

it clear that both Syria and Lebanon remain major transiting countries for drugs. This criterion alone is enough to qualify for inclusion on the Majors List, but the administration then advances the argument that this is somehow OK, because the drugs do not come into the United States. There seems to be some belief in the administration that this is a justification for not keeping these two countries on the Majors List. However, it is apparent the administration does not read the law or doesn't even read its own reports.

But even if the facts supported removing Syria from the list, which they do not, the Congress deserves to be briefed on this momentous change beforehand. Israel and other European allies deserve notice of this dramatic change of our policy. The American public deserves a chance to understand the change. This did not happen. Instead, what we have is indirect certification. As a result, Syria will now escape serious consideration next March, despite evidence of significant trafficking and production of these illegal drugs.

When my staff first learned of the prospect of the change in policy, I told them to indicate to the State Department that this would be a very, very big mistake. I hoped that the Department would not take the step that they took.

I was of the opinion, however, mistake though it was, that if the administration wanted to proceed well, then it was their call. I did not extend my hold on the ambassadorial nominations to cover the issue of Syria, and I withdrew my hold on these nominations as soon as the list was delivered, late though it was. But this list raises yet another concern.

What we are left with, days before Congress adjourns, is a roundabout certification of Syria. I believe, as I said before, that such a decision is a big blunder. The way it was done does not do justice to the issue or the process of certification.

If it had not been done this way, imagine for a moment how the issue would have been handled. Next year, in February, the administration would have to make a decision to certify Syria or not based on the merits. It would have to make a case to Congress at that point and even to the public at that point for such a move. There may be some who believe that in that more straightforward environment, the same decision would have been made, but I doubt it.

With time to reflect and to consider, to publicly debate the issues and the facts, I seriously doubt that this administration would have certified Syria as fully cooperating in drug control. So not wanting to face the music, the administration did this behind-the-scene two-step instead. I hope the administration will reconsider, and I hope that my colleagues will join me in signing a letter to the President asking him to relook the issue.

I ask unanimous consent that a copy of that letter by myself from this body and Congressman J.C. WATTS, who is leading the effort in the House of Representatives, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
Washington, DC, November 13, 1997.
THE PRESIDENT OF THE UNITED STATES,
Executive Office of the President, The White House, Washington, DC.

DEAR MR. PRESIDENT: We note with concern that you have not included Syria and Lebanon on the annual Majors List sent to the Congress. By this act, you have, in effect, certified Syria as fully cooperating on drug control issues. The arguments advanced in your transmittal letter to Congress, however, seems to be based on assumptions supported neither in the relevant law or by the facts. Even should the facts justify the decision to ultimately certify Syria and Lebanon, however, we are also concerned about the method by which this momentous decision was reached. This change in policy and approach was not discussed with Congress nor was there an effort made to establish the justifications for this action. Instead, the decision was made in a most indirect way at the end of the Congressional year, thus precluding debate or public discussion of the issues.

For these reasons, we hope that you will reconsider the decision to place Syria and Lebanon on the Majors List. That change will then provide the Administration, Congress, and the public the opportunity to discuss the merits of this decision publicly, with ample time to reflect on the justifications for such a decision.

Sincerely,

CHARLES E. GRASSLEY.
J.C. WATTS.

NEED FOR HIGHEST STANDARDS FOR INSPECTORS GENERAL

Mr. GRASSLEY. Mr. President, I spoke a week ago about the necessity of the inspector general of the Treasury Department to resign. I want to continue that discussion, because she has not done that yet.

Next year is going to mark the 20th anniversary of the Inspector General Act of 1978. In my experience, inspectors general are an important function of our system of checks and balances. Whereas committees of Congress may not have the time or inclination to perform rigorous oversight, which happens to be our constitutional responsibility, the inspectors general offices are there full time with nothing else to do.

I have worked very closely with many IG's. For the most part, they are good at what they do. The IG Act has been a tremendous success. Hundreds of billions of dollars have been saved by inspectors general.

At the same time, rarely has the IG's integrity been called into question. That is, at least until now, Mr. President. The integrity of the inspector general of the Treasury Department, Valerie Lau, has been called into question.

The Permanent Subcommittee on Investigations, chaired by Senator SUSAN COLLINS, held 2 days of hearings just

last month. The subcommittee found that the IG broke the law twice and violated the standards of ethical conduct. These violations involved the letting of two sole-source contracts, one to a long-time associate of hers. In addition, her office improperly opened a criminal investigation on two Secret Service agents. In that matter, at least one key document was destroyed—just plain destroyed. And that indicated a coverup.

Furthermore, the inspector general provided false information to Congress. And that is a no-no for anybody, but particularly for somebody charged with looking out to see that laws are faithfully enforced and that money is properly spent. Of all people in the bureaucracy, the inspector general should be most careful.

The irony in all of this is, the IG is supposed to stop this kind of activity, not commit it. Yet that is what Valerie Lau did.

Mr. President, the charge that IG Lau violated these legal and ethical standards is not conjecture. It is not someone's opinion or judgment. They are simple facts—concrete facts. They are findings. They are findings of a subcommittee of the Congress of the United States. They are found in conjunction with the independent and non-partisan General Accounting Office.

Bad enough that these violations occurred by a watchdog, a watchdog whose job it is to deter such actions, but this IG's reaction is even more troubling. She agreed that they were technical violations of law, but she thinks that her actions were justified.

The Treasury IG is one of the most important of all inspector general positions. Perhaps it is the most important. The Treasury IG oversees 300 employees, many of whom are law enforcement officers.

How in the world can we allow an IG who violated the law twice and who is in denial about committing the violations to continue to perform the important functions of inspector general? How can the public, how can the Congress, how can even her own employees have confidence that she knows the difference between what is and what is not the law?

Her responsibility is to catch those who break the law. That is what an inspector general is supposed to be doing. How can she do that given her own actions and her responses to the findings of the General Accounting Office?

Ten days ago, Mr. President, immediately after Senator COLLINS' hearings, I called, as I said previously today, for Inspector General Lau's resignation, citing all these aforementioned violations. I cited the need for the IGs to be beyond reproach, to have the highest standards of integrity and credibility and conduct. The public's trust and confidence in this inspector general has without a doubt been undermined.

Today, I renew my call for her resignation. If the Treasury IG does not

get it, does not get that she should step down, the Treasury Secretary should. The President should as well. The Treasury Secretary has a responsibility, under this law, to generally supervise the IG. However, only Presidents can fire inspectors general. In my view, that means that Secretary Rubin is obliged to review the record and to make a recommendation to the President. The President would be obliged to take action and notify Congress of his action and why he took it. It should be done swiftly. As long as this IG remains in office, her troops remain demoralized and the IG's important work will be neutered.

There has been a lot of talk around Washington that recent IG hires have lacked experience and background. That is certainly the case with the Treasury inspector general.

I went back and reviewed the record of her confirmation. Her hearing lasted nearly 5 minutes. She was asked just one question—whether her mother was present in the audience. To follow up, questions were then asked of her mother. That ended the confirmation process.

For the record, I want to make it clear that I am a member of the committee, the Finance Committee, that conducted the confirmation hearing. I did not attend the hearing, but I submitted an extensive list of questions for the record. And I received responses. They are part of the permanent record.

As a result, I feel some obligation that I did not do more to question Inspector General Lau's credentials and experience at the time. I guess that is because you like to give the President's nominee the benefit of the doubt. I guess I learned the hard way that for the position of inspector general, questioning one's experience and qualifications obviously is paramount.

I intend to be more aggressive on that score in the future. The Inspector Generals Act requires that the IG have "demonstrated ability." That is in the law, the words "demonstrated ability." And it is in the law not once, not twice, but seven different areas of the law.

Here is what the IG Act of 1978 says:

There shall be at the head of each office an inspector general who shall be appointed by the President, by and with the advice and consent of the Senate, without regard to political affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations.

Ms. Lau would attempt to claim a demonstrated ability in accounting and auditing. She is a CPA and has been a Government auditor and evaluator. But in this area of auditing, she had reached only a GS-13 level. She managed only three employees, according to her deposition. And there was a 5-year gap between this experience and when she was finally confirmed by the U.S. Senate.

How does that translate into becoming the head of a 300-employee oper-

ation that conducts huge, complex audits and even criminal investigations?

What is clear is that Ms. Lau began the process of getting placed within this administration through the Democratic National Committee. Were the political connections enough to get the job? I hope that is not the case. We should have higher standards than that for the job of inspector general, which is a very important job.

Reflecting back on the statute, the inspector general was not qualified in the first place. Once in office, she undermines her own integrity and credibility. She no longer has the moral authority needed to lead that office. To me, it is an open and shut case. Verdict: Time for new leadership.

That brings me to my final point. This body would do well in the future to watchdog the watchdogs. And the inspectors general are watchdogs within each department, both before confirmation and during their tenure, I might say. I, for one, intend to increase my own vigilance of the IG community, as well as the experience and background of nominees.

For starters, there is the IG's peers—called the President's Commission on Integrity and Efficiency.

The PCIE, as I will call it for short, was established to conduct peer review and investigate allegations of wrongdoing by the IG. It is comprised of other IG's and is overseen by the Office of Management and Budget. It is also known as a do-nothing organization. IG's have rarely, if ever, been disciplined for wrongdoing by this organization.

Last April, I forwarded the allegations against Inspector General Lau to the PCIE. The issues involving the illegal contracts that she let were sent to the PCIE, by the PCIE to the Public Integrity Section of the Justice Department. The allegations involving her improper opening of a criminal case against two Secret Service agents was sent to the independent counsel.

Because of the long process PCIE has, which takes up to 6 months, Senator COLLINS and her staff decided to act swiftly and dig out all the facts without the usual bureaucratic delay. Meanwhile, by July, the PCIE shut down its entire involvement in this matter of Inspector General Lau.

Now that Senator COLLINS' investigation is over, and the findings are on the table, now is the time for decisive action. Instead, and in very typical fashion, here is what is going on.

Even though only the President can fire the IG, the White House is saying it is up to the Treasury Department to act. The Treasury Department, which must, according to law, generally supervise the IG, says it is up to the PCIE to act. The problem is, the PCIE does not act. Besides, they washed their hands of this matter way back in July. The only possible PCIE involvement at this point would be to drag out any decision. That is because the PCIE process takes 6 bureaucratically long months.

What is going on here, Mr. President? Where is the decisionmaking? Where is the leadership? Where is the sense of outrage from an administration that says it will tolerate nothing but the highest standards? This issue demands action, not finger pointing. The longer it takes, the more we undermine the public's trust and confidence in this administration and in our Government generally.

RECIPROCAL TRADE AGREEMENTS ACT OF 1997

Mr. GRASSLEY. Mr. President, on another matter, I want to speak for a minute on the failure of fast-track trade negotiating authority for the President of the United States and the action of the House of Representatives this past weekend.

Last week, the Senate voted by a margin of 68 to 31 to proceed to debate on the fast-track bill. I believe without a doubt it would have passed here and would have been passed by a very huge bipartisan margin. But the leadership in the House decided not to bring the bill to a vote and risk a defeat on such an important issue for our Nation. The leadership of the House decided that on the advice of the President of the United States because he could not deliver even 20 percent of the Democrat vote, the vote of his own party, in the other body.

Unfortunately, the result is the same. The President of the United States still does not have the negotiating authority that every other President since Gerald Ford has had. How ironic that the Democratic-controlled Congresses in the past granted fast-track authority to a Republican President—such as Gerald Ford, Ronald Reagan, and George Bush—and yet Democrats in this Congress refuse to give the President, a President from their own party, the same authority. Who would have thought that the President could not convince one-fifth of his own party to vote with him on such an important issue? This was a big win for leaders of labor unions in Washington. They proved that they have more influence with Democrats in the House of Representatives than the President of the United States does. But it was not a win for the rank and file union members, the workers who manufacture the products or perform the services that would be exported throughout the world.

It was not a win for the farmers of America either who increasingly depend on foreign markets for a big share of their income. It was a big loss for working men and women of this country.

I know some may question my qualifications for drawing these conclusions. You might say, how can a Republican Senator substitute his judgment for that of labor leaders? So I would like to read a few quotes from a Washington Post editorial of November 11.

As you know, Mr. President, the Washington Post has often taken the