. Action on any claim filed during that one-year period shall be stayed. The one-year period following the notification shall not be counted for purposes of any law limiting the period within which the civil action may be commenced.

(3) INITIAL STEPS BY UNITED STATES GOVERNMENT TO SEEK REMEDIES.—During the period between a notification pursuant to paragraph (2) and the filing of a claim covered by the notification in the United States Court of Federal Claims, the United States National Authority shall pursue all diplomatic and other remedies that the United States National Authority considers necessary and appropriate to seek redress for the claim including, but not limited to, the remedies provided for in the Convention and under this Act.

(4) BURDEN OF PROOF.—In any civil action under paragraph (1), the plaintiff shall have the burden to establish a prima facie case that, due to acts or omissions of any official of the Organization or any member of an inspection team of the Technical Secretariat taken under the color of the Convention, proprietary information of the plaintiff has been divulged or taken without authorization. If the United States Court of Federal Claims finds that the plaintiff has demonstrated such a prima facie case, the burden shall shift to the United States to disprove the plaintiff's claim. In deciding whether the plaintiff has carried its burden, the United States Court of Federal Claims shall consider, among other things—

(A) the value of proprietary information;

(B) the availability of the proprietary information;

(C) the extent to which the proprietary information is based on patents, trade secrets, or other protected intellectual property;

(D) the significance of proprietary information; and

(E) the emergence of technology elsewhere a reasonable time after the inspection.

(b) TORT LIABILITY.—The district courts of the United States shall have exclusive jurisdiction of civil actions for money damages for any tort under the Constitution or any Federal or State law arising from the acts or omissions of any officer or employee of the United States or the Organization, including any member of an inspection team of the Technical Secretariat, taken pursuant to or under color of the Convention or this Act.

(c) WAIVER OF SOVEREIGN IMMUNITY OF THE UNITED STATES.—In any action under subsection (a) or (b), the United States may not raise sovereign immunity as a defense.

(d) AUTHORITY FOR CAUSE OF ACTION.—

(1) UNITED STATES ACTIONS IN UNITED STATES DISTRICT COURT.—Notwithstanding any other law, the Attorney General of the United States is authorized to bring an action in the United States District Court for the District of Columbia against any foreign nation for money damages resulting from that nation's refusal to provide indemnification to the United States for any liability imposed on the United States by virtue of the actions of an inspector of the Technical Secretariat who is a national of that foreign nation acting at the direction or the behest of that foreign nation.

(2) UNITED STATES ACTIONS IN COURTS OUTSIDE THE UNITED STATES.—The Attorney General is authorized to seek any and all available redress in any international tribunal for indemnification to the United States for any liability imposed on the United States by virtue of the actions of an inspector of the Technical Secretariat, and to seek such redress in the courts of the foreign nation from which the inspector is a national.

(3) ACTIONS BROUGHT BY INDIVIDUALS AND BUSINESSES.—Notwithstanding any other law,

any national of the United States, or any business entity organized and operating under the laws of the United States, may bring a civil action in a United States District Court for money damages against any foreign national or any business entity organized and operating under the laws of a foreign nation for an unauthorized or unlawful acquisition, receipt, transmission, or use of property by or on behalf of such foreign national or business entity as a result of any tort under the Constitution or any Federal or State law arising from acts or omissions by any officer or employee of the United States or any member of an inspection team of the Technical Secretariat taken pursuant to or under the color of the Convention or this Act.

(e) RECOUPMENT.—

(1) POLICY.—It is the policy of the United States to recoup all funds withdrawn from the Treasury of the United States in payment for any tort under Federal or State law or taking under the Constitution arising from the acts or omissions of any foreign person, officer, or employee of the Organization, including any member of an inspection team of the Technical Secretariat, taken under color of the Chemical Weapons Convention or this Act.

(2) SANCTIONS ON FOREIGN COMPANIES.—

(A) IMPOSITION OF SANCTIONS.—The sanctions provided in subparagraph (B) shall be imposed for a period of not less than ten years upon—

(i) any foreign person, officer, or employee of the Organization, including any member of an inspection team of the Technical Secretariat, for whose actions or omissions the United States has been held liable for a tort or taking pursuant to this Act; and

(ii) any foreign person or business entity organized and operating under the laws of a foreign nation which knowingly assisted, encouraged or induced, in any way, a foreign person described in clause (i) to publish, divulge, disclose, or make known in any manner or to any extent not authorized by the Convention any United States confidential business information.

(B) SANCTIONS.—

(i) ARMS EXPORT TRANSACTIONS.—The United States Government shall not sell to a person described in subparagraph (A) any item on the United States Munitions List and shall terminate sales of any defense articles, defense services, or design and construction services to a person described in paragraph (2) under the Arms Export Control Act.

(ii) SANCTIONS UNDER EXPORT ADMINISTRATION ACT OF 1979.—The authorities under section 6 of the Export Administration Act of 1979 shall be used to prohibit the export of any goods or technology on the control list established pursuant to section 5(c)(1) of that Act to a person described in subparagraph (A).

(iii) INTERNATIONAL FINANCIAL ASSISTANCE.—The United States shall oppose any loan or financial or technical assistance by international financial institutions in accordance with section 701 of the International Financial Institutions Act to a person described in subparagraph (A).

(iv) EXPORT-IMPORT BANK TRANSACTIONS.—The United States shall not give approval to guarantee, insure, or extend credit, or to participate in the extension of credit to a person described in subparagraph (A) through the Export-Import Bank of the United States.

(v) PRIVATE BANK TRANSACTIONS.—Regulations shall be issued to prohibit any United States bank from making any loan or providing any credit to a person described in subparagraph (A).

(vi) BLOCKING OF ASSETS.—The President shall take all steps necessary to block any transactions in any property subject to the jurisdiction of the United States in which a person described in subparagraph (A) has any interest whatsoever, for the purpose of recouping funds in accordance with the policy in paragraph (1).

(vii) DENIAL OF LANDING RIGHTS.—Landing rights in the United States shall be denied to any private aircraft or air carrier owned by a person described in subparagraph (A) except as necessary to provide for emergencies in which the safety of the aircraft or its crew or passengers is threatened.

(3) SANCTIONS ON FOREIGN GOVERNMENTS.—

(A) IMPOSITION OF SANCTIONS.—Whenever the President determines that persuasive information is available indicating that a foreign country has knowingly assisted, encouraged or induced, in any way, a person described in paragraph (2)(A) to publish, divulge, disclose, or make known in any manner or to any extent not authorized by the Convention any United States confidential business information, the President shall, within 30 days after the receipt of such information by the executive branch of Government, notify the Congress in writing of such determination and, subject to the requirements of paragraphs (4) and (5), impose the sanctions provided under subparagraph (B) for a period of not less than five years.

(B) SANCTIONS.—

(i) ARMS EXPORT TRANSACTIONS.—The United States Government shall not sell a country described in subparagraph (A) any item on the United States Munitions List, shall terminate sales of any defense articles, defense services, or design and construction services to that country under the Arms Export Control Act, and shall terminate all foreign military financing for that country under the Arms Export Control Act.

(ii) DENIAL OF CERTAIN LICENSES.—Licenses shall not be issued for the export to the sanctioned country of any item on the United States Munitions List or commercial satellites.

(iii) DENIAL OF ASSISTANCE.—No appropriated funds may be used for the purpose of providing economic assistance, providing military assistance or grant military education and training, or extending military credits or making guarantees to a country described in subparagraph (A).

(iv) SANCTIONS UNDER EXPORT ADMINISTRATION ACT OF 1979.—The authorities of section 6 of the Export Administration Act of 1979 shall be used to prohibit the export of any goods or technology on the control list established pursuant to section 5(c)(1) of that Act to a country described in subparagraph (A).

(v) INTERNATIONAL FINANCIAL ASSISTANCE.—The United States shall oppose any loan or financial or technical assistance by international financial institutions in accordance with section 701 of the International Financial Institutions Act to a country described in subparagraph (A).

(vi) TERMINATION OF ASSISTANCE UNDER FOREIGN ASSISTANCE ACT OF 1961.—The United States shall terminate all assistance to a country described in subparagraph (A) under the Foreign Assistance Act of 1961, except for urgent humanitarian assistance.

(vii) PRIVATE BANK TRANSACTIONS.—The United States shall not give approval to guarantee, insure, or extend credit, or participate in the extension of credit through the Export-Import Bank of the United States to a country described in subparagraph (A).

(viii) PRIVATE BANK TRANSACTIONS.—Regulations shall be issued to prohibit any United States bank from making any loan or providing any credit to a country described in subparagraph (A).

(ix) DENIAL OF LANDING RIGHTS.—Landing rights in the United States shall be denied to any air carrier owned by a country described in subparagraph (A), except as necessary to provide for emergencies in which the safety of the aircraft or its crew or passengers is threatened.

(4) SUSPENSION OF SANCTIONS UPON RECOUPMENT BY PAYMENT.—Sanctions imposed under paragraph (2) or (3) may be suspended if the sanctioned person, business entity, or country, within the period specified in that paragraph, provides full and complete compensation to the United States Government, in convertible foreign exchange or other mutually acceptable compensation equivalent to the full value thereof, in satisfaction of a tort or taking for which the United States has been held liable pursuant to this Act.

(5) WAIVER OF SANCTIONS ON FOREIGN COUNTRIES.—The President may waive some or all of the sanctions provided under paragraph (3) in a particular case if he determines and certifies in writing to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate that such waiver is necessary to protect the national security interests of the United States. The certification shall set forth the reasons supporting the determination and shall take effect on the date on which the certification is received by the Congress.

(6) NOTIFICATION TO CONGRESS.—Not later than five days after sanctions become effective against a foreign person pursuant to this Act, the President shall transmit written notification of the imposition of sanctions against that foreign person to the chairmen and ranking members of the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate.

(f) SANCTIONS FOR UNAUTHORIZED DISCLOSURE OF UNITED STATES CONFIDENTIAL BUSINESS INFORMATION.—The Secretary of State shall deny a visa to, and the Attorney General shall exclude from the United States any alien who, after the date of enactment of this Act—

(1) is, or previously served as, an officer or employee of the Organization and who has willfully published, divulged, disclosed, or made known in any manner or to any extent not authorized by the Convention any United States confidential business information coming to him in the course of his employment or official duties, or by reason of any examination or investigation of any return, report, or record made to or filed with the Organization, or any officer or employee thereof, such practice or disclosure having resulted in financial loses or damages to a United States person and for which actions or omissions the United States has been found liable of a tort or taking pursuant to this Act;

(2) traffics in United States confidential business information, a proven claim to which is owned by a United States national;

(3) is a corporate officer, principal, shareholder with a controlling interest of an entity which has been involved in the unauthorized disclosure of United States confidential business information, a proven claim to which is owned by a United States national; or

(4) is a spouse, minor child, or agent of a person excludable under paragraph (1), (2), or (3).

(g) UNITED STATES CONFIDENTIAL BUSINESS INFORMATION DEFINED.—In this section, the term ''United States confidential business information'' means any trade secrets or commercial or financial information that is privileged and confidential—

(1) including—

(A) data described in section 304(e)(2) of this Act,

(B) any chemical structure,

(C) any plant design process, technology, or operating method,

(D) any operating requirement, input, or result that identifies any type or quantity of chemicals used, processed, or produced, or

(E) any commercial sale, shipment, or use of a chemical, or

(2) as described in section 552(b)(4) of title 5, United States Code,

and that is obtained—

(i) from a United States person; or

(ii) through the United States Government or the conduct of an inspection on United States territory under the Convention.

TITLE II—PENALTIES FOR UNLAWFUL ACTIVITIES SUBJECT TO THE JURISDICTION OF THE UNITED STATES

Subtitle A—Criminal and Civil Penalties

SEC. 201. CRIMINAL AND CIVIL PROVISIONS.

(a) IN GENERAL.—Part I of title 18, United States Code, is amended by inserting after chapter 11A the following new chapter:

"CHAPTER 11B—CHEMICAL WEAPONS

''Sec.

''229. Prohibited activities.

''229A. Penalties.
''229B. Criminal forfeitures; destruction of weapons.
''229C. Individual self-defense devices.
''229D. Injunctions.
''229E. Requests for military assistance to enforce prohibition in certain emergencies.
''229F. Definitions.

''§ 229. Prohibited activities

''(a) UNLAWFUL CONDUCT.—Except as provided in subsection (b), it shall be unlawful for any person knowingly—

''(1) to develop, produce, otherwise acquire, transfer directly or indirectly, receive, stockpile, retain, own, possess, or use, or threaten to use, any chemical weapon; or

''(2) to assist or induce, in any way, any person to violate paragraph (1), or to attempt or conspire to violate paragraph (1).

''(b) EXEMPTED AGENCIES AND PERSONS.—

''(1) IN GENERAL.—Subsection (a) does not apply to the retention, ownership, possession, transfer, or receipt of a chemical weapon by a department, agency, or other entity of the United States, or by a person described in paragraph (2), pending destruction of the weapon.

''(2) EXEMPTED PERSONS.—A person referred to in paragraph (1) is—

''(A) any person, including a member of the Armed Forces of the United States, who is authorized by law or by an appropriate officer of the United States to retain, own, possess, transfer, or receive the chemical weapon; or

''(B) in an emergency situation, any otherwise nonculpable person if the person is attempting to destroy or seize the weapon.

''(c) JURISDICTION.—Conduct prohibited by subsection (a) is within the jurisdiction of the United States if the prohibited conduct—

''(1) takes place in the United States;

''(2) takes place outside of the United States and is committed by a national of the United States;

''(3) is committed against a national of the United States while the national is outside the United States; or

''(4) is committed against any property that is owned, leased, or used by the United States or by any department or agency of the United States, whether the property is within or outside the United States.

''§ 229A. Penalties

''(a) CRIMINAL PENALTIES.—

''(1) IN GENERAL.—Any person who violates section 229 of this title shall be fined under this title, or imprisoned for any term of years, or both.

''(2) DEATH PENALTY.—Any person who violates section 229 of this title and by whose action the death of another person is the result shall be punished by death or imprisoned for life.

''(b) CIVIL PENALTIES.—

''(1) IN GENERAL.—The Attorney General may bring a civil action in the appropriate United States district court against any person who violates section 229 of this title and, upon proof of such violation by a preponderance of the evidence, such person shall be subject to pay a civil penalty in an amount not to exceed $100,000 for each such violation.

''(2) RELATION TO OTHER PROCEEDINGS.—The imposition of a civil penalty under this subsection does not preclude any other criminal or civil statutory, common law, or administrative remedy, which is available by law to the United States or any other person.

''(c) REIMBURSEMENT OF COSTS.—The court shall order any person convicted of an offense under subsection (a) to reimburse the United States for any expenses incurred by the United States incident to the seizure, storage, handling, transportation, and destruction or other disposition of any property that was seized in connection with an investigation of the commission of the offense by that person. A person ordered to reimburse the United States for expenses under this subsection shall be jointly and severally liable for such expenses with each other person, if any, who is ordered under this subsection to reimburse the United States for the same expenses.

''§ 229B. Criminal forfeitures; destruction of weapons

''(a) PROPERTY SUBJECT TO CRIMINAL FORFEITURE.—Any person convicted under section 229A(a) shall forfeit to the United States irrespective of any provision of State law—

''(1) any property, real or personal, owned, possessed, or used by a person involved in the offense;

''(2) any property constituting, or derived from, and proceeds the person obtained, directly or indirectly, as the result of such violation; and

''(3) any of the property used in any manner or part, to commit, or to facilitate the commission of, such violation.

The court, in imposing sentence on such person, shall order, in addition to any other sentence imposed pursuant to section 229A(a), that the person forfeit to the United States all property described in this subsection. In lieu of a fine otherwise authorized by section 229A(a), a defendant who derived profits or other proceeds from an offense may be fined not more than twice the gross profits or other proceeds.

''(b) PROCEDURES.—

''(1) GENERAL.—Property subject to forfeiture under this section, any seizure and disposition thereof, and any administrative or judicial proceeding in relation thereto, shall be governed by subsections (b) through (p) of section 413 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853), except that any reference under those subsections to—

''(A) 'this subchapter or subchapter II' shall be deemed to be a reference to section 229A(a); and

''(B) 'subsection (a)' shall be deemed to be a reference to subsection (a) of this section.

''(2) TEMPORARY RESTRAINING ORDERS.—

''(A) IN GENERAL.—For the purposes of forfeiture proceedings under this section, a temporary restraining order may be entered upon application of the United States without notice or opportunity for a hearing when an information or indictment has not yet been filed with respect to the property, if, in addition to the circumstances described in section 413(e)(2) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853(e)(2)), the United States demonstrates that there is probable cause to believe that the property with respect to which the order is sought would, in the event of conviction, be subject to forfeiture under this section and exigent circumstances exist that place the life or health of any person in danger.

''(B) WARRANT OF SEIZURE.—If the court enters a temporary restraining order under this paragraph, it shall also issue a warrant authorizing the seizure of such property.

''(C) APPLICABLE PROCEDURES.—The procedures and time limits applicable to temporary restraining orders under section 413(e) (2) and (3) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853(e) (2) and (3)) shall apply to temporary restraining orders under this paragraph.

''(c) AFFIRMATIVE DEFENSE.—It is an affirmative defense against a forfeiture under subsection (b) that the property—

''(1) is for a purpose not prohibited under the Chemical Weapons Convention; and

''(2) is of a type and quantity that under the circumstances is consistent with that purpose.

''(d) DESTRUCTION OR OTHER DISPOSITION.—The Attorney General shall provide for the destruction or other appropriate disposition of any chemical weapon seized and forfeited pursuant to this section.

''(e) ASSISTANCE.—The Attorney General may request the head of any agency of the United States to assist in the handling, storage, transportation, or destruction of property seized under this section.

''(f) OWNER LIABILITY.—The owner or possessor of any property seized under this section shall be liable to the United States for any expenses incurred incident to the seizure, including any expenses relating to the handling, storage, transportation, and destruction or other disposition of the seized property.

''§ 229C. Individual self-defense devices

''Nothing in this chapter shall be construed to prohibit any individual self-defense device, including those using a pepper spray or chemical mace.

''§ 229D. Injunctions

''The United States may obtain in a civil action an injunction against—

''(1) the conduct prohibited under section 229 or 229C of this title; or

''(2) the preparation or solicitation to engage in conduct prohibited under section 229 or 229D of this title.

''§ 229E. Requests for military assistance to enforce prohibition in certain emergencies

''The Attorney General may request the Secretary of Defense to provide assistance under section 382 of title 10 in support of Department of Justice activities relating to the enforcement of section 229 of this title in an emergency situation involving a chemical weapon. The authority to make such a request may be exercised by another official of the Department of Justice in accordance with section 382(f)(2) of title 10.

''§ 229F. Definitions

''In this chapter:

''(1) CHEMICAL WEAPON.—The term 'chemical weapon' means the following, together or separately:

''(A) A toxic chemical and its precursors, except where intended for a purpose not prohibited under this chapter as long as the type and quantity is consistent with such a purpose.

''(B) A munition or device, specifically designed to cause death or other harm through toxic properties of those toxic chemicals specified in subparagraph (A), which would be released as a result of the employment of such munition or device.

''(C) Any equipment specifically designed for use directly in connection with the employment of munitions or devices specified in subparagraph (B).

''(2) CHEMICAL WEAPONS CONVENTION; CONVENTION.—The terms 'Chemical Weapons Convention' and 'Convention' mean the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction, opened for signature on January 13, 1993.

''(3) KEY COMPONENT OF A BINARY OR MULTICOMPONENT CHEMICAL SYSTEM.—The term 'key component of a binary or multicomponent chemical system' means the precursor which plays the most important role in determining the toxic properties of the final product and reacts rapidly with other chemicals in the binary or multicomponent system.

''(4) NATIONAL OF THE UNITED STATES.—The term 'national of the United States' has the same meaning given such term in section 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22)).

''(5) PERSON.—The term 'person', except as otherwise provided, means any individual, corporation, partnership, firm, association, trust, estate, public or private institution, any State or any political subdivision thereof, or any political entity within a State, any foreign government or nation or any agency, instrumentality or political subdivision of any such government or nation, or other entity located in the United States.

''(6) PRECURSOR.—

''(A) IN GENERAL.—The term 'precursor' means any chemical reactant which takes part at any stage in the production by whatever method of a toxic chemical. The term includes any key component of a binary or multicomponent chemical system.

''(B) LIST OF PRECURSORS.—Precursors which have been identified for the application of verification measures under Article VI of the Convention are listed in schedules contained in the Annex on Chemicals of the Chemical Weapons Convention.

''(7) PURPOSES NOT PROHIBITED BY THIS CHAPTER.—The term 'purposes not prohibited by this chapter' means the following:

''(A) PEACEFUL PURPOSES.—Any peaceful purpose related to an industrial, agricultural, research, medical, or pharmaceutical activity or other activity.

''(B) PROTECTIVE PURPOSES.—Any purpose directly related to protection against toxic chemicals and to protection against chemical weapons.

''(C) UNRELATED MILITARY PURPOSES.—Any military purpose of the United States that is not connected with the use of a chemical weapon or that is not dependent on the use of the toxic or poisonous properties of the chemical weapon to cause death or other harm.

''(D) LAW ENFORCEMENT PURPOSES.—Any law enforcement purpose, including any domestic riot control purpose and including imposition of capital punishment.

''(8) TOXIC CHEMICAL.—

''(A) IN GENERAL.—The term 'toxic chemical' means any chemical which through its chemical action on life processes can cause death, temporary incapacitation or permanent harm to humans or animals. The term includes all such chemicals, regardless of their origin or of their method of production, and regardless of whether they are produced in facilities, in munitions or elsewhere.

''(B) LIST OF TOXIC CHEMICALS.—Toxic chemicals which have been identified for the application of verification measures under Article VI of the Convention are listed in schedules contained in the Annex on Chemicals of the Chemical Weapons Convention.

''(9) UNITED STATES.—The term 'United States' means the several States of the United States, the District of Columbia, and the commonwealths, territories, and possessions of the United States and includes all places under the jurisdiction or control of the United States, including—

''(A) any of the places within the provisions of paragraph (41) of section 40102 of title 49, United States Code;

''(B) any civil aircraft of the United States or public aircraft, as such terms are defined in paragraphs (17) and (37), respectively, of section 40102 of title 49, United States Code; and

''(C) any vessel of the United States, as such term is defined in section 3(b) of the Maritime Drug Enforcement Act, as amended (46 U.S.C., App. sec. 1903(b)).''.

(b) CONFORMING AMENDMENTS.—

(1) WEAPONS OF MASS DESTRUCTION.—Section 2332a of title 18, United States Code, is amended—

(A) by striking ''**§ 2332a. Use of weapons of mass destruction**'' and inserting ''**§ 2332a. Use of certain weapons of mass destruction**'';

(B) in subsection (a), by inserting ''(other than a chemical weapon as that term is defined in section 229F)'' after ''weapon of mass destruction''; and

(C) in subsection (b), by inserting ''(other than a chemical weapon (as that term is defined in section 229F))'' after ''weapon of mass destruction''.

(2) TABLE OF CHAPTERS.—The table of chapters for part I of title 18, United States Code, is amended by inserting after the item for chapter 11A the following new item:

''11B. Chemical Weapons ..... 229''.

(c) REPEALS.—The following provisions of law are repealed:

(1) Section 2332c of title 18, United States Code, relating to chemical weapons.

(2) In the table of sections for chapter 113B of title 18, United States Code, the item relating to section 2332c.

Subtitle B—Revocations of Export Privileges

SEC. 211. REVOCATIONS OF EXPORT PRIVILEGES.

If the President determines, after notice and an opportunity for a hearing in accordance with section 554 of title 5, United States Code, that any person within the United States, or any national of the United States located outside the United States, has committed any violation of section 229 of title 18, United States Code, the President may issue an order for the suspension or revocation of the authority of the person to export from the United States any goods or technology (as such terms are defined in section 16 of the Export Administration Act of 1979 (50 U.S.C. App. 2415)).

TITLE III—INSPECTIONS

SEC. 301. DEFINITIONS IN THE TITLE.

(a) IN GENERAL.—In this title, the terms ''challenge inspection'', ''plant site'', ''plant'', ''facility agreement'', ''inspection team'', and ''requesting state party'' have the meanings given those terms in Part I of the Annex on Implementation and Verification of the Chemical Weapons Convention. The term ''routine inspection'' means an inspection, other than an ''initial inspection'', undertaken pursuant to Article VI of the Convention.

(b) DEFINITION OF JUDGE OF THE UNITED STATES.—In this title, the term ''judge of the United States'' means a judge or magistrate judge of a district court of the United States.

SEC. 302. FACILITY AGREEMENTS.

(a) AUTHORIZATION OF INSPECTIONS.—Inspections by the Technical Secretariat of plants, plant sites, or other facilities or locations for which the United States has a facility agreement with the Organization shall be conducted in accordance with the facility agreement. Any such facility agreement may not in any way limit the right of the owner or operator of the facility to withhold consent to an inspection request.

(b) TYPES OF FACILITY AGREEMENTS.—

(1) SCHEDULE TWO FACILITIES.—The United States National Authority shall ensure that facility agreements for plants, plant sites, or other facilities or locations that are subject to inspection pursuant to paragraph 4 of Article VI of the Convention are concluded unless the owner, operator, occupant, or agent in charge of the facility and the Technical Secretariat agree that such an agreement is not necessary.

(2) SCHEDULE THREE FACILITIES.—The United States National Authority shall ensure that facility agreements are concluded for plants, plant sites, or other facilities or locations that are subject to inspection pursuant to paragraph 5 or 6 of Article VI of the Convention if so requested by the owner, operator, occupant, or agent in charge of the facility.

(c) NOTIFICATION REQUIREMENTS.—The United States National Authority shall ensure that the owner, operator, occupant, or agent in charge of a facility prior to the development of the agreement relating to that facility is notified and, if the person notified so requests, the person may participate in the preparations for the negotiation of such an agreement. To the maximum extent practicable consistent with the Convention, the owner and the operator, occupant or agent in charge of a facility may observe negotiations of the agreement between the United States and the Organization concerning that facility.

(d) CONTENT OF FACILITY AGREEMENTS.—Facility agreements shall—

(1) identify the areas, equipment, computers, records, data, and samples subject to inspection;

(2) describe the procedures for providing notice of an inspection to the owner, occupant, operator, or agent in charge of a facility;

(3) describe the timeframes for inspections; and

(4) detail the areas, equipment, computers, records, data, and samples that are not subject to inspection.

SEC. 303. AUTHORITY TO CONDUCT INSPECTIONS.

(a) PROHIBITION.—No inspection of a plant, plant site, or other facility or location in the United States shall take place under the Convention without the authorization of the United States National Authority in accordance with the requirements of this title.

(b) AUTHORITY.—

(1) TECHNICAL SECRETARIAT INSPECTION TEAMS.—Any duly designated member of an inspection team of the Technical Secretariat may inspect any plant, plant site, or other facility or location in the United States subject to inspection pursuant to the Convention.

(2) UNITED STATES GOVERNMENT REPRESENTATIVES.—The United States National Authority shall coordinate the designation of employees of the Federal Government to accompany members of an inspection team of the Technical Secretariat and, in doing so, shall ensure that—

(A) a special agent of the Federal Bureau of Investigation, as designated by the Federal Bureau of Investigation, accompanies each inspection team visit pursuant to paragraph (1);

(B) no employee of the Environmental Protection Agency or the Occupational Safety and Health Administration accompanies any inspection team visit conducted pursuant to paragraph (1); and

(C) the number of duly designated representatives shall be kept to the minimum necessary.

(3) OBJECTIONS TO INDIVIDUALS SERVING AS INSPECTORS.—

(A) IN GENERAL.—In deciding whether to exercise the right of the United States under the Convention to object to an individual serving as an inspector, the President shall give great weight to his reasonable belief that—

(i) such individual is or has been a member of, or a participant in, any group or organization that has engaged in, or attempted or conspired to engage in, or aided or abetted in the commission of, any terrorist act or activity;

(ii) such individual has committed any act or activity which would be a felony under the laws of the United States; or

(iii) the participation of such individual as a member of an inspection team would pose a risk to the national security or economic well-being of the United States.

(B) NOT SUBJECT TO JUDICIAL REVIEW.—Any objection by the President to an individual serving as an inspector, whether made pursuant to this section or otherwise, shall not be reviewable in any court.

SEC. 304. PROCEDURES FOR INSPECTIONS.

(a) TYPES OF INSPECTIONS.—Each inspection of a plant, plant site, or other facility or location in the United States under the Convention shall be conducted in accordance with this section and section 305, except where other procedures are provided in a facility agreement entered into under section 302.

(b) NOTICE.—

(1) IN GENERAL.—An inspection referred to in subsection (a) may be made only upon issuance of an actual written notice by the United States National Authority to the owner and to the operator, occupant, or agent in charge of the premises to be inspected.

(2) TIME OF NOTIFICATION.—The notice for a routine inspection shall be submitted to the owner and to the operator, occupant, or agent in charge within six hours of receiving the notification of the inspection from the Technical Secretariat or as soon as possible thereafter. Notice for a challenge inspection shall be provided at any appropriate time determined by the United States National Authority. Notices may be posted prominently at the plant, plant site, or other facility or location if the United States is unable to provide actual written notice to the owner, operator, or agent in charge of the premises.

(3) CONTENT OF NOTICE.—

(A) IN GENERAL.—The notice under paragraph (1) shall include all appropriate information supplied by the Technical Secretariat to the United States National Authority concerning—

(i) the type of inspection;

(ii) the basis for the selection of the plant, plant site, or other facility or location for the type of inspection sought;

(iii) the time and date that the inspection will begin and the period covered by the inspection; and

(iv) the names and titles of the inspectors.

(B) SPECIAL RULE FOR CHALLENGE INSPECTIONS.—In the case of a challenge inspection pursuant to Article IX of the Convention, the notice shall also include all appropriate evidence or reasons provided by the requesting state party to the Convention for seeking the inspection.

(4) SEPARATE NOTICES REQUIRED.—A separate notice shall be provided for each inspection, except that a notice shall not be required for each entry made during the period covered by the inspection.

(c) CREDENTIALS.—The head of the inspection team of the Technical Secretariat and the accompanying employees of the Federal government shall display appropriate identifying credentials to the owner, operator, occupant, or agent in charge of the premises before the inspection is commenced.

(d) TIMEFRAME FOR INSPECTIONS.—Consistent with the provisions of the Convention, each inspection shall be commenced and completed with reasonable promptness and shall be conducted at reasonable times, within reasonable limits, and in a reasonable manner.

(e) SCOPE.—

(1) IN GENERAL.—Except as provided in a warrant issued under section 305 or a facility agreement entered into under section 302, an inspection conducted under this title may extend to all things within the premises inspected (including records, files, papers, processes, controls, structures and vehicles) related to whether the requirements of the Convention applicable to such premises have been complied with.

(2) EXCEPTION.—Unless required by the Convention, no inspection under this title shall extend to—

(A) financial data;

(B) sales and marketing data (other than shipment data);

(C) pricing data;

(D) personnel data;

(E) research data;

(F) patent data;

(G) data maintained for compliance with environmental or occupational health and safety regulations; or

(H) personnel and vehicles entering and personnel and personal passenger vehicles exiting the facility.

(f) SAMPLING AND SAFETY.—

(1) IN GENERAL.—The Director of the United States National Authority is authorized to require the provision of samples to a member of the inspection team of the Technical Secretariat in accordance with the provisions of the Convention. The owner or the operator, occupant or agent in charge of the premises to be inspected shall determine whether the sample shall be taken by representatives of the premises or the inspection team or other individuals present. No sample collected in the United States pursuant to an inspection permitted by this Act may be transferred for analysis to any laboratory outside the territory of the United States.

(2) COMPLIANCE WITH REGULATIONS.—In carrying out their activities, members of the inspection team of the Technical Secretariat and representatives of agencies or departments accompanying the inspection team shall observe safety regulations established at the premises to be inspected, including those for protection of controlled environments within a facility and for personal safety.

(g) COORDINATION.—The appropriate representatives of the United States, as designated, if present, shall assist the owner and the operator, occupant or agent in charge of the premises to be inspected in interacting with the members of the inspection team of the Technical Secretariat.

SEC. 305. WARRANTS.

(a) IN GENERAL.—The United States Government shall seek the consent of the owner or the operator, occupant, or agent in charge of the premises to be inspected prior to any inspection referred to in section 304(a). If consent is obtained, a warrant is not required for the inspection. The owner or the operator, occupant, or agent in charge of the premises to be inspected may withhold consent for any reason or no reason. After providing notification pursuant to subsection (b), the United States Government may seek a search warrant from a United States magistrate judge. Proceedings regarding the issuance of a search warrant shall be conducted ex parte, unless otherwise requested by the United States Government.

(b) ROUTINE INSPECTIONS.—

(1) OBTAINING ADMINISTRATIVE SEARCH WARRANTS.—For any routine inspection conducted on the territory of the United States pursuant to Article VI of the Convention, where consent has been withheld, the United States Government shall first obtain an administrative search warrant from a judge of the United States. The United States Government shall provide to the judge of the United States all appropriate information supplied by the Technical Secretariat to the United States National Authority regarding the basis for the selection of the plant site, plant, or other facility or location for the type of inspection sought. The United States Government shall also provide any other appropriate information available to it relating to the reasonableness of the selection of the plant, plant site, or other facility or location for the inspection.

(2) CONTENT OF AFFIDAVITS FOR ADMINISTRATIVE SEARCH WARRANTS.—The judge of the United States shall promptly issue a warrant authorizing the requested inspection upon an affidavit submitted by the United States Government showing that—

(A) the Chemical Weapons Convention is in force for the United States;

(B) the plant site, plant, or other facility or location sought to be inspected is required to report data under title IV of this Act and is subject to routine inspection under the Convention;

(C) the purpose of the inspection is—

(i) in the case of any facility owned or operated by a non-Government entity related to Schedule 1 chemical agents, to verify that the facility is not used to produce any Schedule 1 chemical agent except for declared chemicals; quantities of Schedule 1 chemicals produced, processed, or consumed are correctly declared and consistent with needs for the declared purpose; and Schedule 1 chemicals are not diverted or used for other purposes;

(ii) in the case of any facility related to Schedule 2 chemical agents, to verify that activities are in accordance with obligations under the Convention and consistent with the information provided in data declarations; and

(iii) in the case of any facility related to Schedule 3 chemical agents and any other chemical production facility, to verify that the activities of the facility are consistent with the information provided in data declarations;

(D) the items, documents, and areas to be searched and seized;

(E) in the case of a facility related to Schedule 2 or Schedule 3 chemical agents or unscheduled discrete organic chemicals, the plant site has not been subject to more than 1 routine inspection in the current calendar year, and, in the case of facilities related to Schedule 3 chemical agents or unscheduled discrete organic chemicals, the inspection will not cause the number of routine inspections in the United States to exceed 20 in a calendar year;

(F) the selection of the site was made in accordance with procedures established under the Convention and, in particular—

(i) in the case of any facility owned or operated by a non-Government entity related to Schedule 1 chemical agents, the intensity, duration, timing, and mode of the requested inspection is based on the risk to the object and purpose of the Convention by the quantities of chemical produced, the characteristics of the facility and the nature of activities carried out at the facility, and the requested inspection, when considered with previous such inspections of the facility undertaken in the current calendar year, shall not exceed the number reasonably required based on the risk to the object and purpose of the Convention as described above;

(ii) in the case of any facility related to Schedule 2 chemical agents, the Technical Secretariat gave due consideration to the risk to the object and purpose of the Convention posed by the relevant chemical, the characteristics of the plant site and the nature of activities carried out there, taking into account the respective facility agreement as well as the results of the initial inspections and subsequent inspections; and

(iii) in the case of any facility related to Schedule 3 chemical agents or unscheduled discrete organic chemicals, the facility was selected randomly by the Technical Secretariat using appropriate mechanisms, such as specifically designed computer software, on the basis of two weighting factors: (I) equitable geographical distribution of inspections; and (II) the information on the declared sites available to the Technical Secretariat, related to the relevant chemical, the characteristics of the plant site, and the nature of activities carried out there;

(G) the earliest commencement and latest closing dates and times of the inspection; and

(H) the duration of inspection will not exceed time limits specified in the Convention unless agreed by the owner, operator, or agent in charge of the plant.

(3) CONTENT OF WARRANTS.—A warrant issued under paragraph (2) shall specify the same matters required of an affidavit under that paragraph. In addition to the requirements for a warrant issued under this paragraph, each warrant shall contain, if known, the identities of the representatives of the Technical Secretariat conducting the inspection and the observers of the inspection and, if applicable, the identities of the representatives of agencies or departments of the United States accompanying those representatives.

(4) CHALLENGE INSPECTIONS.—

(A) CRIMINAL SEARCH WARRANT.—For any challenge inspection conducted on the territory of the United States pursuant to Article IX of the Chemical Weapons Convention, where consent has been withheld, the United States Government shall first obtain from a judge of the United States a criminal search warrant based upon probable cause, supported by oath or affirmation, and describing with particularity the place to be searched and the person or things to be seized.

(B) INFORMATION PROVIDED.—The United States Government shall provide to the judge of the United States—

(i) all appropriate information supplied by the Technical Secretariat to the United States National Authority regarding the basis for the selection of the plant site, plant, or other facility or location for the type of inspection sought;

(ii) any other appropriate information relating to the reasonableness of the selection of the plant, plant site, or other facility or location for the inspection;

(iii) information concerning—

(I) the duration and scope of the inspection;

(II) areas to be inspected;

(III) records and data to be reviewed; and

(IV) samples to be taken;

(iv) appropriate evidence or reasons provided by the requesting state party for the inspection;

(v) any other evidence showing probable cause to believe that a violation of this Act has occurred or is occurring; and

(vi) the identities of the representatives of the Technical Secretariat on the inspection team and the Federal Government employees accompanying the inspection team.

(C) CONTENT OF WARRANT.—The warrant shall specify—

(i) the type of inspection authorized;

(ii) the purpose of the inspection;

(iii) the type of plant site, plant, or other facility or location to be inspected;

(iv) the areas of the plant site, plant, or other facility or location to be inspected;

(v) the items, documents, data, equipment, and computers that may be inspected or seized;

(vi) samples that may be taken;

(vii) the earliest commencement and latest concluding dates and times of the inspection; and

(viii) the identities of the representatives of the Technical Secretariat on the inspection teams and the Federal Government employees accompanying the inspection team.

SEC. 306. PROHIBITED ACTS RELATING TO INSPECTIONS.

It shall be unlawful for any person willfully to fail or refuse to permit entry or inspection, or to disrupt, delay, or otherwise impede an inspection, authorized by this Act.

SEC. 307. NATIONAL SECURITY EXCEPTION.

Consistent with the objective of eliminating chemical weapons, the President may deny a request to inspect any facility in the United States in cases where the President determines that the inspection may pose a threat to the national security interests of the United States.

SEC. 308. PROTECTION OF CONSTITUTIONAL RIGHTS OF CONTRACTORS.

(a) The Office of Federal Procurement Policy Act (41 U.S.C. 403 et seq.) is amended by adding at the end the following:

"SEC. 39. PROTECTION OF CONSTITUTIONAL RIGHTS OF CONTRACTORS.

''(a) PROHIBITION.—A contractor may not be required, as a condition for entering into a contract with the Federal Government, to waive any right under the Constitution for any purpose related to Chemical Weapons Convention Implementation Act of 1997 or the Chemical Weapons Convention (as defined in section 3 of such Act.)

''(b) CONSTRUCTION.—Nothing in subsection (a) shall be construed to prohibit an executive agency from including in a contract a clause that requires the contractor to permit inspections for the purpose of ensuring that the contractor is performing the contract in accordance with the provisions of the contract.''.

(b) The table of contents in section 1(b) of such Act is amended by adding at the end the following:

''Sec. 39. Protection of constitutional rights of contractors.''.

SEC. 309. ANNUAL REPORT ON INSPECTIONS.

(a) IN GENERAL.—Not later than one year after the date of enactment of this Act, and annually thereafter, the President shall submit a report in classified and unclassified form to the appropriate congressional committees on inspections made under the Convention during the preceding year.

(b) CONTENT OF REPORTS.—Each report shall contain the following information for the reporting period:

(1) The name of each company or entity subject to the jurisdiction of the United States reporting data pursuant to title IV of this Act.

(2) The number of inspections under the Convention conducted on the territory of the United States.

(3) The number and identity of inspectors conducting any inspection described in paragraph (2) and the number of inspectors barred from inspection by the United States.

(4) The cost to the United States for each inspection described in paragraph (2).

(5) The total costs borne by United States business firms in the course of inspections described in paragraph (2).

(6) A description of the circumstances surrounding inspections described in paragraph (2), including instances of possible industrial espionage and misconduct of inspectors.

(7) The identity of parties claiming loss of trade secrets, the circumstances surrounding those losses, and the efforts taken by the United States Government to redress those losses.

(8) A description of instances where inspections under the Convention outside the United States have been disrupted or delayed.

(c) DEFINITION.—The term ''appropriate congressional committees'' means the Committee on the Judiciary, the Committee on Foreign Relations, and the Select Committee on Intelligence of the Senate and the Committee on the Judiciary, the Committee on International Relations, and the Permanent Select Committee on Intelligence of the House of Representatives.

SEC. 310. UNITED STATES ASSISTANCE IN INSPECTIONS AT PRIVATE FACILITIES.

(a) ASSISTANCE IN PREPARATION FOR INSPECTIONS.—At the request of an owner of a facility not owned or operated by the United States Government, or contracted for use by or for the United States Government, the Secretary of Defense may assist the facility to prepare the facility for possible inspections pursuant to the Convention.

(b) REIMBURSEMENT REQUIREMENT.—

(1) IN GENERAL.—Except as provided in paragraph (2), the owner of a facility provided assistance under subsection (a) shall reimburse the Secretary for the costs incurred by the Secretary in providing the assistance.

(2) EXCEPTION.—In the case of assistance provided under subsection (a) to a facility owned by a person described in subsection (c), the United States National Authority shall reimburse the Secretary for the costs incurred by the Secretary in providing the assistance.

(c) OWNERS COVERED BY UNITED STATES NATIONAL AUTHORITY REIMBURSEMENTS.—Subsection (b)(2) applies in the case of assistance provided to the following:

(1) SMALL BUSINESS CONCERNS.—A small business concern as defined in section 3 of the Small Business Act.

(2) DOMESTIC PRODUCERS OF SCHEDULE 3 OR UNSCHEDULED DISCRETE ORGANIC CHEMICALS.—Any person located in the United States that—

(A) does not possess, produce, process, consume, import, or export any Schedule 1 or Schedule 2 chemical; and

(B) in the calendar year preceding the year in which the assistance is to be provided, produced—

(i) more than 30 metric tons of Schedule 3 or unscheduled discrete organic chemicals that contain phosphorous, sulfur, or fluorine; or

(ii) more than 200 metric tons of unscheduled discrete organic chemicals.

TITLE IV—REPORTS

SEC. 401. REPORTS REQUIRED BY THE UNITED STATES NATIONAL AUTHORITY.

(a) REGULATIONS ON RECORDKEEPING.—

(1) REQUIREMENTS.—The United States National Authority shall ensure that regulations are prescribed that require each person located in the United States who produces, processes, consumes, exports, or imports, or proposes to produce, process, consume, export, or import, a chemical substance that is subject to the Convention to—

(A) maintain and permit access to records related to that production, processing, consumption, export, or import of such substance; and

(B) submit to the Director of the United States National Authority such reports as the United States National Authority may reasonably require to provide to the Organization, pursuant to subparagraph 1(a) of the Annex on Confidentiality of the Convention, the minimum amount of information and data necessary for the timely and efficient conduct by the Organization of its responsibilities under the Convention.

(2) RULEMAKING.—The Director of the United States National Authority shall ensure that regulations pursuant to this section are prescribed expeditiously.

(b) COORDINATION.—

(1) AVOIDANCE OF DUPLICATION.—To the extent feasible, the United States Government shall not require the submission of any report that is unnecessary or duplicative of any report required by or under any other law. The head of each Federal agency shall coordinate the actions of that agency with the heads of the other Federal agencies in order to avoid the imposition of duplicative reporting requirements under this Act or any other law.

(2) DEFINITION.—As used in paragraph (1), the term ''Federal agency'' has the meaning given the term ''agency'' in section 551(1) of title 5, United States Code.

SEC. 402. PROHIBITION RELATING TO LOW CONCENTRATIONS OF SCHEDULE 2 AND 3 CHEMICALS.

(a) PROHIBITION.—Notwithstanding any other provision of this Act, no person located in the United States shall be required to report on, or to submit to, any routine inspection conducted for the purpose of verifying the production, possession, consumption, exportation, importation, or proposed production, possession, consumption, exportation, or importation of any substance that contains less than—

(1) 10 percent concentration of a Schedule 2 chemical; or

(2) 80 percent concentration of a Schedule 3 chemical.

(b) STANDARD FOR MEASUREMENT OF CONCENTRATION.—The percent concentration of a chemical in a substance shall be measured on the basis of volume or total weight, which measurement yields the lesser percent.

SEC. 403. PROHIBITION RELATING TO UNSCHEDULED DISCRETE ORGANIC CHEMICALS AND COINCIDENTAL BYPRODUCTS IN WASTE STREAMS.

(a) PROHIBITION.—Notwithstanding any other provision of this Act, no person located in the United States shall be required to report on, or to submit to, any routine inspection conducted for the purpose of verifying the production, possession, consumption, exportation, importation, or proposed production, possession, consumption, exportation, or importation of any substance that is—

(1) an unscheduled discrete organic chemical; and

(2) a coincidental byproduct of a manufacturing or production process that is not isolated or captured for use or sale during the process and is routed to, or escapes, from the waste stream of a stack, incinerator, or wastewater treatment system or any other waste stream.

SEC. 404. CONFIDENTIALITY OF INFORMATION.

(a) FREEDOM OF INFORMATION ACT EXEMPTION FOR CERTAIN CONVENTION INFORMATION.—Except as provided in subsection (b) or (c), any confidential business information, as defined in section 103(g), reported to, or otherwise acquired by, the United States Government under this Act or under the Convention shall not be disclosed under section 552(a) of title 5, United States Code.

(b) EXCEPTIONS.—

(1) INFORMATION FOR THE TECHNICAL SECRETARIAT.—Information shall be disclosed or otherwise provided to the Technical Secretariat or other states parties to the Chemical Weapons Convention in accordance with the Convention, in particular, the provisions of the Annex on the Protection of Confidential Information.

(2) INFORMATION FOR CONGRESS.—Information shall be made available to any committee or subcommittee of Congress with appropriate jurisdiction upon the written request of the chairman or ranking minority member of such committee or subcommittee, except that no such committee or subcommittee, and no member and no staff member of such committee or subcommittee, shall disclose such information or material except as otherwise required or authorized by law.

(3) INFORMATION FOR ENFORCEMENT ACTIONS.—Information shall be disclosed to other Federal agencies for enforcement of this Act or any other law, and shall be disclosed or otherwise provided when relevant in any proceeding

under this Act or any other law, except that disclosure or provision in such a proceeding shall be made in such manner as to preserve confidentiality to the extent practicable without impairing the proceeding.

(c) INFORMATION DISCLOSED IN THE NATIONAL INTEREST.—

(1) AUTHORITY.—The United States Government shall disclose any information reported to, or otherwise required by the United States Government under this Act or the Convention, including categories of such information, that it determines is in the national interest to disclose and may specify the form in which such information is to be disclosed.

(2) NOTICE OF DISCLOSURE.—

(A) REQUIREMENT.—If any Department or agency of the United States Government proposes pursuant to paragraph (1) to publish or disclose or otherwise provide information exempt from disclosure under subsection (a), the United States National Authority shall, unless contrary to national security or law enforcement needs, provide notice of intent to disclose the information—

(i) to the person that submitted such information; and

(ii) in the case of information about a person received from another source, to the person to whom that information pertains.

The information may not be disclosed until the expiration of 30 days after notice under this paragraph has been provided.

(B) PROCEEDINGS ON OBJECTIONS.—In the event that the person to which the information pertains objects to the disclosure, the agency shall promptly review the grounds for each objection of the person and shall afford the objecting person a hearing for the purpose of presenting the objections to the disclosure. Not later than 10 days before the scheduled or rescheduled date for the disclosure, the United States National Authority shall notify such person regarding whether such disclosure will occur notwithstanding the objections.

(d) CRIMINAL PENALTY FOR WRONGFUL DISCLOSURE.—Any officer or employee of the United States, and any former officer or employee of the United States, who by reason of such employment or official position has obtained possession of, or has access to, information the disclosure or other provision of which is prohibited by subsection (a), and who, knowing that disclosure or provision of such information is prohibited by such subsection, willfully discloses or otherwise provides the information in any manner to any person (including any person located outside the territory of the United States) not authorized to receive it, shall be fined under title 18, United States Code, or imprisoned for not more than five years, or both.

(e) CRIMINAL FORFEITURE.—The property of any person who violates subsection (d) shall be subject to forfeiture to the United States in the same manner and to the same extent as is provided in section 229C of title 18, United States Code, as added by this Act.

(f) INTERNATIONAL INSPECTORS.—The provisions of this section shall also apply to employees of the Technical Secretariat.

SEC. 405. RECORDKEEPING VIOLATIONS.

It shall be unlawful for any person willfully to fail or refuse—

(1) to establish or maintain any record required by this Act or any regulation prescribed under this Act;

(2) to submit any report, notice, or other information to the United States Government in accordance with this Act or any regulation prescribed under this Act; or

(3) to permit access to or copying of any record that is exempt from disclosure under this Act or any regulation prescribed under this Act.

TITLE V—ENFORCEMENT

SEC. 501. PENALTIES.

(a) CIVIL.—

(1) PENALTY AMOUNTS.—

(A) PROHIBITED ACTS RELATING TO INSPECTIONS.—Any person that is determined, in accordance with paragraph (2), to have violated section 306 of this Act shall be required by order to pay a civil penalty in an amount not to exceed $25,000 for each such violation. For purposes of this paragraph, each day such a violation of section 306 continues shall constitute a separate violation of that section.

(B) RECORDKEEPING VIOLATIONS.—Any person that is determined, in accordance with paragraph (2), to have violated section 405 of this Act shall be required by order to pay a civil penalty in an amount not to exceed $5,000 for each such violation.

(2) HEARING.—

(A) IN GENERAL.—Before imposing an order described in paragraph (1) against a person under this subsection for a violation of section 306 or 405, the Secretary of State shall provide the person or entity with notice and, upon request made within 15 days of the date of the notice, a hearing respecting the violation.

(B) CONDUCT OF HEARING.—Any hearing so requested shall be conducted before an administrative law judge. The hearing shall be conducted in accordance with the requirements of section 554 of title 5, United States Code. If no hearing is so requested, the Secretary of State's imposition of the order shall constitute a final and unappealable order.

(C) ISSUANCE OF ORDERS.—If the administrative law judge determines, upon the preponderance of the evidence received, that a person or entity named in the complaint has violated section 306 or 405, the administrative law judge shall state his findings of fact and issue and cause to be served on such person or entity an order described in paragraph (1).

(D) FACTORS FOR DETERMINATION OF PENALTY AMOUNTS.—In determining the amount of any civil penalty, the administrative law judge shall take into account the nature, circumstances, extent, and gravity of the violation or violations and, with respect to the violator, the ability to pay, effect on ability to continue to do business, any history of prior such violations, the degree of culpability, the existence of an internal compliance program, and such other matters as justice may require.

(3) ADMINISTRATIVE APPELLATE REVIEW.—The decision and order of an administrative law judge shall become the final agency decision and order of the head of the United States National Authority unless, within 30 days, the head of the United States National Authority modifies or vacates the decision and order, with or without conditions, in which case the decision and order of the head of the United States National Authority shall become a final order under this subsection.

(4) OFFSETS.—The amount of the civil penalty under a final order of the United States National Authority may be deducted from any sums owed by the United States to the person.

(5) JUDICIAL REVIEW.—A person adversely affected by a final order respecting an assessment may, within 30 days after the date the final order is issued, file a petition in the Court of Appeals for the District of Columbia Circuit or for any other circuit in which the person resides or transacts business.

(6) ENFORCEMENT OF ORDERS.—If a person fails to comply with a final order issued under this subsection against the person or entity—

(A) after the order making the assessment has become a final order and if such person does not file a petition for judicial review of the order in accordance with paragraph (5), or

(B) after a court in an action brought under paragraph (5) has entered a final judgment in favor of the United States National Authority,

the Secretary of State shall file a suit to seek compliance with the order in any appropriate district court of the United States, plus interest at currently prevailing rates calculated from the date of expiration of the 30-day period referred to in paragraph (5) or the date of such final judgment, as the case may be. In any such suit, the validity and appropriateness of the final order shall not be subject to review.

(b) CRIMINAL.—Any person who knowingly violates any provision of section 306 or 405 of this Act, shall, in addition to or in lieu of any civil penalty which may be imposed under subsection (a) for such violation, be fined under title 18, United States Code, imprisoned for not more than one year, or both.

SEC. 502. SPECIFIC ENFORCEMENT.

(a) JURISDICTION.—The district courts of the United States shall have jurisdiction over civil actions to—

(1) restrain any violation of section 306 or 405 of this Act; and

(2) compel the taking of any action required by or under this Act or the Convention.

(b) CIVIL ACTIONS.—

(1) IN GENERAL.—A civil action described in subsection (a) may be brought—

(A) in the case of a civil action described in subsection (a)(1), in the United States district court for the judicial district in which any act, omission, or transaction constituting a violation of section 306 or 405 occurred or in which the defendant is found or transacts business; or

(B) in the case of a civil action described in subsection (a)(2), in the United States district court for the judicial district in which the defendant is found or transacts business.

(2) SERVICE OF PROCESS.—In any such civil action process may be served on a defendant wherever the defendant may reside or may be found, whether the defendant resides or may be found within the United States or elsewhere.

SEC. 503. EXPEDITED JUDICIAL REVIEW.

(a) CIVIL ACTION.—Any person or entity subject to a search under this Act may file a civil action challenging the constitutionality of any provision of this Act. Notwithstanding any other provision of law, during the full calendar year of, and the two full calendar years following, the enactment of this Act, the district court shall accord such a case a priority in its disposition ahead of all other civil actions except for actions challenging the legality and conditions of confinement.

(b) EN BANC REVIEW.—Notwithstanding any other provision of law, during the full calendar year of, and the two full calendar years following, the enactment of this Act, any appeal from a final order entered by a district court in an action brought under subsection (a) shall be heard promptly by the full Court of Appeals sitting en banc.

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. REPEAL.

Section 808 of the Department of Defense Appropriation Authorization Act, 1978 (50 U.S.C. 1520; relating to the use of human subjects for the testing of chemical or biological agents) is repealed.

SEC. 602. PROHIBITION.

(a) IN GENERAL.—Neither the Secretary of Defense nor any other officer or employee of the United States may, directly or by contract—

(1) conduct any test or experiment involving the use of any chemical or biological agent on a civilian population; or

(2) use human subjects for the testing of chemical or biological agents.

(b) CONSTRUCTION.—Nothing in subsection (a) may be construed to prohibit actions carried out for purposes not prohibited by this Act (as defined in section 3(8)).

(c) BIOLOGICAL AGENT DEFINED.—In this section, the term ''biological agent'' means any micro-organism (including bacteria, viruses, fungi, rickettsiae or protozoa), pathogen, or infectious substance, or any naturally occurring, bio-engineered or synthesized component of any such micro-organism, pathogen, or infectious substance, whatever its origin or method of production, capable of causing—

(1) death, disease, or other biological malfunction in a human, an animal, a plant, or another living organism;

(2) deterioration of food, water, equipment, supplies, or materials of any kind; or

(3) deleterious alteration of the environment.

SEC. 603. BANKRUPTCY ACTIONS.

Section 362(b) of title 11, United States Code, is amended—

(1) by striking paragraphs (4) and (5); and

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

''(4) under paragraph (1), (2), (3), or (6) of subsection (a) of this section, of the commencement or continuation of an action or proceeding by a governmental unit or any organization exercising authority under the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction, opened for signature on January 13, 1993, to enforce such governmental unit's or organization's police and regulatory power, including the enforcement of a judgment other than a money judgment, obtained in an action or proceeding by the governmental unit to enforce such governmental unit's or organization's police or regulatory power;''.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. LOTT. For the information of all Senators, so they will understand, this is the Chemical Weapons Convention implementing legislation.

I ask unanimous consent that the previous order with respect to the bill be vitiated and, further, the committee substitute amendment be agreed to.

The committee substitute amendment was agreed to.

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

Mr. HATCH. Mr. President, during the debate on ratification of the Chemical Weapons Convention, I said that I expected that both the President and the Congress must be wholly dedicated to implement this treaty in a way that advances U.S. national security interests and that protects the constitutional rights of American citizens. Today, we will consider a bill to implement the Chemical Weapons Convention. In my view, this bill accomplishes both of those objectives.

The bill before us today is the product of negotiation with the administration and with my colleagues on the other side of the aisle. Although this bill differs, in several respects, from the version of S. 610 that was introduced in the Congress, I believe that we have achieved a bill that comprehensively implements the treaty, while also protecting the constitutional rights of Americans. Let me explain briefly why that is true:

First, our bill provides for civil liability of the United States for the loss of property resulting from inspection procedures under the treaty.

Second, the Chemical Weapons Convention authorizes a team of international officials to inspect the facilities of private American businesses. Our bill protects the constitutional rights of American citizens through the warrant requirement that must be satisfied for all inspections.

Third, the bill protects confidential business information that, according to the treaty, must be reported to the U.S. National Authority. The bill also provides aggressive penalties for the person disclosing the information, as well as for those benefiting from the information.

In sum, the Chemical Weapons Convention Implementation Act of 1997 is a reasonable effort to protect the constitutional rights of our citizens against unlawful inspections under the treaty.

We have worked exceedingly hard with the Administration and with Members on the other side of the aisle to craft this bill. In particular, I want to thank Senators LUGAR, KYL, LEAHY, and BIDEN, as well as their staff, for their tremendous efforts in this regard, done under serious time constraints. I want to thank, in particular, David Stephens, Randy Schueneman, Marshall Billingslea, Ken Meyers, Beryl Howell, Ed Levine, David Schanzer, Stephen Schlesinger, Jennifer Carrico, and Paul Larkin.

Mr. BIDEN. Mr. President, I want to compliment my esteemed chairman, Senator HATCH, for forging a consensus on this complex issue. As my colleagues know, I was engaged in negotiations on the Chemical Weapons convention resolution of ratification for months, and I know first hand how many deeply held views this treaty implicates and how difficult it is to bring the parties together.

But we succeeded on the treaty and now, with the help of many Senators on both sides of the aisle, have succeeded on the implementing legislation.

I supported this compromise measure in committee and will do so again now because it takes the important steps necessary to implement the Chemical Weapons Convention.

As required by the convention, this bill will enact tough criminal sanctions for possessing, stockpiling, transferring, and using chemical weapons. It will also require U.S. companies to report on their production and use of potentially dangerous chemicals and submit to inspections of their facilities.

Taking these steps will demonstrate to the rest of the world that the United States is committed to continuing its leadership role in arms control and other issues of global importance.

I want to make clear, however, that I do not support some of the provisions in this bill and have very serious concerns about their impact on the convention.

In particular, I do not believe we should be granting the President discretionary authority to deny a CWC inspection based on national security grounds, as would be done by section 401. By signing and ratifying this treaty, the United States—with the advice and consent of 74 Members of this body, given less than a month ago—agreed to allow certain inspections, subject to our constitutional requirements. With few exceptions, denial of a duly authorized inspection would violate the convention.

Even if the President never exercises this authority, the mere inclusion of this provision in the legislation will encourage other countries to deny inspections on national security grounds. If we should enact to so-called national security exception, we can be sure that the Chinese will seize upon the precedent we set and use it to undermine the effectiveness of the entire certification regime.

I have similar concerns regarding section 403, which would exempt from reporting and routine inspection requirements unscheduled discrete organic chemicals that are coincidental byproducts and are not isolated or captured for use or sale. While waste streams are not, in themselves, a threat to the object and purposes of the CWC regime, monitoring of such streams does afford one of the most convenient and nonintrusive means of determining whether a facility is worthy of concern in the first place.

The drafters of this provision are concerned that CWC implementation would otherwise require paper manufacturers to undertake costly monitoring of their waste streams, and that is an understandable concern. There is no need, however, to grant such a broad exemption as is currently contained in this section.

I am also troubled by:

The broad compensation scheme in section 103 that does not even require a plaintiff to prove its case by a preponderance of the evidence to receive taxpayer funded compensation for the loss of trade secrets; and

The limitation in sections 102 and 308 on the Government's power to require contractors to submit to CWC inspections.

I hope to work with other Senators and the administration to ameliorate these concerns prior to enactment of this measure. Treaties are solemn obligations, and the Chemical Weapons Convention, with all its faults, is our best hope for exposing violators and mobilizing the world so as to put a stop to chemical weapons. We must resist the urge, therefore, to enact provisions that could conflict with our treaty obligations and do damage to the effectiveness of the treaty regime.

Mr. LEAHY. Mr. President, the Chemical Weapons Convention was initiated by President Reagan, negotiated by President Bush and ratified on behalf of the United States by President Clinton. The ratification of this convention was a major achievement that consumed a great deal of the time and attention of the Senate.

When the Senate gave its advise and consent to ratification of the Chemical Weapons Convention, the administration told us it was imperative that we act on implementing legislation as quickly as possible. The Judiciary Committee had the task of reporting back to the Senate with implementing

legislation in time for Senate consideration before our Memorial Day recess.

The implementing legislation considered by the Senate today is where the rubber meets the road. It will define precisely how the general obligations of the international treaty will affect American citizens and American chemical companies.

A significant principle of the convention is set forth in Article VII regarding ''National Implementation Measures.'' This principle makes clear that each state party shall, in accordance with its constitutional processes, adopt the necessary measures to implement its obligations under this convention. My objective when I began work on this legislation was to make sure that it reflected our constitutional principles and sound public policy, while fulfilling our obligations under the convention.

Over the last few weeks, the Judiciary Committee held a hearing, solicited the advice of experts from both the administration and in the private sector, and worked to craft legislation we could report to the Senate in a very short time frame. I commend my colleagues on the Judiciary Committee, and especially Chairman HATCH, Senator BIDEN, and Senator KYL, for their diligence and efforts in fulfilling this Committee's responsibilities. Senator LUGAR deserves enormous credit for his constructive and helpful work in reaching the compromises necessary to get this legislation done.

I also thank Ivo Spalatin, Dave Barton, and Bernie Sewart, from the Arms Control and Disarmament Agency; Bill Danvers and Gordy Bendick, from the National Security Council; Steven Goldman and Ann Connaughton from the Department of Commerce; Eileen Gillio from the Department of Defense; and Craig Iscoe from the Department of Justice. These dedicated employees from Federal agencies and the White House spent hours, even late into the night, to share their expertise with the committee. We appreciate their hard work.

The hearing we held on May 13, 1997, regarding the administration's implementing legislation, S. 610, raised a number of issues that needed to be addressed. For example, one aspect of S.610 that required our attention was its blanket exception from the Freedom of Information Act for all information reported to, or otherwise obtained by any of the agencies involved in implementing the convention.

Even a witness from the Department of Justice admitted that this provision was not intended, for example, to limit public access to records concerning the number of inspections conducted under the convention, even if that information was reported to, or otherwise obtained by the U.S. National Authority from the Technical Secretariat. He agreed that this provision could be clarified.

The committee amendment to S.610 substantially improves this aspect of the legislation by removing the blanket exception under the Freedom of Information Act contained in the original bill. The substitute retains protection for trade secrets and other proprietary business information provided under the act and the convention, but the operations of the Federal agencies in implementing this act will not be cloaked in secrecy. They will be fully subject to the FOIA—as they should be.

Yet another provision in S.610, as introduced, could have been construed to penalize a person for refusing to consent to an entry or inspection required under the convention. A Justice Department witness testified at the Judiciary Committee hearing that this section is inelegant and fails to account for the process agreed to in the conditions of ratification. The implementing legislation reported by the committee clarifies this provision, and affirms the constitutional right of every American to refuse to give their consent to a search and the requirement that the Government obtain a warrant.

We also heard from several witnesses about including in the implementing legislation a mechanism to compensate those companies that suffer a loss of trade secrets or other confidential or proprietary information due to their compliance with the convention. The implementing legislation we reported out of the Judiciary Committee provides a compensation scheme that I sincerely hope will not become a surer bet than the lottery for a payout to companys subject to the convention. This scheme will, after the plaintiff establishes a prima facie case, shift the burden to the Government to prove that any loss did not arise from the company's compliance with the convention. Proving a negative will be no easy task for the Government, which may legitimately decide simply to settle such claims, despite their lack of merit. We may have to revisit this scheme if it proves to be authorization for a legal holdup of the U.S. Treasury.

Other provisions in this implementing legislation also give me pause. It does not reflect all the changes each of us would like in the exact form we would like them. But it certainly reflects good faith compromises on both sides.

Mrs. FEINSTEIN. Mr. President, I rise today to express my support for the compromise reached on S. 610, the legislation to implement the Chemical Weapons Convention. I believe it is very much in our national interests to pass this implementation legislation just as we ratified the CWC.

Let me first express my respect and appreciation for the distinguished Ranking Member of the Foreign Relations Committee, Senator BIDEN and the distinguished ranking member of the Judiciary Committee, Senator LEAHY. They and their staff have really done the heavy lifting in getting this implementing language to the floor.

I also want to express my respect for the opponents of this treaty, including the distinguished chairman of the Foreign Relations Committee and the Senator from Arizona, Senator KYL. I have worked well with Senator KYL on many issues, including, at the moment, our strong effort to pass a Crime Victims' Rights Amendment to the Constitution.

I know that in this debate these Senators are motivated by their genuine and deeply felt concern for America's national security. However, I must disagree with the view that we would be better off without this treaty, or by passing implementation language that renders the treaty meaningless.

Mr. President, the threat of chemical weapons falling into the hands of terrorists, or being used as a weapon of war by a rogue state, has increased dramatically in recent years.

One need only reflect on the dangers faced by our military by Iraq's incipient chemical weapons program during the gulf war, or the tragedies our nation has suffered with the bombing of the World Trade Center, the Federal building in Oklahoma City, and the Olympic Park in Atlanta, to fully appreciate the dangers posed by the proliferation of chemical weapons. In each of these cases, the tragedy and loss of life could have been magnified significantly had chemical weapons been used.

Chemical weapons are among the most barbaric of mankind's inventions. They are so awful, that the United States, by act of Congress, has decided to eliminate our own stocks of these weapons by 2004. They are designed to kill and incapacitate by causing such effects as skin blistering, blindness, lung damage, choking, nervous system disruption, paralysis, or oxygen starvation. Because of the ease of their dispersal over a wide area, chemical weapons are especially useful for targeting civilian populations.

The Chemical Weapons Convention is the most far-reaching attempt ever by the international community to control the spread of chemical weapons. It bans for the first time the development, production, and possession of chemical weapons and reinforces the international norm against their use. Since we are destroying our own chemical weapons, it only makes sense that we should want other nations to do so as well.

The convention requires all signatory states to declare and destroy any chemical weapons and the facilities used to produce them. It requires member states to submit annual reports on the production and use of certain sensitive chemicals. This information, combined with our own intelligence resources, will significantly improve our ability to monitor and prevent illegal transfers and uses of such chemicals.

Once the CWC takes effect, it will make it much harder and more costly for proliferators and terrorists to acquire chemical weapons. An intrusive verification system will be set up to detect violations. Sanctions will be imposed against nations that refuse to

participate, making it more difficult for them to acquire precursor chemicals for poison gas and easier to monitor their efforts to do so.

The intelligence-sharing and global verification network that will result from this treaty will increase the chances that terrorist attacks involving chemical weapons can be prevented before they ever occur—a net gain in the security of our troops and our citizens.

We must start with the proposition that no arms control agreement is 100 percent verifiable. But with the CWC, we will know far more about who is trying to develop chemical weapons, where, and how than we would without the treaty. That is why the intelligence community has consistently testified that, while the treaty is not completely verifiable, they regard it as a highly desirable tool that will enhance our knowledge of chemical weapons programs and our ability to stop them.

The CWC's verification regime requires routine inspections of all declared facilities working with significant amounts of chemicals listed by the treaty. In addition, any site, declared or not, may be subject to short-notice challenge inspections if there are suspicions that it is being used to produce or store banned chemicals.

The CWC also establishes significant trade restrictions on precursor chemicals. These restrictions will make it more difficult for nations who are not parties to the treaty to acquire these chemicals, and will provide us with much more information than we currently have about who is seeking to import such chemicals, and in what amounts.

So the concern about verification, while valid, I believe has been more than adequately addressed. We must go into this treaty with our eyes open, aware that it will not detect every violation. But why would we deprive ourselves of the extremely useful tools and information this treaty would provide on the grounds that they are not foolproof? It would be incredibly shortsighted to do so.

Another concern that has been raised involves the potential theft of commercial or trade secrets. Nothing in the CWC or its implementation language require the United States, or any U.S. company, to provide any confidential business information to any foreign party.

I am concerned about how this issue has been addressed in this implementation legislation. Under this bill, the American taxpayer must pay for the theft of confidential business information by foreign industrial spies.

I think the better course is for the injured business to first take reasonable steps to seek compensation from the spy who stole the information or from the foreign company which used the stolen information to gain a competitive advantage, before going after the U.S. Treasury. I am hopeful that this issue can be addressed in the conference on this legislation, and I appreciate the commitment of the Senator from Arizona to continue to work with me on this.

Mr. President, I think this debate really comes down to whether or not one supports international arms control agreements. Many of the criticisms of the CWC and implementation legislation were levied against all previous successful arms control treaties, such as the Nuclear Non-Proliferation Treaty, and the START Treaty.

Those who worry that the United States will weaken its vigilance in our efforts to guard against the threat of chemical weapons have actually done us a service. I believe the intensity of this debate has helped to ensure that we will never allow ourselves to believe that the treaty by itself is enough. We will follow the course that President Reagan did—a strong national defense and arms control agreements with verification.

The CWC is not a panacea, and none of its proponents believes it is. It will not by itself banish chemical weapons from the earth, but it would result in the destruction of much of the world's chemical weapons stocks, and provide us with a valuable set of tools that would significantly strengthen our ability to monitor and defend against the threat of chemical weapons.

I am very pleased that both sides of this debate were able to work together and come to what I feel is, overall, a good agreement. I urge my colleagues to vote for the CWC Implementation Legislation.

Thank you, Mr. President. I yield the floor.

Mr. DOMENICI. Mr. President, the Chemical Weapons Convention Implementation Act of 1997, S. 610, adequately serves to implement the obligations of the Nation under the Chemical Weapons Convention that we ratified a few weeks ago. S. 610 reinforces the concerns expressed in the ratification conditions that constitutional protections for U.S. citizens must be maintained during the intrusive inspection regime required by the CWC. S. 610 protects both private companies and Federal installations from frivolous challenge inspections by demanding that probable cause be demonstrated in order to obtain a search warrant.

S. 610 implements procedures for taking samples and maintains the requirement in the Senate's ratification conditions that these samples will stay within the country. To the extent possible, I would encourage the U.S. National Authority to work with the Organization for the Prohibition of Chemical Weapons to move toward inspection techniques that avoid all concerns with loss of proprietary chemical information from the acquisition and analysis of samples. Measurement techniques, using acoustic signatures for example, have been developed at Los Alamos that can identify whether the contents of a container are a known chemical weapon agent or precursor, without resorting to actual chemical analysis.

During the ratification process for the CWC, I was concerned with protection of business interests of U.S. companies, and was particularly concerned that small businesses might be adversely impacted by challenge inspections directed against their property. S. 610 now allows any company to request federal assistance in preparing for an inspection and provides that a small business shall receive such assistance without cost. That's a good step for further protecting the interests of our small businesses.

With passage of S. 610, the United States will move ahead to implement the Chemical Weapons Convention in concert with the International Organization for the Prohibition of Chemical Weapons. Unfortunately, the international community involved in the CWC now does not include Russia since they failed to ratify the convention. To realize the full global benefits of the CWC, more nations need to accept the convention's conditions—and I hope that Russia will lead the way among the nations that still have not ratified the convention.

Mr. LOTT. Mr. President, I ask unanimous consent the bill be considered read a third time and passed, the title amendment be agreed to, the motion to reconsider be laid upon the table, and that statements relating to the bill appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The bill (S. 610), as amended, was deemed read the third time and passed.

The title was amended so as to read:

A bill to implement the obligations of the United States under the Chemical Weapons Convention.

ORDER OF PROCEDURE

Mr. LOTT. Mr. President, with these agreements we did pass the three judges by voice vote, the Chemical Weapons Convention implementation bill by voice vote. Therefore, there will be no further votes today.

We will therefore not have another vote before 5 p.m. on Tuesday, June 2. We will announce the details of the first 2 days we are back later on this afternoon.

I yield the floor, Mr. President.

Mr. LEAHY. Will the Senator from Mississippi yield in regard to the Chemical Weapons Convention?

I do want to compliment the majority leader.

Mr. LOTT. On that basis, I would be happy to yield.

Mr. LEAHY. I want to compliment him, the Democratic leader, the chairman of the committee, Senator BIDEN, Senator KYL, and their staffs, who worked with me and my staff and others throughout this week, sometimes

until 1 or 2 o'clock in the morning, to get this agreement together.

I think it shows the kind of bipartisan cooperation we should have.

Mr. LOTT. I yield the floor.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I also would like to take this occasion to thank Senators HELMS, LUGAR, KYL, LEAHY, and BIDEN for their work on the Chemical Weapons Convention. I think that went very well. We put it out through the Judiciary Committee yesterday, and we passed it here today. So I am very proud of that.

MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak for up to 10 minutes each.

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

LARRY HARRISON

Mr. LOTT. Mr. President, I want to take a few moments to recognize the dedication of a gentleman who has long been a part of the Senate. Larry Harrison, Senate Chamber attendant, is retiring after over 36 years of Federal service.

Larry began his long Government career in the U.S. Army in 1942. Those who have been around the Hill for a while may have known him in various capacities as he worked for the Architect of the Capitol and in the Senate's Environmental Services operation.

As a Chamber attendant for the past 10 years, Larry frequently was here before we arrived and remained after we left, opening the Chamber in the morning and locking it again after the day's business was completed. He has greeted us each day with a smile and a friendly word. We will all miss Larry around here.

Larry's retirement will allow him to do something that makes us all a bit envious—and I'm not talking about playing golf, though I'm sure he'll be doing plenty of that, too. He will be spending more time with his wife, Jean, and sons, Michael Henry, Albert Philips, and Kevin Harrison.

I want to express my personal appreciation to Larry and his family, and I'm certain my colleagues share my sentiments. Our best thoughts and wishes are with him.

LARRY HARRISON: THREE DECADES OF OUTSTANDING SERVICE

Mr. DASCHLE. Mr. President, at the end of this month one of the Senate's finest employees, Larry Harrison, will retire. He will be sorely missed. Larry has served his Nation for most of his life and worked in the Capitol for over 36 years—longer than most of my colleagues and I have been in Washington. He served in the U.S. Army during World War II, participating in the D-day invasion at Normandy, and following the war worked for the Architect of the Capitol for 5 years. Larry returned to the Capitol to work for the Sergeant at Arms in 1967, and has been with us ever since. Throughout his long years of service, his dedication to his work has been extraordinary.

One of the great joys of working in the Capitol is the magnificent beauty of this building. For this, we owe a large debt to Larry. It is his job to maintain the President's Room, the Cloakroom, and the Senate Chamber, and the pride he takes in this work is well evident. Thanks to his careful attention to detail, these historic rooms are kept in pristine condition. In addition, he operates a shoe shine station in the Senators' bathroom. As my colleagues will attest, he never fails to have a kind word and a smile for everyone.

Larry is known and loved by staff and Senators alike for his good humor. Indeed, his friendly nature has been contagious. An avid golfer, he is single-handedly responsible for the creation of the Cloakroom Invitational—an annual golf tournament involving the Cloakroom staff of both parties. More than just a day to relax on the golf course, it is an opportunity for staff from both sides of the aisle to get to know each other. It is safe to say that thanks to Larry Harrison, the Senate runs with a greater deal of friendship, respect and trust than would otherwise be the case. All this from a man whose first game of golf took place in a cornfield with a branch as a club and a crumpled ball of tape as a golf ball.

I wish Larry all the best as he begins his retirement, and thank him for his years of service. As he leaves, our thoughts and prayers go with him. I hope he will enjoy the best of health, and have many years of happy retirement with his wife Jean and their three sons.

LOUISIANA CONTESTED ELECTION

Mr. WARNER. Mr. President, periodically I report to the Senate on the progress being made on the Louisiana investigation. On May 8, I advised the Senate that the Committee on Rules and Administration was working on a bipartisan investigation into allegations that fraud, irregularities, and other errors affected the outcome of the 1996 election for U.S. Senator from Louisiana—the first such Senate investigation into alleged vote fraud since the early 1950's, almost 45 years ago.

Since that time, the committee has secured appropriate office space in New Orleans to meet the needs of the investigation. Our committee counsel, majority and minority together, have also been to Baton Rouge, where they were joined by our investigative teams, headed by Richard Cullen and George Terwilliger from the law firm of McGuire, Woods, Battle & Boothe, and Robert Bauer and John Hume of the law firm of Perkins Coie.

While in Baton Rouge our teams met with Gov. Mike Foster—a Republican, the President of the Senate Randy Ewing, and the Speaker of the House ''H.B.'' Hunt Downer, Jr.—both Democrats, each of whom expressed their full cooperation in the conduct of the Senate's investigation.

Meetings were also held with the Secretary of State Fox McKeithan, the Commissioner of Elections Jerry Fowler, and others, and again full cooperation and assistance as needed were offered.

Senator FORD and I have requested the assistance of the Federal Bureau of Investigation in the form of a detail of investigative agents. I ask unanimous consent that our letter to the Attorney General of the United States, Janet Reno, and to the Director of the Federal Bureau of Investigation, Louis Freeh, be printed in the RECORD.

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

U.S. SENATE, COMMITTEE ON RULES AND ADMINISTRATION,
Washington, DC, May 14, 1997.

Hon. JANET RENO,
The Attorney General, Department of Justice, Washington, DC.

Hon. LOUIS J. FREEH,
Director, Federal Bureau of Investigation, Washington, DC.

DEAR MADAM ATTORNEY GENERAL AND DIRECTOR FREEH: As you are aware, the Committee on Rules and Administration is conducting a preliminary investigation into allegations of fraud and other irregularities which reportedly occurred in the 1996 U.S. Senate race in Louisiana. The Committee anticipates that this investigation will last approximately 45 days.

The Committee has hired outside counsel to advise the Committee and direct this investigation. It is their strong recommendation that the Committee augment our resources with professional investigators. In order to expedite and facilitate this investigation, and ensure the level of investigative professionalism required in such a case, the Committee respectfully requests the assistance of detailees from the Federal Bureau of Investigation.

The Committee has identified an immediate need for two detailees, preferably with a familiarity with Louisiana, and the New Orleans area specifically. As the investigation progresses, the Committee anticipates a need for at least two additional detailees. We ask that these detailees be provided to the Committee on a non-reimbursable basis, with the Committee bearing the associated travel expenses for these detailees, pursuant to Senate rules.

The Committee has secured space in the Hale Boggs Federal Building in New Orleans for the duration of this investigation with the expectation that attorneys for the Committee will begin occupying that space by early next week. Due to the timeliness of this investigation, we would hope that two detailees could be made available to the Committee at the same time so that the Committee investigation could begin promptly.

It is important to the Committee that this investigation be conducted with the utmost

professionalism and respect for the individuals involved, in particular, the elected officials and citizenry of Louisiana. The reputation and integrity of the Bureau make it the most appropriate source for such assistance. We anticipate that a memorandum of understanding regarding the deployment of these detailees will need to be signed between your office(s) and the Committee. We are prepared to execute that document immediately.

We greatly appreciate your assistance in this regard.

Sincerely,

WENDELL H. FORD,
Ranking Member.
JOHN WARNER,
Chairman.

Mr. WARNER. Mr. President, this past Wednesday, May 21, I met with the Deputy Attorney General, Seth Waxman, and the Deputy Director of the FBI, William Esposito, and later spoke by telephone with the Director, Louis Freeh. The Deputy Attorney General has advised me this morning that our request for FBI investigators has been approved.

The arrangements between the Rules Committee and the Department of Justice parallel those between the Justice Department and the Governmental Affairs Committee. As detailees, the FBI investigators will report jointly, through Committee staff, to myself and the ranking member.

In addition, two accounting specialists, including a Certified Public Accountant, will be detailed to the Committee from the General Accounting Office to assist in the review and assessment of a considerable volume of election documents. This important phase of the investigation will begin next week.

Finally, Senator FORD and I have agreed on the issuance of the first round of subpoenas to State officials for numerous election documents.

I close this sequential report to the Senate with the same two statements I have made in the past. First, there has been no allegation, thus far, in this case of any illegal actions on the part of Senator LANDRIEU.

Second, the goal of this investigation is to fulfill the Senate's duty under the U.S. Constitution, article I, section 5. Pursuant to this duty the Senate Committee on Rules and Administration authorized this investigation to: determine the existence or absence of a body of fact that would justify the Senate in making the determination that fraud, irregularities, or other errors, in the aggregate, affected the outcome of the election for U.S. Senator in the State of Louisiana in 1996.

As developments occur, of such significance as to inform Senators, I will promptly speak on the floor.

CAMPAIGN FINANCE HEARINGS

Mr. WARNER. Mr. President, I am pleased to announce today that the Committee on Rules and Administration will be holding two additional hearings on the issue of campaign finance reform after the short recess.

On June 18, we will be honored to have as witnesses two of our former colleagues, Vice-President Walter Mondale and Senator Nancy Kassebaum-Baker. They will be speaking on their work as cochairs of a committee formed by President Clinton to generate public support for campaign finance reform. We anticipate that the other witnesses will concentrate on the difficult legal and policy issues involved with regulation of issue advocacy and independent expenditures. These two phenomena grew sharply in importance in 1996 and deserve a thorough review by the Committee.

The other hearing, scheduled for June 25, will address the issue of whether certain campaign contributions are indeed voluntary. I plan to focus on union dues and Senator NICKLES' Paycheck Protection Act, which would require a union member to affirmatively give the union permission to use his or her dues' money for partisan political activity and would make sure that no person is compelled to contribute to a campaign without their consent.

It is my understanding that Senator FORD, the ranking minority member, will invite witnesses to discuss political activity by corporations and tax-exempt organizations, and the effect of such activity on the shareholders and donors to these organizations.

VIRGINIA CHAMBER OF COMMERCE BI-ANNUAL DINNER

Mr. WARNER. Mr. President, the Congress, being an integral part of the greater metropolitan Washington area, will soon enact legislation impacting this area, from law enforcement to economic growth. Through my years in the Senate I have worked with community leaders from Virginia as well as Maryland and the District of Columbia.

John ''Till'' Hazel, Jr., is one with whom I have had a long personal friendship—as did our fathers, both medical doctors.

But transcending friendship, we have had our full measure of agreements, and disagreements, on issues affecting this area.

This month the State of Virginia Chamber of Commerce honored ''Till'' Hazel by inviting him to give his report on the State of the Union of this greater metropolitan area.

I was present as the audience received with great respect his strong, outspoken, message.

Since it bears on our present and future responsibility as an integral part, and voice, of this area, I ask unanimous consent that his statement be printed in the CONGRESSIONAL RECORD.

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

REMARKS BY JOHN T. HAZEL, JR., VIRGINIA CHAMBER OF COMMERCE CONGRESSIONAL DINNER, MAY 8, 1997

It is a personal privilege and great honor to address this distinguished gathering of political and business leaders and, particularly, to share with you observations and concerns regarding Virginia's position in the national and international economy as we hurtle toward the 21st century.

Virginians are a proud people, we have a wonderful geographic location, and a history and tradition of conservative and prudent leadership commitment to our citizens. However, that tradition cannot allow complacency which is at times the excuse for lack of vision and often the enemy of prosperity.

My focus today is upon the future of Virginia and what we must do to assure a high level of prosperity in a knowledge driven economy. Change, at the pace we are experiencing it, challenges us all with deciding what to keep and what to discard. We face great opportunities if we choose wisely and great hazards if we do not.

Reference to history and tradition is for the purpose of perspective. We cannot prosper if we live in the past. It is the future to which we must look. No day is complete without reference in print or electronic media of economic competition on a global basis. No state nor locality is isolated from economic competition. We must develop a realistic data base and an exciting vision for the future with an emphasis upon growth and prosperity. Current data is not encouraging.

Despite vigorous efforts by Governor Allen and development agencies, net job growth in the first six years of the 90s has been only half of net job growth in the 80s. Projections regarding the future do not suggest a return to the robust job growth of the 80s without vigorous new efforts. Indeed, if the technology sector largely based in Northern Virginia is removed from the data, job growth in Virginia thus far in the 90s is zero or perhaps negative.

The lack of robust job growth is particularly troubling since the population of Virginia has increased by more than one million people since 1980. Measured against the national average, Virginia is no better than average in the United States in job growth and, indeed, for the past several years has been below the national average—ranking 33rd in the nation. Personal income growth has tracked job growth causing the income of the average Virginia family to be only approximately equal to the national average with personal income growth ranking only 29th in the nation.

EDS, a major national corporation with heavy employment in Virginia, represents that lack of skilled workers has affected its employment base and economic health. There are many other similar examples. Eighteen thousand technology-based jobs are unfilled in Virginia while employment in absolute terms is only at or below the national average.

Virginia no longer competes for job growth simply with its sister states. A recent conversation with the CEO of a concern with global operations suggests that Ph.Ds in Pacific Rim countries can be found for a lifetime training cost of $100,000 versus $1,000,000 in the United States, and engineers can be hired who do very satisfactory work which is then exported to the United States from Bangladesh at 20% of the cost of an engineer in the United States.

Certainly, we as Virginians do and must aspire to be the best. It is abundantly clear that we are barely average in the critical areas of job growth and individual income. We, as business and political leaders, cannot fail to lead our citizens to achieve the very best.

Where must we look to correct this mediocre or less than mediocre performance? The answer is investment and reinvestment in essential infrastructure. Education, transportation and our financial base.

Education today is best described as K–L. L does not refer to law school but to K thru Life. To compete successfully at the national and international level, education must never end. Training and retraining are the keys to our economic future. With 18,000 technology jobs in Virginia unfilled because of lack of trained employees, the problem is immediate, clear and compelling.

But when we review the commitment of Virginia to education, we find that legislative studies have identified a $6.2 billion immediate need to enhance local schools. A need without suggested solution. Virginia ranks only 43rd in higher education support, and simply to equal the southern states average will require a commitment of an additional $200 million per year indefinitely for operating requirements only. Virginia had achieved in the 80s a slow and steady pace toward a modest level of quality and funding in its institutions of higher education. Unfortunately, the depression of the early 90s and the requirements of a balanced budget caused the political system to withdraw in excess of $100 million per year from higher education with an invitation to the individual institutions to increase tuition in lieu of an increase in state taxes. This was done and the budget successfully balanced from the pocketbook of students and their parents without an increase in taxes. The predictable result in Virginia public tuition is among the very highest in the nation.

As the economic crisis ended, funding for higher education in Virginia continued to be restricted. The average investment per thousand dollars of individual income dropped from $12 in 1979 to $6.76 today—a drop of 44% in funding. This decrease means that Virginia's record for financial support for higher education is one of the worst in the nation. The results are evident in every direction. The belt tightening of the universities, despite serious restructuring efforts, has reached harmful proportions.

The president of one of Virginia's leading institutions recently testified that in offering faculty positions to sustain excellence in a core discipline, 11 of 12 offers were rejected on the basis of inadequate compensation. The same is not true with priorities elsewhere. Indeed, we seem to have no limit to what we are willing to pay for athletic excellence, but payment for academic excellence is demeaned and ignored.

Technology is much talked about and little funded.

The community college system—a cornerstone of work force training and retraining—has been forced to reduce worker access and increase tuition for programs which are fundamental to preparation for skilled jobs.

In recent years, capital improvements have been paid for largely by debt. Now debt increases are frozen to sustain Virginia's bond rating and no provision made for critical capital improvements.

In Virginia, a state with a proud heritage from the days of the Founding Fathers, support of higher education now ranks at the low end of the nation. Thomas Jefferson believed that higher education should be available ''within a day's ride of all Virginians'' and founded a university of which we are all proud, but today, with the demand for quality education perhaps more critical to the prosperity of Virginians than ever before, political and business leadership refuses to recognize effectively the need. As the economy of Virginia converts from mining, manufacturing and agriculture, the principal asset of the citizens of Virginia is their intellectual power and skill. Intellectual skill must be enhanced and nurtured. As Governors Godwin, Holton and Baliles made clear in their landmark statement of January 1995:

''Now is the time to make critical key investments in Virginia's future. We believe the place to start is by reaffirming public support for our unique system of higher education. . . .''

The transportation infrastructure of Virginia continues to service more citizens with vastly more miles of travel than ever before without recognition of additional funding requirements. As gas mileage increases, highway revenues by mile decrease.

Principal deficiencies impact the entire state. Hampton Roads has identified approximately $20 billion in transportation improvements necessary. Bridges and tunnels are very expensive, but the need cannot be denied.

Virginia requires an upgrade of I–81 now carrying three times the truck traffic for which it was designed and without any financial plan for improvement. Roanoke and Richmond have demonstrated needs of several billion dollars each if their commerce is to continue to move freely.

Northern Virginia shares with the Washington region national recognition as the second worst gridlock in the nation. There are clearly demonstrated multi-billion dollar requirements. The total of state transportation requirements over the next twenty years is an absolute minimum of $35 billion and could range upward to over $50 billion by Virginia Department of Highway estimates. Despite these needs, the Highway Department can only identify $12 billion of likely available funds and that number is seriously suspect as maintenance requirements erode construction funds.

Traffic gridlock is frequently equaled only by political gridlock in resolving problems. Within a few miles of this hall, we endure an infamous example of political gridlock. In 1945, the US Army Corps of Engineers constructed a dozen bridges across the Rhine River under hostile fire. The political system at Federal and State levels has been gridlocked in discussions regarding replacement of the Woodrow Wilson bridge for ten years already and is still without an action plan for construction. Some years ago the life of the bridge was determined to be 9 years. By my calculations we have 7 years, 4 months and 20 minutes before it collapses into the River. But have no fear, further down the River even the downsized Army Corps of Engineers at Ft. Belvoir should be able to erect a pontoon crossing to save us from the fruits of political gridlock.

Finally, in reviewing the infrastructure in Virginia, we must look to the fiscal situation, and it is grim. Philosophically, Virginia was a few short years ago a no debt state—one of the few in the nation. How different today. The fastest growing item in the Virginia budget is debt service.

During the 90s to balance the budget, a series of emergency measures were utilized. There was a pledge to citizens who voted for the lottery that proceeds would be only for capital construction. Yet now lottery proceeds exceeding $300 million annually are a vital part of the general fund despite that commitment. In addition to the transfer of lottery funds to the general fund, a series of single shot annual measures have been utilized to balance the budget. The most onerous being increased tuition.

Perhaps the most dramatic example of the current problem was the recent discussion of what new lottery game could be adopted to provide additional revenue for the general fund without encouraging addictive gambling. I never knew until the General Assembly discussion that some lottery games were addictive and some were not. In any event, a new lottery game and the fortuitous settlement of the litigation allowed the state to eke out a balanced budget last Session.

Virginia has a serious structural deficit in state finances. General fund revenues do not cover expenses. It is politically convenient to ignore the deficit, and it is policy apparently on a non-partisan basis to continue to promise no tax increases and talk tax cuts without reference to financing commitments, expenditures, income and investment in our future.

Where is Virginia as we look forward to the future—a future which should be founded upon optimism, enthusiasm and strength? The people of Virginia are intelligent, committed, and have high level of work ethic an integrity. Mr. Jefferson, as did other Founding Fathers, believed that an informed public was fundamental to prosperity, health and enjoyment in the democratic system.

Unfortunately, the difficulty in today's world is in assuring an informed public. Virginians have indicated in overwhelming numbers at all levels an awareness that higher education is the key to individual prosperity and a desire to have a transportation system that functions. Yet we are, at the political level, unwilling to make it clear what the needs are and how they will be paid for. Business has failed to demand political accountability and politicians have failed to inform.

We are in the early stages of yet another political campaign in which the prevailing political wisdom apparently is directed at ignoring needs and, thus, the costs.

In higher education, there is a determined effort to reduce costs by reducing the number of students to be educated which is simply to deny access to education to a significant number of citizens. There are those who sponsor denying education to those who are ''below average''—a shocking thought when contemplated seriously. There is a suggestion that faculties are commodities and quality in a faculty is not related to quality in the educational product.

There is a complete denial essentially by silence of the urgent and compelling needs of transportation.

Business leadership must demand that candidates for any office be required to address in specifics what programs they intend to dismantle, and what new commitments they are unwilling to make. Thus far, we have been treated to denial. The people of Virginia deserve better. We need leadership which will understand the need for reinvestment and new investment in Virginia's future—who will understand that we are part of an international economy in a knowledge driven world of technology and that the only competitive edge we have is our infrastructure.

While my comments have focused principally on higher education, transportation and fiscal needs which are the fundamentals, if other areas of the infrastructure are not enhanced the capability of Virginia to compete is further weakened.

Without investment and reinvestment, we cannot expect to be competitive as we enter the next century. No business leader can fail to invest in the future. Why should our great state be denied investment in the future? We cannot allow Virginia to be weakened at this time of intense global competition by denial of problems and refusal to debate the issues because the solutions may be politically uncomfortable. Virginia has the capacity for investment. We lack the political will.

The citizens of Virginia are entitled to be informed and to decide whether we should settle for mediocrity in job growth, in education,in transportation and in our financial base. We cannot accept a political leadership which denies Virginians the tools necessary for future prosperity.

Our goals must be a system of higher education among the best in the country. Not a quibble over 43rd or 44th. A K–12 system which prepares graduates for accelerated

learning and successful participation in the workplace, a first class system of transportation, and a financial structure with bi-partisan support that addresses with political honesty funding requirements.

Virginia must create a competitive position in global markets in the new century with an unrestricted commitment to excellence in providing our citizens with the tools of prosperity in a world of intense competition.

JUDICIARY VACANCIES

Mr. HATCH. Mr. President, I wish to take just a few minutes on judges, because I want to make two basically important points on judges.

At the outset, first, the current vacancy levels are not the product of some alleged Republican stall on judges.

Second, the Senate's constitutional advise-and-consent responsibility should not be reduced to a mere numbers game.

At the end of the last session, we had 65 judge vacancies. Last year, we had 21 judges nominated. We put through 17. We would have put through four more except for Democratic objections to their own judges—not to the judges, but to putting them forward, because one Democrat was not getting the judges that he wanted.

Let me just elaborate for a minute or two on those two points.

Mr. President, this is not a numbers game. Let me make an important point, which is this. Federal judges should not be confirmed as part of a numbers game or to reduce the vacancy rate to a particular level.

While I plan to oversee a fair and principled confirmation process, as I always have, I want to emphasize that the primary criteria in this process is not how many vacancies need to be filled, but whether President Clinton's, or whoever the President is, whether their nominees are qualified to serve on the bench and will not, upon receiving their judicial commission, spend a lifetime, a career, rendering politically motivated activist decisions.

The Senate has an obligation to the American people to thoroughly review the records of all nominees it receives to ensure that they are capable and qualified to serve as Federal judges. These are lifetime appointments with lifetime full benefits after they retire. Frankly, the record of activism demonstrated by so many of the Clinton judges and nominees calls for more vigilance in reviewing these nominees.

The current vacancies are not the result of a Republican stall. I think that is another point that has been widely distorted in recent weeks. The argument is that the Republicans are somehow stalling these judges. The facts show rather clearly that the current vacancies are not the result of Republican stall tactics.

First of all, at the end of the last Congress there were 65 vacancies. Today there are 100, 74 of which have not even had a recommended nominee. I have been here a long time, but I have never heard we had to confirm people who were not even nominated.

There are 26; and we now have put through 5. We have four more that we put out of the committee yesterday, who I believe will go through quite soon. And we will have another markup of judges perhaps a week after we get back.

Let me just make this point so that we can resolve some of these problems.

These vacancies were caused by a record level of resignations in the past few months.

During President Clinton's first 4 years, we confirmed 202 judges. That is a near record high and nearly one-quarter of the entire Federal bench.

By the close of last Congress, there were only 65 vacancies. This is virtually identical to the number of vacancies under the Democratic chairman in the previous Congress. The Department of Justice itself stated that this level of vacancies represents virtual full employment in the Federal courts. So last Congress we were more than fair to President Clinton in his judicial nominees. We reduced the vacancy level to the level which the Justice Department itself considers virtual full employment.

But since the election last fall, 35 judges have either resigned or taken senior status. That is a dramatic number in such a short period, which has led to the current level of 100 vacancies.

Now, current vacancy rates are not an unprecedented crisis. Let me just point that out by saying there has only been a 5 percent increase in the vacancy rate. Keep in mind that 63 vacancies, a vacancy rate just over 7 percent, is considered virtual full employment, and 100 vacancies is a vacancy rate just over 12 percent. How can a 5 percent rise in the vacancy rate convert ''full employment'' into a ''crisis.''

The Democratic Senate left a much higher vacancy rate under President Bush. But compare today's 100 vacancies to that under a Democratic Senate during President Bush's Presidency.

In May 1991—the same time we are at right now—there were 148 vacancies. That is during President Bush's tenure. In May of 1992, again in President Bush's tenure, there were 117 vacancies. So that 148 and 117, respectively, is more than we have right now.

Now, I find it interesting that at that time I do not recall reading a single article or watching a single interview on judicial vacancies. So, in short, I think it is quite unfair and, frankly, inaccurate to report that the Republican Congress has created a vacancy crisis in the courts.

Now, I might add that judicial emergencies simply mean that the seat has been unfilled for a certain period of time. In reality, though, many of them are far from emergencies. Indeed, of the 24 alleged judicial emergencies, the administration has not even put up a nominee for 11 of those seats. How do you blame the Congress for that? As for the others, I think you will find a number of the relevant districts do not, in fact, have an overburdensome caseload, and, in fact, some of the senior judges are suggesting that we reexamine the number of judges in their area and reduce them because they do not need them. It costs at least $1 million a year for every judge in this country, and there are well over 800.

All of this being said, I feel very strongly we must do our best to reduce the vacancies in the Federal courts. Frankly, there are limits to what we can do, especially with what the administration has done so far. The fact of the matter is that, excluding two brand new nominees whose paperwork we have not yet received and cannot process because we have not yet received it, there are only 26 nominees for these 100 vacancies, meaning 74 vacancies are without nominees. Of these 26, 8 have already had hearings and are either on the Senate floor or about to be reported out of committee. So we are moving on nominees, and we will continue to move.

The problem, however, is that many of the remaining 18 nominees who have not yet had committee action are in one way or another problematic or controversial. All but a few of them were carried over from the last Congress, and I can assure you that there is a reason why the Senate confirmed 202 other nominees but not them. If and when the administration sends us qualified, noncontroversial nominees, they will be processed fairly and promptly, and I am trying to process these controversial nominees to the extent that we can and certainly am trying to do so fairly and promptly.

Take Mr. Alan Gold from Florida, for example. He was nominated in February of this year. We completed his paperwork and review in March and April. He had a hearing 2 weeks ago and was reported out of the committee yesterday, just to give an illustration.

When the administration sends us problematic nominees, it takes much more time and it is much more difficult to process them, and the administration knows this. I think my colleagues on the other side know this. If all we are left with are judges whom we are not ready to move, I will not compromise our advise-and-consent constitutional function, I will not compromise it simply because the White House has not sent up qualified nominees. As I said at the outset, the Senate's advise-and-consent function should not be reduced to a mere numbers game. The confirmation of an individual to serve for life as a Federal judge is a very serious matter and it should be treated as such.

Now, we have had a lot of complaining and yelling and screaming about this, but to be honest with you, we are much better than a number of prior Congresses where Democrats had control of the Judiciary Committee and when they had control of the floor as

well. President Clinton has not been mistreated. He has not been treated unfairly, and his nominees have not been mistreated or treated unfairly. In fact, we have yet to have a nominee who has been rejected on the floor during the Clinton administration, although I felt that at least two of them should have been.

Mr. LEAHY. Mr. President, I hope the distinguished chairman of the Senate Judiciary Committee can stay on the floor just for a moment because I intend to refer to some of the things he has said.

To begin with, the distinguished chairman is a close personal friend of mine, not the least of which I find that, as a Grateful Dead fan of long standing, I enjoy his gospel music. So we do have some areas that join us.

I must take exception to some of the remarks he has made about Federal judges. He mentioned that none had been rejected on the floor. Well, of course they have. We have had the average of one a month. At this rate, with 100 vacancies, it is zero population growth in the Federal judiciary. President Clinton will not be in office long enough nor will the next two Presidents, to see all these vacancies filled—not if you do one a month.

When he says none have been rejected on the floor, that is because these are extraordinarily well-qualified people and they are going to be voted for on this floor. In fact, even Merrick Garland they held up for so long. When Judge Garland came here, some people—for whatever reasons, ideological or whatever—voted against him, but not one person suggested he was not extraordinarily well qualified; in fact, one of the best qualified judges we have seen in years. In fact, even some who voted against him commended his qualifications. So it became just a political, partisan thing.

I suspect that the 27 judges that are being held in limbo or in the prison of the Senate Judiciary Committee, if they had a fair vote on this floor, would all be confirmed overwhelmingly because Senators would not want to have to go back to their State and try to explain to people why, other than for purely partisan motives, they voted against some of these judges.

So, how do you defeat the judges? You make sure they never come forward. I will give you an example—Margaret Morrow. Margaret Morrow came before our committee last year. She had to go through all the usual and appropriate confirmation hearings, and she was voted out of the committee unanimously, but somehow they made sure she never came to the floor for a vote.

So this year Margaret Morrow was brought back again and told she was going to be put in her place. All the men who were candidates for the Federal judiciary were brought up first and she was told to sit there—although she had been here once before and unanimously confirmed, she was told to sit there in the back of the room waiting for the others to be confirmed or to be heard.

Now, I keep bringing this issue up at the Judiciary Committee meeting, and I am told there are no objections to her, but somehow she is never brought forward to be voted on. I keep saying, if Senators want to vote against her, stand up, have the guts to stand up in the bright sunshine and say how they would vote on her, but nobody does, nobody does.

She was asked such questions as how she votes. There were over 100 initial questions before it became too embarrassing, and then how did she vote on initiatives in California. I raise the question, and I hope that all Senators, Republicans and Democrats, would agree with me on this, that the Senate demeans itself if it starts asking people how they voted in the secrecy of the voting booth. I would never allow somebody to ask me how I voted unless I really wanted to tell how I voted in the secrecy of the voting booth. The distinguished Senator from West Virginia would not allow that. The distinguished Senator from Utah would not allow that. And I suspect the Senator who asked the question would not allow it of himself. She is supported by the Republican mayor of Los Angeles. She is supported by significant Republicans and Democrats in California. She was the president of the California Bar Association, the first woman ever elected to that position—the president of the Los Angeles Bar Association—but somehow she does not come on to the floor.

I suspect that if she was brought for a vote, she would win overwhelmingly. She would win with 90 votes in the Senate, at least, but apparently she loses with one vote of an anonymous Senator who hides behind a veil of secrecy and will not tell us why he or she is holding her up.

Now, is this full employment of the Federal judiciary? Not according to the Chief Justice of the United States, William Rehnquist. Chief Justice Rehnquist says the situation is bleak—not full employment, but bleak.

We have emergencies existing. The ninth circuit has a quarter to a third of all judges missing. Will the White House have more judges coming up? Of course they will. But do not blame the White House; blame the U.S. Senate. We have had more vacations and recesses in the Senate than we have had judges. We ought to at least do the job we are paid to do.

Of course, I agree with the distinguished Senator from Utah that we should scrutinize all judges. We can do that, but do it, and then get on with our work. We get paid plenty. We ought to do it.

What I see happening, Mr. President, when you have a Congressman from Texas who says that judges should be impeached because he, the Congressman, happens to disagree with their decisions—Mr. President, I read the Constitution. I have my own copy, supplied to me by the distinguished senior Senator from West Virginia, and I say to my friend from West Virginia that I looked through that copy and I found grounds of impeachment—high crimes and misdemeanors. I did not find grounds of impeachment that you annoyed a Congressman from Texas or anywhere else.

I do not think that was ever contemplated by the Founders, I say to my good friend. But this is the kind of ridiculous thing we have, all of which is aimed at going against the independence of the Federal judiciary.

We had somebody else who proposed the Congress have the ability to stand up and vote to override any judicial decision. What does that do to the independence and what does it have to do with our workload? Here it is May 23, and we are finally passing the budget that the law requires us to pass on April 15. Can you imagine if we had to then vote on several thousand judicial decisions each year? This is what we are hearing. Again, a conservative Republican Justice, Justice Scalia, says this is going too far. I agree with him.

As I said earlier to the distinguished Republican leader—I was on the floor—I hope that he would work to see this does not continue. Majority leaders of the Senate, the 22 years I have been here, Senators Mansfield, BYRD, Baker, Dole and Mitchell, all great leaders, all leaders who said there are certain things where partisanship has to end. The President of the United States has the authority under the Constitution to appoint judges. We advise and consent. We are not the appointers of judges. He is. We can recommend, we can advise and we can consent. But once he has appointed them, then if we do not like them, vote them down. But do not take on the pride of 100 Senators around here.

I suspect, regarding the press accounts, that the distinguished Senator from Utah has certain restraints from within his own caucus. I understand that. But I urge this. We are going to go out of session now for 10 days or so, a week, whatever it is. I urge, as I have before, that the distinguished majority leader, the distinguished Democratic leader, the distinguished Senator from Utah and I sit down and try to find if there is a way to start moving these judges from the Senate, and from the Senate end how we can move faster. If people do not like them, vote against them, but do not hold them in limbo; and then I suggest we meet with the President of the United States.

Mr. HATCH. Mr. President, let me say that the Senator from Vermont is a dear friend of mine. There is no question about that. We enjoy working together.

But I think the points that I have made are very valid points. The administration has taken up to 618 days to name each nominee. That is really twice the time that historically it has taken in prior administrations in the

White House. At an average of 618 days for each vacancy President Clinton has taken to fill, according to my calculations—I could be wrong—but it would take more than 125 years to fill all 74 vacancies.

So, you can play this numbers game. All I am saying is I dedicate myself to try to do the best I can to get these judges through. I appreciate the help my colleague gives me in that regard. I think, as we get more of these nominees up here, we will get more of them to the floor.

But I appreciate his remarks. I just do not quite agree with them, that is all.

With that, I yield the floor.

Mr. LEAHY. Mr. President, I will continue to work with my good friend from Utah. In the meantime, I will send him my Grateful Dead tapes, and I will listen to his music and we will both be in a better mood.

Thank you.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, I ask unanimous consent to proceed for 10 minutes as if in morning business.

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

TRUSTING AMERICANS SUBJECT TO EMERGING SECURITIES FRAUD

Ms. COLLINS. Mr. President, as the chairman of the Permanent Subcommittee on Investigations, I want to take this opportunity to highlight a growing problem with securities fraud in this country—a problem which affects thousands of American families who are now investing their hard earned savings in a booming stock market. The problem involves the fraudulent manipulation of the stocks of small companies in scams which can literally wipe out investors who place their trust in unscrupulous brokers and stock promoters.

Fraud in the sale of small company stocks has been increasing at an alarming rate. In the typical case, unscrupulous brokerage firms, often operating through intermediaries, purchase large positions in a company which is worthless or of very limited value and then drive its price higher through manipulation. They do this by aggressively cold calling thousands of unsuspecting individuals, often inexperienced in investing, and persuading them to purchase the company's stock by greatly exaggerating its financial prospects. The inevitable effect of this massive sales campaign is to push the price higher, at which point the brokerage firm dumps its shares, leaving the public holding investments which rapidly become worthless.

According to published reports and court proceedings, these schemes often utilize other illegal or unethical practices, including: The dissemination of false information on which investors rely, the employment by brokerage firms of persons with criminal records, as well as the use of unlicensed individuals whose only activity is ostensibly to prospect for customers but who often participate in making sales for which they are paid under the table; and the bribing of brokers to assist in the manipulation by recommending the stock to their trusting customers.

These securities fraud schemes have been uncovered in recent prosecutions and criminal investigations. At least four grand juries around the country are investigating small-stock manipulation—what may be the financial crime of the 1990's, just as insider trading was the financial crime of the 1980's. Indeed, according to published articles, a Federal grand jury in Los Angeles has even investigated a Federal prosecutor suspected of engaging in securities fraud. And last year, an FBI sting operation in New York City resulted in the arrest of 46 individuals for this type of activity.

In recent years, the soaring stock market has attracted millions of new investors, many of them hard working families trying to save for the future or elderly Americans trying to expand their retirement savings. it is understandable that these individuals, confronted with the prospect of astronomical tuition bills for their children or escalating medical costs for themselves, fall prey to sales pitches promising high returns in what are supposed to be the glamour companies of the future.

Overall, it is estimated that one in three American households have some of their assets invested in the stock market. Most do not have the time or the resources to carefully scrutinize stock offerings to determine which ones are fraudulent, instead putting their faith in brokers, who, because they are licensed by the Government, the public believes it has reason to trust.

Mr. President, some years ago I served as the State of Maine's Commissioner of the Department of Professional and Financial Regulation, and one of the responsibilities of my department was the protection of investors in my State. While that experience taught me that America has the most dynamic and healthiest capital markets in the world, it also taught me that there is no shortage of con artists and fraudulent schemes. What was true then unfortunately appears to be true today, and regrettably, there is evidence that the problem may be more widespread.

While the vast majority of those who work in our securities industry are honest, we must be continually vigilant in safeguarding the integrity of our markets. We must remain committed to combating what appears to be a new wave of securities fraud, involving the intense marketing and subsequent manipulation of the stock offerings of small companies, many with high-tech sounding names. These offerings—when pushed by overly aggressive and fraudulent marketing pitches to average American families and the elderly—present a ripe opportunity to lull the investing public into believing the stock is about to take off. Too often, these stocks do not soar to the heavens but rather fail to the ground.

This fraud must be fought on a variety of fronts. The regulators must continue to enforce existing regulations and to watch for illegal activity. The public must be more careful in investing in the stock market. And the Congress must—and will—closely investigate this growing problem of securities fraud.

As chairman of the Senate Permanent Subcommittee on Investigations. Mr. President. I am concerned about this fraud in the micro-capital markets—about this manipulation of small company stocks by Wall Street bandits. The subcommittee has a long and proud tradition of investigating schemes which rip off innocent consumers and taint the reputations of those who play by the rules. This investigative tradition will continue under my leadership. With more and more Americans entering the stock market each year, the Permanent Subcommittee on Investigations will be looking closely at these matters, investigating how these stock manipulation schemes victimize American investors and how we can arrest this emerging securities fraud.

I look forward to working with my colleagues on the Governmental Affairs Committee and in the Senate to protect the public from unscrupulous operators who would prey on hard working Americans seeking to participate in the American Dream through investment in the stock market. The expanding economic opportunities presented by a booming stock market should not benefit just the most wealthy Americans, but should benefit average American families as well.

As the chairman of the Permanent Subcommittee on Investigations, I promise you that we will vigorously investigate those who abuse the trust of their fellow citizens seeking to invest their hard earned savings. I further pledge that we will be especially relentless in our efforts to expose schemes which exploit the elderly. During my tenure, the subcommittee will use its investigative authority to shine the light of truth on those who operate in the shadowy fringes of America's capital markets.

I thank the Senate for its attention.

I yield the floor.

Mr. ENZI addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. ENZI. I thank the Chair.

(The remarks of Mr. ENZI pertaining to the introduction of S. 802 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. ROBB addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBB. Thank you, Mr. President.

THE CONCURRENT BUDGET RESOLUTION

Mr. ROBB. Mr. President, earlier today I supported and the Senate passed a budget resolution negotiated primarily by the leadership of the legislative and executive branches of our Government.

I supported this budget resolution, notwithstanding some major disappointments with both the process and the result.

I qualify my support for the final agreement because I believe it falls well short of the goals that we should have for a responsible fiscal policy to guide our Nation over the next 5 years and beyond.

But in the end, I recognize that this is probably the best product the congressional leadership and this administration could agree on, and that we're much better off doing something than doing nothing.

And reaching this general consensus will free the Congress to get on with many of the important matters that continuing gridlock would have postponed.

The commitment to reach a balanced budget early in the next century can trace its roots to the hard work done by the President in 1993 and the insistence last Congress, by the new congressional majority, that we set 2002 as a ''date certain'' to actually reach balance.

And I think its fair to add that I doubt this agreement would have been possible without the bipartisan groundwork laid by the Centrist Coalition, a group of 22 Senators evenly divided between both sides of the aisle.

Our budget was the only balanced budget plan introduced last year which received bipartisan support.

Since passing the administration's deficit reduction package in 1993, we have brought the deficit down from $290 billion to what most forecasters expect will be a $67 billion deficit this year.

With the aid of lower deficits, low interest rates, and low inflation, the economy continues to expand, bringing unemployment down to 4.9 percent and filling the Federal Treasury with unexpected receipts.

These fundamentals, which I believe were set in motion with the passage of the 1993 plan, have now put a balanced budget within our grasp, even if we're relying on some optimistic assumptions about revenues on future Congresses making tougher decisions than we are making in this budget, and on the Social Security surplus to reach that future balance.

This is not an insignificant event. The last time the Federal Government submitted a balanced budget was in 1968—for fiscal year 1969—and the surplus that year was only $3.2 billion.

As one who came to the Senate in January 1989 pledging to do all I could to eliminate persistent budget deficits, the prospect of actually reaching our goal, even 5 years down the road, is certainly a welcome milestone.

As I have already noted, however, this agreement is not all I had hoped it would be.

First, I'm very concerned about the assumptions which underlie the plan.

Less than 3 weeks ago, negotiators were putting the finishing touches on this same basic budget outline, with a deficit of approximately $50 billion in 2002.

It was only after the Congressional Budget Office revised its revenue forecasts that negotiations were able to claim a balanced budget.

To fully understand the impact of the CBO revision, the deficit projections for the next 5 years are now a total of $250 billion less than what CBO projected in January.

If we want to increase the likelihood that we will actually achieve balance, it seems to me that we would want to use the most conservative economic forecast that we have.

If we err in our projections, I would rather err on the side of doing more deficit reduction than less than what is needed to do the job.

But even if the more optimistic assumptions come true and we do balance the unified budget in 2002, this plan does little to address the long-term fiscal challenges we face, and in some ways may exacerbate them.

While the budget calls for some modest steps to restrain the growth of entitlement spending, in the areas of Medicare and Medicaid, these modest steps do not prevent entitlement spending from taking a larger share of the budget.

Mandatory spending in the form of entitlements and interest on the debt will consume over 70 percent of the budget by 2002.

This represents a complete reversal from 30 years ago when 70 percent of the budget went for defense and other discretionary investments.

And as mandatory spending takes up a greater share of the budget, that leaves less room for investments in human and physical capital that enhance future productivity and economic growth.

Not only does this budget not call for significant entitlement reform, the inclusion of tax cuts with large out-year costs also exacerbates our long-term fiscal problems.

As all of us know, we face a demographic wave, called the baby boom generation, that will double the number of people eligible for Social Security, and Medicare, between now and 2030.

By not addressing the long-term costs of Medicare and Social Security, and by failing to adopt an accurate measure of cost-of-living changes, entitlements will continue to grow at an unsustainable pace. That is at the same time, the tax cuts in this budget plan will take away the revenue needed to finance these expenditures.

The most likely result of this scenario is the continued cutbacks on defense and other discretionary priorities in the future or even larger budget deficits than what we have faced in the past.

As a result, I view this budget as more of a missed opportunity to address our long-term fiscal challenges rather than the budget balancing achievement that many are celebrating.

Notwithstanding my reservations about this agreement, however, and my disappointment in some of its elements, I applaud the President and the congressional leadership for their efforts to end the gridlock and reach a compromise that both sides could live with, even though the deal closers were more spending to satisfy Democrats and more tax cuts to satisfy Republicans—tax cuts I might add that are made with borrowed money. Less of each would have eased the debt burden we are passing on to future generations, and I will work with my colleagues to make it a more fiscally responsible plan along the way.

With that, Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. BROWNBACK). The Senator from Michigan.

Mr. ABRAHAM. Mr. President, in order to accommodate several Senators who wish to speak, I now ask unanimous consent that the following Senators be recognized to speak in the morning period in the order in which they are listed: Senator ABRAHAM for 15 minutes, Senator BYRD, and then Senator GRAMS.

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

The Senator from Michigan is recognized.

MR. ABRAHAM. I thank the Chair.

(The remarks of Mr. ABRAHAM pertaining to the introduction of S. 810 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. ABRAHAM. I thank the Chair and other Members for their courtesy today. With that, I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I have been asked by Mr. DORGAN to ask unanimous consent that following the order recognizing Mr. GRAMS, which has already been entered, that he, Mr. DORGAN, be recognized for not to exceed 20 minutes.

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

Mr. BYRD. Mr. President, I have been asked to also ask unanimous consent that following Mr. DORGAN, Mr. GORTON be recognized for not to exceed 10 minutes.

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

RELATIONS BETWEEN THE SEXES IN THE MILITARY

Mr. BYRD. Mr. President, the case of Air Force 1st Lt. Kelly Flinn has highlighted the need for an independent review of gender relations in the services.

First, I think the publicity about this case has served as an understandable impetus for all of us to speak our minds on this issue. That is, I think, useful, in that relations among the sexes in the military obviously need a thorough, independent review in light of the scandals that have emerged in recent months.

It is imperative though, that as we review the rules regarding gender relations in the military, we keep our eye on the ball. The ball is that the goal should always be the most effective, combat-ready, disciplined, tough fighting force that the Nation can field. Effectiveness, discipline, unit cohesion and morale cannot ever take a second place to any other value, since the premier responsibility of the military is the national security of our Nation. If gender relations must take a back seat to that goal, that is as it should be.

In the case of Lieutenant Flinn, the military justice system has tried to do its work, in spite of all the comment and publicity attendant to this case. There is a question about whether the Secretary of the Air Force should have granted Lieutenant Flinn a general discharge in lieu of a court-martial. We all, I am sure, have opinions about that. I personally feel that the charges of lying and disobeying the order of a superior officer, never mind the charge of adultery, which, of course, no one condones, merit a disciplinary decision, and that the Secretary should not have granted her a general discharge in light of those charges. That is my opinion. Other Senators may have other views. However, I believe that the larger issue and perhaps the root of the problem in this much publicized case may lie in the military rules of fraternization. When it is permissible for members of the opposite sex to socialize, live together, or otherwise fraternize, varies considerably among the different services. The standards are seriously inconsistent. I have indicated that I intend to offer an amendment to the upcoming fiscal year 1998 Defense authorization measure which would, if enacted, establish an independent outside review commission to review the question of the appropriateness of gender integrated recruit training in the services. I think such a commission could review, as well, the rules of fraternization with the goal of recommending a single consistent fraternization standard for conduct among enlisted people, between enlisted people and officers, and among officers, which spans all the services. What is appropriate for a soldier in the Army should also be appropriate for a sailor or an airman or a marine.

Mr. President, clearly we are in the middle of a national debate on gender relations and on general conduct in the services, and the work of an independent commission to review the many issues which have arisen seems urgent, needed and very useful. In the meantime, I believe that we politicians should refrain from urging particular decisions in specific cases, and let the system work in the best way that it can until an opportunity has been had to systematically review the rules regarding gender relations and conduct in all of the services.

FALLEN HEROS

Mr. BYRD. Mr. President, as the traditional start of the summer outdoor season approaches, advertisers are busily reminding us that we have only three days to ready our big yards for summer, or that hooray, we have an extra day to spend on outdoor chores—using their newest tools, gadgets, and products, of course. Well, Mr. President, most of us will enjoy an extra day this weekend. That is cause for celebration. However, the purpose is to celebrate our fallen heros, not to celebrate another opportunity to spend money.

Memorial Day is set aside to remember the final sacrifice made by many brave men and women in the defense of our Nation and our ideals of liberty and justice. Though in many cases, years have passed since they laid down their lives for us, the memory of these fallen heros should not fade from our hearts, drowned out by the din of advertising or buried beneath a tide of sales circulars. I urge my colleagues, and the American public, to pause for a moment this weekend, that they fly their flags, pause to set aside their dirt-covered gloves, to brush the grass clippings from their pants legs, and to sit for a moment in the sun-dappled shade of an ancient tree, and thank these men and women who have—to paraphrase the preamble to our mighty Constitution—provided for the common defense, promoted the general welfare, and secured the blessings of liberty to ourselves and our posterity.

In the United States, our fallen soldiers have been honored and remembered on Memorial Day since the time of the Civil War. That tragic conflict spawned so many spontaneous gestures of remembrance in our country that the location and the date of the first Memorial Day or Decoration Day—Decoration Day, as it was called—Ceremony is disputed.

One of the most moving and famous of the early Memorial Day tributes occurred in Columbus, Mississippi. On April 26, 1866, the women of Columbus gathered to decorate the graves of their husbands, brothers, lovers and friends who had been buried four years earlier after the Battle of Shiloh in a plot now known as Friendship Cemetery. The plot contained the remains of 1500 confederate soldiers, but it also was the final resting place for 100 fallen federal troops.

The time was reconstruction. In 1866, much of the South was under military occupation and was impoverished. Resentment and hatred still ran high on both sides of the Mason Dixon line.

But, to these war-weary women, the time for hostilities was over. After scattering flowers on the graves of their own men, they decorated the graves of the union men with magnolia blossoms.

But, like so many of our religious and secular days of remembrance, the origin and purpose of Memorial Day have become at least partially obscured by the more immediate pleasures of a day off, the flash and danger of a car race or the anticipation of good food at a picnic.

Let me quote from a book, The Good War, an oral history of World War II by Studs Terkel. In 1982, a woman of thirty told Terkel: ''I can't relate to World War II. It's in schoolbook texts, that's all. Battles that were won, battles that were lost. Or costume dramas you see on TV. It's just a story in the past. It's so distant, so abstract. I don't get myself up in a bunch about it.''

Without a continued awareness of the real significance of this national day of remembrance, we may eventually also largely forget the difficult and invaluable lessons of the human cost and the ultimate tragedy of all warfare. Particularly today, when armed conflicts such as Desert Storm may seem glamorous, even entertaining and almost antiseptic in their efficiency, we must not forget as a nation that war always means death, destruction, broken homes, broken families, twisted and maimed bodies and devastation.

While this Nation must never shrink from armed conflict if that is the course we must take to protect our freedoms, we must also never forget nor minimize the horror of war, else we may someday risk its grisly consequences too easily.

So it is my hope, that on this coming Memorial Day, all Americans will take a few moments to remember the brave men and women who have fought and died to preserve this great nation and its principles of liberty and freedom. The personal suffering and sacrifice endured by our fallen soldiers and their families for the sake of our country must not go without a measure of recognition by each of us on this most solemn of days. These were real people, not just statistics in a history book or names chiseled on stone. These were young men and women with sisters, brothers, mothers, fathers, hopes, dreams, aspirations and fears just like the rest of us. At some future time, God forbid, the names of our own sons, daughters and grandchildren could very well be among those that are read at a ceremony honoring our fallen soldiers.

Nothing confronts us with our common humanity—with our shared responsibilities as citizens and with a renewed appreciation for the worth of our sacred and fragile freedoms like a contemplation of our national conflicts, and the sorrow, heroism, death and sacrifice that has accompanied each of them.

This weekend thousands of American families will visit cemeteries around the nation to remember husbands,

wives, sons, daughters, grandfathers, great grandfathers and friends who paid the ultimate price in this nation's conflict. All of us need to take time to show our solidarity with their grief and their sacrifice; to fly the flags at our homes, schools, cemeteries and public places; to walk the eerie quiet of Antietam or Bull Run; visit the local veterans' cemeteries; lay some flowers on the tomb of a fallen soldier; spend a quiet moment at the monuments to our honored war dead; take our children in tow and teach them about all the brave young men and women who have paid so dearly in the past so that future generations can be free; and through that conscious effort and those small individual acts put a very human face on Memorial Day. Remember, spontaneous acts of remembrance such as these were what spawned Memorial Day in the first place. And they will always be the most meaningful tributes of all.

In Flanders fields the poppies blow
Between the crosses, row on row,
That mark our place; and in the sky
The larks, still bravely singing, fly
Scarce heard amid the guns below.
We are the Dead. Short days ago
We lived, felt dawn, saw sunset glow,
Loved and were loved, and now we lie
In Flanders fields.
Take up our quarrel with the foe:
To you from failing hands we throw
The torch; be yours to hold it high.
If ye break faith with us who die
We shall not sleep, though poppies grow
In Flanders fields.

FISCAL YEAR 1998 BUDGET RESOLUTION

Mr. GRAMS. Mr. President, I should like to talk a little bit about today's budget vote and some reasons why I had to anguish over it and vote no on this budget, a budget that I hoped we could all be proud of and we could go home and really tell our constituents we had done the best job we could and we were providing an honest budget that was going to provide the things we had talked about—smaller Government, less taxes, et cetera.

But, Mr. President, there is an old saying that if something seems too good to be true, then it probably is. In Washington, that scene can be taken one step further. If something seems too good to be true, then it probably is and the taxpayers are somehow going to get stuck paying for it.

Such is the case with the budget resolution passed by the Senate earlier today. On paper, the plan purports to eliminate the deficit by the year 2002 by reining in Federal spending while providing significant tax relief for America's working families.

I appreciate all the efforts that were made to try to reach a good budget agreement I hoped I could support, and I know how hard Senators DOMENICI and LAUTENBERG and the leadership on both sides of the aisle worked to bang out this budget. But in reality, this budget will ultimately create bigger Government, a budget that is going to demand more dollars from the taxpayers rather than giving them most of the tax relief they have been promised.

It is, in other words, a deal between politicians here in Washington, not between the taxpayers and the people they elected to represent them.

I have made the pursuit of a balanced budget my top priority here in the Congress, and I have always said I would support a budget plan which meets just three basic specific criteria. First, it must shrink the size and scope of Government and return money and the power that those dollars represent to the tax people. It must balance the budget by the year 2002 with steadily declining deficits each year and without the use of rosy economic scenarios. And it must provide meaningful and broadbased tax relief to working families.

Now, while I would like to join the bandwagon in supporting the budget resolution, this Washington budget does not meet those protaxpayer standards.

First, shrink Government and return power to the taxpayers. Balancing the budget by the year 2002 is a responsibility we must meet, but it is simply the beginning. If we intend to reduce the $5.3 trillion national debt that will remain even after the deficit is eliminated, and take power from Washington and return it to the taxpayers, we must do more than simply balance the budget. We were not elected to serve as the Nation's accountants, simply trying to make sure the numbers all add up on paper. We were elected to be policymakers—and balancing the budget is just one of these policies.

We cannot lose sight of the overall goal of shrinking the size of the Washington bureaucracy and sending those dollars back to the taxpayers. Yet, this budget plan does just the opposite. It increases the size of Government by giving President Clinton even more money for pet projects than he originally requested—$74 billion more than he requested in his budget just last year, and $5 billion more than the budget he put forward in February of this year.

Mr. President, instead of eliminating wasteful programs to reduce the Federal deficit, this budget plan actually creates numerous new programs, including $34 billion in new entitlement programs that will cost billions of the taxpayers hard-earned dollars.

Now, if some of these new programs have merit, they should be authorized and appropriated through open hearings and through normal committee process. Total spending in this budget plan for all programs is $18 billion higher than President Clinton's budget request for the next 5 years. So where is that in shrinking the size of Government? It is increasing the size of Government. The discretionary spending for the next year alone will be $6.3 billion more than even what the President had requested back in February.

Compared to the budget resolution we passed last year, this budget plan has significantly increased discretionary spending. In fiscal year 1998, discretionary spending will be $26 billion higher, $26 billion more than last year's budget, while the total discretionary spending for the next 5 years will be $194 billion higher than last year's budget request.

I do not believe this is what the taxpayers had in mind when they heard the President declare that the era of big Government is over. During the last 5 years, Congress spent an additional $240 billion raising the size of Government that much over the years, but over the next 5 years we are going to increase the size of the Government another $270 billion. Again, plus the $34 billion in new spending initiatives, not just fattening some of the old programs but actually creating, giving birth to $34 billion in new programs that will have to be supported even more in the outyears.

By increasing discretionary spending and creating new entitlement programs, this budget plan would ensure that big Government is not only here to stay, but that it will grow even bigger, and it will ultimately mean higher taxes in the future. In the continuing struggle between taxpayers and big Government, this budget deal takes the wrong side, and I cannot be a part of it.

Second, the claim of balancing the budget with steadily declining deficits, not through rosy scenarios. One of the dirtiest little secrets in Washington is the economic hocus-pocus that goes on in the budgeting process. The Washington folks seem to believe that as long as they have a balanced budget on paper, however they can reshape the numbers to fit their goals, it does not matter how they got there because the end will justify the means. But, as everyone knows, you can't write a household budget with inflated numbers or unrealistic assumptions, and you should not be able to write a Federal budget that way as well.

Any honest budget plan must reach balance through steadily declining deficits every year. The deficit must be lower each year than the preceding one. But this year's 5-year budget agreement actually increases the deficits for the first 2 years, then projects enough of a reduction in the final 2 years to reach balance. So, in other words, let's spend more now and then we will cut later. In other words, this President will be out of office, this Congress will have many new faces, probably, but they are going to let the next President and the next Congresses make the tough decisions that this Congress has turned its back on making.

Mr. President, James Glassman wrote on this subject in Tuesday's Washington Post, and I found this observation to be most appropriate. He said:

The way to get to smaller government is by spending less money. In fact, federal

spending will rise sharply in fiscal year 1998—that's the year that starts on October 1, 1997, and the only budget year that has any real significance.

Why? Because ''all the other numbers for all the other years are sheer fantasy. As anyone who runs a business knows, the only figure you can possibly control is next year's spending.''

Let me say when the budget deal was struck here in 1990 that raised taxes, part of the agreement was we will put a cap on future spending. We will not spend over this limit. In 1993, a new tax increase came into being, and along with that new tax increase came the removal of those old caps, and new caps on spending were put at a higher level. They said, all right, we will not spend over this level if you give us these tax increases now.

Now, in 1997, for the 1998 budget year, the first thing that has to be done in this budget, we have to bust those spending caps again because this budget can't live within those promises, and it extends the level ever higher.

What does that mean? Where does the revenue come from? It is taken from the taxpayers and the hard workers of this country. Budget proponents are claiming to balance the budget by immediately increasing the deficit by at least $23 billion, or an increase of 34 percent, and then finding the savings to eliminate the deficit in the preceding years for the following years.

If this does not make sense to the American taxpayers, that is because it does not make sense at all. It is just another example of the budget tomfoolery that is going around in Washington. A budget plan must also be based on real numbers and not the inflated budget estimates that have been used in the past to justify more spending and higher taxes. Somehow the new revenues, the increased dollars that come to Washington, can never be put into the category of reducing the deficit or returning some of it in tax relief. It always goes on the other side of more spending.

This budget agreement fails on that score as well as by continuing to use the inflated budget estimates of the past to mask the spending increases it contains. I cannot support a budget that uses such gimmicks simply to make the numbers add up on paper.

There are two other weaknesses of the agreement I would like to point out. For quite some time we have been told repeatedly by the CBO that we needed at least $500 billion in spending cuts to achieve a balanced budget. It will take hard choices to accomplish that. However, the need to make some of the most difficult choices supposedly vanished recently when we were told that we can spend more while balancing the budget at the same time because somehow the CBO discovered $225 billion in extra money. This cannot be true. It contradicts the CBO's own recently completed study that examined the potential impact of a recession on budget projections and the goal of a balanced budget by the year 2002.

In this study, the CBO examined two possible recessions, one possibly in 1998, another in the year 2000, and it concluded in both cases GDP would fall 3.7 percent below potential and would add about $100 billion to the deficit. That would make the goal of achieving a balanced budget in the year 2002 very difficult.

Again, if the $225 billion in ''extra money'' is indeed real, it did not fall mysteriously from the sky. It is money that belongs first and foremost to the American taxpayers, and it should be put to proper use. The right way would be to return it to the taxpayers as tax relief and/or designated for deficit reduction. The wrong way is to spend all that. Unfortunately, this budget resolution takes the wrong way.

Now, there are some who said on the floor today only $30 billion of that $225 billion was spent. If that is true, where is the rest of it? Where did it go? If it is still there, let's put it to tax relief. But the secret is that it has been put into spending.

I introduced an amendment earlier today that would have required that we use the $225 billion of the CBO revenue windfall as assumed under this budget for tax relief and deficit reduction, and to keep nondefense discretionary spending at the current freeze baseline level. My amendment called for giving back half of the $225 billion windfall to the taxpayers and then devoting the other half for deficit reduction. Again, the question is, where did that money go?

Another element of my amendment called for keeping nondefense spending at a freeze baseline level. Now, baseline budgeting has been the subject of great debates, many debates, and I will not repeat the arguments today, but let me tell you briefly why this is so important. For years, Republicans criticized the use of inflated baseline budgeting because it did not reflect the actual spending levels in terms of an increase or a cut in a program's funding. By that, they always project next year's spending to already be higher so they set a new baseline. So if we were going to spend $100 this year, the new baseline next year would be $105, so that is what they work off. If we only spend $104, the claim would be we cut the budget by $1, when actually we spent $4 more.

Now, there are claims in this budget that we will save $1 trillion in spending for the American taxpayer over the next 10 years. Now, that sounds great, doesn't it? If you go by the baseline budgeting, what they are really saying is, if we froze spending today, over the next 10 years we would spend about $16.2 trillion, but under the baseline budgeting, we are going to only spend $19.2, but we could have spent $20 trillion, so we are saving you $1 trillion. We could have spent $20 trillion, but by the baseline we will cut back.

The difference is, we are not saving $1 trillion in spending for the taxpayers. We are adding $3 trillion in new spending over the same 10 years.

It was Lee Iacocca who said if American businesses used baseline budgeting the way Congress does, ''They would throw us in jail.'' Many of us share Iacocca's views and believe inflated baseline budgeting is a fraud and it should be ended.

During the past 2 years we have been telling the American people we would guarantee an honest accounting of our Federal budget by implementing zero-baseline budgeting. In other words, be honest. This is what we spend this year. This is what we propose to spend next year, not the baseline that we could have spent, but we are not going to spend quite that much, so we will save you money. That is like going to a sale and saying I am going to spend $100 to save $4.

We adopted zero-baseline budgeting, and Congress has produced two balanced budgets by using the freeze baseline. But the fiscal year 1998 budget resolution abandoned this policy that we had used over the last 2 years of honest accounting by reverting to inflated baseline budgeting. In my view, this is a shift, again, in the wrong direction.

Returning to the inflated baseline not only again breaks a promise to the American people but also ensures, ensures that big government will live on by allowing Washington to avoid the hard choices that it must make to eliminate wasteful programs and address our long-term fiscal imbalances. We could have met the problem head on this year. They were negotiating the budget and could have finally had to face those problems, but somehow, at the last minute, the White Knight, the CBO, with $225 billion in new projections, rode in for the rescue and Congress did not have to make any choices. They went ahead and spent all the money.

Mr. President, my amendment, as you know, was defeated by the Senate this morning. But this issue is not one that is going to go away. We must be honest with the American people, and we must, again, use zero-baseline budgeting as we promised, so we can rebuild the American people's confidence in the Government and make Congress accountable to the taxpayers.

No. 3, meaningful broad-based tax relief for working families. I have been the Senate's leading advocate of what we call meaningful broad-based tax relief for working families through an important measure such as the $500-per-child tax credit.

Rhetorically, everyone from colleagues in Congress and the President has joined me in calling for such tax relief. Once again, a closer look at this budget agreement reveals that reality does not match the rhetoric.

What does this Washington deal mean for the millions of families who would benefit from a broad-based tax cut? Proponents of the budget agreement argue that since $135 billion has been set aside on paper for tax relief, that it is good. I beg to differ, because,

as with all things in Washington, there is more, or, in this case, there is less than meets the eye.

For example, when they say there is $135 billion available for tax relief, they are ignoring the fact that $50 billion of this pool will be raised through higher taxes, so, in other words, to give a tax break to some we will have to raise taxes on others. We are going to have to borrow from Peter to pay Paul. So that leaves us a net tax cut of $85 billion and someone will have to pay for the $50 billion. You can bet that someone will not be Uncle Sam.

Also consider the fact that $35 billion has already been promised away to the President for his narrowly targeted college education tax plan.

Now, as the Senate author of the broad-based tax relief for working families represented by the $500-per-child tax credit, I am deeply troubled that this Washington budget agreement dedicates too much money for narrowly targeted tax relief at the expense of broad-based tax relief. The debate over targeted versus broad-based tax relief raises the single most important question for us today, and that is the question of who decides. Targeted tax relief says Washington will decide who is going to get a tax break, how they are going to get it, and what they have to do to get that tax break. If you, as a taxpayer, want to cut, you have to do what Washington tells you to do, whereas broad-based tax relief says taxpayers can decide. If you want to use your tax cut for higher education, go ahead, for housing, go ahead, for health care, go ahead, but tax relief should not be narrowly tailored to fit the priorities set by Washington or used as a tool for social engineering purposes.

Tax relief should be as broad based as possible leaving the decisionmaking on how best to use that to the taxpayer themselves. Every household is different. Washington cannot decide.

Now, while all of us support the use of tax relief for higher education expenses, we must recognize that there are many other needs faced by working families every day that can be best met by a tax cut, and it should not be up to Washington to make those decisions. But that is what this budget agreement does by reserving $35 billion from the President's college tax deduction which benefits a few. This Washington deal takes away tax relief dollars from the child tax credit which benefits the many.

Finally, there are many other claims to those dollars remaining in the tax relief pool, including a capital gains tax cut, estate tax relief, IRA's and a host of other tax proposals. But if you start out with $135, you take away $50 in tax increases, you have $85 net. From those $85 million, the President has targeted tax relief of $35 billion, which leaves a pool of $50 billion.

To go through some of this other child tax relief, if you are going to get the full-blown tax relief you have been promised, it would be $104 billion. If you are going to get tax gains, tax reduction, it would be $24 billion; estate tax, $18 billion; IRAs, about $11 billion. What we have is about $170 billion of tax cuts promised that somehow we are going to squeeze out of a box of $50 billion. So, in other words, somebody is going to get something, but it will be a shadow. While all these ideas have merit, the competition for this ever-shrinking pool means more bad news for those of us who care about getting tax relief.

Again, we have promised working families a $500-per-child tax credit, but once you factor in all the tax hikes, special interest tax cuts, and deals that have been made a part of the budget agreement, it is easy to see that this $500-per-child tax credit could end up being nothing more than a token gesture, a promise of meaningful broad-based tax relief for working families without the dollars to back it up.

In other words, working families will be squeezed out again, a broken promise, and that is something that I cannot support.

Contrary to the claims of its proponents, this Washington budget deal is a retreat from the promises we made to the taxpayers for meaningful tax relief. As I have argued, the figures set-aside for tax relief are wholly inadequate to keep the promises we made to take from Washington and give back to the taxpayers—a fatal flaw in this budget agreement and another brush-off to the working families we are supposed to represent.

In its analysis of the budget, the Heritage Foundation concluded that ''a credible plan to balance the Federal budget must result in a smaller Government that costs less and leaves much more money in the pockets of working Americans. The current budget deal not only fails these important tests, but in many cases would implement policies that are worse than taking no action at all.''

The medical profession is guided by the doctrine of ''First, do no harm.'' The American people should demand the same of their Government as it establishes the Nation's spending and tax priorities through the budget process. A budget that fails to meet even the most basic tests of honesty and common sense—and that may actually leave the Nation in a fiscal situation more perilous than the one we face today—is a budget the American taxpayers will not support. Congress and the President can, and must, do better.

In closing, let me add a final thought about this so-called balanced budget resolution.

As I stand here in this Chamber, on a day when I should be proudly telling the taxpayers of Minnesota that Congress has finally heard their pleas and produced an honest budget that reduces the size of government and offers meaningful tax relief, I am saddened and angry that I cannot.

The budget resolution passed by the Senate today is not the budget I was elected to carry out. It is not the budget a great many of my colleagues were elected to carry out. It is a budget built of concession, not of compromise, of illusion, not of reality, of whispers, not of boldness. It is a budget built like a house of cards, without a foundation, and held together by nothing but wishes and assumptions. This may be a so-called agreement between the Republicans and Democrats in Washington, but it is not the budget agreement we promised the taxpayers. It is a budget Congress hopes America will like. As you see more of the details, it will be one they don't. For this reason, it is a budget I deeply regret I cannot in good conscience support.

TRIBUTE TO JONNA LYNNE CULLEN

Mr. LOTT. Mr. President, this has been an extremely busy week for the Senate and a historic week, capped off by our work on the landmark budget resolution.

Before we finish today, and before Members return home to observe Memorial Day, I want to join my colleague, Senator COCHRAN, from Mississippi, and others who are interested in paying special tribute to a special lady. I thank my colleagues that do have time reserved to speak for giving us these few minutes to say to our good friend, and, in my case, a former colleague when I was a staff member, Jonna Lynne Cullen, and thank her for a lot of great memories and for a lot of great work and for all that she has done for our country.

I think it is appropriate that we do this at the end of this week when we have done something good for this country by passing a budget resolution that will, at last, ensure a balanced budget for the American people. It is appropriate because most of Jonna Lynne Cullen's life has been devoted to good things for her country.

She first came to Capitol Hill as a young woman. I got to know her in 1959 as a college freshman at the University of Mississippi. We were friends then. A few years later, then, in 1967, when she came to Capitol Hill, she went to work for the Rules Committee with the legendary chairman, William Colmer of Mississippi.

One year later, I joined the Congressman's staff as his administrative assistant, beginning a close working relationship with Jonna Lynne—or J.L., as we all affectionately call her—and that relationship grew as we worked on bills before the Rules Committee and we spent time in the presence of Chairman Colmer and as she worked in the Reagan administration. Through the years, our relationship and friendship has continued to grow.

Over the course of 30 years in the Nation's Capitol, J.L. has remained much as she was when we first met. Without dealing in stereotypes, it's true that she is very much a southern woman:

Gracious even in the face of rudeness, generous to a fault, ready to make others feel at ease and at home, tolerant of other's opinions but quite sure of her own, soft of heart and tough of spirit.

Last week, many Members of the House of Representatives took to the floor of the House to recount their own memories of J.L. And the recurrent theme of their recollections was how much she has helped them, in one way or another.

I remember when she worked on the Rules Committee staff. She would come back to the rail, and they would have a rule up, and she would not only watch the rule, but she worked with many of us who had various and sundry problems to try to help us get through a legislative problem or to deal with a family problem. She was sort of the mother hen in the House back in those days in the early 1970's. Senator COCHRAN and I enjoyed her friendship so much.

I can't think of a better tribute to any person than to be known by how much she helped others. And certainly that is true with J.L.

The reason she could help so many is because she really was so able. She is a master of the House rules. She not only knows every in and out of the legislative process, but she knows the people involved as well to help you get the results you are looking for. She has always had their trust, and her word was good. She has never been a part of the deplorable side of Washington that thrives on leaks or negative information or self-promotion. It is just not her style. Indeed, she represents an older tradition—maybe one she learned from Chairman Colmer in the behind-the-scenes service in which the good of the Congress and the good of the country that it leads to by its actions must come before any personal considerations, which helps to explain why she has friendships across the partisan aisle, too. She worked both sides of the aisle. She can fight someone on policy and yet respect them on principle. She has always been a winner who understands how to win the right way.

It was little wonder, then, that in January 1981 when President Ronald Reagan came into office, Jonna Lynne was asked to take charge of the Congressional Affairs Office at the Office of Management and Budget to work with then head of OMB, David Stockman, a Congressman from Michigan at that time.

That has always been an important job. But it was at a particularly critical juncture at that time, which was an extraordinary period of active legislative involvement by the President—changes in a number of laws, major tax cuts, some restraint on the budget—that really made a difference.

The President-elect and his inner circle knew they were facing a national crisis. At that time we had a sinking economy with worse ahead, raging inflation, regulatory strangulation, the Iranian hostage situation, a hollow military force, Soviet proxy aggression on three continents, and on Capitol Hill, deeply entrenched majorities from the other party with a minority in the House and the Senate—or in the House at least—of the President's party.

Today, we tend to forget just how bad things really were then or just how gloomy the future might have appeared to us at that time. The President-elect and most of his key aides were strangers to Capitol Hill. But OMB was to be the vanguard, the spearhead actually, of what we needed to accomplish. We had Jonna Lynne Cullen working at OMB, working with the House and with the Congress that she knew so well.

So to OMB she went working around the clock to help forge a governing coalition in the House.

In those days we couldn't get a majority on any vote if we didn't get around 50 Democrats. We had 180 or so Republicans—I think there were about 186—and in some instances every one of the Republicans and we had to get something over 50 Democrats to be able to win any votes. Time after time after time we won by one vote, two votes, six votes. It was scary. It was tedious. But Jonna Lynne was there helping us work both sides of the aisle to get the victories for the American people.

Much later, when the fruits of her labors came to harvest in the historic economic package that set the stage for the longest sustained economic recovery in our Nation's history, there were plenty of people around to take credit.

But Jonna Lynne is not that type. She continued to be the ultimate insider, shy of the news media but bold in her commitment to what will forever more be known as the Reagan revolution.

Even after she left the administration, she was always on call for a good cause. She handled congressional relations for Reagan's bipartisan commission on Central America— an interesting commission. Henry Kissinger was involved in that, Jack Kemp, and I think even Alan Greenspan—quite a group—Jonna Lynne, and Democrats and Republicans. They went to Central America and did a great job.

She helped develop a policy consensus that turned the tide against the Soviet and Cuban meddling in this hemisphere.

Devoted as she has always been in public service, J.L. has still a remarkable private life. Professionally, she has not only been a lobbyist but, as businesswoman, very successful with culinary skills that have led to the Pesto Plus line of food products.

Somehow she found time to paint along with her Pesto Plus products. Her botanical water colors outshine their real life subjects. With flowers, as with people, J.L. is able to look beneath the surface to bring out the hidden beauty.

It must be said that J.L. came up through the ranks of the congressional staff from the lowest entry level at a time when it was very difficult for women. Not all doors were open to them. But she opened them, not by confrontation or argument but by excellence and by hard work.

I doubt if she ever considered herself a pioneer, but, in fact, she has led the way for others, getting ahead the old-fashioned way—with strength of conviction and hard work.

Characteristically, she has translated her commitment in that area to the advancement of women in Government, and especially within the Republican Party, into positive action. She has pulled together women Members of Congress, of the media, and others to better understand and assist one another.

Of course, bringing people together like that and finding common ground on which to make progress has always been J.L.'s trademark.

A few years ago, when many of us joined together to help celebrate a milestone birthday for J.L., the walls were decorated with large blowups of photos from her childhood days and her days in college. I remembered some of them, actually. Needless to say, there had been certain changes along the way. But you could see the same openness, frankness, and sparkle, and the same zest for life in Jonna Lynne every day as in those childhood days and those pictures, too.

When illness struck J.L. several years ago, she turned even that into an opportunity for service. She gave her time and energy to fighting against cancer while waging her own individual battle in that regard. According to Senate procedure, we are not supposed to address individuals here on the Senate floor but, Mr. President, if Jonna Lynne were here with us, I would tell her what all of her many friends are trying to tell her in many different ways, and that is simply this: Thank you, J.L., for all that you have done for us and for our country. And though you are not with us in the Capitol, you will always be in our hearts.

God bless you and thank you.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I congratulate and commend my friend and colleague from Mississippi for his wonderfully eloquent statement, and for taking time, today, to pay tribute to a very special friend. Twenty-five years ago, Jonna Lynne Cullen came to my office in Jackson, MS, to congratulate me on my election to the Congress. She and my wife, Rose, along with my distinguished colleague the majority leader, were classmates at the University of Mississippi just 13 years before that. She told me, when she came to the office, all about the process of organizing the House of Representatives and offered to assist me and my staff as I began my job as the new U.S. Congressman from the Fourth Congressional District of Mississippi. Her advice and counsel to me were very helpful, and I

gained more respect for her, for her insight and her knowledge, as time went on.

As a member of the staff of the House Rules Committee, she was where the action was. She was where you knew what legislation was coming up and what the process was. And she was a great source of information and encouragement for me, as someone who had never worked as a member of the staff or had been closely involved in the workings of the Congress before my election in 1972.

Her appreciation of the Congress was contagious, and so was her enthusiasm. Everyone I knew liked her. In time, her capabilities and dedication were rewarded with an offer to work at the White House. At the Office of Management and Budget, she helped guide to passage some of the most important budget reforms ever adopted. During her career as a member of the staff of the House, and in the Executive Office of the President, she was one of the most dependable, conscientious, and effective employees who has ever worked at either place.

Since then, she has been involved in a wide range of activities, most of which have been related to business or Government. She began her own business, J.L. Gourmand, Inc., to manufacture and market her Pesto Plus products. She organized women's groups to support other entrepreneurs and professional women here and around the world. She traveled to other countries to help explain to those with new democracies how best to guarantee the blessings of self-government. And she developed her considerable talent with water colors as a painter of flowers, which are collected and appreciated throughout the National Capital area and in the houses of her friends and admirers all across the country. And that is a lot of houses, because she has many friends and admirers.

All of her friends, and I am so pleased and privileged to have been one of her close friends for the past 25 years, wish we could see a modern miracle make her well because nobody could be a better or more unselfish friend than Jonna Lynne Cullen.

With our good wishes we also send to her our thanks for all she has done and all she has given to make the Congress and the country so much better off, because of her good work and her well-lived life.

Ms. SNOWE. Mr. President, I rise to join with the majority leader in paying tribute to an extraordinary woman, J.L. Cullen.

It would be accurate to say that J.L. worked for the House Rules Committee, but that wouldn't begin to capture the spirit of this wonderful person. Yes, she was an outstanding and dedicated staffer, but for those of us who have served in the House—especially women—she was so much more. She was our friend.

From my first days in the House I was privileged to know J.L. and our relationship grew from there. Her wonderful sense of humor, her warmth and her intellect made an impression on all of us, as our distinguished majority leader can attest from his days in the House.

As an unofficial morale officer, J.L. brought together women of the House of Representatives, on a number of occasions hosting my female colleagues and me for dinner at her home. I will always fondly remember dinners with J.L., NANCY JOHNSON, and Lynn Martin—for both the company and the cooking! J.L. knew her way around a kitchen as well as she knew her way around House procedure, and in fact ultimately opened up her own business selling pesto.

No matter what she did, J.L. was always gracious, always hospitable. And in the House, she quietly but effectively fostered unity and camaraderie among Members. She was there through dark days as well as the bright ones, and she was a tremendous resource for us.

When I last had the pleasure of seeing J.L. at a reception recently, despite her illness, she greeted me with her usual good cheer and humor. She is truly a remarkable person and the way in which she has handled her illness with strength and dignity is inspirational to me. J.L. is one of those rare people who lends perspective to what we do here in Washington and brings into sharp focus the things that are truly important in life.

I hope J.L. is watching us today, to see and hear our comments, Mr. President. Because I want her to know how deeply she has touched the lives of those with whom she worked. J.L. may not be a Member of Congress, but she is as much a credit to this institution as any of its finest elected officials. And she is as much a part of this Congress as any one of us who are Members.

So often, one hears of the unelected staff. For so many, they are the nameless faceless people who work in the shadow of the dome—out of the glare of public attention usually reserved for those elected to the House or Senate. J.L. Cullen is among the finest of those people. Uninterested in the spotlight, she measures her contributions solely by the lives she touches or the results she achieves.

But today, I want the public to know her name. I want them to know that she is a person without whom the people's business—the work of this institution, indeed the work of this Nation—would not have been done. And I want America to know that she has been a public servant in the very finest sense of the word.

J.L., if you're watching, please know that you are in my heart and in my prayers. You helped make this native-born Mainer feel at home in Washington, you helped me to do my job better, and you helped me to laugh along the way, too. I will forever cherish your caring and friendship, and remember your exemplary service to Congress and the Nation.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I am recognized for 20 minutes, is that correct?

The PRESIDING OFFICER. Under the previous order, that's correct.

Mr. DORGAN. Mr. President, I listened to my colleagues describe Jonna Lynne Cullen, and while I did not and do not know her, the description given by my two colleagues makes me, and I am sure other colleagues here in the Congress, wish we knew her. She is undoubtedly like friends that all of us have around this country, who represent the very small part of our population that gets involved and makes things happen, and truly demonstrate what good citizenship is all about.

So, while I don't know Jonna Lynne Cullen, I commend my two colleagues from Mississippi. I also wish her well because she represents what is best of America.

THE DISASTER IN NORTH DAKOTA

Mr. DORGAN. Mr. President, I want to speak just for a moment about what is happening in North Dakota, my home State, the disaster that occurred there and my disappointment, my profound disappointment that it appears that Congress will leave for the Memorial Day recess without having addressed that issue.

First, a number of us think there are important things we do from time to time. Today was important for a couple of reasons. My daughter Haley, age 7, last evening, when I arrived home at 10 o'clock, because the Congress is going late every day, asked me if I was going to be able to come to her second grade puppet show this morning. And I said of course, I wouldn't miss her second grade puppet show, because she has been talking about it for a month. So I missed the first votes this morning to go to my daughter's puppet show. While I regret I missed votes, I think I did what was most important.

Some of these choices that we make about what we must do to meet certain obligations sometimes are difficult—that is not a difficult one—because the schedule here in the Senate is kind of a difficult schedule. As the presiding officer knows, the difficulty in balancing our obligations sometimes presents significant obstacles for us. Almost every night this week we have worked very late. I have been a conferee on the supplemental appropriations bill as a Member of the Senate Appropriations Committee. We have been working day after day on that piece of legislation. We have also been working on the budget agreement.

While one of the important things I did this morning was to attend a second grade puppet show for a young girl I am enormously proud of, another important thing I did today was to cast a vote in support of a budget proposal that I think is important for this country. I have cast previous votes just like

that. In 1993 I cast a vote for a budget agreement that was a tough vote. It only prevailed by one vote; one vote. The Vice President had to come to this Chamber and cast the tie-breaking vote, the deciding vote. It cut spending, increased some taxes, and people said, ''If you do it, you are going to cause a depression in this country and put this country in a tailspin.''

We said, I said, the President said, and those of us who voted for it said: It is important for us to do what's necessary to get this Federal deficit under control, and if the medicine is tough medicine, so be it. We are willing to support it. I voted for it and I am glad I did.

Since that time, since 1993, we have had steady economic growth. We have had lower inflation—down, down, and down for 4 years; unemployment has dropped, down, down, and down for 4 years. We have an economy that is in good shape—low unemployment, low inflation, good economic growth, and the Federal deficits have come down 75-percent since 1993. There has been a 75-percent reduction in the Federal deficit because, in 1993, we did what was the right thing to do.

My political party paid an awful price for that, as a matter of fact. Some of my colleagues who were willing to vote for that are not in this Chamber any longer. But it was the right thing to do. And now the Congress takes the second step. This one, I am pleased to say, is bipartisan. The previous one, we did not get any votes from that side of the aisle—not one. And we prevailed by one vote. Today, I am pleased to say—and I hope the American people feel some comfort—that it is a bipartisan effort. The second step is bipartisan and that makes a great deal more sense in our country, for us to be working together. Instead of trying to figure out how do you get the worst of each, maybe we ought to spend time trying to figure out how to get the best of both: How do you work together, not how do you fight each other. And this budget agreement is an agreement hammered out by the White House and by Republican and Democratic leaders in the Congress.

Is it perfect? No. Would I have done it differently, had I written it myself? Yes. Is there more to do? Sure. But is it the right thing for this country, to be saying to the American people on a bipartisan basis that fiscal responsibility is important; that your comfort about the future of this country can increase because the Congress is not going to continue to spend money it doesn't have on things it doesn't need; is not going to continue to charge what it now consumes to our kids and grandkids? That is important. And that is the second thing I did today that was important. And I am pleased I cast that vote and I expect I will remain satisfied over the years that I was a part of that effort.

But not every day has moments that are satisfying. We each make of our individual days what we choose to make of them. You can get up and have a bad attitude and be in a bad mood all day long, if you like. The one thing we are in charge of is our attitude. You can decide you are going to make something of yourself, do something good for the country; you are going to do something worthwhile for your families. Well, all of us have different ways of dealing with the days. I mentioned a couple of ways that satisfy me today, a second grade puppet show and a budget deal that I think makes sense for this country.

Let me also, if I might, describe something that causes me enormous heartache today. I have worked for weeks with colleagues here in the Senate on a disaster appropriations bill. My colleagues in the Senate, from Senator STEVENS, the chairman of that committee, to Senator BYRD, the ranking member of the committee, and so many others on the Senate Appropriations Committee have done a remarkable job, a wonderful job of creating a disaster bill that says to the people who suffer in our region of the country: We want to help you. You are not alone.

We worked day and night and one would have hoped that a bill providing disaster relief would have been enacted before the Congress takes a recess for Memorial Day. But, guess what, last evening we were told that the other body had decided it cannot provide a disaster relief bill. All of the provisions of the disaster relief in the supplemental appropriations bill are largely agreed to. They are not in controversy. There is no disagreement. So the money is agreed to. Yet, this bill that contains other issues, some of them totally unrelated to the disaster, and some of them very controversial—those are the provisions, incidentally, that have held up the bill and derailed the bill—we are told, because of those other provisions, it cannot be done. The House of Representatives, the other body, says it just will not do it.

Let me tell you why this is important and why I think it is an enormous setback for the people who are out there, waiting for disaster aid. If some do not now know, and I expect all Americans do, having watched television, about what my constituents have faced, and the constituents in Minnesota and South Dakota have faced, let me describe it again briefly: 3 years worth of snow in 3 months in North Dakota, seven to eight major blizzards closing down virtually all of the roads in the State. The last blizzard put nearly 2 feet of snow across the State of North Dakota; tens of thousands, over 100,000 head of livestock dead, 1.7 million acres of farmland inundated by water; a river not 100 yards wide becomes a lake 150 miles by 20 and 30 miles.

As that river is channeled through our cities, it reaches Grand Forks, ND, and East Grand Forks, MN, and it reaches a record level never before reached on the Red River in those two cities. And then the dike breaks in the middle of the night and the dike begins failing all across the town and the residents of East Grand Forks, MN, and Grand Forks, ND, had to flee for their lives. Many of them rushed down the street to get on a National Guard truck, with only the clothes on their back, having left everything behind in their homes. They have left their vehicles. They have left all their personal goods, and they get on a truck, or some other device, and they flee the community. In East Grand Forks, MN, 9,000 people were evacuated. The entire town was evacuated. In Grand Forks, ND, 50,000 population, 90 percent of the town evacuated.

When you tour the town next, a day or two after the dike broke, you tour it with a Coast Guard boat and the cars that were on Main Street could not be seen because the water was well above the level of those automobiles. There was nobody in town of a town of 50,000 people or a town of 9,000 people—totally evacuated.

Then a fire starts and destroys parts of several downtown blocks. One entire block is devastated, 11 major buildings in the historic district of downtown Grand Forks are destroyed and firefighters, fighting a fire chest-deep in ice cold water, suffering hypothermia, were fighting a fire in a flood, trying to get in front of a fire that destroyed part of the downtown of a city. Meantime, 4,000 people are out in an aircraft hangar at the Grand Forks Air Force Base leaving their homes now to sleep on a cot.

So we went to the Air Force base. Vice President GORE came to North Dakota. President Clinton came to North Dakota. And you see men and women and families, children out in these airplane hangars sleeping on cots, living in hangars because there was nowhere to go.

Today, weeks later, there are somewhere between 10,000 and 15,000 people in Grand Forks, ND, and East Grand Forks, MN, who are not yet back in their homes. So this morning, they woke up in a strange place. Tonight, they will go to bed in a strange place, and what of Members of Congress? They recessed for Memorial Day. It was time to go home. Oh, they had some unfinished business. One piece of unfinished business was to say to the people in Grand Forks and East Grand Forks and people in South Dakota and Minnesota that ''you are not alone; here is a helping hand.'' We just passed a disaster bill, but the people in the other body didn't have time for that. Do you know why they didn't have time for it? They said to us yesterday, ''If we had taken the disaster portions out of the supplemental appropriations bill and passed them alone, we would have lost our leverage.''

What kind of leverage is it that they are talking about, do you think? The leverage to pass an amendment that they have stuck on that bill which has

nothing to do with the disaster. It has to do with Government shutdowns—very controversial amendment—and has no relationship to a disaster bill. But they stuck it on there knowing they could hold hostage thousands of victims of these floods, and that is exactly what happened.

We have come to the end of this week, and the other body decided it doesn't have time; they were unwilling to pass a disaster bill.

I have been around this institution for some long while, first in the House of Representatives and now in the Senate. There is not a precedent for this. Nowhere that I know of is there a precedent for a disaster bill, when people have suffered in a region of this country, for someone else to say, ''Oh, by the way, I know this is a disaster, so I am going to stick this on my agenda, and either you pass it that way or it doesn't get passed.'' At no time that I know of has someone in Congress said to those who suffered earthquakes in California or floods along the Mississippi in 1993 or tornadoes or fires, never have I heard the Congress say, ''And, by the way, yes, we're in the business of disaster relief, but we want to stick extraneous amendments on which are controversial, and we are willing to play with the threat of a veto by a President because we're not so concerned about the victims of a disaster.''

Some have said, ''Well, it's not urgent; it can wait a couple of weeks.'' Let me describe for my colleagues why it is urgent and why what the House has done, if it continues to do it—and it looks like it will—why it is significant to the people of our region.

The money in this bill, $500 million for Community Development Block Grants, which is the most flexible money available to help rebuild and recover, cannot be made available, cannot be obligated and cannot be committed by these cities to say to those folks who lost everything, and lost their homes especially, that ''here is our new floodplain, here is where we are going to buy out the homes, here is a commitment we will buy out your home, and now you can start building anew.'' This delays that. It delays recovery. It delays rebuilding. It delays repair. And delay is critical in our part of the country.

We have a very short construction season. This 2-week delay, 4-week delay, or 6-week delay, whatever it turns out to be, is a devastating delay to people who are not in their homes and who are awaiting answers from local officials about what will happen to the home that is already destroyed.

So, Mr. President, there is no excuse for what has happened. I want to make it clear that the Senate Appropriations Committee created a disaster portion of this bill that is a wonderful, wonderful response to the people of our region.

I commend Senator STEVENS and Senator BYRD and all of the people who worked together to do that. That is not where the problem is. They are to be complimented. The problem exists because we had some folks on the other side of the Capitol who said, ''We don't care. We're leaving. We've got a plane ticket and a ride out of town.''

I ask those who are now on their way, if they have the time in the next week when the Congress is on recess, to stop by Grand Forks, ND. I just finished talking to the mayor. There is a line of people outside the civic center, and every single one of them is asking, ''What is happening to the funding? Do you have the ability to commit so we know if there is going to be a buyout of our house? Do you have some commitment to rebuild?'' Every one of them is asking, ''When will we know?''

To those who believe it is important to go on recess and ignore the needs of people in a disaster, I say, ''Stop by Grand Forks and explain to those folks why that was their priority.''

This disaster portion of this bill is a good portion of the bill. The Senator from Washington is here. He serves on the Senate Appropriations Committee with me. All of it with respect to disaster is now agreed to—all of it. I compliment every member of that committee because they have done a wonderful job. It simply could have been lifted out and passed so at least the disaster portion is available, because we did it and did it right. Republicans and Democrats working together did it right.

But what happened was, last evening, some folks on the other side said, ''We're sorry, we're just not going to do that, we're going home.'' And if I sound a little angry—I guess that is probably an appropriate word to describe it. I don't think that I ought to stand here and say, ''Well, that's the way the system works.'' I represent thousands of people who don't have a home, thousands of people who don't have much hope, thousands of people who are asking for help. And I think it is unconscionable that anyone on that side of the Capitol believes it is appropriate to leave those people high and dry without an answer, without hope, and without help.

Oh, yes, it is going to come, and when it comes, I am going to be thankful that it is there. But, between now and then, it is delayed—delay of recovery, delay of rebuilding and delay of providing hope that we should well provide to the people of that region. There hasn't been one instance since I have been in Congress that I have not been the first to say, ''Sign me up'' when there is an earthquake in California that devastates that region. I say it is our job, yes, our job as North Dakota taxpayers to say to them, ''We want to help you.''

The same is true of every region of the country that has suffered disaster. It is important for us to reach out and help, and it is especially important now when we need help for the rest of the country to do that. The Senate Appropriations Committee was prepared to do it and had written a piece to do it. Regrettably, it is Friday afternoon, and it now looks like there will be a recess without disaster aid going to people who will not be sleeping in their bed—not a hundred of them, not a thousand of them, but thousands and thousands—who the mayors of these cities say await word of when this help is coming.

I don't know if there is going to be other news today on this subject, but I hope some way is found and that this will not be the final message as this Congress leaves for the Memorial Day recess. If it is, I pledge to be on the floor the first time this Congress reconvenes to say to my colleagues that now is the time to at least pass the disaster portion of this bill.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mr. LEVIN. I wonder if the Senator from Washington will yield for an inquiry as to how long he expects to be.

Mr. GORTON. The Senator from Washington will take somewhere between 10 and 15 minutes.

Mr. LEVIN. I thank the Senator.

BUDGET RESOLUTION

Mr. GORTON. Mr. President, the budget resolution which has just been adopted by this body is a remarkable achievement. It is a remarkable achievement partly because, for the first time in decades, it was adopted by a large bipartisan majority rather than as a simple partisan document. It is a remarkable achievement as well, I believe, because each of the 78 Members of this body who voted for it did so with serious reservations about substantial portions of that budget resolution. Yes, it meets the primary objective of the President and of the vast majority of Members in Congress in that it establishes policies under which the budget will, in fact, come into balance shortly after the turn of the century.

Yes, it does, in fact, limit spending and the growth of Government to a slower rate at least than would take place were we on automatic pilot.

Yes, it meets some but by no means all of the President's priorities as he outlined them in his State of the Union Address.

And, yes, it provides very real tax relief for the American people, most particularly for working American parents and their children. But those of us for whom tax relief was a major goal are unhappy because it is insufficient and because there are too many new spending programs, and those relatively indifferent to tax relief but in favor of all of the President's priorities, and more, are unhappy because there is not enough spending included in this resolution.

In the long run, however, Mr. President, I believe that it represents a triumph, or rather the culmination of a set of conflicting ideas which somehow

or another have joined together to make a real success.

In 1993, along with every one of my colleagues on this side of the aisle, I opposed President Clinton's first budget in the firm belief that it would result in harm to our economy. Now, in a very real sense, we were wrong. For a group of reasons, the budget deficit did, indeed, decline and economic opportunity did, indeed, increase.

In 1995, as a part of a majority, we proposed a dramatic change in direction, a real balanced budget for the first time, genuine tax relief for the first time and major reforms in entitlement programs designed not only to help the taxpayers' pocket, but to save the future of Medicaid and of Medicare.

That resolution never became law because of the President's veto, but it did have one tremendously positive impact. For the first time, the President and a majority of his party dedicated themselves actually to balancing the budget. During the entire year during which that 1995 budget was debated, interest rates declined, it became easier and easier for the people of the United States to purchase homes, purchase automobiles, start new businesses, provide job opportunities. Only when the promise began to fail did interest rates, once again, increase.

The promise was renewed early this year, and a few short weeks ago met fruition in an agreement between the Republican leadership of both Houses and the President of the United States.

Since even the commitment to a balanced budget paid dramatic dividends in increased economic opportunity, lower unemployment and lower interest rates, the accomplishment of a balanced budget, I am convinced, Mr. President, will bring even more rewards to the American people in lower interest rates and greater opportunity, and for the first time in decades meeting our responsibility not to spend money today while sending the bills to our children and to our grandchildren.

I am convinced, in spite of my own disagreement with some of the policies in this proposal, that it will have nothing but good results with respect to the economy of the United States. Yet, Mr. President, I am convinced there are still very real troubles ahead, very real rough spots in the road.

I note that while only eight Members of the Democratic Party voted against the budget resolution, the vast majority of them voted for amendment after amendment during the course of the last 3 days that would have increased taxes and increased spending, by my own total for the amendments, by $88 billion in higher taxes and almost that amount in greater spending—direct violations of the agreement that they and the President have made with the Republican leadership.

As a consequence, I am convinced that it is important for all of us on both sides of the aisle to remember that we made a commitment to the American people in this agreement, one that was almost instantly approved by the vast majority of our citizens, and keep not just those parts of the agreement with which we agree, but those with which we disagree.

I am the chairman, Mr. President, of a subcommittee of the Appropriations Committee. The agreement includes a number of Presidential priorities that can only be funded through my subcommittee. Several of those priorities are ones with which I disagree. I think the money could be spent elsewhere better. But I do feel committed to keep those unpleasant parts of the agreement in order to reach the overall more important goals that are a part of a historic budget resolution.

So, in one sense, Mr. President, the vote a few hours ago was the culmination of a process and of a debate which has lasted for many, many years. In another sense, it is only the beginning. And unless it is taken seriously by those who support it, we still face the prospect of failing.

I am an optimist. I think that this is a new beginning, more than an ending to a long period of arid political exchanges. I look forward to working with all of my colleagues in order to make it happen.

(The remarks of Mr. GORTON pertaining to the submission of Senate Concurrent Resolution 29 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER (Mr. GRAMS). The Senator from South Carolina.

(The remarks of Mr. THURMOND pertaining to the introduction of S. 813 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. THURMOND. Mr. President, I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

RECORD SENATE SERVICE

Mr. DASCHLE. Mr. President, I commend the President pro tempore, the distinguished Senator from South Carolina, [Mr. THURMOND]. As we will note when we come back, the distinguished Senator from South Carolina will mark a very important day on Sunday. That day will represent the first day he will have exceeded the time that anyone has had the good fortune to serve in the Senate. He will go down in history as having served longer than any other Senator, Democratic or Republican or, for that matter, any other party that has existed in our Nation's 220-year past. I congratulate and commend him. I look forward to having more of an opportunity when we return to call attention to his remarkable record and the success he has enjoyed. It has been my good fortune to work with him. While we differ on many issues, I certainly admire the extraordinary service he has provided this country. I congratulate him and his family on this remarkable achievement this weekend.

MARY NIEDRINGHAUS: BRANDON VALLEY TEACHER OF THE YEAR

Mr. DASCHLE. Mr. President, it is my privilege today to honor Mary Niedringhaus of Brandon Valley, SD. Mary has been selected as Teacher of the Year in the Brandon Valley School District in recognition of two decades of outstanding teaching, guidance, and care that she has given the children of the community. I can think of few individuals more deserving of this prestigious award.

A fifth grade teacher at Brandon Elementary, Mary's gift is her ability to recognize and meet the needs of each of her students. She conveys an excitement for learning that her students find infectious. Whether bright or struggling, students excel in Mary's class because she genuinely believes in each of them and draws out their best efforts. After hearing Mary's lesson on importance of ladybugs to people, one little girl was so excited that later in the day she rushed to Mary and presented her with a ladybug. As she explained breathlessly, she had just rescued it from being flushed down the toilet in the girls' bathroom.

Mary holds herself and her students to the highest standards. Parents in Brandon seek to place their children in her classroom because they know that she will give them the finest education possible. Once, when planning a unit on South Dakota history for her students, Mary discovered that no good textbooks existed on the subject for grade school students. Undaunted, she developed her own curriculum based on materials she gathered on her own. Mary's curriculum is now the model used by all teachers in the Brandon Valley school district.

No remarks about Mary would be complete without mention of the deep empathy she has for others. Brandon Elementary School Principal Marv Sharkey noted that Mary, "has the knack of making parents feel like their child is the best kid in the world." Mary genuinely loves her students; I believe that this is the true source of her success as a teacher.

Finally, it seems that Mary has done as a good of job raising her children as she has teaching her students. Her daughter, Nancy Erickson, is a longtime, invaluable senior member of my staff. Mary should be deeply proud of her.

Mr. President, I commend Mary Niedringhaus for her exceptional work. Along with other district winners, she

will now be considered at the State level for the South Dakota Teacher of the Year award. I wish her the best of luck as this process continues.

SUPPLEMENTAL APPROPRIATIONS

Mr. DASCHLE. Mr. President, I was not able to come to the floor as the Senator from North Dakota was expressing himself with regard to the disaster, and I know that the Presiding Officer, the Senator from Minnesota, [Mr. GRAMS], has worked long and hard to work with all of us as we have made the effort to address the extraordinary concerns, the extraordinary difficulties, and the extraordinary pain that people in Minnesota and the Dakotas have faced now for the better part of 6 months. First, the harsh winter months, cold and snow and ice in many cases precluded farmers from feeding their livestock, and in many cases caused the death of hundreds of thousands of livestock, only to be followed by floods and other spring disasters that have left many thousands of people homeless in all three States.

After visits which the President, the Vice President, the Speaker, the House majority leader and others, there was a national commitment to address this problem and to find ways in which to help these people as quickly as we possibly could. There were editorials written about the great bipartisan effort that was made in order to do all we could to address the matter in an expeditious and comprehensive manner.

I am very saddened by what has happened in the last 48 hours. I am troubled by the fact that there are those who still wish to use the effort to provide this assistance to people who need it so badly as the vehicle for an agenda that has nothing to do with the disaster, as a vehicle to address other needs, other concerns that may or may not be legitimate but have absolutely no reason for being associated with this bill, have absolutely no reason for being attached to this legislation.

I am troubled that anybody would use the kind of cynical approach to hinder our efforts to find ways with which to address this problem as quickly and as seriously as we possibly could. We have no business leaving the Senate and leaving the House under these circumstances.

I give great credit to the majority leader as he comes to the floor, because I do believe he made every effort to try to address this problem as successfully as he could. I know he has attempted to find ways in which to extract those problematic provisions from the bill. I know of his efforts yesterday. I am very disappointed that even with his efforts we failed. I also applaud the distinguished chairman of the Appropriations Committee. Senator STEVENS has done great work in attempting to find ways with which to address this problem.

So I must say, Mr. President, on a bipartisan basis I believe our body has done a great deal in attempting to avert the extraordinary calamitous circumstances that we are facing right now. It is going to be very difficult to go home, as I will, to speak to the people of Watertown, SD, not only on Memorial Day but at their high school commencement this year and explain what happened, explain why this Congress has left town without completing its work on this very important matter.

Mr. President, there are no words to describe how badly some of us feel, how frustrated, exasperated, and angered we are at these circumstances. We can only hope that upon our return, these political games and these ploys that have nothing to do with this legislation can be averted and we can deal with them far more effectively and address it in a comprehensive way. At that time, we will still, as late as it will be, give people hope that we understand their pain, that we understand their circumstance, and that we will respond as we best know how to do. It is only that hope that allows me with a very heavy heart to leave this town with our work incomplete.

Mr. President, I hope all of us will redouble our efforts as soon as we return. Let us get the job done. Let us do it right. Let us do it understanding completely how difficult a circumstance people in our States and States around the country must now face.

I yield the floor.

Mr. LOTT. Mr. President, I do have some unanimous-consent requests to make and an Executive Calendar list. First I want to say to the distinguished Democratic leader I understand his feelings and appreciate his comments. We did work to try to get through all the legislative hurdles in moving the supplemental and resolving the problems attached to it. We ran into some procedural limitations there at the end that made it impossible for us to complete it, but we need to get it done. We are going to get it done. We are going to make sure the people of the States that have had disasters are going to get the aid they need.

I have already sent a letter urging everything be done to make sure the funds continue to flow through FEMA and any other agency that has a role in providing disaster assistance, whether it is in South Dakota, North Dakota, Kentucky, or Minnesota.

When we come back, it is going to be one of the two first orders of priority. One, we have to do the budget conference report, which I think will be done very quickly, and then we can really focus on getting the supplemental completed and resolving some of the issues that are critical issues attached to it so that we can come up with a solution everybody can live with on the census question and address the roads problem and also find a way to deal with avoiding Government shutdowns in the future.

I think we can do all of those once we make up our minds to focus on it and get our minds committed to working on that effort.

EXPLANATION OF SELECTED VOTES TO THE SENATE BUDGET RESOLUTION

Mr. ABRAHAM. Mr. President, now that the budget resolution has been adopted, I wanted to take a few moments to discuss several of the more important votes that took place.

The first of these was the Hatch-Kennedy amendment. This amendment was characterized as an effort to raise cigarette excise taxes in order to provide health care for low- and moderate-income children. I take exception to that description. There was nothing in the Hatch-Kennedy amendment to ensure that the new taxes would be imposed upon cigarettes or that the additional revenues would be spent on children's health. The net effect of this amendment would have been to raise taxes by $30 billion and spending by $20 billion, period. I have several reasons for opposing an amendment of this sort.

First, I am not opposed to taxing cigarettes in order to either reduce taxes elsewhere or fund important programs, and this vote should not be interpreted as such. The net effect of this amendment, however, would be to reduce the net tax cut contained within this resolution—tax cuts targeted at families, education, and pro-growth policies—by $30 billion. The tax cut contained in this resolution is already less than 1 percent of the total Federal tax burden over the next 5 years, barely adequate to provided badly needed tax relief to families and small businesses. I believe that level is already too low, and I certainly do not support making it smaller.

Furthermore, nothing prevents Senator HATCH, as a member of the Finance Committee, from offering his proposal as part of the reconciliation process. An amendment offered in the Finance Committee to increase tobacco taxes in order to provide additional Medicaid funding for children's health insurance would be in order. I might support it. The amendment considered by the Senate Wednesday, however, does nothing to further the prospects of such an effort.

On the other hand, this amendment does expand the reconciliation instructions of the Labor Committee, where Senator KENNEDY is the ranking member. This amendment would provide the Finance Committee an additional $2 billion and the Committee on Labor a whopping $18 billion. Not withstanding the debate over taxes or children's health, there is no disagreement that both these issues belong in the Finance Committee—not Labor. The construction of this amendment appears motivated more by the jurisdictional concerns of Senator KENNEDY than a concern for children's health.

Finally, Mr. President, this amendment ignores the $16 billion already

provided by the resolution for children's health insurance. Neither Senator KENNEDY nor Senator HATCH adequately explained why it was necessary to spend $36 billion for a problem the President had agreed could be addressed with $16 billion or why undermining an agreement that already addresses this problem is superior to working through the usual committee process. As was made clear during the debate, the $16 billion provided by the budget is more than enough to provide children's health insurance as requested by the President.

In summary, Mr. President, this amendment does nothing to further the cause of providing health care to America's children. It reduces the tax cuts for families and small businesses by 35 percent, it does nothing to assist the Finance Committee in its work to address this issue, and it endangers the $16 billion already provided for children's health.

I would also take this opportunity to speak about the Gramm amendment to reduce discretionary spending by $76 billion and increase the net tax cut in the resolution by a like amount. Mr. President, the Federal deficit this year will be below $70 billion for the first time in almost 20 years, largely because Congress over the past 2 years held the line on Government spending and taxation. We resisted efforts to raise spending above reasonable levels and we opposed efforts to raise the already record tax burden on American families. And while I intend to support this resolution because I believe, on balance, that it will result in a smaller, more efficient Government, I am concerned that the spending proposed by this agreement is too high, and that it plants the seeds for ever-expanding Government down the road.

How much spending does this resolution contain? For discretionary spending, this resolution spends $212 billion more than the 1995 budget resolution, $189 billion more than last year's budget resolution, $75 billion more than the moderate group's budget alternative last year, and just $16 billion less than the President's budget this year—without the triggered cuts he proposed to ensure his budget gets to balance. With regard to the Gramm amendment, the underlying resolution spends $76 billion more than the President proposed just last year. Hence, the Gramm amendment to reduce overall spending levels by $76 billion and to target that savings toward tax reduction.

Mr. President, last Congress I collaborated with a group of Senators and Representatives to make the Federal more efficient by eliminating wasteful programs and consolidating duplicative agencies. In our work, we proposed to eliminate three Cabinet-level agencies—HUD, Commerce, and Energy. Moreover, we advocated targeting both spending and tax provisions which provided unwarranted benefits to corporations, so-called corporate welfare. The point of this effort, Mr. President, was to make the Federal bureaucracy more rational and efficient and to reduce the burden of government on Americans.

Mr. President, I believe the Gramm amendment is in line with our on-going efforts to streamline the Government and make it more responsive to Americans. The discretionary spending levels it provides—the same spending levels as supported by the President last year—are sufficient to increase funding for important programs like health research, transportation infrastructure, and insuring children while forcing Congress to turn a critical eye towards the waste and inefficiency prevalent in the Federal bureaucracy. Through my work at eliminating wasteful Government agencies, I am convinced that we can save $76 billion over 5 years by targeting corporate welfare without harming important Federal programs.

Just as important, the Gramm amendment provides significant tax relief for American families and businesses. As I said previously, the tax relief contained in the underlying budget resolution is less than 1 percent of the total Federal tax burden over the next 5 years. It is barely sufficient to provide families with a pared-down $500-per-child tax credit, a reduction on the capital gains tax rate, estate tax reform, and an expansion of IRA's.

Mr. President, the tax burden is at its highest level in American history, with the typical American family paying almost 40 percent of their income to State, local and Federal governments—more than they spend on food, clothing, and housing combined. With the Gramm amendment, the tax relief contained in this resolution would still be modest—less than 2 percent of the total tax burden—but it would allow us to fully fund the $500-per-child tax credit, cut the capital gains rate in half, provide relief from the onerous estate tax, and expand eligibility for IRA's. These are important reforms that I have been working on for my entire tenure in the Senate, and I will continue to work to provide meaningful tax relief to American families beyond the tax cuts included in this resolution.

I yield the floor.

CONCURRENT RESOLUTION ON THE BUDGET

Mr. MOYNIHAN. Mr. President, as we were voting on various matters this morning, leading to passage of the concurrent resolution on the budget for the fiscal year 1998, which I voted against, I found myself musing of the very different time just 4 years ago when a starkly divided Senate passed a far more stentorian measure than that before us today. In an interval between votes, I wrote to the members of the Finance Committee of that time:

> As we close out this embarrassing budget season, cutting taxes, increasing some spending, promising a balanced budget somewhere in the next century, it might restore a measure of self respect to recollect a not distant time when we knew better and did differently.
>
> 1993. Democrats had won the Presidency and held the Congress. The world was tranquil enough, but our finances were seemingly a wreck. In the twelve previous years the debt had quadrupled and there was no money for anything. On another occasion we can discuss how this came about: I am concerned here with what we did. The Finance Committee (with some help from others) put together and passed, in committee, on the floor, the largest package of tax increases and spending cuts in history. Our purpose was direct and avowed. To show we could govern. The more conservative our critics, the more apocalyptic the pronouncements. Ruin all round was surely at hand.
>
> In the event, we succeeded beyond imagining. The latest Monthly Treasury Statement shows a booming economy throwing off unexampled revenue. (Recall, a fortnight ago the Congressional Budget Office discovered an additional $225 billion in anticipated revenues for the next five years. Fortuitous, perhaps, but not fake.) A nice detail? Last month the Treasury paid off $65 billion in debt, the largest repayment ever.
>
> It was all done by the narrowest of margins. Bob Kerrey at the very last moment—he had wanted an even sterner measure. But we did do it. I would like to think it will not now be undone. This is not yet clear.

The contrast between the Omnibus Budget Reconciliation Act of 1993 and this legislation is illuminated by an important article that appeared in yesterday's Wall Street Journal under this headline:

> TAX ON WEALTHY IS BOOSTING U.S. REVENUE
> TREASURY SAYS 1993 INCREASE IS HELPING CUT THE DEFICIT

The article, by Michael M. Phillips, reports that the cataclysmic predictions of so many Republicans about the economic effects of the 1993 legislation have not been borne out. To the contrary, as a result of the 1993 act, the deficit as a percentage of GDP is at its lowest level in a quarter century, and the expansion is in its 74th month, with full unemployment and little or no inflation. The Treasury is awash with revenue. As Mr. Phillips writes:

> The inflow provides persuasive, if not conclusive, evidence in the continuing debate over the economic impact of the 1993 tax increases, which raised marginal income-tax rates to 35% from 31% on taxable incomes between $140,000 and $250,000, and to 39.6% on incomes above $250,000.

Which leads to another important point, about which I will again quote the Wall Street Journal:

> The recent flood of revenue pouring into Treasury coffers—enough to push the federal budget to a record $93.94 billion surplus for the month of April—appears to have come mostly from the nation's biggest earners, indicating that the controversial tax increase may indeed be taking from the rich.

How do we know this? Because the unexpectedly high revenue inflows have come from taxes other than those withheld by employers. These ''nonwithheld'' taxes are mainly paid by wealthier taxpayers, who owe taxes on other income such as stock options, bonuses, and the like. In April, according to the Monthly Treasury Statement, the Treasury took in $110.8 billion in nonwithheld revenues, almost twice

what it received in 1992, before enactment of the 1993 legislation.

It fell to the Finance Committee to assemble the package of spending cuts and, yes, tax increases that would pass the Senate. It was not easy. In the end, we put the bill through without a single Republican vote. One Republican Senator declared on this floor:

> We are buying a one way ticket to a recession * * * When all is said and done, people will pay more taxes, the economy will create fewer jobs, Government will spend more money, and the American people will be worse off.

It was not pleasant. But we were clear. On June 23, 1993, as the Senate debate on the bill was coming to a close, I put it this way:

> Why do we have to do it, Mr. President? Because after 12 years of mounting deficits and devastatingly increased debt, we are sending a message to the financial markets of the United States and of the world, which now have as much effect on our affairs in a manner never before known because of the debt we have incurred, that we are going to stop it.

We made the tough choices in 1993, and they have paid off handsomely in economic and fiscal dividends.

Now compare 1993 with what we are doing today. By failing to address the overstatement of the cost of living by the Consumer Price Index, this budget misses a historic opportunity. An accurate cost-of-living index, as recommended by the Advisory Commission to Study the Consumer Price Index appointed by the Finance Committee—the Boskin Commission—would have saved $1 trillion in 12 years, freeing us from the protracted fiscal crisis of the last two decades. Had we seized the opportunity, we could now be taking on big issues, such as the future of Medicare and Social Security. Instead, the all-consuming quest to reach balance—if only for a moment—in the year 2002 has reduced this to a series of small debates over often derisory sums.

This budget also fails to address the demographic problems facing our two biggest Federal entitlement programs, Social Security and Medicare. These are the serious issues in Federal budgeting, yet this resolution postpones the day when Congress must, inevitably, confront them. Even so, it should be recorded that a correction of 1.1 percentage points in the measurement of the cost of living would in an instant have kept Social Security in actuarial balance until the year 2052.

This resolution unwisely calls for net tax cuts of $250 billion over 10 years. Coupled with this budget's failure to address long-term entitlement spending, these tax cuts will lead us right back to giant deficits in the outyears. Preliminary estimates, which are just beginning to come in, indicate that in the second 10 years, 2008–2017, the proposed tax cuts could lose in excess of half of $1 trillion.

Even if one believes, as some do in good faith, that tax cuts are necessary and appropriate at this point, the particular tax cuts agreed to by the White House and the Republican leadership will make for poor tax policy. It is beyond any serious dispute that the proposed reductions in the rate of tax on capital gains will disproportionately go to the very wealthiest taxpayers. Likewise the estate tax relief called for in this budget will benefit a tiny fraction—less than 1.5 percent—of estates. And the proposed tax cuts for education, most thoughtful observers agree, could be better spent in ways that would demonstrably help students and their families, such as making permanent the provisions for employer-provided educational assistance.

Nor does this budget follow the spirit of the 1993 legislation in the area of deficit reduction. The provisions of the 1993 act were initially estimated to reduce the deficit by $500 billion over 5 years; in fact it reduced the deficit by nearly twice that amount. The deficit reduction in the budget before us is questionable; its balance in the year 2002 will be momentary at best. And it makes only feeble, shortsighted choices in tax and entitlement policy.

In sum, Mr. President, I voted ''no'' because this budget is an unworthy successor to the Omnibus Budget Reconciliation Act of 1993, which was perhaps the most consequential legislation of this decade. I ask unanimous consent that the article from the Wall Street Journal of May 22, 1997, be included in the RECORD.

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

TAX ON WEALTHY IS BOOSTING U.S. REVENUE

TREASURY SAYS 1993 INCREASE IS HELPING CUT THE DEFICIT

(By Michael M. Phillips)

WASHINGTON.—President Clinton sold the 1993 income-tax increase as a way to shrink the budget deficit at the expense of the rich.

Republican adversaries predicted it wouldn't generate much revenue because the rich would work less and take bigger deductions: Now there's growing, if still tentative, evidence that Mr. Clinton may have been right after all.

The recent flood of revenue pouring into Treasury coffers—enough to push the federal budget to a record $93.94 billion surplus for the month of April—appears to have come mostly from the nation's biggest earners, indicating that the controversial tax increase may indeed be taking from the rich. ''The available data suggest the surge in tax collections has come from the taxpayers with high incomes, who were the only ones affected by the 1993 changes,'' says Deputy Treasury Secretary Lawrence Summers.

Corporate taxes, which were increased modestly under the 1993 law, also have brought in more revenue, but at about the level the Treasury had been predicting.

Treasury officials had expected healthy revenue growth from the tax changes all along. After all, the economy has been expanding at a steady clip and unemployment stands at 4.9% of the work force, meaning more people are taking home paychecks, making money on stock options, raking in bonuses—and giving the government its cut.

SURPRISING AMOUNTS

But the dimensions of the inflows caught officials by surprise. Individual income-tax liabilities rose about 11% in the fiscal year ended Sept. 30, 1995, and a further 12% in fiscal 1996. Data aren't yet available to prove whether those sudden increases came from the poor, the rich or those in between. Treasury officials see convincing signs, however, that upper-income Americans are behind the revenue surge.

Lower- and middle-income workers usually have their taxes withheld by their employers. Upper-income taxpayers are much more likely to receive year-end bonuses or income from exercising stock options, so they are also more likely to have to send in checks with their returns.

This year, revenues from those non-withheld taxes are running many billions of dollars above the Treasury's expectations. In April, when individual returns were due, the Treasury took in $110.8 billion in nonwithheld tax revenues, up from $89 billion in April 1996 and nearly twice the $57 billion it received in April 1992, before the tax increase took effect.

''It turned out we got more revenues than were anticipated and also more revenues than could be explained by the growth of the economy,'' says Eric J. Toder, an economic consultant and Mr. Clinton's former deputy assistant secretary of the Treasury for tax analysis.

BIG DEBT PAYMENT

Some of the revenue growth could be coming from individuals who are cashing in stock options. And some companies are no doubt deducting those costs from their own taxes. But, on balance, the government is taking in billions more than it had expected, and most of that is in the form of nonwithheld individual income taxes. In fact, revenues have been running so high even conservative budget watchers have reduced their five-year deficit projections by $225 billion. And last month, the Treasury announced the government would pay off $65 billion of the federal debt—the largest such payback ever and $50 billion more than officials had planned just a few months earlier.

The inflow provides persuasive, if not conclusive, evidence in the continuing debate over the economic impact of the 1993 tax increases, which raised marginal income-tax rates to 36% from 31% on taxable incomes between $140,000 and $250,000, and to 39.6% on incomes above $250,000. The law also effectively boosted Medicare taxes on high-income individuals and implemented other changes.

The package, part of the 1993 budget agreement, drew harsh criticism from the right. Texas GOP Rep. Dick Armey, who is now the House majority leader, predicted dire results. ''Who can blame many second-earner families for deciding that the sacrifice of a second job is no longer worth it?'' he wrote. Then-Sen. Robert Packwood, an Oregon Republican and chairman of the Senate Finance Committee, made this forecast: ''I will make you this bet. I am willing to risk the mortgage on it. . . . The deficit will be up; unemployment will be up: in my judgment, inflation will be up.''

ARMEY PRAISES CONGRESS

Mr. Packwood later acknowledged that his prediction was wrong. A spokeswoman for Mr. Armey credits the Republican-dominated Congress, not the tax increase, for sparking economic growth and higher tax revenues.

Other doomsayers, in the face of a booming economy, have softened their predictions. But Martin Feldstein, a Harvard economist and chairman of President Reagan's Council of Economic Advisers, took a more academic approach to analyzing the tax increase he labeled ''a bad mistake.''

In a 1995 study, Prof. Feldstein, who counts Mr. Summers among his former students,

and co-author Daniel Feenberg argued the increase had produced disappointingly little revenue—just $9 billion in 1993—while encouraging the rich to work less, deduct more and generally change their behavior to avoid paying more money to the government. In particular, couples with joint incomes of $140,000 to $180,000 were more inclined to seek larger mortgages, take more time off instead of working extra hours or otherwise reduce the amount of income they would have to report as taxable, Prof. Feldstein says.

Even now, with the Treasury flush, Prof. Feldstein contents that the tax increase has proved to be an unjustified drain on the U.S. economy. The unexpected revenue surge could be due in part to the spectacular performance of the stock market—and executives' stock options—in recent years, he says. Besides, he adds, the budget situation would have been even better without the tax boost.

That what-if question is a thorny one. Hard data aren't yet available to show whether in fact the tax increase led high-income Americans so reduce their taxable income in 1995 and 1996.

But present and former Treasury officials say the recent revenue flood has tilted the debate against Prof. Feldstein and indicates that the tax boost is probably raising large sums from the wealthy.

''The basic fact is that people looked at the 1993 budget agreement and said there'd be a recession, the deficit would go way up and that tax collections would go way down,'' says Mr. Summers. ''What has happened is there has been a boom, the deficit has gone way down and tax collections have gone way up.''

FISCAL YEAR 1998 BUDGET RESOLUTION

Mr. McCAIN. Mr. President, today I voted with the majority of my colleagues in supporting the bipartisan budget agreement embodied in the Fiscal Year 1998 Budget Resolution. While I have serious concerns about several aspects of this agreement, I am hopeful that time will prove me wrong and the American people will actually reap the benefits of permanent tax relief and deficit reduction that are promised in this agreement.

First, I want to thank my colleague, Senator DOMENICI, for his hard work and excellent management of this difficult bill. In particular, I am grateful for his cooperation and support for my amendment regarding concerns about overly optimistic estimates of revenue from the future auction of broadcast spectrum. I am committed to enacting legislation to mandate these auctions over the next 5 years, but I am very concerned that this budget assumes much greater revenues from spectrum sales than can reasonably be anticipated at this time.

Both Senator DOMENICI and I agree that spectrum auctions will raise a considerable amount of revenue for the Treasury. However, we also share the common concern that auctions depend on supply and demand, and therefore, the revenue received will undoubtedly fluctuate from today's estimates.

The amendment that Senator HOLLINGS and I offered simply states, that if the revenue from future sales falls short of the estimates in the resolution, deficit reduction targets will not be met. In that event, my amendment would require the Senate to find other savings or revenue to ensure that we stay on track in eliminating annual budget deficits by 2002. Senator DOMENICI's support for this amendment was critical to its adoption by a vote of 84 to 15. I am counting on him to work with Senator HOLLINGS and me to identify spending cuts in the event spectrum sales fall short of the revenue estimates in the resolution.

Mr. President, I have listened carefully to my colleagues who have discussed problems with the economic estimates underlying this plan. I, too, was disturbed when the Congressional Budget Office released a new estimate of future tax revenue just hours before the President and the Congressional negotiators on this balanced budget deal announced a final deal. While time may validate CBO's more optimistic estimates, the sudden announcement of an additional $225 billion in taxes was disconcerting, to say the least. While our economy's performance in recent months could very well justify a near-term revenue increase, I am concerned that the high rates of economic growth forecast into the next century might be too optimistic. More importantly, this tax windfall could hamper efforts in the near term to reduce both discretionary and mandatory Federal spending.

Mr. President, under the plan in this resolution, we will continue to carry an annual deficit for the next 4 years. Our Nation's burden of debt will increase to $6.5 trillion by the year 2002. Annual appropriations spending will continue to increase under the plan in this resolution. I hope the Congress will resist the temptation to spend up to the limits in this resolution, and will instead work to advance the date when our budget is in balance and we begin to whittle away at the national debt.

The most important and promising aspect of this resolution is its promise of permanent tax relief for Americans. The resolution sets up a procedure for swift enactment of a bill to provide tax relief that will create jobs and provide the fuel for even greater economic growth in our Nation.

The $500-per-child tax credit will give immediate and much-needed relief to middle- and low-income families. Capital gains and estate tax relief will spur investment in new enterprises and reinvestment in family and small businesses. Until this agreement, the President had been implacably opposed to these profamily and pro-small-business tax reforms. Early enactment of these tax relief measures should be the first order of business for the Congress under this agreement.

Mr. President, in the 15 years I have spent in the Congress, I have seen many plans and proposals to balance the budget. Yet, today, our Nation bears the financial burden of a $5.3 trillion debt. Yet, I voted for this plan because I remain hopeful that the Congress and the President are committed to both the letter and the spirit of the agreement reached just a few weeks ago. I look forward to working with my colleagues to enact the much-needed tax reform envisioned in this resolution and to ensure we carry out the terms of this agreement to achieve a balanced budget by the year 2002.

LOIS PALAGI

Mr. BAUCUS. Mr. President, I rise today to commend Mrs. Lois Palagi, a third grade teacher at West Elementary School in Butte. I want to recognize Lois because she has distinguished herself as one of the best and most beloved teachers in the community of Butte.

In Montana we pride ourselves on providing our children with a top notch education. And we do a great job. But that success doesn't happen by accident. All Montanans shoulder part of the responsibility. One key component of our success is Montana's dedicated and hard-working teachers.

Lois is a prime example of how teachers help our youth become some of the most competitive minds in the country. She has served her students for over 35 years. And in that time, she has taught her children the importance of discipline, respect, knowledge and wisdom. So many people have grown up under her watchful eyes to become responsible, hard-working adults because she led by example. And now she leaves behind a legacy of dedication, caring and love for teaching. She has brought great honor to her noble profession.

At the end of this school year, Lois will begin a new undertaking—retirement. She will be able to spend more time with her husband Larry, son Mark, and daughter-in-law Linda. And devote more of her time to her three grandchildren: Bob, Jessica, and little Andie Elizabeth. She will be dearly missed at West Elementary School. But I'm certain she will be heartily appreciated as she spends more time with her family.

Mr. President, it is impossible to count the number of lives that one person touches during his or her life. But I do know that in 35 years of teaching, that number is sure to be a mighty sum. I would just like to add my voice to all the others and say ''Thank you, Lois.''

And good luck in your retirement.

DISASTER ASSISTANCE APPROPRIATIONS

Mr. BYRD. Mr. President, I deeply regret that the other body has chosen to stand in recess for the Memorial Day break without having passed disaster assistance appropriations for the hundreds of thousands of victims of natural disasters in 33 states throughout the country. As all members are aware, yesterday afternoon the House

of Representatives, by a vote of 278–67, rejected an adjournment resolution. Immediately following that vote, according to press accounts, the distinguished chairman of the Appropriations Committee, Mr. LIVINGSTON, sought recognition for the purpose of attempting to bring up a clean disaster assistance supplemental appropriation bill intended to provide sufficient and necessary assistance for a number of programs to ensure that there will be no delay in getting assistance to the victims of these natural disasters. As I understand it, the total amount of that proposal was approximately $1 billion. Had the House taken it up and passed this interim disaster assistance bill, I am certain the Senate could have done the same and the President had indicated that he would have signed it.

The larger disaster assistance supplemental bill that is in conference contains some very controversial and difficult issues which have nothing to do with providing the necessary funds for disaster victims, or with the nearly $2 billion contained in the bill for aid to our men and women in uniform around the world—particularly Bosnia—engaged in peacekeeping operations, or with the $750 million in funding for veterans compensation and pension. The conferees are in agreement, to a large extent, with the funding issues in the bill. But, these contentious, extraneous issues have slowed the progress of the conference despite the skillful and patient manner with which the distinguished chairman of the conference, Mr. LIVINGSTON, has conducted each meeting of the conferees. He has shown the ability to proceed as expeditiously as possible, while at the same time protecting all Members' rights to fully air their views on each matter before the conference. I have nothing but high praise for his leadership, as well as that of the distinguished ranking member, Mr. OBEY, or of our chairman, Senator STEVENS, as well as for all of the chairmen and ranking members of this conference who have worked many hours to resolve most of the differences in the bill. I would have preferred, as I am sure all of the conferees would have preferred, to be able to stand here today urging the Senate to adopt a completed conference agreement on H.R. 1469, the emergency disaster assistance supplemental appropriation bill.

Since, for the reasons I have stated, that was not possible, I express to the American people and particularly to the hundreds of thousands of disaster victims throughout the country, my deep regret that their elected representatives in Congress have chosen to recess for the Memorial Day holiday without having taken any action to address their desperate need for Federal assistance. At the same time, I urge them not to despair and pledge my efforts to do all that I can to work with the distinguished chairman of the committee, Mr. STEVENS, and the distinguished chairman and ranking member of the House Appropriations Committee, Mr. LIVINSTON, and Mr. OBEY, to complete final action on H.R. 1469 as quickly is as humanly possible when the conference next convenes, hopefully during the first week of June.

NATIONAL EMERGENCY MEDICAL SERVICES WEEK

Mr. BYRD. Mr. President, this week is National Emergency Medical Services Week. The people who work and volunteer in the emergency medical services field provide an invaluable service for all American citizens—they provide us with a safety net. This is necessary because regardless of how careful we try to be, we are all subject to the whims of fate. Common sense and practicality are often not enough to prevent accidents caused by the carelessness of ourselves or others. In these times of need, we rely on dedicated emergency medical services personnel. They take care of us when we cannot take care of ourselves.

I want to take this time to recognize the special disposition that a person must have to be an emergency medical service worker. These people all share common characteristics such as the desire to help, as well as the ability to feel empathy for, the people they assist. Of course, kindness and willingness to help alone are not enough. These workers must also possess the skills needed to do the job and to do it well. These skills can only be acquired through hard work and dedication. The working lives of emergency medical service workers are characterized by a lack of predictability in both content and scheduling. They have no routine to rely on. They truly must be ready for any thing at any time.

Although emergency medical service workers across the country have many things in common, they also face many different challenges and dangers every day. There are some who must fight traffic, some who fight long distances and bad roads, and some who are forced to face the fear and possibility of losing their lives in order to try and save ours. Despite all of the challenges and dangers faced by these dedicated workers, they continue to be efficient, to be dependable, and to be effective in saving lives day after day.

In a world which is fraught with peril, it comforts me to know that there are people that we can count on in our hour of need. And so, Mr. President, I am proud to recognize this week as National Emergency Medical Services week to acknowledge the important work and strong character of the dedicated emergency medical services personnel. We are fortunate to have this opportunity to show our appreciation for all of their tireless work on our behalf.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Thursday, May 22, 1997, the Federal debt stood at $5,344,819,275,286.24. (Five trillion, three hundred forty-four billion, eight hundred nineteen million, two hundred seventy-five thousand, seven hundred eighty-six dollars and twenty-four cents)

One year ago, May 22, 1996, the Federal debt stood at $5,117,440,000,000. (Five trillion, one hundred seventeen billion, four hundred forty million)

Five years ago, May 22, 1992, the Federal debt stood at $3,926,208,000,000. (Three trillion, nine hundred twenty-six billion, two hundred eight million)

Ten years ago, May 22, 1987, the Federal debt stood at $2,289,817,000,000. (Two trillion, two hundred eighty-nine billion, eight hundred seventeen million)

Twenty-five years ago, May 22, 1972, the Federal debt stood at $428,608,000,000 (Four hundred twenty-eight billion, six hundred eight million) which reflects a debt increase of nearly $5 trillion—$4,916,211,275,286.24 (Four trillion, nine hundred sixteen billion, two hundred eleven million, two hundred seventy-five thousand, two hundred eighty-six dollars and twenty-four cents) during the past 25 years.

HONORING ASTRONAUT JERRY LINENGER

Mr. LEVIN. Mr. President, tomorrow we will welcome home a true American hero, Eastpointe, MI native, astronaut Jerry Linenger. Jerry is returning to Earth this weekend aboard the space shuttle *Atlantis* after a 5 month mission on the Russian space station, *Mir*.

I am sure that Jerry expected his 5 months in space to provide him with innumerable opportunities and challenges, but the challenges he and his crewmates faced were way beyond expectations. They had to fix antifreeze fume leaks which threatened the space station's air supply. The oxygen-generating systems malfunctioned, forcing the crew to activate three backup oxygen canisters each day to provide them with the oxygen they needed to breathe. And, Jerry and his Russian fellow scientists had to extinguish the worst fire ever aboard an orbiting human spacecraft, an ordeal which captured the attention of millions of people in the United States, Russia and around the world. It seemed from this earthly vantage point that the 10 plagues of space travel were being visited on *Mir*—leaks, lack of oxygen, humidity, fire, temperature, excess CO_2, loss of power, lack of supplies and replacement parts, claustrophobia, and separation from family. When the space shuttle *Atlantis* recently linked up with the *Mir* space station to deliver much needed repair parts and to pick him up, Jerry may have made the understatement of the year when he remarked to its crew members that it was ''nice to see you.''

While the drama played out in space, Jerry Linenger's professionalism came to the fore. He continued his work on

the scientific experiments he was scheduled to complete, including experiments on materials which may be used in future spacecraft, and tests on how living in space affected his immune system. He also brought his experiences home to Earth by posting letters to his son, John, on NASA's World Wide Web page, as well as by participating in the *Mir* international amateur Radio experiment. Using this new technology, Jerry linked up with a fifth grade class in Charlevoix, MI. In one of his messages to his son, Jerry explained one facet of life in space: ''When running on the treadmill, we sweat. From our skin, the moisture evaporates in order to cool our bodies (By the way—those doggies you are so fascinated with use their tongues, panting, to 'sweat' and regulate their temperature). The sweat evaporates into the air. This water, along with all the other humidity in the air is condensed on cold coils (just like the outside of your cold bottle getting wet on a hot, humid day) and collected. Biocide is added, the condensate boiled, and we use it to drink or rehydrate our freeze-dried foods. Delicious.

We have all felt the joy which comes with returning home from a long trip, but there are few people alive who truly know the feeling Jerry Linenger will have after returning from 5 months orbiting the Earth. Jerry's wife, Kathryn, and young son, John, eagerly anticipate his return for many reasons, not the least of which is the fact that Kathryn is due to give birth to their second child in early June. It appears that Jerry will make it home in time.

I would like to express my deepest admiration for the accomplishments of Jerry Linenger. We can all benefit from his example of courage, perseverance and professionalism. Jerry has said that upon his return to Earth, he hopes to spend time with his family and dreams of ''going up to Northern Michigan and finding an old timer that knows how to fish and doesn't like talking a lot . . . just sitting down by the stream and breathing fresh air in and the fresh water.'' I, for one, hope he gets that chance. I know my colleagues join me in welcoming Jerry Linenger back to Earth, and in congratulating him on a mission heroically accomplished.

REGARDING THE DEDICATION OF THE JACK SWIGERT MEMORIAL

Mr. CAMPBELL. Mr. President, today I take this opportunity to call my colleagues' attention to a historic event which occurred today in Statuary Hall, just down the hall from this chamber—the unveiling of Colorado's statue of Jack Swigert. I commend and applaud the efforts of all those Coloradans who helped to bring the Jack Swigert statue to Washington and Statuary Hall.

The inclusion of this statue would not be possible without the efforts of many Coloradans, who I would like to thank for their tireless efforts.

Among the individuals who worked on this project, the members of the Jack Swigert Memorial Commission should be mentioned for their dedication. Holly Coors, Marleen Fish, Don Friedman, Dennis Gallagher, Virginia Swigert, and Carl Williams all worked tirelessly under the chairmanship of Hal Shroyer. Has has spent 10 years on this project, and I am happy that he can see his goal achieved today.

The Arapahoe County Republican Men's Club also stands out for its large contribution. Members lobbied the State legislature and donated substantial amounts of time and money in an effort to commission the statue.

Of equal importance to the effort was Veterans of Foreign Wars Chapter 11229. It was commissioned soley for the purpose of persuading the State legislature to create the statue of Mr. Swigert and put the initiative on the ballot. Mr. Swigert was a lifelong member of VFW Post No. 1, which is the oldest VFW in the Nation founded after the Spanish-American War.

Due to the dedicated efforts of these individuals and the many others involved in this project, Jack Swigert will be remembered and honored as a true American hero with this statue we dedicate to him today. And, his statue will represent Colorado with honor and distinction here in the U.S. Capitol for generations to come.

I thank the Chair and I yield the floor.

OUTSTANDING NM SMALL BUSINESSES

Mr. BINGAMAN. Mr. President, I rise to honor New Mexico's outstanding small businesses and small business advocates as selected by the U.S. Small Business Administration. I will not be able to attend the awards luncheon but I do want to recognize the significant accomplishments of these New Mexican entrepreneurs.

NEW MEXICO SMALL BUSINESS PERSONS OF THE YEAR

The top SBA award this year goes to Mary Jean and Andrew Christiansen, owners of Elite Laundry Co. in Gallup, NM, who were selected as New Mexico Small Business Persons of the Year. The Christensen's are among the 53 top small businesses owners in the Nation who will be honored by the SBA in Washington, DC, later this year.

The Christiansens have created more than 70 jobs in a region of New Mexico that has one of the highest poverty rates in the nation. This family owned small business is also providing profit-sharing and retirement benefits, in a state where 71 percent of private sector employees have no pensions.

1997 EXPORTER OF THE YEAR

New Mexico recently received word from the Commerce Department that it has seen a 112 percent growth in exports, including a remarkable 256-percent increase in trade with Asia. These achievements would not have been possible without the hard work and savvy of business-owners such as Kimberly de Castro, the 1997 New Mexico Exporter of the Year.

Ms. de Castro is the owner of Wildflower International Ltd., in Santa Fe, which provides brokering services to foreign buyers. Based on buyers' initial inquiries, Wildflower International researches the marketplace and provides buyers with options that meet their requirements. The trade company currently exports to China, Israel, Italy and Egypt and is actively negotiating sales in Taiwan and several other Asian countries.

1997 ADVOCATE AWARD WINNERS

Small business owners and entrepreneurs need champions who believe in what they're doing and give them advice, encouragement and assistance.

Michael G. Murphy, the assistant business editor for the Albuquerque Journal, is the 1997 New Mexico Media Advocate of the Year and also the 1997 Region VI Media Advocate of the Year. Previously the editor of the Albuquerque Business Times, Mr. Murphy has reported on issues and initiatives that have been informative and useful to the small business community as well as governmental officials.

The New Mexico Women in Business Advocate of the Year is Jennifer A. Craig, regional manager of the Women's Economic Self Sufficiency Team Office in Las Cruces. WESST Corp. is a nonprofit business and technical assistance organization that focuses on women and minority entrepreneurs. Since the Las Cruces office opened in 1995, more than 250 women have received assistance and more than 50 have started or developed their own businesses.

Teresa O. Molina, a vice president of 1st New Mexico Bank in Deming, has been selected as the New Mexico Financial Services Advocate. Ms. Molina is active in SBA lending and through her efforts, 1st New Mexico Bank awarded the first SBA 504 loan in my home State.

The 1997 New Mexico Minority Small Business Advocate is Anna Muller, the owner of NEDA Business Consultants in Albuquerque. Ms. Muller was a national leader in the effort to preserve and improve the SBA 8(a) Minority Enterprise Development program.

1997 SUBCONTRATOR AND CONTRACTOR OF THE YEAR

Dennis A. Reasner, president of Albuquerque's Darco Products, Inc., is the 1997 Region VI Subcontractor of the Year. Armando De La Paz, president and CEO of Vista Technologies, Inc., in Albuquerque is the 1997 Region VI Prime Contractor of the Year.

Small businesses are the engine of New Mexico's—and the Nation's—economic growth. I commend these small business owners and advocates for their desire and commitment to create new jobs and new economic opportunities in

New Mexico. We must raise the standard of living in my State and one concrete way to accomplish this is by fostering the development of small businesses that provide good wages and good benefits for their employees.

ARLINGTON

Mr. BYRD. Mr. President, in early March of this year I received a letter from Charles R. Mariott, of Louisville, Tennessee, in which he enclosed a stirring poem, written by his wife Ruth and dedicated to Arlington Cemetery. The poem shows great talent and I want to bring it to the attention of my colleagues and to the audience of listeners throughout the country as we approach the Memorial Day weekend. It is a poem that exudes a spirit of patriotism which, I believe, will inspire all freedom loving Americans everywhere.

ARLINGTON

(By Ruth Mariott)

FIRST CANTO

I saw his name engraved in granite
in the shadow of the ivy covered oak—
a long time tenant in that sacred grove
The wind moves now and then through barren branches
A bird alights sometimes, as if by chance,
it chirps—and then flies on
All else is mute . . .

The marble tomb nearby where night and day
the sentries stand with steadfast vigilance
it bears no name.

During the changing of the guards—
at preset daytime hours—
upon command the sentries spring to life
and to action.

They walk with slow, precisely measured steps
clicking their heels at certain intervals
toeing the line invisible
across expanse of marbled ground
presenting arms and slapping rifle
Flawless in execution and procedures
flawless in bearing and attire
one is the prefect mirror of the other
down to the last detail: just so, no more, no less
Their buckles shine. The honor badge is gleaming
They are the heroes of the Old Guard Regiment

Instant obedience and discipline
thus manifest, are but reflections
of inner core of strength, esprit and gallantry
submerging self for Cause and Greater Good,
(attained by very few)

The changing of the guard has been accomplished
The last command has been obeyed
The guard on duty now enters his station
stands at attention once again over the tomb
Tomb of the Unknown Soldier.

SECOND CANTO

The people come from far, here to these hallowed hills to witness and be cast in ceremony. They stand in silence and they stare with awe,
They think their solemn thoughts with somber eyes,
Transported by the mesmerizing ritual
into the Presence of a Greater Truth and Order
and brushed by gentle wings of Destiny,
they seem to hear faint echoes stirring from the vault of sky and time
evoking visions in their souls and puzzling memories of what? from where?

Thus paying tribute to the One Unknown
(and with him to the many like him
whose burial mounds and crosses are stretching far below The Tomb)
they sense that he who sacrificed his life
decades ago—nay centuries—was now exalted.
(and with him all the many like him)
exalting Gallantry and Loyalty, Honor and Valor.

Spectators in this Shifting scene on patriotic stage the people leave reluctantly, the Nation's Shrine still pondering.
They wander down the soddy path
They speak in muffled tones, shuffling their feet before they exit slowly through the Outer Arch.

THIRD CANTO

I saw his name engraved in granite
enlaced with ivy from the nearby tree
I plucked a sprig of living ivy
and took it home with me

Planted in a pot of earth
upon my window sill
the climbing vine has taken root
and it is greening still

Your body may be buried
you may be long since gone
but cherished memories of you
and your name live on.

I stepped out of my cabin door
and looked up at the sky
I saw a golden eagle soar
I heard the eagle cry.

The eagle soared into the sun and soon was lost from view
The spirit of the Unknown One and you.

FOURTH CANTO

Down through the corridor of Time
the eagle sounds its piercing cry
keening over all the fields
where the fallen warriors lie.

Their tattered uniforms and bones
have mouldered in their narrow grave
White crosses bear a name and date
so young—and all so brave.

Through countless wars in global spots
they fought in air, on land and sea
They paid the price, They gave their life
so others could be free.

They fought chaotic battles
to victory or defeat
and now they lie in long, long rows
orderly and neat . . .

A bugle in the sunset's glow
is sounding Taps from far away
Soon now the winds of night will blow
And tomorrow is another day.

EPILOGUE

The Stars and Stripes wave on the ridge
High above Arlington Bridge
in between are stretched the grounds
with all its heroes earthen mounds.
From up on high the spirits chide
Forever shall our flag abide
in Freedom—Honor—Valor!

RURAL HEALTH CARE PROTECTION ACT OF 1997

Mr. GRASSLEY. Mr. President, today I introduced S. 817, legislation designed to maintain rural communities' access to hospital care.

Today many rural Americans live in fear that they may lose access to local and regional hospital care. In these rural areas, where serious accidents, often related to farm equipment, are a constant threat. Access to an emergency care hospital within 35 miles can mean the difference between life and death. The ability to be referred to a major regional hospital for more specialized care can be of like importance. Congress must recognize the special needs of rural America and work to meet them. This bill is a step in the right direction.

The Rural Health Care Protection Act of 1997 focuses on providing support to Sole Community Hospitals and Rural Referral Centers. Sole Community Hospitals [SCH's] are hospitals located at least 35 miles from other hospitals and are often the sole source of emergency care or inpatient services in their areas. There are currently 728 SCH's in 46 States. There are 11 in my home State of Iowa. Rural Referral Centers [RRC's] are relatively large and specialized rural hospitals which receive referrals from community hospitals throughout a region. There are currently 142 RRC's in 39 states, including five in Iowa.

This legislation contains four proposals designed to help keep these care centers operating. First, the act would give SCH's the option of choosing an updated fiscal year 1994-95 base year for Medicare funding instead of the outdated base years which they must currently use. Second, the act would permanently grandfather as an RRC any hospital that has previously qualified as an RRC. Third, the act would exempt the RRC's from the statewide rural wage index threshold for geographic reclassification. Finally, the bill would allow rural hospitals that meet the reclassification criteria to be reclassified as urban hospitals for purposes of disproportionate share hospital [DSH] payment adjustments.

This bill would help ensure that rural Americans maintain access to these essential care centers. I ask my colleagues on both sides of the aisle to join me in support of this measure.

MEASURE RETURNED TO CALENDAR

Mr. LOTT. Mr. President, I ask unanimous consent that Senate Concurrent Resolution 27 be placed back on the calendar.

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

AUTHORIZING PRINTING OF PUBLICATION

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 90 submitted earlier today by Senators BYRD, COVERDELL and CLELAND.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The assistant legislative clerk read as follows.

A resolution (S. Res. 90) authorizing the printing of the publication entitled ''Dedication and Unveiling of the Statue of Richard Brevard Russell, Jr.''

Mr. LOTT. I ask unanimous consent that the resolution be agreed to and the motion to reconsider be laid upon the table.

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

The resolution (S. Res. 90) was agreed to, as follows:

S. RES. 90

Resolved,

SECTION 1. PRINTING OF THE PUBLICATION ENTITLED "DEDICATION AND UNVEILING OF THE STATUE OF RICHARD BREVARD RUSSELL, JR.".

(a) IN GENERAL.—There shall be printed as a Senate document the publication entitled ''Dedication and Unveiling of the Statue of Richard Brevard Russell, Jr.'', prepared by the office of Senate Curator under the supervision of the Secretary of the Senate, with the concurrence of the United States Senate Commission on Art.

(b) SPECIFICATIONS.—The Senate document described in subsection (a) shall include illustrations and shall be in the style, form, manner, and binding as directed by the joint Committee on Printing after consultation with the Secretary of the Senate.

(c) NUMBER OF COPIES.—In addition to the usual number of copies, there shall be printed with suitable binding the lesser of—

(1) 1,000 copies for the use of the Senate, to be allocated as determined by the Secretary of the Senate; or

(2) a number of copies that does not have a total production and printing cost of more than $1,200.

RELIEF FOR THE MEILI FAMILY

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 768 which was reported by the Judiciary Committee.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 768) for the relief of Michael Christopher Meili, Guiseppina Meili, Mirjam Naomi Meili, and Davide Meile.

Mr. LOTT. I ask unanimous consent that the bill be considered read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

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

The bill (S. 768) was passed, as follows:

S. 768

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

SECTION 1. FINDINGS.

Congress makes the following findings:

(1) The actions of Swiss banks and their relations with Nazi Germany before and during World War II and the banks' actions after the war concerning former Nazi loot and heirless assets placed in the banks before the war have been the subject of an extensive and ongoing inquiry by the Committee on Banking, Housing, and Urban Affairs of the Senate and a study by a United States interagency group.

(2) On January 8, 1997, Michel Christopher Meili, while performing his duties as a security guard at the Union Bank of Switzerland in Zurich, Switzerland, discovered that bank employees were shredding important Holocaust-era documents.

(3) Mr. Meili was able to save some of the documents from destruction and then turned them over to the Jewish community in Zurich and to the Swiss police.

(4) Following Mr. Meili's disclosure of the destruction of the Holocaust-era documents, Mr. Meili was suspended and then terminated from his job. He was also interrogated by the local Swiss authorities who tried to intimidate him by threatening prosecution for his heroic actions.

(5) Since this disclosure, Mr. Meili and his family have been threatened and harassed, and have received many death threats. Mr. Meili also received a hand-delivered note threatening the kidnapping of his children in return for the ''Jewish money'' he would receive for his actions, and urging him to emigrate to the United States or be killed.

(6) Because of his courageous actions, Mr. Meili and his family have suffered economic hardship, mental anguish, and have been forced to live in fear for their lives.

SEC. 2. PERMANENT RESIDENCE.

Notwithstanding any other provision of law, for purposes of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), Michel Christopher Meili, Giuseppina Meili, Mirjam Naomi Meili, and Davide Meili shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fees.

SEC. 3. REDUCTION OF NUMBER OF AVAILABLE VISAS.

Upon the granting of permanent residence to Michel Christopher Meili, Giuseppina Meili, Mirjam Naomi Meili, and Davide Meili as provided in this Act, the Secretary of State shall instruct the proper officer to reduce by the appropriate number during the current fiscal year the total number of immigrant visas available to natives of the country of the aliens' birth under section 203(a) of the Immigration and Nationality Act (8 U.S.C. 1153(a)).

COMMEMORATION OF THE BICENTENNIAL OF THE LEWIS AND CLARK EXPEDITION

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 61, Senate Resolution 57.

The PRESIDING OFFICER. The clerk will report the resolution.

The assistant legislative clerk read as follows.

A resolution (S. Res. 57) to support the commemoration of the bicentennial of Lewis and Clark Expedition.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution, which had been reported from the Committee on Energy and Natural Resources, with amendments; as follows:

(The parts of the resolution intended to be stricken are shown in boldface brackets and the parts intended to be inserted are shown in italic.)

S. RES. 57

Whereas the Expedition commanded by Meriwether Lewis and William Clark, which came to be called ''The Corps of Discovery'', was one of the most remarkable and productive scientific and military exploring expeditions in all American history;

Whereas President Thomas Jefferson gave Lewis and Clark the mission to ''. . . explore the Missouri River & such principal stream of it, as, by its course and communication with the waters of the Pacific ocean, whether the Columbia, Oregon, Colorado or any other river may offer the most direct & practicable water communication across this continent for the purposes of commerce. . .'';

Whereas the Expedition, in response to President Jefferson's directive, greatly advanced our geographical knowledge of the continent and prepared the way for the extension of the American fur trade with Indian tribes throughout the area;

Whereas President Jefferson directed the explorers to take note of and carefully record the natural resources of the newly acquired territory known as Louisiana, as well as diligently report on the native inhabitants of the land;

Whereas Lewis and Clark and their companions began their historic journey to explore the uncharted wilderness west of the Mississippi River at Wood River, Illinois on May 14, 1804, and followed the Missouri River westward from its mouth on the Mississippi to its headwaters in the Rocky Mountains;

Whereas the Expedition spent its first winter at Fort Mandan, North Dakota, crossed the Rocky Mountains by horseback in August 1805, reached the Pacific Ocean at the mouth of the Columbia river in mid-November of that year, and wintered at Fort Clatsop, near the present city of Astoria, Oregon;

Whereas the Expedition returned to St. Louis, Missouri, on September 23, 1806, after a 28-month journey covering 8,000 miles during which it traversed 11 future States: Illinois, Missouri, Kansas, Nebraska, Iowa, North Dakota, South Dakota, Montana, Idaho, Washington, and Oregon;

Whereas the explorers faithfully followed the President's directives and dutifully recorded their observations in their detailed journals;

Whereas these journals describe many plant and animal species, some completely unknown to the world of science or never before encountered in North America, and added greatly to scientific knowledge about the flora and fauna of the United States;

Whereas accounts from the journals of Lewis and Clark and the detailed maps that were prepared by the Expedition enhanced knowledge of the western continent and routes for commerce;

Whereas the journals of Lewis and Clark documented diverse American Indian languages, customs, religious beliefs, and ceremonies; as Lewis and Clark are important figures in American history, so too are Black Buffalo, Cameahwait, **[**Sacajawea, Sheheke and Watkueis;**]** *Sacagawea, Sheheke, Watkueis, Twisted Hair, Tetoharsky, Yellept, and Comowool*;

Whereas the Expedition significantly enhanced amicable relations between the United States and the autonomous Indian nations, and the friendship and respect fostered between the Indian tribes and the Expedition represents the best of diplomacy and relationships between divergent nations and cultures;

Whereas the Native American Indian tribes of the Northern Plains and the Pacific Northwest played an essential role in the survival and the success of the Expedition;

Whereas the Lewis and Clark Expedition has been called the most perfect Expedition of its kind in the history of the world and paved the way for the United States to become a great world power;

Whereas the President and the Congress have previously recognized the importance of the Expedition by establishing a 5-year commission in 1964 to study its history and the route it followed, and again in 1978 by designating the route as the Lewis and Clark National Historic Trail administered by the Secretary of the Interior through the National Park Service; and

Whereas the National Park Service, along with other Federal, State, and local agencies and many other interested groups are preparing commemorative activities to celebrate the bicentennial of the Expedition beginning in 2003: Now, therefore, be it

Resolved, That the Senate—

(1) expresses its support for the work of [the] *the Lewis and Clark Trail Heritage Foundation, the* National Lewis and Clark Bicentennial Council and all the Federal, State, and local entities as well as other interested groups that are preparing bicentennial activities to celebrate the 200th anniversary of the Lewis and Clark Expedition during the years 2004 through 2006;

(2) expresses its support for the events to be held in observance of the Expedition at St. Louis, Missouri in 2004 and Bismarck, North Dakota in 2005, and many other cities during the bicentennial observance; and

(3) calls upon the President, the Secretary of the Interior, the Director of the National Park Service, American Indian tribes, other public officials, and the citizens of the United States to support, promote, and participate in the many bicentennial activities being planned to commemorate the Lewis and Clark Expedition.

Mr. DORGAN. Mr. President, today we are considering Senate Resolution 57, a resolution commemorating the bicentennial of the Lewis and Clark Expedition.

The resolution asks public officials and other citizens to support, promote, and participate in the many bicentennial activities celebrating the Lewis and Clark Expedition. The resolution also expresses its support for the events to be held in observance of the expedition at St. Louis, MO, in 2004, at Bismarck, ND, in 2005, in Hohenwald, TN, at the Meriwether Lewis National Monument, and in many cities during the bicentennial celebration. It further commends the work of the National Lewis and Clark Bicentennial Council, Lewis and Clark Trail Heritage Foundation, public and private groups, and individuals that are preparing bicentennial activities to celebrate the 200th anniversary of the Lewis and Clark Expedition during the years 2004 through 2006.

Senate Resolution 57 notes that the Lewis and Clark Expedition was one of the most remarkable and productive scientific and military expeditions in American history. President Thomas Jefferson directed that scientific, biological, geographic, and ethnographic information about the territory west of the Mississippi be gathered and reported. In ''Undaunted Courage,'' Stephan E. Ambrose wrote that President Jefferson directed that the first purpose of the expedition was ''to find the shortest & most convenient route of communication between the U.S. and the Pacific ocean, within the temperate latitudes.''

After months of preparing for the journey into unknown territory, including learning celestial navigation, gathering equipment, and choosing men for the expedition, Meriwether Lewis and and his co-captain William Clark began their journey west of the Mississippi at Wood River, IL, on May 14, 1804. The 40-person expedition wintered near Fort Mandan, ND, reached Fort Clatsop on the Pacific Ocean near present day Astoria, OR, and returned to St. Louis, MO, on September 23, 1806. Their 28-month journey covered 8,000 miles and traversed 11 future States: Illinois, Missouri, Kansas, Nebraska, Iowa, North Dakota, South Dakota, Montana, Idaho, Washington, and Oregon.

The maps prepared on the expedition and the journals kept by Meriwether Lewis and William Clark carefully document their discoveries. The Lewis and Clark Expedition encountered and documented diverse American Indian people, languages, customs, religious beliefs, and ceremonies. The native American Indian tribes of the Northern Plains and the Pacific Northwest played an essential role in the survival and success of the Lewis and Clark Expedition.

On their safe return to St. Louis, Lewis and Clark reported to Jefferson:

In obedience to your orders we have penetrated the Continent of North America to the Pacific Ocean, and sufficiently explored the interior of the country to affirm with confidence that we have discovered the most practicable rout (sic) which does exist across the continent by means of the navigable branches of the Missouri and Columbia Rivers.

The National Park Service [NPS] also observes that:

The Lewis and Clark Expedition was one of the most dramatic and significant episodes in the history of the United States. It stands, incomparably, as our Nation's epic in documented exploration of the American West. During 1804–06, it carried the destiny, as well as the flag, of our young Nation westward from the Mississippi across thousands of miles of uncharted lands to the Pacific Ocean.

NPS goes on to say that:

In its scope and achievements, the Expedition towers among the major explorations in the history of the world. Its findings contributed vital new knowledge concerning the resources and inhabitants of the lands west of the Mississippi River. The resulting geopolitical impact of the mission had far-reaching effects upon international boundaries and relations.

The President and the Congress have previously recognized the importance of the Lewis and Clark Expedition by establishing a 5-year commission in 1964 to study the history and route of the expedition, and again in 1978 by designating the route as the Lewis and Clark National Historic Trail administered by the Secretary of the Interior through the National Park Service.

Also, this resolution, which recognizes American heroes of the past, will help to bring history alive and enhance tourism along the Lewis and Clark trail. In North Dakota, the Lewis and Clark Visitor Center will celebrate its grand opening and dedication with activities June 6–8, 1997, in Washburn, so I appreciate that the Energy and Natural Resources Committee has advanced this resolution in a timely way.

I appreciate the support of the National Park Service and my colleagues in celebrating the bicentennial of the Lewis and Clark Expedition. I particularly appreciate as cosponsors Senators MURKOWSKI, BUMPERS, THOMAS, CRAIG, AKAKA, SMITH of Oregon, GORTON, JOHNSON, CONRAD, BURNS, REID, THOMPSON, DASCHLE, FRIST, KERREY, BOND, MURRAY, COCHRAN, MOSELEY-BRAUN, ASHCROFT, and COVERDELL.

Mr. President, I urge all members of the Senate to vote in favor of Senate Resolution 57.

Mr. LOTT. I ask unanimous consent that the committee amendments be agreed to, the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear at this point in the RECORD.

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

The resolution, as amended, was agreed to.

The preamble was agreed to.

The resolution (S. Res. 57), as amended, with its preamble, read as follows:

S. RES. 57

Whereas the Expedition commanded by Meriwether Lewis and William Clark, which came to be called ''The Corps of Discovery'', was one of the most remarkable and productive scientific and military exploring expeditions in all American history;

Whereas President Thomas Jefferson gave Lewis and Clark the mission to ''. . . explore the Missouri River & such principal stream of it, as, by its course and communication with the waters of the Pacific ocean, whether the Columbia, Oregon, Colorado or any other river may offer the most direct & practicable water communication across this continent for the purposes of commerce . . .'';

Whereas the Expedition, in response to President Jefferson's directive, greatly advanced our geographical knowledge of the continent and prepared the way for the extension of the American fur trade with Indian tribes throughout the area;

Whereas President Jefferson directed the explorers to take note of and carefully record the natural resources of the newly acquired territory known as Louisiana, as well as diligently report on the native inhabitants of the land;

Whereas Lewis and Clark and their companions began their historic journey to explore the uncharted wilderness west of the Mississippi River at Wood River, Illinois on May 14, 1804, and followed the Missouri River westward from its mouth on the Mississippi to its headwaters in the Rocky Mountains;

Whereas the Expedition spent its first winter at Fort Mandan, North Dakota, crossed the Rocky Mountains by horseback in August 1805, reached the Pacific Ocean at the mouth of the Columbia River in mid-November of that year, and wintered at Fort Clatsop, near the present city of Astoria, Oregon;

Whereas the Expedition returned to St. Louis, Missouri, on September 23, 1806, after a 28-month journey covering 8,000 miles during which it traversed 11 future States: Illinois, Missouri, Kansas, Nebraska, Iowa, North Dakota, South Dakota, Montana, Idaho, Washington, and Oregon;

Whereas the explorers faithfully followed the President's directives and dutifully recorded their observations in their detailed journals;

Whereas these journals describe many plant and animal species, some completely unknown to the world of science or never before encountered in North America, and added greatly to scientific knowledge about the flora and fauna of the United States;

Whereas accounts from the journals of Lewis and Clark and the detailed maps that were prepared by the Expedition enhanced knowledge of the western continent and routes for commerce;

Whereas the journals of Lewis and Clark documented diverse American Indian languages, customs, religious beliefs, and ceremonies; as Lewis and Clark are important figures in American history so too are Black Buffalo, Cameahwait, Sacagawea, Sheheke, Watkueis, Twisted Hair, Tetoharsky, Yellept, and Comowool;

Whereas the Expedition significantly enhanced amicable relations between the United States and the autonomous Indian nations, and the friendship and respect fostered between the Indian tribes and the Expedition represents the best of diplomacy and relationships between divergent nations and cultures;

Whereas the Native American Indian tribes of the Northern Plains and the Pacific Northwest played an essential role in the survival and the success of the Expedition;

Whereas the Lewis and Clark Expedition has been called the most perfect Expedition of its kind in the history of the world and paved the way for the United States to become a great world power;

Whereas the President and the Congress have previously recognized the importance of the Expedition by establishing a 5-year commission in 1964 to study its history and the route it followed, and again in 1978 by designating the route as the Lewis and Clark National Historic Trail administered by the Secretary of the Interior through the National Park Service; and

Whereas the National Park Service, along with other Federal, State, and local agencies and many other interested groups are preparing commemorative activities to celebrate the bicentennial of the Expedition beginning in 2003: Now, therefore, be it

Resolved, That the Senate—

(1) expresses its support for the work of the Lewis and Clark Trail Heritage Foundation, the National Lewis and Clark Bicentennial Council and all the Federal, State, and local entities as well as other interested groups that are preparing bicentennial activities to celebrate the 200th anniversary of the Lewis and Clark Expedition during the years 2004 through 2006;

(2) expresses its support for the events to be held in observance of the Expedition at St. Louis, Missouri in 2004 and Bismarck, North Dakota in 2005, and many other cities during the bicentennial observance; and

(3) calls upon the President, the Secretary of the Interior, the Director of the National Park Service, American Indian tribes, other public officials, and the citizens of the United States to support, promote, and participate in the many bicentennial activities being planned to commemorate the Lewis and Clark Expedition.

AUTHORIZING PRODUCTION OF DOCUMENTS

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 91 submitted earlier today by Senators LOTT and DASCHLE.

The PRESIDING OFFICER. The clerk will report the resolution.

The assistant legislative clerk read as follows.

A resolution (S. Res. 91) to authorize the production of records by the Select Committee on Intelligence.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. LOTT. Mr. President, the Select Committee on Intelligence has received a request from the inspector general of the Department of Justice for copies of certain committee records relevant to the inspector general's pending inquiry into allegations of involvement by the Central Intelligence Agency in crack cocaine trafficking with supporters of the Nicaraguan Contras.

It is anticipated that other Senate committees may receive similar requests for documents in the future.

This resolution would authorize the chairman and vice chairman of the Intelligence Committee, acting jointly, to provide committee records in response to this request, utilizing appropriate security procedures. This resolution would also authorize the chairman and ranking member of other Senate committees, acting jointly, to provide relevant records of such committees in response to similar requests without the necessity of further Senate action.

I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution be placed at the appropriate place in the RECORD.

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

The resolution (S. Res. 91) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 91

Whereas, the Office of the Inspector General of the United States Department of Justice has requested that the Select Committee on Intelligence provide it with copies of committee records relevant to the Office's pending review of matters related to allegations of Central Intelligence Agency involvement in crack cocaine trafficking with supporters of the Nicaraguan Contras;

Whereas, by the privileges of the Senate of the United States and rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that documents, papers, and records under the control or in the possession of the Senate may promote the administration of justice, the Senate will take such action as will promote the ends of justice consistently with the privileges of the Senate; Now, therefore, be it

Resolved, That the chairman and vice chairman of the Senate Select Committee on Intelligence, acting jointly, are authorized to provide to the Office of Inspector General of the United States Department of Justice or to other government investigators, under appropriate security procedures, copies of committee records related to allegations of Central Intelligence Agency involvement in crack cocaine trafficking with supporters of the Nicaraguan Contras.

SEC. 2. That the chairman and ranking minority member of any other committee of the Senate, acting jointly, are authorized to provide to the Office of Inspector General of the United States Department of Justice or to other government investigators, under appropriate security procedures, copies of records held by their committee related to allegations of Central Intelligence Agency involvement in crack cocaine trafficking with supporters of the Nicaraguan Contras.

PROCLAIMING A NATIONWIDE MOMENT OF REMEMBRANCE

Mr. LOTT. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of Senate Resolution 76 and the Senate proceed to its consideration.

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

The clerk will report the resolution by title.

The assistant legislative clerk read as follows.

A resolution (S. Res. 76) proclaiming a nationwide moment of remembrance to be observed on Memorial Day, May 26, 1997, in order to appropriately honor American patriots lost in the pursuit of peace and liberty around the world.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

AMENDMENT NO. 360

(Purpose: To clarify the designated time for a moment of remembrance)

Mr. LOTT. Senator THURMOND has an amendment to the resolution at the desk and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT], for Mr. THURMOND, proposes an amendment numbered 360:

On page 2, lines 5 and 6, strike "Standard" and insert "Daylight".

Mr. LOTT. I ask unanimous consent the amendment be agreed to, the resolution be agreed to, as amended, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements related to the resolution appear at this point in the RECORD.

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

The amendment (No. 360) was agreed to.

The resolution (S. Res. 76), as amended, was agreed to, as follows:

S. RES. 76

Whereas the preservation of basic freedoms and world peace has always been a valued objective of this great country;

Whereas thousands of American men and women have selflessly given their lives in service as peacemakers and peacekeepers;

Whereas greater strides should be made to demonstrate the appreciation and gratitude these loyal Americans deserve and to commemorate the ultimate sacrifice they made;

Whereas Memorial Day is the day of the year for the Nation to appropriately remember American heroes by inviting the citizens of this Nation to respectfully honor them at a designated time; and

Whereas the playing of ''Taps'' symbolizes the solemn and patriotic recognition of those Americans who died in service to our Country: Now, therefore, be it

Resolved, That the Senate requests that—

(1) a nationwide moment of remembrance be observed on Memorial Day, May 26, 1997, by the simultaneous pausing of all citizens to acknowledge the playing of ''Taps'' at 3:00 p.m. (Eastern Standard Time) in honor of the Americans that gave their lives in the pursuit of freedom and peace; and

(2) the President issue a proclamation calling upon the departments and agencies of the United States and interested organizations, groups, and individuals to participate in and promote this nationwide tribute to the dedicated American men and women who died in the pursuit of freedom and peace.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed immediately to executive session to consider the following nominations on the Executive Calendar.

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

Mr. LOTT. Calendar 43 through 48, 50, 51, 67, 68, 71, 72, 90 through 93, 98 through 103, 105, 106, 107, 109, 110, 111, 116 through 120, and 125; and all nominations placed on the Secretary's desk in the Air Force, Army, Foreign Service, Navy, and Public Health Service. I further ask unanimous consent that the nominations be confirmed, the motions to reconsider be laid upon the table, any statements relating to the nominations appear at this point in the RECORD, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

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

The nominations considered and confirmed en bloc are as follows:

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

Donna Holt Cunninghame, of Maryland, to be Chief Financial Officer, Corporation for National and Community Service, (New Position), to which position she was appointed during the last recess of the Senate.

NATIONAL COUNCIL ON DISABILITY

Dave Nolan Brown, of Washington, to be a Member of the National Council on Disability for a term expiring September 17, 1998.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

Arthur I. Blaustein, of California, to be a Member of the National Council on the Humanities for a term expiring January 26, 2002.

Lorraine Weiss Frank, of Arizona, to be a Member of the National Council on the Humanities for a term expiring January 26, 2002.

Susan Ford Wiltshire, of Tennessee, to be a Member of the National Council on the Humanities for a term expiring January 26, 2002.

Nathan Leventhal, of New York, to be a Member of the National Council on the Arts for a term expiring September 3, 2002.

NATIONAL INSTITUTE FOR LITERACY

Jon Deveaux, of New York, to be a Member of the National Institute for Literacy Advisory Board for a term expiring October 12, 1998.

NATIONAL MEDIATION BOARD

Magdalena G. Jacobsen, of Oregon, to be a Member of the National Mediation Board for a term expiring July 1, 1999.

MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION

D. Michael Rappoport, of Arizona, to be a Member of the Board of Trustees of the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation for a term expiring October 6, 2002.

Judith M. Espinosa, of New Mexico, to be a Member of the Board of Trustees of the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation for a term of 4 years.

FARM CREDIT ADMINISTRATION

Ann Jorgenson, of Iowa, to be a Member of the Farm Credit Administration Board, Farm Credit Administration for a term expiring May 21, 2002.

Lowell Lee Junkins, of Iowa, to be a Member of the Board of Directors of the Federal Agricultural Mortgage Corporation.

DEPARTMENT OF COMMERCE

Andrew J. Pincus, of New York, to be General Counsel of the Department of Commerce.

DEPARTMENT OF TRANSPORTATION

Triruvarur R. Lakshmanan, of New Hampshire, to be Director of the Bureau of Transportation Statistics, Department of Transportation, for the term of 4 years.

EXECUTIVE OFFICE OF THE PRESIDENT

Jerry M. Melillo, of Massachusetts, to be an Associate Director of the Office of Science and Technology Policy.

Kerri-Ann Jones, of Maryland, to be an Associate Director of the Office of Science and Technology Policy.

DEPARTMENT OF EDUCATION

Donald Rappaport, of the District of Columbia, to be Chief Financial Officer, Department of Education.

BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION

Hans M. Mark, of Texas, to be a Member of the Board of Trustees of the Barry Goldwater Scholarship and Excellence in Education Foundation for a term expiring April 17, 2002.

NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD

Anthony R. Sarmiento, of Maryland, to be a Member of the National Institute for Literacy Advisory Board for a term expiring September 22, 1998.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

Susan E. Trees, of Massachusetts, to be a Member of the National Council on the Humanities for a term expiring January 26, 2002.

Marsha Mason, of New Mexico, to be a Member of the National Council on the Arts for a term expiring September 3, 2002.

DEPARTMENT OF EDUCATION

Gerald N. Tirozzi, of Connecticut, to be Assistant Secretary for Elementary and Secondary Education, Department of Education.

DEPARTMENT OF STATE

Stuart E. Eizenstat, of Maryland, to be an Under Secretary of State.

Thomas R. Pickering, of New Jersey, to be an Under Secretary of State.

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

Karen Shepherd, of Utah, to be United States Director of the European Bank for Reconstruction and Development.

DEPARTMENT OF STATE

Letitia Chambers, of the District of Columbia, to be a Representative of the United States of America to the Fifty-first Session of the General Assembly of the United Nations.

James Catherwood Hormel, of California, to be an Alternate Representative of the United States of America to the Fifty-first Session of the General Assembly of the United Nations.

Prezell R. Robinson, of North Carolina, to be an Alternate Representative of the United States of America to the Fifty-first Session of the General Assembly of the United Nations.

DEPARTMENT OF TRANSPORTATION

Kenneth M. Mead, of Virginia, to be Inspector General, Department of Transportation.

IN THE AIR FORCE

The following-named officer for appointment in the U.S. Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. John W. Handy, 0000

IN THE ARMY

The following-named officers for appointment in the Reserve of the Army to the grade indicated under title 10, United States Code, section 12203;

To be major general

Brig. Gen. James W. Darden, 0000
Brig. Gen. Michael E. Dunlavey, 0000
Brig. Gen. Michael T. Gaw, 0000
Brig. Gen. George O. Hillard, III, 0000

To be brigadier general

Col. Richard W. Hammond, 0000
Col. John R. Tindall, Jr., 0000
Col. Gary C. Wattnem, 0000

IN THE MARINE CORPS

The following-named officer for appointment in the U.S. Marine Corps to the grade indicated under title 10, United States Code, section 624:

To be brigadier general

Col. Terry L. Paul, 0000

IN THE NAVY

The following-named officers for appointment in the U.S. Navy to the grade indicated under title 10, United States Code, section 624:

To be rear admiral

Rear Adm. (lh) Joan M. Engel, 0000
Rear Adm. (lh) Jerry K. Johnson, 0000

GENERAL SERVICES ADMINISTRATION

David J. Barram, of California, to be Administrator of General Services.

IN THE AIR FORCE, ARMY, FOREIGN SERVICE, NAVY PUBLIC HEALTH SERVICE

Air Force nominations beginning Neal A Andren, and ending Randall C Zernzach, which nominations were received by the Senate and appeared in the Congressional Record of January 28, 1997.

Army nominations beginning James A. Adkins, and ending Abraham P. Zimelman, which nominations were received by the Senate and appeared in the Congressional Record of April 25, 1997.

Foreign Service nominations beginning Kathleen Therese Austin, and ending Ronda S. Zander, which nominations were received by the Senate and appeared in the Congressional Record of February 13, 1997.

Foreign Service nominations beginning Kenton W. Keith, and ending Terrence W. Sullivan, which nominations were received by the Senate and appeared in the Congressional Record of February 13, 1997.

Foreign Service nominations beginning Daniel B. Conable, and ending Francis J. Tarrant, which nominations were received by the Senate and appeared in the Congressional Record of February 13, 1997.

Foreign Service nominations beginning Kenneth P. Moorefield, and ending James Wilson, which nominations were received by the Senate and appeared in the Congressional Record of April 8, 1997.

Foreign Service nominations beginning Susan B. Aramayo, and ending Robert S. Morris, which nominations were received by the Senate and appeared in the Congressional Record of April 25, 1997.

Navy nominations beginning Thomas P. Yavorski, and ending Robert J. Barton, III, which nominations were received by the Senate and appeared in the Congressional Record of April 28, 1997.

Navy nominations beginning Craig L Herrick, and ending William F Conroy, II, which nominations were received by the Senate and appeared in the Congressional Record of April 28, 1997.

Public Health Service nominations beginning Dan L Longo, and ending Christopher R Walsh, which nominations were received by the Senate and appeared in the Congressional Record of January 30, 1997.

Public Health Service nominations beginning Larry J Anderson, and ending John N Zey, which nominations were received by the Senate and appeared in the Congressional Record of January 30, 1997.

Mr. LOTT. I do note, Mr. President, that I have discussed this with Senator DASCHLE and this substantially cleans the Executive Calendar. There are a few remaining, but they are awaiting companion nominations or have problems that I think we may resolve soon after we get back. This is a major list of nominations that are being confirmed this afternoon. I am glad we were able to work out the difficulties.

NOMINATIONS OF ANN JORGENSEN AND LOWELL JUNKINS

Mr. LUGAR. Mr. President, I support the nomination of Ann Jorgensen to the Farm Credit Administration Board of Directors and Lowell Junkins to the Farmer Mac Board of Directors. Both nominees appeared before the Agriculture Committee on April 10 and both were favorably reported out of committee on April 15 by unanimous vote.

The Farm Credit System is an important source of agricultural credit for rural America. The system is regulated by the Farm Credit Administration, which has had a vacancy on its three-member Board since March 31, 1995. I am pleased that after that long vacancy we have a qualified nominee to complete the board. Ms. Jorgensen has a distinguished career in farming, entrepreneurship, and public service and will serve ably as an FCA board member.

Farmer Mac was created by Congress in 1988 to promote a secondary market in farm real estate loans. The Farm Credit System Reform Act of 1996 provided Farmer Mac with additional authorities to develop a successful secondary market. The future of Farmer Mac will be determined in the next 2 years. It is important that qualified individuals serve on the board to help move Farmer Mac toward a successful secondary market for agricultural loans.

Mr. Junkins has served as a recess appointee to the Farmer Mac Board of Directors since April 1996. Mr. Junkins was also spoken highly of by the distinguished ranking member of the Agriculture Committee, Senator HARKIN, Senator GRASSLEY, and Congressman BOSWELL.

Ann Jorgensen and Lowell Junkins are well qualified and should be confirmed by the Senate to the Farm Credit Administration Board and the Farmer Mac Board respectively. I urge my colleagues to vote for their nomination.

LEGISLATIVE SESSION

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1974. A communication from the Acting Chair of the Federal Subsistence Board, transmitting, pursuant to law, a rule entitled ''Subsistence Management Regulations'' (RIN1018–AD90) received on May 21, 1997; to the Committee on Energy and Natural Resources.

EC–1975. A communication from the Director of the Office of Regulations Management, Department of Veterans' Affairs, transmitting, pursuant to law, a rule entitled ''Reservists' Education'' (RIN2900–AI54) received on May 20, 1997; to the Committee on Veterans' Affairs.

EC–1976. A communication from the Assistant Attorney General, Office of Legislative Affairs, Department of Justice, transmitting, a draft of proposed legislation entitled ''The Forfeiture Act of 1997''; to the Committee on the Judiciary.

EC–1977. A communication from the Assistant to the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, a rule entitled ''Regulation C'' received on May 20, 1997; to the Committee on Banking, Housing, and Urban Affairs.

EC–1978. A communication from the Acting General Counsel of the Department of Housing and Urban Development, transmitting, pursuant to law, five rules including a rule entitled ''Manufactured Housing'' (FR–4106, 4080, 4223, 4108, 4166) received on May 20, 1997; to the Committee on Banking, Housing, and Urban Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. D'AMATO, from the Committee on Banking, Housing, and Urban Affairs, with an amendment in the nature of a substitute:

S. 462. A bill to reform and consolidate the public and assisted housing programs of the United States, and to redirect primary responsibility for these programs from the Federal Government to States and localities, and for other purposes (Rept. No. 105–21).

By Mr. HATCH, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 507. A bill to establish the United States Patent and Trademark Organization as a Government corporation, to amend the provisions of title 35, United States Code, relating to procedures for patent applications, commercial use of patents, reexamination reform, and for other purposes.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. THOMAS (for himself and Mr. ENZI):

S. 799. A bill to direct the Secretary of the Interior to transfer to the personal representative of the estate of Fred Steffens of Big Horn County, Wyoming, certain land comprising the Steffens family property; to the Committee on Energy and Natural Resources.

By Mr. ABRAHAM (for himself, Mr. KYL, Mr. BROWNBACK, Mr. ASHCROFT, Mr. SESSIONS, Mr. HUTCHINSON, Mr. FAIRCLOTH, and Mr. ALLARD):

S. 800. A bill to create a tax cut reserve fund to protect revenues generated by economic growth; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, as modified by the order of April 11, 1986, with instructions that if one Committee reports, the other Committee have thirty days to report or be discharged.

By Mr. GRAHAM (for himself, Mr. FAIRCLOTH, and Mr. HUTCHINSON):

S. 801. A bill to amend title 38, United States Code, to provide for improved and expedited procedures for resolving complaints of unlawful employment discrimination arising within the Department of Veterans Affairs, and for other purposes; to the Committee on Veterans Affairs.

By Mr. ENZI (for himself and Mr. THOMAS):

S. 802. A bill to provide for the retention of the name of the mountain at the Devils Tower National Monument in Wyoming known as ''Devils Tower'', and for other purposes; to the Committee on Energy and Natural Resources..

By Mr. THURMOND (for himself and Mr. MURKOWSKI):

S. 803. A bill to permit the transportation of passengers between United States ports by certain foreign-flag vessels and to encourage United States-flag vessels to participate in

such transportation; to the Committee on Commerce, Science, and Transportation.

By Mr. LAUTENBERG (for himself, Mr. LEAHY, Mr. LUGAR, Mrs. FEINSTEIN, Ms. MIKULSKI, Mrs. MURRAY, Mr. LIEBERMAN, Mr. D'AMATO, and Mr. MOYNIHAN):

S. 804. A bill to restrict foreign assistance for countries providing sanctuary to indicted war criminals who are sought for prosecution before the International Criminal Tribunal for the former Yugoslavia; to the Committee on Foreign Relations.

By Mr. LUGAR (for himself and Mr. HARKIN):

S. 805. A bill to reform the information technology systems of the Department of Agriculture, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MCCAIN (for himself and Mr. CAMPBELL):

S. 806. A bill to amend the Internal Revenue Code of 1986 to provide tax credits for Indian investment and employment, and for other purposes; to the Committee on Finance.

S. 807. A bill to amend the Internal Revenue Code of 1986 to treat for unemployment compensation purposes Indian tribal governments the same as State or local units of government or as nonprofit organizations; to the Committee on Finance.

S. 808. A bill to amend the Internal Revenue Code of 1986 to provide for the issuance of tax-exempt bonds by Indian tribal governments, and for other purposes; to the Committee on Finance.

S. 809. A bill to amend the Internal Revenue Code of 1986 to exempt from income taxation income derived from natural resources activities by a member of an Indian tribe directly or through a qualified Indian entity; to the Committee on Finance.

By Mr. ABRAHAM (for himself and Mr. DEWINE):

S. 810. A bill to impose certain sanctions on the People's Republic of China, and for other purposes; to the Committee on Foreign Relations.

By Mr. FORD:

S. 811. A bill for the relief of David Robert Zetter, Sabina Emily Seitz, and their son, Daniel Robert Zetter; to the Committee on the Judiciary.

By Mr. KOHL:

S. 812. A bill to establish an independent commission to recommend reforms in the laws relating to elections for Federal office; to the Committee on Rules and Administration.

By Mr. THURMOND (for himself and Mr. MCCAIN):

S. 813. A bill to amend chapter 91 of title 18, United States Code, to provide criminal penalties for theft and willful vandalism at national cemeteries; to the Committee on Veterans Affairs.

By Mr. ENZI (for himself and Mr. THOMAS):

S. 814. A bill to direct the Secretary of the Interior to transfer to John R. and Margaret J. Lowe of Big Horn County, Wyoming, certain land so as to correct an error in the patent issued to their predecessors in interest; to the Committee on Energy and Natural Resources.

By Mr. BAUCUS (for himself, Mr. GORTON, and Mrs. MURRAY):

S. 815. A bill to amend the Internal Revenue Code of 1986 to provide tax treatment for foreign investment through a United States regulated investment company comparable to the tax treatment for direct foreign investment and investment through a foreign mutual fund; to the Committee on Finance.

By Mr. CRAIG:

S. 816. A bill to amend title 18, United States Code, to provide a national standard in accordance with which nonresidents of a State may carry certain concealed firearms in the State, and to exempt qualified current and former law enforcement officers from State laws prohibiting the carrying of concealed handguns; to the Committee on the Judiciary.

By Mr. GRASSLEY:

S. 817. A bill to amend title XVIII of the Social Security Act to permit classification of certain hospitals as rural referral centers, to permit reclassification of certain hospitals for disproportionate share payments, and to permit sole community hospitals to rebase Medicare payments based upon fiscal year 1994 and 1995 costs; to the Committee on Finance.

By Mr. CAMPBELL (for himself and Mr. INOUYE):

S. 818. A bill to improve the economic conditions and supply of housing in Native American communities by creating the Native American Financial Services Organization, and for other purposes; to the Committee on Indian Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BYRD (for himself, Mr. COVERDELL, and Mr. CLELAND):

S. Res. 90. A resolution authorizing the printing of the publication entitled ''Dedication and Unveiling of the Statue of Richard Brevard Russell, Jr.''; considered and agreed to.

By Mr. LOTT (for himself and Mr. DASCHLE):

S. Res. 91. A resolution to authorize the production of records by the Select Committee on Intelligence; considered and agreed to.

By Mr. LAUTENBERG:

S. Res. 92. A resolution designating July 2, 1997, and July 2, 1998, as ''National Literacy Day''; to the Committee on the Judiciary.

By Mr. GRASSLEY:

S. Res. 93. A resolution designating the week beginning November 23, 1997, and the week beginning on November 22, 1998, as ''National Family Week'', and for other purposes; to the Committee on the Judiciary.

By Mr. WARNER:

S. Res. 94. A resolution commending the American Medical Association on its 150th anniversary, its 150 years of caring for the United States, and its continuing effort to uphold the principles upon which Nathan Davis, M.D. and his colleagues founded the American Medical Association to ''promote the science and art of medicine and the betterment of public health''; to the Committee on the Judiciary.

By Mr. GORTON:

S. Con. Res. 29. A concurrent resolution recommending the integration of Estonia, Latvia, and Lithuania into the North Atlantic Treaty Organization; to the Committee on Foreign Relations.

By Mr. HELMS (for himself and Mr. LIEBERMAN):

S. Con. Res. 30. A concurrent resolution expressing the sense of the Congress that the Republic of China should be admitted to multilateral economic institutions, including the International Monetary Fund and the International Bank for Reconstruction and Development; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. THOMAS (for himself and Mr. ENZI):

S. 799. A bill to direct the Secretary of the Interior to transfer to the personal representative of the estate of Fred Steffens of Big Horn County, Wyoming, certain land comprising the Steffens family property; to the Committee on Energy and Natural Resources.

TRANSFER LEGISLATION

• Mr. THOMAS. Mr. President, I introduce legislation which would return a family farm in Big Horn County, WY, to its rightful owners. The family of Fred Steffens lost ownership of the property where they lived and prospered for almost 70 years, as a result of a misrepresentation by the original property owners. Mr. Steffens' relatives have explored every avenue to regain the title to their property, and are left with no other option than to seek congressional assistance. I stand before you today, on behalf of my constituents, to request help in providing a timely solution to this problem. It is my hope that in doing so, this wrong can be righted.

Upon the death of Fred Steffens on January 20, 1995, his sister, Marie Wambeke, was appointed personal representative of the 80-acre Steffens Estate. In February 1996, Ms. Wambeke learned from the Bureau of Land Management [BLM] that she did not have a clear title to her brother's property, and she submitted a color-of-title application. Shortly thereafter, Ms. Wambeke was informed that her brother's property was never patented, so her application was rejected.

The injustice of this situation is that when Mr. Steffens purchased this property in 1928, he did receive a Warranty Deed with Release of Homestead from the former owners. Unfortunately, these individuals did not have a reclamation entry to assign to Mr. Steffens. In fact, 2 years before selling the property, the original owners had been informed that the land they occupied was withdrawn by the Bureau of Reclamation for the Shoshone Reclamation Project. At the same time, they were notified that they had never truly owned the property.

Unethically, this did not stop them from selling the land to Mr. Steffens in 1928. In good faith Mr. Steffens purchased the property, paid taxes on the property from the time of purchase, and is on record at the Big Horn County Assessor's office as owner of this property. Due to the dishonesty of others, his family now faces the sobering reality of losing this land unless a title transfer can be effected legislatively.

Mr. President, the legislation I am introducing today would transfer the land from Fred Steffens' estate to his sister, Marie. This property has been in their family since 1928. Through no fault of their own, these folks are being forced to relinquish rights not only to their land, but to a part of their heritage and a legacy to their future generations. I hope we can expedite this matter by turning this land over to Marie Wambeke's ownership.

Mr. President, I ask unanimous consent that a copy of the legislation be printed in the RECORD.

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

S. 799

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

SECTION 1. TRANSFER OF STEFFENS FAMILY PROPERTY.

Notwithstanding any other law, the Secretary of the Interior, acting through the Director of the Bureau of Land Management, shall, without consideration of other reimbursement, transfer to Marie Wambeke of Big Horn County, Wyoming, personal representative of the estate of Fred Steffens, the land that was acquired by Fred Steffens under a Warranty Deed and Release of Homestead from Frank G. McKinney and Margaret W. McKinney on September 28, 1928, and thereafter occupied by Fred Steffens, known as ''Farm C'' in the E½NW¼ of Section 27 in Township 57 North, Range 97 West, 6th Principal Meridian, Wyoming.●

By Mr. ENZI (for himself and Mr. THOMAS):

S. 802. A bill to provide for the retention of the name of the mountain at the Devils Tower National Monument in Wyoming known as ''Devils Tower'', and for other purposes; to the Committee on Energy and Natural Resources.

THE DEVILS' TOWER NATIONAL MONUMENT DESIGNATION ACT OF 1997

Mr. ENZI. Mr. President, I rise to introduce a bill which will enable Devil's Tower National Monument to retain its historic and traditional name.

This, our first national monument, has been known as ''Devil's Tower'' for over 120 years. It is an unmistakable symbol of Wyoming and the West and is known internationally as one of the premiere crack climbing locations in the world. Consequently, Devil's Tower, and it's worldwide recognition by that name, is very important to my State, which depends so heavily on its tourism industry. And yet, there are those who would attempt to fix that which is not broken.

I am fully sensitive to the feelings of those Native Americans who would prefer to see the name of this natural wonder changed to something more acceptable to their cultural traditions. Many tribal members think of the monument as sacred. However, I believe that little would be gained from a name change, and much would be lost.

It is important to remember that there is no consensus as to which Indian name would be most appropriate. In fact, there seem to be as many proposals for new names as there are special interest groups proposing them. Among the candidates are Bear's Lodge, Grizzly Bear's Lodge, Bear's Tipi, Bear's Lair, Bear Lodge Butte, Tree Rock and several others. The only thing they seem agreed upon is what the monument should not be called: Devil's Tower.

The initiative to change the name of Devil's Tower would accomplish little more than to dredge up age-old conflicts and divisions between descendants of European settlers and the descendants of Native Americans. This would be most unfortunate and would result only in economic hardship for all the area's citizens. My legislation will prevent such hardship and will embrace the least offensive option offered so far—the preservation the traditional name of Devil's Tower. I urge my colleagues to support this measure. I ask unanimous consent that the full text of the bill be printed in the RECORD.

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

S. 802

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

SECTION 1. DESIGNATION OF DEVILS TOWER.

(a) IN GENERAL.—The mountain at the Devils Tower National Monument in Wyoming, located at 44 degrees, 42 minutes, 58 seconds north latitude, 104 degrees, 35 minutes, 32 seconds west longitude, shall be known and designated as ''Devils Tower.''

(b) LEGAL REFERENCES.—Any reference in any law, map, regulation, document, paper, or other record of the United States to the mountain referred to in subsection (a) is deemed to be a reference to ''Devils Tower.''

By Mr. THURMOND (for himself and Mr. MURKOWSKI):

S. 803. A bill to permit the transportation of passengers between United States ports by certain foreign-flag vessels and to encourage U.S.-flag vessels to participate in such transportation; to the Committee on Commerce, Science, and Transportation.

THE U.S. CRUISE TOURISM ACT

Mr. THURMOND. Mr. President, I rise today to introduce legislation to greatly increase the economic benefits to our Nation from cruise ship tourism. This measure, called the United States Cruise Tourism Act, will implement one of the recommendations of the White House Conference on Travel and Tourism. I am pleased to be joined by Senator MURKOWSKI in introducing this bill.

Pleasure cruises aboard ocean-going vessels represent one of the fastest growing segments of our tourism industry. Over the past 5 years, cruise ship tourism has grown by 50 percent and is expected to grow at a rate of 5½ percent annually over the next few years. When a cruise ship is in port, as much as $250,000 is spent on maintenance and supplies, and cruise passengers spend an average of $205 a day. Although 85 percent of these cruise passengers are Americans, most of the revenues now go to foreign destinations.

This export of American tourist dollars is the unintended consequence of the outdated Passenger Vessel Services Act [PSA] of 1886. This act prohibits non-U.S.-flag vessels from carrying passengers between U.S. ports. Unfortunately, since the U.S.-flag fleet is now down to one cruise ship, this restriction makes passenger cruise travel between U.S ports virtually impossible. Today, the passenger cruise industry in the United States consists primarily of foreign flag vessels which, under current law, must sail to and from foreign ports. This prevents many of our mid-coast ports such as Charleston, San Francisco, Baltimore and others from participating in the cruise industry because of their distance from foreign ports. As a result, potential cruise itineraries on the east and west coast, the gulf coast, the Great Lakes and the coast of Alaska have yet to be developed.

Mr. President, our legislation would allow our port cities and shore-based tourism businesses to take advantage of this booming area of tourism while providing incentives for the rehabilitation of the U.S.-flag cruise industry. This bill would enact a narrow waiver to the PSA to permit large, ocean-going, foreign-flag cruise ships to carry passengers between U.S. ports. Subsequently, as U.S. companies become attracted to the business, U.S.-flag ships will enter the market. When this happens, foreign vessels would be required to reduce their capacity to make room for more U.S. competitors. This provision also addresses the concern expressed by many of our shipyards. They have complained that the uncertainty over the continuation of the PSA was chilling their efforts to obtain investment in a U.S.-built cruise ship. If enacted, our bill would assure a market for the ships they build.

Finally, Mr. President, this legislation in no way affects the Jones Act. The Jones Act is an entirely separate statute enacted in 1920 to protect our cargo fleet and assure that we have a qualified merchant marine in times of war. Also, this measure does not waive the PSA for any trade where there currently exists an American competitor. U.S. ferries, river boat cruises, and cruises on the Atlantic intra-coastal waterway would not be affected.

Mr. President, our country has a beautiful coastline and Americans should not have to join the armed services or buy a yacht to see it. Moreover, our tourist industry is one of the most successful contributors to the economic growth of our Nation. We should not permit artificial barriers to inhibit the good work of the people in this industry. This legislation will remove that barrier. I urge my colleagues to support it.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 803

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''United States Cruise Tourism Act of 1997''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) It is in the interest of the United States to maximize economic return from the growing industry of pleasure cruises—

(A) by encouraging the growth of new cruise itineraries between coastal cities in the United States, and

(B) by encouraging the use of United States goods, labor, and support services.

(2) In maximizing the economic benefits to the United States from increased cruise vessel tourism, there is a need to ensure that existing employment and economic activity associated with United States-flag vessels (including tour boats, river boats, intracoastal waterway cruise vessels, and ferries) are protected and to provide for the reemergence of a United States-flag cruise vessel industry.

(3) The pleasure cruise industry is one of the fastest growing segments of the tourism industry and is expected to grow at a rate of 5 percent a year over the next few years.

(4) The United States-flag ocean cruise vessel fleet consists of only a single vessel that tours the Hawaiian Islands. As a result, all the cruise vessels carrying passengers to and from United States ports are foreign-flag vessels and the United States ports served are mostly ports that are close enough to foreign ports to allow intermediate calls.

(5) Prohibiting cruises between United States ports by foreign-flag vessels results in the loss of tourist dollars and revenue for United States ports and greatly disadvantages United States ports and coastal communities.

SEC. 3. FOREIGN-FLAG CRUISE VESSELS.

(a) DEFINITIONS.—In this Act:

(1) COASTWISE TRADE.—The term ''coastwise trade'' means the coastwise trade provided for in section 12106 of title 46, United States Code and includes trade in the Great Lakes.

(2) CRUISE VESSEL.—The term ''cruise vessel'' means a vessel of greater than 4,000 gross registered tons which provides a full range of luxury accommodations, entertainment, dining, and other services for its passengers.

(3) FOREIGN-FLAG CRUISE VESSEL.—The term ''foreign-flag cruise vessel'' does not apply to a vessel which—

(A) provides ferry services or intracoastal waterway cruises;

(B) regularly carries for hire both passengers and vehicles or other cargo; or

(C) serves residents of the vessel's ports of call in the United States as a common or frequently used means of transportation between United States ports.

(4) REPAIR AND MAINTENANCE SERVICE.—The term ''repair and maintenance service'' includes alterations and upgrades.

(b) WAIVER.—Notwithstanding the provisions of section 8 of the Act of June 19, 1886 (24 Stat. 81, Chapter 421; 46 U.S.C. App. 289), or any other provision of law, and except as otherwise provided by this section, the Secretary of Transportation (in this Act referred to as the ''Secretary'') may approve the transportation of passengers on foreign-flag cruise vessels not otherwise qualified to engage in the coastwise trade between ports in the United States, directly or by way of a foreign port.

(c) EXCEPTIONS.—

(1) IN GENERAL.—The Secretary may not approve the transportation of passengers on a foreign-flag cruise vessel pursuant to this section with respect to any coastwise trade that is being served by a United States-flag cruise vessel.

(2) UNITED STATES-FLAG SERVICE INITIATED AFTER APPROVAL OF FOREIGN-FLAG VESSEL.—Upon a showing to the Secretary, by a United States-flag cruise vessel owner or charterer, that service aboard a cruise vessel qualified to engage in the coastwise trade is being offered or advertised pursuant to a Certificate of Financial Responsibility for Indemnification of Passengers for Nonperformance of Transportation from the Federal Maritime Commission (issued pursuant to section 3 of Public Law 89–777; 46 U.S.C. App. 817e) for service in the coastwise trade on an itinerary substantially similar to that of a foreign-flag cruise vessel transporting passengers under authority of this section, the Secretary shall, in accordance with subsection (d)(2), notify the owner or charterer of the foreign-flag cruise vessel that the Secretary will, within 3 years after the date of notification, terminate such service.

(d) TERMINATION.—

(1) IN GENERAL.—Coastwise trade privileges granted to such owner or charterer of a foreign-flag cruise vessel under this section shall expire on the date that is 3 years after the date of the Secretary's notification described in subsection (c)(2).

(2) ORDER OF TERMINATION.—Any notification issued by the Secretary under this subsection shall be issued to the owner or charterer of a foreign-flag cruise vessel—

(A) in the reverse order in which the foreign-flag cruise vessel entered service in the coastwise trade under this section, determined by the date of the vessel's first coastwise sailing; and

(B) in the minimum number necessary to ensure that the passenger-carrying capacity thereby removed from the coastwise trade service exceeds the passenger-carrying capacity of the United States-flag cruise vessel entering the service.

(3) EXCEPTION.—If, at the expiration of the 3-year period specified in paragraph (1), the United States-flag cruise vessel that has been offering or advertising service pursuant to a certificate described in subsection (c)(2) has not entered the coastwise trade described in subsection (c)(2), then the termination of service required by paragraph (1) shall not take effect until 180 days after the date of the entry into that coastwise trade service by the United States-flag cruise vessel.

(e) REQUIREMENT FOR REPAIRS IN UNITED STATES SHIPYARDS.—

(1) IN GENERAL.—The owner or charterer of a foreign-flag cruise vessel that is qualified to provide coastwise trade service under this section is required to have repair and maintenance service for the vessel performed in the United States during the period that such vessel is qualified for such coastwise trade service, except in a case in which the vessel requires repair and maintenance service while at a distant foreign port (as defined in section 4.80a(a) of title 19, Code of Federal Regulations (or any corresponding similar regulation or ruling)).

(2) ACTION IF REQUIREMENT NOT MET.—

(A) GENERAL RULE.—If the Secretary determines that the owner or charterer has not met the repair and maintenance service requirement described in paragraph (1), the Secretary shall terminate the coastwise trade privileges granted to the owner or charterer under this section.

(B) WAIVER.—The Secretary may waive the repair and maintenance service requirement if the Secretary finds that—

(i) the repair and maintenance service is not available in the United States, or

(ii) an emergency prevented the owner or charterer from obtaining the service in the United States.

(f) ALIEN CREWMEN.—Section 252 of the Immigration and Nationality Act (8 U.S.C. 1282) is amended—

(1) in subsection (a), by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B);

(2) by inserting ''(1)'' immediately after ''(a)'';

(3) in subsection (a)(1) (as redesignated), in the second sentence, by inserting '', except as provided in paragraph (2), and'' after ''subsection (b),'';

(4) by adding at the end of subsection (a)(1) (as redesignated), the following:

''(2) An immigration officer may extend for a period or periods of up to 6 months each a conditional permit to land that is granted under paragraph (1) to an alien crewman employed on a vessel if the owner or charterer of the vessel requests the extension and the immigration officer determines that the extension is necessary to maintain the vessel in the coastwise trade between ports in the United States, directly or by way of a foreign port.''; and

(5) in subsection (b), by striking ''subsection (a)(1)'' and inserting ''subsection (a)(1)(A)''.

(g) DISCLAIMER.—

(1) IN GENERAL.—Nothing in this Act shall be construed as affecting or otherwise modifying the authority contained in—

(A) Public Law 87–77 (46 U.S.C. App. 289b) authorizing the transportation of passengers and merchandise in Canadian vessels between ports in Alaska and the United States; or

(B) Public Law 98–563 (46 U.S.C. App. 289c) permitting the transportation of passengers between Puerto Rico and other United States ports.

(2) JONES ACT.—Except as otherwise expressly provided in this Act, nothing in this Act shall be construed as affecting or modifying the provisions of the Merchant Marine Act, 1920.

Mr. MURKOWSKI. Today, Mr. President, I am very pleased to join the senior Senator from South Carolina [Mr. THURMOND] in introducing this important bill. It is intended to break down a barrier that Congress created 111 years ago, and which has long since ceased to make sense.

Opening that door will create a path to thousands of new jobs, to hundreds of millions of dollars in new economic activity and to millions in new Federal, State, and local government revenues. Furthermore, Mr. President, that door can be opened with no adverse impact on any existing U.S. industry, labor interest, or on the environment, and it will cost the government virtually nothing.

There's no magic to this; in fact, it's a very simple matter. This bill merely allows U.S. ports to compete in the business of offering homeport services to the cruise ship trade.

The bill amends the Passenger Service Act to allow foreign cruise ships to operate between U.S. ports. However, it also very carefully protects all existing U.S. passenger vessels by using a definition of cruise ship designed to exclude any foreign-flag vessels that could conceivably compete in the same market as U.S.-flag tour boats, ferries, or riverboats. Finally, it provides a mechanism to guarantee that if a U.S. vessel ever enters this trade in the future, steps will be taken to ensure an ample pool of potential passengers.

Mr. President, this is a straightforward approach to a vexing problem, and it deserves the support of this body.

As my colleagues know, this bill is very similar to S. 668, a bill I introduced just a few weeks ago. The major difference is that that bill applies only

to cruise ships operating in Alaska, and this one applies nationwide. Other differences include the fact that my original bill sets a 5,000 gross deadweight ton cut-off for vessels seeking to enter the coastwise trade, and this one uses a 4,000 ton limit. This bill also requires foreign vessels operating in the U.S. trade to effect repairs in U.S. shipyards. Both of these differences are positive, in my view.

The change in tonnage will encourage U.S. ports to compete for business from some of the smaller vessels in the luxury cruise ship fleet, which continuing to protect existing U.S. tour vessels in the 100-ton class. While there are a few riverboats in the area of 3,000 tons, none of these operate in the open ocean cruise ship trade, and the bill contains other protections specifically for these U.S. vessels.

The requirement for U.S. repair will assist in creating and maintaining even more U.S. jobs. From the standpoint of the cruise ships, it simply calls for the continuation of what is already a common practice among vessels that need work while visiting a U.S. port

Mr. President, it isn't 1886 anymore, and it is time to change the current law. These days, no one is building any U.S. passenger ships of this type, and no one has built one in over 40 years. Instead of protecting U.S. jobs, the current law is a job losing proposition, as it prohibits U.S. cities from competing. That is absurd.

The cash flow generated by the cruise ship trade is enormous. Most passengers bound for my State of Alaska fly in or out of Seattle-Tacoma International Airport, but because of the law, they spend little time there. Instead, they spend their pre- and post-sailing time in a Vancouver hotel, at Vancouver restaurants, and in Vancouver gift shops. And when their vessel sails, it sails with food, fuel, general supplies, repair and maintenance needs taken care of by Vancouver vendors.

According to some estimates, the city of Vancouver receives benefits of well over $200 million per year from the cruise ship trade. Others provide more modest estimates, such as a comprehensive study by the International Council of Cruise Lines, which indicated that in 1992 alone, the Alaska cruise trade generated over 2,400 jobs for the city of Vancouver, plus payments to Canadian vendors and employees of over $119 million.

This is a market almost entirely focused on U.S. citizens going to see one of the United State's most spectacular places, and yet we force them to go to another country to do it. We are throwing away both money and jobs—and getting nothing whatsoever in return.

Why is this allowed to happen? The answer is simple—but it is not rational. Although the current law is actually a job loser, there are those who argue that any change would weaken U.S. maritime interests. They seem to feel that amending the Passenger Service Act so that it makes sense for the United States would create a threat to Jones Act vessels hauling freight between U.S. ports. Mr. President, there simply is no connection whatsoever between the two.

Then there is the suggestion that this bill might harm smaller U.S. tour or excursion boats. Mr. President, that is also untrue. The industry featuring these smaller vessels is thriving, but it simply doesn't cater to the same client base as large cruise ships. The fact of the matter is that there is no significant competition between the two types of vessel, because the services they offer are in no way comparable. The larger vessels offer unmatched luxury and personal service, on-board shopping, entertainment, and so forth. The smaller vessels offer more flexible routes, timing, shore excursions, and other opportunities.

There is one operating U.S. vessel that doesn't fit the mold: the *Constitution*, an aging 30,000-ton vessel operating only in Hawai. This is the only ocean-capable U.S. ship that might fit the definition of cruise vessel. I have searched for other U.S. vessels that meet or exceed the tonnage limit in the bill, and the only ones I have found that even approach it are the *Delta Queen* and the *Mississippi Queen*, both of which are approximately 3,360 tons, and both of which are 19th century-style riverboats that are entirely unsuitable for any open-ocean itinerary such as the Alaska trade. Further, the bill specifically prohibits any foreign vessel from participating in the intracoastal trade served by these riverboats.

Mr. President, I will not claim that this legislation would immediately lead to increased earnings for U.S. ports. I can only say that it would allow them to compete fairly, instead of being anchored by a rule that is actively harmful to U.S. interests. That alone makes it good public policy, and I look forward to my colleagues' agreement and support.

By Mr. LAUTENBERG (for himself, Mr. LEAHY, Mr. LUGAR, Mrs. FEINSTEIN, Ms. MIKULSKI, Mrs. MURRAY, Mr. LIEBERMAN, Mr. D'AMATO and Mr. MOYNIHAN):

S. 804. A bill to restrict foreign assistance for countries providing sanctuary to indicted war criminals who are sought for prosecution before the International Criminal Tribunal for the former Yugoslavia; to the Committee on Foreign Relations.

THE WAR CRIMES PROSECUTION FACILITATION ACT OF 1997

Mr. LAUTENBERG. Mr. President, today I am introducing legislation to create stronger incentives for the parties to the Dayton Peace Agreement to arrest indicted war criminals and transfer them to the International Criminal Tribunal for the former Yugoslavia [ICTY]. I am pleased that Senators LEAHY, LUGAR, FEINSTEIN, MIKULSKI, MURRAY, LIEBERMAN, D'AMATO, and MOYNIHAN are original cosponsors of this bill, which we believe will foster reconciliation in Bosnia and Herzegovina in the long run.

As a result of the horrifying extent of war crimes committed before and during the war in Bosnia, the U.N. Security Council, in May 1993, created the International Criminal Tribunal for the former Yugoslavia [ICTY]. One of only four international war crimes tribunals ever established, its mandate is to prosecute "genocide, crimes against humanity, grave breaches of the Geneva Conventions, and violations of the laws and customs of war" committed in the territory of the former Yugoslavia from January 1, 1991, until "a date to be determined after restoration of peace."

When the parties to the conflict in the former Yugoslavia signed the Dayton Peace Agreement, they recognized that reconciliation could not occur unless war criminals were brought to justice. As such, they agreed to cooperate fully with "the investigation and prosecution of war crimes and other violations of international humanitarian law." All members of the international community are required by the tribunal statute to cooperate in "the identification and location of persons," "the arrest or detention of persons," and "the surrender or the transfer of the accused" to the tribunal.

With the exception of the Bosnian Muslims, however, the parties to the Dayton Peace Agreement have failed to arrest and transfer to the tribunal the vast majority of indicted war criminals in territory within their control. Though 74 persons have been indicted by the 4-year-old tribunal, 66 of them remain at large. Let me repeat that. Of the 74 persons indicted for the most heinous crimes against humanity on European soil since World War II, 66 remain at large. Among these are the notorious Bosnian Serb leader Radovan Karadzic and Bosnian Serb Army commander Ratko Mladic, both accused of genocide and crimes against humanity.

Where are these and other war criminals finding sanctuary?

Many of the indicted war criminals have been sighted living openly and freely in Croatia, the Croat-controlled areas of the Federation of Bosnia and Herzegovina, the Republika Srpska, and the Federal Republic of Yugoslavia (Serbia-Montenegro).

Last fall, one nongovernmental organization, the Coalition for International Justice, compiled a list of all public sightings of war criminals. For example, according to the coalition's research, Dario Kordic, one of the most widely recognized war criminals in the former Yugoslavia for his role in killings in Lasva Valley, was seen visiting his parents' apartment in Zagreb, Croatia. About the same time, Ivica Rajic, another highly sought after war criminal, was reportedly seen in a hotel in Split, Croatia.

The list of public sightings of indicted war criminals goes on and on.

Associated Press correspondent Liam McDowall reportedly located six Bosnian Croats indicted for war crimes living and working in the Bosnian Croat town of Vitez. And in perhaps the most egregious case to date, Boston Globe reporter Elizabeth Neuffer reportedly found Zeljko Mejakic—indicted for crimes committed as commander of Omarska camp where some 4,000 people were tortured to death and women were brutally raped—working as the deputy commander of the Prijedor police station in Republika Srpska.

This list may not be entirely up to date now, but it illustrates graphically that many of the indicted war criminals could have been arrested easily if the authorities in control of the territory where they were located had chosen to do so. I believe that is still the case today. I ask unanimous consent that a list of sightings of indicted war criminals who remain at large be included in the RECORD at the end of my remarks.

I know, Mr. President, that the act of apprehending and transferring indicted war criminals to the Hague presents a thorny problem for the United States. While some argue that American and NATO military personnel should do the job, the prevailing wisdom is that using our troops to arrest these indicted war criminals would be fraught with difficulties that could put our troops in danger. Others have raised the possibility that some type of international strike force could get the job done. Discussions about these options have been underway since NATO troops landed in the region 1½ years ago, but no action has been taken. Meanwhile war criminals continue to roam the region with impunity, and the clock ticks ever closer to the June 1998 withdrawal date for SFOR.

If the international community concludes that it cannot use force to apprehend indicted war criminals, it must try another approach. Make no mistake about it: if indicted war criminals remain at large when the SFOR's mission ends, our prestige and credibility will be severely undermined. America may be able to protect NATO troops by not involving them in a mission to arrest indicted war criminals, but we cannot protect our reputation and that of NATO as a defender of democracy and human rights if indicted war criminals roam the region with impunity when our troops withdraw.

Mr. President, since NATO is unwilling to arrest the indicted, my colleagues and I are recommending an approach which reinforces the obligation of the parties to the Dayton Agreement to arrest and transfer those indicted for genocide, rape, and other crimes against humanity to the Hague. To secure their cooperation, it imposes conditions on America's portion of the $5.1 billion in economic reconstruction funding to Bosnia and Herzegovina. Because parties to the Dayton Agreement sorely want Western assistance and the international acceptance it implies, this assistance provides us with a powerful lever. We ought to use it.

Under our legislation, until the President certifies that a majority of war criminals have been arrested and transferred to the tribunal, no assistance—with the exception of assistance for humanitarian programs, democracy programs, and certain physical infrastructure projects that cross borders—could be provided to a sanctioned country or constituent entity. Similarly, U.S. executive directors of international financial institutions could not vote for assistance until the President makes the required certification.

The President would have up to 6 months to make this certification. Once the certification is made, assistance could be provided for up to 6 months. At the end of the 6-month waiver period, no assistance could be provided unless all indicted war criminals have been arrested and turned over to the ICTY. If a country or entity arrests and transfers to the Hague a majority of the indicted war criminals in territory under its effective control immediately, and the rest of them within 6 months, assistance to that country or entity will not be affected.

In other words, this legislation recognizes that even the parties to the Dayton Agreement may find it difficult to apprehend all indicted war criminals immediately, and therefore does not require them to complete the process all at once. Once a majority of the war criminals have been arrested and turned over, they are given up to 6 months to finish the job.

Because our goal is to promote greater cooperation, democratic and humanitarian assistance will still be provided even in sanctioned countries or entities. Humanitarian assistance is defined to include food and disaster assistance and assistance for demining, refugees, education, health care, social services, and housing. Democratization assistance includes electoral assistance and assistance used in establishing the institutions of a democratic and civil society, including police training.

However, assistance for projects in communities in which local authorities are harboring criminals or preventing refugees from returning home will be strictly limited to emergency food and medical assistance and demining assistance. And absolutely no assistance—humanitarian or otherwise—can be provided to projects or organizations in which an indicted war criminal is affiliated or has a financial interest. These provisions are important to ensure that our assistance is not being used to prop up war criminals and that only communities that allow refugees to return are rewarded with assistance.

This legislation recognizes that the realities of government control in the former Yugoslavia do not always conform to the arrangements in the Dayton Agreement. Recognizing that a constituent entity of Bosnia and Herzegovina may not control all areas within its border, and that Croatia or Serbia may have effective control of territory that reaches beyond their borders, the legislation holds a government or constituent entity responsible for indicted war criminals ''in territory that is under their effective control.'' As such, the legislation is not meant to impose sanctions on the Muslim-Croat Federation as a whole if an indicted war criminal remains in a Croat-controlled area of the Federation. Likewise, it would allow sanctions to be imposed against a country, such as Croatia, for failing to secure the apprehension of war criminals in areas of the Federation which it effectively controls.

Mr. President, these measures are not intended to be punitive. I have made every effort to ensure that humanitarian assistance to the people in all parts of the former Yugoslavia will not be affected. I do not oppose reconstruction funding, and recognize that it is in our national interest to help rebuild this war-torn region. But I believe there is value in using bilateral and multilateral assistance as a carrot, to provide an incentive to the parties to arrest and turn war criminals over to the tribunal.

Unless war criminals are brought to justice, reconciliation in Bosnia and Herzegovnia will remain an elusive goal and refugees and displaced persons will be unable to return to their homes. Though reconstruction assistance will help to rebuild ravaged economies, reconstruction without reconciliation will not be effective in ensuring long-term stability. Until the perpetrators of genocide are held accountable, victimized communities will continue to assign collective guilt and the cycle of hatred will be perpetuated.

No infusion of money can wipe away the crimes of the past 6 years. Money alone is not enough. What is required is a genuine process of reconciliation, which can never occur unless war criminals are brought to justice.

The Washington Post, in a February 1997 editorial, said it well:

> U.S. forces [cannot] fulfill their mission—bringing peace to Bosnia—as long as war criminals remain at large. Lately, it has become popular to focus on economic reconstruction as the answer to Bosnia's troubles. But war didn't break out for economic reasons, and economic aid alone can't secure the peace. As long as alleged war criminal Radovan Karadzic and his henchmen run things from behind the scenes, economic aid actually will flow to the criminals. . . .

Mr. President, we know that the threat of sanctions can work to effect cooperation with the War Crimes Tribunal. In the last year and a half, the administration has successfully leveraged assistance to Croatia to secure the transfer of two indicted war criminals to The Hague. But the process has been too long and drawn out. One of the war criminals voluntarily agreed to be sent to The Hague, and the other was in custody for more than 10 months before the Croatian Government transferred him to the tribunal.

At this rate, it would take us some 66 years to bring all the indicted war criminals to The Hague. That's just too long. Stronger action must be taken.

The World Bank is pumping hundreds of millions of dollars into Croatia and sending assessment teams to Republika Srpska. In fiscal year 1997, the Agency for International Development has set aside roughly $70 million for Republika Srpska, and it intends to do the same in fiscal year 1998. This bill requires the Administration to use these assistance programs to secure the speedy apprehension of war criminals, which is just as essential for reconciliation and long-term stability as reconstruction efforts—if not more so.

No one has articulated the need for this legislation as well as Justice Goldstone, Former Chief Prosecutor of the International Criminal Tribunals for the Former Yugoslavia and Rwanda when he spoke at the U.S. Holocaust Memorial Museum in January of 1997:

> Where there have been egregious human rights violations that have been unaccounted for, where there has been no justice, where the victims have not received any acknowledgment, where they have been forgotten, where there's been a national amnesia, the effect is a cancer in the society. It's the reason that explains . . . spirals of violence that the world has seen in the former Yugoslavia for centuries . . .

Justice Goldstone was right. What is required is a genuine process of reconciliation, which can never occur unless war criminals are brought to justice. Without reconciliation, the spiral of violence will only continue, and the military mission on which the American taxpayers have literally spent billions will be for naught.

Secretary of State Albright will be traveling to Bosnia next week. She has assured me that the issue of war criminals will be raised at every opportunity, and I am confident that she will take a very tough stand, urging the parties to the Dayton Agreement to meet their commitments. But the U.S. Government has been urging compliance for over a year now with little success, and it's clear that we need to put more teeth into our position. Our bill does just that. It clearly states that the apprehension of war criminals is critical for reconciliation. It links U.S. assistance to progress on this issue, and it provides clear deadlines for progress in arresting and transferring indicted war criminals to The Hague.

Mr. President, I urge my colleagues to cosponsor this legislation, which has been endorsed by the Coalition for International Justice, Human Rights Watch, Physicians for Human Rights, Action Council for Peace in the Balkans, and the International Human Rights Law Group. I ask unanimous consent that a copy of the legislation and a letter of endorsement from those organizations appear in the RECORD.

America stands for justice and reconciliation throughout the world. We must stand up for those principles by ensuring that the war criminals of Bosnia are apprehended and the victims are heard.

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

S. 804

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''War Crimes Prosecution Facilitation Act of 1997''.

SEC. 2. FINDINGS.

The Congress finds the following:

(1) In May 1993, the United Nations established the International Criminal Tribunal for the Former Yugoslavia (ICTY).

(2) The mandate of the Tribunal is to prosecute ''genocide, crimes against humanity, grave breaches of the Geneva Conventions, and violations of the laws and customs of war'' committed in the territory of the former Yugoslavia from January 1, 1991, until ''a date to be determined after restoration of peace''.

(3) Parties to the Dayton Agreement, as well as subsequent agreements, agreed to cooperate fully with the ''investigation and prosecution of war crimes and other violations of international humanitarian law''. All members of the international community are required by the Tribunal Statute to cooperate in ''the identification and location of persons'', ''the arrest or detention of persons'', and ''the surrender or the transfer of the accused'' to the Tribunal.

(4) Although 74 persons are under indictment by the Tribunal, 66 remain at large, including 53 Bosnian and Yugoslav Serbs, and 13 Bosnian and Croatian Croats.

(5) Credible reports indicate that some of the indicted war criminals are living in areas of Bosnia and Herzegovina that are under the effective control of Croatia or Serbia-Montenegro. Many of the indicted war criminals have been sighted living openly and freely in Croatia, the Croat-controlled areas of the Federation of Bosnia and Herzegovina, Republika Srpska, and Serbia-Montenegro.

(6) An estimated 2,000,000 persons have been forced from their homes by the war, many of whom remain displaced and unable to return to their homes, in violation of the Dayton Accords, because their homes are in a jurisdiction controlled by a different ethnic group.

(7) The fighting in Bosnia has ceased for more than a year, and international efforts are now focused on the economic reconstruction and implementation of the civilian aspects of the Dayton Accords.

(8) The International Bank for Reconstruction and Development, the European Bank for Reconstruction and Development, the International Monetary Fund, and individual donor countries, including the United States, have begun disbursing funds toward meeting an identified goal of $5,100,000,000 for reconstruction of Bosnia.

SEC. 3. SENSE OF THE SENATE.

(a) It is the sense of the Senate that—

(1) reconciliation in Bosnia and Herzegovina cannot be achieved if indicted war criminals remain at large and refugees and displaced persons are unable to return to their homes;

(2) reconstruction without reconciliation will not be effective in ensuring stability in the long run because absent individual accountability, victimized communities will assign collective responsibility, thus perpetuating the cycle of hatred; and

(3) the Government of the United States should ensure that multilateral and bilateral assistance is provided to parties to the Dayton Agreement only if doing so would promote reconciliation as well as reconstruction, including the transfer of war criminals to the Tribunal, the return of refugees and displaced persons, and freedom of movement.

(b) It is further the sense of the Senate that the Tribunal, consistent with its mandate, should continue to investigate and bring indictments against persons who have violated international humanitarian law.

SEC. 4. RESTRICTIONS ON FUNDING.

(a) BILATERAL ASSISTANCE.—

(1) IN GENERAL.—No assistance may be provided under the Foreign Assistance Act of 1961 or the Arms Export Control Act for any country described in subsection (d).

(2) APPLICATION TO PRIOR APPROPRIATIONS.—The prohibition on assistance contained in paragraph (1) includes the provision of assistance from funds appropriated prior to the date of enactment of this Act.

(b) MULTILATERAL ASSISTANCE.—The Secretary of the Treasury shall instruct the United States executive directors of the international financial institutions to work in opposition to, and vote against, any extension by such institutions of any financial or technical assistance or grants of any kind to any country described in subsection (d).

(c) EXCEPTIONS.—

(1) IN GENERAL.—Subject to paragraph (2), subsections (a) and (b) shall not apply to the provision of—

(A) humanitarian assistance;

(B) democratization assistance; or

(C) assistance for physical infrastructure projects involving activities in both a sanctioned country and nonsanctioned contiguous countries, if the nonsanctioned countries are the primary beneficiaries.

(2) FURTHER LIMITATIONS.—Notwithstanding paragraph (1)—

(A) no assistance may be made available under the Foreign Assistance Act of 1961 or the Arms Export Control Act for a program, project, or activity in any country described in subsection (d) in which an indicted war criminal has any financial or material interest or through any organization in which the indicted individual is affiliated; and

(B) no assistance (other than emergency food or medical assistance or demining assistance) may be made available under the Foreign Assistance Act of 1961 or the Arms Export Control Act to any program, project, or activity in any area in any country described in subsection (d) in which local authorities are not complying with the provisions of Article IX and Annex 4, Article II of the Dayton Agreement relating to war crimes and the Tribunal, or with the provisions of Annex 7 of the Dayton Agreement relating to the rights of refugees and displaced persons to return to their homes of origin.

(d) SANCTIONED COUNTRIES.—A country described in this section is a country the authorities of which fail to apprehend and transfer to the Tribunal all persons in territory that is under their effective control who have been indicted by the Tribunal.

(e) WAIVER.—

(1) AUTHORITY.—The President may waive the application of subsection (a) or subsection (b) with respect to a country if the President determines and certifies to the appropriate committees of Congress within six months after the date of enactment of this Act that a majority of the indicted persons who are within territory that is under the effective control of the country have been arrested and transferred to the Tribunal.

(2) PERIOD OF EFFECTIVENESS.—Any waiver made pursuant to this subsection shall be effective for a period of six months.

(f) TERMINATION OF SANCTIONS.—The sanctions imposed pursuant to subsection (a) or subsection (b) with respect to a country shall

cease to apply only if the President determines and certifies to Congress that the authorities of that country have apprehended and transferred to the Tribunal all persons in territory that is under their effective control who have been indicted by the Tribunal.

SEC. 5. DEFINITIONS.

As used in this Act:

(1) COUNTRY.—The term ''country'' shall not include the state of Bosnia and Herzegovina, and the provisions of this Act shall be applied separately to its constituent entities of Republika Srpska and the Federation of Bosnia and Herzegovina.

(2) DAYTON AGREEMENT.—The term ''Dayton Agreement'' means the General Framework Agreement for Peace in Bosnia and Herzegovina, together with annexes relating thereto, done at Dayton, November 10 through 16, 1995.

(3) DEMOCRATIZATION ASSISTANCE.—The term ''democratization assistance'' includes electoral assistance and assistance used in establishing the institutions of a democratic and civil society.

(4) HUMANITARIAN ASSISTANCE.—The term ''humanitarian assistance'' includes disaster and food assistance and assistance for demining, refugees, housing, education, health care, and other social services.

(5) TRIBUNAL.—The term ''Tribunal'' means the International Criminal Tribunal for the Former Yugoslavia.

INDICTED BY THE INTERNATIONAL CRIMINAL TRIBUNAL FOR THE FORMER YUGOSLAVIA
(List Compiled by the Coalition for International Justice)

Name	Title/Indicted for/Date	Charged with/Status
1. Zlatko Aleksovski	Croat—indicted on 11/10/95 for killing Muslims in Lasva Valley	g.v.—transferred to The Hague 4/28/97 by Croatian Government.
2. Stripo Alilovic	Croat—indicted 11/10/95 for killings in Lasva Valley	g.v.—At Large.
3. Mirko Babic	Serb—indicted 2/13/95 for crimes committed at Omarska	g.v.c.—At Large.
4. Nenad Banovic	Serb—indicted 7/21/95 for atrocities committed at Keraterm	g.v.c.—At Large.
5. Pedrag Banovic	Serb—same as N. Banovic	g.v.c.—At Large.
6. Tihomir Blaskic	Croat—Indicted 11/10/95 for killings in Lasva Valley	In custody in the Netherlands—plead not guilty—trial postponed 7—g.v.c.
7. Goran Borovinica	Serb—indicted 2/13/96 for expelling Muslims to various camps as well as killings and rapes in Omarska	g.v.c.—At Large.
8. Mario Cerkez	Croat—indicted 11/10/95 for killings in Lasva Valley	g.v.c.—At Large.
9. Ranko Cesic	Serb—indicted 7/21/95 for atrocities committed in Brcko	g.v.c.—At Large.
10. Zejnil Delalic	Muslim—indicted 3/21/96 for atrocities committed in Celebici	in custody at The Hague—joint trial with Delic, Mucic, and Landzo began in March of 1997—g.v.
11. Hazim Delic	Muslim—same as Delalic	same as Delalic—joint trial.
12. Djordje Djukic	Serb—General—indicted /29/96 for shelling Bosnian civilians	was held at The Hague but released—Deceased.
13. Damir Dosen	Serb—indicted 7/21/95 for atrocities committed at Keraterm	g.v.c.—At Large.
14. Drazen Erdemovic	Croat—indicted 5/29/96	*Sentenced to 10 years*—v.c.
15. Dragan Fustar	Serb—Keraterm	g.v.c.—At Large.
16. Dragan Gagovic	Serb—indicted 6/26/96 for crimes committed at Foca	g.v.c.—At Large.
17. Zdarvko Govedarica	Serb—indicted 2/13/95 for crimes committed at Omarska	g.v.c.—Deceased.
18. Momcilo Gruban	Serb—indicted 2/13/95 for crimes committed at Omarska	g.v.c.—At Large.
19. Gruban	Unknown—indicted for crimes at Omarska—2/13/95	g.v.c.—At Large.
20. Janko Janjic	Serb—indicted 6/26/96 for crimes at Foca	g.v.c.—At Large.
21. Nikica Janjic	Serb—indicted 7/21/95 at Keraterm & 2/13/96 at Omarska	g.v.c.—Deceased.
22. Gojko Jankovic	Serb—indicted 6/26/96 for crimes in Foca	g.v.c.—At Large.
23. Goran Jelisic	Serb—Commander of Luka camp at Brcko—indicted 7/21/95 for Genocide	g.v. Gen. c.—At large.
24. Drago Josipovic	Croat—indicted 11/10/95 for killings in Lasva Valley	g.v.c.—At Large.
25. Marinko Katava	Serb—same as Josipovic	g.v.c.—At Large.
26. Radovan Karadzic	Serb—Party Leader—Indicted 7/25/95 and 11/16/95 for genocide in Srebrenica, and Sarajevo. Also charged with violations of laws of war and crimes against humanity.	g.v. Gen. c.—At Large..
27. Dusan Knezevic	Serb—indicted 2/13/95 for atrocities committed at Omarska 7/21/95 for crimes committed at Keraterm	g.v.c. for both indictments—At Large.
28. Dragan Kondic	Serb—indicted 7/21/95 for crimes committed at Keraterm	g.v.c.—At Large.
29. Dario Kordic	Croat—indicted 11/10/95 for killings in Lasva Valley	g.v.c.—At Large.
30. Milojica Kos	Serb—indicted 2/13/95 for atrocities committed at Omarska	g.v.c.—At Large.
31. Predrag Kostic	Serb—same as Kos	g.v.c.—At Large.
32. Radomir Kovac	Serb—indicted 6/26/96 for crimes committed at Foca	g.v.c.—At Large.
33. Dragan Kulundzija	Serb—indicted 7/21/95 for crimes committed at Keraterm	g.v.c.—At Large.
34. Dragoljub Kunarac	Serb—indicted 6/26/96 for crimes committed at Foca	g.v.c.—At Large.
35. Mirjan Kupreskic	Croat—indicted 11/10/95 for killings in Lasva Valley	g.v.—At Large.
36. Vlatko Kupreskic	Croat—Same as above	g.v.—At Large.
37. Zoran Kupreskic	Croat—Same as above	g.v.—At Large.
38. Miroslav Kvocka	Serb—indicted for Omarska	g.v.c.—At Large.
39. Goran Lajic	Serb—indicted for Keraterm 7/21/95	At Large: wrong person siezed in Germany—g.v.c.
40. Esad Landzo	Muslim—indicted 3/21/96 for crimes committed at Celebici	In custody at the Hague—joint trial (see Delalic) began 3/10/97.
41. Zoran Marinic	Croat—indicted 11/10/95 for killings in Lasva Valley	g.v.—At Large.
42. Milan Martic	Serb—rebel Krajina leader indicted 7/25/95 for ordering cluster bomb attacks on Zajreb	Rule 61 hearings have been held for Martic—v.—At Large.
43. Zeljko Meakic	Serb—Commander of Omarska indicted 2/13/95	At Large: wrong person seized in Germany—g.v.c.
44. Slobodan Milijkovic	Serb—indicted 7/21/95 for crimes committed at Bosanski Samac	g.v.c.—At Large.
45. Ratko Mladic	Serb—Army Commander indicted 7/25/95 and 11/16/95 for genocide in Srebrenica and Sarajevo, charged with Crimes against humanity and violations of laws of war.	g.v. Gen. c.—At Large.
46. Mile Mrksic	Serb—Yugoslavian Army—indicted 11/7/95 for killing 261 non-Serbs at Vukovar Hospital	Rule 61 hearings have been held for Mrksic—g.v.c.—At Large.
47. Zdravko Mucic	Croat—indicted 3/21/96 for crimes committed at Celebici	Joint trial (see Delalic) began in March of 1997—g.v.
48. Dragan Nikolic	Serb—Commander of Susica camp in Bosnia—indicted 11/4/94 for genocide	Rule 61 hearings have been held for Nikolic—g.v.c.—At Large.
49. Dragan Papic	Croat—indicted 11/10/95 for killings in Lasva Valley	g.v.c.—At Large.
50. Nedjeljko Paspalj	Serb—indicted 2/13/96 for atrocities committed at Omarska	g.v.c.—At Large.
51. Milan Pavlic	Serb—same as above	g.v.c.—At Large.
52. Milutin Popovic	Serb—same as above	g.v.c.—At Large.
53. Dragoljub Prcac	Serb—same as above	g.v.c.—At Large.
54. Drazenko Predojevic	Serb—same as above	g.v.c.—At Large.
55. Mladen Radic	Serb—same as above	g.v.c.—At Large.
56. Miroslav Radic	Serb—Yugoslavian Army—Indicted 11/7/95 for killing 261 non-Serbs	g.v.c.—At Large.
57. Ivica Rajic	Croat—indicted 8/29/95 for killings at Stupni Do	g.v.—At Large.
58. Ivan Santic	Croat—indicted for Lasva Valley	g.v. indicted on 11/10/95—At Large.
59. Vladimir Santic	Croat—indicted for Lasva Valley	g.v. indicted on 11/10/95—At Large.
60. Dragomir Saponja	Serb—indicted 2/13/95 for atrocities committed at Omarska also charged with Keraterm 7/21/95	g.v.c. for both indictments—At Large.
61. Zeljko Savic	Serb—indicted for Omarska	g.v.c. indicted on 2/13/95—At Large.
62. Dusko Sikirica	Serb—indicted 7/21/95 for crimes committed at Keraterm	g.v. Gen. c.—Camp Commander—At Large.
63. Blagoje Simic	Serb—indicted 7/21/95 for incidents of war crimes at Bosanski Samac	g.v.c.—At Large.
64. Milan Simic	Serb—same as above	g.v.c.—At Large.
65. Pero Skopljak	Croat—indicted for Lasva Valley	g.v.—At Large.
66. Vesselin Sljivancanin	Yugoslavian Army—indicted 11/7/95 for killings at Vukovar hospital	Rule 61 hearings have been held for Sljivancanin—g.v.c.—At Large.
67. Radovan Stankovic	Serb—indicted 6/26/96 for crimes committed at Foca	g.v.c.—At Large.
68. Dusko Tadic	Serb—indicted 2/13/95 for murder, rape and torture at Omarska	Case in deliberation at The Hague—has plead not guilty to charges—verdict will be given 5/7/97 g.v.c.
69. Miroslav Tadic	Serb—indicted 7/21/95 for crimes committed at Bosanski Samac	g.c.—At Large.
70. Nedjeljko Timarac	Serb—indicted 7/21/95 for crimes committed at Keraterm	g.v.c.—At Large.
71. Stevan Todorovic	Serb—indicted for killings at Bosanski Samac	g.v.c.—At Large.
72. Zoran Vukovic	Serb—indicted 6/26/96 for crimes committed at Foca	g.v.c.—At Large.
73. Simo Zaric	Serb—indicted 7/21/95 for crimes committed at Bosanski Samac	g.c.—At Large.
74. Dragan Zelenovic	Serb—indicted 6/26/96 for crimes committed at Foca	g.v.c.—At Large.
75. Zoran Zigic	Serb—indicted 7/21/95 for Keraterm and 2/13/95 for Omarska	g.v.c. for both indictments—At Large.

Notes—1. g.: Grave Breaches of the 1949 Geneva Convention. 2. v.: Violations of the Laws or Customs of War. 3. GEN.: Genocide. 4. c.: Crimes Against Humanity.

WAR CRIMINAL WATCH

Information on the whereabouts of 37 of the 67 people publicly indicted by the International Criminal Tribunal for the Former Yugoslavia (ICTY) who are still at large:

1. Nenad Banovic—Keraterm (Bosnian Serb)—Prijedor (Bosnian Serb territory)—Frequents ''Express'' restaurant in Prijedor. Lives at home in Prijedor. Twin brother to Predrag Banovic (q.v.). One of the Banovic brothers was seen driving a motor scooter in Prijedor in late November 1996 (Christian Science Monitor, Nov. 28, 1996).

2. Predrag Banovic—Keraterm (Bosnian Serb)—Prijedor (Bosnian Serb territory)—Frequents ''Express'' restaurant in Prijedor. Lives in Prijedor. Twin brother to Nenad Banovic (q.v.). One of the Banovic brothers was seen driving a motor scooter in Prijedor in late November 1996 (Christian Science Monitor, Nov. 28, 1996).

3. Mario Cerkez—Lasva Valley (Bosnian Croat)—Vitez (Muslim-Croat Federation)—Commanded a Bosnian Croat brigade in Vitez in 1993 and is still there (Tanjug, Nov. 13, 1995).

4. Dragan Fustar—Keraterm (Bosnian Serb)—Prijedor (Bosnian Serb territory)—Residence address listed on the IFOR wanted poster was 41 First of May Street in Prijedor. A journalist found Fustar's mother and wife both living there in late November 1996. The number sign has been pulled from the house. His mother and wife say that they live at 37 First of May Street, even though the building is located between 39 and 43 First of May Street. He is now unemployed (Christian Science Monitor, Nov. 28, 1996).

5. Dragan Gagovic—Foca (Bosnian Serb)—Foca (Bosnian Serb territory)—Chief of police in Foca (Sunday Times of London, July 28, 1996).

6. Gojko Jankovic—Foca (Bosnian Serb)—Foca (Bosnian Serb territory)—Seen by a journalist at a Foca cafe while ''French soldiers from IFOR * * * leant against a nearby wall smoking cigarettes and paying no attention as Jankovic, accompanied by bodyguards, casually ordered a drink.'' (Sunday Times of London, July 28, 1996). Tried to get on the ballot for municipal elections. OSCE spotted it and stopped him.

7. Goran Jelisic—Brcko (Bosnian Serb) indicted for Genocide—Bijeljina (Bosnian Serb territory)—Interviewed in his apartment in Bijeljina (DeVolkskrant [Amsterdam], Feb. 29, 1996). Knows the telephone number of Ratko Cesic, also indicted for Brcko (De Volkskrant [Amsterdam], Feb. 29, 1996).

8. Drago Josipovic—Lasva Valley (Bosnian Croat)—Vitez (Muslim-Croat Federation)—A chemical engineer at the local Vitezit explosives factory, he lives in his family home in the village of Santici, just east of Vitez (Associated Press, Nov. 9, 1996). Works as a chemical engineer in the Princip munitions factory. May also be found at the local Croatian Democratic Party headquarters, where his wife is president (Washington Post, Nov. 27, page A21).

9. Radovan Karadzic—Sarajevo and Srebrenica (Bosnian Serb) indicted for Genocide—Pale (Bosnian Serb territory) Banja Luka (Bosnian Serb territory)—Pale house—large house on a mountainside—pointed out to Prof. Charles Ingrao on trip to Pale (New York Times, Oct. 28, 1996). Has friend, Slavko Rogulic, who runs gas station and hotel for him in Banja Luka. Building a house in Koljani village near Banja Luka. ''[M]akes little effort to conceal his daily movements'' (Associated Press, Nov. 9, 1996).

10. Marinko Katava—Lasva Valley (Bosnian Croat)—Vitez (Muslim-Croat Federal)—Works as a labor inspector for the Federation government at a desk in the town hall in Vitez, and lives in a pleasant downtown apartment (Associated Press, Nov. 9, 1996). Works in the town hall in Vitez as an employment inspector. He may be at the pharmacy run by his wife. The family telephone is printed on a sign in the pharmacy window, and the Katavas live upstairs (Washington Post, Nov. 27, 1996, page A21).

11. Dragan Kondic—Keraterm (Bosnian Serb)—Prijedor (Bosnian Serb territory)—Said to have connections with special police in Ljubia. Hangs out almost every night at ''The Pink'' bar in Prejedor.

12. Dario Kordic—Lasva Valley (Bosnian Croat)—Zagreb, Croatia—Numerous reports have him living in Zagreb. On or about July 8, 1996, was photographed in front of an apartment in Zagreb's Tresnjevka district on the 4th floor with no name on the door; block is owned by the defense ministry (Globus [Zagreb], as quoted in Reuters, July 10, 1996). Croatian ambassador to the United States says the apartment belongs to Kordic's parents, which means the Croatian government knows where Kordic has been living (Washington Post, Nov. 11, 1996, A28).

13. Milojica Kos—Omarska (Bosnian Serb)—Omarska (Bosnian Serb territory)—His brother Zheljko Kos owns the ''Europa'' restaurant in Omarska, across the street from the Omarska camp buildings; Milojica Kos frequently at the restaurant. Otherwise, he is keeping a low profile in Omarska (Christian Science Monitor, Nov. 28, 1996).

14. Radomir Kovac—Foca (Bos Serb)—Foca Bosnian Serb territory)—A journalist said at the IFOR press briefing on Nov. 19, 1996, that Kovac was still working for the Foca police. IPTF spokesman Aleksandar Ivanko replied, ''I heard these reports. We can't confirm them. We have to take [Bosnian Serb Interior] Minister Kijac at his word, and he says nobody who as been indicted is working as a policeman in his letter to Peter Fitzgerald, so for the time being we'll take him at his word.''

15. Mirjan Kupreskic—Lasva Valley (Bosnian Croat)—Vitez (Muslim—Croat Federation)—Can be found at the grocery store he and his cousin Vlatko Kupreskic (q.v.) run; he lives in Pirici, just east of Vietz (Associated Press, Nov. 9, 1996). Runs a grocery shop in Vitez not far from Marinko Katava's (q.v.) wife's pharmacy (Washington Post, Nov. 27, page A21).

16. Vlatko Kupreskic—Lasva Valley (Bosnian Croat)—Vitez (Muslim-Croat Federation)—Can be found at the grocery store he and his cousin Mirjan KUPRESKIC (q.v.) run; he lives in Pirici, just east of Vitez (Associated Press, Nov. 9, 1996).

17. Zoran Kupreskic—Lasva Valley (Bosnian Croat)—Vitez (Muslim-Croat Federation)—Can be found at the grocery store run by him, his brother Mirjan Kupreskic (q.v.) and their cousin Vlatko Kupreskic (Q.v.) (Associated Press, Nov. 9, 1996). Runs a business in Vitez, not his brother Mirjan Kupreskic's (q.v.) grocery shop. ''I have been advised not to talk to the press by the guy in charge,'' he said. ''But call my brother Mirjan. Maybe he will want to talk to you,'' giving the telephone number and location of his brother's shop (Washington Post, Nov. 27, page A21).

18. Miroslav Kvocka—Omarska (Bosnian Serb)—Prijedor (Bosnian Serb territory)—Works at Prijedor police station (Reuters, Oct. 29, 1996). Put on leave (ABC World News Tonight, Nov. 26, 1996). Put on one month's leave. Was the Prijedor police duty officer as recently as Oct. 23, 1996, but is on temporary leave (Christian Science Monitor, Nov. 28, 1996).

19. Milan Martic—Zagreb rocket attack (CroSerb)—Banja Luka (Bosnian Serb territory)—''[H]is place of residence has been precisely located. . . .'' (Telegraf [Belgrade], Feb. 28, 1996). Believed living in Banja Luka (London Press Association, Mar. 8, 1996). Said to have regular meetings with Plavsic, et al. Attended a public event near Banja Luka in July also attended by IFOR personnel (Human Rights Watch press release, Nov. 8, 1996). Seen in Banja Luka on Nov. 5, 1996. Lives less than 100 meters from IFOR civilian affairs center in Banja Luka (Human Rights Watch press release, Nov. 8, 1996). Gave a videotape interview from his office in Banja Luka (ABC World News Tonight, Nov. 26, 1996).

20. Zeljko Meakic [also spelled ''Mejakic'']—Omarska (Bosnian Serb) indicted for Genocide—Omarska (Bosnian Serb territory)—Deputy commander of Omarska police station (Boston Globe, Oct. 31, 1996, page a6). Put on leave (ABC World News Tonight, Nov. 26, 1996). Put on one month's leave. On duty as recently as Oct. 20 (Christian Science Monitor, Nov. 28, 1996).

21. Slobodan Milijkovic—Bosanski Samac (Bosnian Serb)—Kragujevac, Serbia—Kragujevac is 60 miles southeast of Belgrade (Time magazine, May 13, 1996).

22. Ratko Mladic—Sarajevo and Srebrenica (Bosnian Serb) indicted for Genocide—Han Pijesak (Bosnian Serb territory)—Belgrade, Serbia—Lives inside his headquarters (numerous sources). Maintains an apartment in Belgrade.

23. Milan Mrksic—Vukovar (Serb)—Banja Luka (Bosnian Serb territory)—General in the JNA at the time of Vukovar; then went to work for the Krajina Serbs. Reported to have been in Banja Luka (New York Times, Jan. 5, 1996). Later, reported to have retired and now living a solitary life in Belgrade (Vreme, Apr. 6, 1996).

24. Dragan Nikolic—Susica (Bosnian Serb)—Vlasenica (Bosnian Serb territory)—Either in the Bosnian Serb Army or the Bosnian Serb civilian government (Reuter, Feb. 16, 1996).

25. Miroslav Radic—Vukovar (Serb)—In the Serbian ''provinces''—Operates a private company ''in the provinces'' of Serbia (Vreme, Apr. 6, 1996).

26. Mladen Radic—Omarska (Bosnian Serb)—Prijedor (Bosnian Serb territory)—Works at Prijedor police station (Reuters, Oct. 29, 1996). Put on leave (ABC World News Tonight, Nov. 26, 1996). Put on one month's leave.

27. Ivica Rajic—Stupni Do (Bosnian Croat)—Split, Croatia—Lived in a Croatian-government owned hotel, believed to be the Zagreb Hotel, but has since reportedly left Split (Globus [Zagreb]; reported by Reuter, Oct. 23 and 24, 1996).

28. Ivan Santic—Lasva Valley (Bosnian Croat)—territory unknown—Santic was described as an engineer, the director of the Sintevit plant in Vitez, and, at the time the crimes occurred, the mayor of Vitez (Tanjug, Nov. 13, 1995). Interviewed by Inter Press Service (Inter Press Service, Dec. 14, 1995). In 1994–95 (at least), Santic was Deputy Minister of Industry and Energy in the Federation (Vjesnik [Zagreb], June 20, 1994, and Vecernji List [Zagreb], Nov. 20, 1995). Federation officials should know his address.

29. Dusko Sikirica—Keraterm (Bosnian Serb) indicted for Genodice—territory unknown—Tried to get on the ballot for municipal elections. OSCE spotted it and stopped him. OSCE should know his address.

30. Blagoje Simic—Bosanski Samac (Bosnian Serb)—Bosanski Samac (Bosnian Serb territory)—Highest-ranking public official in Bosanski Samac, with an office in the town hall (Boston Globe, Nov. 1, 1996, page a1).

31. Pero Skopljak—Lasva Valley (Bosnian Croat)—Vitez (Muslim-Croat Federation)—An official in the Bosnian Croat Presidency (Tanjug, Nov. 13, 1995). ''Still lives in Vitez, where he runs a print shop'' (Inter Press Service, Dec. 14, 1995). Now runs a local printing company from the ground floor of his spacious home in Vitez (Associated Press, Nov. 9, 1996). Still runs the printing shop, though his wife says he's rarely there (Washington Post, Nov. 27, page A21).

32. Veselin Sljivancanin—Vukovar (Serb)—Belgrade, Serbia—Reportedly had falling out with his superior, Gen. Milan MRKSIC (q.v.), also indicted for Vukovar (New York Times, Jan. 5, 1996). Promoted to full colonel and transferred to Belgrade (Agence France-Presse, Feb. 16, 1996). Now head of the Center of Advanced Military Schools in Belgrade (Svijet [Sarajevo], Apr. 25, 1996). Also referred to as an instructor at the Center of Advanced Military Schools in Belgrade (Vreme, Apr. 6, 1996).

33. Radovan Stankovic—Foca (Bosnian Serb)— Foca (Bosnian Serb territory)—Working in the Bosnian Serb police in Foca as of August, according to IPTF spokesman Aleksandar Ivanko. In August, Stankovic walked into IPTF police station near Sarajevo, but IPTF did not recognize his name. Local police stopped him, asked to see his driver's license, recognized his name, ordered him to come to a police station, whereupon he fled—later to file a complaint with the IPTF alleging that the Bosnian police fired shots at his car (Reuter, Nov. 8, 1996). In August, Stankovic filed a complaint against the Bosnian police at an IPTF office. ''After being embarrassed by the fact that journalists discovered five others indicted on war-crime charges in the Serbian police force, U.N. officials reacted by forbidding their monitors to discuss the Stankovic case with reporters'' (New York Times, Nov. 9, 1996).

34. Nedjeljko Timarac—Keraterm (Bosnian Serb)—Prijedor (Bosnian Serb territory)—Works at Prijedor police station (Reuters, Oct. 29, 1996). Put on leave (ABC World News Tonight, Nov. 26, 1996). Put on one month's leave.

35. Stevan Todorovic—Bosanski Samac (Bosnian Serb)—Bosanski Samac (Bosnian Serb territory)—Deputy of the local office of Republika Srpska state security in Bosanski Samac; works the night shift (7 p.m.-7 a.m.) (Boston Globe, Nov. 1, 1996, page a1). Lives in the village of Donja Slatina, a 3 minute, 30 second drive from American-staffed NATO base of Camp Colt, with 1,000 soldiers. His commuter route is routinely traveled by NATO patrols (Boston Globe, Nov. 1, 1996, page a1).

36. Dragan Zelenovic—Foca (BosSerb)—Foca (Bosnian Serb territory)—A journalist said at the IFOR press briefing on Nov. 19, 1996, that Zelenovic was still working for the Foca police. IPTF spokesman Aleksandar Ivanko replied, ''I heard these reports. We can't confirm them. We have to take [Bosnian Serb Interior] Minister Kijac at his word, and he says nobody who has been indicted is working as a policeman in his letter to Peter Fitzgerald, so for the time being we'll take him at his word.''

37. Zoran Zigic—Omarska and Keraterm (Bosnian Serb)—Banja Luka (Bosnian Serb territory)—Believed to be in jail in Banja Luka. Reported to be in a Bosnian Serb prison for an unrelated murder (Christan Science Monitor, Nov. 28, 1996).

Other information:

1. Nikica Janjic—Omarska and Keraterm (Bosnian Serb)—Banja Luka (Bosnian Serb territory)—According to friends and his father, he killed himself in September 1995 (Christian Science Monitor, Nov. 28, 1996).

Statistical summary:

37 out of 67: 55.2% of the 67 indicted war criminals who are still at large. 5 out of 5: 100% of war criminals who have been indicted for Genocide.—John W. Hefferman, Coalition for International Justice.

BOSNIA TOLERATES WAR CRIMINALS

(By Liam McDowall)

Vitez, Bosnia-Herzegovina (AP).—Locating war crimes suspects in this Bosnian Croat town is easy. Finding someone prepared to arrest them is tough.

On a typical afternoon, Marinko Katava, who's wanted for murder, can be found behind his desk in the town hall. Pero Skopljak, the town's former chief of police, runs a local printing store.

The Kupreskic family—three of whose members are wanted for their role in the murderous wartime campaign against their Muslim neighbors—are usually at the grocery store they run.

All have been indicted by the U.N. war crimes tribunal in The Hague, Netherlands and listed on a widely-distributed ''Wanted'' poster.

The suspects aren't easy to see. A reporter who spoke by telephone with the Kupeskics was met at the grocery by a group of men who asked the reporter to leave. Skopljak's wife made the same request at the printing shop, and fellow town hall workers said Katava did not want to meet the visitor.

But none of them take any precautions to guard against arrest.

Why should they?

Nobody is looking for them. The unarmed U.N. police force has no powers of arrest and the NATO-led peace force has no mandate to hunt those indicted for their alleged roles in Bosnia's war.

Of the 74 men indicted by the tribunal—four Muslims, 16 Croats and 54 Serbs—only eight are in detention. Four Muslims, two Serbs and one Croat are in The Hague, and one Croat is being held in Croatia, pending extradition.

Just the most famous war crimes suspects follow elaborate security measures to make sure they won't be nabbed and carried off to trial. They include Radovan Karadzic, who led the Bosnian Serbs during the war, and his former military commander Gen. Ratko Mladic, who was fired Saturday by Karadzic's replacement, President Biljana Plavsic.

''Somehow the issue of detaining war criminals has fallen into an institutional black hole,'' said Michael Steiner, a top international peace administrator in Bosnia.

The impotence of the international community was starkly illustrated in August when an indicted Serb walked into a U.N. police station near Sarajevo to file a complaint against Bosnian police who had attempted to arrest him.

The U.N. police did not recognize him and later said they would have made no effort to detain him anyway, since it wasn't their job.

Stung by criticism, international peace administrators are now compiling a list of war crimes suspects and their whereabouts.

They're hoping that with the U.S. elections over—along with the chance that U.S. casualties could mar President Clinton's re-election—Washington may be prepared to support a new mission to go after some of the wanted men.

But up to now, officials have displayed little zeal to embroil any of the 43,000 soldiers of the NATO-led peace force in the war crimes issue, wary of possible retaliation by Bosnia's former warring parties.

The peace force claims that during the past 11 months, not one of its men has spotted a war crimes suspect. Spokesmen now even deny their troops' sightings of Karadzic, which they once confirmed.

That leaves nabbing suspects up to Bosnian Muslim, Croat and Serb authorities—and ''they will not do it,'' Steiner said. It would be political suicide for any leader to hand over suspects to The Hague.

While the Muslim-led government in Sarajevo has in the main cooperated in arresting and extraditing suspects, Bosnia's Serbs and Croats have not.

The two Serbs in custody were arrested abroad, and the Croat in The Hague handed himself in after special conditions were agreed upon in advance. The Croat being held in Croatia was arrested by Croatian officials, not Bosnian Croats.

Karadzic, accused of genocide and crimes against humanity for the siege of Sarajevo and the presumed massacre of thousands of Muslims after the fall of Srebrenica in July 1995, still controls the Serb-controlled half of Bosnia from behind the scenes.

Ostensibly forced out of office in July under the terms of a U.S.-brokered deal, he makes little effort to conceal his daily movements in his mountain stronghold of Pale, southeast of Sarajevo. Confident of his security system and aware that nobody is going to try and grab him, he drives past the U.N. police station in Pale each day.

Mladic lives just 8 miles from a big American base in eastern Bosnia, keeping bees and goat in a heavily-guarded compound in Han Pijesak. There was no unusual movement reported around his compound on Saturday.

U.N. officials told The AP that six indicted Serbs still hold their police jobs: four in the northwestern town of Prijedor and two in the southeastern town of Foca.

Bosnian Croats are no more compliant. In Vitez, 50 miles northwest of Sarajevo, at least six of the 14 Croats indicted for their role in the expulsion and murder of Muslims from the region remain at liberty.

The Associated Press discovered that at least one of the war crimes suspects wanted for murder, Marinko Katava, continues to work as a labor inspector in the local government.

Katava—whose whereabouts, according to the tribunal and the multinational peace force, is unknown—can be found during working hours at town hall and at other times in his pleasant downtown apartment.

Mirjan Kupreskic and his cousin Vlatko Kupreskic, wanted for their alleged role in a murderous campaign against Muslim civilians, live in Pirici on Vitez's eastern flank and run a small grocery in the center of town.

Together with Zoran Kupreskic, Mirjan's brother, the three are charged on several counts of war crimes. Their victims, Muslim neighbors, included a four-month-old infant and a 75-year-old pensioner.

Pero Skopljak, whom tribunal prosecutors accuse of overseeing ''the inhumane treatment'' of Muslim civilians, runs a printing company from the ground floor of his spacious house in Vitez.

Drago Josipovic, indicted for his role in the execution of Muslim civilians, is a chemical engineer at the local Vitezit explosives factory. He lives in his family house in the village of Santici, just east of Vitez.

The town's deputy policy chief, Marko Dundzer, told The AP that he knew ''a few'' suspects remained in Vitez but didn't know any of them personally.

In spite of Bosnian Croat leaders' claims that they are cooperating fully with the tribunal, Dundzer said he would not attempt to arrest any suspect. ''I have received no orders to do such a thing,'' he said.

[From the Boston Globe, Oct. 29, 1996]

BOSNIA'S WAR CRIMINALS ENJOY PEACETIME POWER

(By Elizabeth Neuffer)

Prijedor, Bosnia-Herzegovina—It only takes a phone call to nearby Omarska to discover the whereabouts of Zjelko Mejakic, one of the West's most wanted indicted war criminals.

''Zejelko?'' says the operator at the town police station. ''He's not here at the moment, but he'll definitely be here later.''

Mejakic, the Bosnian Serb former commander of the notorious Omarska prison camp, is deputy police chief, despite his indictment for genocide by the International War Crimes Tribunal at the Hague. And he is not alone: Three indicated war criminals work at the Prijedor police station, according to United Nations and Bosnian Serb sources.

Nearly a year after the Dayton peace accord for Bosnia called for war criminals to be brought to justice, alleged war criminals remain at large and in positions of power, many ruling their communities as firmly in peace as they did during the war.

The net result, a Globe investigation has found, is that some alleged war criminals are flourishing in peacetime. Some are believed to have turned to organized crime, including drug trafficking, counterfeiting and extortion.

Others have kept their hold on communities, allegedly intimidating political opponents and running protection rackets, keeping their war records buried under new abuses of power. Their reach appears to stretch beyond Bosnia: Several war crimes witnesses interviewed in Germany said they have been threatened there.

''Unfortunately, Dayton is only a piece of paper,'' said Rev. Karlo Visaticki, a Roman Catholic priest in Serb-held Banja Luka who holds local warloads responsible for the 1995 disappearance of a local priest. ''All the war criminals are still in power.''

The arrest and trial of alleged war criminals is seen as a key element of peace here, allowing justice to break Balkan cycles of revenge. Yet NATO peacekeepers, whose mandate bans them from searching out war criminals, have yet to arrest any of the more than 76 men indicted. Nor have former warring parties turned over those charged.

Under the Dayton accord, indicted war criminals are banned from holding public or elective office. But in reality, many still do: most notably, Gen. Ratko Mladic heads the Bosnian Serb Army despite his indictment for overseeing the massacre of thousands of Muslims from the UN ''safe haven'' of Srebrenica. In fact, UN sources say Mladic has extended his power base to include police in northwest Bosnia.

Radovan Karadzic, the former Bosnian Serb leader widely viewed as a prime architect of a conflict that killed scores of thousands of people and created 2 million refugees, was forced to step down, but still dictates Bosnian Serb policies and lives in Bosnia with impunity despite his war crimes indictment.

Other less renowned indicated war criminals threaten peace by continuing to control their communities. Prijedor, in Serb-held Bosnia, and Mostar, in the Muslim-Croat Federation, are two such places.

PRIJEDOR

In 1993, Prijedor burst into the West's consciousness with news of the Serb-run detention camps of Ornarska, Keraterm and Trnopolje. Today, the camps are closed. But those who operated them, beating, torturing, raping and killing Muslim and Croat prisoners, still run Prijedor, according to Bosnian Serbs and Western officials. To some, these men are war heroes, who deserve to be in charge of the police station and newspaper. But to opposition politicians, ethnic minorities or dissidents of any kind, the presence of indicted and alleged war criminals in power means peace brings no guarantee of freedom.

''The only thing that has changed since Dayton is that there is no shooting,'' said one of the few remaining Muslims here, who asked not to be identified. Out of a prewar population of about 45,000 Muslims, about 450 remain. ''We continue to live in fear.''

Three indicted war criminals accused of genocide for ''ethnic cleansing'' at the Omarska camp are today Prijedor policemen: shift commander Mladen ''Krkan'' Radic, former camp commander Miroslav Kvocka and guard Nedjeljko Timarac.

''The worst shift in the camp was the one in which Mladen Radic was in charge,'' recalled camp survivor Nusret Sivac in a book about Ornarska and Trnopolje. ''One day * * * they were beating and stomping over everyone, saying, 'On St. Peter's day, we'll light you as firewood, [rape] your Turkish mothers!' and they kept their promise.''

With these men in power in Prijedor—and Mejakic in the police station in Ornarska—there can be no freedom of speech, local Bosnian Serbs say.

''It's a pity these killers are still free,'' said one Bosnian Serb from near Ornarska, who asked not to be identified. ''Because it is still dangerous. Overnight, one can lose one's life.''

Learning of the presence of indicted war criminals on the Prijedor force, Robert Wasserman, deputy commissioner of the UN International Police Task Force, which monitors civilian aspects of the Dayton accords, said the group would seek to have the officers removed.

''We are outraged, and we will move immediately for the removal of these people,'' he said. ''It seriously undermines confidence in police in the country.''

One alleged criminal who is still free is former Prijedor police chief Simo Drljaca, whom UN and NATO officials expect to be indicted this month for war crimes. Drljaca, sources say, determined who was sent to prison camps and how they were treated, including signing all the execution orders.

Since the war, Drljaca has run Prijedor as if it were his fiefdom. In addition to controlling officials from the mayor on down. Drljaca is alleged by residents to have demanded kickbacks for apartments and police protection of businesses. Locally, his nickname is ''Mr. Ten Percent,'' for the rate he demands from area bars and restaurants.

Bosnian Serbs who don't toe the party line allege they had to pay the police to avoid being evicted from their apartments. Western officials say that residents who talked to them later were threatened by Drljaca, called to the police station for ''informative talks.''

NATO officials attempted to reduce Drljaca's power a few weeks ago, forcing Bosnian Serb authorities to remove him as police chief after he threatened NATO peacekeepers with a gun.

''He was God here,'' said one Western official in the region. ''He controlled everything and everyone.''

But last week, despite a new job as logistics adviser to the minister of interior of the Serb half of Bosnia, Drljaca was working as the Prijedor police station, still reachable via his secretary there. ''Unfortunately,'' said one military source, ''he's still pulling the strings here.''

''Oh, from now on I am going to be a good boy,'' Drljaca said in a recent interview with the Globe, denying all allegations. ''These charges are unjustified . . . but it won't affect my personal life. I have protection. Any time of day or night, I am ready to resist.''

That alleged war criminals still run Prijedor is a powerful disincentive for Muslim and Croat refugees who want to return home.

''These criminals assaulted and killed and robbed us, and now they are still in power?'' said Sefik Terzic, a 54–year–old Omarska survivor now in Germany. ''And this is where I am supposed to return to? I'd rather kill myself than let them finish the job they began four years ago.''

MOSTAR

Since the signing of the Dayton agreement last December, the city of Mostar has become Bosnia's hub for organized crime. Explosions routinely destroy cafes of owners unwilling to pay protection money. Opposition figures are openly harassed. Car theft and counterfeit rings abound. Ethnic minorities are chased from their homes. An illegal drug trade, from marijuana to cocaine, is flourishing. And lurking behind all these developments. Bosnian government and Western sources say, are two men accused of being war criminals: Mladen ''Tuta'' Naletilic and Vinko ''Stela'' Martinovic.

''It's got to be the leaders in Mostar and in Bosnia who are determined to get rid of this problem and put the scum where they belong, behind bars,'' Sir Martin Garrod, the European Union envoy to Mostar, told reporters in August, naming Naletilic and Martinovic.

Neither man has been indicted by the War Crimes Tribunal, although files on their wartime activities have been sent to the Hague. The Tribunal was alarmed after Nedzad Ugljen, a Bosnian agent investigating the two men and cooperating with the Tribunal, was assassinated in Sarajevo, according to sources who read a letter sent by the Tribunal to Bosnian officials.

A look at the two men's alleged wartime and peacetime careers reveals how fine a line there appears to be between war crimes and organized crime in today's Bosnia.

The old warlords have simply shifted their activities to organized crimes.'' said Col. Pieter Lambrechste of the European Union police in Mostar. ''And in this postwar period, crime is flourishing.''

So much so that FBI and Drug Enforcement Administration investigators, drawn by the boom in organized crime, recently visited Bosnia.

According to Bosnian government and Western sources. Tuta and Stela gained a stranglehold on Mostar in 1993, running antiterrorist units in the Bosnian Croatian Army that drove minorities from the city and set up local detention camps.

Tuta, a Canadian Croat who is close to Croatian Defense Minister Gojko Susak, is described as having been the brains behind the operation; Stela, who had a lengthy criminal record before the war, the front man. ''Tuta gave the orders, and Stela obeyed,'' said one Western official here.

Officials allege that ''Stela'' Martinovic and his thugs—the ''ATG Mrmak,'' identifiable by their sunglasses and shaved heads—drove out Muslims and Serbs from West Mostar, killing and raping as they went. ''Our whole neighborhood was kicked out by Stela's team,'' said Azra Hasanbegovic, 49, now in East Mostar. ''My 74-year-old mother was badly beaten with rifle butts . . . there were a lot of rapes.''

Bosnian government sources allege that Tuta and Stela established a prison camp at the local helicopter base. Testimony from camp survivors, compiled by the Bosnian government and delivered to the Hague, includes accounts of people forced to eat feces,

denied water under beating sun and made to watch their children raped or killed.

Even local Croats were not safe. Both Tuta and Stela reportedly levied a ''war tax'' on those who refused to fight the Muslims.

Today, the two men continue to exercise power with impunity. Stela prowls Mostar in his green Jaguar, Mercedes 600 or Mercedes 124; Tuta lives next door to Susak in the village of Siroki Brijeg. Bosnian government sources allege the two men are now involved in counterfeiting money, running drugs, prostitution, smuggling cigarettes and protection rackets.

Western authorities say they are aware of the allegations, but cannot prove them. But they do think the two hold sway over Bosnian Croat police, who have done nothing about 50 cases so far this year involving the expulsion of Muslims from their homes. Last week, a Muslim woman arrived home after a two-hour absence to discover a Croatian family in her apartment.

''No one Croat can survive in business or politics unless he is in agreement with Tuta,'' said one Bosnian government source.

In recent weeks, leading political opposition figures in Mostar have been threatened, shot at and beaten. In April, Tuta physically attacked a leading Croatian government critic, Slobodan Budak, at Zagreb's Inter-Continental Hotel.

''There is a climate of intimidation and fear in Mostar, and people are frightened to stand up and express their views as a result,'' said Garrod, the European Union envoy. ''Unfortunately, people on all levels are not yet prepared to demand that the guilty be brought to justice.''

Previous Globe coverage and links are available on Globe Online at http://www.boston.com.

The keyword is Bosnia.

Among alleged war criminals in Prijedor and Omarska.

Momcilo ''Cigo'' Radanovic, Prijedor deputy mayor; Former head of Bosnian Serb Army unit; allegedly extorted residents by promising freedom for cash. ''The biggest crimes in Kozarac were committed . . . under the command of Momcilo (Cigo) Radanovic,'' charged a camp survivor, Nusret Sivac.

Ranko Mijic, new Prijedor chief of police: Omarska camp survivors say he was their chief interrogation officer.

Simo Drljaca, previous Prejidor chief of police: Now adviser to the ministry of interior. Allegedly determined who went to camps; signed orders for executions. ''I became a victim of his revenge,'' said D.E., a Croatian sent to Keraterm. ''Shoving of police clubs into the anus and sitting on broken beer bottles were only some of the maltreatments.''

Mladen Radic, Prijedor police officer: Indicted by War Crimes Tribunal. ''The guards formed a lane, we had to walk through it. It was later explained that if Mladen winked his eye or said, 'Not this one,' the man would walk the lane without being battered,'' said D.I., a former prisoner.

Miroslav Kvocka, police officer: Indicted for war crimes. Original commander of Omarska.

Nedeljko Timarac, chief of forensics, Prijedor police: Indicted for war crimes. At Omarska camp, he was ''a member of the gang of Zoran Zigic, a multiple criminal. They are responsible for many murders and rapes,'' said Nusrat Sevic.

Zeljko Mejakic, Omarska deputy police commander: Indicted for war crimes. Commander of Omarska camp. ''He interrogated me four times,'' said Sefik Terzie, a survivor. ''He knocked me with his fist. His mates knocked my teeth out.''

Slobodan Kuruzovic, Prijedor newspaper editor: Indicted in Croatia for war crimes. Was commander at Trnopoije camp.

MAY 6, 1997.

Hon. FRANK R. LAUTENBERG,
Hon. PATRICK J. LEAHY,
Committee on Appropriations,
U.S. Senate, Washington, DC.

DEAR SENATOR LAUTENBERG AND SENATOR LEAHY: We are writing to express our strong support and thanks for your legislation, the ''War Crimes Prosecution Facilitation Act.''

We are outraged that 66 of the 75 persons who have been indicted by the International Criminal Tribunal for the Former Yugoslavia (ICTY) for some of the worst crimes in this half-century—including genocide, systematic rape and other crimes against humanity—remain at large. As you know, many of the indicted are living openly and comfortably in the region, continuing to wield political and economic power.

We are united in our concern that bilateral and multilateral reconstruction assistance not strengthen and enrich those indicted war criminals and the governments that are failing to assist in their apprehension and transfer to the Tribunal. It is essential to the peace process that we carefully direct aid so as to encourage compliance with the Dayton Agreement's core elements—apprehension of indicated war criminals, freedom of movement, and return of refugees and displaced persons—rather than strengthen those who are flouting their sworn commitments to do so.

We are particularly pleased that your legislation recognizes the undeniable political realities of the region and holds each Dayton signatory country responsible for the actual extent of its authority and ability to assist the Tribunal. Specifically, Croatia and Serbia have an obligation not only to arrest indicted persons who are within their borders but also to exercise their decisive political and economic influence in the sections of Bosnia-Herzegovina they effectively control to ensure that the indicted who are there are arrested and sent to the Tribunal for trial.

The continued presence of indicted war criminals in the region and continued political and economic strength of their protectors are the major obstacles to reform and implementation of Dayton. Reconstruction will not be successful—and U.S. tax dollars and those of other donors—will be wasted unless such assistance is provided in a manner that supports reconciliation and the rule of law, rather than rewards the very people most responsible for genocide and ethnic cleansing.

Thank you very much for your leadership and concern.

Sincerely,
Coalition for International Justice.
Human Rights Watch.
Physicians for Human Rights.
Action Council for Peace in the Balkans.
International Human Rights Law Group.

Mr. LEAHY. Mr. President, I am very pleased to be an original cosponsor of Senator LAUTENBERG's legislation, the War Crimes Prosecution Facilitation Act of 1997.

Senator LAUTENBERG has consistently called for stronger action to bring war crimes in the former Yugoslavia to justice, and I appreciate his efforts and commend him for keeping the spotlight on this.

I am not going to repeat what Senator LAUTENBERG has already said about why this legislation is needed. He has discussed it in detail. It is simply outrageous that people who are believed to be responsible for some of the most heinous crimes in this century have been living and traveling freely within the former Yugoslavia, their whereabouts a matter of public knowledge.

My own view is that NATO forces, or some special contingent specifically constituted to capture war criminals, should go after these people. The longer we wait, the more powerless NATO appears, and the more convinced these people are that they have nothing to fear. But until that happens, at the very least, we should not give aid to governments that harbor war criminals, especially considering that they pledged to cooperate fully with the War Crimes Tribunal.

That is the purpose of this legislation—to deny aid to governments of the former Yugoslavia until they arrest and turn over indicted war criminals who are within territory under that control, or to projects in communities whose local authorities are protecting war criminals or preventing refugees from returning home. Frankly, that should already be U.S. Government policy. There should be no need for this legislation. Since our goal is to promote reconciliation, the bill does make appropriate exceptions for humanitarian and other limited assistance.

Mr. President, I want to again thank Senator LAUTENBERG for his leadership, I hope that the administration will respond by telling us that they are in agreement with this legislation and will conform their policy accordingly.

By Mr. LUGAR (for himself and Mr. HARKIN): S. 805. A bill to reform the information technology systems of the Department of Agriculture, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

THE DEPARTMENT OF AGRICULTURE INFORMATION REFORM ACT

Mr. LUGAR. Mr. President, I rise to introduce legislation that will help Secretary of Agriculture Dan Glickman in his efforts to make USDA a more efficient user of taxpayer money. The Department of Agriculture has a long history of wasteful spending on information technology [IT]—telecommunications and computers. Over the past 10 years, USDA invested almost $8 billion on IT purchases that were often poorly planned, incompatible, and redundant. Recently Secretary Glickman lamented the stovepipe mentality that pervades USDA planning and purchases of information technology. That is, each agency of the Department protects its own turf and budget, and is reluctant to coordinate its IT planning and purchases with other agencies.

The Secretary's observations are consistent with messages we have sent to USDA in years past. Five years ago, Senator LEAHY and I warned that ''money invested by USDA in computer technology over the past several years has been spent without a clear understanding of what was being purchased

or what was operationally required to increase efficiency within the Department.'' We asked then Secretary Madigan to curtail computer purchases until a ''strategic plan or vision for Department reorganization is completed.'' We still await a final version of the current strategic plan.

For over a decade, audits of USDA's IT purchases have uncovered the same root problems: inadequate control, planning, and direction of IT investments. Historically, USDA's administration has failed to exercise the authority to control the IT expenditures of its 30 agencies. These agencies' independent IT purchases have led to systems that are unable to communicate across the Department. This has impeded program delivery and resulted in a labyrinth of duplicative and incompatible systems that has wasted hundreds of millions of dollars.

The 104th Congress passed the Clinger-Cohen Act, which requires performance and results-based management in IT planning and purchases throughout Government. Clinger-Cohen created the position of the Chief Information Officer [CIO], a high-level executive responsible for achieving program delivery through prudent and coordinated IT investments. The concept of CIO coordination of IT planning and purchases is already widespread in the private sector.

To be successful, the CIO must have significant legal and budgetary authorities. The CIO at USDA has neither. Individual agencies, which control their own budgets, can ignore the CIO. Currently, USDA's CIO has the responsibility to coordinate IT investments across agencies, but lacks the planning and budgeting authority to meet this responsibility. Without such authority, the problems of the past are sure to continue.

The legislation I introduce today builds on Clinger-Cohen by giving the CIO at USDA the legal and budgetary authorities necessary to manage IT across USDA's 30 agencies. This bill accomplishes three things. First, the CIO is given the legal and budget authorities necessary to sucessfully manage IT to benefit the Department as a whole. Second, the CIO is given subcabinet rank within USDA, and will report directly to the Secretary. Third, the CIO is given the authority to approve or disapprove all purchases for telecommunications and computers.

One important provision of this bill transfers to the CIO 10 percent of all USDA agencies' appropriations for salaries and expenses, to be used for IT planning and purchases. This amount can be adjusted by the Secretary. When the CIO approves an expenditure, the funds are released back to the agency. My purpose in including this provision is to provide the CIO with sufficient authority to control IT throughout USDA. I understand that Secretary Glickman may prefer alternative methods of achieving this goal. I look forward to working with him to craft the best means of accomplishing our common objective, because I genuinely intend this legislation to be helpful to his efforts and want to be supportive.

Secretary Glickman sincerely wants to change the stovepipe mentality that pervades decisionmaking among USDA's 30 agencies. The Secretary has expressed a desire to reform the planning and budgeting of IT expenditures. He has stated a desire to halt the pattern of uncoordinated planning and ill-advised purchases that has resulted in the waste of taxpayer dollars. I believe the Secretary agrees that we cannot afford the operating procedures which exist today.

However, the challenge of effecting change in the long-standing pattern of stovepipe agencies operating on their own is formidable. By introducing this bill today, I offer my assistance to the Secretary in this difficult and heretofore elusive task.

The intent of this legislation is to help the Secretary realize his vision of a common USDA spirit by allowing him to implement reforms across the entire Department of Agriculture. I look forward to working with him to increase the efficiency and effectiveness of IT purchases and in so doing improve delivery of USDA programs.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 805

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Department of Agriculture Information Technology Reform Act''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings.
Sec. 3. Definitions.
Sec. 4. Powers and duties of Chief Information Officer.
Sec. 5. Procurement of outside consultants.
Sec. 6. Transfer of agency information technology funds.
Sec. 7. Review by Office of Management and Budget.
Sec. 8. Technical amendment.
Sec. 9. Termination of authority.

SEC. 2. FINDINGS.

Congress finds that—

(1) the Office of Management and Budget estimates that the Department of Agriculture will spend $1,100,000,000, $1,200,000,000, and $1,250,000,000 for fiscal years 1996, 1997, and 1998, respectively, on information technology and automated data processing equipment;

(2) according to the Department, as of October 1993, the Department had 17 major information technology systems under development with an estimated life-cycle cost of $6,300,000,000;

(3) over the past decade, committees of Congress, the General Accounting Office, the Office of Management and Budget, and private consultants have repeatedly argued that the Department's information technology decisions have been made in piecemeal fashion, on an individual agency basis, resulting in duplication, a lack of coordination, and wasted financial and technological resources by the offices or agencies of the Department and in hundreds of millions of wasted dollars over the past decade;

(4) the Department's role in agriculture in the United States was substantially altered by the FAIR Act, although the Department has yet to adequately assess fully the impact the FAIR Act will have on the services the Department provides to its customers;

(5) decentralized, uncoordinated, and wasteful purchases for information technology have continued at the Department until recently when the Secretary imposed a moratorium on purchases;

(6) strong central and independent leadership, control, and accountability is essential to coordinating planning and eliminating wasteful purchases;

(7) the Chief Information Officer should have a subcabinet rank within the Department;

(8) a single authority for Department-wide planning is needed to ensure that the information technology architecture of the Department is based on the strategic business plans, information resources, management goals, and core business process methodology of the Department;

(9) information technology is a strategic resource for the missions and program activities of the Department;

(10) consolidating the budgetary authority for information technology purchases is key to eliminating purchases that are conducted in piecemeal fashion, on an individual office or agency of the Department basis, resulting in duplication, a lack of coordination, and wasted financial and technological resources at the Department;

(11) centralizing the authority and funding for planning and investment for information technology in the Office of the Chief Information Officer will—

(A) provide the Department with strong and coordinated leadership and direction;

(B) ensure that the business architecture is based on rigorous core business process methodology;

(C) ensure that the information technology architecture of the Department is based on the strategic business plans of the offices or agencies of the Department and the missions of the Department;

(D) ensure that funds will be invested in information technology only after the Chief Information Officer has completed the planning and review of future business requirements of the offices or agencies and developed an information technology architecture that is based on the business requirements; and

(E) force the Department to act as a single enterprise with respect to information technology, thus eliminating the duplication and inefficiency associated with a single office- or agency-based approach;

(12) each office or agency of the Department should achieve at least—

(A) a 5 percent per year decrease in costs incurred for operation and maintenance of information technology; and

(B) a 5 percent per year increase in operational efficiency through improvements in information resource management; and

(13) information resource management should be supported by a senior official of the Department who is committed to using information technology as a process to facilitate the most efficient administration of the program functions of the Department by marshalling the necessary resources and the commitment of high-level managers toward that end.

SEC. 3. DEFINITIONS.

In this Act:

(1) AGENCY INFORMATION TECHNOLOGY FUNDS.—The term ''agency information technology funds'' means 10 percent of the annual fiscal year funds that are made available to each office or agency of the Department for salaries and expenses.

(2) CHIEF INFORMATION OFFICER.—The term ''Chief Information Officer'' means the individual appointed by the Secretary to serve as Chief Information Officer (as established by section 5125 of the Information Technology Management Reform Act of 1996 (40 U.S.C. 1425)) for the Department.

(3) DEPARTMENT.—The term ''Department'' means the Department of Agriculture.

(4) FAIR ACT.—The term ''FAIR Act'' means the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127).

(5) INFORMATION RESOURCE MANAGEMENT.—The term ''information resource management'' means the process of managing information resources to accomplish agency missions and to improve agency performance.

(6) INFORMATION RESOURCES.—The term ''information resources'' means information and related resources such as personnel, equipment, funds, and information technology systems.

(7) INFORMATION TECHNOLOGY ARCHITECTURE.—The term ''information technology architecture'' means an integrated framework for evolving or maintaining existing information technology and acquiring new information technology to achieve the strategic business plans, information resources, management goals, and core business process methodology of the Department.

(8) INFORMATION TECHNOLOGY SYSTEM.—The term ''information technology system'' means a system of automated data processing or telecommunications equipment or software (including support services), information resource management, or business process reengineering of an office or agency of the Department.

(9) OFFICE OR AGENCY OF THE DEPARTMENT.—The term ''office or agency of the Department'' means, as applicable, each current or future—

(A) national, regional, county, or local office or agency of the Department;

(B) county committee established under section 8(b)(5) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)(5));

(C) State committee, State office, or field service center of the Farm Service Agency; and

(D) a group of multiple offices and agencies of the Department that are currently, or will be, connected through common program activities and information technology systems.

(10) PERFORMANCE GOAL.—The term ''performance goal'' means a target level of performance expressed as a tangible, measurable objective, against which actual achievement can be compared, including a goal expressed as a quantitative standard, value, or rate.

(11) PROGRAM ACTIVITY.—The term ''program activity'' means a specific activity or project of a program that is carried out by 1 or more offices or agencies of the Department.

(12) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(13) TRANSFER OR OBLIGATION OF FUNDS.—The term ''transfer or obligation of funds'' means, as applicable—

(A) the transfer of funds (including appropriated funds, mandatory funds, and funds of the Commodity Credit Corporation) from 1 account to another account of an office or agency of the Department for the purpose of investing in an information technology system of an office or agency of the Department that exceeds $250,000 for any 1 order, or aggregation of orders, for the same or similar items and involves planning, providing services, or leasing or purchasing of personal property (including all hardware and software) or services for an information technology system of an office or agency of the Department;

(B) the obligation of funds (including appropriated funds, mandatory funds, and funds of the Commodity Credit Corporation) for the purpose of investing in an information technology system of an office or agency of the Department that exceeds $250,000 for any 1 order, or aggregation of orders, for the same or similar items and involves planning, providing services, or leasing or purchasing of personal property (including all hardware and software) or services for an information technology system of an office or agency of the Department; or

(C) the obligation of funds (including appropriated funds, mandatory funds, and funds of the Commodity Credit Corporation) for the purpose of investing in an information technology system of an office or agency of the Department that exceeds $250,000 for any 1 order, or aggregation of orders, for the same or similar items and involves planning, providing services, or leasing or purchasing of personal property (including all hardware and software) or services for an information technology system of an office or agency of the Department, to be obtained through a contract with an office or agency of the Federal Government, a State, the District of Columbia, or any person in the private sector.

SEC. 4. POWERS AND DUTIES OF CHIEF INFORMATION OFFICER.

Notwithstanding any other provision of law (except the Government Performance and Results Act of 1993 (Public Law 103–62), amendments made by that Act, and the Information Technology Management Reform Act of 1996 (40 U.S.C. 1401 et seq.)), in addition to the general authorities provided to the Chief Information Officer by section 5125 of the Information Technology Management Reform Act of 1996 (40 U.S.C. 1425), the Chief Information Officer shall have the following powers and duties within the Department:

(1) LEADERSHIP IN REORGANIZATION AND STREAMLINING EFFORTS.—The Chief Information Officer, in cooperation with other persons such as the Chief Financial Officer and the Executive Information Technology Investment Review Board (or its successor), shall provide the strong central leadership, planning, and accountability that is needed in light of the substantial changes created by the FAIR Act and reorganization and downsizing initiatives already commenced within the Department.

(2) INFORMATION TECHNOLOGY SYSTEMS AND INFORMATION RESOURCE MANAGEMENT.—The Chief Information Officer shall oversee the development, implementation, and maintenance of all information technology systems and information resource management in the Department.

(3) DEPARTMENT-WIDE INFORMATION TECHNOLOGY SYSTEMS.—The Chief Information Officer shall ensure that information technology systems of the Department are designed to coordinate the functions of the offices or agencies of the Department on a Department-wide basis.

(4) INFORMATION TECHNOLOGY ARCHITECTURE.—The Chief Information Officer shall establish, and exercise exclusive authority over, an information technical architecture that serves the entire Department based on the strategic business plans, information resources, management goals, and core business process methodology of the Department.

(5) COORDINATION OF INFORMATION TECHNOLOGY ARCHITECTURE AND AGENCY STRATEGIC PLANS.—

(A) IN GENERAL.—The Chief Information Officer shall ensure that the information technology architecture of the Department clearly implements the strategic business plans, and information resource management, of offices or agencies of the Department regarding the needs and goals of program activities of the Department.

(B) GOALS OF THE INFORMATION TECHNOLOGY ARCHITECTURE.—The Chief Information Officer shall design and implement an information technology architecture in a manner that ensures that—

(i) the information technology system of each office or agency of the Department maximizes the effectiveness and efficiency of mission delivery and information resource management, and supports core business processes of the Department;

(ii) the information technology system of each office or agency of the Department maximizes quality per dollar expended;

(iii) maximizes efficiency and coordination of information technology systems between offices or agencies of the Department;

(iv) planning for, leases, and purchases of the information technology system of each office or agency of the Department most efficiently satisfy the needs of the office or agency in terms of the customers served, program characteristics, and employees affected by the system; and

(v) information technology systems of the Department are designed and managed to coordinate or consolidate similar functions of the missions, and offices or agencies of the Department, on a Department-wide basis.

(6) COORDINATION AND EVALUATION OF INFORMATION TECHNOLOGY SYSTEMS OF OFFICES AND AGENCIES.—The Chief Information Officer shall—

(A) monitor the performance of the information technology system of each office or agency of the Department;

(B) evaluate the performance of the system on the basis of applicable performance measurements; and

(C) advise the head of the office or agency on whether to continue, modify, or terminate the system.

(7) ELECTRONIC FUND TRANSFERS.—The Chief Information Officer shall ensure that the information technology architecture of the Department complies with the requirement of section 3332 of title 31, United States Code, that certain current, and all future payments after January 1, 1999, be tendered through electronic fund transfer.

(8) FIELD SERVICE CENTERS.—The Chief Information Officer shall ensure that the information technology architecture of the Department provides for information technology systems that are designed for field service centers—

(A) to best facilitate the exchange of information between field service centers and other offices or agencies of the Department;

(B) that integrate the operation of all existing information technology systems of the Department to provide a single point of service for program delivery;

(C) that integrate the changed missions of the Department in light of the FAIR Act and reorganization and downsizing initiatives of the Department; and

(D) that are cost effective.

(9) INFORMATION TECHNOLOGY SYSTEM INVESTMENTS.—

(A) IN GENERAL.—The Chief Information Officer shall have the exclusive authority to approve a transfer or obligation of funds to be used for the purpose of investing in an information technology system of the Department that exceeds $250,000 and that applies to an office or agency of the Department or has a Department-wide impact.

(B) CONDITIONS ON APPROVAL OF FUNDING.—The Chief Information Officer shall not approve the transfer or obligation of funds with respect to an office or agency of the Department unless the Chief Information Officer determines that—

(i) the information technology architecture of the Department is complete;

(ii) the funds will be transferred or obligated for an information technology system that is consistent with, and maximizes the performance of, the strategic business plans of the office or agency of the Department and of the Department;

(iii) ongoing projects and other acquisitions have been reviewed to ensure that similar requirements, common elements, and economies of scale are realized; and

(iv) in coordination with the Chief Financial Officer, the strategic business plan of the office or agency is complete.

(C) CAPITAL PLANNING AND INVESTMENT CONTROL.—Before approving a transfer or obligation of funds for an investment under subparagraph (A), the Chief Information Officer shall consult with the Executive Information Technology Investment Review Board (or its successor) concerning whether the investment—

(i) meets the objectives of capital planning processes for selecting, managing, and evaluating the results of major investments in information systems; and

(ii) links the affected strategic plan with the information technology architecture of the Department.

(D) EVALUATION OF INVESTMENTS.—The Chief Information Officer shall adopt, and have exclusive authority to use, a standard set of criteria to evaluate proposals for information technology system investments that are applicable to individual offices or agencies of the Department or have a Department-wide impact. The criteria adopted shall include considerations of Department-wide or Federal Government-wide impact, visibility, cost, risk, consistency with the information technology architecture, and maximization of performance goals for program activities.

(10) USE OF BUDGET PROCESS.—

(A) IN GENERAL.—The Chief Information Officer shall develop, as part of the budget process, a process for analyzing, tracking, and evaluating the risks and results of all major capital investments made by an office or agency of the Department for information systems.

(B) PROCESS.—The process shall cover the life of each system and shall include explicit criteria for analyzing the projected and actual costs, benefits, and risks associated with the investments.

(C) CONTROL AND OVERSIGHT OF BUDGET.—The Chief Information Officer shall exercise exclusive control over the budget of the Office of the Chief Information Officer, including funds appropriated to the Office, and agency information technology funds that are annually transferred to the account of the Chief Information Officer under section 6(a).

(11) COMPLIANCE WITH OMB CRITERIA AND OVERSIGHT.—The Chief Information Officer shall ensure compliance with all criteria for an information technology architecture or information technology investment that are established by the Office of Management and Budget and under the Information Technology Management Reform Act of 1996 (40 U.S.C. 1401 et seq.).

(12) EVALUATION OF PROGRAMS AND INVESTMENTS.—

(A) REQUIREMENT.—The Chief Information Officer, in consultation with the Executive Information Technology Investment Review Board (or its successor), shall evaluate the information resources management practices of the offices or agencies of the Department with respect to the performance and results of the investments made by the offices or agencies in information technology.

(B) DIRECTION FOR ACTION.—The Chief Information Officer shall issue to the head of each office or agency of the Department clear and concise direction that the head of the office or agency shall—

(i) establish effective and efficient capital planning processes for selecting, managing, and evaluating the results of all of its major investments in information systems;

(ii) determine, before making an investment in a new information system—

(I) whether the function to be supported by the system should be performed by the private sector and, if so, whether any component of the office or agency performing that function should be converted from a governmental organization to a private sector organization; or

(II) whether the function should be performed by the office or agency and, if so, whether the function should be performed by a private sector source under contract or by personnel of the office or agency;

(iii) analyze the missions of the office or agency and, based on the analysis, revise the office or agency's mission-related processes and administrative processes, as appropriate, before making significant investments in information technology to be used in support of those missions; and

(iv) ensure that the information security policies, procedures, and practices are adequate.

(13) REPORTING.—The Chief Information Officer shall report only to the Secretary.

SEC. 5. PROCUREMENT OF OUTSIDE CONSULTANTS.

(a) IN GENERAL.—Consistent with section 3109 of title 5, United States Code, the Chief Information Officer may procure a private consultant who is an expert in—

(1) planning and organizing information technologies in the context of a business; and

(2) coordinating information technologies with core business plans and processes.

(b) REPORT.—The Chief Information Officer shall submit the evaluation by the consultant to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 6. TRANSFER OF AGENCY INFORMATION TECHNOLOGY FUNDS.

(a) IN GENERAL.—Subject to subsections (b) and (c) and notwithstanding any other provision of law, each office or agency of the Department shall annually transfer agency information technology funds to the account of the Chief Information Officer.

(b) USE AND AVAILABILITY OF FUNDS.—Agency information technology funds that are transferred to the account of the Chief Information Officer—

(1) may be used only for an activity described in section 4, 5, or 6 or the Information Technology Management Reform Act of 1996 (40 U.S.C. 1401 et seq.) that the Chief Information Officer determines will best serve the needs of the Department; and

(2) shall remain available until expended.

(c) ADJUSTMENT OF FUNDS TRANSFERRED.—The Secretary may adjust the amount of funds transferred by an office or agency under subsection (a) to reflect the actual or estimated expenditure of the office or agency for information technology systems for a fiscal year.

(d) MULTIPLE OFFICES AND AGENCIES.—An office or agency of the Department shall not be required to transfer more than 10 percent of the funds made available to the office or agency for salaries and expenses in any fiscal year to the extent that the office or agency participates in a program activity that involves more than 1 office or agency of the Department.

SEC. 7. REVIEW BY OFFICE OF MANAGEMENT AND BUDGET.

The Director of the Office of Management and Budget may review any regulation or transfer or obligation of funds involving an information technology system of the Department based on criteria for a strategic business plan, information technology architecture, or information technology investment, established by the Office of Management and Budget under the Government Performance and Results Act of 1993 (Public Law 103–62), amendments made by that Act, and the Information Technology Management Reform Act of 1996 (40 U.S.C. 1401 et seq.).

SEC. 8. TECHNICAL AMENDMENT.

Section 13 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714k) is amended in the second sentence by striking ''section 5 or 11'' and inserting ''section 4, 5, or 11''.

SEC. 9. TERMINATION OF AUTHORITY.

The authority under this Act (other than section 8) terminates on March 31, 2002.

By Mr. MCCAIN (for himself and Mr. CAMPBELL): S. 806. A bill to amend the Internal Revenue Code of 1986 to provide tax credits for Indian investment and employment, and for other purposes; to the Committee on Finance.

S. 807. A bill to amend the Internal Revenue Code of 1986 to treat for unemployment compensation purposes Indian tribal governments the same as State or local units of government or as nonprofit organizations; to the Committee on Finance.

S. 808. A bill to amend the Internal Revenue Code of 1986 to provide for the issuance of tax-exempt bonds by Indian tribal governments, and for other purposes; to the Committee on Finance.

S. 809. A bill to amend the Internal Revenue Code of 1986 to exempt from income taxation income derived from natural resources activities by a member of an Indian tribe directly or through a qualified Indian entity; to the Committee on Finance.

NATIVE AMERICAN TAX RELIEF LEGISLATION

Mr. MCCAIN. Mr. President, I am pleased to join my colleague, Senator BEN NIGHTHORSE CAMPBELL, chairman of the Indian Affairs Committee, in introducing a series of tax relief bills designed to encourage investment, economic development, and growth on Indian reservations and other native American communities throughout the United States. The four bills that I am introducing today would amend the Tax Code to give Indian tribes the tools with which to improve their economies.

In simple terms, native Americans as a group have experienced grinding poverty of epidemic proportions since the days when they were first uprooted from their homelands or overrun by settlers. At the end of World War II, the United States assisted in rebuilding the economies of Germany and Japan to the advancement of peace,

stability, and our own prosperity. Since the time native America lost ''the war,'' their economy has never been rebuilt. The treaties that the United States made with tribes in exchange for their land and peace have, for the most part, not been honored.

The economic conditions on Indian reservations have not improved even during those periods of economic growth that have swept much of the rest of our Nation. Instead, Indians have long suffered the indignity of promises broken and treaties discarded, and a personal hopelessness that reaches tragic dimensions. Many Indian reservations are, relatively speaking, islands of poverty in the ocean of wealth that is the rest of America.

In previous Congresses, I have offered these amendments to the Federal Tax Code to create incentives for private sector investment on Indian reservations and remove inequities in the Tax Code so that tribal governments can enjoy the same tax benefits accorded other nontaxable government entities. I have offered these provisions, not to provide an advantage to Indians, but merely to give them the same kind of tax incentives and benefits the Congress has given other economically depressed areas and other units of government. Given the extremely underdeveloped economies of native American communities, I believe we must authorize these reasonable measures to stimulate economic growth and productivity for Indians.

RESERVATION INVESTMENT TAX CREDIT

Mr. President, the first bill I am introducing today is the Indian Reservations Jobs and Investment Act of 1997. This bill would provide tax credits to otherwise taxable business enterprises if they locate certain kinds of income-producing property on Indian reservations. The bill does not provide any tax credit for reservation property used in connection with gaming activities.

I am very concerned by how little private enterprise is present on Indian reservations. Typically, the only economic activity is that generated by the Federal or tribal governments. We must begin to see private investment attracted to Indian reservations if we are to realize any significant improvement in the economies of Indian tribes.

TRIBAL UNEMPLOYMENT TAX EQUITY AND RELIEF

Mr. President, the second measure is the Indian Tribal Government Unemployment Compensation Act Tax Relief Amendments of 1997. This bill would correct a serious oversight in the way the Internal Revenue Code treats Indian tribal governments for unemployment tax purposes under the unique, State-Federal unemployment program authorized by the Federal Unemployment Tax Act [FUTA]. It would clarify existing tax statutes so that tribal governments are treated as State and local units of governments for unemployment tax purposes.

Unless this problem is resolved, many former tribal government employees will continue to be denied benefits by State unemployment funds. I believe that Indian and nonIndian workers who are separated from tribal governmental employment should be included in our Nation's comprehensive unemployment benefit system, and this bill will go a long way toward ensuring mandatory participation by tribal governments on a fair and equitable basis in the Federal-State unemployment fund system. I can think of nothing more fair than the approach clarified in this bill.

TRIBAL TAX-EXEMPT BOND AUTHORITY

Mr. President, a third measure I am introducing is the Tribal Government Tax-Exempt Bond Authority Amendments Act of 1997. This bill would bring new investment dollars to Indian reservations where capital formation is so desperately needed. There are serious deficiencies in the basic infrastructure on Indian reservations, primarily because increasingly tight fiscal restraints have limited the ability of the United States, through direct appropriations, to fund construction and other activities. Reservations lag far behind the rest of the United States in terms of sanitation, housing, roads, basic utilities, and public service facilities necessary to support a society and a competitive economy. I believe that providing additional tax-exempt bond authority to tribal governments will go a long way toward attracting new sources of capital to Indian reservations.

TRIBAL NATURAL RESOURCE TAX RELIEF

Mr. President, finally, I am introducing the Treatment of Indian Tribal Natural Resource Income Act of 1997. This bill would extend an exemption to income derived by individual Indians from the harvest of natural resources from tribal trust land that is now extended to income derived by individual Indians from treaty-protected Indian fishing activity. In 1988 Congress amended the Internal Revenue Code to provide the treaty fishing exemption under section 7873, which serves as a model for this bill.

The bill would apply only to tribal members and only with regard to natural resources, underlying title to which is owned by the United States in trust for a tribe. It would remove the existing anomaly which allows a tribe as a whole to harvest or process such resources free of tax, but imposes an income tax on an individual tribal member of that tribe carrying out activity permitted by the tribe.

Mr. President, native Americans need to have the appropriate tools to overcome years of economic hardship and deprivation. They need to be given a full and fair opportunity to improve their quality of life today and to become more self-sufficient in the future. These bills will help to achieve these goals by spurring economic development on Indian reservations and tribal industries. I urge all of my colleagues to join in supporting early passage of these measures.

Mr. CAMPBELL. Mr. President, today I would like to co-sponsor the Indian Tribal Government Unemployment Compensation Act Tax Relief Amendments of 1997 introduced by Senator MCCAIN. The Federal Unemployment Tax Act of 1935 [FUTA] is a joint Federal-State tax system which imposes on each employer a tax on wages paid to their employees. These taxes are used to provide unemployment insurance to out-of-work citizens. The Federal portion of the tax can range up to 6.2 percent on wages paid, and the State portion ranges from near zero to 9 percent of wages paid.

Indian tribes from around the country have contacted me expressing a great deal of confusion with the FUTA tax system and the difficulties they are having in planning as a result of the varying interpretations given FUTA by the IRS and the Labor Department. This problem is national in scope and experienced by tribes in the Great Lakes region such as the Red Lake Band of Chippewa Indians and the Fond du Lac Band of Lake Superior Chippewa Indians, and by tribes in my own State of Colorado—the Ute Mountain Ute and the Souther Ute tribes.

The FUTA encourages States to undertake their own unemployment insurance programs by permitting employers to take the State unemployment insurance taxes they have paid and use them to offset their Federal unemployment insurance tax bill.

This legislation is necessary to clarify the status of tribal governments under the FUTA and the Internal Revenue Code. As independent sovereign entities, Indian tribal governments should be afforded the same tax treatment, in this instance with regard to FUTA, as other governments—Federal, State, and local. Indian tribal governments are legitimate governments and, in fact, are one in four sovereign governments mentioned in the U.S. Constitution; the others being foreign nations, the several states, and the Federal Government. This is critical because FUTA treats private, commercial employers differently than it does foreign, State and local government employers. Private employers are subject to both State and Federal unemployment insurance taxes.

In brief, the FUTA exempts foreign, Federal, State, and local government employers from the 0.8 percent Federal unemployment tax; and exempts foreign and Federal Government employers from the State unemployment insurance tax. FUTA allows state and local government employers to pay a favorable, lower State unemployment insurance taxes, and for tax purposes treats tax-exempt charitable organizations the same as State and local governments.

The problem is that the FUTA does not expressly include Indian tribal government within the ''government employer'' category it has created for State and local government employers. As a result tribal governments across

the country have been subjected to widely differing interpretations of the FUTA statute, with inconsistent results. Some tribes's good faith interpretation of the statute led them to believe that they, as units of government, were immune from the Federal tax. These tribes face large tax liabilities as a direct result of the way the act is being applied. Other tribes, again in good faith, did not participate in State unemployment insurance programs. In these instances, employees of tribal governments, both Indian and non-Indian, have been denied unemployment insurance benefits, pointing to the lack of participation by the tribes.

Not surprisingly, the agencies charged with administering the tax and labor laws have not arrived at a consensus on the FUTA issue. For the past several years, various Internal Revenue Service field offices have interpreted the FUTA in different ways. The varying interpretations have resulted in differences in benefits availability for tribal employees, Indians as well as non-Indians, and differing degrees of tax liability for tribal governments themselves. The bottom line is that for Federal FUTA tax purposes, the treatment for tribes often depends on where they are located. Absent explicit recognition from Congress clarifying the status of tribal governments, this is a problem that will go on.

Because State governments, the IRS, and the U.S. Labor Department cannot seem to agree on the status of Indian tribal governments under the FUTA, the time is right for the Congress to act and to clarify this issue so that tribal members can secure benefits they are entitled to and the tribes will have certainty and predictability in their employment and hiring decisions.

Tribal government employers will benefit from this measure by the uniform application of the FUTA statute. The increased certainty that it will provide to tribal employers, their employees, and separated employees will enhance the tribal work environment, reduce litigation, and provide assurances to all parties involved. This bill would require that Indian tribal government employers receive the same treatment as Federal, State, and local governments and tax-exempt organizations receive for FUTA purposes.

The Joint Tax Committee has been requested to estimate the revenue impact of this measure. Similar estimates performed in 1995 indicated the impacts to be minor. The development of tribal economies is a critical element in encouraging tribal self-sufficiency and political self-determination. Increasing the ability of tribal government employers to attract and retain the best skilled employees is one of my main objectives as chairman of the Indian Affairs Committee. If the confusion and lack of certainty that has plagued tribal governments continues, employment with an Indian tribe will be increasingly unattractive, and tribes will suffer.

By providing equitable FUTA treatment to tribal government employers, this legislation will assist in the long-term growth and stability of tribal economies and tribal governments. I urge my colleagues to join in supporting this crucial measure.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

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

FOND DU LAC RESERVATION,
BUSINESS COMMITTEE,
Cloquet, MN, March 27, 1997.

Senator BEN NIGHTHORSE CAMPBELL,
Chairman, Senate Committee on Indian Affairs, Hart Senate Office Building, Washington, DC.

RE: H.R. 294, to amend the Federal Unemployment Tax Act.

DEAR SENATOR CAMPBELL: As Chairman of the Reservation Business Committee of the Fond du Lac Band of Lake Superior Chippewa Indians, I write to request your support of H.R. 294, a bill to amend the Federal Unemployment Tax Act to clarify that Indian tribes, like state and local governments, are exempt from this tax.

State and local governments in recognition of their sovereignty, are not required to pay federal unemployment taxes. In 1987, the IRS took the same position with regard to Indian tribes. At that time, the IRS specifically advised the Fond du Lac Band that the Band was not subject to FUTA and was therefore not required to pay the federal unemployment tax. The IRS actually refunded federal taxes that the Band had previously paid. A copy the IRS letter to us is enclosed.

The IRS has since changed its mind, and has initiated an action against the Band which is now being litigated before an Administrative Law Judge. In these proceedings, the IRS seeks over $2 million in back taxes and penalties from the Band. The government's change of position on the issue is not only unfair to tribes, but has generated litigation that is expensive and inefficient for both the tribes and the federal government to pursue.

Moreover, the IRS is pursuing this matter even though the Fond du Lac Band has voluntarily participated in the State's unemployment compensation plan. The Band has done so, not because the Band is required to, but because the welfare of our employees and our former employees is of the utmost importance to us.

The legal uncertainty about the applicability of FUTA to tribes, and the IRS' inconsistent position on that question, results in a situation that should be fixed. FUTA should be amended to recognize the tribes' status as sovereigns. The Fond du Lac Band—like the State of Minnesota and the local communities within the state—is responsible for providing a myriad of services to Band members and Reservation residents. Established federal Indian policy has—for many years—been directed to encouraging tribal self-determination, and economic self-sufficiency. And numerous federal statutes—enacted to further those ends—recognize and confirm tribal status as separate sovereigns. It is inconsistent with tribal sovereignty, and the federal policy of encouraging tribal self-determination, to treat tribes differently from state and local governments, and to subject tribes to the payment of a federal tax from which state and local governments are exempt.

H.R. 294, introduced by Congressman Shadegg, would resolve this disputed question. The bill is identical to S. 1305 introduced by Senator McCain and yourself in the 104th Congress. The measure was further supported by Senator Grams. A copy of Senator Grams' letter to the Senate Finance Committee on this matter is attached. The bill strikes an appropriate balance between tribal sovereignty—in that it clarifies that tribes, like every other government in this country, are exempt from FUTA taxes—while also ensuring that tribal employees are provided unemployment benefits, by requiring tribes to either voluntarily participate in state plans, as Fond du Lac is now doing, or to reimburse the state plans for any payment made to Tribal employees.

We urge you to show your support of this measure by introducing companion legislation in the Senate. We look forward to working with you and your staff to see enactment of this important legislation and we thank you for your consideration of our request.

Very truly yours,

ROBERT B. PEACOCK,
Chairman.

UTE MOUNTAIN UTE TRIBE,
Towaoc, CO, November 14, 1996.

Re Federal Unemployment Tax Act—applicability to Indian tribes.

JOHN ECHOHAWK,
Executive Director, Native American Rights Fund, Boulder, CO.

DEAR JOHN: Please find enclosed several documents pertaining to a serious problem we are having with the federal Department of Labor and the State of Colorado concerning our status under the Federal Unemployment Tax Act (FUTA). Because the Department of Labor's enclosed Unemployment Insurance Letter (UIPL) was forwarded to all state employment security agencies, this problem will eventually effect all tribes across the nation.

The documents I am providing include; 1. The UIPL issued by Labor; 2. Letter received from the Colorado Department of Labor; 3. The draft resolution presented to NCAI; 4. The signed NCAI resolution passed at their recent Phoenix meeting[1]; 5. Copies of relevant portions of FUTA, and; 6. Copies of 26 USC §7871 concerning Indian tribe's tax status under the Internal Revenue Code.

In person, I will explain in more complete detail the chronology of this issue. Both Colorado Ute tribes thought we solved this problem several years ago. The crux of the issue is that states and their political subdivisions are exempt under FUTA. State agencies are thus charged with the responsibility of insuring their political subdivisions. Tribes were not included in the state law as political subdivisions and therefore we received no unemployment insurance benefits whatsoever.[2] Finally, the Colorado State Legislature amended state law to include the two Colorado Ute tribes as political subdivisions. We were then able to participate in the program and were given the favorable rate afforded to such entities.

Because the Colorado Department of Labor is afraid its program will be decertified per the UIPL, they are now placing us at a new employer rate and demanding back payments to January 1, 1996. *See*, enclosed letter. While they have informed us we will be considered a ''continuing employer,'' the rate is a much higher rate than that afforded to political subdivisions.

It is our attorney's initial position the matter can be resolved by amending the federal law on Indian tribe's tax status. Simply put, this and other tribes need an amendment to 26 USC §7871 adding FUTA to the other excise taxes which tribes are considered as states for purposes of.

Footnotes at end of article.

We would like to request the assistance of the Native American Rights Fund attorneys and policy staff on this issue. Some coordination of effort would be greatly appreciated. I firmly believe it is an issue which will affect all tribes in the very near future. The impacts of Labor's UIPL surely will negatively affect sovereignty and degrade the government-to-government relationship which President Clinton affirmed by Executive Order a few years ago.

I thank you for your consideration of this matter.

Sincerely,

JUDY KNIGHT-FRANK,
Chairman.

FOOTNOTES

[1] At the time of writing, I am still awaiting a facsimile copy of the NCAI Resolution and will forward it immediately when it is received.

[2] We did not pay our IRS FUTA tax bills since we received no benefit therefrom. A large IRS claim was dropped via federal legislation acknowledging the problem.

NATIONAL CONGRESS OF AMERICAN INDIANS,
Washington, DC, May 22, 1997.

Hon. BEN NIGHTHORSE CAMPBELL,
Chairman, Committee on Indian Affairs, U.S. Senate, Washington, DC.

DEAR CHAIRMAN CAMPBELL: On behalf of the National Congress of American Indians, the oldest and largest national Indian organization, I am writing to voice the support of more than 200 tribal governments for legislation to fix the inequitable treatment of tribal governments under the Federal Unemployment Tax Act (FUTA).

Since its enactment in the 1930's, FUTA has treated foreign, federal, state and local governments employers differently from commercial business employers. FUTA also treats tax-exempt charitable organizations the same as state and local governments. It is well-settled that tribal governments are not taxable entities under the federal tax code because of their governmental status. However, because FUTA does not expressly include tribal governments within the definition of governmental employers, the Internal Revenue Service (IRS) is forcing tribal governments to pay the high tax rates that apply to commercial business employers.

To correct this situation, Representative Shadegg has introduced H.R. 294, the Indian Tribal Government Unemployment Compensation Tax Act. H.R. 294 would give tribal governments the same options that FUTA gives to all state and local governments. I have attached a resolution passed by the NCAI member tribes that supports such an amendment to FUTA.

Thank you very much for your efforts to take this issue under consideration. If we can assist you in any way, please contact me or NCAI Executive Director JoAnn K. Chase at (202) 466–7767.

Sincerely,

W. RON ALLEN,
President.

RESOLUTION PHX–96–107

TITLE: FUTA

Whereas, we, the members of the National Congress of American Indians of the United States, invoking the divine blessing of the Creator upon our efforts and purposes, in order to preserve for ourselves and our descendants rights secured under Indian treaties and agreements with the United States, and all other rights and benefits to which we are entitled under the laws and Constitution of the United States to enlighten the public toward a better understanding of the Indian people, to preserve Indian cultural values, and otherwise promote the welfare of the Indian people, do hereby establish and submit the following resolution; and

Whereas, the National Congress of American Indians (NCAI) is the oldest and largest national organization established in 1944 and comprised of representatives of and advocates for national, regional, and local Tribal concerns; and

Whereas, the health, safety, welfare, education, economic and employment opportunity, and preservation of cultural and natural resources are primary goals and objectives of NCAI; and

Whereas, this exemption is based on the fact that states and their political subdivisions are immune from such taxation under the Constitution of the United States, Id., and immunity which federally recognized Indian tribes share; and

Whereas, prior to the UIPL, states could consider Tribes and their various wholly owned entities as ''political subdivisions'' of their state for purposes of exempting Tribes from the FUTA tax, thereby making Tribes eligible for favorable governmental unemployment tax rates as well as reimbursement status (where a Tribe would only pay for those unemployment benefits paid out) if desired; and

Whereas, if member Tribes allow the UIPL to stand and not seek to change the law to rightfully exempt them from this federal tax, they will not only be subject to a higher state program tax rate (provided they can still even participate in the program), Tribes will also be subject to an unacceptable and possibly illegal federal tax, and

Whereas, the two Colorado Ute Tribes are already faced with a seven-fold increase in their state unemployment insurance tax rate due directly to Labor's UIPL (reference attached letter from the Colorado Department of Labor); and

Whereas, it is settled law that the FUTA tax is an excise tax and this is acknowledged in Labor's own UIPL; and

Whereas, Tribes should be exempt from the FUTA tax and be allowed to participate in a state's unemployment insurance program on the same level as any political subdivision therein; and

Whereas, this exemption and fair treatment could be guaranteed by amending 26 USC* 7871(a)(2) (which treats Tribes as states for purposes of several federal taxes, including many excise taxes) to add FUTA to that list of excise taxes for which Tribes are considered as states and therefore exempt: Now therefore be it

Resolved That the National Congress of American Indians does hereby acknowledge this as a serious issue affecting nearly all member Tribes and shall immediately begin a member-wide survey to coordinate among its members the effort to amend the above-mentioned law in as timely a fashion as possible.

By Mr. ABRAHAM (for himself and Mr. DEWINE):

S. 810. A bill to impose certain sanctions on the People's Republic of China, and for other purposes; to the Committee on Foreign Relations.

THE CHINA SANCTIONS AND HUMAN RIGHTS ADVANCEMENT ACT

Mr. ABRAHAM. Mr. President, I rise today to address United States policy toward China. When Ronald Reagan visited China in 1984, he declared in a speech that:

> Economic growth and human progress make their greatest strides when people are secure and free to think, speak, worship, choose their own way and reach for the stars.

While China has made great strides since Ronald Reagan spoke those words, it is clear today that the people of China are not free to think, speak, worship, or choose their own way.

The question is how the United States, a nation conceived in liberty, should respond to continuing violations of basic human rights in China and other actions of the Chinese leadership.

Religious persecution, abuses against minorities, coercive family planning, military threats, and weapons proliferation and attempts to improperly influence American elections. All of these policies have been and continue to be undertaken by the Chinese Government. And all of them must stop.

One thing is clear, Mr. President: As the world's leading democracy, the United States cannot simply look the other way, ignoring the Chinese Government's record on human rights.

And, despite the real and measurable expansion of freedom in some spheres in China, problems remain. The organization Amnesty International has stated that:

> a fifth of the world's people are ruled by a government that treats fundamental human rights with contempt. Human rights violations continue on a massive scale.

In addition, there have been numerous reports of religious persecution in China. These reports by Amnesty International and Human Rights Watch/Asia do not state that China has recently been targeting religious leaders for execution. But some religious leaders have been executed along with others in remote provinces. And long and arduous sentences have been handed out to certain Chinese religious leaders.

For example, Tibetan abbot, Shadrel Rimposh, was in charge of the original search in that country to find the missing child whom the Tibetans consider the reincarnation of the Pansen Lama.

The abbot was missing for more than a year, officially labeled ''a criminal and a scum of Buddhism'' by the government. Recently the government sentenced him to 6 years in prison. Other religious leaders have been sent to labor camps.

The people of Tibet have been subject to particularly harsh abuse from the Chinese Government because their form of the Buddhist religion is so closely tied to their independence movements; movements that have met with brutal suppression.

Allow me to quote at length from a 1997 Human Rights Watch/Asia report:

> In the Tibetan Autonomous Region and Tibetan areas of Chinese provinces the effects of a July 1994 policy conference on Tibet combined with the Strike Hard campaign produced more arrests of suspected independence supporters, a stepped-up campaign to discredit the Dalai Lama as a religious leader, crackdowns in rural areas as well as towns, a major push for ridding monasteries and nunneries of nationalist sympathizers, and the closure of those that were politically active.
>
> Monks who refused to sign pledges denouncing the Dalai Lama or to accept a five-point declaration of opposition to the

proindependence movement, faced expulsion from their monasteries.

In May 1994, a ban on the possession and display of Dalai Lama photographs led to a bloody confrontation at Goneden and to searches of hotels, restaurants, shops, and some private homes. Over 90 monks were arrested; 53 remained in detention as of October despite Chinese official reports that none of the 61 arrested were still being held. At least one person and perhaps two others are known to have died in the melee.

Chinese authorities acknowledge that they are holding Jendune Yee Kneema the child recognized by the Dalai Lama but rejected by Chinese authorities as the reincarnation of the Pansen Lama, under the protection of the government at the request of his parents.

The whereabouts of this missing child should be a major source of concern for every one who cares about religious liberty.

But Tibetan Buddhists are not the only people of faith who face persecution at the hands of the Chinese Government. Under a 1996 state security law, all religious institutions must register with the state. Those who do not so register and choose instead to operate underground face the government's wrath.

Human Rights Watch/Asia reported recently that:

Unofficial Christian and Catholic communities were targeted by the government during 1996. A renewed campaign aimed at forcing all churches to register or face dissolution, resulted in beating and harassment of congregants, closure of churches, and numerous arrests, fines, and sentences. In Shanghai, for example, more than 300 house churches or meeting points were closed down by the security authorities in April alone.

From January through May, teams of officials fanned out through northern Haybay, a Catholic stronghold, to register churches and clergy and to prevent attendance at a major Marian shrine. Public security officers arrested clergy and lay Catholics alike, forced others to remain in their villages, avoid foreigners, refrain from preaching, and report to the police anywhere from one to eight times daily. In some villages, officials confiscated all religious medals. In others, churches and prayer houses were torn down or converted to lay use.

In addition to religious belief and practice, there are other troubling issues of moral conscience. I am referring in particular to the Chinese Government's birth control policies.

Mr. President, the Chinese Government claims that family planning is voluntary in that nation. Yet, according to Amnesty International, birth control has been compulsory since 1979. As a result:

Pregnant women with too many children have been abducted and forced to have abortions and/or undergo sterilization.

Pregnant women have been detained and threatened until they have agreed to have abortions.

Above-quota new-born babies have reportedly been killed by doctors under pressure from officials.

The homes of couples who refuse to obey the child quotas have been demolished.

Relatives of those who cannot pay fines imposed for having had too many children have been held hostage until the money was paid.

And those helping families to have above-quota children have been severely punished.

Just one example, if I may, Mr. President, this one provided by Amnesty International:

An unmarried woman in Haybay Province who had adopted one of her brother's children was detained several times in an attempt to force her brother to pay fines for having too many children. In November 1994 she was held for 7 days with a dozen other men and women. She was reportedly blindfolded, stripped naked, tied, and beaten with an electric baton.

These stories bespeak an often brutal disregard for the rights of conscience, for the sanctity of marriage and family, and for human life itself. They are evil acts, Mr. President, nothing less than government perpetrated evil.

Let me now shift to the military sphere.

Here, Mr. President, we see Chinese Government practices that include military intimidation and the selling of advanced weaponry to rogue states.

For example, on the eve of Taiwan's 1996 elections, China engaged in threatening missile firings unnecessarily close to Taiwanese cities. The Taiwanese were not cowed, they are a brave people. But these provocations, so soon after China's 1995 military exercises and missile launches in direct proximity to Taiwanese territory, have led the Taiwanese people to consider whether they need nuclear weapons to defend their homes.

In addition, the Chinese Government has threatened international stability through its weapons sales to regimes, including Iran and Iraq, that sponsor terrorism and pose a direct threat to American military personnel and interests. Most dangerous has been the Chinese willingness to supply the Iranians with the technology and basic materials for their own chemical weapons program.

Mr. President, these weapons pose a direct threat to American troops as well as stability and peace in the Middle East.

Moreover, the Chinese Government apparently does not limit itself to military means as it tries to influence the policies of other nations.

Allegations of Chinese involvement in our political system are disturbing, particularly considering the various implications that this has for our relations with that country. These allegations may involve both civil and criminal violations of our laws by individuals associated with the Chinese Government.

The press has reported serious allegations that the Government of China attempted to influence last year's Presidential election by diverting illegal campaign contributions to the Democratic National Committee.

FBI investigators have found significant evidence that the Chinese Government targeted 30 legislators, and that it funneled money through businesses it controlled in America to the DNC. If proven, these allegations would signal violations of Federal Election Commission laws regarding foreign campaign contributions by the Chinese Government.

Mr. President, this is a damning list, a list that cries out for action. As the world's sole remaining superpower and, perhaps more important, as the birth place of liberty and individual rights, we have a duty to uphold the principles of liberty wherever possible.

Liberty continues to suffer abuse from the Chinese Government. And we should do something about it.

In response to the serious problems I have raised some have called for an end to China's most-favored-nation trading status with the United States. In fact, the debate has focused almost exclusively on MFN.

I believe that is the wrong approach. I support a 1-year extension of MFN for China.

Why? First, because it is the best policy for American consumers. Those consumers will have a wider choice of affordable goods with MFN than without. To revoke MFN would be to increase tariffs on goods purchased by the American people. It would amount to a tax hike, and I am not in favor of tax hikes, particularly ones imposed on the basis of another government's behavior.

Second, I am convinced that revoking MFN would target the wrong parties for punishment. We should keep in mind, in my view, that it is not the people of China with whom we have a quarrel; it is their government.

Trade and United States investment in China have a positive effect in providing more opportunities for average Chinese citizens.

Even in the short term, we should not underestimate trade and investment's positive impact.

In China,

employees at United States firms earn higher wages and are free to choose where to live, what to eat, and how to educate and care for their children,

writes China policy expert Stephen J. Yates of the Heritage Foundation.

This real and measurable expansion of freedom does not require waiting for middle-class civil society to emerge in China; it is taking place now and should be encouraged.

Third, Mr. President, I am convinced that terminating MFN would be damaging to the people of Hong Kong, currently involved in a transfer of power from British to Chinese rule.

All of us in Congress are concerned that China may violate the 1994 Sino-British Joint Declaration and squash political and economic freedom once Hong Kong again comes under Chinese rule.

With 35,000 United States citizens and 1,000 United States firms in Hong Kong, America must be certain that China honors its agreement and we must remain watchful over the coming months and years.

However, in formulating United States policy with regard to Hong

Kong we must remember that repealing MFN for China will hit Hong Kong hard, particularly because so much trade goes through there. Goods from Hong Kong would face the same steep tariff as those from other parts of China.

Hong Kong Governor, Chris Patten, has said that rescinding MFN would devastate Hong Kong's economy.

For the people of Hong Kong there is no comfort in the proposition that if China reduces their freedoms the United States will take away their jobs.

The letter from Governor Patten also said:

There is one particular contribution which the United States of America, and Congress in particular, can make to ensure that Hong Kong remains well-equipped to face the future. That is to grant the unconditional renewal of China's MFN trading status, on which the continued strength of Hong Kong's economy depends. * * * This is one issue on which there is complete unanimity in Hong Kong across the community, and across the political spectrum.

It is not good policy to attempt to help Hong Kong by taking an action that is opposed by the people we say we are trying to help.

Mr. President, I have another important reason for supporting a 1-year extension of MFN: American jobs.

Using the Commerce Department's rules of thumb, United States exports to China account for roughly 200,000 American jobs. Should we stop doing business with China, I have no doubt but that other nations will step in to take our place, and to take jobs now occupied by Americans both here and in China. Thus, we would not significantly punish the Chinese Government, but we would visit hardship on our own workers.

Rather than eliminate jobs and stifle growth through increased tariffs, in my view, it would be better to take actions showing our displeasure with the Chinese Government, while encouraging China to become a more free and open society.

I believe that Members of this body can agree on the need for strong American actions responding to human rights abuses in China. That is why I am introducing the China Sanctions and Human Rights Advancement Act.

And I am convinced that Members on both sides of the MFN debate can agree that the sanctions I am proposing today are necessary and justified, and that they will be effective.

The goal of these sanctions will be to show our disapproval of the actions of the Chinese Government, while at the same time encouraging worthwhile economic and cultural exchanges that can lead to positive change in China.

This legislation would focus on: First, who the United States allows into the country from China; second, United States taxpayer funds that subsidize China; third, United States Government votes and assistance in international bodies that provide financial assistance to China; fourth, targeted sanctions of PLA companies; and fifth, measures to promote human rights in China.

Let me be specific. Under my bill, the U.S. Government would take the following actions:

First, it would prohibit issuance of U.S. visas to human rights violators.

The bill would prohibit the granting of United States visas to Chinese Government officials who work in entities involved in the implementation and enforcement of China's law and directives on religious practices.

Specifically, this targets high-ranking officials of the state police, the Religious Affairs Bureau, and China's family planning apparatus. The same would go for all those involved in the massacre of students in Tianenman Square.

Written notice from the President to Congress explaining why the entry of such individuals overrides our concerns about China's human rights abuses would be required for such individuals to enter the United States.

Second, the bill would prohibit direct and indirect United States-taxpayer financed foreign aid for China.

We can no longer ask U.S. taxpayers to subsidize a Communist leadership and government with which we have so many serious disagreements.

Between 1985 and 1995 the United States supported 111 of 183 loans approved by the World Bank Group and 15 of 92 loans that the Asian Development Bank approved. In addition, the United States Government is providing assistance through international family planning institutions that provide money and services to support China's restrictive policies on reproduction.

Under my bill, United States representatives would be required to vote ''no'' on all loans to China at the World Bank, Asian Development Bank, and the International Monetary Fund.

An exception would be made in the case of humanitarian relief in the event of a natural disaster or famine.

In addition, for every dollar a multilateral development bank or international family planning organization gives to China, my bill would subtract out a dollar in United States taxpayer funding to those bodies.

Simply put, America should not be subsidizing current Chinese Government policies. If China continues its current behavior then it can fund programs by reducing the money it spends on building up its military or in propping up state enterprises. We do not want to encourage China to postpone tough decisions on moving to a free-market economy.

Though we are standing on principle, we know from past experience that these measures will be more effective with help from our allies. That is why the bill requires the President to begin consultations with these allies on enacting similar measures and for the President to report to the Congress on the progress of those consultations.

Third, the legislation includes actions targeted at companies associated with the Chinese military.

There is increasing concern in America about Chinese companies backed by the People's Liberation Army.

My bill would require the U.S. Government to publish a list of such companies operating in the United States. That would allow informed consumers and other purchasers to make a choice about whether they wish to do business with such companies.

Most troubling have been the actions of two Chinese companies—Polytechnologies Inc., known as Poly, and Norinco, the China North Industries Group.

On May 22, 1996, officials from the United States Customs Service and Bureau of Alcohol, Tobacco and Firearms arrested seven individuals and seized 2,000 Chinese-made AK–47 machine guns.

On June 4, 1996, a grand jury in the U.S. District Court for the Northern District of California indicted these seven individuals, along with seven others not in the United States, for violating 12 different sections of Federal law, including conspiracy, smuggling, and unlawful importation of defense articles.

Those indicted individuals worked for Poly and Norinco. Leading executives of the firms, as well as Chinese Government officials, were indicted.

The People's Liberation Army owns a majority share of Poly, while Norinco's operations are overseen by the State Council of the People's Republic of China.

Undercover agents were told by a representative of Poly and Norinco that Chinese-made hand-held rocket launchers, tanks, and surface-to-air missiles could also be delivered. And who were to be the ultimate purchasers of the AK–47's and other military hardware? According to Federal agents, California street gangs and other criminal groups.

This type of activity cannot be tolerated by the U.S. Congress. These companies need to be held responsible for their actions.

Under my bill, for a period of 1 year, Poly and Norinco will not be allowed to export to, or maintain a physical presence in, the United States. Senator DEWINE plans to introduce a separate bill that will target these two companies and I applaud him and Representative CHRIS COX for their leadership on this issue.

Mr. President, these tough measures are justified and necessary. But even as we implement them we should not cut off valuable interchange with China. We must always be open to more contact and exchange of ideas with the Chinese people.

That is why the legislation calls for a doubling of current United States funding for student, cultural, and legislative exchange programs between the United States and the People's Republic of China, as well as doubling the funding for Radio Free Asia and programs in China operated through the National Endowment for Democracy.

In addition, adopting a measure advocated by Representatives FRANK WOLF and CHRIS SMITH, the bill requires additional and extensive training for U.S. asylum officers in recognizing religious persecution.

The legislation would require an annual report by the President on whether there has been improvement in China's policy of religious toleration and in its overall human rights record, including during the transition in Hong Kong.

The sanctions would sunset after 1 year. This will allow Congress to evaluate the situation to determine whether and in what form sanctions should be continued.

In my judgment, the combination of these sanctions and a 1-year extension of MFN offers the best approach to change the behavior of the Chinese Government.

Mr. President, these measures will direct punishment where it belongs, with the Chinese Government, not the Chinese people.

By refusing to allow known violators of basic human rights to enter this country we can signal our revulsion at these practices.

By refusing to use taxpayer money to subsidize Chinese activities we can show our disapproval of their military actions and make them choose between prosperity and belligerence.

By banning Chinese companies from this country for attempting to sell weapons to violent street criminals we can show our willingness to defend our streets and our insistence that the Chinese Government cease its intrusive, illegal practices.

In closing, Mr. President, we should not forget the government-led massacre of students in Tianenman Square. It has been less than 10 years since the atrocity, and we should not let it slip from our minds.

Let me read you a dispatch filed from Beijing by New York Times reporter Nicholas Kristoff on June 4, 1989:

> The violence against students and workers in Tianenman Square was most obvious today, because for the most part they were the ones getting killed * * * To be an American on the square this morning was to be the object of fervent hope and inarticulate pleas for help. ''We appeal to your country,'' a university student begged as bullets careened overhead. ''Our Government is mad. We need help from abroad, especially America. There must be something that America can do.''

Through this legislation, America can stand with the Chinese people, and stand by the principles of political, religious, and economic liberty on which our Nation was founded.

Let's not punish American and Chinese families by raising tariffs. Instead, let's punish specific abuses and encourage the further development of the economic and political liberties we cherish.

Mr. President, I ask unanimous consent that a summary of this bill be printed in the RECORD.

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

THE CHINA SANCTIONS AND HUMAN RIGHTS ADVANCEMENT ACT—EXECUTIVE SUMMARY

AMERICAN CONCERNS WITH CHINA

The United States has serious policy disagreements with the People's Republic of China. Such differences in the way China treats its own people and U.S. interests requires appropriate action by the United States Congress. Unfortunately, Administration policy in this area has been lacking. That is why the China Sanctions and Human Rights Advancement Act will enable America to respond in a manner consistent with our values and interests as a nation.

As the world's leading democracy, the United Stats cannot simply look the other way at the Chinese government's record on human rights and religious persecution. ''A fifth of the world's people are ruled by a government that treats fundamental human rights with contempt,'' reports Amnesty International. ''Human rights violations continue on a massive scale.'' What is the best response to Chinese government repression of its citizens, including increased repression of religious believers? The status quo, it appears, is not the answer.

China's willingness to abide by international agreements is already being tested in Hong Kong. The 1994 Sino-British Joint Declaration is an international agreement registered with the United Nations. In it, China promises that the people of Hong Kong will rule Hong Kong with autonomy, except in the areas of defense and foreign affairs. With 35,000 U.S. citizens and 1,000 U.S. firms in Hong Kong America must be certain that China honors its agreement.

China's attempt to intimidate Taiwan and the activities of its military, the People's Liberation Army (PLA), both in the United States and abroad, are of major concern. In addition, the efforts of two Chinese companies, NORINCO and POLY, deserve special rebuke for their involvement in the sale of AK–47 machine guns to California street gangs. Finally, there are numerous press reports of Chinese government efforts to influence the course of U.S. elections through political donations.

THE LARGER PICTURE

Trade, investment, and people-to-people exchanges must be a part of America's relationship with China. Countries the size of China and the United States will always trade with each other, the debate over MFN is the terms of that trade. Yet those who disagree on MFN should be able to unite behind measures that, for example, end subsidies for China, yet seek to promote democratic values and human rights in China. There is no doubt that trade and U.S. investment in China has a positive effect in providing more opportunities for average Chinese citizens. Even in short term, we should not underestimate trade and investment's positive impact. ''Employees at U.S. firms earn higher wages and are free to choose where to live, what to eat, and how to educate and care for their children,'' writes China policy expert Stephen J. Yates. ''This real and measurable expansion of freedom does not require waiting for middle-class civil society to emerge in China; it is taking place now and should be encouraged.''

SUMMARY OF LEGISLATION

The time has come to take steps that would signal to Chinese leaders that their current behavior is unacceptable to the American people and the American Congress. In crafting the best response to Chinese government policy we must be careful not to punish the innocent with the guilty. Our quarrel is with the Chinese political leadership, not with the Chinese and American peoples.

The Abraham ''China Sanctions and Human Rights Advancement Act'' takes aim at U.S.-China government-to-government programs and contacts. It is time for Congress to end U.S. taxpayer subsidies and other foreign aid to China and to set more appropriate limits on who we allow into this country from the Chinese government.

The legislation focuses on (1) who the United States allows into the country from China; (2) U.S. taxpayer funds that subsidize China; (3) U.S. government votes and assistance in international bodies that provide financial assistance to China; (4) targeted sanctions of PLA companies; and (5) measures to promote human rights in China.

Contents of China sanctions and human rights advancement act

Under the legislation, the U.S. government will take the following actions:

No U.S. visas for human rights violators

Prohibit the granting of U.S. visas to Chinese government officials who work in entities involved in the implementation and enforcement of China's laws and directives on religious practices and coercive family planning. This measure would deny visas to high ranking officials who are employed by the Public Security Bureau (the state police), the Religious Affairs Bureau, and China's family planning apparatus. An exception is made in the case of individuals whose presence in the United States is deemed necessary for an ongoing criminal investigation or judicial proceedings as determined by the Attorney General.

Prohibit the granting of U.S. visas to Chinese government officials found to be materially involved in the ordering or carrying out of the massacre of Chinese students in Tiananmen Square.

The President of the United States must provide written notification to Congress each time a proscribed individual is to enter this country that explains why awarding such visas is in the national interest of the United States and overrides U.S. concerns about China's human rights practices past and present.

The legislation also mandates additional and extensive training for U.S. asylum officers in recognizing religious persecution.

No U.S. taxpayer subsidies for China

Require U.S. representatives to vote ''no'' on all loans to China at the World Bank. Between 1985 and 1995 the United States supported 111 of 183 loans approved by the World Bank Group and 15 of 92 loans that the Asian Development Bank approved. An exception in the legislation is provided for human needs arising from a natural disaster or famine.

Require U.S. representatives to vote ''no'' on all loans to China at the Asian Development Bank.

Require U.S. representatives to vote ''no'' on all loans to China at the International Monetary Fund.

Reduce U.S. contributions to multilateral development banks (World Bank, etc.) by the amount of the loan commitments made to China in the coming year. Stipulate the Secretary of Treasury shall reduce the amount the World Bank can borrow in U.S. capital markets to no more than 82% of what the World Bank borrowed in the United States in the previous year.

Require the Secretary of Treasury to oppose and instruct the U.S. executive director of the World Bank to oppose any change in the World Bank's rules that limit the total share of the bank's lending that can be made in any one country.

Require the President to begin consultations with major U.S. allies and trading partners to encourage them to adopt similar measures contained in this bill and to lobby our allies to vote against loans for China at

multilateral development banks. Within 60 days of a G–7 meeting, the President shall submit a report to Congress on the progress of this effort.

Reduce annually U.S. financial assistance to international bodies and organizations that provide family planning assistance to China by the amount of such annual assistance and services made by such institutions to China in the prior fiscal year. This would include funding provided to U.N. agencies and affiliates.

PLA companies: targeted sanctions and more public information

On an annual basis, the U.S. Government shall publish a list of all companies owned in part or wholly by the People's Liberation Army (PLA) of the P.R.C. who export to, or have an office in, the United States.

For a period of one year, China North Industries Group (NORINCO) and the PLA-owned company China Poly Group (POLY) will not be allowed to export to, nor maintain a physical presence in, the United States. The attempted illegal sale of AK–47 machine guns to street gangs in California warrant these targeted sanctions against these firms.

Promoting Democratic Values in China

The U.S. government shall double the U.S. funding available to existing students, cultural, and legislative exchange programs between the United States and the People's Republic of China.

The U.S. government shall double the authorization of funds available to Radio Free Asia.

The U.S. government shall double the funding available to the National Endowment for Democracy's programs in China.

IN ONE YEAR: AN OPPORTUNITY TO DISCONTINUE, MAINTAIN OR ADD NEW SANCTIONS

The legislation requires an annual report by the President on whether there has been improvement in China's policy of religious toleration and in its overall human rights record, including during the transition in Hong Kong. The sanctions sunset after one year, allowing Congress an opportunity to evaluate the situation and determine whether and in what form sanctions should continue.

CONCLUSION

The legislation emphasizes appropriate limits on U.S. and Chinese government-to-government contacts and U.S. taxpayer subsidies, while seeking to promote greater freedom in China. These measures would signal to China's leadership that it cannot simply be business as usual with the U.S. government so long as it mistreats its citizens and tramples on their fundamental right to practice the religion of their choice. It also applies appropriate measures with regard to PLA companies. The United States must stay engaged with China, and trade and investment is a valuable avenue for that engagement, but there is no reason the U.S. government should be subsidizing a government with whom we have so many serious and fundamental disagreements. This approach is designed to signal our displeasure with China's policies, encourage its leaders to improve the treatment of its citizens, and to end U.S. taxpayer subsidies for a repressive regime while expanding basic interaction between the American and Chinese people.

By Mr. KOHL:

S. 812. A bill to establish an independent commission to recommend reforms in the laws relating to elections for Federal office; to the Committee on Rules and Administration.

THE CAMPAIGN FINANCE REFORM COMMISSION ACT OF 1997

Mr. KOHL. Mr. President, I rise today to discuss an important issue before the Senate—campaign finance reform. First, let me state that I am a cosponsor of S. 25, Senators JOHN MCCAIN and RUSS FEINGOLD's Senate Campaign Finance Reform Act of 1997. I cosponsored S. 25 because I feel it is the best legislation moving through the Congress to reform our campaign finance system. My Wisconsin colleague, Senator FEINGOLD and Senator MCCAIN deserve our gratitude and praise for keeping this issue alive. It's been nearly 20 years since Congress enacted meaningful campaign finance reform, and they have come closer than anyone at passing a bipartisan plan.

We are at a crossroads in this debate. America's campaign finance laws have not been significantly altered since the 1970's. Since that time we've seen an explosion in the costs of running campaigns and a growing public perception that special interests are far too influential in the electoral process. The last election cycle saw the problems in our system grow to new proportions, and we are now witnessing two congressional investigations and a Justice Department investigation into alleged illegalities and improprieties. Despite these widely agreed-upon problems, Congress and the President seem incapable of enacting a campaign finance reform bill.

We have seen initiatives by Democratic and Republican Presidents. Democratic and Republican Congresses, even widely hailed bipartisan approaches all fail. One can easily conclude that this issue is so mired in partisan politics, trapped in a quagmire of self-interest and special interest, that Congress will not be able to craft a comprehensive reform bill. S. 25 is the best legislation to be proposed in two decades, and yet, when we voted on the measure in the last Congress, we could not get 60 Senators to support it, and the House of Representatives leadership wouldn't even bring it up for a vote.

Mr. President, I am very concerned that this important piece of legislation may face the same fate this year. I support S. 25, and will continue to strongly support it until we have a clear vote on the measure this year. However, I do not believe it would be in the country's best interest to let another campaign cycle go by without the Congress taking clear action to reform our campaign finance system.

Therefore, I am introducing today the Campaign Finance Reform Commission Act of 1997. Let me be clear from the outset: I would prefer to pass a bill such as S. 25, and I desperately hope that we do. But, in the case that we do not, Congress needs to be ready with legislation that moves us toward a better system.

The Campaign Finance Reform Commission is modeled on the successful Base Realignment and Closure Commissions. The legislation would establish a balanced, bipartisan commission, appointed by Senate leaders, House leaders, and the President to propose comprehensive campaign finance reform. Like the BRAC Commissions, the proposals of the Campaign Finance Reform Commission would be subject to congressional approval or disapproval, but no amendments would be permitted. The Commission would have a limited duration—1 year after its creation. And Congress would have a limited time to consider the Commission's proposals.

Mr. President, there are many who will object to this plan and argue that, through the creation of a commission, the Congress is conceding that it cannot solve this problem on its own. To the contrary, the creation of a Campaign Finance Reform Commission would be a concrete sign to the American public that Congress is serious about reforming our election laws. We have seen the success of the BRAC Commissions in removing political influences from the decision-making process. This same formula could be used for our campaign finance reform laws.

When Congress enacted the first BRAC Commission law, it was argued that a nonpartisan commission was required because the closure of military bases was so politically sensitive, Congress could not be expected to make the tough choices of closing bases. Well, Mr. President, if closing military bases is considered tough, altering the campaign laws that literally determine whether Members could retain their jobs must be just as politically sensitive, if not more so.

Again, I wish to praise the efforts of Senators FEINGOLD, MCCAIN, and the broad coalition of grassroots organizations which have kept the campaign finance issue in front of the American public and the Congress. I hope that they succeed in their efforts with their bill and we can present the American public with a new campaign system before the 1998 election. I offer this bill today only as an alternative to be considered, if, and only if, we cannot pass S. 25 this year.

Mr. President, like all commonsense ideas, the idea of a Campaign Finance Reform Commission did not spring from a text book but came from a simpler setting. Two years ago President Clinton and House Speaker NEWT GINGRICH held an historic conversation at a New Hampshire meeting. The first question came from a retiree, Mr. Frank McConnell, Jr. Mr. McConnell had a simple, commonsense idea—form a commission like the one that closed the military bases to reform our election system, so, in Mr. McConnell's words, ''it would be out of the political scene.'' The time for Mr. McConnell's idea has come.

I am pleased to put Mr. McConnell's idea into legislative form. If S. 25 fails this year, this Commission could give us the reform we all demand. And, it

would give the American public a restored faith that their democratic institutions have responded to their cry for change in our electoral system.

Mr. President, I ask unanimous consent that the entire text of my legislation be printed in the RECORD.

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

S. 812

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Campaign Finance Reform Commission Act of 1997''.

SEC. 2. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is established a Commission to be known as the ''Federal Election Law Reform Commission'' (referred to in this Act as the ''Commission'').

(b) MEMBERSHIP.—

(1) APPOINTMENTS.—The Commission shall be comprised of 8 qualified members, who shall be appointed not later than the date that is 30 days after the date of enactment of this Act as follows:

(A) APPOINTMENTS BY MAJORITY LEADER AND SPEAKER.—The Majority Leader of the Senate and the Speaker of the House of Representatives shall jointly appoint to the Commission—

(i) 1 member who is a retired Federal judge as of the date on which the appointment is made;

(ii) 1 member who is a former Member of Congress as of the date on which the appointment is made; and

(iii) 1 member who is from the academic community.

(B) APPOINTMENTS BY MINORITY LEADERS.—The Minority Leader of the Senate and the Minority Leader of the House of Representatives shall jointly appoint to the Commission—

(i) 1 member who is a retired Federal judge as of the date on which the appointment is made; and

(ii) 1 member who is a former Member of Congress as of the date on which the appointment is made.

(C) APPOINTMENT BY PRESIDENT.—The President shall appoint to the Commission 1 member who is from the academic community.

(D) APPOINTMENTS BY COMMISSION MEMBERS.—The members appointed under subparagraphs (A), (B), and (C) shall jointly appoint 2 members to the Commission, neither of whom shall have held any elected or appointed public or political party office, including any position with an election campaign for Federal office, during the 10 years preceding the date on which the appointment is made.

(2) QUALIFICATIONS.—

(A) IN GENERAL.—A person shall not be qualified for an appointment under this subsection if the person, during the 10-year period preceding the date on which the appointment is made—

(i) held a position under schedule C of subpart C of part 213 of title 5, Code of Federal Regulations;

(ii) was an employee of the legislative branch of the Federal Government, not including any service as a Member of Congress; or

(iii) was required to register under the Lobbying Disclosure Act of 1995 (2 U.S.C. 1601 et seq.) or derived a significant income from influencing, or attempting to influence, members or employees of the executive branch or legislative branch of the Federal Government.

(B) PARTY AFFILIATIONS.—Not more than 4 members of the Commission shall be members of, or associated with, the same political party (as defined in section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431)).

(3) CHAIRPERSON AND VICE CHAIRPERSON.—

(A) DESIGNATION BY COMMISSION MEMBERS.—The members of the Commission shall designate a chairperson and a vice chairperson from among the members of the Commission.

(B) PARTY AFFILIATIONS.—The chairperson shall be a member of, or associated with, a political party other than the political party of the vice chairperson.

(4) FINANCIAL DISCLOSURE.—Not later than 60 days after appointment to the Commission, a member of the Commission shall file with the Secretary of the Senate, the Office of the Clerk of the House of Representatives, and the Federal Election Commission a report containing the information required by section 102 of the Ethics in Government Act of 1978 (5 U.S.C. App.).

(5) PERIOD OF APPOINTMENT; VACANCIES.—

(A) PERIOD OF APPOINTMENT.—A member of the Commission shall be appointed for the life of the Commission.

(B) VACANCY.—Any vacancy in the Commission shall—

(i) not affect the powers of the Commission; and

(ii) be filled in the same manner as the original appointment.

(6) TERMINATION OF COMMISSION.—The Commission shall terminate on the date that is 1 year after the date of enactment of this Act.

(c) POWERS.—

(1) HEARINGS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out this Act.

(2) INFORMATION FROM FEDERAL AGENCIES.—

(A) IN GENERAL.—The Commission may secure directly from any Federal department or agency any information that the Commission considers necessary to carry out this Act.

(B) REQUEST OF THE CHAIRPERSON.—On request of the chairperson of the Commission, the head of a Federal department or agency shall furnish the requested information to the Commission.

(3) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other Federal departments and agencies.

(d) PAY AND TRAVEL EXPENSES.—

(1) MEMBERS.—Each member of the Commission, other than the chairperson, shall be paid at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the actual performance of duties vested in the Commission.

(2) CHAIRPERSON.—The chairperson shall be paid for each day referred to in paragraph (1) at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level III of the Executive Schedule under section 5315 of title 5, United States Code.

(e) STAFF.—

(1) EXECUTIVE DIRECTOR.—The chairperson of the Commission may, without regard to the civil service laws (including regulations), appoint and terminate an executive director of the Commission, who shall be paid at the rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(2) OTHER PERSONNEL.—

(A) APPOINTMENT AND PAY.—Subject to subparagraph (B), the executive director may, without regard to the civil service laws (including regulations), appoint and fix the pay of additional personnel as may be necessary to enable the Commission to perform the duties of the Commission.

(B) MAXIMUM RATE OF PAY.—The pay of any individual appointed under this paragraph shall be not more than the maximum annual rate of basic pay prescribed for grade GS–15 of the General Schedule under section 5332 of title 5, United States Code.

(3) DETAIL OF FEDERAL EMPLOYEES.—Any Federal Government employee may be detailed to the Commission without reimbursement, and the detail shall be without interruption or loss of civil service status or privilege.

(f) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The chairperson of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of title 5, United States Code.

SEC. 3. DUTIES OF COMMISSION.

(a) IN GENERAL.—The Commission shall—

(1) identify the appropriate goals and values for Federal election campaign finance laws;

(2) evaluate the extent to which the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) has promoted or hindered the attainment of the goals identified under paragraph (1); and

(3) make recommendations to Congress for the achievement of those goals, taking into consideration the impact of the Federal Election Campaign Act of 1971.

(b) CONSIDERATIONS.—In making recommendations under subsection (a)(3), the Commission shall consider with respect to election campaigns for Federal office—

(1) whether campaign spending levels should be limited, and, if so, to what extent;

(2) the role of interest groups and whether that role should be limited or regulated;

(3) the role of other funding sources, including political parties, candidates, and individuals from inside and outside the State in which the contribution is made;

(4) public financing and benefits; and

(5) problems in existing election campaign finance law, such as soft money, bundling, and independent expenditures.

(c) REPORT AND RECOMMENDATIONS.—Not later than the date that is 1 year after the date of enactment of this Act, the Commission shall submit to Congress—

(1) a report on the activities of the Commission; and

(2) a draft of legislation (including technical and conforming provisions) recommended by the Commission to amend the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) and any other law relating to elections for Federal office.

SEC. 4. FAST-TRACK PROCEDURES.

(a) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—This section is enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and of the Senate, respectively, and as such it shall be considered as part of the rules of each House, respectively, or of the House to which it specifically applies, and the rules shall supersede other rules only to the extent that they are inconsistent; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as the rules relate to that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

(b) DEFINITIONS.—In this section, the term ''Federal election bill'' means only a bill of either House of Congress that is introduced as provided in subsection (c) to carry out the recommendations of the Commission as set forth in the draft legislation submitted under section 5(c)(2).

(c) INTRODUCTION AND REFERRAL.—Not later than 3 days after the Commission submits draft legislation under section 5(c)(2), a Federal election bill shall be introduced (by request) in the House of Representatives by the Majority Leader of the House, shall be introduced (by request) in the Senate by the Majority Leader of the Senate, and shall be referred to the appropriate committee.

(d) AMENDMENTS PROHIBITED.—No amendment to a Federal election bill shall be in order in either the House of Representatives or the Senate, no motion to suspend the application of this subsection shall be in order in either House, and it shall not be in order in either House to entertain a request to suspend the application of this subsection by unanimous consent.

(e) PERIOD FOR COMMITTEE AND FLOOR CONSIDERATION.—

(1) AUTOMATIC DISCHARGE.—If the committee of either House to which a Federal election bill is referred has not reported the bill by the close of the 30th day after introduction, the committee shall be automatically discharged from further consideration of the bill, and the bill shall be placed on the appropriate calendar.

(2) PROCEDURE WHEN THERE IS PRIOR PASSAGE OF BILL BY OTHER HOUSE.—If, prior to the passage by 1 House of a Federal election bill of that House, that House receives the same Federal election bill from the other House—

(A) the procedure in that House shall be the same as if no Federal election bill had been received from the other House; but

(B) the vote on final passage shall be on the Federal election bill of the other House.

(3) COMPUTATION.—For purposes of paragraph (1), in computing a number of days in either House, there shall be excluded the days on which that House is not in session because of an adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die.

(f) FLOOR CONSIDERATION IN THE HOUSE.—

(1) MOTION TO PROCEED TO CONSIDER.—

(A) PRIVILEGE.—A motion in the House of Representatives to proceed to the consideration of a Federal election bill shall be highly privileged and not debatable, except that a motion to proceed to consider may be made only on the 2d legislative day after the calendar day on which the Member making the motion announces to the House the Member's intention to do so.

(B) NO AMENDMENT OR MOTION TO RECONSIDER.—An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) DEBATE.—

(A) TIME.—Consideration of a Federal election bill in the House of Representatives shall be in the House, with debate limited to not more than 10 hours, which shall be divided equally between the proponents and opponents of the bill.

(B) NO INTERVENING MOTION.—The previous question on the Federal election bill shall be considered as ordered to final passage without intervening motion.

(C) MOTION TO RECONSIDER NOT IN ORDER.—It shall not be in order to move to reconsider the vote by which a Federal election bill is agreed to or disagreed to.

(3) APPEALS FROM DECISION OF CHAIR.—All appeals from the decisions of the Chair relating to the application of the rules of the House of Representatives to the procedure relating to a Federal election bill shall be decided without debate.

(g) FLOOR CONSIDERATION IN THE SENATE.—

(1) MOTION TO PROCEED TO CONSIDERATION.—

(A) PRIVILEGE.—A motion in the Senate to proceed to the consideration of a Federal election bill shall be privileged and not debatable.

(B) NO AMENDMENT OR MOTION TO RECONSIDER.—An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) DEBATE OF BILL.—

(A) TIME.—Debate in the Senate on a Federal election bill, and all debatable motions and appeals in connection with the bill, shall be limited to not more than 10 hours.

(B) DIVISION OF TIME.—The time shall be equally divided between, and controlled by, the Majority Leader and the Minority Leader or their designees.

(3) DEBATE OF MOTION OR APPEAL.—

(A) TIME.—Debate in the Senate on any debatable motion or appeal in connection with a Federal election bill shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the proponent of the motion and the manager of the bill, except that if the manager of the bill is in favor of the motion or appeal, the time in opposition to the motion or appeal, shall be controlled by the Minority Leader or a designee of the Minority Leader.

(B) ALLOTMENT OF ADDITIONAL TIME.—The leaders under subparagraph (A), or either of them, may, from time under their control on the passage of a Federal election bill, allot additional time to a Senator during the consideration of a debatable motion or appeal.

(4) MOTION TO LIMIT DEBATE.—A motion in the Senate to further limit debate is not debatable.

(5) MOTION TO RECOMMIT NOT IN ORDER.—A motion to recommit a Federal election bill is not in order.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Commission such sums as are necessary to carry out the duties of the Commission under this Act.

By Mr. THURMOND (for himself and Mr. MCCAIN):

S. 813. A bill to amend chapter 91 of title 18, United States Code, to provide criminal penalties for theft and willful vandalism at national cemeteries; to the Committee on Veterans' Affairs.

THE VETERANS' CEMETERY PROTECTION ACT OF 1997

Mr. THURMOND. Mr. President, this coming Monday, May 26, our Nation will observe Memorial Day. For some Americans, Memorial Day is simply the opening of the summer vacation season. However, for millions of patriotic Americans this day is much more. To us, Memorial Day is the day we pay tribute to those who made the ultimate sacrifice in defending this Nation and our freedoms.

Honoring those who died in war is a practice and custom of many cultures and countries. In the United States, tributes to fallen soldiers took place in many locations during the War Between the States. An early observance occurred on May 30, 1865, in Charleston, SC, when a group of school children scattered flowers over trenches in which the remains of several hundred Union soldiers had been interred. Another commemoration occurred in Columbus, MS, on April 25, 1866, when a group of women visited a cemetery to decorate the graves of Confederate soldiers who had fallen in battle at Shiloh. Flowers were placed on the nearby bare and neglected graves of Union soldiers as well. Throughout the North and South, this practice of decorating graves became more widespread.

On May 5, 1868, Gen. John A. Logan issued a general order that designated the 30th day of May, 1868, as a day for decorating the graves of comrades who died in defense of their country. Decoration Day, as it came to be celebrated, was first observed that day at Arlington National Cemetery, which held the remains of 20,000 Union dead and several hundred Confederate dead. By the end of the 19th century, Memorial Day, or Decoration Day ceremonies were being held throughout the Nation. In 1971 Memorial Day was declared a national holiday, and was placed on the last Monday in May.

Mr. President, Memorial Day services will be held throughout the Nation next Monday, in our national cemeteries, where thousands of war dead are buried. A national service will be held at Arlington Cemetery. Local traditions will be included in ceremonies at the Punchbowl Center in Hawaii. Decorations will be placed in the 114 national cemeteries operated by the Department of Veterans Affairs National Cemetery System. A few other national cemeteries are under the jurisdiction of the Department of Defense and the Department of Interior. I encourage my colleagues, and all citizens of this Nation, to visit these cemeteries and pay respect to those who have given their life for their country.

Mr. President, unfortunately not all activities at our national cemeteries have honored the dead. There have been, unfortunately, instances of vandalism and theft at our national cemeteries. Last month, the Punchbowl in Hawaii, the National Memorial Cemetery of the Pacific, was desecrated by vandals. Vandals caused over $20,000 in damage by spray painting racial epithets and obscenities on graves, marble memorials, and other parts of the cemetery. Other cemeteries, private and State, were also damaged that same weekend. Last year, at the Riverside National Cemetery in California, engraved grave markers were stolen from 128 graves. Months before that incident, over 500 markers were stolen from a storage facility.

The time has come to demand a stop to this type of insulting behavior. That is why I am introducing the Veterans' Cemetery Protection Act of 1997. This bill is a companion bill to one introduced in the House, H.R. 1532. This bill imposes criminal penalties for vandalism and theft at national cemeteries operated by the VA, the Department of Defense, and the Department of Interior. Penalties for vandalism and theft, are consistent with similar crimes against other Federal property. In addition, the bill establishes penalties for

attempted vandalism and theft. I am delighted that Senator MCCAIN, a fellow veteran and true national hero, joins me in introducing this bill.

Mr. President, as we pause to remember our fallen comrades, it is appropriate that we protect their final resting places. I invite may colleagues to join Senator MCCAIN and me in supporting this legislation.

Mr. MCCAIN. Mr. President, I rise today to cosponsor the Veterans' Cemetery Protection Act of 1997, sponsored by my colleague and distinguished veteran, Senator STROM THURMOND.

There is nothing more egregious than the desecration of our Nation's veterans' cemeteries. These men and women gave their lives to defend the United States and freedom throughout the world. This act will propose a penalty for theft or destruction of any property of a national cemetery. This is a simple piece of legislation and I hope my colleagues in the Senate will give their full support to this critical measure.

By Mr. BAUCUS (for himself, Mr. GORTON, and Mrs. MURRAY):

S. 815. A bill to amend the Internal Revenue Code of 1986 to provide tax treatment for foreign investment through a United States regulated investment company comparable to the tax treatment for direct foreign investment and investment through a foreign mutual fund; to the Committee on Finance.

THE INVESTMENT COMPETITIVENESS ACT OF 1997

Mr. BAUCUS. Mr President, the U.S. mutual fund industry has become a dominant force in developing, marketing, and managing assets for American investors. Since 1990, assets under management by U.S. mutual funds have grown from $1 trillion to about $3.5 trillion today. Yet, while direct foreign investment in U.S. securities is strong, foreign investment in U.S. mutual funds has remained relatively flat.

Mr President, today I am introducing, along with Senators GORTON and MURRAY, the Investment Competitiveness Act of 1997. This legislation, which I have had the honor of cosponsoring in each of the last three Congresses, would eliminate a major barrier to attracting foreign capital into the United States while improving the competitiveness of the U.S. mutual fund industry.

This legislation would remove a barrier to the sale and distribution of U.S. mutual funds outside the United States. The bill would change the Internal Revenue Code to provide that foreign investors in U.S. mutual funds be accorded the same tax treatment as if they had made their investments directly in U.S. stocks or shares of a foreign mutual fund.

Under current law, most kinds of interest and short-term capital gains received directly by an investor outside the United States or received through a foreign mutual fund are not subject to the 30-percent withholding tax on investment income. However, interest and short-term capital gain income received by a foreign investor through a U.S. mutual fund are subject to the withholding tax. This result occurs because current law characterizes interest income as short-term capital gain distributed by a U.S. mutual fund to a foreign investor as a dividend subject to withholding.

The Investment Competitiveness Act would correct this inequity and put U.S. mutual funds on a competitive footing with foreign funds. The bill would correctly permit interest income and short-term capital gain to retain their character upon distribution.

Current law acts as a prohibitive export tax on foreign investors who choose to invest in U.S. funds. That is why the amount of foreign investment in U.S. mutual funds is small.

Mr President, it is time to dismantle the unfair and unwanted tax barrier to foreign investment in U.S. mutual funds. The American economy will benefit from exporting U.S. mutual funds, creating an additional inflow of investment into U.S. securities markets without a dilution of U.S. control of American business that occurs through direct foreign investment in U.S. companies. Moreover, the legislation will support job creation among ancillary fund service providers located in the United States, rather than in offshore service facilities.

Mr President, I very much appreciate the efforts of Senators GORTON and MURRAY in cosponsoring this legislation and I urge my colleagues to support this bill.

By Mr. CRAIG:

S. 816. A bill to amend title 18, United States Code, to provide a national standard in accordance with which nonresidents of a State may carry certain concealed firearms in the State, and to exempt qualified current and former law enforcement officers from State laws prohibiting the carrying of concealed handguns; to the Committee on the Judiciary.

THE PERSONAL SAFETY AND COMMUNITY PROTECTION ACT

Mr. CRAIG. Mr. President, I rise to introduce the Personal Safety and Community Protection Act.

In recent years, a movement has swept the Nation to enable individuals to carry concealed firearms for their protection. Forty-two of the fifty States have some right-to-carry permit mechanism in place, and they are finding these laws make a significant impact on crime.

The benefits of right-to-carry laws were verified by a landmark study released late last year. Following a comprehensive analysis of annual FBI crime statistics from all the Nation's counties, over 15 years, the authors concluded:

> [a]llowing citizens to carry concealed weapons deters violent crimes and it appears to produce no increase in accidental death or suicides. If those states who did not have right-to-carry concealed gun provisions had adopted them in 1992, approximately 1,800 murders and over 3,000 rapes would have been avoided yearly . . .

The primary author of the study, John R. Lott Jr. of the University of Chicago Law School, has pointed out that the benefits of concealed-carry laws are not limited to those who carry the weapons but extend to their fellow citizens, as well. The drop in crime is not necessarily the result of using firearms in self-defense, but of criminals changing their behavior to avoid coming into direct contact with a person who might have a gun—which in a concealed-carry State could extend to a wide cross-section of the public.

The legislation I am introducing today builds on the experience of the States. It is designed to protect the rights of citizens no matter where they may travel in the United States, and to enhance the protection of our communities.

This bill applies to any person holding a valid concealed firearm carrying permit or license issued by a State, and who is not prohibited from carrying a firearm under Federal law.

In States that issue concealed carry permits, the individual would be able to carry a concealed firearm in accordance with State laws. In States that do not have right-to-carry laws, the bill sets a reasonable, bright-line Federal standard that would permit carrying except in certain designated places, such as police stations; courthouses; public polling places; meetings of State, county, or municipal governing bodies; schools; passenger areas of airports.

The second part of the bill provides an exemption for certain qualified current and former law enforcement officers, who bear valid written identification of their status, from laws prohibiting the carrying of concealed firearms. The bill does not override any existing training requirements or restrictions on gun ownership or use by current or former law enforcement officers. The individuals covered by this section of the bill have proven records of responsible, lawful gun use in defense of their fellow citizens and communities.

Again, Mr. President, this portion of the bill takes a practical, experience-based approach to self defense and community protection.

I'm pleased to note that my bill is a companion to H.R. 339, introduced in the House of Representatives by Congressman CLIFF STEARNS and cosponsored by more than 40 Members from nearly half the States.

I urge all my colleagues to join us in protecting the rights of your constituents and enhancing the protection of your communities by supporting the Personal Safety and Community Protection Act.

I ask unanimous consent that a copy of the legislation be printed in the RECORD.

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

S. 816

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

SECTION 1. NATIONAL STANDARD FOR THE CARRYING OF CERTAIN CONCEALED FIREARMS BY NONRESIDENTS.

(a) IN GENERAL.—Chapter 44 of title 18, United States Code, is amended by inserting after section 926A the following:

"§ 926B. National standard for the carrying of certain concealed firearms by nonresidents

''(a) IN GENERAL.—Notwithstanding any provision of the law of any State or political subdivision thereof, a person who is not prohibited by Federal law from possessing, transporting, shipping, or receiving a firearm, and who is carrying a valid license or permit that is issued by a State and that permits the person to carry a concealed firearm (other than a machinegun or destructive device), may carry in another State a concealed firearm (other than a machinegun or destructive device) that has been shipped or transported in interstate or foreign commerce, in accordance with subsection (b).

''(b) CONDITIONS.—

''(1) STATES ISSUING CONCEALED WEAPONS PERMITS.—For purposes of subsection (a), if such other State issues licenses or permits to carry concealed firearms, the person may carry a concealed firearm in the State under the same restrictions that apply to the carrying of a concealed firearm by a person to whom the State has issued such a license or permit.

''(2) OTHER STATES.—For purposes of subsection (a), if such other State does not issue licenses or permits to carry concealed firearms, except to the extent expressly permitted by State law, the person may not, in the State, carry a concealed firearm—

''(A) in a police station;

''(B) in a public detention facility;

''(C) in a courthouse;

''(D) in a public polling place;

''(E) at a meeting of a State, county, or municipal governing body;

''(F) in a school;

''(G) at a professional or school athletic event not related to firearms;

''(H) in a portion of an establishment licensed by the State to dispense alcoholic beverages for consumption on the premises; or

''(I) inside the sterile or passenger area of an airport.''.

(b) CLERICAL AMENDMENT.—The analysis for chapter 44 of title 18, United States Code, is amended by inserting after the item relating to section 926A the following:

''926B. National standard for the carrying of certain concealed firearms by nonresidents.''.

SEC. 2. EXEMPTION OF QUALIFIED CURRENT AND FORMER LAW ENFORCEMENT OFFICERS FROM STATE LAWS PROHIBITING THE CARRYING OF CONCEALED HANDGUNS.

(a) IN GENERAL.—Chapter 44 of title 18, United States Code, is amended by inserting after section 926B (as added by section 1(a) of this Act) the following:

"§ 926C. Carrying of concealed handguns by qualified current and former law enforcement officers

''(a) IN GENERAL.—Notwithstanding any other provision of the law of any State or any political subdivision thereof, an individual who is a qualified law enforcement officer or a qualified former law enforcement officer and who is carrying appropriate written identification of that status may carry a concealed handgun.

''(b) DEFINITIONS.—In this section:

''(1) APPROPRIATE WRITTEN IDENTIFICATION.—The term 'appropriate written identification' means, with respect to an individual, a document which—

''(A) was issued to the individual by the public agency with which the individual serves or served as a law enforcement officer; and

''(B) identifies the holder of the document as a current or former officer, agent, or employee of the agency.

''(2) LAW ENFORCEMENT OFFICER.—The term 'law enforcement officer' means an individual authorized by law to engage in or supervise the prevention, detection, investigation, or prosecution of any violation of law, and includes corrections, probation, parole, and judicial officers.

''(3) QUALIFIED FORMER LAW ENFORCEMENT OFFICER.—The term 'qualified former law enforcement officer' means an individual who—

''(A) retired from service with a public agency as a law enforcement officer, other than for reasons of mental disability;

''(B) immediately before such retirement, was a qualified law enforcement officer;

''(C) has a nonforfeitable right to benefits under the retirement plan of the agency;

''(D) meets such requirements as have been established by the State in which the individual resides with respect to training in the use of firearms; and

''(E) is not prohibited by Federal law from receiving a firearm.

''(4) QUALIFIED LAW ENFORCEMENT OFFICER.—The term 'qualified law enforcement officer' means an officer, agent, or employee of a public agency who—

''(A) is a law enforcement officer;

''(B) is authorized by the agency to carry a firearm in the course of duty;

''(C) is not the subject of any disciplinary action by the agency; and

''(D) meets such requirements as have been established by the agency with respect to firearms.''.

(b) CLERICAL AMENDMENT.—The analysis for chapter 44 of title 18, United States Code, is amended by inserting after the item relating to section 926B (as added by section 1(b) of this Act) the following:

''926C. Carrying of concealed handguns by qualified current and former law enforcement officers.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect 180 days after the date of enactment of this Act.

By Mr. CAMPBELL (for himself and Mr. INOUYE):

S. 818. A bill to improve the economic conditions and supply of housing in native American communities by creating the Native American Financial Services Organization, and for other purposes; to the Committee on Indian Affairs.

THE NATIVE AMERICAN FINANCIAL SERVICES ORGANIZATION ACT OF 1997

Mr. CAMPBELL. Mr. President, today I introduce the Native American Financial Services Organization Act of 1996 [NAFSO]. This bill, based on a similar measure I introduced in the last Congress, seeks to provide new opportunity and hope for native American families by addressing the serious lack of private capital on Indian reservations.

Having access to banking services is more than just a convenience. It means being able to get a loan to fix a leaky roof. It means getting the money to buy computers to start a small business. It means having enough money to send your son or daughter to college. It means buying your own home.

Too often, these dreams never become a reality for Indian families. Many opportunities and services most of America takes for granted are not available in Indian country. Native Americans can't simply walk into a local bank to open a checking account or get a loan for a new house because for the most part, these institutions are nowhere near Indian reservations.

NAFSO is not about new Government programs or bureaucracy. NAFSO is about supporting private banks that will not only provide basic services, but take the time to educate people, to bring them into the mainstream of financial services and give them a chance to build a home or start a business.

NAFSO gives native Americans the same kind of access to banking services that other Americans enjoy. By eliminating provisions dealing with the secondary mortgage market, this version of NAFSO allows the organization to focus where the rubber meets the road. Working in conjunction with the community development financial institutions fund, NAFSO's primary role is to expand the availability of basic banking services through the creation and support of Native American Financial Institutions [NAFI's]. This provides the services that families need the most—checking accounts, mortgages, and other basic banking services.

NAFSO will also play a crucial role in assisting NAFI's by providing them with much-needed technical assistance and developing specialized assistance to overcome barriers to lending on reservations. The organization will also work with the secondary market and other important financial mechanisms to identify barriers to private lending and make recommendations about how banks, Tribes, and government can do more to help this process.

NAFSO does more than support new lending institutions or existing Indian-oriented banks and begins to address the historical barriers to private banking in Indian country. The trust status of reservation land and the inability to transfer title are serious concerns of bankers that need to be overcome and understood. Equally as challenging is the need to overcome stereotypes about Indian families and their social or economic condition. Often, banks decide Indians are not a good credit risk without ever having gone to the reservation.

By providing information and interested in becoming more involved in Indian country, NAFSO can foster a new understanding of the real challenges we face. It can eliminate some of these misconceptions and myths and bring the private market and Indian communities together in ways never thought possible before.

I had hoped that we would be assisted in this process by a report by the community development financial institutions fund at the Department of Treasury on Indian banking issues. Regrettably, work on that report, which was

due almost 9 months ago, has not yet begun. Nevertheless, I feel that we should not delay our work. We need to concentrate now on finding real solutions to the economic, social and cultural challenges facing tribes and native American families.

Mr. President, most people agree that Government cannot be the solution to all of this great Nation's problems. We can fix the Government programs, we can make them more efficient, but now we need to get the private sector involved in the challenges facing Indian country. The road to economic independence for all native American communities is a long one, but this bill is a big step in the right direction.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 818

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

SECTION 1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''Native American Financial Services Organization Act of 1997''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Findings.
Sec. 3. Policy.
Sec. 4. Purposes.
Sec. 5. Definitions.

TITLE I—NATIVE AMERICAN FINANCIAL SERVICES ORGANIZATION

Sec. 101. Establishment of the Organization.
Sec. 102. Authorized assistance and service functions.
Sec. 103. Native American lending services grant.
Sec. 104. Audits.
Sec. 105. Annual housing and economic development reports.
Sec. 106. Advisory Council.

TITLE II—CAPITALIZATION OF ORGANIZATION

Sec. 201. Capitalization of the Organization.

TITLE III—REGULATION, EXAMINATION, AND REPORTS

Sec. 301. Regulation, examination, and reports.
Sec. 302. Authority of the Secretary of Housing and Urban Development.

TITLE IV—FORMATION OF NEW CORPORATION

Sec. 401. Formation of new corporation.
Sec. 402. Adoption and approval of merger plan.
Sec. 403. Consummation of merger.
Sec. 404. Transition.
Sec. 405. Effect of merger.

TITLE V—AUTHORIZATIONS OF APPROPRIATIONS

Sec. 501. Authorization of appropriations for Native American Financial Institutions.
Sec. 502. Authorization of appropriations for Organization.

SEC. 2. FINDINGS.

Congress finds that—

(1) clause 3 of section 8 of article I of the United States Constitution recognizes the special relationship between the United States and Indian tribes;

(2) Congress has carried the responsibility of the United States for the protection and preservation of Indian tribes and the resources of Indian tribes through the endorsement of treaties, and the enactment of other laws, including laws that provide for the exercise of administrative authorities;

(3) despite the availability of abundant natural resources on Indian lands and a rich cultural legacy that accords great value to self-determination, self-reliance, and independence, American Indians, Alaska Natives, and Native Hawaiians suffer rates of unemployment, poverty, poor health, substandard housing, and associated social ills to a greater degree than any other group in the United States;

(4) the economic success and material well-being of American Indian, Alaska Native, and Native Hawaiian communities depends on the combined efforts of the Federal Government, tribal governments, the private sector, and individuals;

(5) the lack of employment opportunities and affordable homes in the communities referred to in paragraph (4) is grounded in the almost complete absence of available private capital and private capital institutions to serve those communities;

(6) the lack of capital referred to in paragraph (5) has resulted in a multigenerational dependence on Federal assistance that is—

(A) insufficient to address the magnitude of needs; and

(B) unreliable in availability;

(7) a review of the history of the United States bears out the fact that solutions to social and economic problems that have been crafted by the Federal Government without the active involvement of local communities and the private sector fail at unacceptably high rates; and

(8) the twin goals of economic self-sufficiency and political self-determination for American Indians, Alaska Natives, and Native Hawaiians can best be served by making available to address the challenges faced by those groups—

(A) the resources of the private market;

(B) adequate capital; and

(C) technical expertise.

SEC. 3. POLICY.

(a) IN GENERAL.—Based upon the findings and recommendations of the Commission on American Indian, Alaska Native and Native Hawaiian Housing established by the Department of Housing and Urban Development Reform Act of 1989, Congress has determined that—

(1) housing shortages and deplorable living conditions are at crisis proportions in Native American communities throughout the United States; and

(2) the lack of private capital to finance housing and economic development for Native Americans and Native American communities seriously exacerbates these housing shortages and poor living conditions.

(b) POLICY OF THE UNITED STATES TO ADDRESS NATIVE AMERICAN HOUSING SHORTAGE.—It is the policy of the United States to improve the economic conditions and supply of housing in Native American communities throughout the United States by creating the Native American Financial Services Organization to address the housing shortages and poor living conditions described in subsection (a).

SEC. 4. PURPOSES.

The purposes of this Act are—

(1) to help serve the mortgage and other lending needs of Native Americans by assisting in the establishment and organization of Native American Financial Institutions, developing and providing financial expertise and technical assistance to Native American Financial Institutions, including assistance concerning overcoming—

(A) barriers to lending with respect to Native American lands; and

(B) the past and present impact of discrimination;

(2) to promote access to mortgage credit in Native American communities in the United States by increasing the liquidity of financing for housing and improving the distribution of investment capital available for such financing, primarily through Native American Financial Institutions; and

(3) to promote the infusion of public capital into Native American communities throughout the United States and to direct sources of public and private capital into housing and economic development for Native American individuals and families, primarily through Native American Financial Institutions.

SEC. 5. DEFINITIONS.

In this Act:

(1) ALASKA NATIVE.—The term ''Alaska Native'' has the meaning given the term ''Native'' by section 3(b) of the Alaska Native Claims Settlement Act.

(2) BOARD.—The term ''Board'' means the Board of Directors of the Organization established under section 101(a)(2).

(3) CHAIRPERSON.—The term ''Chairperson'' means the chairperson of the Board.

(4) COUNCIL.—The term ''Council'' means the Advisory Council established under section 106.

(5) DESIGNATED MERGER DATE.—The term ''designated merger date'' means the specific calendar date and time of day designated by the Board under section 402(b).

(6) DEPARTMENT OF HAWAIIAN HOME LANDS.—The term ''Department of Hawaiian Home Lands'' means the agency that is responsible for the administration of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.).

(7) FUND.—The term ''Fund'' means the Community Development Financial Institutions Fund established under section 104 of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4703).

(8) INDIAN TRIBE.—The term ''Indian tribe'' means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act that is recognized as eligible for the special programs and services provided by the Federal Government to Indians because of their status as Indians.

(9) MERGER PLAN.—The term ''merger plan'' means the plan of merger adopted by the Board under section 402(a).

(10) NATIVE AMERICAN.—The term ''Native American'' means any member of an Indian tribe or a Native Hawaiian.

(11) NATIVE AMERICAN FINANCIAL INSTITUTION.—The term ''Native American Financial Institution'' means a person (other than an individual) that—

(A) qualifies as a community development financial institution under section 103 of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4702);

(B) satisfies the requirements established by subtitle A of title I of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4701 et seq.) and the Fund for applicants for assistance from the Fund;

(C) demonstrates a special interest and expertise in serving the primary economic development and mortgage lending needs of the Native American community; and

(D) demonstrates that the person has the endorsement of the Native American community that the person intends to serve.

(12) NATIVE AMERICAN LENDER.—The term ''Native American lender'' means a Native American governing body, Native American housing authority, or other Native American Financial Institution that acts as a primary mortgage or economic development lender in a Native American community.

(13) NATIVE HAWAIIAN.—The term ''Native Hawaiian'' has the meaning given that term in section 201 of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108).

(14) NEW CORPORATION.—The term ''new corporation'' means the corporation formed in accordance with title IV.

(15) ORGANIZATION.—The term ''Organization'' means the Native American Financial Services Organization established under section 101.

(16) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

(17) TRANSITION PERIOD.—The term ''transition period'' means the period beginning on the date on which the merger plan is approved by the Secretary and ending on the designated merger date.

TITLE I—NATIVE AMERICAN FINANCIAL SERVICES ORGANIZATION

SEC. 101. ESTABLISHMENT OF THE ORGANIZATION.

(a) CREATION; BOARD OF DIRECTORS; POLICIES; PRINCIPAL OFFICE; MEMBERSHIP; VACANCIES.—

(1) CREATION.—

(A) IN GENERAL.—There is established and chartered a corporation to be known as the Native American Financial Services Organization.

(B) PERIOD OF TIME.—The Organization shall be a congressionally chartered body corporate until the earlier of—

(i) the designated merger date; or

(ii) the date on which the charter is surrendered by the Organization.

(C) CHANGES TO CHARTER.—The right to revise, amend, or modify the Organization charter is specifically and exclusively reserved to Congress.

(2) BOARD OF DIRECTORS; PRINCIPAL OFFICE.—

(A) BOARD.—The powers of the Organization shall be vested in a Board of Directors. The Board shall determine the policies that govern the operations and management of the Organization.

(B) PRINCIPAL OFFICE; RESIDENCY.—The principal office of the Organization shall be in the District of Columbia. For purposes of venue, the Organization shall be considered to be a resident of the District of Columbia.

(3) MEMBERSHIP.—

(A) IN GENERAL.—

(i) NINE MEMBERS.—Except as provided in clause (ii), the Board shall consist of 9 members, 3 of whom shall be appointed by the President and 6 of whom shall be elected by the class A stockholders, in accordance with the bylaws of the Organization.

(ii) THIRTEEN MEMBERS.—If class B stock is issued under section 201(b), the Board shall consist of 13 members, 9 of whom shall be appointed and elected in accordance with clause (i) and 4 of whom shall be elected by the class B stockholders, in accordance with the bylaws of the Organization.

(B) TERMS.—Each member of the Board shall be elected or appointed for a 4-year term, except that the members of the initial Board shall be elected or appointed for the following terms:

(i) Of the 3 members appointed by the President—

(I) 1 member shall be appointed for a 2-year term;

(II) 1 member shall be appointed for a 3-year term; and

(III) 1 member shall be appointed for a 4-year term;

as designated by the President at the time of the appointments.

(ii) Of the 6 members elected by the class A stockholders—

(I) 2 members shall each be elected for a 2-year term;

(II) 2 members shall each be elected for a 3-year term; and

(III) 2 members shall each be elected for a 4-year term.

(iii) If class B stock is issued and 4 additional members are elected by the class B stockholders—

(I) 1 member shall be elected for a 2-year term;

(II) 1 member shall be elected for a 3-year term; and

(III) 2 members shall each be elected for a 4-year term.

(C) QUALIFICATIONS.—Each member appointed by the President shall have expertise in 1 or more of the following areas:

(i) Native American housing and economic development programs.

(ii) Financing in Native American communities.

(iii) Native American governing bodies and court systems.

(iv) Restricted and trust land issues, economic development, and small consumer loans.

(D) MEMBERS OF INDIAN TRIBES.—Not less than 2 of the members appointed by the President shall each be an member of an Indian tribe who is enrolled in accordance with the applicable requirements of that Indian tribe.

(E) CHAIRPERSON.—The Board shall select a Chairperson from among its members, except that the initial Chairperson shall be selected from among the members of the initial Board who have been appointed or elected to serve for a 4-year term.

(F) VACANCIES.—

(i) APPOINTED MEMBERS.—Any vacancy in the appointed membership of the Board shall be filled by appointment by the President, but only for the unexpired portion of the term.

(ii) ELECTED MEMBERS.—Any vacancy in the elected membership of the Board shall be filled by appointment by the Board, but only for the unexpired portion of the term.

(G) TRANSITIONS.—Any member of the Board may continue to serve after the expiration of the term for which the member was appointed or elected until a qualified successor has been appointed or elected.

(b) POWERS OF THE ORGANIZATION.—The Organization—

(1) shall adopt bylaws, consistent with this Act, regulating, among other things, the manner in which—

(A) the business of the Organization shall be conducted;

(B) the elected members of the Board shall be elected;

(C) the stock of the Organization shall be issued, held, and disposed of;

(D) the property of the Organization shall be disposed of; and

(E) the powers and privileges granted to the Organization by this Act and other law shall be exercised;

(2) may make and perform contracts, agreements, and commitments, including entering into a cooperative agreement with the Secretary;

(3) may prescribe and impose fees and charges for services provided by the Organization;

(4) may, if such settlement, adjustment, compromise, release, or waiver is not adverse to the interests of the United States—

(A) settle, adjust, and compromise; and

(B) with or without consideration or benefit to the Organization, release or waive in whole or in part, in advance or otherwise, any claim, demand, or right of, by, or against the Organization;

(5) may sue and be sued, complain and defend, in any tribal, Federal, State, or other court;

(6) may acquire, take, hold, and own, and to deal with and dispose of any property;

(7) may determine the necessary expenditures of the Organization and the manner in which such expenditures shall be incurred, allowed, and paid, and appoint, employ, and fix and provide for the compensation and benefits of officers, employees, attorneys, and agents as the Board determines reasonable and not inconsistent with this section;

(8) may incorporate a new corporation under State, District of Columbia, or tribal law, as provided in section 401;

(9) may adopt a plan of merger, as provided in section 402;

(10) may consummate the merger of the Organization into the new corporation, as provided in section 403; and

(11) may have succession until the designated merger date or any earlier date on which the Organization surrenders its Federal charter.

(c) INVESTMENT OF FUNDS; DESIGNATION AS DEPOSITARY, CUSTODIAN, OR AGENT.—

(1) INVESTMENT OF FUNDS.—Funds of the Organization that are not required to meet current operating expenses shall be invested in obligations of, or obligations guaranteed by, the United States or any agency thereof, or in obligations, participations, or other instruments that are lawful investments for fiduciary, trust, or public funds.

(2) DESIGNATION AS DEPOSITARY, CUSTODIAN, OR AGENT.—Any Federal Reserve bank or Federal home loan bank, or any bank as to which at the time of its designation by the Organization there is outstanding a designation by the Secretary of the Treasury as a general or other depositary of public money, may—

(A) be designated by the Organization as a depositary or custodian or as a fiscal or other agent of the Organization; and

(B) act as such depositary, custodian, or agent.

(d) ACTIONS BY AND AGAINST THE ORGANIZATION.—Notwithstanding section 1349 of title 28, United States Code, or any other provision of law—

(1) the Organization shall be deemed to be an agency covered under sections 1345 and 1442 of title 28, United States Code;

(2) any civil action to which the Organization is a party shall be deemed to arise under the laws of the United States, and the appropriate district court of the United States shall have original jurisdiction over any such action, without regard to amount or value; and

(3) in any case in which all remedies have been exhausted in accordance with the applicable ordinances of an Indian tribe, in any civil or other action, case, or controversy in a tribal court, court of a State, or in any court other than a district court of the United States, to which the Organization is a party, may at any time before the commencement of the trial be removed by the Organization, without the giving of any bond or security and by following any procedure for removal of causes in effect at the time of the removal—

(A) to the district court of the United States for the district and division in which the action is pending; or

(B) if there is no such district court, to the district court of the United States for the District of Columbia.

SEC. 102. AUTHORIZED ASSISTANCE AND SERVICE FUNCTIONS.

The Organization may—

(1) assist in the planning establishment and organization of Native American Financial Institutions;

(2) develop and provide financial expertise and technical assistance to Native American Financial Institutions, including methods of underwriting, securing, servicing, packaging, and selling mortgage and small commercial and consumer loans;

(3) develop and provide specialized technical assistance on overcoming barriers to primary mortgage lending on Native American lands, including issues related to trust lands, discrimination, high operating costs, and inapplicability of standard underwriting criteria;

(4) provide mortgage underwriting assistance (but not in originating loans) under contract to Native American Financial Institutions;

(5) work with the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and other participants in the secondary market for home mortgage instruments in identifying and eliminating barriers to the purchase of Native American mortgage loans originated by Native American Financial Institutions and other lenders in Native American communities;

(6) obtain capital investments in the Organization from Indian tribes, Native American organizations, and other entities;

(7) act as an information clearinghouse by providing information on financial practices to Native American Financial Institutions;

(8) monitor and report to Congress on the performance of Native American Financial Institutions in meeting the economic development and housing credit needs of Native Americans; and

(9) provide any of the services described in this section directly, or under a contract authorizing another national or regional Native American financial services provider to assist the Organization in carrying out the purposes of this Act.

SEC. 103. NATIVE AMERICAN LENDING SERVICES GRANT.

(a) INITIAL GRANT PAYMENT.—If the Secretary and the Organization enter into a cooperative agreement for the Organization to provide technical assistance and other services to Native American Financial Institutions, such agreement shall, to the extent that funds are available as provided in section 502, provide that the initial grant payment, anticipated to be $5,000,000, shall be made when all members of the initial Board have been appointed under section 101.

(b) PAYMENT OF GRANT BALANCE.—The payment of the grant balance of $5,000,000 shall be made to the Organization not later than 1 year after the date on which the initial grant payment is made under subsection (a).

SEC. 104. AUDITS.

(a) INDEPENDENT AUDITS.—

(1) IN GENERAL.—The Organization shall have an annual independent audit made of its financial statements by an independent public accountant in accordance with generally accepted auditing standards.

(2) DETERMINATIONS.—In conducting an audit under this subsection, the independent public accountant shall determine and report on whether the financial statements of the Organization—

(A) are presented fairly in accordance with generally accepted accounting principles; and

(B) to the extent determined necessary by the Secretary, comply with any disclosure requirements imposed under section 301.

(b) GAO AUDITS.—

(1) IN GENERAL.—Beginning after the first 2 years of the operation of the Organization, unless an earlier date is required by any other statute, grant, or agreement, the programs, activities, receipts, expenditures, and financial transactions of the Organization shall be subject to audit by the Comptroller General of the United States under such rules and regulations as may be prescribed by the Comptroller General.

(2) ACCESS.—To carry out this subsection, the representatives of the General Accounting Office shall—

(A) have access to all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Organization and necessary to facilitate the audit;

(B) be afforded full facilities for verifying transactions with the balances or securities held by depositaries, fiscal agents, and custodians; and

(C) have access, upon request to the Organization or any auditor for an audit of the Organization under subsection (a), to any books, accounts, financial records, reports, files, or other papers, or property belonging to or in use by the Organization and used in any such audit and to any papers, records, files, and reports of the auditor used in such an audit.

(3) REPORTS.—The Comptroller General of the United States shall submit to Congress a report on each audit conducted under this subsection.

(4) REIMBURSEMENT.—The Organization shall reimburse the General Accounting Office for the full cost of any audit conducted under this subsection.

SEC. 105. ANNUAL HOUSING AND ECONOMIC DEVELOPMENT REPORTS.

Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Organization shall collect, maintain, and provide to the Secretary, in a form determined by the Secretary, such data as the Secretary determines to be appropriate with respect to the activities of the Organization relating to economic development.

SEC. 106. ADVISORY COUNCIL.

(a) ESTABLISHMENT.—The Board shall establish an Advisory Council in accordance with this section.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Council shall consist of 13 members, who shall be appointed by the Board, including 1 representative from each of the 12 districts established by the Bureau of Indian Affairs and 1 representative from the State of Hawaii.

(2) QUALIFICATIONS.—Not less than 6 of the members of the Council shall have financial expertise, and not less than 9 members of the Council shall be Native Americans.

(3) TERMS.—Each member of the Council shall be appointed for a 4-year term, except that the initial Council shall be appointed, as designated by the Board at the time of appointment, as follows:

(A) Four members shall each be appointed for a 2-year term.

(B) Four members shall each be appointed for a 3-year term.

(C) Five members shall each be appointed for a 4-year term.

(c) DUTIES.—The Council shall advise the Board on all policy matters of the Organization. Through the regional representation of its members, the Council shall provide information to the Board from all sectors of the Native American community.

TITLE II—CAPITALIZATION OF ORGANIZATION

SEC. 201. CAPITALIZATION OF THE ORGANIZATION.

(a) CLASS A STOCK.—The class A stock of the Organization shall—

(1) be issued only to Indian tribes and the Department of Hawaiian Home Lands;

(2) be allocated—

(A) with respect to Indian tribes, on the basis of Indian tribe population, as determined by the Secretary in consultation with the Secretary of the Interior, in such manner as to issue 1 share for each member of an Indian tribe; and

(B) with respect to the Department of Hawaiian Home Lands, on the basis of the number of current leases at the time of allocation;

(3) have such par value and other characteristics as the Organization shall provide;

(4) be issued in such manner as voting rights may only be vested upon purchase of those rights from the Organization by an Indian tribe or the Department of Hawaiian Home Lands, each share being entitled to 1 vote; and

(5) be nontransferable.

(b) CLASS B STOCK.—

(1) IN GENERAL.—The Organization may issue class B stock evidencing capital contributions in the manner and amount, and subject to any limitations on concentration of ownership, as may be established by the Organization.

(2) CHARACTERISTICS.—Any class B stock issued under paragraph (1) shall—

(A) be available for purchase by investors;

(B) be entitled to such dividends as may be declared by the Board in accordance with subsection (c);

(C) have such par value and other characteristics as the Organization shall provide;

(D) be vested with voting rights, each share being entitled to 1 vote; and

(E) be transferable only on the books of the Organization.

(c) CHARGES AND FEES; EARNINGS.—

(1) CHARGES AND FEES.—The Organization may impose charges or fees, which may be regarded as elements of pricing, with the objectives that—

(A) all costs and expenses of the operations of the Organization should be within the income of the Organization derived from such operations; and

(B) such operations would be fully self-supporting.

(2) EARNINGS.—All earnings from the operations of the Organization shall be annually transferred to the general surplus account of the Organization. At any time, funds in the general surplus account may, in the discretion of the Board, be transferred to the reserves of the Organization.

(d) CAPITAL DISTRIBUTIONS.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Organization may make such capital distributions (as such term is defined in section 1303 of the Federal Housing Enterprise Financial Safety and Soundness Act of 1992 (12 U.S.C. 4502)) as may be declared by the Board. All capital distributions shall be charged against the general surplus account of the Organization.

(2) RESTRICTION.—The Organization may not make any capital distribution that would decrease the total capital (as such term is defined in section 1303 of the Federal Housing Enterprise Financial Safety and Soundness Act of 1992 (12 U.S.C. 4502)) of the Organization to an amount less than the capital level for the Organization established under section 301, without prior written approval of the distribution by the Secretary.

TITLE III—REGULATION, EXAMINATION, AND REPORTS

SEC. 301. REGULATION, EXAMINATION, AND REPORTS.

(a) IN GENERAL.—The Organization shall be subject to the regulatory authority of the Department of Housing and Urban Development with respect to all matters relating to the financial safety and soundness of the Organization.

(b) DUTY OF SECRETARY.—The Secretary shall ensure that the Organization is adequately capitalized and operating safely as a congressionally chartered body corporate.

(c) REPORTS TO SECRETARY.—

(1) ANNUAL REPORTS.—Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Organization shall submit to the Secretary a report describing the financial condition and operations of the Organization. The report shall be in such form, contain such information, and be submitted on such date as the Secretary shall require.

(2) CONTENTS OF REPORTS.—Each report submitted under this subsection shall contain a declaration by the president, vice president, treasurer, or any other officer of the Organization designated by the Board to make such declaration, that the report is true and correct to the best of the knowledge and belief of that officer.

SEC. 302. AUTHORITY OF THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT.

The Secretary shall—

(1) have general regulatory power over the Organization; and

(2) issue such rules and regulations applicable to the Organization as the Secretary determines to be necessary or appropriate to ensure that the purposes specified in section 4 are accomplished.

TITLE IV—FORMATION OF NEW CORPORATION

SEC. 401. FORMATION OF NEW CORPORATION.

(a) IN GENERAL.—In order to continue the accomplishment of the purposes specified in section 3 beyond the terms of the charter of the Organization, the Board shall, not later than 10 years after the date of enactment of this Act, cause the formation of a new corporation under the laws of any tribe, any State, or the District of Columbia.

(b) POWERS OF NEW CORPORATION NOT PRESCRIBED.—Except as provided in this section, the new corporation may have any corporate powers and attributes permitted under the laws of the jurisdiction of its incorporation which the Board shall determine, in its business judgment, to be appropriate.

(c) USE OF NAFSO NAME PROHIBITED.—The new corporation may not use in any manner the name ''Native American Financial Services Organization'' or ''NAFSO'' or any variation thereof.

SEC. 402. ADOPTION AND APPROVAL OF MERGER PLAN.

(a) IN GENERAL.—Not later than 10 years after the date of enactment of this Act and after consultation with the Indian tribes that are stockholders of class A stock referred to in section 201(a), the Board shall prepare, adopt, and submit to the Secretary for approval, a plan for merging the Organization into the new corporation.

(b) DESIGNATED MERGER DATE.—

(1) IN GENERAL.—The Board shall establish the designated merger date in the merger plan as a specific calendar date on which, and time of day at which, the merger of the Organization into the new corporation shall take effect.

(2) CHANGES.—The Board may change the designated merger date in the merger plan by adopting an amended plan of merger.

(3) RESTRICTION.—Except as provided in paragraph (4), the designated merger date in the merger plan or any amended merger plan shall not be later than 11 years after the date of enactment of this Act.

(4) EXCEPTION.—Subject to the restriction contained in paragraph (5), the Board may adopt an amended plan of merger that designates a date later than 11 years after the date of enactment of this Act if the Board submits to the Secretary a report—

(A) stating that an orderly merger of the Organization into the new corporation is not feasible before the latest date designated by the Board;

(B) explaining why an orderly merger of the Organization into the new corporation is not feasible before the latest date designated by the Board;

(C) describing the steps that have been taken to consummate an orderly merger of the Organization into the new corporation not later than 11 years after the date of enactment of this Act; and

(D) describing the steps that will be taken to consummate an orderly and timely merger of the Organization into the new corporation.

(5) LIMITATION.—The date designated by the Board in an amended merger plan shall not be later than 12 years after the date of enactment of this Act.

(6) CONSUMMATION OF MERGER.—The consummation of an orderly and timely merger of the Organization into the new corporation shall not occur later than 13 years after the date of enactment of this Act.

(c) GOVERNMENTAL APPROVALS OF MERGER PLAN REQUIRED.—The merger plan or any amended merger plan shall take effect on the date on which the plan is approved by the Secretary.

(d) REVISION OF DISAPPROVED MERGER PLAN REQUIRED.—If the Secretary disapproves the merger plan or any amended merger plan—

(1) the Secretary shall—

(A) notify the Organization of such disapproval; and

(B) indicate the reasons for the disapproval; and

(2) not later than 30 days after the date of notification of disapproval under paragraph (1), the Organization shall submit to the Secretary for approval, an amended merger plan responsive to the reasons for the disapproval indicated in that notification.

(e) NO STOCKHOLDER APPROVAL OF MERGER PLAN REQUIRED.—The approval or consent of the stockholders of the Organization shall not be required to accomplish the merger of the Organization into the new corporation.

SEC. 403. CONSUMMATION OF MERGER.

The Board shall ensure that the merger of the Organization into the new corporation is accomplished in accordance with—

(1) a merger plan approved by the Secretary under section 402; and

(2) all applicable laws of the jurisdiction in which the new corporation is incorporated.

SEC. 404. TRANSITION.

Except as provided in this section, the Organization shall, during the transition period, continue to have all of the rights, privileges, duties, and obligations, and shall be subject to all of the limitations and restrictions, set forth in this Act.

SEC. 405. EFFECT OF MERGER.

(a) TRANSFER OF ASSETS AND LIABILITIES.—On the designated merger date, all property, real, personal, and mixed, all debts due on any account, and any other interest, of or belonging to or due to the Organization, shall be transferred to and vested in the new corporation without further act or deed, and title to any property, whether real, personal, or mixed, shall not in any way be impaired by reason of the merger.

(b) TERMINATION OF THE ORGANIZATION AND ITS FEDERAL CHARTER.—On the designated merger date—

(1) the surviving corporation of the merger shall be the new corporation;

(2) the Federal charter of the Organization shall terminate; and

(3) the separate existence of the Organization shall terminate.

(c) REFERENCES TO THE ORGANIZATION IN LAW.—After the designated merger date, any reference to the Organization in any law or regulation shall be deemed to refer to the new corporation.

(d) SAVINGS CLAUSE.—

(1) PROCEEDINGS.—The merger of the Organization into the new corporation shall not abate any proceeding commenced by or against the Organization before the designated merger date, except that the new corporation shall be substituted for the Organization as a party to any such proceeding as of the designated merger date.

(2) CONTRACTS AND AGREEMENTS.—All contracts and agreements to which the Organization is a party and which are in effect on the day before the designated merger date shall continue in effect according to their terms, except that the new corporation shall be substituted for the Organization as a party to those contracts and agreements as of the designated merger date.

TITLE V—AUTHORIZATIONS OF APPROPRIATIONS

SEC. 501. AUTHORIZATION OF APPROPRIATIONS FOR NATIVE AMERICAN FINANCIAL INSTITUTIONS.

(a) IN GENERAL.—There are authorized to be appropriated to the Fund, without fiscal year limitation, $20,000,000 to provide financial assistance to Native American Financial Institutions.

(b) NOT MATCHING FUNDS.—To the extent that a Native American Financial Institution receives a portion of an appropriation made under subsection (a), such funds shall not be considered to be matching funds required of the Native American Financial Institution under section 108(e) of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4707(e)).

SEC. 502. AUTHORIZATION OF APPROPRIATIONS FOR ORGANIZATION.

The Secretary may, subject to the availability of appropriations, provide not more than $10,000,000 for the funding of a cooperative agreement to be entered into by the Secretary and the Organization for technical assistance and other services to be provided by the Organization to Native American Financial Institutions.

ADDITIONAL COSPONSORS

S. 102

At the request of Mr. BREAUX, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 102, a bill to amend title XVIII of the Social Security Act to improve medicare treatment and education for beneficiaries with diabetes by providing coverage of diabetes outpatient self-management training services and uniform coverage of blood-testing strips for individuals with diabetes.

S. 387

At the request of Mr. HATCH, the name of the Senator from Michigan [Mr. ABRAHAM] was added as a cosponsor of S. 387, a bill to amend the Internal Revenue Code of 1986 to provide equity to exports of software.

S. 394

At the request of Mr. HATCH, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 394, a bill to partially restore compensation levels to their past equivalent in terms of real income and establish the procedure for adjusting future compensation of justices and judges of the United States.

S. 415

At the request of Mr. BAUCUS, the name of the Senator from Iowa [Mr.

HARKIN] was added as a cosponsor of S. 415, a bill to amend the medicare program under title XVIII of the Social Security Act to improve rural health services, and for other purposes.

S. 428

At the request of Mr. KOHL, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 428, a bill to amend chapter 44 of title 18, United States Code, to improve the safety of handguns.

S. 567

At the request of Mr. SMITH, the name of the Senator from Arkansas [Mr. HUTCHINSON] was added as a cosponsor of S. 567, a bill to permit revocation by members of the clergy of their exemption from Social Security coverage.

S. 623

At the request of Mr. INOUYE, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of S. 623, a bill to amend title 38, United States Code, to deem certain service in the organized military forces of the Government of the Commonwealth of the Philipines and the Philippine Scouts to have been active service for purposes of benefits under programs administered by the Secretary of Veterans Affairs.

S. 711

At the request of Mr. BREAUX, the names of the Senator from Massachusetts [Mr. KERRY] and the Senator from New Mexico [Mr. DOMENICI] were added as cosponsors of S. 711, a bill to amend the Internal Revenue Code of 1986 to simplify the method of payment of taxes on distilled spirits.

S. 716

At the request of Mr. CRAIG, the name of the Senator from Wyoming [Mr. THOMAS] was added as a cosponsor of S. 716, a bill to establish a Joint United States-Canada Commission on Cattle and Beef to identify, and recommend means of resolving, national, regional, and provincial trade-distorting differences between the countries with respect to the production, processing, and sale of cattle and beef, and for other purposes.

S. 732

At the request of Mr. FAIRCLOTH, the names of the Senator from Arizona [Mr. KYL], the Senator from Oklahoma [Mr. NICKLES], the Senator from Utah [Mr. HATCH], the Senator from Tennessee [Mr. THOMPSON], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Alaska [Mr. STEVENS], and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of S. 732, a bill to require the Secretary of the Treasury to mint and issue coins in commemoration of the centennial anniversary of the first manned flight of Orville and Wilbur Wright in Kitty Hawk, North Carolina, on December 17, 1903.

S. 755

At the request of Mr. CAMPBELL, the name of the Senator from New Hampshire [Mr. GREGG] was added as a cosponsor of S. 755, a bill to amend title 10, United States Code, to restore the provisions of chapter 76 of that title (relating to missing persons] as in effect before the amendments made by the National Defense Authorization Act for fiscal year 1997 and to make other improvements to that chapter.

S. 797

At the request of Mr. CHAFEE, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 797, a bill to amend the John F. Kennedy Center Act to authorize the design and construction of additions to the parking garage and certain site improvements, and for other purposes.

SENATE JOINT RESOLUTION 6

At the request of Mrs. FEINSTEIN, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of Senate Joint Resolution 6, a joint resolution proposing an amendment to the Constitution of the United States to protect the rights of crime victims.

SENATE RESOLUTION 57

At the request of Mr. DORGAN, the name of the Senator from Tennessee [Mr. THOMPSON] was added as a cosponsor of Senate Resolution 57, a resolution to support the commemoration of the bicentennial of the Lewis and Clark Expedition.

SENATE RESOLUTION 82

At the request of Mr. BENNETT, the names of the Senator from Florida [Mr. GRAHAM], the Senator from Tennessee [Mr. THOMPSON], the Senator from Ohio [Mr. DEWINE], the Senator from Arkansas [Mr. HUTCHINSON], the Senator from Kentucky [Mr. MCCONNELL], and the Senator from Oklahoma [Mr. INHOFE] were added as cosponsors of Senate Resolution 82, a resolution expressing the sense of the Senate to urge the Clinton administration to enforce the provisions of the Iran-Iraq Arms Non-Proliferation Act of 1992 with respect to the acquisition by Iran of C–802 cruise missiles.

AMENDMENT NO. 314

At the request of Mr. WELLSTONE the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of amendment No. 314 proposed to Senate Concurrent Resolution 27, an original concurrent resolution setting forth the congressional budget for the U.S. Government for fiscal years 1998, 1999, 2000, 2001, and 2002.

AMENDMENT NO. 316

At the request of Mr. ABRAHAM the names of the Senator from North Carolina [Mr. FAIRCLOTH], the Senator from Colorado [Mr. ALLARD], and the Senator from Texas [Mrs. HUTCHISON] were added as cosponsors of amendment No. 316 proposed to Senate Concurrent Resolution 27, an original concurrent resolution setting forth the congressional budget for the U.S. Government for fiscal years 1998, 1999, 2000, 2001, and 2002.

SENATE CONCURRENT RESOLUTION 29—RELATIVE TO ESTONIA, LATVIA, AND LITHUANIA

Mr. GORTON submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 29

Whereas the Baltic countries of Estonia, Latvia, and Lithuania are undergoing a historic process of democratic and free market transformation after emerging from decades of brutal Soviet occupation;

Whereas each of the Baltic countries has conducted peaceful transfers of political power since 1991;

Whereas the governments of the Baltic countries have been exemplary in their respect for human rights and civil liberties and have made great strides toward establishing the rule of law;

Whereas the governments of the Baltic countries have made consistent progress toward establishing civilian control of their military forces and, through active participation in the Partnership for Peace and the peace support operations of the North Atlantic Treaty Organization (in this resolution referred to as ''NATO''), have clearly demonstrated their ability and willingness to operate with the forces of NATO nations and under NATO standards;

Whereas each of the Baltic countries has made progress toward implementing a free market system which has and will continue to foster the economic advancement of the people of the Baltic region;

Whereas the Baltic region has often been a battleground for the competing territorial designs of nearby imperial powers which, along with other factors, has contributed to a history of insecurity and instability in the region;

Whereas NATO has been a force for stability, freedom, and peace in Europe since 1949;

Whereas NATO has indicated it will begin to invite new members in 1997; and

Whereas Estonia, Latvia, and Lithuania, exercising their inherent right as participating states in the Organization for Security and Cooperation in Europe, have voluntarily applied for membership in NATO: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that—

(1) Estonia, Latvia, and Lithuania are to be commended for their progress toward political and economic liberty and meeting the guidelines for prospective NATO members set out in chapter 5 of the September 1995 Study on NATO Enlargement;

(2) Estonia, Latvia, and Lithuania would make an outstanding contribution to NATO if they become members;

(3) eventual extension of full NATO membership to Estonia, Latvia, and Lithuania would make a singular and lasting contribution toward stability, freedom, and peace in the Baltic region;

(4) upon satisfying the criteria for NATO membership, Estonia, Latvia, and Lithuania should be invited to become full members of NATO at the earliest possible date; and

(5) Estonia, Latvia, and Lithuania should be invited to attend the NATO summit in Madrid on July 8 and 9, 1997.

Mr. GORTON. Mr. President, Estonia, Latvia, and Lithuania lie on the northwestern border of Russia. These three tiny Baltic nations have historically served as a crossroads as bargaining chips between great powers. As a result, they have been invaded and dominated by foreign countries throughout

their history. The Baltics were occupied and oppressed by the Soviet Union during all of the cold war, but are now on a quick path to full democracy and free market economies.

As we meet in Madrid this July with our NATO partners to discuss expansion of the alliance, we should also consider extending an invitation to our friends in the Baltics. Estonia, Latvia, and Lithuania have all made significant progress toward the NATO requirements of irreversible democracy, free market economies, and civilian-controlled militaries. They have participated in NATO's Partnership for Peace initiative by supplying troops to NATO peacekeeping efforts. The Baltic nations have requested, and deserve, consideration for full NATO membership. That is why I am introducing legislation today recommending the integration of Estonia, Lativa, and Lithuania into NATO at the earliest possible date.

Having traveled to Estonia recently, I have a very personal interest in its entry into NATO. Estonia is a beautiful nation on the Baltic Sea, inhabited by brave men and women dedicated to democracy and freedom from foreign domination. The people of Estonia have been under foreign rule throughout almost their entire history. They were ruled by Germans in the 13th century, Swedes in the 16th and 17th centuries, and by Tsarist Russia in the 19th century. Finally, after World War I, Estonia fought for independence for 2 years and won. The people of Estonia established a parliamentary democracy and their republic flourished for nearly two decades until the Soviet Union, and then Nazi Germany invaded during World War II. With the end of Soviet domination, Estonia and their Baltic neighbors look to the West for protection of their right to independence.

Unfortunately, the subject of NATO expansion to Estonia, Latvia, and Lithuania has become taboo. Many in the U.S. national security community believe the Baltics, lying so close to Russia and within the area Yaltsin considers to be Russia's sphere of influence, should not be considered for NATO membership. In fact, in February, Russian President Boris Yeltsin stated that Baltic membership in NATO would have an ''extremely negative impact'' on stability in the region and that the preservation of the Baltic nations' status outside blocs could dispel ''still lingering fears for their security.'' We should not allow these threatening comments to influence our efforts to expand NATO.

Out of fear of isolating Russia, the United States and our European allies may forsake three tiny nations that did so much to promote the collapse of the Soviet Union and the eradication of communism throughout Eastern Europe.

Cold war history is replete with tragedy. The expansion of the Soviet Union across Eastern Europe is one of history's darkest moments. Estonia, Latvia, and Lithuania, all independent nations since 1918, fell victim to secret negotiations between Hitler and Stalin during World War II. Under the auspices of the Molotove-Ribbentrop Pact of 1939, the Soviet Union laid claim to the Baltics, invaded, and ruled them with an iron fist from 1945 until 1991. Now it is time for NATO to take decisive action to rectify the past and protect the nations of Eastern Europe and the former Soviet Union from any future foreign irredentism.

Future NATO membership for Estonia, Latvia, and Lithuania is essential to their safety and prosperity. Democracy and economic reform and expansion may be at risk to security if the Baltics continue to exist, unprotected, in the shadow of an increasingly nationalistic Russia. The United States must ensure that the Baltic nations are invited to the NATO summit in Madrid and must work toward eventual membership in our security alliance for Estonia, Latvia, and Lithuania.

I urge my colleagues to support this legislation and thank Senators D'AMATO and DURBIN for joining me as a original cosponsors.

SENATE CONCURRENT RESOLUTION 30—RELATIVE TO THE REPUBLIC OF CHINA ON TAIWAN

Mr. HELMS (for himself and Mr. LIEBERMAN) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 30

Whereas the Republic of China on Taiwan (hereafter referred to as ''Taiwan'') possesses a free economy with the 19th largest gross domestic product in the world;

Whereas Taiwan has the 14th largest trading economy in the world and the 7th largest amount of foreign investment in the world and holds one of the largest amounts of foreign exchange reserves in the world;

Whereas Taiwan is a democracy committed to the economic and political norms of the international community;

Whereas the purpose of the International Monetary Fund (hereafter referred to as ''IMF'') is to promote exchange stability, to establish a multilateral system of payments, to facilitate the expansion of world trade, and to provide capital to assist developing nations;

Whereas the membership of Taiwan in the IMF would benefit the world economy, especially those developing countries in need of capital, and would contribute to the purposes of the IMF;

Whereas the IMF aims to further economic liberalization and globalization and conducts conferences, exchanges, and training programs in international monetary management which would be beneficial to Taiwan;

Whereas the IMF aims to further worldwide economic relationships and is not a political entity, as evidenced by the fact that Taiwan remained a member of the IMF from 1972 until 1980 after it had been forced to give up its membership in the United Nations; and

Whereas membership in the IMF is a prerequisite for accession to the International Bank for Reconstruction and Development and to regional banks in which the membership of Taiwan would be beneficial and fully justified: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Senate (the House of Representatives concurring) that it should be United States policy to support—

(1) the admission of the Republic of China on Taiwan (hereafter referred to as ''Taiwan'') to membership in the International Monetary Fund;

(2) the admission of Taiwan to membership in the International Bank for Reconstruction and Development; and

(3) the admission of Taiwan to membership in all appropriate regional multilateral economic institutions.

Mr. HELMS. Mr. President, Senator LIEBERMAN and I are submitting today a Senate concurrent resolution in support of Taiwan's admission to the International Monetary Fund and the World Bank.

There is simply no reason that Taiwan should be excluded from these multilateral economic institutions. Taiwan has one of the largest trading economies in the world. In fact, in the time it took me to draft this concurrent resolution, Taiwan went from the 20th largest gross domestic product, to the 19th largest.

Moreover, Taiwan is a democracy and a responsible member of the international community. This is more than one can say about many other nations who are currently members of these multilateral institutions.

Mr. President, the purpose of this resolution is straightforward. It expresses the sense of the Senate that Taiwan deserves to belong to these organizations. This resolution is not directed against any other nation. It simply puts the Senate on record in favor of justice for Taiwan.

SENATE RESOLUTION 90—AUTHORIZING THE PRINTING OF A PUBLICATION

Mr. BYRD (for himself, Mr. COVERDELL, and Mr. CLELAND) submitted the following resolution; which was considered and agreed to:

S. RES. 90

Resolved,

SECTION 1. PRINTING OF THE PUBLICATION ENTITLED "DEDICATION AND UNVEILING OF THE STATUE OF RICHARD BREVARD RUSSELL, JR.".

(a) IN GENERAL.—There shall be printed as a Senate document the publication entitled ''Dedication and Unveiling of the Statue of Richard Brevard Russell, Jr.'', prepared by the Office of Senate Curator under the supervision of the Secretary of the Senate, with the concurrence of the United States Senate Commission on Art.

(b) SPECIFICATIONS.—The Senate document described in subsection (a) shall include illustrations and shall be in the style, form, manner, and binding as directed by the Joint Committee on Printing after consultation with the Secretary of the Senate.

(c) NUMBER OF COPIES.—In addition to the usual number of copies, there shall be printed with suitable binding the lesser of—

(1) 1,000 copies for the use of the Senate, to be allocated as determined by the Secretary of the Senate; or

(2) a number of copies that does not have a total production and printing cost of more than $1,200.

SENATE RESOLUTION 91—TO AUTHORIZE THE PRODUCTION OF RECORDS

Mr. LOTT (for himself and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to:

S. RES. 91

Whereas, the Office of the Inspector General of the United States Department of Justice has requested that the Select Committee on Intelligence provide it with copies of committee records relevant to the Office's pending review of matters related to allegations of Central Intelligence Agency involvement in crack cocaine trafficking with supporters of the Nicaraguan Contras;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that documents, papers, and records under the control or in the possession of the Senate may promote the administration of justice, the Senate will take such action as will promote the ends of justice consistently with the privileges of the Senate: Now, therefore, be it

Resolved, That the Chairman and Vice Chairman of the Senate Select Committee on Intelligence, acting jointly, we authorized to provide to the Office of Inspector General of the United States Department of Justice or to other government investigators, under appropriate security procedures, copies of committee records related to allegations of Central Intelligence Agency involvement in crack cocaine trafficking with supporters of the Nicaraguan Contras.

SEC. 2. That the Chairman and Ranking Minority Member of any other committee of the Senate, acting jointly, are authorized to provide to the Office of Inspector General of the United States Department of Justice or to other government investigators, under appropriate security procedures, copies of records held by their committee related to allegations of Central Intelligence Agency involvement in crack cocaine trafficking with supporters of the Nicaraguan Contras.

SENATE RESOLUTION 92—RELATIVE TO NATIONAL LITERACY DAY

Mr. LAUTENBERG submitted a resolution; which was referred to the Committee on the Judiciary:

S. RES. 92

Whereas 44,000,000 United States citizens today read at a level that is less than the level necessary for full survival needs;

Whereas there are 40,000,000 adults in the United States who cannot read, whose resources are left untapped, and who are unable to make a full contribution to society;

Whereas illiteracy is growing rapidly, as 2,500,000 persons, including as many as 1,300,000 immigrants, 1,500,000 high school dropouts, and 100,000 refugees, are added to the pool of illiterate persons annually;

Whereas the annual cost of illiteracy to the United States in terms of welfare expenditures, crime, prison expenses, lost revenues, and industrial and military accidents has been estimated at $230,000,000,000;

Whereas the competitiveness of the United States is eroded by the presence in the workplace of millions of Americans who are functionally or technologically illiterate;

Whereas there is a direct correlation between the number of illiterate adults who are unable to perform at the standard necessary for available employment and the money allocated to child welfare and unemployment compensation;

Whereas the percentage of illiterate persons in proportion to population percentage is higher for African Americans and Hispanics, resulting in increased economic and social discrimination against these minorities;

Whereas the prison population represents the highest concentration of adult illiteracy;

Whereas 1,000,000 children in the United States between the ages of 12 and 17 years old cannot read above a third grade level, 13 percent of all 17-year-olds are functionally illiterate, and 15 percent of graduates of urban high schools read at less than a sixth grade level;

Whereas 85 percent of the juveniles who appear in criminal court are functionally illiterate;

Whereas the 47 percent illiteracy rate among African American youths is expected to increase;

Whereas ½ of all heads of households cannot read above an eighth grade level and ⅓ of all mothers on welfare are functionally illiterate;

Whereas the cycle of illiteracy continues because the children of illiterate parents are often illiterate themselves due to the lack of support the children receive from their home environment;

Whereas Federal, State, municipal, and private literacy programs have been able to reach only 5 percent of the total illiterate population;

Whereas it is vital to call attention to the problem of illiteracy, to understand the severity of the illiteracy problem and the detrimental effects of illiteracy on our society, and to reach those who are illiterate and unaware of the free services and help available to them; and

Whereas it is necessary to recognize and thank the thousands of volunteers who are working to promote literacy and provide support to the millions of illiterate persons in need of assistance: Now, therefore, be it

Resolved, That the Senate—

(1) designates July 2, 1997, and July 2, 1998, as "National Literacy Day"; and

(2) requests that the President issue a proclamation calling on the people of the United States to observe "National Literacy Day" with appropriate ceremonies and activities.

Mr. LAUTENBERG. Mr. President, today I rise to submit a resolution establishing July 2 of this year and the next as National Literacy Day.

Mr. President, the ability to read is something most of us often take for granted. For most of us, it is difficult to imagine not being able to read a menu, street sign, magazine or phone book. But for many of our citizens, these seemingly simple activities are impossible. This is so because they are illiterate. I am submitting this resolution to draw attention to the issue of illiteracy by establishing July 2, 1997 and the following year as National Literacy Day. I hope my colleagues will cosponsor this resolution.

All of us should be more aware of the problem of illiteracy. A recent study found that over 44 million adults cannot read. An additional 35 million read below the level needed to function successfully in society. These numbers alone are alarming and warrant our special attention. But even more disturbing are the personal hardships people must face each day due to their inability to read. The embarrassment parents face when they cannot read to their children. The discouragement able workers feel when they cannot fill out a basic job application. The disappointment we all endure as the ranks of the illiterate grow annually by over 2 million adults.

Mr. President, the 18th Century writer, Joseph Addison, once wrote "Reading is to the mind what exercise is to the body." I could not agree more. Reading enriches our lives in countless ways. But there are far too many of our citizens who cannot read the instructions on a doctor's prescription bottle, let alone share the experience of reading one of Addison's great poems. This needs to change.

Therefore, we must focus our attention on the problem of illiteracy. All of us should make sure we do our part to ensure that citizens who need help know where services are available. We need to recognize the detrimental effects illiteracy has on our society. Most important, more of us need to enlist in the battle to close the book on illiteracy.

Mr. President, for these reasons, I am submitting a resolution to designate July 2, 1997 and July, 2, 1998 as National Literacy Day. I urge my colleagues to support this resolution.

SENATE RESOLUTION 93—RELATIVE TO NATIONAL FAMILY WEEK

Mr. GRASSLEY submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 93

Whereas the family is the basic strength of any free and orderly society;

Whereas it is appropriate to honor the family unit as essential to the continued well-being of the United States; and

Whereas it is fitting that official recognition be given to the importance of family loyalties and ties: Now, therefore, be it

Resolved, That the Senate designates the week beginning on November 23, 1997 and the week beginning on November 24, 1997, as "National Family Week". The Senate requests the President to issue a proclamation calling on the people of the United States to observe each week with appropriate ceremonies and activities.

Mr. GRASSLEY. Mr. President, I come before you today to submit a resolution which would designate the week beginning November 23, 1997, and the week beginning November 22, 1998, as "National Family Week." This legislation has been passed in each Congress and signed into public law every year since 1976. I am pleased to be able to contribute to this longstanding tradition, of recognizing the importance of family, by again introducing this legislation.

As we all know, the family is the most basic element of our society, and the tie that binds us to one another. It is the strength of any free and orderly society and it is appropriate to honor

this unit as being essential to the well-being of the United States.

Since Thanksgiving falls during both of these weeks, we will be paying homage to what we as a nation already know—the strength of the family provides the support through which we as individuals and a nation thrive. Therefore it is particularly suitable to pause during this special week in recognition of the celebrations and activities of the family which bring us closer together. I hope my colleagues will join me in this effort.

SENATE RESOLUTION 94—COMMENDING THE AMERICAN MEDICAL ASSOCIATION

Mr. WARNER submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 94

Whereas the American Medical Association's history is a story of America's best medicine, hope, hard work, and triumph;

Whereas the American Medical Association is dedicated to maintaining the sanctity of the patient-physician relationship and upholding ethical standards within the medical profession to lead to a better, stronger house of medicine;

Whereas the American Medical Association promotes its principles through medical school accreditation programs designed to elevate the standard of medical education in the United States through outreach, training seminars, and curriculum development in order to instill core ethical values and beliefs in the physicians of the future; and

Whereas the future of the American Medical Association relies not only on its past accomplishments, but on the physicians who will journey together for another 150 years and beyond of caring for the United States: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the American Medical Association is commended for its advancement of high ethical standards among physicians in the United States and setting the standards for physicians throughout the world;

(2) all physicians and Americans are encouraged to join in the celebration of the 150th birthday of the American Medical Association and rejoice in 150 years of caring for the United States; and

(3) the American Medical Association is encouraged to continue into the next millennium to represent and promote the goals of the organization in the physician community, and to continue organizing and fostering high quality patient-physician relationships across the United States.

Mr. WARNER. Mr. President, I rise today to pay tribute to The American Medical Association [AMA] and to submit a resolution to commemorate its 150th Anniversary.

The American Medical Association was founded by Nathan Smith Davis, M.D., in 1847 when he was 30-years-old. At that time, the field of medicine was still based on apprenticeship programs and very little education was required to become a physician. Nathan Davis recognized the need to establish a code of educational principles to elevate the standard of medicine by eliminating quackery and other nonscientific forms of medicine. Through standardized medical education, students trained in the field of medicine now have unified course work and training. The accreditation process also guides curriculum development in order to ensure that core ethical values and beliefs are instilled in the physicians of the future.

Today, the American Medical Association continues to hold high its standards and remains dedicated to maintaining the sanctity of the patient-physician relationship, upholding the ethical standards within the medical profession that lead to a better, stronger, house of medicine.

Mr. President, the American Medical Association's contribution to the health of our country has been a fixture of American culture. Indeed, even their symbol has long served as a sign of high quality health care materials. We have come to expect quality in every endeavor from the American Medical Association as they have built a 150-year reputation of caring for our country.

For example, the American Medical Association's Journal of the American Medical Association [JAMA] has long contributed to the positive reputation of the association through the distribution of peer reviewed health information. Another example of caring for our country, JAMA, founded in 1880, expanded the dissemination of scientific data and health policy information among physicians and other health professionals. JAMA serves as a respected voice in the areas of clinical science and disease prevention. In addition, JAMA has contributed a great deal to the area of public health, an area in which the AMA continues to be vitally involved, as it strives to prepare patients and physicians for the 21st century by promoting the science and art of medicine.

Mr. President, I would like to congratulate the American Medical Association on its 150th anniversary and all its accomplishments and I encourage the AMA to continue caring for our country into the next millennium.

On a personal note, I wish to acknowledge the lifelong contribution of my late father, Dr. John W. Warner 1883–1946, to this organization. Starting his career as a frontline, decorated combat surgeon in the U.S. Army during World War I, he served the needs of the greater Washington metropolitan area as an attending physician until his death in 1946.

AMENDMENTS SUBMITTED

CONCURRENT RESOLUTION ON THE BUDGET

COVERDELL AMENDMENT NO. 357

Mr. DOMENICI (for Mr. COVERDELL) proposed an amendment to amendment No. 313 proposed by Mr. WELLSTONE to the concurrent resolution (S. Con. Res. 27) setting forth the congressional budget for the U.S. Government for fiscal years 1998, 1999, 2000, 2001, and 2002; as follows:

On page 3, line 3, increase the amount by 0.
On page 3, line 4, increase the amount by 0.
On page 3, line 5, increase the amount by 0.
On page 3, line 6, increase the amount by 0.
On page 3, line 7, increase the amount by 0.
On page 3, line 11, increase the amount by 0.
On page 3, line 12, increase the amount by 0.
On page 3, line 13, increase the amount by 0.
On page 3, line 14, increase the amount by 0.
On page 3, line 15, increase the amount by 0.
On page 4, line 4, increase the amount by 0.
On page 4, line 5, increase the amount by 0.
On page 4, line 6, increase the amount by 2,539,000,000.
On page 4, line 7, increase the amount by 0.
On page 4, line 8, increase the amount by 0.
On page 4, line 12, increase the amount by 0.
On page 4, line 13, increase the amount by 0.
On page 4, line 14, increase the amount by 0.
On page 4, line 15, increase the amount by 0.
On page 4, line 16, increase the amount by 0.
On page 21, line 25, increase the amount by 0.
On page 22, line 1, increase the amount by 0.
On page 22, line 8, increase the amount by 2,539,000,000.
On page 22, line 9, increase the amount by 0.
On page 22, line 16, increase the amount by 0.
On page 22, line 17, increase the amount by 0.
On page 22, line 24, increase the amount by 0.
On page 22, line 25, increase the amount by 0.
On page 26, line 6, increase the amount by 0.
On page 26, line 7, increase the amount by 0.
On page 26, line 14, increase the amount by 0.
On page 26, line 15, increase the amount by 0.
On page 26, line 22, increase the amount by 0.
On page 26, line 23, increase the amount by 0.
On page 27, line 5, increase the amount by 0.
On page 27, line 6, increase the amount by 0.
On page 27, line 13, increase the amount by 0.
On page 27, line 14, increase the amount by 0.
On page 38, line 14, increase the amount by 0.
On page 38, line 15, increase the amount by 0.
On page 40, line 17, decrease the amount by 0.
On page 41, line 7, decrease the amount by 0.
On page 41, line 8, decrease the amount by 0.
On page 43, line 21, increase the amount by 0.
On page 43, line 22, increase the amount by 0.
On page 43, line 24, increase the amount by 0.
On page 43, line 25, increase the amount by 0.

On page 44, line 2, increase the amount by 0.
On page 44, line 3, increase the amount by 0.
On page 44, line 5, increase the amount by 0.
On page 44, line 6, increase the amount by 0.

SNOWE (AND COVERDELL) AMENDMENT NO. 358

Mr. DOMENICI (for Ms. SNOWE for herself and Mr. COVERDELL) proposed an amendment to amendment No. 314 proposed by Mr. WELLSTONE to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

On page 3, line 4, increase the amount by 0.
On page 3, line 5, increase the amount by 0.
On page 3, line 6, increase the amount by 0.
On page 3, line 7, increase the amount by 0.
On page 3, line 12, increase the amount by 0.
On page 3, line 13, increase the amount by 0.
On page 3, line 14, increase the amount by 0.
On page 3, line 15, increase the amount by 0.
On page 4, line 5, increase the amount by 0.
On page 4, line 6, increase the amount by 0.
On page 4, line 7, increase the amount by 0.
On page 4, line 8, increase the amount by 0.
On page 4, line 13, increase the amount by 0.
On page 4, line 14, increase the amount by 0.
On page 4, line 15, increase the amount by 0.
On page 4, line 16, increase the amount by 0.
On page 21, line 25, increase the amount by 0.
On page 22, line 1, increase the amount by 0.
On page 22, line 8, increase the amount by 0.
On page 22, line 9, increase the amount by 0.
On page 22, line 16, increase the amount by 0.
On page 22, line 17, increase the amount by 0.
On page 22, line 24, increase the amount by 0.
On page 22, line 25, increase the amount by 0.
On page 43, line 21, increase the amount by 0.
On page 43, line 22, increase the amount by 0.
On page 43, line 24, increase the amount by 0.
On page 43, line 25, increase the amount by 0.
On page 44, line 2, increase the amount by 0.
On page 44, line 3, increase the amount by 0.
On page 44, line 5, increase the amount by 0.
On page 44, line 6, increase the amount by 0.

DOMENICI (AND LAUTENBERG) AMENDMENT NO. 359

Mr. DOMENICI (for himself and Mr. LAUTENBERG) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 27, supra; as follows:

On page 4, increase the amount on line 4 by $1,800,000,000.
On page 4, decrease the amount on line 5 by $100,000,000.
On page 4, decrease the amount on line 7 by $200,000,000.
On page 4, decrease the amount on line 8 by $300,000,000.
On page 4, decrease the amount on line 13 by $200,000,000.
On page 4, decrease the amount on line 14 by $100,000,000.
On page 4, decrease the amount on line 15 by $200,000,000.
On page 4, decrease the amount on line 16 by $400,000,000.
On page 4, decrease the amount on line 20 by −$200,000,000.
On page 4, decrease the amount on line 21 by −$100,000,000.
On page 4, decrease the amount on line 22 by −$200,000,000.
On page 4, decrease the amount on line 23 by −$400,000,000.
On page 5, increase the amount on line 2 by $4,800,000,000.
On page 5, increase the amount on line 3 by $6,200,000,000.
On page 5, increase the amount on line 4 by $6,100,000,000.
On page 5, increase the amount on line 5 by $7,700,000,000.
On page 18, increase the amount on line 8 by $1,800,000,000.
On page 23, increase the amount on line 15 by $100,000,000.
On page 23, increase the amount on line 22 by $100,000,000.
On page 24, increase the amount on line 12 by $100,000,000.
On page 29, decrease the amount on line 18 by $200,000,000.
On page 29, decrease the amount on line 19 by $200,000,000.
On page 30, decrease the amount on line 2 by $300,000,000.
On page 30, decrease the amount on line 3 by $300,000,000.
On page 30, decrease the amount on line 10 by $300,000,000.
On page 30, decrease the amount on line 11 by $300,000,000.
On page 30, decrease the amount on line 18 by $300,000,000.
On page 30, decrease the amount on line 19 by $300,000,000.
On page 39, line 1, strike beginning with the word ''provide'' through line 4, the word ''outlays'', and insert ''reduce the deficit''.
On page 39, decrease the amount on line 22 by $35,000,000.
On page 39, decrease the amount on line 23 by $75,000,000.

MEMORIAL DAY RESOLUTION

THURMOND AMENDMENT NO. 360

Mr. LOTT (for Mr. THURMOND) proposed an amendment to the resolution (S. Res. 76) proclaiming a nationwide moment of remembrance, to be observed on Memorial Day, May 26, 1997, in order to appropriately honor American patriots lost in the pursuit of peace of liberty around the world; as follows:

On page 2, lines 5 and 6, strike ''Standard'' and insert ''Daylight''.

ADDITIONAL STATEMENTS

A MEMORIAL DAY TRIBUTE

• Mr. SESSIONS. Mr. President, I rise today to recognize the sacrifices made by the millions of men and women who have served in the Armed Forces of the United States.

While Members of this body have perhaps thousands of constituent service men and women on the rolls from their State, men and women who have served and are serving be they active duty, Reserve, National Guard, or retired, I want to draw special attention to one story in particular, an uncommon story of valor and courage, that is truly representative of the thousands of veterans in Alabama and all over these United States.

Mr. President, I want to speak today about the supreme sacrifice many Americans made for our country as prisoners of war. Mr. Hubert Davis, of Tuscaloosa, AL, is one such hero. As a B–17 fighter tail gunner in World War II, Mr. Davis' plane was hit while approaching a bombing target over Schweinfurt, Germany, on April 13, 1944. After his B–17 became engulfed in flames, Mr. Davis struggled with an awkward British parachute as the plane capsized, like a ship caught in a terrible storm at sea and crashed to the ground. Mr. Davis barely managed to escape from the B–17 and immediately pulled his ripcord. He parachuted to the ground and was captured by the German forces. As the D-day invasion was still some weeks away there was no hope of escaping to Allied lines in Europe. During his prison experience, Mr. Davis was subsequently moved from prison camp to prison camp while suffering from injuries sustained in the rough parachute landing. He was subjected to interrogations in which life and limb was threatened—all for our freedom.

Mr. Davis' family received a telegram notifying them that their son was lost-in-action and a second telegram 10 days later announcing that he was killed-in-action. Eventually, however, Mr. Davis was liberated by the 13th Armored Division of Patton's 3d Army and now resides in Tuscaloosa, AL.

Mr. President, Mr. Davis was prepared to pay the ultimate price for his country. While I have highlighted the odyssey of one tailgunner, and one ex-POW from World War II, Mr. Davis is emblematic of the thousands of men and women who dedicated the very fabric of their being for the greatest democracy known to history. From the Revolutionary War to the Persian Gulf, we have been blessed by an exemplary group of patriots who have served their country admirably and with distinction. Since our country has enjoyed many years of relative peace as a result of the heroic efforts of men and women like Hubert Davis, I hope his story reminds each of us of the trials and tribulations our forebears have endured to preserve the precious freedom we all so deeply enjoy today.

Mr. President, to further recognize the valor of our many veterans, I ask to have printed in the RECORD along with my brief remarks Gen. Douglas

MacArthur's farewell speech to the cadets at West Point, May 12, 1962. Since its delivery, this speech has been known as MacArthur's ''Duty, Honor, Country Speech.'' It is plain spoken and on the day when we reflect on those who have given so much, it serves to remind us all what it means to be an American. God bless the United States.

The remarks follow:

GEN. DOUGLAS MACARTHUR: DUTY, HONOR, COUNTRY; MAY 12, 1962, U.S. MILITARY ACADEMY, WEST POINT, NY

No human being could fail to be deeply moved by such a tribute as this [Thayer Award], coming from a profession I have served so long and a people I have loved so well. It fills me with an emotion I cannot express. But this award is not intended primarily to honor a personality, but to symbolize a great moral code—a code of conduct and chivalry of those who guard this beloved land of culture and ancient descent. For all hours and for all time, it is an expression of the ethics of the American soldier. That I should be integrated in this way with so noble an ideal arouses a sense of pride, and yet of humility, which will be with me always.

''Duty,'' ''honor'', ''country''—those three hallowed words reverently dictate what you ought to be, what you can be, what you will be. They are your rallying point to build courage when courage seems to fail, to regain faith when there seems to be little cause for faith, to create hope when hope becomes forlorn.

Unhappily, I possess neither that eloquence of diction, that poetry of imagination, nor that brilliance of metaphor to tell you all that they mean.

The unbelievers will say they are but words, but a slogan, but a flamboyant phrase. Every pedant, every demagogue, every cynic, every hypocrite, every troublemaker, and, I am sorry to say, some others of an entirely different character, will try to downgrade them even to the extent of mockery and ridicule.

But these are some of the things they do. They build your basic character. They mold you for your future roles as the custodians of the Nation's defense. They make you strong enough to know when you are weak, and brave enough to face yourself when you are afraid.

WHAT THE WORDS TEACH

They teach you to be proud and unbending in honest failure, but humble and gentle in success; not to substitute words for actions, not to seek the path of comfort, but to face the stress and spur of0difficulty and challenge; to learn to stand up in the storm, but to have compassion on those who fall; to master yourself before you seek to master others; to have a heart that is clean, a goal that is high; to learn to laugh, yet never forget how to weep; to reach into the future, yet never neglect the past; to be serious, yet never to take yourself too seriously; to be modest so that you will remember the simplicity of true greatness, the open mind of true wisdom, the meekness of true strength.

They give you a temperate will, a quality of the imagination, a vigor of the emotions, a freshness of the deep springs of life, a temperamental predominance of courage over timidity, of an appetite for adventure over love of ease.

They create in you heart the sense of wonder, the unfailing hope of what next, and joy and inspiration of life. They teach you in this way to be an officer and a gentleman.

And what sort of soldiers are those you are to lead? Are they reliable? Are they brave? Are they capable of victory?

Their story is known to all of you. It is the story of the American man-at-arms. My estimate of him was formed on the battlefield many, many years ago, and has never changed. I regarded him then, as I regard him now, as one of the world's noblest figures; not only as one of the finest military characters, but also as one of the most stainless.

His name and fame are the birthright of every American citizen. In his youth and strength, his love and loyalty, he gave all that mortality can give. He needs no eulogy from me; or from any other man. He has written his own history and written it in red on his enemy's breast.

But when I think of his patience in adversity of his courage under fire and of his modesty in victory, I am filled with an emotion of admiration I cannot put into words. He belongs to history as furnishing one of the greatest examples of successful patriotism. He belongs to posterity as the instructor of future generations in the principles of liberty and freedom. He belongs to the present, to us, by his virtues and by his achievements.

WITNESS TO THE FORTITUDE

In 20 campaigns, on a hundred battlefields, around a thousand camp fires, I have witnessed that enduring fortitude, that patriotic self-abnegation, and that invincible determination which have carved his statue in the hearts of his people.

From one end of the world to the other, he has drained deep the chalice of courage. As I listened to those songs [of the glee club], in memory's eye I could see those staggering columns of the first World War, bending under soggy packs on many a weary match, from dripping dusk to drizzling dawn, slogging ankle deep through the mire of shell-pocked roads to form grimly for the attack, blue-lipped, covered with sludge and mud, chilled by the wind and rain, driving home to their objective, and for many to the judgment seat of God.

I do not know the dignity of their birth, but I do know the glory of their death. They died, unquestioning, uncomplaining, with faith in their hearts, and on their lips the hope that we would go on to victory.

Always for them: Duty, honor, country. Always their blood, and sweat, and tears, as we sought the way and the light and the truth. And 20 years after, on the other side of the globe, again the filth of murky foxholes, the stench of ghostly trenches, the slime of dripping dugouts, those boiling suns of relentless heat, those torrential rains of devastating storms, the loneliness and utter desolation of jungle trails, the bitterness of long separation from those they loved and cherished, the deadly pestilence of tropical disease, the horror of stricken areas of war.

SWIFT AND SURE ATTACK

Their resolute and determined defense, their swift and sure attack, their indomitable purpose, their complete and decisive victory—always through the bloody haze of their last reverberating shot, the vision of gaunt, ghastly men, reverently following your password of duty, honor, country.

The code which those words perpetuate embraces the highest moral law and will stand the test of any ethics or philosophies ever promulgated for the things that are right and its restraints are from the things that are wrong. The soldier, above all other men, is required to practice the greatest act of religious training—sacrifice. In battle, and in the face of danger and death, he discloses those divine attributes which his Maker gave when He created man in His own image. No physical courage and no greater strength can take the place of the divine help which alone can sustain him. However hard the incidents of war may be, the soldier who is called upon to offer and to give his life for his country is the noblest development of mankind.

You now face a new world, a world of change. the thrust into outer space of the satellite, spheres, and missiles marks a beginning of another epoch in the long story of mankind. In the five or more billions of years the scientists tell us it has taken to form the earth, in the three or more billion years of development of the human race, there has never been a more abrupt or staggering evolution.

We deal now, not with things of this world alone, but with illimitable distances and as yet unfathomed mysteries of the universe. We are reaching out for a new and boundless frontier. We speak in strange terms of harnessing the cosmic energy, of making winds and tides work for us, of creating unheard of synthetic materials to supplement or even replace our old standard basics; to purify sea water for our drink; of mining ocean floors for new fields of wealth and food; of disease preventatives to expand life into the hundreds of years; of controlling the weather for a more equitable distribution of heat and cold, of rain and shine; of spaceships to the moon; of the primary target in war, no longer limited to the armed forces of an enemy, but instead to include his civil populations; of ultimate conflict between a united human race and the sinister forces of some other planetary galaxy; of such dreams and fantasies as to make life the most exciting of all times.

And through all this welter of change and development your mission remains fixed, determined, inviolable. It is to win our wars. Everything else in your professional career is but corollary to this vital dedication. All other public purposes, all other public projects, all other public needs, great or small, will find others for their accomplishments; but you are the ones who are trained to fight.

THE PROFESSION OF ARMS

Yours is the profession of arms, the will to win, the sure knowledge that in war there is no substitute for victory, that if you lose, the Nation will be destroyed, that the very obsession of your public service must be duty, honor, country.

Others will debate the controversial issues, national and international, which divide men's minds. But serene, calm, aloof, you stand as the Nation's war guardian, as its lifeguard from the raging tides of international conflict, as its gladiator in the arena of battle. For a century and a half you have defended, guarded, and protected its hallowed traditions of liberty and freedom, of right and justice.

Let civilian voices argue the merits or demerits of our processes of government: Whether our strength is being sapped by deficit financing indulged in too long, by Federal paternalism grown too mighty, by power groups grown too arrogant, by politics grown too corrupt, by crime grown too rampant, by morals grown too low, by taxes grown too high, by extremists grown too violent; whether our personal liberties are as thorough and complete as they should be.

These great national problems are not for your professional participation or military solution. Your guidepost stands out like a ten-fold beacon in the night: Duty, honor, country.

You are the leaven which binds together the entire fabric of our national system of defense. From your ranks come the great captains who hold the Nation's destiny in their hands the moment the war tocsin sounds.

The long, gray line has never failed us. Were you to do so, a million ghosts in olive

drab, in brown khaki, in blue and gray, would rise from their white crosses, thundering those magic words: Duty, honor, country.

PRAYS FOR PEACE

This does not mean that you are warmongers. On the contrary, the soldier above all other people prays for peace, for he must suffer and bear the deepest wounds and scars of war. But always in our ears ring the ominous words of Plato, that wisest of all philosophers: ''Only the dead have seen the end of war.''

The shadows are lengthening for me. The twilight is here. My days of old have vanished—tone and tint. They have gone glimmering through the dreams of things that were. Their memory is one of wondrous beauty, watered by tears and coaxed and caressed by the smiles of yesterday. I listen vainly, but with thirsty ear, for the witching melody of faint bugles blowing reveille, of far drums beating the long roll.

In my dreams I hear again the crash of guns, the rattle of musketry, the strange, mournful mutter of the battlefield. But in the evening of my memory always I come back to West Point. Always there echoes and re-echoes: Duty, honor, country.

Today marks my final roll call with you. But I want you to know that when I cross the river, my last conscious thoughts will be of the corps, and the corps, and the corps.

I bid you farewell.●

MEMORIAL DAY

● Mr. LEVIN. Mr. President, Memorial Day is a time for Americans to stop and think about those who have given their lives for our Nation's freedom.

This week, the Senate passed a resolution commemorating the 15th Anniversary of the construction and dedication of the Vietnam Veterans Memorial. I was proud to be included as an original cosponsor of this important resolution. The resolution encourages Americans to remember the sacrifices of our Nation's veterans and extends the Senate's sympathies to those who suffered the loss of family and friends in Vietnam. Since its dedication 15 years ago, the Vietnam Veterans Memorial has been a sanctuary where survivors and families have mourned, where soldiers have reflected on the past, and where youth have explored our history.

Memorial Day serves as a strong reminder of the effects of war. The Vietnam Veterans Memorial contains the names of more than 58,000 men and women who lost their lives from 1957 to 1975 in the Vietnam combat area or who are still missing in action. No person is able to walk along the wall without being moved by its simple message of loss.

Of the many names which mark ''the wall,'' 2,660 are from Michigan. One Michigan Vietnam veteran whose name is on the wall is Capt. James L. Huard of Dearborn, MI. Captain Huard disappeared on July 12, 1972 while flying his F–4 Phantom over North Vietnam. For nearly 25 years, Captain Huard was missing-in-action. In 1988, the Vietnamese government turned over what were believed to be the remains of a number of United States servicemen. After many years of forensics work, Huard's remains were identified and returned to his family on January 29, 1997. On May 1, Capt. James L. Huard was given an official burial at Arlington National Cemetery.

In 1989, the Dearborn City Council passed a resolution which ordered the POW/MIA flag to fly above City Hall until ''Huard is returned home.'' On Memorial Day, the flag will be lowered as a final most appropriate and moving tribute to Captain Huard.

I know my Senate colleagues join me in honoring Capt. James L. Huard and the many men and women who have given their lives in the service of our Nation.●

TRIBUTE TO DAVID CARTER FOR HIS SUCCESSFUL CLIMB TO THE SUMMIT OF MOUNT EVEREST

● Mr. LUGAR. Mr. President, it is with great admiration that I rise today to recognize David Carter, a citizen of Indianapolis and a close family friend, for his achievement in reaching the peak of Mount Everest.

David's successful ascent to the summit of Mount Everest bordering Nepal and Tibet is the realization of a boyhood dream. This achievement exemplifies his extraordinary determination and courage.

On this, his second attempt to reach the peak, David approached the mountain's difficult conditions with bravery and extremely careful preparation. Through high winds and extremely cold temperatures, his expedition met the challenge.

In explaining what drew him back for a second try, David simply answered: unfinished business.

I ask that my colleagues join me in congratulating David Carter on the day of this signal victory which brings special pride to all Hoosiers.●

JOSEPH ENGELBERGER AND HELPMATE ROBOTICS, INC.

● Mr. LIEBERMAN. Mr. President, I would like to take a few moments and draw attention to a remarkable example of a Federal investment in science and technology that is producing a return to the benefit of society. In this case, it was the vision of an individual, combined with technical knowledge derived from space research, which has created an exciting new industry. Back in 1984, the inventor's idea was to design a robot that could be used in hospitals and eventually homes. Today, robots manufactured by HelpMate Robotics, Inc., of Danbury, CT, roam hospital hallways, delivering medications, meals, x-rays and patients' records. Handling these errands allows orderlies and nurses more time to concentrate on patient care.

Central to the story of the hospital robots is the 72-year-old founder of HelpMate Robotics, Dr. Joseph Engelberger. Dr. Engelberger is widely acknowledged as the father of the industrial robot, an idea he had much more success selling to Japan's auto industry than in America. As a consequence, Japan grew to dominate the world robotic market and this was one of the factors that for many years enabled it to retain a competitive advantage over American automakers. Not content with having helped start one revolution, Engelberger founded HelpMate Robotics with the idea to use hospital robots as a step in the process toward design of machines that would be useful in personal homes.

I am especially pleased to report that many of the achievements of Dr. Engelberger and HelpMate Robotics were made possible through close cooperation with the National Aeronautics and Space Administration. The new technologies necessary in the design of a robot that is capable of avoiding people in busy hospital hallways, summoning elevators, and recognizing familiar territory, were derived from research already underway at NASA. HelpMate has won several NASA SBIR [Small Business Innovative Research] awards, which were established to stimulate conversion of Government-funded R&D into commercial applications. Transfer of knowledge and expertise has also flowed from the company back to NASA. Late last year, the space agency awarded an SBIR grant to HelpMate for development of a prototype robot for terrestrial experiments that anticipate space utilization of robotics. The space robot will begin to pave the way for the next step in Dr. Engelberger's dream—a robot capable of helping the elderly stay at home by performing the myriad number of tasks that become difficult later in life. Also helpful in the commercialization of NASA technology was a unique program developed by the National Technology Transfer Center in Wheeling, WV, and Unisphere Institute in Washington, DC.

The story of Dr. Engelberger and HelpMate Robotics is an example of the way that a patient Federal investment in science and technology can lead to new products that employ Americans and make for a better quality of life. It is also the story of one man's creative genius and untiring devotion in making a dream become reality. I salute Dr. Engelberger for his accomplishments with HelpMate and upon his receipt of the prestigious Japan Prize.●

TRIBUTE TO SIX GIRL SCOUT GOLD AWARD RECIPIENTS

● Mr. JEFFORDS. Mr. President, I rise today to pay tribute to six outstanding young women who are being presented with the Girl Scout Gold Award by the Vermont Girl Scout Council. They are Melissa Jones and Tina Newell of Vergennes, Kathleen Lomedico of Colchester as well as Jennifer Tobin, Vincenza Tortolano, and Lori Brown of Rutland. They are being honored on May 29, 1997 for earning the highest achievement award in U.S. Girl Scouting.

The Girl Scout Gold Award symbolizes outstanding accomplishments in the areas of leadership, community service, career planning, and personal development. The award can be earned by girls aged 14–17, or in grades 9–12. To receive the award, these Girl Scouts first earned four interest project patches, the Career Exploration Pin, the Senior Girl Scout Leadership Award and the Senior Girl Scout Challenge as well as designing and implementing a Girl Scout Gold Award project to meet a special need in their communities.

As members of the Vermont Girl Scout Council, Melissa and Tina first earned badges in understanding yourself and others, child care, games, creative writing, and reading. The girls then combined their efforts in a project to combat illiteracy. They designed a series of three workshops for young children about the magic of books which they put on at their local town library. The workshops featured a magician, hired with money the girls raised themselves, magic tricks and crafts taught by the girls, and wonderful stories featuring magic. They attracted a large number of youngsters. The girls reported ''everything we did interested and excited the children; they wanted to read more books and they now know the library and are planning to come to their future children's programs''.

Jennifer and Vincenza put their efforts into making a special place for some elderly members of their community. The girls designed and established a conversation garden to give nursing home residents and their guests access to sidewalks, shade, and beauty, putting in two settees and planting bulbs and a flowering crabapple tree, all financed by the girls' sale of handmade cookbooks. To quote the nursing home administrator, ''these two young people have earned the respect and appreciation of 125 nursing home residents and 160 employees of Eden Park''.

As a member of the Vermont Girl Scout Council, Lori first earned badges in child care, reading, music, games, well being and understanding yourself and others. She then used these skills to design and implement a series of Lenten workshops for the younger children in her parish church. Kathleen earned badges in artistic crafts and exploration among others. After learning leadership skills through Girl Scouting, she served as the editor of her high school yearbook. As her Girl Scout Gold Award project she spent the last year organizing and leading a youth group for teens which meets every other week and a youth band which plays every Sunday for her church parish. Kathleen wanted the young people in her parish to ''feel a sense of home in the church.'' Both girls used the skills they learned in Girl Scouting to help the church of their faith.

These six Senior Girl Scouts have earned my respect and admiration. I believe all the girls should receive the public recognition due them for such significant services to their communities and their country.●

TRIBUTE TO EDWARD P. SCOTT

● Mr. AKAKA. Mr. President, it is with great regret that I rise today to note the impending retirement of Edward P. Scott, Assistant Secretary for Congressional Affairs with the Department of Veterans Affairs [VA]. Ed has served in this position since his confirmation by the Senate in May 1993, after being nominated by President Clinton.

As a member of the Veterans' Affairs Committee, I have greatly appreciated Ed's successful efforts to maintain close relations with legislators and keep Congress apprised of VA operations, programs, and policies. During his tenure, VA confronted the impact of judicial review on veterans' claims; addressed the health care, research, and compensation needs of Persian Gulf veterans suffering from undiagnosed illnesses; and, in the face of unprecedented fiscal pressures, began the most comprehensive restructuring of its health care and benefits administrations in history. Ed has played a critical role in developing and implementing VA's response to each of these challenges, while keeping Congress fully informed of, and involved in, major developments.

Mr. President, prior to his administration appointment, Ed enjoyed a long and varied career in public service. After graduating cum laude from the University of Pennsylvania Law School in 1963, where he was Law Review editor, he clerked for New Jersey Supreme Court Associate Justice Nathan Jacobs. He then joined the Air Force for 3 years, working as an assistant staff judge advocate at Keesler Air Force Base before retiring in the rank of captain. Soon after, he joined the Peace Corps, serving as deputy director and, later, country director, in Korea. Returning to the United States, he signed on as a staff attorney to the Mental Health Law Project in Washington, DC. In 1977, he joined the staff of the Veterans' Affairs Committee, thus embarking on a long and distinguished career in the veterans arena. In the 16 years he was employed on the committee staff, he alternately served as majority and minority general counsel and, ultimately, staff director and chief counsel.

As a committee staffer, Ed was instrumental in creating the Vet Center Program, enacting the Montgomery GI bill, elevating VA to cabinet rank, and establishing the U.S. Court of Veterans Appeals. During the 102d Congress, one of the most productive legislative periods in the committee's history, he helped revamp VA physician pay, improve homeless veterans programs, create a fairer system of compensation for survivors of disabled veterans, bring educational benefits in line with inflation, heighten concern for minority veterans, and establish a program to help treat women who were sexually abused in the military. In addition, under the leadership of my distinguished colleagues, Senator DASCHLE and Senator ROCKEFELLER, respectively, he helped resolve controversial matters relating to agent orange exposure and VA drug pricing.

Mr. President, I should also note that Ed played an important role in improving health care benefits and services for Hawaii's 120,000 veterans. Ed had an opportunity to visit Hawaii, gaining firsthand an appreciation of the unique needs of our multiethnic veterans population as well as of the special problems that confront the community as a consequence of Hawaii's insular geography and isolation from the mainland. He materially supported the Hawaii Delegation's efforts, initiated by my late predecessor, Senator Spark Matsunaga, to establish a VA medical center on Oahu; triple the size of the Honolulu VA outpatient clinic; and, establish vet centers, primary care clinics, and a residential post-traumatic stress disorder treatment center in the neighbor islands.

Mr. President, however extensive Ed's achievements, what is most remarkable about this good man is the grace and sense of balance he has brought to public service. In dealing with many different organizations and personalities, each with a separate agenda, often on extremely contentious issues, he brought calm to rough waters and comfort to bruised egos. His willingness to consider every side to an issue, his ability to rise above partisan and personal concerns, truly elevated the level of debate on veterans issues. By his example, he constantly reminded us of our primary obligation, which is to promote the welfare of veterans.

Thank you, Mr. President. Ed's departure from public service is a loss to all who care about good government. I offer him and his wife, Jane, my best wishes as they embark on a new, and I hope rewarding, phase of life.●

NATIONAL STROKE AWARENESS MONTH

● Mr. DOMENICI. Mr. President, I rise today to take a few minutes to discuss National Stroke Awareness Month.

Every year in our country, approximately 28 out of every 100,000 people will suffer from a stroke. In fact, the third leading cause of death in the United States is a stroke. However, advances in medical technology and better control of high blood pressure have greatly reduced the number of strokes per year.

The number of strokes can be reduced even further if just a few preventive steps are taken. Periodic medical checkups and being on the look out for warning signs like high blood pressure, heart disease, age, and heredity are several basic ones.

A stroke occurs when blood vessels carrying oxygen and nutrients to the brain either become clogged or burst.

The result is that the brain does not receive the flow of blood it requires and brain cells become deprived and start to die. Stroke victims often suffer from changes to their senses, ability to understand speech, behavioral and thought patterns, and memory. Additionally, stroke victims may cry easily, laugh inappropriately, or become easily irritated.

Luckily, Mr. President, advances in treatment and rehabilitation allow many stroke victims to return to an active lifestyle. Even though recovery is very possible, these stroke victims must often learn a whole new set of skills because old ones were lost and new skills are required.

Another result of a stroke may be aphasia. Aphasia is the total or partial loss of the ability to speak and understand speech and in approximately 20 percent of strokes a serious loss of speech occurs. This change in speech may turn into an extremely frustrating experience because both speech and hearing are extremely important components within our society.

People with aphasia may use unusual words or sounds when expressing themselves. Consequently, slurred speech may often result and thus, the appearance of being drunk. People recovering from a stroke may also become isolated from others because they cannot communicate. As a result, the person may become depressed and indifferent to rehabilitation, judgment may become impaired, and memory lapses may occur.

Mr. President, I believe it is extremely important that we as a society take steps to become more aware of a stroke's effects. Charles Huston of Albuquerque, NM, has done just that for the past 30 years. Charles suffered a stroke in 1963 and ever since he has dedicated his life to making others aware of the effects of a stroke.

Charles has specifically involved himself with the issue of aphasia. In fact the stroke he suffered left him with aphasia. As a result, Charles spent many years just relearning how to speak, painstakingly relearning individual words, one at a time. The hard work and determination paid off because Charles has led a highly successful personal life.

In particular, Charles has focused on the misperception that people suffering from aphasia are merely drunk. He has tirelessly promoted a document known as the Aphasic Patient's Bill of Rights. The document explains the difficulties a person with aphasia may face and also states that people with aphasia have the right for others to treat them with dignity and consideration in all situations.

As part of Charles' work to make others aware of the effects of aphasia, he has focused on educating the New Mexico State Police. Within just the past year, he presented the State police with 13 copies of the Aphasic Patient's Bill of Rights and the State police will hang one of the documents in each of the Department's 13 district offices.

I think Charles Huston has set an example for all of us to follow. He has shown a remarkable amount of determination and resiliency in not allowing the stroke he suffered over 30 years ago to defeat him. Additionally, Charles has applied that same amount of determination to educating people about the effects of aphasia. I think we would all do well to take a little time and educate ourselves about the issues Charles Huston has been advocating for so many years.●

RECOGNITION OF WORLD WAR II EXERCISE TIGER OPERATION

● Mr. BOND. Mr. President, this past April 28, 1997, the Missouri and New Jersey Exercise Tiger Associations, in conjunction with Veterans of Foreign War Post 280 of Columbia, MO recognized a group of heroic men. Until recently, few people knew of the secret operation code named ''Exercise Tiger,'' because the details of the tragedy were not disclosed until after the Battle of Normandy and even then proper recognition was not given.

In December 1943, several training operations began in order to prepare for the Battle of Normandy. These operations, organized by the United States Army, were undertaken off a beach in Devon, England. It was known by all participating parties the dangers they could encounter. At the time, several German ships patrolled this stretch of water looking for American and English ships. One such evening during practice operations, with only one English ship to guard, there was a surprise attack on the American ships.

On April 28, 1944, the German Navy ''E'' boats, patrolling the English Channel, attacked the Eight American tank landing ships who became aware of the attack only after the U.S.S. *LST–507* was struck by an incoming torpedo. Next, the U.S.S. *LST–531* was attacked and sunk in a matter of minutes. The convoy returned fire and the last ship to be torpedoed, the U.S.S. *LST–289*, valiantly struggled to reach Dartmouth Harbor.

Even after this frightening turn of events, to its credit, Exercise Tiger continued operations and remained on schedule. Normandy was attacked as planned and the D-day invasion was a success.

Information of the fatalities was not released until after the D-day invasion due to the secrecy of the mission and in order to keep the Germans from becoming aware of the impending strike. It took many years, and the passage of the Freedom of Information Act, to learn of the significance of these missions. I feel now is the time for these courageous men to get the long-awaited recognition they deserve.

Four thousand men participated in this operation and of those, nearly a quarter were killed in action. Records from the Department of Defense estimate 749 men died consisting of 551 Army and 198 Navy casualties. Of Tiger's death toll, 201 men were from the 3206th quartermaster company in my home State of Missouri.

This Memorial Day weekend commemorates the heroic actions of the men who participated in Exercise Tiger and particularly the ones who lost their lives in this crucial preparation for the D-day invasion. The Exercise Tiger Associations and VFW Post 280 have the great privilege of being first in the State of Missouri to recognize these brave individuals.

In the words of Gen. Douglas MacArthur, ''Old soldiers never die, they just fade away * * *'' I hope that through this long delayed acknowledgment of these fine soldiers, their memory will not fade away, but will remain in our minds and hearts for years to come. These men were an example for all American soldiers to live by and a credit to the United States as it remains the free and great country that it is today.●

EDUCATIONAL OPPORTUNITY TAX CREDIT BILL

● Mr. BURNS. Mr. President, I am pleased to join Senator FAIRCLOTH, along with Senators CRAIG, REID, JEFFORDS, LOTT, MACK, and HUTCHINSON, as a co-sponsor of S. 50, the Educational Opportunity Tax Credit Bill.

S. 50 will help thousands of folks earn a 2-year college degree without creating a new Federal program. S. 50 is simple: it provides for a non-refundable tax credit of up to $1,500, depending on the cost of attendance, for students attending a 2-year school, full-time or part-time. To receive the tax credit students must maintain a minimum grade point average as determined by the college.

Mr. President, this morning I read an Associated Press article with a Great Falls byline entitled ''Regents OK $7.6 million increase in college tuition, fees.'' The AP reports that tuition rates at 2-year and 4-year schools in Montana will rise an average of 6.5 percent, climbing to 7.5 percent when student fees are factored in. At Montana's colleges of technology, whose students this bill will help, the new tuition and fees vary from $1,871 to $2,121, an increase as high as 11.3 percent. The education and training two-year schools provide is more important for our workforce than it has ever been, but it is also more expensive than it's ever been. A tax credit is a simple way to put a degree within reach of thousands of students.

There are numerous tax credit proposals out there for 4-year schools, and I support some of these proposals. But it is vital that Montanans have the specialized training demanded by employers in the technology sector—one of the fastest growing sectors in our entire labor force—and it is our 2-year schools that provide much of that training. This tax credit is a jobs credit: a well-trained workforce not only benefits existing businesses, but will

attract new businesses to Montana as well.

During the just-concluded debate on the fiscal year 1998 budget resolution, I was pleased to support a sense of the Senate resolution offered by Senator FAIRCLOTH which puts the Senate on record as supporting a tax credit for the expenses of two-year colleges. As debate on the budget continues, I look forward to working with my colleagues on enacting this measure.●

S. 625, THE AUTO CHOICE REFORM ACT OF 1997

● Mr. MOYNIHAN. On April 22, 1997, I introduced S. 625, the Auto Choice Reform Act of 1997, along with Senators JOE LIEBERMAN, MITCH MCCONNELL, SLADE GORTON, and ROD GRAMS. S. 625 is designed to reform the Nation's auto-insurance system by giving motorists a low-cost alternative for bodily injury coverage that provides quicker, more comprehensive recovery of economic losses.

The Auto Choice Reform Act would remove many incentives for fraud, which is endemic to the current auto-insurance system. On Wednesday, May 21, 1997, for instance the Nassau County District Attorney's office arrested 20 people involved in a massive insurance fraud scam. Those arrested by operation backbone included lawyers, chiropractors, and a doctor. Our bill would eliminate many of the incentives that promote this kind of abuse.

I ask that the Newsday article, ''Real Charges: Fake Injuries Lead to 20 Arrests in Insurance Scams,'' be printed in the RECORD.

The article follows:

[From Newsday, Thursday, May 22, 1997]

REAL CHARGES

(By Pete Bowles)

After prepping a ''patient'' for four minutes on how to fake injuries during a medical exam—including a demonstration on moaning ''ooh and aah''—Hempstead chiropractor Martin Drasin said his client was ready for an award-winning performance, according to a videotape made by an undercover investigator.

''I know how they are going to try to trick you up,'' Drasin told the agent, who carried a hidden video recorder. Drasin advised the man on what to do when asked to move his legs up and down at the exam. ''Give an ooh and an aah and say, 'I can't do that,'" he said, and added: ''Move slow. You'll get the Oscar here.''

Drasin, 42, whose video performance was played by Nassau District Attorney Denis Dillon at a news conference, was among 20 people—including 12 chiropractors, four attorneys and an orthopedist—charged yesterday with submitting fraudulent claims for automobile no-fault insurance, disability and workers' compensation insurance.

Dillon said the 20 were nabbed during a two-year investigation called Operation Backbone, in which law-enforcement agents posing as accident victims sought legal and medical assistance from attorneys and chiropractors. The targets had been selected by insurance companies who suspected skullduggery.

All the meetings were recorded, Dillon said. Playing the part of accident victims were undercover operatives from the DA's office, the Nassau County Police Department, the National Insurance Crime Bureau and the U.S. Postal Inspection Service.

All but one of the suspects were arrested yesterday on a variety of charges, including insurance fraud, grand larceny, scheming to defraud and falsifying business records.

Freeport attorney Alvin Dorfman, 62, a former Democratic committeeman who challenged Dillon for the Democratic designation for district attorney in 1974, was said to be in Israel on vacation and is expected to surrender next week for arraignment in U.S. District Court in Uniondale. He was charged with mail fraud and conspiracy to commit mail fraud.

''Both my clients maintain they are completely innocent,'' said Dorfman's attorney, Stephen Scaring, who also represents Garden City attorney Gerard McLoughlin, 49, who was charged with insurance fraud and attempted grand larceny. ''We are somewhat shocked that this kind of undercover operation would occur, and we are confident that the tapes themselves will likely establish the innocence of each of these defendants.''

Seventeen defendants pleaded innocent in First District Court in Hempstead and were released. They face up to 7 years in prison if convicted. Two others, Dorfman's legal assistant, Mariela Brito, 33, and Woodbury chiropractor Jonathan Tepper, were arraigned in federal court in Uniondale on mail fraud and conspiracy charges and ordered held on $50,000 bond each. They face up to 5 years' imprisonment if convicted.

Calls left at the offices of the 20 were not returned.

At a news conference with local and federal law-enforcement officials, Dillon said the medical providers billed insurance companies for services not rendered and gave undercover agents letters stating they were disabled and unable to work because of injuries suffered in accidents. He said the accidents were on ''paper only'' and were filed with police as a ruse.

In some instances, Dillon said, the agents received chiropractic treatment fewer than 12 times but the chiropractors billed insurance companies for more than 100 visits.

He charged that chiropractor George Mitzman, 41, of Westbury, treated one agent 11 times and billed the insurance company for 150 visits. Another defendant, chiropractor Michael Roth, 29, with offices in Bellmore and Syosset, treated an agent once but billed for 90 visits, Dillon said.

Dillon said the four attorneys assisted the purported accident victims in fabricating phony lost-wages claims, while in fact the victims said they were working, and submitted falsified documents supporting the claims. He said the attorneys also referred victims to medical providers to obtain disability letters and advised them how to exaggerate injuries.

In one case cited by Dillon, Hempstead attorney Mitchell Rachlin, 47, was charged with collecting more than $626,000 from his insurance carrier for a phony disability claim he filed in 1990 for injuries he sustained in an accident.

Rachlin, who claimed to be totally disabled, was shown on a videotape walking around his law office as he advised an undercover agent on how to file a claim for lost wages for a traffic accident.

On another videotape played by Dillon, Dr. Martin Lehman, 64, a Wantagh orthopedist, is shown meeting with an undercover operative who tells Lehman she was working despite being injured in an accident. ''You are not working as far as insurance is concerned,'' Lehman is heard telling the woman. Without performing a physical examination, Lehman gave the woman a disability form, Dillon said.

Also charged were: chiropractors Robert Moore, 43, and Jay Levine, 44, with offices in Franklin Square, and their receptionist, Maureen MacPherson, 30; Rockville Centre chiropractor Joseph Huseman III, 39; Franklin Square attorney Scott Garil, 29; North Bellmore chiropractor Susan Schulman, 36; Plainview chiropractor Christopher Haas, 32; Oceanside chiropractor Jeffrey Finkelstein, 41; Lynbrook chiropractor Steven Angel, 40; Port Washington, chiropractor Charles Schnier, 45; and Robert Cannon, 59, of Massapequa, a medical-supply distributor.●

TRIBUTE TO DONALD HALL FOR RECEIVING THE PLYMOUTH STATE COLLEGE'S ROBERT FROST CONTEMPORARY AMERICAN AWARD

● Mr. SMITH of New Hampshire. Mr. President, I rise today to congratulate Donald Hall, poet, essayist, and playwright, for being the 16th recipient of Plymouth State College Robert Frost Contemporary American Award. I commend his outstanding achievement and compliment him on this well-deserved honor.

Donald is internationally known for his poetry and prose. He and his wife Jane, a late poet, too, moved to Wilmot in 1975. Their family homestead, Eagle Pond Farm, has provided him much inspiration for many of his works.

Donald was a Guggenheim fellow in 1963–1964 and 1972–1973, and poet laureate of New Hampshire from 1984 to 1989. He was elected to the National Institute and the American Academy of Arts and Letters in 1989. His book of poetry, ''The One Day,'' won the National Book Critics Circle Award and the Los Angeles Times Book Award the same year. In 1994, Donald received the Ruth Lilly Poetry Prize.

His first book of poems, ''Exiles and Marriages,'' was written in 1955. Among other prose works are ''String Too Short To Be Saved,'' ''Henry Moore,'' ''Writing Well,'' ''Their Ancient Glittering Eyes,'' and ''Ox Cart Man.'' His recent works include ''Old and New Poems'', which was published in 1990 and ''The Old Life'' published in 1996.

The Frost award is given in honor of Robert Frost, a late poet laureate who taught at Plymouth Normal School in 1911–1912. The Plymouth State Alumni Association inaugurated the award in 1970 to recognize northern New Englanders who exemplified Frost's traits of individuality, hard work, humanitarianism, and devotion to the Granite State.

Mr. President, I want to congratulate Donald for his outstanding accomplishment. I am proud to represent him in the U.S. Senate.●

JUMPSTART THE URBAN CLASSROOM NETWORKS

● Mr. ROCKEFELLER. Mr. President, I would like to share with my colleagues an opinion piece from Eric Behnamou, Chairman and CEO of 3Com Corp., regarding the Federal Communications

Commission's [FCC] May 7th decision regarding universal service and the Snowe-
Rockefeller-Exon-Kerrey amendment.

While this op-ed piece speaks for itself, I think it is good to note the interest and support of business leaders for education technology and the specific initiative to link classrooms and libraries to the information superhighway. Thoughtful business leaders understand the importance of computer literacy. A California study estimated that 60 percent of the new jobs by the year 2000 will require skills possessed by only 22 percent of workers—clearly we must do better. I believe that linking up our classrooms will help a great deal.

I ask that the article from the May 7, 1997, Los Angeles Times be reprinted in the RECORD.

The article follows:

[From the Los Angeles Times, May 7, 1997]

JUMP-START THE URBAN CLASSROOM NETWORKS

(By Eric A. Benhamou)

Just as cars aren't particularly useful without roads and freeways, the same is true of an information highway without well-planned onramps and offramps. This is particularly evident in our schools.

While classroom connectivity increased from 6% to 14% between 1994 and 1996, most of these networks are low-speed analog connections, the computer equivalent of unpaved roads.

President Clinton advocates connecting all classrooms to the Internet, and this message has been heard by principals, administrators and school boards anxious to have their students log on. However, this presidential mandate has been largely unfunded, with private money/state projects and volunteer efforts substituting for systemic programs. Poor schools have suffered or been relegated efforts substituting for systemic programs. Poor schools have suffered or been relegated to the slow lane or no lane.

The Snowe-Rockefeller amendment to the Telecommunications Act of 1996 corrected this deficiency by funding the necessary telecommunications infrastructure. But the Federal Communications Commission must still approve it.

This is critical if we're going to solve the problem of getting all U.S. classrooms hooked up by 2000. The amendment's plan to provide the largest hookup discounts for ''have-not'' schools will help jump-start connectively. Today, 47% of schools with more than 70% of their students qualifying for federal lunch subsidies have no Internet access; only 22% of the schools where less than 11% qualify for free lunches are not hooked up. This gap must be closed.

Studies from pilot programs show higher test scores in English and math from Internet-enabled classrooms. More important, technology raises test scores more for underprivileged kids than for wealthy kids, more for kids who have interactive hands-on experience (e.g. the Internet) and more where schools invest in teacher training. Unfortunately, only 7% of urban schools mandate advanced telecommunications and networking skills training for teachers.

President Eisenhower's conception and subsequent implementation of the U.S. highway system fostered our mobile society, creating industries and jobs. President Clinton's vision of a nation of learners benfiting from the Internet offers similar return. Companies like Netscape and America OnLine are already providing jobs for American youth.

The amendment isn't perfect, but it provides for much broader and systematic introduction of networking into our schools. It earmarks $2.25 billion annually for communications and networking equipment. The FCC commissioners should make the tough trade-offs and approve this highway construction project.●

ACTIONS BY THE PALESTINIAN

● Mr. BOND. Mr President, during the past few weeks we have all heard disturbing news coming forth from the territories under Palestinian Authority control.

The idea that Chairman Arafat even hinted of his support much less, his embrace of a policy to sanction the assassination of his own people for selling real estate to Jews is abhorrent and beyond the pale.

That individuals were actually murdered because of this policy should serve as a wake-up notice to those who attempt to push the principals into agreements before they are ready.

We also have been appraised of the situation facing Mr. Daoud Kuttab, a United States citizen, who during the exercise of his right under Palestinian Authority rule, was arrested for complaining about the jamming of his radio station which was broadcasting the legislative council session of the Palestinian Authority. This activity, much like C–SPAN, I believe, is a core freedom of a democratic government. An American citizen, holding a Jerusalem identity card, as Mr. Kuttab does, is exempted from jurisdiction of the PA.

The road to democracy is not an easy one. It is filled with what may seem to be impossible impasses, but they are not. The right of a free press to operate and the right of free speech and the right of an individual to dispose of his own property in a free and legitimate manner are core to a democratic state.

I call upon the President of the United States to reiterate to Mr. Arafat, our Nation's commitment to those freedoms and our inability to accept anything less than a full compliance with those freedoms or face the withdrawal of our continued support. I also call upon the President to voice through appropriate channels, our condemnation of the policies and resulting actions which we have seen occur in the recent weeks in the areas under Palestinian Authority jurisdiction.

While I am firmly committed to the principle that the United States remain a neutral and honest mediator, I must speak up when those very principles for which we stand and for which the parties claim to be attempting to achieve are ignored and violated flagrantly.

I hope that President Clinton will be forthcoming with some initiative to address these and other issues such as the revocation of the clauses calling for the destruction of Israel within its charter, and that we hold the Palestinian Authority responsible for implementing democratic ideals which will be critical to a strong and vibrant Palestinian Government.●

TRIBUTE TO FRANKLIN S. BILLINGS, JR.

● Mr. JEFFORDS. Mr. President, I rise today to pay tribute to Franklin ''Bill'' Billings on the occasion of his 75th birthday. In addition, I would like to take this opportunity and commemorate his distinguished service as a Federal judge.

Bill's career has been dedicated to serving the people of Vermont in a wide array of positions. He first served the Green Mountain State as assistant secretary of the Senate from 1949 to 1953. He was later selected to represent the Woodstock area as a member of the Vermont House. During his tenure, Bill was elected speaker of the Vermont General Assembly in 1963 and 1965, which were tumultuous reapportionment years for the State. In 1975, he was appointed to the Vermont Supreme Court and subsequently chosen to serve as Chief Justice. He concluded his career as the U.S. district court judge for the district of Vermont.

Throughout his efforts, Bill has remained consistently committed to standards of professionalism above reproach as well as an unwavering respect and dedication to ethics. His uncanny ability to see beyond the surface, while considering some of the most complicated legal matters, is testimony to a keen intellect.

Once again, I would like to extend my best wishes and congratulations to Judge Bill Billings. He has set an example which we should all strive to emulate.●

MEMORIAL DAY

● Mr. DOMENICI. Mr. President and fellow Senators, on Monday May 26 our Nation observes Memorial Day; a day of remembrance for all the members of our Armed Forces who gave their lives so that our Nation could be free. Sometimes it seems as if, in our haste to address the issues of the day, we forget that the freedom we enjoy—the freedom we take for granted—was not free. Countless American soldiers, seamen, marines, and pilots paid for our freedom with their lives. On the last Monday of May each year we honor our veterans, fly the flag at half-staff, and pause to remember their sacrifice.

It is unfortunate that if you look in the newspapers or watch the ads on TV, you might think that the only purpose Memorial Day serves is to announce the beginning of another summer season or the start of a new sales drive. But if you spend some time talking with veterans like those who returned from Europe, Korea, or Vietnam; if you talk with those who landed at Normandy or those who survived the Bataan Death March, you learn the real purpose of Memorial Day—to honor the men and women who gave their lives, most at a very young age—in defense of our Nation.

Today the United States stands alone as the world's only superpower. Today, more often than not our foreign policy debates concern trade, rather than war; economic issues rather than military issues. It is at times like this, times of peace, that we should pay extra attention to the true purpose of Memorial Day.

The good news is that American citizens understand and respect the role veterans have played in our Nation's history. If you look at the size of the crowds that visit the Korean War Memorial and the Vietnam War Memorial here in DC you get a sense of how Americans feel about their veterans. The same scene is duplicated time and time again at veterans' memorials all across the country. Recently I had the honor of participating in a ceremony marking the progress of the new Veterans' Memorial Park being built in Albuquerque. It is with the creation of special places like this park that our Nation continues to honor the service and sacrifice of all our veterans.

Mr. President, we set aside one day each year to officially honor those who died for our freedom. For all that our military veterans have done for us, it is the least we could do. To all the veterans, thank you.●

MEMORIAL DAY REMEMBRANCE

● Mr. BOND. Mr. President, it is easy to take for granted the freedom we have here, in the United States, and too often we lose sight of that and resort to complaining about one thing or another, but the fact is, we live in the most blessed Nation in the world, we enjoy the greatest freedom of choice, we enjoy so much, but those freedoms were purchased and protected at a very high cost.

As we prepare to celebrate Memorial Day this year, I call upon my fellow Missourians and all Americans to pause and remember the sacrifice of our soldiers, sailors, Marines, and air men and women stationed around the world today protecting us with a blanket weaved with the battle flags from places with names like Lexington, Concord, Gettysburg, Belleau Wood, Pearl Harbor, Coral Sea, Iwo Jima, Saint Lo, Bastogne, Chosin Reservoir, Khe Sahn, Beirut, Wadi Al-Batin, and Medina Ridge in Iraq and most recently, those taken from us in Somalia and by the brutal and cowardly bombing of Kobart Towers.

We must remember the sacrifices of those who came before us, and those whom we most recently lost—the fathers, mothers, sons, and daughters who gave their most precious of gifts, their lives, that we might continue to enjoy the freedoms we hold so dear.

We must remember them so we will focus our determination, as a nation, that we never, ever, waste a life because it is too hard or too expensive to do the right thing. We must take this opportunity to re-dedicate ourselves to make that effort and to ensure that our military personnel are the best trained, equipped and prepared in the world, because we ask so much of them.●

ORDERS FOR MAY 27, MAY 30, JUNE 2, AND JUNE 3, 1997

Mr. LOTT. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 10 o'clock on Tuesday, May 27, for a pro forma session only and immediately following the prayer, the Senate stand in adjournment until 11 a.m., Friday, May 30, for a pro forma session only. I further ask unanimous consent that immediately following the prayer on Friday, May 30, the Senate stand in adjournment until 12 noon on Monday, June 2, and further that on Monday, immediately following the prayer, the routine requests through the morning hour be granted and the Senate then proceed to a period of morning business until 1 p.m. with Senators permitted to speak for up to 10 minutes each.

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

Mr. LOTT. Mr. President, I further ask unanimous consent that at 9:30 a.m. on Tuesday, June 3, the Senate proceed to 3 hours of tributes to honor our most distinguished President pro tempore, who will break the all-time Senate record on Sunday, May 25, for the longest Senate service. I know all of our colleagues will want to participate in this worthy tribute to the distinguished Senator from South Carolina, Senator THURMOND.

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

Mr. LOTT. Mr. President, I further ask unanimous consent on Monday, June 2, at 1 p.m. the Senate resume consideration of S. 4, the comptime-flextime bill which would guarantee a family friendly workplace. Amendments are expected to be offered. However, votes will not occur prior to the hour of 5 p.m.

AUTHORITY FOR COMMITTEES TO FILE REPORTS

Mr. LOTT. I further ask unanimous consent that committees have between 10 a.m. and 3 p.m. on Wednesday, May 28, to file reports to accompany legislative or executive items.

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

PROGRAM

Mr. LOTT. For the information of all Senators, it is the hope of the leadership that the budget conference report will be available for Senate consideration on Tuesday, June 3. Therefore, all Senators can expect a rollcall vote on passage of the budget conference report on Tuesday, June 3, hopefully, early in the evening rather than going late into the night.

ORDER FOR ADJOURNMENT

Mr. LOTT. If there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order, following the remarks of Senator CRAIG of Idaho.

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

The Senator from Idaho.

Mr. CRAIG. Mr. President, I thank the majority leader for allowing me this time, and I also want to recognize his leadership in the efforts we have just concluded in bringing about a budget and a budget resolution. I think our majority leader, TRENT LOTT, is to be congratulated for a very positive and gallant effort.

TRIBUTE TO NORMAN G. ARSENEAULT

Mr. CRAIG. Mr. President, I would like to take a few moments to recognize a member of my staff who will be retiring next Friday after many years of service to me, the State of Idaho, the Senate, and the Nation.

Norman G. Arseneault came to my office as an American Political Science Association fellow from the Forest Service, USDA more than 6 years ago. He served with distinction in that fellowship program, taking on numerous natural resources problems facing the State of Idaho and working diligently to find solutions. When he completed the fellowship, he returned to the Forest Service to resume what I am sure would have been a distinguished career.

Shortly after he had returned to the Forest Service, it became clear to me that solutions to the natural resources problems we faced—the wilderness debate in my State, endangered species listing, and a host of others—would benefit from Norm's skills. I offered him a permanent staff position, and, fortunately for Idaho, he accepted.

Since then, all in my office have benefited from Norm Arseneault's professionalism, good humor, and integrity. He has developed a reputation on the Hill and in the State of Idaho for honesty, straightforwardness, fairness, and competence. It has been my good fortune to have been among those who have known and worked with him on a day-to-day basis.

As Norm moves on to a new phase in his life, I know the traits that have made him so effective in my office over the past 6 years will service him well in his future endeavors. I am proud to know Norm Arseneault and to have called him friend. I speak for all in my office when I say he will be dearly missed. We wish him the best and God speed.

MEMORIAL DAY, 1997

Mr. CRAIG. Mr. President, on Monday, many of us will be about the land, speaking to veterans on Memorial Day. Throughout this Nation's history and

throughout the world's history valiant soldiers have struggled, distinguished themselves, advanced their cause, and fallen in battle. Yet a Memorial Day commemorating America's brave heroes was a long time in coming.

A national memorial occasion was observed for the first time in 1886. It began with the Grand Army of the Republic, the organization of Union Army veterans. They started, on a nationwide scale, what some southern women in several Dixie cities had been doing as a local spring ceremony—remembering the Civil War dead by placing flowers on their graves.

Since then, all too many generations have confronted the savagery of war and added their own list to the role of the fallen heroes. What began as a memorial to casualties of one war is now our day to honor those from all of our wars.

In the beginning, Memorial Day was more popularly known as Decoration Day. I grew up, as probably the President did, knowing it as Decoration Day. I remember my folks saying now we have to go to the graves and to the cemetery to honor our dead In our family on Decoration Day. It was observed by decorating the graves with flowers and flags. That tradition is still a strong one and many thousands of Americans will go to the graves of their loved ones and to veterans and veterans' graves and memorials on Monday to recognize our veterans.

Our emphasis today should be to remember the supreme sacrifice so many made to protect our great Nation and secure the freedoms we enjoy.

Gen. John A. Logan, the commander of the Grand Army of the Republic, called for the observance of Memorial Day in 1886. Today, his words are still eloquent and meaningful, and it is fitting that we recall them. He said, ''Let no ravages of time testify to coming generations that we have forgotten as a people the cost of a free and undivided Republic.''

On this Memorial Day, 1997, that we are soon to celebrate, let us acknowledge the terrible cost and honor the fallen heroes who paid for it have made, by rededicating ourselves to their cause. Let us concentrate on preserving our Nation and honoring our cherished freedoms by recognizing those who preserve them for us.

I yield the floor.

ADJOURNMENT UNTIL 10 A.M., TUESDAY, MAY 27, 1997

The PRESIDING OFFICER. Under a previous order, the Senate now stands in recess until 10 a.m., Tuesday, May 27, 1997.

Thereupon, the Senate, at 3:40 p.m., adjourned until Tuesday, May 27, 1997, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate May 23, 1997:

DEPARTMENT OF STATE

JAMES P. RUBIN, OF NEW YORK, TO BE AN ASSISTANT SECRETARY OF STATE, VICE THOMAS E. DONILON.

IN THE ARMY

THE FOLLOWING-NAMED OFFICERS FOR PROMOTION IN THE REGULAR ARMY OF THE UNITED STATES TO THE GRADE INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTIONS 611(A) AND 624:

To be major general

BRIG. GEN. PHILLIP R. ANDERSON, 0000.
BRIG. GEN. BURWELL B. BELL III, 0000.
BRIG. GEN. BRYAN D. BROWN, 0000.
BRIG. GEN. JULIAN H. BURNS, JR., 0000.
BRIG. GEN. MICHAEL T. BYRNES, 0000.
BRIG. GEN. JOHN S. CALDWELL, JR., 0000.
BRIG. GEN. REGINAL G. CLEMMONS, 0000.
BRIG. GEN. GEORGE F. CLOSE, JR., 0000.
BRIG. GEN. CARL H. FREEMAN, 0000.
BRIG. GEN. JOSEPH R. INGE, 0000.
BRIG. GEN. PHILIP R. KENSINGER, JR., 0000.
BRIG. GEN. DONALD L. KERRICK, 0000.
BRIG. GEN. LARRY J. LUST, 0000.
BRIG. GEN. JOHN J. MARCELLO, 0000.
BRIG. GEN. TIMOTHY J. MAUDE, 0000.
BRIG. GEN. DAN K. MCNEILL, 0000.
BRIG. GEN. PAUL T. MIKOLASHEK, 0000.
BRIG. GEN. MARY E. MORGAN, 0000.
BRIG. GEN. BRUCE K. SCOTT, 0000.
BRIG. GEN. JERRY L. SINN, 0000.
BRIG. GEN. JAMES R. SNIDER, 0000.
BRIG. GEN. EDWARD SORIANO, 0000.
BRIG. GEN. JULIAN A. SULLIVAN, JR., 0000.
BRIG. GEN. JOHN D. THOMAS, JR., 0000.
BRIG. GEN. HOWARD J. VON KAENEL, 0000.
BRIG. GEN. WILLIAM S. WALLACE, 0000.
BRIG. GEN. WILLIAM E. WARD, 0000.
BRIG. GEN. DAVID S. WEISMAN, 0000.

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE U.S. MARINE CORPS TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be general

LT. GEN. ANTHONY C. ZINNI, 7104.

NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD

PAUL SIMON, OF ILLINOIS, TO BE A MEMBER OF THE NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD FOR A TERM EXPIRING SEPTEMBER 22, 1998, VICE SHARON DARLING, TERM EXPIRED.

FEDERAL COMMUNICATIONS COMMISSION

HAROLD W. FURCHTGOTT-ROTH, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE FEDERAL COMMUNICATIONS COMMISSION FOR A TERM OF FIVE YEARS FROM JULY 1, 1995, VICE ANDREW CAMP BARRETT, RESIGNED.

WILLIAM E. KENNARD, OF CALIFORNIA, TO BE A MEMBER OF THE FEDERAL COMMUNICATIONS COMMISSION FOR A TERM OF FIVE YEARS FROM JULY 1, 1996, VICE JAMES H. QUELLO, TERM EXPIRED.

DEPARTMENT OF STATE

BONNIE R. COHEN, OF THE DISTRICT OF COLUMBIA, TO BE AN UNDER SECRETARY OF STATE, VICE RICHARD MENIFEE MOOSE.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 23, 1997:

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

DONNA HOLT CUNNINGHAME, OF MARYLAND, TO BE CHIEF FINANCIAL OFFICER, CORPORATION FOR NATIONAL AND COMMUNITY SERVICE.

NATIONAL COUNCIL ON DISABILITY

DAVE NOLAN BROWN, OF WASHINGTON, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 1998.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

ARTHUR I. BLAUSTEIN, OF CALIFORNIA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE HUMANITIES FOR A TERM EXPIRING JANUARY 26, 2002.

LORRAINE WEISS FRANK, OF ARIZONA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE HUMANITIES FOR A TERM EXPIRING JANUARY 26, 2002.

SUSAN FORD WILTSHIRE, OF TENNESSEE, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE HUMANITIES FOR A TERM EXPIRING JANUARY 26, 2002.

NATHAN LEVENTHAL, OF NEW YORK, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE ARTS FOR A TERM EXPIRING SEPTEMBER 3, 2002.

NATIONAL INSTITUTE FOR LITERACY

JON DEVEAUX, OF NEW YORK, TO BE A MEMBER OF THE NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD FOR A TERM EXPIRING OCTOBER 12, 1998.

NATIONAL MEDIATION BOARD

MAGDALENA G. JACOBSEN, OF OREGON, TO BE A MEMBER OF THE NATIONAL MEDIATION BOARD FOR A TERM EXPIRING JULY 1, 1999.

MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION

D. MICHAEL RAPPOPORT, OF ARIZONA, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION FOR TERM EXPIRING OCTOBER 6, 2002.

JUDITH M. ESPINOSA, OF NEW YORK, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION FOR A TERM OF FOUR YEARS.

FARM CREDIT ADMINISTRATION

ANN JORGENSON, OF IOWA, TO BE A MEMBER OF THE FARM CREDIT ADMINISTRATION BOARD, FARM CREDIT ADMINISTRATION FOR A TERM EXPIRING MAY 21, 2002.

LOWELL LEE JUNKINS, OF IOWA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

DEPARTMENT OF COMMERCE

ANDREW J. PINCUS, OF NEW YORK, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF COMMERCE.

DEPARTMENT OF TRANSPORTATION

TRITRUVARUR R. LAKSHMANAN, OF NEW HAMPSHIRE, TO BE DIRECTOR OF THE BUREAU OF TRANSPORTATION STATISTICS, DEPARTMENT OF TRANSPORTATION, FOR THE TERM OF FOUR YEARS.

EXECUTIVE OFFICE OF THE PRESIDENT

JERRY M. MELILLO, OF MASSACHUSETTS, TO BE AN ASSOCIATE DIRECTOR OF THE OFFICE OF SCIENCE AND TECHNOLOGY POLICY.

KERRI-ANN JONES, OF MARYLAND, TO BE AN ASSOCIATE DIRECTOR OF THE OFFICE OF SCIENCE AND TECHNOLOGY POLICY.

DEPARTMENT OF EDUCATION

DONALD RAPPAPORT, OF THE DISTRICT OF COLUMBIA, TO BE CHIEF FINANCIAL OFFICER, DEPARTMENT OF EDUCATION.

BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FUND

HANS M. MARK, OF TEXAS, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION FOR A TERM EXPIRING APRIL 17, 2002.

NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD

ANTHONY R. SARMIENTO, OF MARYLAND, TO BE A MEMBER OF THE NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD FOR A TERM EXPIRING SEPTEMBER 22, 1998.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

SUSAN E. TREES, OF MASSACHUSETTS, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE HUMANITIES FOR A TERM EXPIRING JANUARY 26, 2002.

MARSHA MASON, OF NEW MEXICO, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE ARTS FOR A TERM EXPIRING SEPTEMBER 3, 2002.

DEPARTMENT OF EDUCATION

GERALD N. TIROZZI, OF CONNECTICUT, TO BE ASSISTANT SECRETARY FOR ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION.

DEPARTMENT OF STATE

STUART E. EIZENSTAT, OF MARYLAND, TO BE AN UNDER SECRETARY OF STATE.

THOMAS R. PICKERING, OF NEW JERSEY, TO BE AN UNDER SECRETARY OF STATE.

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

KAREN SHEPHERD, OF UTAH, TO BE U.S. DIRECTOR OF THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT.

DEPARTMENT OF STATE

LETITIA CHAMBERS, OF THE DISTRICT OF COLUMBIA, TO BE A REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE FIFTY-FIRST SESSION OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS.

JAMES CATHERWOOD HORMEL, OF CALIFORNIA, TO BE AN ALTERNATE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE FIFTY-FIRST SESSION OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS.

PREZELL R. ROBINSON, OF NORTH CAROLINA, TO BE AN ALTERNATE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE FIFTY-FIRST SESSION OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS.

DEPARTMENT OF TRANSPORTATION

KENNETH M. MEAD, OF VIRGINIA, TO BE INSPECTOR GENERAL, DEPARTMENT OF TRANSPORTATION.

GENERAL SERVICES ADMINISTRATION

DAVID J. BARRAM, OF CALIFORNIA, TO BE ADMINISTRATOR OF GENERAL SERVICES.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

THE JUDICIARY

DONALD M. MIDDLEBROOKS, OF FLORIDA, TO BE UNITED STATES DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF FLORIDA.

JEFFREY T. MILLER, OF CALIFORNIA, TO BE UNITED STATES DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF CALIFORNIA.

ROBERT W. PRATT, OF IOWA, TO BE UNITED STATES DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF IOWA.

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE U.S. AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. JOHN W. HANDY, 0000.

IN THE ARMY

THE FOLLOWING-NAMED OFFICERS FOR APPOINTMENT IN THE RESERVE OF THE ARMY TO THE GRADE INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTION 12203:

To be major general

BRIG. GEN. JAMES W. DARDEN, 0000.
BRIG. GEN. MICHAEL E. DUNLAVEY, 0000.
BRIG. GEN. MICHAEL T. GAW, 0000.
BRIG. GEN. GEORGE O. HILLARD, III, 0000.

To be brigadier general

COL. RICHARD W. HAMMOND, 0000.
COL. JOHN R. TINDALL, JR., 0000.
COL. GARY C. WATTNEM, 0000.

IN THE MARINE CORPS

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE U.S. MARINE CORPS TO THE GRADE INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTION 624:

To be brigadier general

COL. TERRY L. PAUL, 0000.

IN THE NAVY

THE FOLLOWING-NAMED OFFICERS FOR APPOINTMENT IN THE U.S. NAVY TO THE GRADE INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTION 624:

To be rear admiral

REAR ADM. (LH) JOAN M. ENGEL, 0000.
REAR ADM. (LH) JERRY K. JOHNSON, 0000.

IN THE AIR FORCE

AIR FORCE NOMINATIONS BEGINNING NEAL A ANDREN, AND ENDING RANDALL C ZERNZACH, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JANUARY 28, 1997.

IN THE ARMY

ARMY NOMINATIONS BEGINNING JAMES A. ADKINS, AND ENDING ABRAHAM P. ZIMELMAN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 25, 1997.

FOREIGN SERVICE

FOREIGN SERVICE NOMINATIONS BEGINNING KATHLEEN THERESE AUSTIN, AND ENDING RONDA S. ZANDER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON FEBRUARY 13, 1997.

FOREIGN SERVICE NOMINATIONS BEGINNING KENTON W. KEITH, AND ENDING TERRENCE W. SULLIVAN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON FEBRUARY 13, 1997.

FOREIGN SERVICE NOMINATIONS BEGINNING DANIEL B. CONABLE, AND ENDING FRANCIS J. TARRANT, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON FEBRUARY 13, 1997.

FOREIGN SERVICE NOMINATIONS BEGINNING KENNETH P. MOOREFIELD, AND ENDING JAMES WILSON, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 8, 1997.

FOREIGN SERVICE NOMINATIONS BEGINNING SUSAN B. ARAMAYO, AND ENDING ROBERT S. MORRIS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 25, 1997.

IN THE NAVY

NAVY NOMINATIONS BEGINNING THOMAS P. YAVORSKI, AND ENDING ROBERT J. BARTON III, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 28, 1997.

NAVY NOMINATIONS BEGINNING CRAIG L HERRICK, AND ENDING WILLIAM F CONROY II, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 28, 1997.

IN THE PUBLIC HEALTH SERVICE

PUBLIC HEALTH SERVICE NOMINATIONS BEGINNING DAN L LONGO, AND ENDING CHRISTOPHER R WALSH, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JANUARY 30, 1997.

PUBLIC HEALTH SERVICE NOMINATIONS BEGINNING LARRY J ANDERSON, AND ENDING JOHN N ZEY, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JANUARY 30, 1997.