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House of Representatives

The House met at 10 a.m.

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

O gracious God, from whom all blessings flow, we are grateful for all the gifts of life that You have so freely given. For all the days past, in good times and bad, Your spirit has been with us to strengthen and to heal. In all the days ahead we look with anticipation to the new opportunities of service and with the hope that the waters of justice will flow over us and all people. And for this day we ask a full measure of Your grace that we will be the people You would have us be and do those good deeds that honor You and serve people everywhere.

In Your name we pray. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Tennessee (Mr. CLEMENT) come forward and lead the House in the Pledge of Allegiance.

Mr. CLEMENT led the Pledge of Allegiance as follows:

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

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will recognize 15 1-minutes on each side.

EDUCATION SAVINGS ACCOUNTS

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

Mr. DELAY. Mr. Speaker, the Wisconsin Supreme Court ruled last week that taxpayer-financed vouchers payable to parochial schools are constitutional, and today we will pass legislation that will allow parents to set up tax-free education savings accounts that they can use to send their children to the school of their choice.

The top priority of parents has always been to get the best education for their children. Now our Nation is moving in the right direction when it gives parents more choices and when it makes the schools more accountable, and many of our public schools are the best in the world but others need to be improved so that our children can get the kind of education that will help them realize the American dream.

As the debate progresses, let us remember that the reason we have schools is to educate our children. It is not to support labor unions or to give bureaucrats more money. So let us support education savings accounts so parents can help their children get the best education possible.

CLOSING THE GENDER GAP?

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

Mr. ROGAN. Mr. Speaker, the Washington Post reports that test scores in core subjects for young women like math and science have risen. Despite this reassuring news on the academic front, there is also evidence causing great alarm. Today young women are now turning to drugs, tobacco and alcohol at a much earlier age.

Citing the national ''Girls Report,'' the article said the number of young women who smoke has nearly doubled in the last 5 years alone. This rate far exceeds that of their male peers. The number of girls who use marijuana has more than tripled in the same period.

The number of young women arrested has steadily increased over the last 10 years. In an interesting correlation, the number of girls who participate in after school athletics has declined, while the number of girls who report depression has increased.

Recently I joined Majority Leader DICK ARMEY in my district to recognize the work of several facilities that are working to ensure a healthy environment for our children. As Congress now considers education reform, I hope we will heed the warning signs ahead and empower successful local programs. Our children and our country deserve no less.

SUPPORT GUTIERREZ BILL TO PREVENT DEPORTATION OF THE SEVERELY ILL

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

Mr. GUTIERREZ. Mr. Speaker, our legislation often affects millions of people. Today I ask you to consider just one person, a young girl named Keysi Castillo. Keysi is your typical, happy 10-year-old except for one thing. She has a severe medical problem, a congenital heart condition requiring surgery, supervision and long-term care.

But her troubles do not stop there. She and her mother face possible deportation. For anyone, that is serious. For Keysi it is a matter of survival. Her doctor has declared that being sent back to her native Honduras would be tantamount to a death sentence.

Honduras lacks the health care that she requires and its climate and high altitude pose a considerable risk to her health. Keysi is too young to know about politics or immigration policy, but she knows that she is sick and you and I know we can help her.

Today I will introduce a bill to do that, to enable Keysi to remain in the

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United States to receive the care she needs to prevent what her doctors call a death sentence.

My colleagues, please help. Help change one life for the better. Help me pass the legislation for Keysi.

A SELECT COMMITTEE ON U.S. NATIONAL SECURITY SHOULD EXAMINE TECHNOLOGY TRANSFERS TO COMMUNIST CHINA

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

Mr. GIBBONS. Mr. Speaker, the first responsibility of Congress and this government is to protect the citizens of the United States from an outside attack and to be prepared to defend this great Nation. It appears that the Clinton administration, however, has woefully failed in this responsibility. If true, then they have failed this Congress, and regrettably they have failed America.

I strongly support House Resolution 463 to establish a Select Committee on U.S. National Security to examine the illegal transfer of classified U.S. technology to Communist China. Mr. Speaker, this is not a partisan issue, this is not politics as usual. This is a national security issue that cuts to the very core of what we stand for and what we believe.

We have equipped our military with the finest technology in the world. To deliberately allow that technology to fall into the hands of enemies places each and every soldier, sailor, airmen and marine at risk. Ultimately it needlessly places the Nation at risk.

Mr. Speaker, I urge my colleagues to support this resolution. It is the right thing to do, our national security demands it, our military deserves it, our Nation expects it.

THE CORRELATION BETWEEN THE INABILITY TO GET CAMPAIGN FINANCE REFORM AND THE KILLING OF TOBACCO LEGISLATION IN THE SENATE

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

Mr. MEEHAN. Mr. Speaker, yesterday the rule for campaign finance reform was pulled off the floor. It is now June 18, and we still have not had an up or down vote on the bipartisan Shays-Meehan campaign finance reform bill.

On the same day they pulled the bill and the rule over in the United States Senate; they killed the tobacco legislation designed to protect America's children from tobacco.

It is interesting. Six million dollars from the tobacco companies to the Republican National Committee, $100 million in a campaign to try to get the Congress to do nothing on tobacco.

The American people get the correlation between the amount of money the tobacco companies have invested and the inability to get campaign finance reform. There is a connect, and people get it. We have a bipartisan campaign finance reform in the House that we need to vote on; that is, Shays-Meehan. And we have a bipartisan tobacco bill in the House; that is, Hansen-Meehan-Waxman.

Let us move on this legislation and protect America's children.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. NEY). Members are reminded under the rules not to refer to actions of the Senate.

SCHOOL CHOICE DENIED FOR DISTRICT OF COLUMBIA'S CHILDREN

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

Mr. SHIMKUS. Mr. Speaker, our President said to D.C. schoolchildren, ''Tough luck.'' We do not get to hear a liberal say that very often, but the President's veto of D.C.'s scholarship bill last month is an in-your-face slap at D.C. parents and D.C. children. ''Too bad for you'' is the message. Too bad for you, that is, if you happen to be poor.

Just look at the pattern. Failed, dangerous schools, and the liberals ask for more money. Congress votes for more money, and in return we get failed dangerous schools where almost no learning takes place. And so the liberals come back the following year and say, ''Look, the problem is the schools need more money.'' And so Congress spends more money, more money for everyone knows that the problem is not enough money. More failure, more school violence follows, and so the pattern is repeated year after year after year.

The same people who would never one second accept dangerous, dysfunctional schools for their own kids are as determined as ever to deny school choice to those who do not have a choice. As a former teacher it makes me sad.

WE NEED MANAGED CARE AND TOBACCO REFORM

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

Mr. GREEN. Mr. Speaker, when are we going to get serious about real reform?

Republicans in the Senate have killed tobacco legislation which would have helped to reduce teen smoking, and House Republicans are refusing to allow real managed care reform to come to the floor. The majority is allowing the quality of medical care for our citizens to decline considerably while allowing the tobacco industry to jeopardize our children's health.

It is estimated that 3,000 young people start smoking every day. One-third of these children will eventually die from tobacco-related diseases. We need to stop the next generation from becoming addicted to tobacco. We need to establish guidelines and protections for patients to give them access to quality health care.

The American people have asked us to protect their children from smoking and are demanding top quality medical care. We need tobacco reform, we need managed care reform. Eighty percent of Americans want a patients' bill of rights and tobacco reform. The Republican majority in Congress is denying Americans these important rights.

SUPPORT THE CHILD CUSTODY PROTECTION ACT

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

Ms. ROS-LEHTINEN. Mr. Speaker, can my colleagues picture Joyce Farley's shock when she discovered that her 13 year-old daughter had an abortion after being transported by a stranger across State lines without Miss Farley's knowledge? The truth is simple and tragic.

Crystal was date raped and impregnated. The man's mother arranged for Crystal's abortion, transported her to New York in order to circumvent Pennsylvania's parental consent laws, paid for the abortion and then casually dropped her off 30 miles from home so that this minor girl could fend for herself.

Crystal had to undergo a second abortion because the first one was botched, and she faced a prospect of serious psychological and physical and post-abortion complications.

This scenario could be a real life experience for any parent in America.

There is legislation to keep this from being repeated, however. H.R. 3682 is not about outlawing abortion. It is about the right of every parent, including Joyce Farley, to counsel, comfort and help their child. It protects the most vulnerable, inherent and sacred right that exists, that between a parent and a child.

HELP REBUILD CRUMBLING SCHOOLS

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

Mr. BALDACCI. Mr. Speaker, I rise to urge my colleagues to support the motion that will be offered later today by the gentleman from New York (Mr. RANGEL) to provide federal assistance for school construction instead of providing taxpayer subsidized education benefits for private schools.

Last spring in Maine a commission of school facilities completed a comprehensive examination of the physical

condition of our State's schools. The commission identified safety, legal compliance improvements and repairs urgently needed in our schools. They identified other repairs and other necessary improvements idly waiting funding with faint hope of assistance from State and municipal budgets.

Students cannot learn in classrooms with leaky ceilings, poor air quality and wiring that could not support modern technology such as computers. America's students would be far better off by adopting the Rangel school construction plan than by adopting a misguided proposal that will help relatively few families send their children to private school.

I urge my colleagues to invest in our educational infrastructure and to support the Rangel motion.

REPUBLICANS DELIVER FOR TOBACCO COMPANIES

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

Mr. MILLER of California. Mr. Speaker and Members of the House, over the past 3 years, the tobacco companies have delivered millions of dollars to the Republican National Committee and to the Republican Congressional Campaign Committee and to Republican Members of the House of Representatives and of the Senate.

Yesterday, the United States Senate delivered for the tobacco companies. Yesterday, the United States Senate, after a month of debate and delay, voted to kill the tobacco bill, which was designed to get back to and pay back many of the health care costs that this government has spent because of tobacco illnesses and death, and to try to keep our young children from smoking. Yesterday the Senate killed that. They delivered on their campaign promises.

Today the House sets out to do the same. It is setting out to kill campaign finance reform so that they can continue to keep the tobacco money flowing to the Republican Party.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. NEY). Members need to be reminded that it is not within the rules to refer to actions of the Senate on the floor of the House.

AMERICA NEEDS SCHOOL CHOICE

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

Mr. BARR of Georgia. Mr. Speaker, in my home State of Georgia, a record number of high school juniors, over 17,000, failed this year to pass a basic skills test as a prerequisite for graduation. This week the House of Representatives took steps to respond to this problem by passing a resolution condemning the deplorable practice of promoting unqualified students for social reasons. This must be viewed as only the first step.

We must follow it by taking creative steps to increase parental choice and involvement in education such as encouraging charter schools, establishing education savings accounts, protecting the rights of parents to home school their children, and exploring the notion of school vouchers.

For decades, teachers, students and Washington bureaucrats have tried to shape our education system, yet their involvement has resulted in higher and higher spending and lower and lower performance. It is time to turn things around. The fact is, bureaucrats and big labor do not, cannot and should not educate our children. Teachers and parents do, should and must.

If we are really serious about improving education, let us not worry about schools, let us worry about teaching the hearts and minds of our students with parents and teachers, with the best interests of those students in mind.

PASS CAMPAIGN FINANCE REFORM

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

Mr. MENENDEZ. Mr. Speaker, yesterday the other body of the Congress failed America's children by killing campaign——

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The gentleman will suspend.

Mr. COBURN. Mr. Speaker, it is inappropriate to mention the other body.

The SPEAKER pro tempore. The gentleman is correct about such characterizations.

PARLIAMENTARY INQUIRY

Mr. MENENDEZ. Mr. Speaker, parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. MENENDEZ. Is not ''the other body'' the appropriate way to refer to the Senate?

The SPEAKER pro tempore. Critical references to the other body are not in order.

Mr. MENENDEZ. Mr. Speaker, yesterday, someone killed tobacco legislation and failed the children in this country. I guess we do not want to talk about who failed the children in this country, and bowed to big tobacco interests. Here in the House, the Republican leadership is trying to kill campaign finance reform through death by amendment.

Listen to what our colleague, the gentlewoman from Washington (Mrs. SMITH), a Republican representative, in yesterday's Wall Street Journal said about the GOP leadership's unquenchable love of cash. She quickly discovered that it was a common practice for the GOP majority to hold up action on bills while milking interested contributors for more campaign contributions, and she said, ''We do what? Isn't that extortion?'' I think it is. I think LINDA SMITH is right.

The fact of the matter is, the reason that the Republican leadership is trying to kill campaign finance reform in this House is because they would not be allowed to continue what LINDA SMITH calls ''extortion.'' She is right, and we should pass campaign finance reform in this House.

SUPPORT EDUCATION SAVINGS ACCOUNTS

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

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, yesterday President Clinton, in a letter to Speaker GINGRICH, wrote that the legislation creating education savings accounts, which we will consider today, would weaken public education and shortchange our children. That charge is preposterous.

I would like one Democrat to explain why giving parents more control and more power over their children's education would not be good for their children. I would like one Democrat on the other side to explain how more competition would result in worse schools. I would like one Democrat to look in the eyes of children in dangerous or dysfunctional schools and explain why they would want to keep them there. I would like one Democrat to explain why they would sell out American children, once again, to the education special interests who block every real reform that comes to this body, and who are the ones who are shortchanging our children.

Today, let us vote for the children. Let us support education savings accounts.

KIDS WILL DIE IF THEY BEGIN SMOKING

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, every day in America, 3,000 children begin to smoke. 1,000 of those children will die. Yesterday, the other body of this Congress gave those children a death notice by failing to pass a comprehensive tobacco reform bill supported by bipartisan public health groups around the Nation.

Shame, shame, shame.

But I will take the time, which I hope my colleagues will do as well, to listen to the children. We will bring children from around the Nation here to the United States Capitol on Wednesday, June 24, to listen to their

life-and-death stories about how tobacco has impacted their lives, how they are crying out for us in the United States Congress to do our job. I hope that we in this body will listen to the children and not render to the children of America a death notice as they move into the 21st century.

I hope that we will listen; I hope that we will act. We will hear from the children here in the United States Congress on June 24. More tobacco reform is needed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will again remind Members that references to the other body that are critical in nature are not within the bounds and Rules of the House, and upon any further references, the Members will be interrupted.

EDUCATION SAVINGS ACT

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

Mr. CHRISTENSEN. Mr. Speaker, today I rise in support of the Education Savings Act for public and private schools.

Last year we passed the Taxpayer Relief Act of 1997 giving families the first tax cut in 16 years and making college more affordable by establishing education savings accounts.

Today, I will vote to give parents even more control over their children's future. This bill gives tax incentives for parents to save money for their children's K-through-12 education. It gives control to the parents.

I support this bill because it allows them to use their own personal money, their after-tax dollars, not the government's money, to give their children the best education possible that they can achieve. Nebraska families, families all across America, deserve an opportunity to save money tax-free for K-through-12 education. Parents, not the government, should decide how to spend their money on their children's education.

Let us stand today with the children, let us stand today with the parents, let us stand today for education in America. Support the Education Savings Act.

REPUBLICANS: THE PARTY OF GESTURE

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

Mr. MCDERMOTT. Mr. Speaker, George Will, the eminent editorialist here in Washington D.C., was in Seattle recently, and he said that the majority party in the House of Representatives was tearing themselves apart because they could not deal with substance, they had become the party of gesture.

Now, yesterday was the great day of gesture. The first gesture was, let us tear the Tax Code out by its roots. That was irresponsible. That was followed by a cynical gesture. That is, they could not pass even a commission on campaign reform.

Now, there is some question about whether tobacco is dead. In my view, tobacco is not dead. We will see a cynical gesture out of the Speaker's office late in this session bringing to the floor a bill that says, ''Kids, you shouldn't smoke,'' and then there will be a lot of beating of chests and saying, we passed a bill against tobacco.

The fact is that the money in this place has to be collected before even that cynical gesture will be brought to the floor. We need serious campaign reform. The Speaker ought to bring Shays-Meehan to the floor immediately.

ACHIEVING DREAMS THROUGH EDUCATION

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

Mr. SUNUNU. Mr. Speaker, I rise today to congratulate a very special group of high school students and their teachers taking part in the Capitol Hill robotics competition today in the Rayburn Office Building, a contest that is unlike any other that I know.

This competition brings together students with high technology companies, universities, research laboratories and designers to compete head to head. They design machines that go head to head in competition in front of fans and a worldwide television audience.

In forming this partnership, students are introduced to the concepts of design, mechanics, engineering and materials, and they are encouraged to push further into the worlds of science, technology, mathematics and the opportunities they create.

This unique challenge is the brainchild of the Foundation for the Inspiration and Recognition of Science and Technology First, headed by Mr. Dean Kamen of Manchester, New Hampshire, a city I am proud to represent. The contest has grown from very humble beginnings in a high school gymnasium.

This year, however, the finals will be at Epcot Center, a national presentation in front of thousands of high school fans that understand the value of learning science and technology.

Mr. Speaker, I want to thank all of those that have worked to make this initiative a success, inspiring students and teaching them to achieve their dreams through education.

REJECT THE PRIVATE SCHOOL VOUCHER BILL

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

Mr. ETHERIDGE. Mr. Speaker, I rise today to call on this House to reject the Coverdell voucher bill.

As a former State superintendent in North Carolina's public schools, I know that using taxpayer money to finance private school tuition will not improve education in this country. Taking the taxpayers' money, more than $2 billion, to subsidize private schools at the expense of our neighborhood public schools is wrong.

Instead of this private school voucher bill, I call on this Congress to pass legislation to address the school construction crisis in this country. Our classrooms are bursting at the seams, and we know that the school age population is projected to soar in the next decade. This Congress should do its part to help our States and localities build schools for our children.

I have introduced legislation, H.R. 3652, that will take the revenue from the Coverdell voucher bill and use that school construction money as bonds to help growing communities across this country to meet their needs.

I urge my colleagues to reject this bill and build schools.

SUPPORT THE CHILD CUSTODY PROTECTION ACT

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

Mr. COBURN. Mr. Speaker, I stand today to support H.R. 3682, the Child Custody Protection Act.

I am a practicing physician. I deliver babies, and what I would want Members of this body and the American public to know is, do you think it is right for a 12-year-old child or a 13-year-old child to be taken across a State line to have an abortion performed when they are incapable of making that decision themselves and without the knowledge of the parents? That is what this bill is all about.

If, in fact, a child is transported across a State line for an abortion to violate the laws of the State in which they reside, then, in fact, it would be a Federal offense.

The real issue is whether or not parents ought to be involved in the reproductive health of their children.

□ 1030

Whether they ought to know, whether they ought to be given information about whether or not their child is seeking help in the midst of a difficulty, some would have us say that the government is the answer to that. I believe the parents are the answer to that. And I believe that we should pass the Child Custody Protection Law.

CONSPIRATORIAL CONGRESS

(Mr. HINCHEY asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. HINCHEY. Mr. Speaker, increasingly people across this country are referring to this Congress as the ''do nothing Congress.'' But more appropriately it might be referred to as the ''conspiratorial Congress.'' The leadership in this House has conspired with someone in this Congress to kill both antismoking legislation and campaign finance reform.

The somebody yesterday succeeded in killing the antismoking legislation. That job has been done. Now the leadership in this House has got to live up to its part of the conspiracy and deliver on killing campaign finance reform. They are doing so by proposing a rule on the floor later today with an unprecedented 258 amendments designed to drag this issue out all through the summer into the fall. It is death to campaign finance reform by amendment.

Mr. Speaker, that is the conspiracy that is going on in this Congress. We need Meehan-Shays on the floor. We need real campaign finance reform. Let us have a vote on the real bill.

REPUBLICAN EDUCATION PROPOSAL LONG ON PROMISE AND SHORT ON SUBSTANCE

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

Mr. CUMMINGS. Mr. Speaker, I rise in opposition to the education savings account proposal. Ninety percent of America's children receive a public school education. This proposal is a slap in the face to America's already struggling school systems.

If this measure is adopted, resources will be siphoned away from an already financially needy education system. It does nothing to strengthen one of our most cherished American institutions, public education.

How then can we in good faith suggest a measure to the American public that would primarily benefit wealthy families? Instead, I urge my colleagues to join the effort to build and modernize our public school buildings and administrations.

Instead, let us provide funding for local school districts to hire 100,000 new and qualified teachers to reduce class size. Instead, let us initiate comprehensive reform through the creation of Education Opportunity Zones in both urban and rural areas.

Instead, let us expand access to after-school initiatives through the ''21st Century Community Learning Center Program.''

Mr. Speaker, the agenda proposed by my Republican colleagues is long on promise and short on substance.

SHAMEFUL MORNING IN AMERICA

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

Mr. ROTHMAN. Mr. Speaker, this is a shameful morning in America. Two of the most important issues facing the American people, anti-tobacco legislation and campaign finance reform, have just been dealt a severe setback by this Republican-controlled Congress.

There was an opportunity yesterday in the Republican-controlled Congress to bring some justice to this debate, to right some wrongs, to invest in the tobacco-free future of our children. But instead, our Republican colleagues killed the tobacco bill.

Here in the Republican-controlled House, the leadership will not even allow debate on tobacco. They do not even plan to bring a bill to the floor. Instead, the Republican leadership in this House continues to spend their time killing campaign finance reform.

Mr. Speaker, I believe strongly in finding bipartisan solutions to America's problems. But how can we solve America's most important problems if the present Republican-controlled Congress continues to kill or strangle debate on issues of such vital importance to America as tobacco and campaign finance reform?

HOUSE SHOULD CONSIDER MEANINGFUL TOBACCO LEGISLATION

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

Ms. DEGETTE. Mr. Speaker, last night Big Tobacco did what it does best again when it spent $40 million to kill the comprehensive tobacco legislation. Is that what America's children are worth?

This Saturday, it will be exactly 1 year since the State attorneys general proposed their settlement agreement. Since last June, Congress has done nothing to stem the willful and destructive forces of the tobacco industry.

By selling out to Big Tobacco, the 105th Congress has sat idly by while an astounding 1,095,000 more kids have become addicted to tobacco. One-third of those children, over 300,000, will die from tobacco. These kids are not faceless figures, they are our children.

Mr. Speaker, we cannot be fooled into believing this problem is too complex for the House to address. We can address it. We must address it this year.

One simple solution is to raise the legal purchase age for smoking from 18 to 21. Raising the legal age will squash big tobacco's ransom demands by paving the way for new restrictions on tobacco solicitations on college campuses.

Mr. Speaker, I urge the House to consider meaningful tobacco legislation.

CAMPAIGN FINANCE REFORM

(Ms. HOOLEY of Oregon asked and was given permission to address the House for 1 minute.)

Ms. HOOLEY of Oregon. Mr. Speaker, campaign finance reform is the ''Little Engine that Could,'' and it is picking up steam.

Last night, the leadership on the other side of the aisle once again tried to derail this train with a cynical commission bill that was heavy on talk and light on action. When that failed, real reform was pulled from the schedule while the leadership discussed new ways to use parliamentary tricks to stop action on the Meehan-Shays bill.

Mr. Speaker, it does not seem to matter to the leadership on the other side of the aisle that the American people are crying out for reform. It does not seem to matter to the leadership on the other side of the aisle that both Democrats and Republicans want reform now.

It does not seem to matter to the leadership on the other side of the aisle that we were promised an open, honest debate on campaign finance reform. Because when it comes to campaign finance reform, the leadership on the other side of the aisle seems to be all about promises made and promises broken, because it is time to pass real campaign reform now.

CONFERENCE REPORT ON H.R. 2646, EDUCATION SAVINGS AND SCHOOL EXCELLENCE ACT OF 1998

Mr. GOODLING. Mr. Speaker, pursuant to House Resolution 471, I call up the conference report on the bill (H.R. 2646) to amend the Internal Revenue Code of 1986 to allow tax-free expenditures from education individual retirement accounts for elementary and secondary school expenses, to increase the maximum annual amount of contributions to such accounts, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. NEY). Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of Monday, June 15, 1998, at page H4551.)

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. GOODLING), and the gentleman from New York (Mr. RANGEL) each will control 30 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. GOODLING).

GENERAL LEAVE

Mr. GOODLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the conference report on H.R. 2646.

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

There was no objection.

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

Mr. Speaker, I rise in support of the conference report on H.R. 2646, the

Coverdell A-plus Education Savings Account legislation. These new education accounts will allow parents, grandparents, friends and others to open an education IRA for a child's educational needs.

The accounts will encourage saving for the future. It moves us from last year's post-secondary account down to a K-through-12 savings account.

Some may ask why am I supporting it since it does not include the testing prohibition language and the answer is very clear. In order to prevent this legislation from getting bogged down in the Senate, we took a different route.

Mr. Speaker, I have a letter of assurance from the Speaker and from the Majority Leader of the Senate which make its very, very clear that the text of the fiscal year 1999 Labor, Health and Human Services and Education Appropriation bill, and any supplemental or any other such legislation, will not, I quote, will not leave Congress without a testing provision that I find to be satisfactory, which of course means no test, no new national test.

If the appropriation bill, as I said, does not make it to the President's desk, then every effort will be made to include this in a continuing resolution or any other must-pass legislation.

Mr. Speaker, I will include a copy of the letter that I received from the Speaker and the Senate Majority Leader in the RECORD after my remarks.

Mr. Speaker, I thank Speaker GINGRICH and Majority Leader LOTT for their careful attention to this important issue. Senator ASHCROFT and I have labored long and hard to protect against top-down, Washington-based testing. Senator ASHCROFT's amendment and my testing prohibition bill have passed the Senate and the House, respectively, on recorded votes. Members are on record as opposing new Federal testing that is not specifically authorized by Congress. With our leadership's help, we will continue to pursue a ban on funding for the President's testing plan during the appropriations process.

Mr. Speaker, I want to thank the gentleman from Texas (Chairman ARCHER) and the other conferees for their support in retaining the Reading Excellence Act in the final conference report. This act, which the administration now supports, will provide $210 million in funding for new research, teacher training, and individual grants to help improve K-through-12 reading instruction.

The act is the House Republican counterproposal to President Clinton's America Reads program, which aims to send semi-trained volunteers into the classroom. Our reading bill will bolster the reading skills of children by providing more resources, research, and training to teachers, not untrained volunteers.

I also want to state that there is a technical error in the report regarding the participation of private schools in the program. I want to assure my colleagues that we will do everything possible to correct this error.

Mr. Speaker, a few of the other important education provisions included in the final bill are: Incentive grants to schools that produce academic excellence, public schools; incentive grants for States that implement merit pay for teachers; the allowance of the use of Federal dollars to be used for same-gender schools where comparable educational opportunities are offered for students of both sexes; and allowing weapons to be admitted as evidence in internal school disciplinary proceedings.

Finally, I would note that the Gordon block grant proposal was dropped from the bill, again in an effort to protect the bill from getting bogged down in the other body. However, I expect the Committee on Education and the Workforce will be taking action on some block grant initiative in the future.

The letter referred to is as follows:

CONGRESS OF THE UNITED STATES,
Washington, DC, June 5, 1998.

Hon. BILL GOODLING,
Chairman, Committee on Education and the Workforce, House of Representatives, Washington, DC.

Hon. JOHN ASHCROFT,
U.S. Senate,
Washington, DC.

GENTLEMEN: We are grateful to the two of you for taking the lead on requiring that testing of students remain at the state and local level. The administration's proposal to control student testing at the federal level necessarily would result in government control of the curriculum. Stopping this central government control of student testing is a very important part of our Republican plan to return our schools to the control of the parents and teachers at the local level.

We have worked with you and voted with you to pass a federal testing prohibition bill in the House and to add an amendment to H.R. 2646, the Education Savings Act for Public and Private Schools. Obviously, since this bill is under the threat of a veto by the administration and a filibuster by Senate Democrats, it does not serve our interests to pursue the ban on federal testing in this bill.

Therefore, in order to ensure that Congress will pass and send to the President a ban on federal testing, you have our commitment to support inclusion of your testing prohibition language (H.R. 2846/Amendment 2300 to H.R. 2646) in the base text of the FY1999 Labor, Health and Human Services, and Education Appropriations bill. This language will be maintained through floor action and the conference committee process. You have our commitment that this bill will not leave the Congress without a testing provision that you find to be satisfactory.

If for some reason the Labor/HHS/Education Appropriations bill does not make it to the President's desk, then we will support efforts to include this provision in any Continuing Resolution(s), or other ''must pass'' legislation in both bodies. We appreciate your leadership over the past months on this most important issue and look forward to continuing to work closely with you.

Sincerely,

TRENT LOTT.
NEWT GINGRICH.

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

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

Mr. Speaker, I am so surprised that my Republican friends on the Committee on Ways and Means, the tax writing committee, have distanced themselves so far from this bill. This is a tax bill. No one challenges that this is a tax bill.

My Republican friends are saying that this code is so complicated, so unfair, that it ought to be pulled up by its roots. And yesterday it said after we get rid of President Clinton, we will get rid of the code, which is good talk before an election. But if the code is so complicated, why would the Republicans add this fertilizer to the roots that they want to pull up?

This is supposed to be an education bill? What does it say? The gentleman from Pennsylvania (Mr. GOODLING), my good friend, never even talked about that. He talked about all of the fine efforts that we have to make to have our kids to read.

Mr. Speaker, let us talk taxes. Let us say what we are going to do for the American parents here. Because the gentleman and I agree that one of the most important things that we have to do to maintain America's competitive position is to educate our young people so that they will be able to meet the challenges of the next century.

So while all America is paused waiting to hear what is the Republican plan to better equip our children, they send a man who knows how to educate our children, who chairs the committee, who really sincerely has proven over the years his dedication for educating our children, they send him to this floor with a tax bill. So let us see the merits of the tax bill.

Mr. Speaker, if an American child has an income less than $150,000, this bill allows an account to be opened in the child's name.

□ 1045

If the child has friends, relatives, corporate figures, or anybody that loves this poor child enough, they can deposit into an account up to $2,000. There is no provision in the bill of what happens if you do not make the $2,000, but that is not important, because the government does not give you the $2,000. The government gives you a tax-free status on the interest. So if you are lucky, you can make, out of this bill, anywhere between $7 a year upwards to $37 a year, depending on your accounting system.

For those who do not want to complicate the code, what does this all mean? It is an educational bill. It means that, out of the $2,000, you can use this money to further the education of your child.

Let us take a closer look at the bill and find out. Is education schools, the renovation of schools, the construction of schools? Does it mean adding teachers to the school? Does it mean buying books and equipment for the school? No, no, no, Mr. Rangel, this is a tax bill.

What do you expect in a tax bill? Oh, I got it. The bill says that you can deduct and pay for, under this, if you

have a tutor for your child, or, if you do not have a tutor, if anyone is teaching your child, or, if you do not have anyone to teach your child, baby-sitting can be considered a part of instructing your child, or it could be transportation for your child to school. You could pay for the school bus. You could pay for the cab. You could pay for the scooter bike to get there.

There are other provisions in this bill that perhaps make a lot more sense, and that is that you can buy books. You can buy tablets. You can buy pens and pencils for your children.

I do not know whether the rest of the family can use these things, because, after all, this tax legislation means that these things have to be bought for the child. So we have to make certain that you have the school equipment on one side and what the parents would use on the other side.

If you want to get a television set, because you can get a lot of education on TVs these days, they have got educational channels, I suspect we may have to get an opinion from the Internal Revenue Service, that is, before you throw that out with the rest of the tax code, to see whether you can buy a TV.

It is disgraceful. It is embarrassing. It is a terrible hoax to play on the American people to have education associated in any way with this bill. Let me tell you one of the reasons is because nobody has given any thought to this thing. Has this thing gone to any committee for consideration? Did we not have hearings on this? Were there teachers coming down saying, for God's sake, pass this so that I can educate the children, or were the parent-teacher associations marching around the Capitol saying pass this education initiative?

My God, even the Republican National Committee is not supporting this. But it is closer to election time. Legislation is more designed for bumper stickers than it is to be passed into law. So the President, in his wisdom, will not allow the Internal Revenue Service to have to add this to the complicated code which my colleagues want to pull up by the roots. The President will spare my colleagues the embarrassment of having to administer this bill.

However, there are bills here that have been passed that make a lot of sense. In my motion to recommit, I am going to ask that we give an opportunity for Republicans and Democrats, liberals and conservatives, to do something constructive; and that is to ask the committee to go back in and to commit themselves, not to tax laws, but to education, to rebuild our schools, to vitalize our schools.

We need $172 billion for the new schools and to bring back our decrepit schools. So let this be the last time before election that we try to get bumper-sticker type of legislation.

When you say education, look somewhere and, instead of just bringing the distinguished gentleman here who has dedicated his life to education, if it is going to be taxes, bring the chairman from the Joint Committee on Taxation, and let us talk about this bill and how effective it is going to be.

Other than that, I want to see whether anybody else wants to stand up and support this.

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

Mr. GOODLING. Mr. Speaker, I yield what time he may consume to the gentleman from Pennsylvania (Mr. ENGLISH) from the Committee on Ways and Means.

Mr. ENGLISH of Pennsylvania. Mr. Speaker, I am delighted with the opportunity to appear here on behalf of this conference report. Let me tell you why I think this is important. I believe very strongly that families who save to put their kids through school, whether it is primary, secondary school, or college, whether it is a private institution or a public institution, should be able to save without having those savings taxed.

It is not a big tax break. It is a very important principle that we are beginning to enshrine in the law, and this conference committee report moves strongly forward in that direction.

I believe anyone in this chamber who shares that principle and shares that belief should be prepared to support this legislation. It is perfectly consistent, I might add, with tax reform, because this is just the beginning of the kind of tax change and tax incentive that tax reform should enshrine more broadly in the tax code.

So we have heard some rhetoric here today from the opposition to this legislation: disgraceful, embarrassing, fertilizer. Mr. Speaker, I am going to leave the fertilizer on the other side of the aisle, and, instead, rise in strong support of this conference committee report that will promote education savings and promote education excellence.

This conference agreement will allow tax-free expenditures from education IRAs for elementary and secondary school expenses as well as higher education costs. The agreement would increase the maximum annual amount of contributions for education IRAs to $2,000, which is what it should have been in the first place.

One extremely important provision in this conference report addresses the need for tax relief for prepaid tuition programs, an issue that I have advocated since I came to this Congress. I believe that people should be able to use State prepaid tuition programs for postsecondary education without a tax penalty; that we move in the direction of liberalizing the tax treatment of those programs.

This legislation will also allow both the contributions and earnings on distributions from qualified State tuition programs to be tax free, provided funds are used for higher education purposes.

In addition, private colleges or a group of private colleges may ultimately offer similar prepaid tuition programs. I have long advocated the equal treatment for private colleges and universities. While we still have a ways to go to establish tax equity for these schools, this recognition puts a mark in the law moving in that direction.

There are several other important provisions in this conference report, including the extension of section 127, employer provided education assistance through 2002. That in itself makes this legislation worth voting for, even if you do not agree or are not enthusiastic with all of the other provisions.

Mr. Speaker, this is important legislation. It may be disgraceful or embarrassing to the other side of the aisle to have this kind of bill coming out under Republican authorship. I can tell you this, I think this moves us in the right direction of making higher education more affordable, of making basic education more easy to save for with a better tax treatment.

We are moving in the right direction. I think it will be instructive to see how many people in the end stand up against this legislation.

Mr. Speaker, I appreciate the chance to participate in this debate.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. HINCHEY).

Mr. HINCHEY. Mr. Speaker, it seems that the leadership of this House has taken another poll; and in that poll, they discovered that the people of this country are concerned about the quality of education that their young family members are getting. So they come up with this brilliant idea to provide a tiny little tax cut for private schools.

This tiny little tax cut would amount to somewhere in the neighborhood of between $5 and $10 a year to families in my district. That is not even enough to buy a single textbook. That is how meaningless and disgraceful this piece of legislation is. Instead of doing what we need to do, this offers a false hope to people.

We know what is wrong with education in our country. We know that we need more teachers. This bill does not do a thing to provide more teachers. We know that we need smaller class sizes. This legislation does not do a thing to provide us with smaller class sizes.

We know that we need an infrastructure improvement program to build classrooms and to upgrade schools and existing classrooms. So many of the classrooms, most of them, are so old in this country, they cannot even be wired for the Internet. They need a complete overhaul in the wiring of the school system. This is what we need, and this is what the ranking member of the Committee on Ways and Means is offering us in his motion to recommit.

What this Congress ought to be doing is investing appropriate resources to reduce class sizes, to educate more teachers, and, most of all, to build the classrooms and build the schools and

upgrade the system so that we can modernize our schools, modernize our classrooms so that we can modernize education in America. That is what the motion to recommit would do.

The bill before us would do none of that. That is why we need to vote for the motion to recommit and defeat the legislation.

Mr. GOODLING. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. WELLER).

Mr. WELLER. Mr. Speaker, I want to thank my friend from Pennsylvania for yielding this time to me.

Mr. Speaker, I rise in strong support of this conference report. What is terrific about this conference report is it not only helps public schools, but it also helps private and parochial schools in the district that I represent.

I represent the south suburbs of Chicago, and we are fortunate to have a very strong Catholic school system in Joliet in the south suburbs as well as other faith-based and also public schools. This legislation helps both. That is what is really great about this legislation. We are helping all sorts of families, and we are helping all sorts of parents who make different choices for their kids. I realize there is some that do not want to do that, and that is why they oppose this bill.

As I look at what you can do if you set aside $2,000 a year in this education savings account, I think of the parents and public school kids who are faced with fees for textbooks and faced with whether they need to buy a laptop computer so their son or daughter can do better in a public school.

Of course, as a result of these savings accounts, they have a mechanism where they can set aside money just like an IRA and use that to meet these costs of local, public education. Of course, the kids that go to the Catholic school system in Joliet would benefit as well. That is good.

We raised those contribution limits from the current $500 to $2,000, allowing the family to set aside up to $10,000 by the time a child is ready to enter first grade.

We are concerned about public education. This legislation also makes a pretty good commitment. Right now, only 70 cents on the dollar of every Federal education dollar that we appropriate actually reaches the classroom. That means almost 30 cents of every education dollar that we appropriate here in Washington is consumed by the bureaucracy in Washington before it reaches the classroom.

This legislation makes a commitment to raise that to 95 cents on the dollar so that the money that we spend and provide to help public education back home actually reaches the classroom. That is a pretty important goal.

I also look at another provision which was also, I think, pretty significant. This legislation allows private colleges and universities to offer prepaid tuition programs that will benefit the students that go to Olivet Nazarene University in Kankakee County as well as Saint Francis and Lewis.

This is good legislation. It helps public schools, and it helps private schools. It deserves bipartisan support.

□ 1100

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. WYNN).

Mr. WYNN. Mr. Speaker, I thank the gentleman from New York for yielding me this time. I rise in strong opposition to the conference report.

Today, we are being treated to yet another episode in the continuing Republican saga of tax relief for the rich. It is also known as Robin Hood in reverse; take from the poor to give to the rich. When we look behind all the rhetoric, what we find is that the people who benefit from this bill are not everyday citizens. They only get about $7 a year out of this bill. The people who benefit are, again, the wealthiest 20 percent of Americans.

There is nothing wrong with private schools. There is nothing wrong with savings accounts. I think it is a great idea. What is wrong is when we take tax dollars away from public education, and that is what this bill does. Tax relief for the rich.

We have some problems in education. If the Republicans were serious about dealing with education, they would look inside our public school systems. Ninety percent of the students in America go to public schools. Sixty percent of Americans think we here in Congress ought to be spending more money on public education. It would seem to me that what we ought to be doing is putting our money where the students are: in public education.

How should we do this? There is a Democratic alternative that says, number one, we need smaller classes in grades 1 through 3. We need to reduce class size by hiring more teachers. I think that is a good idea. We need to build our infrastructure. We need to repair our schools. We have schools that have asbestos problems. We have schools with leaking roofs. About a third of all the schools in America have major repair problems that need to be addressed, not by some savings account gimmick but by a serious commitment of Federal funds for public education.

We also need to invest in our public schools by enabling them to have access to the Internet. Fifty percent of our schools are not capable of being wired to the Internet because they cannot accommodate the new technology. We need to address that infrastructure concern.

So when we talk about aid to education, there are two ways to go. We can go the way of tax relief for the rich or we can look at a serious commitment to repairing our education infrastructure. That is the approach the Democrats embody in their motion to recommit.

I urge rejection of the conference report. I urge adoption of the motion to recommit.

Mr. GOODLING. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. ARCHER), the chairman of the Committee on Ways and Means.

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

I am somehow puzzled over and over again as I listen to comments from the other side of the aisle, and I just listened to our previous colleague say that this takes dollars away from public education. That is totally, totally false, and he must know it if he has read the bill. Not $1 in this bill is taken away from public education. But we listen to this rhetoric spoken over and over again, on issue after issue, and I am sure that many Members might believe some of it. It just happens to not be true.

What this bill does do is give parents an opportunity to save for their children's education, which they already have the opportunity to do so, and spend that money on college education. Those programs have not destroyed the public universities of this country, nor have they taken $1 away from the public universities to put into private universities. But for some reason, the Members on the other side of the aisle want to make people believe that what we are doing here today will destroy public elementary and secondary education.

And nothing could be farther from the truth because all of the evaluations of this bill are that the savings that parents will put freely into accounts for their children will be used 75 percent for children in public education and only 25 percent for children who go to private schools. Now, that is the Congressional Budget Office's analysis of this bill.

So let us get the facts straight. These savings accounts can be used to help children with disabilities, whether they are in public school or in private school, for their special needs. These savings can be used for tutors to help children in public schools, who desperately need it, in those schools that are not attaining the same levels as we see in many other schools.

And, by the way, we should not forget that most American children are getting an outstanding education. And thanks to local school boards, good teachers and smart kids, many Americans receive a world class education. And that is one of the reasons why our Nation is the envy of the world, and we should all be proud of it. But, yes, it is true that there are other schools that are not attaining that same level and we need to be concerned about it.

But when I listen to the rhetoric from the other side of the aisle, I wonder, what am I really hearing? Am I hearing rhetoric that has been prompted by large, powerful special interests or by a concern for the children of this country? I wonder. Why do they not want choice for children in elementary and secondary education? Oh, they are

happy to give it in college. Why do they not want it for children in elementary and secondary education? I wonder. Why do they not want a higher degree of personal responsibility and local control of our elementary and secondary schools, rather than having greater and greater Federal intrusion which ultimately will take away that flexibility? Again, I wonder.

This is a good bill. It permits parents to do what we already permit, savings for college education, and gives those parents the opportunity to also use that funding, where necessary, to help their children in elementary and secondary education get a better opportunity and end up being better equipped to go out into this world.

Despite how helpful this plan is for children's education, I know President Clinton is under intense pressure from special interests to oppose our bipartisan plan. And I say to the President, ''Mr. President, do not veto this bill. Do not put the needs of special interests ahead of the needs of our children and our schools. If you support Federal money through HOPE scholarships for public and private universities, why would you oppose Federal money for public and private secondary and elementary schools?''

And if HOPE scholarships do not destroy public universities, why would educational savings accounts harm public high schools? They will not. They simply will not. But they will give another tool, not a complete answer to all of educational problems, but another tool to help parents secure a better education for their children. And that is why many Democrats, including Senator TORRICELLI and former Congressman Floyd Flake support this bill, because it is good for our children.

This legislation also expands the definition of ''qualified tuition program'' under the present law provision granting qualified State prepaid tuition plans favorable tax treatment to prepaid tuition plan sponsored by private educational institutions. Because of revenue constraints, we were not able to make this change effective immediately. However, in making this change, no inference was intended as to the treatment of certain prepaid tuition plans sponsored by private institutions under present law.

I urge a vote against the motion to recommit and a vote for this conference report, which will begin a pattern of helping to develop better education for our children.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume to agree with the distinguished chairman of the Committee on Ways and Means, and say that he is right, that the cost of this bill is not taking away from appropriations for the public schools. This is not an education bill. This is a tax bill, and he is right, it does give tax cuts to those people that have enough money to deposit in a bank account.

And I have to admit that the chairman is right when he says that we are driven by special interests. That special interest are those very special children who need so badly to get a decent education. And so, once again, I agree with my chairman. But perhaps we do not end up at the same place, at the same time, with the same bill.

Mr. Speaker, I yield 1 minute to the gentleman from Tennessee (Mr. FORD).

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

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

To my dear friend, the chairman of the Ways and Means, I would remind him, as he talks about special interests, that it was yesterday in the United States Senate where our majority leader in the Senate and others rejected a tobacco bill that was sponsored by Mr. MCCAIN and which many Democrats and Republicans had worked so tirelessly on. It was special interests, namely cigarette makers, that caused us to reject that bill and might cause us to retard public health efforts on behalf of children in this Nation.

But I rise in opposition to this conference report. I would agree with my colleagues on both sides of the aisle that reform is needed sorely in our public school system, in our education system in America. But if we listen to educators and we listen to parents and we listen to students, they talk tirelessly about the need to have more teachers in schools, about reducing class sizes.

I come from a district where the average class size is 35 pupils per teacher. I come from a district where, in the final 2 weeks of school, 3 dozen schools had to close early because they had no air-conditioning. The only reason they stayed open for half the day was to still qualify for funding, Mr. Speaker, for state funding for their school system for the following year.

Without a doubt, all we are talking about as Democrats will not solve all the problems. But, clearly, savings accounts will not do it alone. Thomas Jefferson said that any Nation which expects to be free and ignorant at the same time, expects what never was and never will be.

Let us work together, Democrats and Republicans, and do what is right for our kids, do what is right for parents, do what is right for America.

Mr. GOODLING. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. SAM JOHNSON).

(Mr. SAM JOHNSON of Texas asked and was given permission to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, last year the President signed with great fanfare the Taxpayer Relief Act, which allowed parents to invest up to $500 of their own money in education savings accounts to help send their kids to the college of their choice.

Now we are asking the President to give these same parents the ability to use that same money for elementary and high school expenses as well. And this bill gives parents, grandparents and friends the ability to invest up to $2,000 to send their children to the best schools available, from kindergarten through college.

I do not know about the President, but we should want every child to succeed. We ought to give him that chance. It is the American way. With this additional flexibility, parents can send their children to the safest, most academically challenging schools in America. But the President says he is going to veto this pro-family, pro-education bill because he cares more about the teachers' unions than the children stuck in bad schools.

This bill has strong bipartisan support and it is time for our President to give every child in America the same chance to succeed that his daughter was given. We must pass this conference report.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Mrs. LOWEY), who has dedicated her political career to improving the quality of education for our young people.

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

Mrs. LOWEY. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL), our leader on this important issue, for yielding me this time. And I rise in strong opposition to this conference report and in support of the school modernization motion.

My colleagues, just come visit some of the schools in our communities. The classrooms are overflowing and the students are trying to learn in hallways. Is Congress addressing this crisis? No. The leadership of this Congress has chosen, instead, to push through a flawed bill that will please their favorite special interests but do practically nothing for the majority of American families. The solution is not an arcane tax change, it is investing in education.

Last year, 120 Members of this Congress showed their commitment to America's children by cosponsoring the Partnership to Rebuild America's Schools. This session we have a similar proposal, which the gentleman from New York (Mr. RANGEL) and I and others introduced, called the Public School Modernization Act. Our program will make interest-free loans available to school districts across the country through the Tax Code. Under the bill, school districts will be able to issue special bonds at no interest to fund the construction or renovation of school buildings, and the Federal Government will pay the interest on these bonds.

My colleagues, we simply cannot ignore the poor physical conditions of our schools any longer. The GAO found that $112 billion is needed nationwide to just bring our schools into adequate condition. Rural, suburban and urban districts all face serious problems. It is

common sense. Children cannot learn in severely overcrowded schools and when classroom walls are falling down around them.

In New York, where the gentleman from New York (Mr. RANGEL) and I come from, a survey my office conducted found that 25 percent, one in four, of New York City public schools hold classes in bathrooms, locker rooms, hallways, cafeterias and storage areas. Almost half of our school buildings have roofs, floors and walls in need of repair.

A report by the New York City Commission on School Facilities revealed some startling realities: nearly half of the City's school children are taught in severely overcrowded classrooms. Two hundred and seventy schools need new roofs. Over half of the City's schools are more than 55 years old, and approximately one-fourth still use coal burning boilers.

Quite recently, Congress overwhelmingly passed a $200 billion bill to build and maintain our nation's highways. I support this investment. But shouldn't we also be investing in the future of our children? Regrettably, the Republican leadership has time and time again refused to support efforts to rebuild our schools.

This bill is the wrong approach. Investing in our schools is the right one. Support the school modernization motion. It is time that we come to the aid of our schools and our children.

Mr. Speaker, I urge my colleagues to reject this bill and support the motion to recommit.

□ 1115

Mr. GOODLING. Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky (Mr. BUNNING), a member of the Committee on Ways and Means.

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

Mr. BUNNING. Mr. Speaker, I rise in strong support of this conference report for the Educational Savings Act.

I am especially gratified that the report includes $1.5 billion in tax cuts for students enrolled in state prepaid tuition plans. And I thank my chairman the gentleman from Texas (Mr. ARCHER) for his help with this.

Last year, in the Balanced Budget Act, we cut taxes by $2 billion for these families. Now this report wisely gives further tax relief to those families who are investing for their children's future.

Unfortunately, it sounds like the President is going to veto this bill. That would be a real shame, Mr. President. These tax cuts would help over 3,000 Kentucky students to attend college. Their families have already invested over $7 million in our state prepaid tuition plan, and I think we need to do what we can to help them.

Mr. Speaker, I urge a vote for the conference report and for these students who need our help.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. FILNER).

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

I, too, rise in opposition to the conference report, the so-called education savings account legislation. This bill is simply private school vouchers by another name. Who do we think is going to be taking advantage of these accounts? Not the majority of our parents, who have little left after their monthly expenses. These IRA type accounts will obviously favor privileged families who are more likely to have more money to put into the account.

This bill will be an encouragement for well-to-do families to send their children to private schools, offering taxpayer financial subsidies for private schools, while doing nothing, nothing, Mr. Speaker, to improve America's public schools.

This bill diverts urgently needed funds from our public schools. Opposite to the thrust of this legislation, we should be passing Federal legislation to direct our limited resources into public schools, where over 90 percent of American children are educated.

Instead of subsidized education for the wealthy, we need to put our resources toward reducing class size in our public schools, modernizing and refurbishing our public schools and improving teacher training for our public schools.

As Julian Bond, Chairman of the Board of the NAACP, said recently, we should not take Federal dollars out of public education just when it needs help the most. This bill is just the latest in a long series of attempts to benefit the wealthy and to do nothing to help our middle class and lower income families.

As a matter of conscience and in support of the vast majority of Americans and their children, I urge my colleagues to oppose this ill-conceived legislation.

Mr. GOODLING. Mr. Speaker, I yield 3 minutes to the gentleman from Alabama (Mr. BACHUS).

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

Mr. BACHUS. Mr. Speaker, one does not have to be a rocket scientist, one does not have to be an economics professor to know that many families today are struggling to pay their child's college education. Both sides of the aisle would agree with that.

In fact, college tuitions have increased 234 percent since 1980. Now, this prices many families out of a college education. Others have had to go deep in debt to send their children to college.

As a matter of fact, parents and children attending college have borrowed more money for college education in the 1990's than in the 1960's, 1970's, and 1980's.

Now, I was an elected member of the Alabama State School Board, and we were faced with this problem in Alabama, one of our poorer states, people unable to send their children to college. And we were one of the first 3 states to devise a prepaid tuition plan where parents could put away a little money each month and when their children reached college age they could take that fund and then pay for their college tuition.

I am glad to say today that 43,000 Alabama children are enrolled in our prepaid college tuition plan. 18 other states have made similar moves and have prepaid tuition plans.

We have heard about Kentucky from the gentleman from Kentucky. And it is my understanding that most other states expect to start their own plans in the near future and these plans will help make college a reality for many, many children.

It is because of that that I rise today in strong support for this conference report, for this conference report is good news for all those families and all those children enrolled in those prepaid tax plans.

There was bipartisan support for this provision, a provision which I introduced originally in this Congress 2 years ago and again last year and has been included in the conference report which makes savings and state prepaid tuition plans tax free. Can we all not agree that no tax makes less sense than one that punishes families for saving for their children's college education?

We should be rewarding families who save for their child's college education, not penalizing then. The current law penalizes them. When they draw that money out, they have to pay taxes on it. This conference report changes that.

For that reason, I congratulate the conferees and I urge my colleagues to support this legislation.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentlewoman from California (Ms. ROYBAL-ALLARD).

Ms. ROYBAL-ALLARD. Mr. Speaker, I rise in opposition to the conference report and in support of the motion to recommit. There is no question that parents have the right to choose the best possible education for their children. Unfortunately, this bill does not accomplish this goal.

Instead of opening doors to a better education for all of America's working families, this bill primarily benefits a small percentage of families who could afford to save as much as $2,000 a year and send their children to private schools. To meet the needs of the majority of American children, we do not need another tax shelter for the wealthier Americans, what we need is to invest our scarce Federal resources in our public schools, where over 90 percent of American children are taught.

Our Nation's public schools need funds for books, computers, and well-trained teachers and they critically need funding for repairs and school construction in urban and rural communities where our public schools are overcrowded and literally falling apart.

According to the American Society of Civil Engineers, our public schools are in worse shape today than any part

of our Nation's infrastructure. And based on current growth, it is estimated that we will need to build 6,000 new schools over the next 10 years just to maintain current class size.

The motion of the gentleman from New York (Mr. RANGEL) addresses this crisis by creating a tax credit to help state and localities build new schools and make desperately needed repairs. Investing in our public schools benefits all of America's children, not just a few.

I ask my colleagues to defeat the conference report.

Mr. GOODLING. Mr. Speaker, I yield 3 minutes to the distinguished majority leader, the gentleman from Texas (Mr. ARMEY).

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

Mr. Speaker, let me say from the outset, what the American people want and need for their children and what this Congress wants and needs for the children of America with respect to education is exactly the same thing. We need to have the most effective public school system in the world.

I believe that it was not very many years ago when we could stand up proudly in this Nation and say that. I believe when I was a child going through public schools that this Nation could stand up and say before the world, we have the best, most accessible public education for the children of America than any nation in the history of the world. I believe at that time in America we were in fact the envy of the world for what we were able to do and were in fact doing in the education of our children.

But something has changed, Mr. Speaker. Something has changed, and it is a matter of enormous concern and heartbreak to the American people. We cannot say that anymore. And our children are paying the cost. We are not concerned here with children who fail in school so much as we are concerned with schools that are failing America.

And while throughout America we still have some fine examples of good schools, public and private, where the parents are pleased and the children are proud and the teachers are caring, we need to cherish them and we need to have a way to get them to be more a model for the other schools.

Because tragically, Mr. Speaker, we have schools in America that are failing the children. We have got to ask ourselves what is missing here. Why is it that some schools can succeed and so many other schools can fail, sometimes a school with a lesser budget can succeed? It is not always about money. I think it is about something more important than money. I think it is about a lot of things.

This bill that we have before us today is about one of the things. And if anybody thought, and certainly I do not, that this was the entire solution to the problem, they would be naive. But part of the solution is accountability. When schools are accountable to parents, schools do better.

How do parents make a school accountable to them? Well, first through local control. When the parents in their local community elect a school board and hold a school board accountable, as a school is held accountable by the school board, it works. But also by direct control.

When the school administrator and the teachers know that the parents can and will and have the resources to pick up their child, take the child from the school that is letting the child down and put that child into school where the child will do better, it perks up their attention. They realize the need.

One principal not too far from Washington, D.C., when faced with parents that had choices and were using those choices to move their children, said very clearly, ''we have got to do better or we will lose the children.''

Now, what does this bill say? It says to some of those parents, if you have the means to save your own money so that you can in your own savings put together a scholarship opportunity for your child and move your child, you should get a tax break for that, the earnings from that savings should be tax exempt.

We have had other bills on this floor, bills that were equally resistant, that said to some parents of low incomes, if you do not have those means, we will provide with you scholarships. They, too, were resistant.

We are not here to defend the public schools. Of course, we know they are all precious. But we are here to improve the public schools. We are here to give them the opportunity to see the challenge that lies before them and respond to it in a meaningful way by emphasizing to them through the actions of the parents that they must be accountable to the parents and the service in the lives of the children.

Why should we trust the parents, Mr. Speaker? Very simple. The parents are and will be and always have been the first best most dedicated teacher in that young child's life. Nobody cares more. Nobody lives more with the consequences of that child's education other than the child himself. And when the parents are able to affirm that, the schools will respond to it and we will again some day have the best public schools in the world, what our children deserve.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from North Carolina (Mr. ETHERIDGE).

Mr. ETHERIDGE. Mr. Speaker, I thank the gentleman from New York for yielding.

Mr. Speaker, I rise today to call on this House to reject the conference report on the latest voucher bill.

□ 1130

Make no mistake about it. This is a bad bill. We have heard talk about all kinds of things. It really is about a voucher bill and it is not about the good things that happen in our public schools. There are a lot of good schools. I am so tired of coming and hearing people bad-mouth our teachers and bad-mouth our schools. That is why I ran to come here, and I really thought I would see the rhetoric change. I am sorry to say that from some in this body, it has not changed.

As a former elected chief of North Carolina's public schools, I know that using taxpayers' money to finance private school tuition is the wrong way to improve public schools in this country. It will absolutely not do it. This bill takes the taxpayers' money, almost $2 billion, to subsidize private schools at the expense of our neighborhood public schools who badly need the money, and that is wrong.

I call on this Congress to pass legislation to address the school construction crisis in this country. I will not go over the details. My colleagues have already heard them. I have introduced H.R. 3652. There are other bills that will provide revenue from this voucher bill to be used for school construction bonds in some of the fastest growing and most critically needed communities in this country.

If we want to help public schools, do something about it and quit talking about it and put the money out there to help children and not to help a select few but help all of them because all of them are part of this great country we call America.

Mr. GOODLING. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. FOSSELLA).

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

Mr. FOSSELLA. Mr. Speaker, I thank the gentleman from Pennsylvania for yielding me this time.

Mr. Speaker, let me just state out front that I have heard repeatedly that this is going to take money away from public education. I just urge those who are curious to read the bill and determine and find out for themselves that this does not take money away from public education. Indeed what it does is serve to improve education. Clearly there has been no stronger fighter in my mind than I am in this Congress, and before this I was elected to the New York City Council and served on the Education Committee and continually fought to improve education for the people of my community in Staten Island and Brooklyn and across this country.

In the last couple of weeks, we have seen, I guess, a critical point in terms of discussing the future of education, and, if you will, a line in the sand has been drawn. Our majority leader the gentleman from Texas (Mr. ARMEY) introduced a bill to provide, as he stated earlier, to the low-income people of Washington, D.C., 2,000 scholarships. There were parents who prayed that they would actually be able to send their child to a school of their choice. This House passed that legislation. It was quietly vetoed by the President,

thereby depriving some of those most vulnerable out there the opportunity to send their kid to a school of their choice.

Now we have another great opportunity before us today. Here we again continue to question the common sense of ordinary Americans. We just throw it out there, folks. Is it the folks here in Washington or the folks in your local towns, whether it is Capitol Hill or your State capital or city hall that is in the best position to determine where to send your child? Or is it the parents of America? All this bill does is allows the parents the opportunity that they have been deprived of for far too many years to send their child to the school of their choice so that they can invest in their most precious resource, their children.

If we really believe in the future of this country and we believe in education, we will pass this conference report.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. MENENDEZ).

Mr. MENENDEZ. Mr. Speaker, the conference report before us is what the Republican agenda for education boils down to: providing education tax credits for a limited population of parents who chose and have the money to send their children to private schools versus helping the 90 percent of the students that are in public schools today, 90 percent, which is where the educational future of the Nation will be determined.

Public schools face much pressure from the growing rates of enrollment, large class size, increased violence and finding qualified teachers. As they face all of these pressures, we need to make sure they have the capability to impart knowledge and learning skills to our children. That is not what this bill does. I do not understand how taking money away from public schools provides for accountability. With limited resources, teaching children is not easy to do. We have an obligation to see that the schools do their job, but this bill certainly does not do it.

In New Jersey, my home State, we have schools in crucial need of modernization as reported by the New Jersey Supreme Court. I have visited public schools throughout the State. I have seen the crumbling ceilings, the exposed pipes, the fading blackboards, the lack of ability to connect to the new technology that will make us competitive in the next century. These tours indicate that we simply cannot ignore the needs of our students any longer when it comes to the poor physical condition of our schools.

New Jersey public elementary and secondary schools will see an increase of over 100,000 students in the next 10 years requiring over 4,000 more new classrooms or else we will have even greater class sizes. We know that over a thousand of our schools are over 50 years old, many more from the turn of the century, and these statistics are replicated across the country. This bill does nothing to meet the needs of those schools or those students.

Let us vote for the Rangel motion to recommit so we can help our public schools, where 90 percent of the public's interest and the educational future of the Nation will be served. That is the way we should be voting. Vote for the motion to recommit.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. BENTSEN).

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

Mr. BENTSEN. Mr. Speaker, is it not a little bit ironic that yesterday the House voted to repeal the Federal income tax code and yet today we are going to vote on legislation to create yet another loophole in the income tax code. We are kind of going in the wrong direction.

My dear colleague from Texas, the majority leader, I think put it best about this legislation when he said, ''If you have the means.'' That is what this is about. This legislation is not going to help middle-class families. It is not going to help families that are struggling, that may be in difficult school districts. It is going to help families that have the means to set aside $2,000 a year which they are going to have to let sit for a while until they get enough income to pay for private schools. This is a band-aid approach to a real problem.

The gentleman from New York has an approach to try and address the school problem for a larger number of American students and that is the approach we ought to be taking. This is nothing but a tax break for people who are not asking for it and who do not need it, and we do not even know how we are going to pay for it. I am afraid this is a precursor to what we are going to see with Social Security and everything else, is if you have the means, you are okay but if you do not, you are on your own.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, I rise in strong opposition to the conference report. This bill is yet another attempt by the Republican leadership to gut public education and tear desperately needed dollars away from our public schools. The legislation will do nothing to improve the education of millions of middle- and working-class kids in this country. The average middle-class family would find itself with a measly $10 benefit a year, not nearly enough for a working family to afford the cost of a private high school.

We need to focus on improving the schools that serve 90 percent of America's children, the public schools. We need to invest in technology and computers for our classrooms. That is what the motion to recommit by the gentleman from New York (Mr. RANGEL) does. If we are serious about improving education in our country, we will reject the dangerous bill before us. Passing this bill is like waving a white flag. Passing the bill means giving up on public education, abandoning millions of children who only want that opportunity to succeed. Having a chance in America means having access to a first-rate education.

Let us not turn our backs on these children. Let us deal with legislation that helps America's children, not just a token few. Reject the conference report. Vote for the motion to recommit.

Mr. RANGEL. Mr. Speaker, I yield the balance of my time to the gentleman from Missouri (Mr. GEPHARDT), our distinguished minority leader.

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

Mr. GEPHARDT. Mr. Speaker, I urge a ''no'' vote on the conference report, and I urge an ''aye'' vote on the Rangel motion to recommit. I believe with all my heart that this issue, education and child rearing, is the most important issue that faces us as a people. We have never needed more in our history to have well-educated, mentally capable young people.

In my home State of Missouri, the only issue that really dominated the State legislature was how we could go from 30,000 to 60,000 prison cells over the next 5 years, a symbol of failure of our child rearing and our education system in this country.

I am tough on law and order and so are my constituents. But I say to my constituents, you cannot afford what we are doing. We cannot afford to hold a million and a half people in prison, to carry them, to keep them because they are unsafe to have in our society. We also know that if we raise children correctly, they will not get into trouble. They will not be dysfunctional citizens. But we also know our society has changed dramatically. People are not at home to raise children as they once were. That is a fact of life. We are not going to change that. And so we have to put the investment into education so that children are raised correctly.

What this bill misses entirely is that there is a whole revolution going on out in public schools to fix the schools to meet the need. In my district, I have a school in the inner city that is getting great results. The kids get great grades. I went there and I asked them how they are doing it. They said, we have parents as first teachers in the public school to teach parents how to be better parents and how to raise children. They have preschool in the public school. They have after-school in the public school, so children are engaged even at age zero, age 6 months, age 1 year, age 3 years in constructive, professionally run activities so they can be productive citizens when they come out of the education process.

Does this bill support that effort that is going on in Shepherd School in my district? I daresay not. What this bill offers is $7 a year to the families that

are sending those kids to Shepherd School. No, what Shepherd School needs is not this bill. This is a silly bill. It is a frivolous bill. It is not serious about public education. Seven dollars a year to families in my district fighting to get their kids a good education is frivolous.

The Rangel substitute would offer real help to the people at Shepherd School. What do they need? They need bigger classrooms. They need a competent building. They need computers in the classrooms. They need help, real help. Listen to Paul Vallas, CEO of the Chicago Public Schools. This is somebody that is on the line every day. Mayor Daley in Chicago said, ''Give me the schools, give me the responsibility, and we will fix them,'' and he is fixing them. He put his best person on this job. Here is what Paul Vallas says. He says this bill, the Coverdell bill, is really designed to give more affluent people compensation for decisions they already made to go private. That is all it is. This does not help public education. It does not help the people that are out there in the crucible of the fight to fix public education. It helps just a few people who have already chosen to send their kids to private schools. What a shame this is. What a missed opportunity this is.

I urge Members to vote for the Rangel substitute, which gives real, tangible help to the real revolution that is going on out there in the real world to fix the public schools so all of our kids are productive citizens, and vote against a frivolous, unserious, ridiculous piece of legislation that does nothing but help the privileged few.

□ 1245

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

First of all, I want to make sure everybody understands it does not take 1 penny from public education. If it did, I would not support it.

But secondly, all these people who are down here now crying about how much we need, how much help we need to repair schools, to reduce class size.

For 20 years I sat here in the minority and said, ''Would you put your money where your mouth is on your one mandate, your curriculum mandate for special education where you would get millions and millions of dollars into school districts, where the pairs are needed,'' and I could not get 1 penny from that majority.

Now they talk about trying to do something to help public schools. Well, let me tell them, if we put our 40 percent of excess costs into special education, which is where the mouth was, but the money was not put there, Los Angeles school district would get an additional $74 million. New York City would get about $50 million. Chicago would get $40 million. Just in 1 year, just in 1 year, and they talk about coming here, telling us they are doing a dispirited kind of thing. They are not helping public education.

I have tried, I have tried, I have tried to get them to put their money where their mouth was for 20 years, and then we would not have the problems we have with school districts where buildings are falling down and where classes are way too large.

So I would remind everyone there is not 1 penny going to public schools in this bill except in reading excellence. They talk about helping schoolchildren. If 40 percent of the children are not doing well in reading in public schools by the end of third grade, what do we do about it? Not what the President wanted, but he got an agreement with the Committee on the Budget that said that much money would be put there. We rewrote the bill in a bipartisan manner to help those children because, if 40 percent are not doing well, obviously we have to start with teacher training. Obviously we have to deal with the lack of ability of the parent to help the child become reading ready. Obviously we have to deal with reading readiness programs before the child comes to school.

So let us put our money where our mouth is, and then we can solve all of those problems back in the local level because the millions those districts that need it the most would get is just unbelievable, and that is just in 1 year.

So I would encourage my colleagues, this is one step, and the second step is to do the funding in the special ed mandate that we promised we would do, and then we can make the changes, not by having more programs. That is what we have done those 20 years. Everybody came with another program. They watered them down to the point where we got pennies here, pennies there if there was someone that could fill out the appropriate papers in order to get the grant in the first place. Nobody ever said anything about quality. Nobody ever said anything about the problems that they had back in the local districts. We said we know from the Federal level this is the way it should be done, do it, and send them pennies to do it.

So let us start with this little piece today and let us really work on how to help local school districts take care of the needs they have as far as buildings are concerned, as far as reading readiness is concerned, as far as class size is concerned. They can do it, if we give them the money that we promised them 25 years ago.

So I would ask all to support this legislation, and then let us move forward to do the things that have to be done to make sure those public schools that may not be doing as well as they should be, and I will be the first to say that most public schools are doing well, but those that are not, we can give them the kind of help that they need.

Mr. PAUL. Mr. Speaker, I appreciate the opportunity to explain why I oppose the Conference Report of the Parent and Student Saving Account Act (H.R. 2646). This, despite having been an original cosponsor, and having been quite active in seeking support, of the original House bill. I remain a strong supporter of education IRAs, which are a good first step toward restoring parental control of education by ensuring parents can devote more of their resources to their children's education. However, this bill also raises taxes on businesses and expands federal control of education. I cannot vote for a bill that raises taxes and increases federal power, no matter what other salutary provisions are in the legislation.

I certainly support the provision allowing parents to contribute up to $2,000 a year to education savings accounts without having to pay taxes on the interest earned by that account. This provision expands parental control of education, the key to true education reform as well as one of the hallmarks of a free society. Today the right of parents to educate their children as they see fit is increasingly eroded by the excessive tax burden imposed on America's families by Congress. Congress then rubs salt in the wounds of America's hardworking, taxpaying parents by using their tax dollars to fund an unconstitutional education bureaucracy that all too often uses its illegitimate authority over education to undermine the values of these same parents!

I also support the provisions extending the exclusion of funds received from qualified state tuition programs, and excluding monies received from an employer to pay for an employee's continuing education from gross income. Both of these provisions allow Americans to spend more of their resources on education, rather than hand their hard-earned money over to the taxman.

Returning control over educational resources to the American people ought to be among Congress' top priorities. In fact, one of my objections to this bill is that is does not go nearly far enough in returning education dollars to parents. This is largely because the deposit to an education IRA must consist of after-tax dollars. Mr. Speaker, education IRAs would be so much more beneficial if parents could make their deposits with pretax dollars. Furthermore, allowing contributions to be made from pretax dollars would provide a greater incentive for citizens to contribute to education IRAs for others' underprivileged children.

Furthermore, education IRAs are not the most effective means of returning education resources to the American people. A much more effective way of promoting parental choice in education is through education tax credits, such as those contained in H.R. 1816, the Family Education Freedom Act, which provides a tax credit of up to $3,000 for elementary and secondary expenses incurred in educating a child at public, private, parochial, or home schools. Tax credits allow parents to get back the money they spent on education, in fact, large tax credits will remove large numbers of families from the tax roles!

Therefore, I would still support this bill as a good first (albeit small) step toward restoring

parental control of education if it did not further expand the federal control of education and raise taxes on American businesses!

In order to offset the so-called ''cost to government'' (revenue loss) H.R. 2646 alters the rules by which businesses are taxed on employee vacation benefits. While I support efforts to ensure that tax cuts do not increase the budget deficit, the offset should come from cuts in wasteful, unconstitutional government programs, such as foreign aid and corporate welfare. Congress should give serious consideration to cutting unconstitutional programs such as ''Goals 2000'' which runs roughshod over the rights of parents to control their children's education, as a means of offsetting the revenue loss to the treasury from this bill. A less than 3% cut in the National Endowment for the Arts budget would provide more funding than needed for the education IRA section of this legislation.

Mr. Speaker, we in Congress have no moral nor scientific means by which to determine which Americans are most deserving of tax cuts. Yet, this is precisely what Congress does when it raises taxes on some Americans to offset tax cuts for others. Rather than selecting some arbitrary means of choosing which Americans are more deserving of tax cuts, Congress should cut taxes for all Americans.

Moreover, because we have no practical way of knowing how many Americans will take advantage of the education IRAs, or the other education tax cuts contained in the bill, relative to those who will have their taxes raised by the offset in this bill, it is quite possible that H.R. 2646 is actually a backdoor tax increase! In fact, the Joint Committee on Taxation has estimated that this legislation would have increased revenues to the Treasury by $24 million over the next eight years!

It is a well-established fact that any increase in taxes on small businesses discourages job creation and, thus, increases unemployment! It is hard to see how discouraging job creation by raising taxes is consistent with the stated goal of H.R. 2646—helping America's families!

Mr. Speaker, this bill not only raises taxes instead of decreasing spending, it increases the federal role in education. For example the conference report on H.R. 2646 creates a new federal program to promote literacy, the so-called Reading Excellence Act. This new program bribes the states with monies illegitimately taken from the American people, to adapt programs to teach literacy using methods favored by Washington-based ''experts.''

Mr. Speaker, enactment of this literacy program will move America toward a national curriculum since it creates a federal definition of reading, thus making compliance with federal standards the goal of education. I ask my colleagues how does moving further toward a national curriculum restore parental control of education?

This bill also creates a new federal program to use federal taxpayer funds to finance teacher testing and merit pay. Mr. Speaker, these may be valuable education reforms; however, the federal government should not be in the business of education engineering and using federal funds to encourage states to adopt a particular education program.

While the stealth tax increase and the new unconstitutional programs provide significant justification for constitutionalists to oppose this conference report, the new taxes and spending are not even the worst parts of this legislation. The most objectionable provision of H.R. 2646 is one that takes another step toward making the federal government a National School Board by mandating that local schools consider a student's bringing a weapon to school as evidence in an expulsion hearing.

The issue is not whether local schools should use evidence of possessing a weapon as evidence in a discipline procedure. Before this Congress can even consider the merits of a policy, we must consider first whether or not the matter falls within our constitutional authority. The plain fact is as the tenth amendment to the Bill of Rights makes clear, Congress is forbidden from dictating policy to local schools.

The drafters of the United States Constitution understood that to allow the federal government to meddle in the governance of local schools, much less act as a national school board, would inevitably result in the replacement of parental control by federal control. Parents are best able to control education when the decision making power is located closest to them. Thus, when Congress centralized control over education, it weakens the ability of parents to control, or even influence, the educational system. If Congress was serious about restoring parental control on education, the last thing we would even consider doing is imposing more federal mandates on local schools.

In conclusion, although the Conference Report of Parent and Student Savings Account Act does take a step toward restoring parental control of education, it also raises job-destroying taxes on business. Furthermore, the conference report creates new education programs, including a new literacy program that takes a step toward nationalizing curriculum, as well as imposes yet another mandate on local schools. It violates the Tenth Amendment to the Constitution and reduces parental control over education. Therefore, I cannot, in good conscience, support this bill. I urge my colleagues to join me in opposing this bill and instead support legislation that returns education resources to American parents by returning to them monies saved by deep cuts in the federal bureaucracy, not by raising taxes on other Americans.

Mr. HASTERT. Mr. Speaker, I rise in strong support of the Conference Report accompanying H.R. 2646, the Parent and Student Account PLUS Act of 1998 (PASS A+) and wish to commend Chairman ARCHER and Senator COVERDELL for their work on this important bill. As an original cosponsor of this legislation I am pleased that today Congress is taking a positive step forward toward helping America's families with their efforts to educate their children.

Mr. Speaker, our nation's schools face a growing crisis and it is clear that improvements need to be made. Consider the following evidence: Nearly 40% of students do not feel safe in school and 2000 acts of violence take place in schools each day; U.S. eighth-graders recently placed 28th in the world in math and science skills; almost one out-of-three college freshman require some remedial instruction; and 40% of all 10 year-olds cannot meet basic literacy standards.

Mr. Speaker, the current state of America's K–12 education system is a serious threat to the health of the economy and to the future prosperity of American children. Thus far, school reform initiatives have focused on increasing funding to public schools. Since 1983, government funding to public K–12 schools has increased by 44 percent and average per-student spending has increased by 32 percent. Total spending for public K–12 education now totals nearly $300 billion per year. Yet for all these increases in federal government spending, our children are falling farther behind the children of other nations. In short, Washington-based solutions to our school's problems have not worked; nor are they likely ever to work.

Mr. Speaker, to combat the pressing problem of a troubled educational system, I cosponsored the Parent and Student Savings Account Plus Act (PASS A+). This bill allows parents, grandparents, or scholarship sponsors to donate up to $2,000 a year per child with the buildup of interest within that account to be tax-free if used for the child's education. Money from this fund could be used to pay for tuition, books, supplies, computer equipment, transportation, and supplementary expenses required for the enrollment or attendance of a student in an elementary or secondary public, private, or religious school—even associated costs for home schooling are covered.

Mr. Speaker, the PASS A+ legislation is important because it provides American families with the one educational tool we know works—a choice. While our Nation's K–12 public schools have fallen farther and farther behind, our higher education system of colleges and universities continues to be the envy of the world. Why? simply put, colleges and universities must compete for students and their education dollars. This competition has forced colleges and universities to focus on excellence and improvement and the results speak for themselves.

Mr. Speaker, PASS A+ works for parents and families because it helps them help themselves. If their local school will not provide the education their children need, this legislation will allow them to choose an alternative. In the same vein, if their public school is working, the proceeds from these accounts can help parents provide important educational tools for their kids—like a computer. In short, this bill is a ''win-win.'' It helps all kids, in all schools. I urge my colleagues to vote for our kids and support the Conference Report.

Mr. CLAY. Mr. Speaker, the tax scheme contained in this bill is nothing more than a back door vehicle for subsidizing families who want to send their children to private elementary and secondary schools. It is designed to create a tax shelter for families of high incomes, while leaving nothing for families that don't even have enough to pay for their retirement.

According to the Department of Education, these tax provisions would give an average tax break of $96 for families earning $150,000. However, for poor families, the average benefit would be only $1.

Rather than pursuing this shamefully regressive tax scheme, we should strengthen our public schools, where 90 percent of our Nation's children attend. We should address the problems of leaky roofs and overcrowded classrooms. We should target funds for school renewal in our country's poorest school districts. Finally, we should move to reduce class sizes—a proven strategy for enhancing student achievement.

Mr. WELDON of Florida. Mr. Speaker, the American people expect all of us—

Democracts and Republicans—to work together to improve the education for our children. This bill, the A–PLUS Savings Accounts for children, will expand education opportunities for all children in grades K–12. We owe this to our children. As Washington Post columnist Charles Krauthammer put it, the ''great crisis in American education is not at the university level. It is at the elementary and high school levels, where thousands of kids—particularly inner-city minority kids—are getting educations so rotten that their entire life prospects are blighted.'' Indeed, do any Members of this Congress send their sons and daughters to D.C. public schools? Does the Vice-President? Does the President? No, they do not. Why, because they know that their children will not be prepared for college or the workforce. As one of Jesse Jackson's campaign organizers has noted. I believe that the Clintons should not be the only Americans in public housing with an opportunity to send their children to a private school.

This bill will help all parents send their kids to any school they choose so that their children can get the best education possible. All children will benefit because any relative, individual, or business could contribute up to $2,000 in annual contributions per child to an account that will help pay for educational expenses. The money could be used for any school: public, private, parochial, or home school, or it could be used for tutoring, school uniform costs, or children with special needs. In addition, this bill addresses other problems in our classrooms which sorely need help; literacy programs, phonics, teacher testing and merit pay, and tax-free state college savings programs. The bill has all the right elements for education success: common sense, more dollars directly to the classroom, scholarships for needy students, and strategies that will lead to better teaching and learning. Let's put the interests of all children first, not Washington lobbyists and special interest. Let's pass H.R. 2646.

Mr. FAZIO of California. Mr. Speaker, the Republican 105th Congress has failed to act on legislation to improve American schools and instead has wasted time on extreme anti-public education legislation. The Coverdell private school savings account bill is just one of a number of efforts that serve only to undermine the education of many in order to benefit a few. Costing taxpayers hundreds of millions of dollars, Coverdell essentially subsidizes upper income families who already send their children to private and religious schools.

Let's put that money into improving the institutions which educate more than 90 percent of our elementary and secondary students. Specifically, construction for our nation's schools should be a top priority in our education initiatives. The Department of Education recently released a report highlighting the need for expanding our nation's classroom space. America's K–12 enrollment will be at an all time high of 52.2 million this fall, and by 2007 this number will reach 54.3 million.

However, despite this cause for action, this Republican Congress has refused to heed the call for a school construction initiative which calls for $5 billion in federal support to deal with the current crisis both in overcrowding and in crumbling school facilities. It is our responsibility to provide our children with an environment that is adequately equipped and conducive to learning.

Whether it be a push for vouchers or private school savings accounts, Republicans continue to ignore and undermine the needs of the majority of our nation's children. Time and time again, real concerns such as school construction are sacrificed in the Republican's narrow agenda.

Mr. RILEY. Mr. Speaker, the most important thing we can do for the future of our nation is to insure that each and every child in America is given the opportunity to receive the best education possible. I believe that it is our duty to prepare the next generation to meet the challenges of the 21st Century. The Parents and Students Savings Account Plus Act does just that. By allowing Educational Savings Accounts to be used for primary, secondary or higher education, this legislation gives our children the opportunity they deserve.

First and foremost, this legislation expands tax free expenditures from Education Savings Accounts to include elementary and secondary school expenses. Savings from these accounts can be used for tuition, tutoring, transportation, books, uniforms, and computers.

Most importantly, the measure increases to $2,000 per year the maximum amount of contributions that may be made to an Educational Savings Account. Contributors can include relatives, friends and corporations as parties who may contribute to this account.

Mr. Speaker, this legislation gives parents more control over their children's education and is an important tool in making schools more accountable to parents. Parents, not government will decide how to best spend their money on their child's education.

I urge all of my colleagues to vote in favor of the Conference Report.

Mrs. MINK of Hawaii. Mr. Speaker, I rise today in strong opposition to the Conference Report on H.R. 2646, a bill which will provide tax breaks to benefit the wealthy in order to send their children to private schools.

There is nothing better we can do for this nation than to improve education, and assure that all children in all communities across this nation have access to quality education. Unfortunately, the Republican Majority has once again failed to put forth legislation that will help us accomplish this goal.

This Conference Report—the cornerstone of the Republican Education agenda—does absolutely nothing to improve education. It will give a few wealthy families a tax break on the money they save to send their children to private schools, or buy additional items such as computers. But it will do absolutely nothing to improve education in this country overall.

It will have no impact on our public school system which serves 90% of all elementary and secondary students. Instead it spends scarce federal dollars—$2.2 billion over the next five years—to subsidize families that already send their children to private schools. It will be those who can already afford private education with or without this tax break that will benefit from this bill.

Low- and middle-income families are struggling just to keep themselves above ground financially. This type of assistance, which requires families to have their own money in order to benefit, does nothing for families who cannot afford to put money away for education.

An analysis by the Treasury Department found that 70% of the tax benefits in H.R. 2646 will go to families in the top 20% of the income brackets, while all other families will get virtually nothing.

The Congress' own Joint Committee on Taxation found that 50% of the tax benefits in this proposal will go to the 7% of families who are already sending their children to private and religious schools.

Schools need our help. They need help in renovating crumbling school buildings and constructing new ones to keep up with student growth. They need our help in obtaining the latest technology and training teachers to use that technology. They need our help in reducing class size, so that children can have more individualized attention. Families need our help in providing before- and after-school programs, so that parents know their children are safe and in a learning environment during those non-school hours during the day.

Instead this bill concentrates on the central Republican education goal which is to abandon the public school system and help the few who can attend private schools. This bill would allow for the first time religious schools to benefit from federal dollars. Though not as direct as a voucher program, the tax-free interest received in these IRA accounts can be used to pay the tuition of private and religious schools.

This Conference Report does nothing to solve our most pressing problems in education today. It is simply political maneuvering to help a specific population in this country.

In addition to the tax provisions in this bill, there are other items of concern in this bill. First the conference report would for the first time allow federal money to be used to support single-sex education. It includes a qualifier that says the education offered to students of both sexes most be comparable. However, there is no requirement that such schools must comply with equal educational opportunity laws such as Title IX of the Education Act Amendments of 1972, the equal protection clause under the constitution, or state laws.

This broadly worded permission to use federal funding for single sex education ventures down a dangerous path that could turn us back to the time of separate and unequal education for female students.

The Conference Report also includes a Sense of the Congress Resolution that 95% of federal elementary and secondary education funds be spent in the classroom.

While no one can argue that we need to assure that students receive the full benefits of education funding, this resolution is deeply flawed in its findings and setting an arbitrary requirement of 95% of funds that must be spent in the classroom does not consider the practical aspects of providing education.

The findings in this resolution are not statements of fact, but conjecture, opinion or they are simply not true. Take for example the clause which states that there are ''more than 760 Federal education programs, which span 39 Federal agencies at the price of nearly $100 billion.''

Let's set the record straight. The Department of Education administers 183 education programs.

Based on an analysis by the U.S. Department of Education, the list of 760 includes 305 which are identified as Department of Education programs. Of these programs 122 are unauthorized, unfunded or simply not programs. That leaves 183 Department of Education programs.

The Majority disparages the debate on education policy in this country by using such

false information which misleads the American public of the true nature of federal investment in education.

Federal education programs already drive money down to the local level. Less than 2% of the US Department of Education budget is spent on Federal administrative costs. This raises the question; is this a problem with federal administration or is it a state and local problem?

There are legitimate uses for education dollars that may not be spent directly in the classroom, but go to assure that children can take full advantage of the learning experience in our schools. For example, professional development is necessary to assure quality teachers in our classrooms, but teacher training does not occur in the classroom. Is the expense considered ''dollars to the classroom''?

One of the major education goals of the Republican Majority that I agree with is to send more money to the states for special education. However, are support services for children with disabilities considered ''dollars to the classroom''?

Funds on technology may need to be spent on infrastructure outside the classroom so that the school is wired for new technology, also training teachers on using technology takes place outside of the classroom. More and more schools are forming consortium and partnerships with other schools or community groups to improve technology in their schools. Funds to support such partnerships may not be spent directly in the classroom. Is this type of technology funding considered ''dollars to the classroom''?

Assuring that children have a safe and drug free environment in school may include expenditures outside the classroom. Are Safe and Drug Free School funds considered ''dollars to the classroom''?

Libraries are an important component of our educational system, and supplement classroom learning. Is library funding considered ''dollars to the classroom''?

Mr. Speaker, the Dollars to the Classroom resolution is flawed, as is the underlying bill. Ask my colleagues to reject this conference report which will do nothing for education in this country.

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

The previous question was ordered.

MOTION TO RECOMMIT OFFERED BY MR. RANGEL

Mr. RANGEL. Mr. Speaker, I offer a motion to recommit with instructions.

The SPEAKER pro tempore. Is the gentleman opposed to the conference report?

Mr. RANGEL. Yes, I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. RANGEL moves to recommit the conference report on the bill H.R. 2646 to the committee of conference with instructions to the managers on the part of the House to agree to provisions relating to tax-favored financing for public school construction consistent, to the maximum extent possible within the scope of conference, with the approach taken in H.R. 3320, the Public School Modernization Act of 1998.

The SPEAKER pro tempore. The motion is not debatable.

Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

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

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

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

The Sergeant at Arms will notify absent Members.

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

The vote was taken by electronic device, and there were—yeas 196, nays 225, not voting 12, as follows:

[Roll No. 242]

YEAS—196

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

NAYS—225

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

NOT VOTING—12

Cooksey
Cunningham
Gonzalez
Green
Hastings (FL)
Leach
McNulty
Moakley
Radanovich
Torres
Weldon (FL)
Wise

□ 1209

Mr. BATEMAN, Mr. FAWELL, and Mrs. ROUKEMA changed their vote from ''yea'' to ''nay.''

Messrs. GUTIERREZ, JOHNSON of Wisconsin, and WYNN changed their vote from ''nay'' to ''yea.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. RADANOVICH. Mr. Speaker, on rollcall No. 242, I was inadvertently detained. Had I been present, I would have voted "no."

PERSONAL EXPLANATION

Mr. LEACH. Mr. Speaker, on rollcall No. 242, I was inadvertently detained. Had I been present, I would have voted "yea."

The SPEAKER pro tempore (Mr. NEY). The question is on the conference report.

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

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

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 225, nays 197, not voting 12, as follows:

[Roll No. 243]

YEAS—225

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

NAYS—197

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

NOT VOTING—12

Baldacci
Cooksey
Gonzalez
Green
Hastings (FL)
Leach
McNulty
Moakley
Sessions
Torres
Weldon (FL)
Wise

□ 1219

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. LEACH. Mr. Speaker, on rollcall No. 243, I was inadvertently detained. Had I been present, I would have voted "yea."

ANNOUNCEMENT REGARDING CONSIDERATION OF AMENDMENTS TO LEGISLATIVE BRANCH APPROPRIATIONS BILL

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

Mr. SOLOMON. Mr. Speaker, I would like to make two announcements. The first announcement is that there probably will not be a vote on the floor for another hour.

Secondly, the Committee on Rules is planning to meet next week to grant a rule which may limit the amendments offered to the Legislative Branch Appropriations Bill.

Members who wish to offer amendments to the bill should submit 55 copies of their amendments, together with a brief explanation, to the Committee on Rules office in H–312 of the Capitol, no later than noon on Tuesday, June 23.

Amendments should be drafted to the bill as ordered reported by the Committee on Appropriations. Copies of the text will be available for examination by Members and staff in the offices of the Committee on Appropriations in H–218 of the Capitol.

Members should use the Office of Legislative Counsel to ensure that their amendments are properly drafted and should check with the Office of the Parliamentarian to be certain their amendments comply with the rules of the House.

Any offset amendments should be scored by the Congressional Budget Office, and Members ought to listen to that, to ensure compliance with clause 2(f) of rule XXI, which requires that they not increase the overall levels of budget authority and outlays in the bill. Otherwise, those amendments may not be in order.

PROVIDING FOR CONSIDERATION OF H.RES. 463, ESTABLISHING SELECT COMMITTEE ON U.S. NATIONAL SECURITY AND MILITARY/COMMERCIAL CONCERNS WITH THE PEOPLE'S REPUBLIC OF CHINA

Mr. SOLOMON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 476 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 476

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the resolution (H. Res. 463) to establish the Select Committee on U.S. National Security and Military/Commercial Concerns With the People's Republic of China. The resolution shall be considered as read for amendment. The amendment in the

nature of a substitute recommended by the Committee on Rules now printed in the resolution shall be considered as adopted. The resolution, as amended, shall be debatable for one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Rules. The previous question shall be considered as ordered on the resolution, as amended, to final adoption without intervening motion.

The SPEAKER pro tempore (Mr. GILLMOR). The gentleman from New York (Mr. SOLOMON) is recognized for 1 hour.

Mr. SOLOMON. Mr. Speaker, for the purposes of debate only, I yield 30 minutes to the gentleman from Texas (Mr. FROST), pending which I yield myself such time as I may consume. Of course, during consideration of the resolution all time yielded is for debate purposes only.

Mr. Speaker, this resolution is a rule providing for consideration of House Resolution 463 to establish the Select Committee on United States National Security and Military/Commercial Concerns with the People's Republic of China.

This rule provides 1 hour of debate on the resolution, divided equally between the chairman and ranking minority member of the Committee on Rules. And right now, that is being filled in by the gentleman from Texas (Mr. FROST).

The rule provides that the amendment in the nature of a substitute recommended by the Committee on Rules now printed in the resolution shall be considered as adopted. The rule further provides that the previous question shall be considered as ordered on the resolution.

Mr. Speaker, this rule passed by voice vote in the Committee on Rules, as did the underlying resolution, and I would hope that we can dispense with the rule expeditiously and proceed with the debate on the resolution itself.

Mr. Speaker, the debate over the next several hours will revolve around one question and that question is how seriously do we in the House take the national security of the United States?

This Select Committee proposed to be created by this resolution will address an issue over which I have had many concerns for at least a decade, and that is the transfer of technology which has military value to Communist China.

I have opposed this policy since it began during the Reagan administration under my hero, Ronald Reagan, in the wake of the Challenger disaster. But until recently, my differences with Presidents Reagan, Bush, and Clinton have been strictly policy differences. And naturally people can disagree.

Now, over the past few months, we have seen startling revolutions that have brought us to this unfortunate point where we need this Select Committee to sort out what appears to be both a national security fiasco threatening the very security of this Nation of ours and our American citizens, and of course, a potential scandal. I will elaborate on and document those revelations during the next debate after we finish this rule.

Mr. Speaker, it suffices to say that we now know that the United States' national security has been harmed and indeed it has been breached by this policy. And that despite knowing this, and despite a Justice Department investigation of the Loral Company's actions vis-a-vis China, the Clinton administration allowed this policy to continue in February by granting a waiver to Loral to export yet another satellite to China. My colleagues ought to pay attention to this and just how important that is.

We also know that Loral has connections to the White House and that a Chinese military officer, listen to this, a Chinese military officer involved in the satellite launch business in China attempted to buy influence with the United States Government. That is reported in every newspaper across this country. The New York Times, the Washington Post, all newspapers.

Mr. Speaker, also in the next debate I will elaborate on some testimony we heard in the Committee on Rules last night from Jim Woolsey, who is President Clinton's first CIA director, now retired. Members are going to be shocked at what we are giving to the Chinese in the name of business, or should I say ''business as usual.''

The bottom line is that our technology store is open and the Chinese have been buying it. They have been buying the future security of this Nation. We need to find out how and why this happened and what damage has been done to this country. Is this simply a policy failure of massive proportions or is there more to it?

This is what we have to consider in this legislation. Mr. Speaker, the subject matter of this inquiry is of such grave importance that it warrants treatment outside the existing committee system which continues to serve this House well.

□ 1230

But there are eight standing committees involved with some 295 Members. You would never be able to get to the bottom of this if you left it up to each individual standing committee. There is no way that we could perform. That is why the need for this Select Committee that we propose to establish here today.

The proposed resolution defines the scope of the inquiry and it sets forth the methods, the procedures, and the budgetary components of the Select Committee's work. The resolution does not represent an open-ended commitment. The Select Committee must wrap up its work by the end of the 105th Congress and report to the House.

That, again, Mr. Speaker, is one of the reasons for forming this Select Committee now. We all know that, after next week, the House will break and go home for a work period over the 4th of July for a couple of weeks. We will then come back and work the remainder of July. Then after the first week in August, we will be off, back in the district again. When we return after Labor Day, there will be about 1 month left before Members have to return to their districts to finish their campaign for reelection or election this coming November.

Mr. Speaker, I urge Members to support the rule so we can get on with the debate and on whether we should create a special panel to answer what I think are very, very alarming questions. Every other Member should think so, too.

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

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

Mr. Speaker, we are here today to establish a Select Committee on U.S. National Security and Military/Commercial Concerns with the People's Republic of China.

A variety of allegations about our relations with China have surfaced in the press in recent months. These include the illegal transfer of missile technology to China by an American company, a substantial campaign contribution to the Democratic National Committee from a Chinese military officer through an intermediary, and the question of the effect of the political contributions by the CEO of an American company which manufactures satellites launched on Chinese missiles.

At this stage, these are allegations and not proven fact. The purpose of this Select Committee is to determine the facts to the extent that this is possible. There are some Members on the other side of the aisle who would presume that every allegation ever printed or ever aired by the media is true. To do so does injustice to our colleagues who will serve on this committee and to the individuals whose names have appeared in the American press.

The Democratic National Committee denied that it ever knew any funds received by it came from a Chinese military official and returned the funds promptly. The Justice Department has an ongoing investigation into the question of the possible illegal transfer of missile technology by the Loral Corporation and has not yet reached a conclusion.

Mr. Speaker, the entire practice of licensing the export of satellites, manufactured by several U.S. companies, to be launched on Chinese missiles was initiated in the Reagan administration and was implemented and continued during the Bush administration. I would like to make perfectly clear that this practice did not originate in the Clinton administration, although the manner in which sanctions waivers had been granted is a legitimate matter for investigation.

Further, Mr. Speaker, the CEO of Loral, Bernard Schwartz, who has made substantial contributions to the Democratic party has denied that there was ever any quid pro quo for contributions for sanctions waivers involved.

On all these matters, Mr. Speaker, we should not presume a conclusion before the Select Committee has been authorized, its members named, and before it ever meets.

Clearly, there is a valid reason for the establishment of this committee. We need to get to the bottom of all these questions. Hopefully, it will be done in an objective and fair manner and will not become a partisan witchhunt.

Mr. Speaker, I am particularly concerned that the mandate of this Select Committee is very broad, and I intend to discuss this issue when we debate the resolution creating the Select Committee. I am concerned as well about some of the unilateral authorities that have been granted to the chairman of the Select Committee.

But right now, we are considering the rule for debate on the resolution creating the Select Committee. I hope my colleagues on the other side of the aisle will refrain from engaging in a public hanging of anyone involved in this very important matter until such time as a Select Committee has met and made its findings and recommendations to the House.

Mr. Speaker, while I support this closed rule, I note that my Republican colleagues chose not to allow for the consideration of a very sensible amendment relating to the funding of the Select Committee which was proposed by the gentleman from California (Mr. CONDIT). Consequently, it is my intention to oppose the previous question in order that I might be able to offer a substitute rule which would make the Condit amendment in order.

That being said, Mr. Speaker, I have confidence that the designated chairman of this Select Committee, the gentleman from California (Mr. COX), and his designated ranking member, the gentleman from Washington (Mr. DICKS), will conduct themselves and the proceedings of this Select Committee with the greatest degree of integrity and bipartisan spirit.

They are both known as faithful to the principles of the political parties to which they belong, but more importantly, they are known for their fairness and their ability to work for the best interests of our great Nation.

Mr. Speaker, as I have said, the Democratic members of the Committee on Rules, based on what has happened in the House during the past year and a half have a number of concerns about the provisions of H. Res. 463. I will address those concerns when we begin the debate on that resolution.

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

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume just to briefly comment on what was said by my good friend, the gentleman from Texas (Mr. FROST).

The gentleman mentioned something about a public hanging, and let me assure him and everyone else there will not be any public hanging from this side of the aisle on this matter. This is an extremely important matter.

I think what we need to be concerned about are cartoons like this one that are appearing across this Nation. It is a picture of the White House, and it has a slogan here that says: ''Relax, Hillary. I have convinced the Chinese to return the technology.'' The return of the technology is an intercontinental ballistic missile, one of 13 that the Communist Chinese have today of 18 that they have aimed at the United States of America.

That is how serious this whole debate is. I for one will not try to hang anybody here today, especially since we have gone to great lengths with the gentleman from California (Mr. COX), who will speak in a few minutes, and the gentleman from Washington (Mr. DICKS); I do not see him over there, but both of these gentlemen are two of the most respected and admired Members of this body.

They are not partisan Members. Certainly, they are excellent selections by the majority, by Speaker GINGRICH, and by the minority leader, the gentleman from Missouri (Mr. GEPHARDT) to head up this committee on this vital, vital issue.

Mr. Speaker, I yield 2 minutes to the former mayor of Charlotte, the gentlewoman from North Carolina (Mrs. MYRICK), a very important and distinguished member of the Committee on Rules.

Mrs. MYRICK. Mr. Speaker, in the past month, we have learned that the President may have turned a blind eye to an issue that caused harm to our national security by helping the Chinese improve their ballistic missiles. We have also learned that he may have ignored the Secretary of State and the Director of the CIA and the Pentagon. Also, the President may have accepted campaign donations from the Chinese Red Army at the same time he changed the U.S. policy to benefit China's missile program.

Mr. Speaker, there may be an innocent explanation for this chain of events, but the American people have not heard it yet. These are serious matters, because China has 13 missiles aimed at U.S. cities. It would be shocking if this is the problem that we believe it is with national security.

So far, the administration has avoided answering even the most basic questions about its China policy. So today the House will take the bipartisan and necessary step of creating a Select Committee to look into these matters.

I hope and pray we will simply discover an unfortunate set of circumstances that involves no illegality. But both Republicans and Democrats in this body recognize that these national security questions deserve a careful look from a serious, bipartisan panel. I urge my colleagues to support this resolution to create a Select Committee on China.

Mr. FROST. Mr. Speaker, I yield 5 minutes to the gentleman from Washington (Mr. DICKS).

Mr. DICKS. Mr. Speaker, I rise today just to make a few brief comments. The gentleman from Missouri (Mr. GEPHARDT) asked me to be the ranking Democratic member on the Select Committee.

I have had a chance over the last couple of days to sit down with the gentleman from California (Mr. COX), who is going to be the chairman of this endeavor, and I basically support what we are doing. I think there are serious questions that need to be investigated, and we need to have the facts.

I would ask all of my colleagues to try to see if we cannot lower the rhetoric on this subject. This is not a policy that started under the Clinton administration. As the chairman of the Committee on Rules appropriately pointed out the other day in the Committee when we were discussing this resolution, this policy started under Ronald Reagan and was continued by George Bush and by Bill Clinton.

Both President Bush and President Clinton granted a number of waivers to allow our commercial satellites to be launched on Chinese boosters. I know much has been made about the question of whether there was some improvement in the overall military capability of the Chinese. Let me remind the House that the Chinese Communists possess only a handful of nuclear weapons aimed at the United States. Obviously we worry about that. It is their effort to have a strategic deterrent.

I would remind my colleagues that we still have 18 Trident submarines and 700 land-based missiles. We have the B–2 bomber and the B–1 bomber, which are capable of delivering nuclear weapons. So I find the idea that somehow the People's Republic of China has gained some military superiority over the United States as a result of these transfers not to be accurate.

What I hope we can do is to lower the rhetoric and get at the facts. Let us look at the facts and find out what happened. The administration has said that they made these decisions without any concern about political contributions. We will need to look at that.

We also need to see what the People's Republic of China has been up to. There are some concerns about that. We also need to look at this policy. Today, on the front page of the New York Times, there is a story that the administration is now reviewing a sale of commercial satellites that is to be made to the People's Republic of China. This is different from our policy of allowing Chinese launchers to be used to launch US-owned satellites.

This is another, and I think a very serious issue. I hope that, out of this, we will go back and look at our policy. Is our policy correct? Is the policy that President Reagan started and Bush and Clinton have continued the right policy for the United States? I think that is the most important issue. We may want to revisit that. I think that is certainly something that we will look into in this investigation.

I want to thank the chairman of the Committee on Rules and my Democratic friends on our side of the Committee for all the work that they have done to try and help and cooperate. I feel very sorry for my good friend and colleague the gentleman from California (Mr. CONDIT) because his amendment was not made in order. He is going to speak on that.

I would say one final thing. Some people use the Iran contra model as the way we should proceed. Remember, in the Iran contra model, once the Select Committee was created, all other investigations in other committees stopped.

We have too many committees now looking into this subject. I hope once we create this Select Committee which will have outstanding Members who are going to do a highly professional job, the House will let the Select Committee do its job. That is why I share the concern that we may be spending too much money on too many different investigations. Let us do one and do it well and do it in a way that will be of use to the House and of use to the American people.

Mr. FROST. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I urged at the beginning of the consideration of this resolution that people on the other side not engage in any public hanging at this point. These are serious matters. They deserve to be debated. They deserve to be resolved by this Select Committee in a serious bipartisan manner.

□ 1245

My colleague from the State of North Carolina, when she got up to speak, talked about a contribution to the President from a Chinese official. There was no contribution ever made to the President from a Chinese official. There was a contribution made to the Democratic National Committee, which the Democratic National Committee said it had no knowledge of and returned.

Let us lower the rhetoric and let us go on to the policy questions involved in this matter.

Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. CONDIT).

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

Mr. CONDIT. Mr. Speaker, first of all, let me say I agree with the gentleman from Texas (Mr. FROST) and the chairman, this is a very important committee, and I support every effort to take a serious look at the allegations. I think it is serious for this country and we ought to take it seriously.

But saying that, I would like to speak just a moment to my amendment that was in the Committee on Rules yesterday that was denied. And I am really surprised that it was denied, particularly because the other side of the aisle, on a regular basis, makes statements that they are interested in saving taxpayers money, and that is what my amendment did, was try to save some money.

It takes money that this Congress has already set aside for investigation and transfers it to the Select Committee without changing the focus, scope or intent of the Select Committee.

The Select Committee is asking for $2.5 million for 6 months. The Committee on Government Reform and Oversight has spent approximately $3 million during an 18-month period. This year the Committee on Government Reform and Oversight has allocated $1.8 million. It shows approximately $1.5 million remaining in the unspent fund category. Additionally, of the original $8 million in the special reserve fund, more than $1.3 million is still uncommitted.

What my amendment simply does is put some attention on this Congress to pay attention to the money that we spend on these multitudes of investigations that we do around here; that we ought to pay attention about duplication, and we ought to have some interest in how we invest the taxpayers' money.

There is no dispute over here. These are serious allegations. I have the utmost confidence that the gentleman from California (Mr. COX) and the gentleman from Washington (Mr. DICKS) will do everything in their power to get to the bottom of the issue and, hopefully, resolve this. But I also want to caution us, it is $2.5 million in 6 months, then we go to a year and it is another $2.5 million, then we are up to 5, and who knows where we are going. We need to be mindful of this.

And that is why I encourage my Members, the Members on this side of the aisle as well as the other side of the aisle, to vote for the recommit. The recommit simply says, let us take the money that has already been allocated to investigations and put it toward this special committee that we are putting together today. It is a reasonable proposal.

It is not a partisan proposal, Mr. Chairman. It is a sincere proposal for us to pay attention to how we spend money and to be responsible for how we do investigations around here.

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

The gentleman would seem to infer that maybe some people on this side of the aisle do not care about fiscal responsibility, and I would just like to remind the gentleman that about 5 years ago I authored a book, it is called The Balanced Budget, a Republican Plan. It was long before its time, but it told us how we could balance the budget in 1 year, not in 7, or 6, or 5, or 4, or 3, or 2.

My colleagues ought to read it, because that is actually the bill that I introduced back on June 22nd, 1995, that actually did that, and that is what the Congress finally came around to doing. And, boy, we had to bite the bullet to vote for those kinds of cuts to get the welfare spending under control and put this House back in fiscal order.

Let me just say to the gentleman, the gentleman's amendment was not made in order for, among other things, technical reasons, because it is not germane; it is an attempt to micromanage another committee, and we do not allow that.

Secondly, if this resolution were brought to the floor as a privileged resolution, which it normally would be, and it is how we have brought other resolutions creating select committees to the floor, as privileged resolutions, it would be unamendable. So this amendment would not be considered anyway.

Third, I just want to point out again, and again commend the gentleman from California (Mr. COX), the gentleman from Washington (Mr. DICKS), and the gentleman from Massachusetts (Mr. MOAKLEY), on the other side of the aisle, as well as the Democrat minority leadership and our leadership, because we have worked diligently on a bipartisan basis to take away all of the partisanship out of this bill.

The question of funding did come up, and we worked with both sides of the aisle, with anyone that was raising a question, anyone, and we came up with the language that is in the bill today. At the very last minute, my good friend, the gentleman from California (Mr. CONDIT), brought an amendment up to the floor, after the bill was already finished and after we had already made all the decisions.

So I think the gentleman does protest too much, and that is why the gentleman's amendment was not made in order.

Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. THOMAS), the very distinguished chairman of the Committee on House Oversight, who waived jurisdiction on this measure so it could come to the floor in a timely and expeditious manner, and we will let him explain the funding level.

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

Mr. THOMAS. Mr. Speaker, I want to thank the chairman for yielding and affording me an opportunity, having waived the committee's jurisdiction on the funding, to respond to an amendment that is not in order.

And, frankly, I am pleased that the Committee on Rules did not make the amendment in order, because as the gentleman from Texas (Mr. FROST) said, after all, these are serious matters and it should be debated seriously, he then yielded to the gentleman from California (Mr. CONDIT) who, as part of his appeal on his amendment, brought up the question of funding in a context which, if anybody objectively examined his discussion, was to impugn other investigations or the expenditure of money in this particular Congress by

the majority for efforts that apparently they believe do not fit the profile of serious matters debated seriously.

I am sorry the gentleman from California felt it necessary to inject that, because this gentleman from California would love to remind him, since he was a member of the majority in the 103rd Congress, at that time, the committees, in totality, spent more than $223 million.

Now, that is not adjusted for inflation, because, frankly, constant dollars look good enough, two Congresses later in the 105th we are not spending 80 cents on the dollar. We are only spending $180 million.

So if the gentleman is looking for savings. The new Republican majority has provided it both in the 104th and in the 105th. We are not spending at the level my colleagues on the other side of the aisle spent.

In addition to that, the amendment that was rejected said that the money should have to come from another committee in its unobligated and unexpended context. That money would nowhere near meet the needs of this particular committee, if that was where the ''not more than $2.5 million'' would be found.

Let me say that the $2.5 million that we are discussing is nowhere near, when the gentleman was in the majority, the $2.9 million in adjusted dollars that the Iran contra hearings cost, which produced absolutely nothing. Our hope is that we get a serious resolution of what we believe to be a serious matter that will be discussed seriously.

And finally, let me say this, as the gentleman leaves. In all of those other previous select committees, not once, whether it was Iran contra, whether it was the Select Committee on Aging, whether it was the Select Committee on Children, Youth and Families, whether it was the Select Committee on Hunger, not once in those previous Select Committee creations was there a distribution of the resources, in terms of staff, two-thirds, one-third, not in any of those instances. Iran contra, for example, was 80 percent majority, 20 percent minority.

I want to underscore that the chairman of this committee, working with the ranking member, has committed that outside of those joint staff, which they will agree to jointly, that the majority will use two-thirds of the resources and the minority will get one-third. So that this Select Committee, thank goodness, will not be in the tradition of the select committees that had been created in previous Congresses by the previous majority, which hogged all the resources and did not produce results.

What we have here will be a fair, equitable distribution. We will have a serious discussion of serious matters.

So I want to compliment the chairman of the Committee on Rules and the other members of the Committee on Rules who saw the wisdom of voting down this very poorly drafted and constructed amendment, which would not only invade the prerogatives of another committee, but frankly, would not provide near the resources that I believe will be used wisely by this particular committee.

When we begin the discussion of funds and how and where they are going to be used, if it is necessary to remind the now-minority of their previous transgressions, we will be more than willing to do so. If my colleagues provide time on their side to go beat dead horses, we will keep the record straight. They did not create a fair funding mechanism under previous select committees, and they spent more money than this Select Committee. This Select Committee will spend less than Iran contra, and it will be fairly divided. That is the difference with the new majority.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. HALL), a member of the Committee on Rules.

Mr. HALL of Ohio. Mr. Speaker, I want to thank the gentleman for yielding me this time. I rise in support of the motion that will be offered by the gentleman from Texas (Mr. FROST), the Condit amendment.

I share the concerns that many people have said already today concerning the possibility of U.S. companies providing expertise to China for use in its ballistic missile programs. I have been concerned about this kind of technology being transferred for a number of years, under the last two Presidents as well. However, I have concerns about the cost of this investigation. This resolution would spend $2.5 million more in additional funds. I believe it should use existing funds.

In 1993, the House of Representatives had four select committees, and the Select Committee on Hunger was allocated for a year, every year, about $600,000. The most expensive of the four select committees in those days was the Select Committee on Aging, and I believe they spent somewhere between $1.2 and $1.4 million.

While we need to get to the bottom of this issue on China, I believe the existing funds in the current legislative branch appropriation should be used. There is enough money there.

I just want to correct the gentleman from California (Mr. THOMAS) in what he said when we had the other select committees, that there was not a fair and equitable distribution of the money. And the fact is, that is not true. When I was chairman of the Select Committee on Hunger, we were very fair in our distribution of the money. Two-thirds of the money went to the majority, a third went to the minority. So the statement he made was not correct. We were very fair.

I would hope that we would look at the funding of this. This is far too much money to spend on a select committee. We should go with the motion that will be provided to the amendment offered by the gentleman from California (Mr. CONDIT).

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume to point out to another very distinguished Member, that I respect more than most, and that is the gentleman from Ohio (Mr. TONY HALL). He is one of the most sincere Members that we have.

But I would say to the gentleman that that is exactly what we are doing. If the gentleman will look at page 5, it says not more than $2,500,000 is authorized for expenses of the Select Committee for investigation and studies. And it goes on to say, out of applicable accounts of the House of Representatives, which comes out of the legislative branch appropriations.

Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. DREIER), the very distinguished vice chairman of the Committee on Rules.

Mr. DREIER. Mr. Speaker, I thank the gentleman from Glens Falls, New York, the distinguished chairman of the Committee on Rules, for yielding me this time.

I rise in strong support of both the rule and the resolution, and to say that I am very pleased that in a bipartisan way there has been an agreement on both the establishment of a Select Committee and on the funding levels for the committee, and the fact that they will be coming out of the already appropriated legislative branch measure.

I rise as a very strong proponent of what has been known as the Reagan-Bush-Clinton policy of engagement with the People's Republic of China. I still feel very strongly about the need to ensure that we do maintain contact and engagement and, among other things, normal trade relations with the People's Republic of China, because I believe the power of the free market is very, very great, and we should not do anything that would possibly diminish it.

□ 1300

Having said that, Mr. Speaker, I joined with several of my colleagues when this issue first came to the forefront, colleagues of mine who have joined with us over the years, working to make sure that we have maintained normal trade relations with the People's Republic of China and we sent a letter to the President, which I would like to share with my colleagues. And I do so not trying to in any way raise the level of rhetoric, which I think appropriately both the gentleman from Texas (Mr. FROST) and the gentleman from Washington (Mr. DICKS) have said that we ought to keep on a balanced level, but to remind our colleagues why it is that we are here dealing with this issue.

In the letter that was dated May 22nd, we wrote, Mr. President, each of us has been deeply involved in supporting the policy of engagement and maintaining Most Favored Nation status with the People's Republic of

China. We support a strong and stable relationship that is bolstered by free market reforms and the seedlings of democratic progress in that country.

The first and foremost responsibility of the Executive Branch is to protect national security. Therefore, we are deeply disturbed by the very serious charges regarding the transfer of rocket technology to China. These charges call into question the fitness of your administration to carry out a sound China policy. We have questions regarding the apparent decision of the administration to place narrow commercial considerations over national security concerns. The fact that large campaign contributions were accepted from firms that stood to gain from such decisions is even more troubling.

Our greatest concern is that your administration has undermined its own ability to carry out our Nation's foreign policy toward China. Absent the ability to command respect both at home and abroad, your administration will not be able to move this critical relationship forward.

Therefore, we implore you to work quickly with the appropriate Congressional committees to make available all relevant information related to the matters in question. It is in our national security interest to resolve these questions so that we can build support for a policy of engagement in China that is firmly rooted in our national security interests.

I strongly support the establishment of this committee, and I support the efforts that I believe can be addressed and put together in a bipartisan way.

Mr. FROST. Mr. Speaker, I yield 4½ minutes to the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Speaker, I thank the gentleman from California for yielding.

I support the creation of this Select Committee. I think we should have a thorough investigation of the issues surrounding the possible transfer of sensitive technology to China. What I am opposed to is the use of Congressional investigations for partisan political purposes and the waste of taxpayer dollars. It does not serve the American people to have multiple Congressional committees spending millions of dollars investigating the very same issue over and over and over again.

Unless we reject this rule and adopt the Condit amendment, we will have redundant investigations that are wasting millions of dollars investigating the very same issue.

In March of this year, the Burton committee was given $1.8 million to continue its investigation of the influence of foreign contributions on U.S. policies. That was the mandate to the Burton committee. I want to point out to my colleague the gentleman from California (Mr. THOMAS) that, notwithstanding all his complaints about what the Democrats did not do and how he is doing better in the allocation of money, on that Burton committee the Democrats were given 25 percent, not the third that we were all promised by the Republican Party.

But that committee, nevertheless, was given $1.8 million to do this investigation. A major focus of it was to have been whether contributions from China influenced U.S. foreign policy and national security. Now we are going to create a Select Committee and we are talking about giving it $2.5 million to investigate the very same issue.

The resolution authorizing the Select Committee specifically directs the Select Committee to investigate, and I quote, any effort by the government of the People's Republic of China or any other person to influence any of the foregoing matters through political contributions.

That is what this Select Committee is going to investigate. That is what the Burton committee was investigating. It does not make sense to have a Select Committee investigating the same issues and then to have the Burton committee investigate it as well.

The $1.8 million given to the Burton committee to investigate these issues should be transferred to the Select Committee and let the Select Committee do this job of investigating this matter. We should have one thorough, credible bipartisan investigation, not multiple, redundant investigations and use of taxpayers' money for partisan purposes and wasting that.

One investigation will save the taxpayers millions and prevent this investigation from being used for partisan political purposes.

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

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

Mr. CONDIT. Mr. Speaker, I just want to respond to my colleague from California (Mr. THOMAS) with respect when he makes reference to when we were in the majority and Iran Contra investigation. I want to let him know that I voted with him, I voted with him to reduce the cost of investigations. I voted with the chairman to reduce the cost of investigations to bring a halt to that. Welfare reform, a significant group of Democrats voted with the chairman and with the gentleman from California (Mr. THOMAS) to try to save money to try to reform the welfare proposal.

I am not a Johnny-come-lately on this issue of saving money on investigations. I have brought this issue up time and time again in the committee, asking the chairman not to duplicate, not to spend money twice to get the same information.

When we had the other body doing the investigation, I asked them not to duplicate. When the other body was doing their investigation, I consistently asked the chairman of the Committee on Government Reform and Oversight not to duplicate.

So I tell my colleagues and I tell the gentleman from California (Mr. THOMAS) I am not someone who just comes here today at the last minute to bring this up. I brought this up consistently. It is a sincere attempt to try to change the way we investigate each other around here.

Let me tell my colleagues, if they think our side of the aisle did it wrong so they are going to do it wrong, that is not a good enough reason. We need to put a stop to this. We need to try to save money when we can. And we need to not duplicate.

There are a lot of people whose lives are destroyed because we duplicate and we ask them to do things over and over again and spend money, and I think we need to be more mindful for the American people than that.

Mr. FROST. Mr. Speaker, may I inquire of the time remaining on each side?

The SPEAKER pro tempore (Mr. GILLMOR). Both Members have 10 minutes remaining.

Mr. FROST. Mr. Speaker, I yield 4½ minutes to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, I thank the gentleman from Texas for yielding and his hard work on this very, very difficult issue.

Mr. Speaker, I rise today to express some concerns about the resolution that we will have before us soon, a resolution to establish a Select Committee on National Security and Other Concerns with China before us today. It is a troubling one to me.

The concerns presented here are serious and they are important. Congress has not only the right but the responsibility to exercise oversight of policy decisions. Indeed, the Committee on National Security and the Committee on Intelligence and the Committee on International Relations are the appropriate venues for such oversight.

When there is a connection between campaign contributions and policy decisions, that investigation is being done by the Justice Department. Over the years, I have been proud to work very closely in a bipartisan fashion with my Republican colleagues on the China issue, including the gentleman from Virginia (Mr. WOLF), the gentleman from New York (Mr. SOLOMON), whom I respect very highly and will miss very, very much when he is going on to happier things. The gentleman from California (Mr. COX), who will chair this committee, is one of the finest Members of this body. I respect his intellect, his sense of fairness and appropriateness in dealing with these issues. It is not anything against him that I have the question, but concerns about the nature of this committee.

I have worked closely with the gentleman from New Jersey (Mr. SMITH) and others who have consistently opposed the current U.S.-China policy. These people that I mention and others on the Republican side have real standing in criticizing the consequences of the policies.

As my colleagues know on both sides of the aisle, I have pulled no punches in

criticizing the President, whether he was a Republican President or a Democratic President, for what I think is the wrong China policy. But as one who has consistently joined with some of my Democratic and Republican colleagues in raising concerns about the Chinese military for many years on this floor, I see today's action as a move by the gentleman from Georgia (Mr. GINGRICH) and the Republican leadership to exploit the China issue.

As I say, as one who has worked very hard and long on this issue, I regret to see that the Republican leadership has just walked lock step with the Clinton administration on China and, as responsible as President Clinton is and his administration is, on the consequences of that China policy.

Allowing U.S. satellites to be launched on foreign rockets is a policy started under President Reagan, continued under President Bush and President Clinton. So if there is a criticism of the consequences of that policy, then the blame should be laid at the feet of both parties in a bipartisan way.

Mr. Speaker, indeed, again this year the Speaker could not move quickly enough to support the President's request for a special waiver to grant Most Favored Nation status to the People's Republic of China. He sent a letter of support to the President almost before the request for the special waiver reached Capitol Hill.

I see this Select Committee as an attempt by the Speaker to seek cover for his affiliation with the President on the China policy. Do they think we have no memory? Do they think we do not know what we say on the floor year in and year out by the proliferation and the Chinese mobilization and their interest in acquiring U.S. technology and then all of a sudden the obvious, predictable consequences of that policy, obvious and predictable to many of us, is all of a sudden being investigated by a Speaker who, day in day out, time and time again, and at every opportunity has supported ignoring those concerns?

And so, I see this as an attempt to set up this committee as venue hopping. There have been investigations. I can show my colleagues a stack of reports on committees investigating this issue.

As I say, I believe, and I do not deny Congress's right to oversight, to investigate, and to be relentless in doing that in terms of the consequences of policy.

Establishing this Select Committee to me, after all the sweat and strain and work that we have put in trying to educate Congress to the dangers of the policy that the Republican leadership has supported year in and year out, looks to me like a cynical and hypocritical act which does a disservice to the debate about U.S.-China policy, cost the taxpayers money, and wastes Congress' time.

For that reason, I urge my colleagues to defeat the previous question so that the proposal of Mr. CONDIT can be considered to fairly fund and fairly consider how we should go forward with this.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume to thank the gentlewoman from California (Ms. PELOSI) for the flattery and to return that flattery twofold, because we have great admiration and respect for her, as well, especially on the issue of human rights around this world.

I would just point out to the gentlewoman, though, that I, for one, have been a critic of previous administrations as well as this administration, even back in 1988, when Congressman Solomon, Congressman Kemp, Congressman Bob Walker, Congressman Lewis wrote to then President Reagan pointing out the serious problems that might occur from military technology transfer and know-how.

On June 13, 1989, that happened to be, I think, 9 days after Tiananmen Square, which the gentlewoman has certainly done everything in her power to try to focus attention on, I introduced legislation that would prohibit the export of satellites intended for launch vehicles from China.

This House adopted that language in the form of an amendment. It went to the Senate. The Senate washed it down; and, consequently, it never became law in its present form. And today the result is that we have 13 intercontinental ballistic missiles aimed at the United States of America, and that is so serious.

□ 1315

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

Mr. SOLOMON. I yield briefly to the gentlewoman from California because I am running out of time.

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding, and, heeding his admonition about the time, I want to say, I said in my remarks that he has standing to speak on this issue. I am very glad that he put on the record the fact that Republican Presidents supported this policy, which he opposed consistently under Republican and Democratic Presidents. It is with admiration for him, the gentleman from California (Mr. COX) and the gentleman from Washington (Mr. DICKS) who will represent the Democrats very well on that committee, indeed the American people on that committee. It is not about personalities. It is about the policy.

Mr. SOLOMON. Mr. Speaker, let me just further say if she had been in the Committee on Rules when we had the former CIA Director under President Clinton, Mr. Woolsey, and the former National Security Adviser under President Reagan; they both pointed out that under Presidents Reagan and Bush that the Secretary of Defense did not raise warnings at that time, the Secretary of State did not, the National Security Adviser did not, because of the situation at the time.

Today the times have changed and we all know that the Secretary of Defense, the Secretary of State, the National Security Advisers both have raised warnings, and yet President Clinton did not heed those warnings, for whatever reason, and that is what we really want to look into.

Mr. Speaker, I yield 1½ minutes to the gentleman from Florida (Mr. MICA).

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

Mr. Speaker, let me just clear up a couple of points. First we have heard that this is a question about granting waivers and others have granted waivers. That may be the case. But never before in the history of the Republic have we had the question of the influence of foreign money into the process. That is one of the key issues here. Never before have our intelligence, our Department of Defense and our defense process and our national security been so threatened or questioned by allegations that have been made about intrusions into the system.

Let me also say to the gentleman from California (Mr. WAXMAN) who spoke about 25 percent of the staff being given by the majority to the minority. When I came here in the first Congress, from 1993 to 1995, they gave us five investigative staffers for their 55 staffers. That is the record. That is the fact. As a matter of fact, the Burton committee has operated efficiently and at lower cost, assuming the responsibilities of two additional committees and done all their investigations in an administration that has been plagued with more scandals than any in the history of, again, the Republic.

It is somewhat like it is the Republicans' fault that we have had Filegate, Travelgate, campaign contributions and now this very serious matter. They make it look like it is our fault. It is not, and the American people need to know the facts.

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

Mr. Speaker, I would ask the gentleman who just spoke, does the name Warren Harding mean anything to him? Does the name Grant mean anything to him? Does the name Nixon mean anything to him? He made the blanket statement that this is the most scandal-ridden administration in the history of the Republic. I think the gentleman needs to consult some history books.

Mr. Speaker, this vote on ordering the previous question is not merely a procedural vote. A vote against ordering the previous question is a vote against the Republican majority and a vote to allow the opposition, at least for the moment, to offer an alternative plan. It is a vote about what the House should be debating.

The vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools for those who oppose the Republican majority's agenda to offer an alternative plan.

Mr. Speaker, I include for the RECORD the amendment by the gentleman from California (Mr. CONDIT).

The text of the amendment is as follows:

Page 2, line 3, strike ''resolution shall be considered as adopted.'' And insert ''resolution, modified by the amendment specified in section 2 of this resolution, shall be considered as adopted.''

At the end of the resolution add the following new section:

''SEC. 2. The modification described in the first section of this resolution is as follows:

Page 17, line 3, after ''paid'' insert the following: '', first, out of amounts provided to the Committee on Government Reform and Oversight from the reserve fund for unanticipated expenses of committees under clause 5(a) of rule XI of the Rules of the House of Representatives pursuant to an allocation approved by the Committee on House Oversight on March 25, 1998, which remain unobligated and unexpended as of the date of the adoption of this resolution, and, second, after exhaustion of such funds,''.

Page 17, after line 6, add the following new paragraph:

(3) Upon the adoption of this resolution, the Committee on Government Reform and Oversight may not obligate any amounts provided to such committee from the reserve fund for unanticipated expenses of committees under clause 5(a) of rule XI of the Rules of the House of Representatives pursuant to an allocation approved by the Committee on House Oversight on March 25, 1998.

Mr. Speaker, I urge my colleagues to defeat the previous question on H. Res. 476 and allow the gentleman from California (Mr. CONDIT) to offer his amendment to consolidate funding on these parallel investigations.

Mr. Speaker, I include the following material for the RECORD:

THE VOTE ON THE PREVIOUS QUESTION: WHAT IT REALLY MEANS

This vote, the vote on whether to order the previous question on a special rule, is not merely a procedural vote. A vote against ordering the previous question is a vote against the Republican majority agenda and a vote to allow the opposition, at least for the moment, to offer an alternative plan. It is a vote about what the House should be debating.

Mr. Clarence Cannon's ''Precedents of the House of Representatives'', (VI, 308–311) describes the vote on the previous question on the rule as ''a motion to direct or control the consideration of the subject before the House being made by the Member in charge.'' To defeat the previous question is to give the opposition a chance to decide the subject before the House. Cannon cites the Speaker's ruling of January 13, 1920, to the effect that ''the refusal of the House to sustain the demand for the previous question passes the control of the resolution to the opposition'' in order to offer an amendment. On March 15, 1909, a member of the majority party offered a rule resolution. The House defeated the previous question and a member of the opposition rose to a parliamentary inquiry, asking who was entitled to recognition. Speaker Joseph G. Cannon (R–Illinois) said: ''The previous question having been refused, the gentleman from New York, Mr. Fitzgerald, who had asked the gentleman to yield to him for a amendment is entitled to the first recognition.''

Because the vote today may look bad for the Republican majority they will say ''the vote on the previous question is simply a vote on whether to proceed to an immediate vote on adopting the resolution . . . [and] has no substantive legislative or policy implications whatsoever.'' But that is not what they have always said. Listen to the Republican Leadership ''Manual on the Legislative Process in the United States House of Representatives,'' (6th edition, page 135). Here's how the Republicans describe the previous question vote in their own manual: ''Although it is generally not possible to amend the rule because the majority Member controlling the time will not yield for the purpose of offering an amendment, the same result may be achieved by voting down the previous question on the rule . . . When the motion for the previous question is defeated, control of the time passes to the Member who led the opposition to ordering the previous question. That Member, because he then controls the time, may offer an amendment to the rule, or yield for the purpose of amendment.''

Deschler's ''Procedure in the U.S. House of Representatives'', the subchapter titled ''Amending Special Rules'' states: ''a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate.'' (Chapter 21, section 21.2). Section 21.3 continues: ''Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon.''

The vote on the previous question on a rule does have substantive policy implications. It is one of the only available took for those who oppose the Republican majority's agenda to offer an alternative plan.

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

Mr. SOLOMON. Mr. Speaker, I yield the balance of my time to the gentleman from Sanibel, FL (Mr. GOSS), a very valuable member of the Committee on Rules. He is also the chairman of the Permanent Select Committee on Intelligence and probably one of the most informed Members of this body.

The SPEAKER pro tempore (Mr. GILLMOR). The gentleman from Florida is recognized for 5½ minutes.

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

Mr. GOSS. Mr. Speaker, I thank the distinguished gentleman from Glens Falls, NY, the honorable chairman of the Committee on Rules, for bringing forward what I think is a very worthwhile resolution. I urge Members to vote ''yes'' on the question of moving the previous question, I urge a ''yes'' on the rule and I urge a ''yes'' on the underlying resolution. So it is yes, yes, yes, is what we have got in front of us here.

Mr. Speaker, my colleagues are talking about fault. I have been hearing from the other side of the aisle fault in the way we went about our business; that we could have done it better if we had done this or that. There has been a lot of fault-finding going on. I can assure the minority that a very strong effort has been made to provide a workable, efficient, bipartisan approach to the task at hand.

Is there a task at hand? You bet there is. There is a task at hand because every day you can pick up the paper and read some new saga unfolding in this area. And if the media is ahead of Congress doing its job of oversight, we have got a problem. I am willing to say that the media is ahead just on the basis of the Jeff Gerth story today in the New York Times alone. So we have got to do something about this.

Now, we have heard some noise about the cost. This is going to cost too much money because we have not limited it the right way or done it exactly the right way. I remember the October Surprise. We went out, we did the job, it cost about a million and a half, something like that. Democrats were very eager to try and prove something. They were unable to do it. We had a good October Surprise event, we closed it down when there was nothing there, and it cost $1.3 million. I am not saying it was money well spent because I never thought there was anything there, but at least we satisfied ourselves. So I think we are very definitely in the ballpark when we look back at October Surprise in how we are approaching money.

Mr. Speaker, the problem with the money is it is virtually impossible to tell how much we are going to spend until we find out how much cooperation we are going to get from the dozens and dozens of witnesses who are not in the United States. That is going to require some expense to get those people who are material to what we are finding out, trying to find out about the truth. Of course, we are going to hope for more forthright cooperation from the administration than we have had to date, because in truth, factually, the administration has not been fully forthcoming to date. So the cost could go up a bit if we fail to have the cooperation of the witnesses and the administration.

We have been challenged about whether or not a select committee is the way to go. We are actually cutting across the jurisdiction of eight standing committees. I do not see any other choice except a select committee. Some say the Permanent Select Committee on Intelligence could do it. Yes, the Permanent Select Committee on Intelligence could do it if we enhanced our staff and we got into what is likely to be the partisan question of campaign finance. Frankly, as chairman of the committee, I do not want to take the nonpartisan Permanent Select Committee on Intelligence into an area that is so sharply partisan and likely to cause partisan question.

With regard to the policy of President Reagan, let me point out, the issue before us is not the policy of President Reagan. It is the change from the policy of President Reagan and President Bush. What caused President Clinton to change the procedure? We have a ''why'' to ask and an answer to find. The minority report before us, as this is reported today, talks about this is a resolution of routine occurrence and that is a bad thing.

Mr. Speaker, there is nothing routine about the restarting of the nuclear arms race that is going on, which I believe is a result, in part, of the policies that have failed in China. That is certainly the testimony of the Indian Government. We have clearly got exploiters in North Korea who are taking advantage of this proliferation opportunity. We read it in the New York Times. I have not had the chance to talk to North Koreans about this. I would like to. They are exploiting us. So we have something here that is hardly routine facing the United States Congress and our responsibility to the citizens of this country in exercising appropriate oversight about policy and other activities that are happening that are indeed troublesome by admission on both sides of the aisle.

I therefore think we are going in the right direction and doing the right thing.

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

Mr. GOSS. I yield to the gentleman from Washington, my ranking member.

Mr. DICKS. Does the gentleman think once we set up the Select Committee that we ought to let the Select Committee conduct this investigation in the House and that the eight other committees that he mentioned should let us have the field and do the job?

Mr. GOSS. Mr. Speaker, reclaiming my time, I strongly believe that the scope of the resolution takes care of that problem. I am not going to forgo my responsibilities as chairman of the Permanent Select Committee on Intelligence, and I am sure the gentleman is not as the ranking member to discharge the things that we have responsibility for. I would hope for very close working cooperation between the Select Committee and the other committees. And I would hope we could avoid any possible redundancy that way.

Mr. DICKS. I thank the gentleman for yielding. I think he has a good answer.

Mr. GOSS. Mr. Speaker, I urge a ''yes'' on the previous question vote, a ''yes'' on the rule, and a ''yes'' on the resolution.

Mr. Speaker, I include the following material for the RECORD about the previous question vote:

THE PREVIOUS QUESTION VOTE: WHAT IT MEANS

The previous question is a motion made in order under House Rule XVII and is the only parliamentary device in the House used for closing debate and preventing amendment. The effect of adopting the previous question is to bring the resolution to an immediate, final vote. The motion is most often made at the conclusion of debate on a rule or any motion or piece of legislation considered in the House prior to final passage. A Member might think about ordering the previous question in terms of answering the question: Is the House ready to vote on the bill or amendment before it?

In order to amend a rule (other than by using those procedures previously mentioned), the House must vote against ordering the previous question. If the previous question is defeated, the House is in effect, turning control of the Floor over to the Minority party.

If the previous question is defeated, the Speaker then recognizes the Member who led the opposition to the previous question (usually a Member of the Minority party) to control an additional hour of debate during which a germane amendment may be offered to the rule. The Member controlling the Floor then moves the previous question on the amendment and the rule. If the previous question is ordered, the next vote occurs on the amendment followed by a vote on the rule as amended.

Mr. SOLOMON. Mr. Speaker, I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

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

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

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

The Sergeant at Arms will notify absent Members.

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

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

[Roll No. 244]

YEAS—226

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

NAYS—197

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

NOT VOTING—11

Cooksey	Martinez	Thune
Gonzalez	McNulty	Torres
Green	Moakley	Weldon (FL)
Hastings (FL)	Moran (VA)	

□ 1345

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

Mr. WELDON of Pennsylvania and Mr. KASICH changed their vote from ''nay'' to ''yea.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

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

The resolution was agreed to.

A motion to reconsider was laid on the table.

PARLIAMENTARY INQUIRY

Mr. SOLOMON. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. SOLOMON. Mr. Speaker, did the rule just pass and is the vote over?

The SPEAKER pro tempore. The rule has been adopted.

Mr. SOLOMON. Mr. Speaker, is it true that there will not be another vote now for probably 1 hour?

The SPEAKER pro tempore. There will be 1 hour of debate on the resolution to be called up, so Members might reasonably anticipate an hour before the next vote.

ESTABLISHING THE SELECT COMMITTEE ON U.S. NATIONAL SECURITY AND MILITARY/COMMERCIAL CONCERNS WITH THE PEOPLE'S REPUBLIC OF CHINA

Mr. SOLOMON. Mr. Speaker, pursuant to House Resolution 476, I call up the resolution (H. Res. 463), to establish the Select Committee on U.S. National Security and Military/Commercial Concerns With the People's Republic of China, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The resolution is considered read for amendment.

The text of House Resolution 463 is as follows:

J. RES. 463

Resolved,

SECTION 1. ESTABLISHMENT.

There is hereby created the Select Committee on U.S. National Security and Military/Commercial Concerns With the People's Republic of China, (hereafter in this Act referred to as the ''Select Committee''). The Select Committee may sit and act during the present Congress at such times and places within the United States, including any Commonwealth or possession thereof, or in any other country, whether the House is in session, has recessed, or has adjourned, as it shall deem appropriate for the completion of its work.

SEC. 2. JURISDICTION.

(a) IN GENERAL.—The Select Committee shall conduct a full and complete inquiry regarding the following matters and report such findings and recommendations, including those concerning the amendment of existing law or the enactment of new law, to the House as it considers appropriate:

(1) The transfer of technology, information, advice, goods, or services that may have contributed to the enhancement of the accuracy, reliability, or capability of nuclear-armed intercontinental ballistic missiles or other weapons of the People's Republic of China, or that may have contributed to the enhancement of the domestic or foreign intelligence capabilities of the People's Republic of China.

(2) The transfer of technology, information, advice, goods, or services that may have contributed to the manufacture of weapons of mass destruction, missiles, or other weapons or armaments by the People's Republic of China.

(3) The effect of any transfer or enhancement referred to in paragraphs (1) or (2) on regional security and the national security of the United States, its friends, and its allies.

(4) The conduct of the executive branch of the United States Government with respect to the transfers or enhancements referred to in paragraphs (1) or (2), and the effect of that conduct on the national security of the United States, its friends, and its allies.

(5) The conduct of defense contractors, weapons manufacturers, satellite manufacturers, and other private or government-owned commercial firms with respect to the transfers or enhancements referred to in paragraphs (1) or (2).

(6) The enforcement of United States law, including statutes, regulations, or executive orders, with respect to the transfers or enhancements referred to in paragraphs (1) or (2).

(7) Any effort by the Government of the People's Republic of China or any other person or entity to influence any of the foregoing matters through political contributions, bribery, influence-peddling, or otherwise.

(8) Decision-making within the executive branch of the United States Government with respect to any of the foregoing matters.

(9) Any effort to conceal or withhold information or documents relevant to any of the foregoing matters or to otherwise obstruct justice, or to obstruct the work of the Select Committee or any other committee of the Congress in connection with those matters.

(10) All matters relating directly or indirectly to any of the foregoing matters.

(b) PERMITTING REPORTS TO BE MADE TO HOUSE IN SECRET SESSION.—Any report to the House pursuant to this section may, in the Select Committee's discretion, be made under the provisions of rule XXIX of the Rules of the House of Representatives.

SEC. 3. COMPOSITION; VACANCIES.

(a) COMPOSITION.—The Select Committee shall be composed of 8 Members of the House to be appointed by the Speaker of the House of Representatives, one of whom he shall designate as Chairman. Service on the Select Committee shall not count against the limitations on committee service in clause 6(b)(2) of rule X.

(b) VACANCIES.—Any vacancy occurring in the membership of the Select Committee shall be filled in the same manner in which the original appointment was made.

SEC. 4. RULES APPLICABLE TO SELECT COMMITTEE.

(a) QUORUM.—One-third of the members of the Select Committee shall constitute a quorum for the transaction of business other than the reporting of a matter, which shall require a majority of the committee to be actually present, except that the Select Committee may designate a lesser number, but not less than two, as a quorum for the purpose of holding hearings to take testimony and receive evidence.

(b) APPLICABILITY OF HOUSE RULES.—The Rules of the House of Representatives applicable to standing committees shall govern the Select Committee where not inconsistent with this resolution.

(c) RULES OF SELECT COMMITTEE.—The Select Committee shall adopt additional written rules, which shall be public, to govern its procedures, which shall not be inconsistent with this resolution or the Rules of the House of Representatives.

SEC. 5. CLASSIFIED INFORMATION.

No employee of the Select Committee or any person engaged by contract or otherwise to perform services for or at the request of such committee shall be given access to any classified information by such committee unless such employee or person has—

(1) agreed in writing and under oath to be bound by the rules of the House (including the jurisdiction of the Committee on Standards of Official Conduct and of the Select Committee as to the security of such information during and after the period of his employment or contractual agreement with the Select Committee); and

(2) received an appropriate security clearance as determined by the Select Committee in consultation with the Director of Central Intelligence.

The type of security clearance to be required in the case of any such employee or person shall, within the determination of the Select Committee in consultation with the Director of Central Intelligence, be commensurate with the sensitivity of the classified information to which such employee or person will be given access by such committee.

SEC. 6. LIMITS ON DISCLOSURE OF INFORMATION.

The Select Committee shall formulate and carry out such rules and procedures as it deems necessary to prevent the disclosure, without the consent of the person or persons concerned, of information in the possession of such committee which unduly infringes upon the privacy or which violates the constitutional rights of such person or persons. Nothing herein shall be construed to prevent such committee from publicly disclosing any such information in any case in which such committee determines that national interest in the disclosure of such information clearly outweighs any infringement on the privacy of any person or persons.

SEC. 7. PROCEDURES FOR HANDLING INFORMATION.

(a) The Select Committee may, subject to the provisions of this section, disclose publicly any information in the possession of such committee after a determination by such committee that the public interest would be served by such disclosure. Whenever committee action is required to disclose any information under this section, the committee shall meet to vote on the matter within five days after any member of the committee requests such a vote. No member of the Select Committee shall disclose any information, the disclosure of which requires a committee vote, prior to a vote by the committee on the question of the disclosure of such information or after such vote except in accordance with this section. In any case in which the Select Committee votes to disclose publicly any information, which has been classified under established security procedures, which has been submitted to it by the executive branch, and which the executive branch requests be kept secret, the Select Committee shall submit such classified information to the Permanent Select Committee on Intelligence.

(b)(1) As set forth in clause 7(b) of rule XLVIII, in any case in which the Permanent Select Committee on Intelligence votes to disclose publicly any information submitted pursuant to subsection (a), which has been classified under established security procedures, which has been submitted to the Select Committee by the executive branch, and which the executive branch has requested be kept secret, the Permanent Select Committee on Intelligence shall notify the President of such vote.

(2) The Permanent Select Committee on Intelligence may disclose publicly such information after the expiration of a five-day period following the day on which notice of such vote is transmitted to the President, unless, prior to the expiration of such five-day period, the President, personally in writing, notifies the Permanent Select Committee on Intelligence that he objects to the disclosure of such information, provides his reasons therefor, and certifies that the threat to the national interest of the United States posed by such disclosure is of such gravity that it outweighs any public interest in the disclosure.

(3) If the President, personally, in writing, notifies the Permanent Select Committee on Intelligence of his objections to the disclosure of such information as provided in paragraph (2), the Permanent Select Committee on Intelligence may, by majority vote, refer the question of this disclosure of such information with a recommendation thereon to the House for consideration. The Permanent Select Committee on Intelligence shall not publicly disclose such information without leave of the House.

(4) Whenever the Permanent Select Committee on Intelligence votes to refer the question of disclosure of any information to the House under paragraph (3), the chairman of the Permanent Select Committee on Intelligence shall, not later than the first day on which the House is in session following the day on which the vote occurs, report the matter to the House for its consideration.

(5) If within four calendar days on which the House is in session, after such recommendation is reported, no motion has been made by the chairman of the Permanent Select Committee on Intelligence to consider, in closed session, the matter reported under paragraph (4), then such a motion will be deemed privileged and may be made by any Member. The motion under this paragraph shall not be subject to debate or amendment. When made, it shall be decided without intervening motion, except one motion to adjourn.

(6) If the House adopts a motion to resolve into closed session, the Speaker shall then be authorized to declare a recess subject to the call of the Chair. At the expiration of such recess, the pending question, in closed session, shall be, ''Shall the House approve the recommendation of the Permanent Select Committee on Intelligence?''

(7) After not more than two hours of debate on the motion, such debate to be equally divided and controlled by the chairman and ranking minority member of the Permanent Select Committee on Intelligence, or their designees, the previous question shall be considered as ordered and the House, without intervening motion except one motion to adjourn, shall immediately vote on the question, in open session but without divulging the information with respect to which the vote is being taken. If the recommendation of the Permanent Select Committee on Intelligence is not agreed to, the question shall be deemed recommitted to the Permanent Select Committee on Intelligence for further recommendation.

(c)(1) No information in the possession of the Select Committee relating to the lawful intelligence or intelligence-related activities of any department or agency of the United States which has been classified under established security procedures and which the Select Committee, the Permanent Select Committee on Intelligence, or the House pursuant to this section, has determined should not be disclosed shall be made available to any person by a Member, officer, or employee of the House except as provided in paragraph (2).

(2) The Select Committee shall, under such regulations as the committee shall prescribe, make any information described in paragraph (1) available to any other committee or any other Member of the House and permit any other Member of the House to attend any hearing of the committee which is closed to the public. Whenever the Select Committee makes such information available (other than to the Speaker), the committee shall keep a written record showing, in the case of any particular information, which committee or which Members of the House received such information. No Member of the House who, and no committee which, receives any information under this paragraph, shall disclose such information except in a closed session of the House.

(d) The Committee on Standards of Official Conduct shall investigate any unauthorized disclosure of intelligence or intelligence-related information by a Member, officer, or employee of the House in violation of subsection (c) and report to the House concerning any allegation which it finds to be substantiated.

(e) Upon the request of any person who is subject to any such investigation, the Committee on Standards of Official Conduct shall release to such individual at the conclusion of its investigation a summary of its investigation, together with its findings. If, at the conclusion of its investigation, the Committee on Standards of Official Conduct determines that there has been a significant breach of confidentiality or unauthorized disclosure by a Member, officer, or employee of the House, it shall report its findings to the House and recommend appropriate action such as censure, removal from committee membership, or expulsion from the House, in the case of a Member, or removal from office or employment or punishment for contempt, in the case of an officer or employee.

SEC. 8. TRANSFER OF INFORMATION TO SELECT COMMITTEE.

Any committee of the House of Representatives having custody of records, data, charts, and files concerning subjects within the jurisdiction of the Select Committee shall furnish the originals or copies of such materials to the Select Committee. In the case of the Permanent Select Committee on Intelligence, such materials shall be made available pursuant to clause 7(c)(2) of rule XLVIII.

SEC. 9. INFORMATION GATHERING.

(a) IN GENERAL.—The Select Committee is authorized to require, by subpoena or otherwise, the attendance and testimony of such witnesses, the furnishing of such information by interrogatory, and the production of such books, records, correspondence, memoranda, papers, documents, calendars, recordings, electronic communications, data compilations from which information can be obtained, tangible objects, and other things and information of any kind as it deems necessary, including all intelligence materials however classified, White House materials, and materials pertaining to unvouchered expenditures or concerning communications interceptions or surveillance.

(b) SUBPOENAS, DEPOSITIONS AND INTERROGATORIES.—Unless otherwise determined by the Select Committee, the Chairman, upon consultation with the ranking minority member, or the Select Committee may—

(1) authorize and issue subpoenas;

(2) order the taking of depositions, interrogatories, or affidavits under oath or otherwise; and

(3) designate a member or staff of the Select Committee to conduct any deposition.

(c) INTERNATIONAL AUTHORITIES.—Unless otherwise determined by the Select Committee, the Chairman of the Select Committee, upon consultation with the ranking minority member of the Select Committee, or the Select Committee may—

(1) order the taking of depositions and other testimony, under oath or otherwise, anywhere outside the United States; and

(2) make application for issuance of letters rogatory, and request through appropriate channels, other means of international assistance, as appropriate.

(d) HANDLING OF INFORMATION.—Information obtained under the authority of this section shall be—

(1) considered as taken by the Select Committee in the District of Columbia, as well as the location actually taken; and

(2) considered to be taken in executive session.

SEC. 10. TAX RETURNS.

Pursuant to sections 6103(f)(3) and 6104(a)(2) of the Internal Revenue Code of 1986, for the purpose of investigating the subjects set forth in this resolution and since information necessary for this investigation cannot reasonably be obtained from any other source, the Select Committee shall be specially authorized to inspect and receive for the tax years 1991 through 1998 any tax return, return information, or other tax-related material, held by the Secretary of the Treasury, related to individuals and entities named by the Select Committee as possible participants, beneficiaries, or intermediaries in the transactions under investigation. As specified by section 6103(f)(3) of the Internal Revenue Code of 1986, such materials and information shall be furnished in closed executive session.

SEC. 11. ACCESS TO INFORMATION OF THE SELECT COMMITTEE.

The Select Committee shall provide other committees and Members of the House with access to information and proceedings, consistent with clause 7(c)(2) of rule XLVIII, except that the Select Committee may direct that particular matters or classes of matter shall not be made available to any person by its members, staff, or others, or may impose any other restriction. The Select Committee may require its staff to enter nondisclosure agreements, and its chairman, in consultation with the ranking minority member, may require others, such as counsel for witnesses, to do so. The Committee on Standards of Official Conduct may investigate any unauthorized disclosure of such classified information by a Member, officer, or employee of the House or other covered person upon request of the Select Committee. If, at the conclusion of its investigation, the Committee on Standards of Official Conduct determines that there has been a significant unauthorized disclosure, it shall report its findings to the House and recommend appropriate sanctions for the Member, officer, employee, or other covered person consistent with clause 7(e) of rule XLVIII and any committee restriction, including nondisclosure agreements. The Select Committee shall, as appropriate, provide access to information and proceedings to the Speaker and the minority leader and their appropriately cleared and designated staff.

SEC. 12. COOPERATION OF OTHER ENTITIES.

(a) COOPERATION OF OTHER COMMITTEES.—The Select Committee may submit to any

standing committee specific matters within its jurisdiction and may request that such committees pursue such matters further.

(b) COOPERATION OF OTHER FEDERAL ENTITIES.—The Chairman of the Select Committee, upon consultation with the ranking minority member, or the Select Committee may request investigations, reports, and other assistance from any agency of the executive, legislative, and judicial branches of the Federal Government.

SEC. 13. ACCESS AND RESPONSE TO JUDICIAL PROCESS.

In addition to any applications to court in response to judicial process that may be made in behalf of the House by its counsel, the Select Committee shall be authorized to respond to any judicial or other process, or to make any applications to court, upon consultation with the Speaker consistent with rule L.

SEC. 14. ADMINISTRATIVE MATTERS.

(a) PERSONNEL.—The Chairman, upon consultation with the ranking minority member, may employ and fix the compensation of such clerks, experts, consultants, technicians, attorneys, investigators, clerical and stenographic assistants, and other appropriate staff as the Chairman considers necessary to carry out the purposes of this resolution. Detailees from the executive branch or staff of the House or a joint committee, upon the request of the Chairman of the Select Committee, upon consultation with the ranking minority member, shall be deemed staff of the Select Committee to the extent necessary to carry out the purposes of this resolution.

(b) PAYMENT OF EXPENSES.—(1) The Select Committee may reimburse the members of its staff for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Select Committee.

(2) Not more than $2,500,000 are authorized for expenses of the Select Committee for investigations and studies, including for the procurement of the services of individual consultants or organizations thereof, and for training of staff, to be paid out of the applicable accounts of the House of Representatives upon vouchers signed by the Chairman and approved in the manner directed by the Committee on House Oversight.

SEC. 15. APPLICABILITY OF OTHER LAWS TO SELECT COMMITTEE.

The Select Committee shall be deemed a committee of the House for all purposes of the rules of the House of Representatives and shall be deemed a committee for all purposes of law, including, but not limited to, section 202(f) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(f)), sections 102 and 104 of the Revised Statutes (2 U.S.C. 192 and 194), sections 1001, 1505, 1621, 6002, and 6005 of title 18, United States Code, section 502(b)(1)(B)(ii) of the Mutual Security Act of 1954 (22 U.S.C. 1754(b)(1)(B)(ii)), and section 734 of title 31, United States Code.

SEC. 16. DISPOSITION OF RECORDS.

At the conclusion of the existence of the Select Committee, all records of the Select Committee shall be transferred to other committees, or stored by the Clerk of the House, as directed by the Select Committee, consistent with applicable rules and law concerning classified information.

The SPEAKER pro tempore. Pursuant to House Resolution 476, the amendment in the nature of a substitute printed in the resolution is adopted.

The text of the amendment in the nature of a substitute is as follows:

Resolved,

SECTION 1. ESTABLISHMENT.

There is hereby created the Select Committee on U.S. National Security and Military/Commercial Concerns With the People's Republic of China, (hereafter in this resolution referred to as the ''Select Committee''). The Select Committee may sit and act during the present Congress at such times and places within the United States, including any Commonwealth or possession thereof, or in any other country, whether the House is in session, has recessed, or has adjourned, as it shall deem appropriate for the completion of its work.

SEC. 2. JURISDICTION.

(a) IN GENERAL.—The Select Committee shall conduct a full and complete inquiry regarding the following matters and report such findings and recommendations, including those concerning the amendment of existing law or the enactment of new law, to the House as it considers appropriate:

(1) The transfer of technology, information, advice, goods, or services that may have contributed to the enhancement of the accuracy, reliability, or capability of nuclear-armed intercontinental ballistic missiles or other weapons of the People's Republic of China, or that may have contributed to the enhancement of the intelligence capabilities of the People's Republic of China.

(2) The transfer of technology, information, advice, goods, or services that may have contributed to the manufacture of weapons of mass destruction, missiles, or other weapons or armaments by the People's Republic of China.

(3) The effect of any transfer or enhancement referred to in paragraphs (1) or (2) on regional security and the national security of the United States.

(4) The conduct of the executive branch of the United States Government with respect to the transfers or enhancements referred to in paragraphs (1) or (2), and the effect of that conduct on regional security and the national security of the United States.

(5) The conduct of defense contractors, weapons manufacturers, satellite manufacturers, and other private or government-owned commercial firms with respect to the transfers or enhancements referred to in paragraphs (1) or (2).

(6) The enforcement of United States law, including statutes, regulations, or executive orders, with respect to the transfers or enhancements referred to in paragraphs (1) or (2).

(7) Any effort by the Government of the People's Republic of China or any other person or entity to influence any of the foregoing matters through political contributions, commercial arrangements, or bribery, influence-peddling, or other illegal activities.

(8) Decision-making within the executive branch of the United States Government with respect to any of the foregoing matters.

(9) Any effort to conceal or withhold information or documents relevant to any of the foregoing matters or to obstruct justice, or to obstruct the work of the Select Committee or any other committee of the House of Representatives in connection with those matters.

(10) All matters relating directly or indirectly to any of the foregoing matters.

(b) PERMITTING REPORTS TO BE MADE TO HOUSE IN SECRET SESSION.—Any report to the House pursuant to this section may, in the Select Committee's discretion, be made under the provisions of rule XXIX of the Rules of the House of Representatives.

SEC. 3. COMPOSITION; VACANCIES.

(a) COMPOSITION.—The Select Committee shall be composed of 9 or fewer Members of the House to be appointed by the Speaker of the House of Representatives, one of whom he shall designate as Chairman. Service on the Select Committee shall not count against the limitations on committee service in clause 6(b)(2) of rule X.

(b) VACANCIES.—Any vacancy occurring in the membership of the Select Committee shall be filled in the same manner in which the original appointment was made.

SEC. 4. RULES APPLICABLE TO SELECT COMMITTEE.

(a) QUORUM.—One-third of the members of the Select Committee shall constitute a quorum for the transaction of business other than the reporting of a matter, which shall require a majority of the committee to be actually present, except that the Select Committee may designate a lesser number, but not less than 2, as a quorum for the purpose of holding hearings to take testimony and receive evidence.

(b) APPLICABILITY OF HOUSE RULES.—The Rules of the House of Representatives applicable to standing committees shall govern the Select Committee where not inconsistent with this resolution.

(c) RULES OF SELECT COMMITTEE.—The Select Committee shall adopt additional written rules, which shall be public, to govern its procedures, which shall not be inconsistent with this resolution or the Rules of the House of Representatives.

SEC. 5. CLASSIFIED INFORMATION.

No employee of the Select Committee or any person engaged by contract or otherwise to perform services for or at the request of such committee shall be given access to any classified information by such committee unless such employee or person has—

(1) agreed in writing and under oath to be bound by the rules of the House (including the jurisdiction of the Committee on Standards of Official Conduct and of the Select Committee as to the security of such information during and after the period of his employment or contractual agreement with the Select Committee); and

(2) received an appropriate security clearance as determined by the Select Committee in consultation with the Director of Central Intelligence.

The type of security clearance to be required in the case of any such employee or person shall, within the determination of the Select Committee in consultation with the Director of Central Intelligence, be commensurate with the sensitivity of the classified information to which such employee or person will be given access by such committee.

SEC. 6. LIMITS ON DISCLOSURE OF INFORMATION.

The Select Committee shall formulate and carry out such rules and procedures as it deems necessary to prevent the disclosure, without the consent of the person or persons concerned, of information in the possession of such committee which unduly infringes upon the privacy or which violates the constitutional rights of such person or persons. Nothing herein shall be construed to prevent such committee from publicly disclosing any such information in any case in which such committee determines that national interest in the disclosure of such information clearly outweighs any infringement on the privacy of any person or persons.

SEC. 7. PROCEDURES FOR HANDLING INFORMATION.

(a) The Select Committee may, subject to the provisions of this section, disclose publicly any information in the possession of such committee after a determination by such committee that the public interest would be served by such disclosure. Whenever committee action is required to disclose any information under this section, the committee shall meet to vote on the matter within five days after any member of the committee requests such a vote. No member of the Select Committee shall disclose any information, the disclosure of which requires a committee vote, prior to a vote by the committee on the question of the disclosure of such information or after such vote except in accordance with this section. In any case in which the Select Committee votes to disclose publicly any information, which has been classified under established security procedures, which has been submitted to it by the executive branch, and which the executive branch requests be kept secret, the Select

Committee shall submit such classified information to the Permanent Select Committee on Intelligence.

(b)(1) As set forth in clause 7(b) of rule XLVIII, in any case in which the Permanent Select Committee on Intelligence votes to disclose publicly any information submitted pursuant to subsection (a), which has been classified under established security procedures, which has been submitted to the Select Committee by the executive branch, and which the executive branch has requested be kept secret, the Permanent Select Committee on Intelligence shall notify the President of such vote.

(2) The Permanent Select Committee on Intelligence may disclose publicly such information after the expiration of a five-day period following the day on which notice of such vote is transmitted to the President, unless, prior to the expiration of such five-day period, the President, personally in writing, notifies the Permanent Select Committee on Intelligence that he objects to the disclosure of such information, provides his reasons therefor, and certifies that the threat to the national interest of the United States posed by such disclosure is of such gravity that it outweighs any public interest in the disclosure.

(3) If the President, personally, in writing, notifies the Permanent Select Committee on Intelligence of his objections to the disclosure of such information as provided in paragraph (2), the Permanent Select Committee on Intelligence may, by majority vote, refer the question of this disclosure of such information with a recommendation thereon to the House for consideration. The Permanent Select Committee on Intelligence shall not publicly disclose such information without leave of the House.

(4) Whenever the Permanent Select Committee on Intelligence votes to refer the question of disclosure of any information to the House under paragraph (3), the chairman of the Permanent Select Committee on Intelligence shall, not later than the first day on which the House is in session following the day on which the vote occurs, report the matter to the House for its consideration.

(5) If within four calendar days on which the House is in session, after such recommendation is reported, no motion has been made by the chairman of the Permanent Select Committee on Intelligence to consider, in closed session, the matter reported under paragraph (4), then such a motion will be deemed privileged and may be made by any Member. The motion under this paragraph shall not be subject to debate or amendment. When made, it shall be decided without intervening motion, except one motion to adjourn.

(6) If the House adopts a motion to resolve into closed session, the Speaker shall then be authorized to declare a recess subject to the call of the Chair. At the expiration of such recess, the pending question, in closed session, shall be, ''Shall the House approve the recommendation of the Permanent Select Committee on Intelligence?''

(7) After not more than two hours of debate on the motion, such debate to be equally divided and controlled by the chairman and ranking minority member of the Permanent Select Committee on Intelligence, or their designees, the previous question shall be considered as ordered and the House, without intervening motion except one motion to adjourn, shall immediately vote on the question, in open session but without divulging the information with respect to which the vote is being taken. If the recommendation of the Permanent Select Committee on Intelligence is not agreed to, the question shall be deemed recommitted to the Permanent Select Committee on Intelligence for further recommendation.

(c)(1) No information in the possession of the Select Committee relating to the lawful intelligence or intelligence-related activities of any department or agency of the United States which has been classified under established security procedures and which the Select Committee, the Permanent Select Committee on Intelligence, or the House pursuant to this section, has determined should not be disclosed shall be made available to any person by a Member, officer, or employee of the House except as provided in paragraph (2).

(2) The Select Committee shall, under such regulations as the committee shall prescribe, make any information described in paragraph (1) available to any other committee or any other Member of the House and permit any other Member of the House to attend any hearing of the committee which is closed to the public. Whenever the Select Committee makes such information available (other than to the Speaker), the committee shall keep a written record showing, in the case of any particular information, which committee or which Members of the House received such information. No Member of the House who, and no committee which, receives any information under this paragraph, shall disclose such information except in a closed session of the House.

(d) The Committee on Standards of Official Conduct shall investigate any unauthorized disclosure of intelligence or intelligence-related information by a Member, officer, or employee of the House in violation of subsection (c) and report to the House concerning any allegation which it finds to be substantiated.

(e) Upon the request of any person who is subject to any such investigation, the Committee on Standards of Official Conduct shall release to such individual at the conclusion of its investigation a summary of its investigation, together with its findings. If, at the conclusion of its investigation, the Committee on Standards of Official Conduct determines that there has been a significant breach of confidentiality or unauthorized disclosure by a Member, officer, or employee of the House, it shall report its findings to the House and recommend appropriate action such as censure, removal from committee membership, or expulsion from the House, in the case of a Member, or removal from office or employment or punishment for contempt, in the case of an officer or employee.

SEC. 8. TRANSFER OF INFORMATION TO SELECT COMMITTEE.

Any committee of the House of Representatives having custody of records, data, charts, and files concerning subjects within the jurisdiction of the Select Committee shall furnish the originals or copies of such materials to the Select Committee. In the case of the Permanent Select Committee on Intelligence, such materials shall be made available pursuant to clause 7(c)(2) of rule XLVIII.

SEC. 9. INFORMATION GATHERING.

(a) IN GENERAL.—The Select Committee is authorized to require, by subpoena or otherwise, the attendance and testimony of such witnesses, the furnishing of such information by interrogatory, and the production of such books, records, correspondence, memoranda, papers, documents, calendars, recordings, electronic communications, data compilations from which information can be obtained, tangible objects, and other things and information of any kind as it deems necessary, including all intelligence materials however classified, White House materials, and materials pertaining to unvouchered expenditures or concerning communications interceptions or surveillance.

(b) SUBPOENAS, DEPOSITIONS AND INTERROGATORIES.—Unless otherwise determined by the Select Committee, the Chairman, upon consultation with the ranking minority member, or the Select Committee may—

(1) authorize and issue subpoenas;

(2) order the taking of depositions, interrogatories, or affidavits under oath or otherwise; and

(3) designate a member or staff of the Select Committee to conduct any deposition.

(c) INTERNATIONAL AUTHORITIES.—Unless otherwise determined by the Select Committee, the Chairman of the Select Committee, upon consultation with the ranking minority member of the Select Committee, or the Select Committee may—

(1) authorize the taking of depositions and other testimony, under oath or otherwise, anywhere outside the United States; and

(2) make application for issuance of letters rogatory, and request through appropriate channels, other means of international assistance, as appropriate.

(d) HANDLING OF INFORMATION.—Information obtained under the authority of this section shall be—

(1) considered as taken by the Select Committee in the District of Columbia, as well as the location actually taken; and

(2) considered to be taken in executive session.

SEC. 10. TAX RETURNS.

Pursuant to sections 6103(f)(3) and 6104(a)(2) of the Internal Revenue Code of 1986, for the purpose of investigating the subjects set forth in this resolution and since information necessary for this investigation cannot reasonably be obtained from any other source, the Select Committee shall be specially authorized to inspect and receive for the tax years 1988 through 1998 any tax return, return information, or other tax-related material, held by the Secretary of the Treasury, related to individuals and entities named by the Select Committee as possible participants, beneficiaries, or intermediaries in the transactions under investigation. As specified by section 6103(f)(3) of the Internal Revenue Code of 1986, such materials and information shall be furnished in closed executive session.

SEC. 11. ACCESS TO INFORMATION OF THE SELECT COMMITTEE.

The Select Committee shall provide other committees and Members of the House with access to information and proceedings, consistent with clause 7(c)(2) of rule XLVIII, except that the Select Committee may direct that particular matters or classes of matter shall not be made available to any person by its members, staff, or others, or may impose any other restriction. The Select Committee may require its staff to enter nondisclosure agreements, and its chairman, in consultation with the ranking minority member, may require others, such as counsel for witnesses, to do so. The Committee on Standards of Official Conduct may investigate any unauthorized disclosure of such classified information by a Member, officer, or employee of the House or other covered person upon request of the Select Committee. If, at the conclusion of its investigation, the Committee on Standards of Official Conduct determines that there has been a significant unauthorized disclosure, it shall report its findings to the House and recommend appropriate sanctions for the Member, officer, employee, or other covered person consistent with clause 7(e) of rule XLVIII and any committee restriction, including nondisclosure agreements. The Select Committee shall, as appropriate, provide access to information and proceedings to the Speaker and the minority leader and an appropriately cleared and designated member of each staff.

SEC. 12. COOPERATION OF OTHER ENTITIES.

(a) COOPERATION OF OTHER COMMITTEES.—The Select Committee may submit to any standing committee specific matters within its jurisdiction and may request that such committees pursue such matters further.

(b) COOPERATION OF OTHER FEDERAL ENTITIES.—The Chairman of the Select Committee, upon consultation with the ranking minority member, or the Select Committee may request investigations, reports, and other assistance from any agency of the executive, legislative, and judicial branches of the Federal Government.

SEC. 13. ACCESS AND RESPONSE TO JUDICIAL PROCESS.

In addition to any applications to court in response to judicial process that may be made in

behalf of the House by its counsel, the Select Committee shall be authorized to respond to any judicial or other process, or to make any applications to court, upon consultation with the Speaker consistent with rule L.

SEC. 14. ADMINISTRATIVE MATTERS.

(a) PERSONNEL.—The Chairman, upon consultation with the ranking minority member, may employ and fix the compensation of such clerks, experts, consultants, technicians, attorneys, investigators, clerical and stenographic assistants, and other appropriate staff as the Chairman considers necessary to carry out the purposes of this resolution. Detailees from the executive branch or staff of the House or a joint committee, upon the request of the Chairman of the Select Committee, upon consultation with the ranking minority member, shall be deemed staff of the Select Committee to the extent necessary to carry out the purposes of this resolution.

(b) PAYMENT OF EXPENSES.—(1) The Select Committee may reimburse the members of its staff for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Select Committee.

(2) Not more than $2,500,000 are authorized for expenses of the Select Committee for investigations and studies, including for the procurement of the services of individual consultants or organizations thereof, and for training of staff, to be paid out of the applicable accounts of the House of Representatives upon vouchers signed by the Chairman and approved in the manner directed by the Committee on House Oversight.

SEC. 15. APPLICABILITY OF OTHER LAWS TO SELECT COMMITTEE.

The Select Committee shall be deemed a committee of the House for all purposes of the rules of the House of Representatives and shall be deemed a committee for all purposes of law, including, but not limited to, section 202(f) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(f)), sections 102 and 104 of the Revised Statutes (2 U.S.C. 192 and 194), sections 1001, 1505, 1621, 6002, and 6005 of title 18, United States Code, section 502(b)(1)(B)(ii) of the Mutual Security Act of 1954 (22 U.S.C. 1754(b)(1)(B)(ii)), and section 734 of title 31, United States Code.

SEC. 16. DISPOSITION OF RECORDS.

At the conclusion of the existence of the Select Committee, all records of the Select Committee shall be transferred to other committees, or stored by the Clerk of the House, as directed by the Select Committee, consistent with applicable rules and law concerning classified information.

The SPEAKER pro tempore. The gentleman from New York (Mr. SOLOMON) and the gentleman from Texas (Mr. FROST) each will control 30 minutes.

The Chair recognizes the gentleman from New York (Mr. SOLOMON).

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

Today the Committee on Rules brings to the floor this resolution establishing a Select Committee of the House on United States National Security and Military/Commercial Concerns With the People's Republic of China.

Beginning in April of this year, Mr. Speaker, the New York Times has focused on the somewhat sordid history of the transfer of American satellite technology to Communist China. These press accounts have asserted, Mr. Speaker, that American national security has been severely damaged, and campaign contributions may have been a factor in the decisions made.

Mr. Speaker, there has been bipartisan commentary in this Congress and in our national public debate agreeing that there is a pressing need to get to the bottom of this matter that does affect the national security of our country.

The resolution before the House will establish a select committee to answer, among other things, did the transfer of technology contribute to the enhancement of the accuracy of nuclear armed intercontinental ballistic missiles of the People's Republic of China, missiles that right this minute are aimed at the United States of America?

Did these transfers contribute to the manufacture of weapons of mass destruction by the People's Republic of China?

What effect did these transfers have on U.S. national security?

Was there any effort by the People's Republic of China or other person or entity to influence these matters through political contributions, commercial arrangements, or bribery, influence peddling or other illegal activities?

Keep in mind, Mr. Speaker, we ought to remember the Foreign Corrupt Practices Act, because it may very well be involved in this situation here today.

Mr. Speaker, every Member of this House would agree that these are critical and serious questions which deserve to have truthful answers.

Mr. Speaker, this resolution is brought forward in a bipartisan spirit, a development which brings great credit I think to this House. I applaud the work of the gentleman from California (Mr. COX) sitting to my right, the proposed chairman of this select committee, and the gentleman from Washington (Mr. DICKS), again, one of the most respected and admired Members of this House, the proposed ranking member of the Select Committee.

These two honorable gentlemen worked out a package of bipartisan improvements to the legislation that I introduced several days ago, which the Committee on Rules was pleased to incorporate during the markup. We have taken all of their suggestions so that there is nothing controversial in this resolution before us right now.

Now, Mr. Speaker and Members, every American citizen is deeply concerned about nuclear proliferation around this world, whether it be in India, whether it be in Pakistan, in North Korea, in other rogue states like Iran, Iraq and Libya. Mr. Speaker, they are concerned that in the People's Republic of China, that in the last decade has been able to develop and now deploy intercontinental ballistic missiles, according to our estimates and that of the press, 13 of the 18 are aimed at the United States of America.

Mr. Speaker, as we all know, President Clinton is fond of defending his ''commerce-at-any-cost'' policy toward China by saying that he is merely continuing the policy of previous Republican Presidents. Mr. Speaker, last Tuesday we heard from Richard Allen, who knows a little bit about previous Republican policy. He was in the Nixon administration during the opening of China in 1972, whether that was right or wrong, and was National Security Adviser to President Reagan during the early years of his presidency.

Mr. Allen said that given today's changed context, and this is very, very important, given today's changed context, it is patently obvious to him that President Nixon or President Reagan or President Bush would have caused this policy to study the cumulative impact of these massive transfers of technology to a country like China.

Mr. Allen also offered this commonsense piece of wisdom that has so far eluded the Clinton administration. He said, quote, ''If a policy does not work any longer, you reevaluate it, you adjust it according to those new circumstances.''

Also, and this is terribly, terribly important, we heard from Jim Woolsey, who was President Clinton's first CIA director. What I found stunning about his testimony, Mr. Speaker, was the array of different materials and technologies that we have recently begun selling to China. This was his testimony: ''In addition to satellites, we are now giving China aircraft machine tools that can be used to construct military aircraft; we are giving them supercomputers that can be used to build and test nuclear weapons with more accuracy than they even have today. We are giving them high-temperature furnaces that also have nuclear uses. We are giving them encryption technology and cruise missile technology,'' all of which is very ominous, Mr. Speaker, to the future of this country. This is absolutely incredible in light of what is going on in the world today with nuclear proliferation around this world.

Just 2 days ago a headline appeared noting that China not only continues to help Iran, but also Libya. Here is the article. This article is from the Washington Times and was repeated in the New York Times and in the Washington Post. It says, ''China Assists Iran, Libya on Missile Sales.''

Mr. Speaker, Libya, as Members are well aware, has nuclear weapons programs, and the assistance continues after innumerable promises by the Chinese that they have stopped these transfers.

Mr. Speaker, another headline recently was that North Korea has thumbed its nose at the Clinton administration and at this country and said that it too would continue to export its military technology, much of which has been provided by China, to its rogue friends around the world.

Mr. Speaker, we know our technology transfer policies, our nonproliferation policies, and our overall China policies are bankrupt. They have to be changed. What we do not know, Mr. Speaker, at this point is exactly how we got into this mess and whether and how all of these developments are connected.

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We also do not know the full extent of the national security damage done to the United States of America. And I pointed out, this is not just me standing here saying so, Mr. Speaker.

Here is a cartoon that appeared in a local newspaper and these are typical of cartoons appearing around the country. It is a picture of the White House and up in the corner it is President Clinton saying, ''Relax, Hillary, I have convinced the Chinese to return the technology.'' Well, Mr. Speaker, then there is a picture of an intercontinental ballistic missile; that is the technology that is being returned to the United States of America at the White House. That is how serious this matter is.

Mr. Speaker, all of these revelations that I have alluded to have appeared in mainstream press accounts across this country and, Mr. Speaker, at this point I insert in the RECORD a series of articles from the New York Times and other publications that document what we know so far.

[From the New York Times, Apr. 4, 1998]

COMPANIES ARE INVESTIGATED FOR AID TO CHINA ON ROCKETS

(By Jeff Gerth with Raymond Bonner)

A Federal grand jury is investigating whether two American companies illegally gave China space expertise that significantly advanced Beijing's ballistic missile program, according to Administration officials.

But the officials said the criminal inquiry was dealt a serious blow two months ago when President Clinton quietly approved the export to China of similar technology by one of the companies under investigation.

The decision was opposed by Justice Department officials, who argued that it would be much more difficult to prosecute the companies if the Government gave its blessing to the deal, the officials said.

Under investigation, the officials said, are Loral Space and Communications of Manhattan and Hughes Electronics, a Los Angeles-based division of the General Motors Corporation. The companies denied wrongdoing, but declined to discuss the investigation.

Loral has numerous business deals with China and close ties to the White House. Its chairman and chief executive, Bernard L. Schwartz, was the largest personal contributor to the Democratic National Committee last year.

Loral's vice president for government relations, Thomas B. Ross, said Mr. Schwartz had not spoken about the matter with Mr. Clinton or any other Administration official.

The Federal inquiry stems from a 1996 incident in which a Chinese rocket carrying aloft a satellite built by Loral exploded shortly after liftoff. The two companies took part in an independent review of the failure, and reported to the Chinese on what went wrong.

Those exchanges, officials believe, may have gone beyond the sharing of information that the companies had been permitted, giving the Chinese crucial assistance in improving the guidance systems of their rockets. The technology needed to put a commercial satellite in orbit is similar to that which guides a long-range nuclear missile to its target.

In February, with the investigation of this incident well under way, Mr. Clinton gave Loral permission to launch another satellite on a Chinese rocket and provide the Chinese with the same expertise that is at issue in the criminal case, officials said.

A senior official said the Administration recognized the sensitivity of the decision, but approved the launching because the investigation had reached no conclusions and because Loral had properly handled subsequent launchings. The Administration, he said, could still take administrative action against the companies if they were found to have violated export laws in their earlier dealings with the Chinese.

Michael D. McCurry, the White House spokesman, said the launching that President Clinton approved in February ''will not contribute to Chinese military capabilities'' because Loral has agreed to ''stringent safeguards'' to prevent the unauthorized transfer of technology.

Emery Wilson, public relations manager for Hughes Space and Communications, a division of Hughes Electronics, said the company had not been notified of any Federal criminal investigation.

''In response to a letter from the State Department,'' Mr. Wilson said, ''we conducted a thorough review and concluded that no Hughes employee had engaged in the unauthorized export of controlled technology or equipment.''

The Administration has been hoping to reach a broader agreement with Beijing that would make it much easier to launch American satellites on China's rockets. Mr. Clinton is to visit China this summer in the first Presidential trip to the country since the suppression of the pro-democracy movement in the 1989 Tiananmen Square massacre.

There are huge commercial interests at stake. A host of companies, from cellular telephone networks to international television conglomerates, are waiting in line for low-cost satellites to be sent into orbit. An important bottleneck facing the companies is a shortage of rocket systems available to launch satellites.

China is eager to offer its low-cost—but not always reliable—services.

For American companies, there is a significant complication. All American satellites sent into orbit by China's rockets require Presidential approval, a waiver of the sanctions imposed after the Tiananmen massacre. Congress must be told of each waiver. Thus far, Presidents Bush and Clinton have issued 11 waivers for satellite launchings.

The policy under consideration by the Clinton Administration would end the case-by-case waivers and would treat future launchings of American satellites like any other export of sensitive technology, which require Government licenses.

Critics in Congress argue that Mr. Clinton is putting commercial interests ahead of national security. They caution that China has yet to prove it will abide by previous pledges it has made not to share missile technology with countries like Iran.

Few nations can deliver intercontinental ballistic missiles. China has lagged because, among other reasons, it lacks the guidance technology, also used for satellites, that allows multiple warheads to be sent from a single missile.

President Clinton signed the waiver to allow the Loral satellite launching on Feb. 18. The waiver states that the deal is ''in the national interest.''

''We are more engaged with China,'' Mr. McCurry said. ''One area of that engagement has been commercial satellite technology, which we perceive to be in our interests as well as that of China's.''

But law-enforcement officials argued against the waiver, saying the approval jeopardized their investigation because it sanctioned the export of essentially the same guidance expertise involved in the possibly illegal transfer two years ago, Administration officials say.

Administration officials said the inquiry is focused on the events following the Feb. 15, 1996, explosion of a Chinese rocket carrying a $200 million Loral satellite seconds after liftoff at the Xichang Satellite Launch Center in Sichuan Province, in southern China.

After the explosion, the Chinese asked two American companies to help conduct an independent study of what went wrong. The team was led by Loral and included two experts from Hughes, according to Hughes.

According to Administration officials, the American experts provided crucial data and information to the Chinese to prevent future accidents. Later, Loral gave a copy of the written report to the State Department, which licenses the export of defense-related items.

Government officials immediately began to assess whether there had been a security breach. Last year, a criminal inquiry was begun by the United States Customs Service and the Department of Justice, officials said.

Under Federal export rules, American companies are supposed to take careful precautions to safeguard classified technology when their satellites are launched by Chinese rockets.

Satellites are shipped to China in sealed containers, and only American officials can mount them in the nose cones of the launching rockets. The Commerce Department approves the export of the satellites. But the more sensitive support activities must be approved by the State Department.

That process is meant to insure tight controls over the testing, repair and maintenance of the satellite so the Chinese cannot learn related classified information.

The State Department license issued several years ago for the Loral satellite was silent on the issue of what role, if any, the American experts could play in an analysis of a failed launching.

After United States companies took part in more than one study of failed Chinese launchings, the Federal Government changed its regulations and now requires companies to obtain a separate license to take a role in any accident review, an Administration official said.

[From the New York Times, Apr. 13, 1998]

U.S. BUSINESS ROLE IN POLICY ON CHINA IS UNDER QUESTION

(By Jeff Gerth)

In the 1992 election, many of America's aerospace manufacturers backed Bill Clinton. But when President Clinton took office, he immediately disappointed some of them on a key issue, barring them from launching their most lucrative satellites on China's low-cost rockets.

The aerospace companies' counterattack was vehement—and effective. After a lobbying campaign that included appeals to the President by C. Michael Armstrong, then the chief executive of Hughes Electronics, Mr. Clinton gradually came to take the industry's side.

But there was an important caveat: The companies had to keep a tight rein on sophisticated technology sought by the Chinese military.

So in May 1997 the Administration was jolted by a classified Pentagon report concluding that scientists from Hughes and Loral Space and Communications had turned over expertise that significantly improved the reliability of China's nuclear missiles, officials said.

The report, whose existence has been secret, prompted a criminal investigation of the companies, which officials said was undermined this year when Mr. Clinton approved Loral's export to China of the same

information about guidance systems. Loral's chairman was the largest personal donor to the Democratic Party last year.

An examination of the Administration's handling of the case, based on interviews with Administration officials and industry executive, illustrates the competing forces that buffet Mr. Clinton on China policy. In this instance, the President's desire to limit the spread of missile technology was balanced against the commercial interests of powerful American businesses, many of which were White House allies and substantial supporters of the Democratic Party.

''From the Chinese point of view, this was the key case study on how the Administration would operate on contentious issues,'' an Administration expert on China said. The message, the official added, was that Administration policy on issues like the spread of weapons and human rights abuses ''could be reversed by corporations.''

The White House denied any political interference in the issue.

''I am certainly not aware that our policy has been influenced by domestic political considerations,'' said Gary Samore, the senior director for nonproliferation and export controls at the National Security Council. ''From where I sit, this has been handled as a national security issue: seeking to use China's interest in civilian space cooperation as leverage to obtain nonproliferation goals.''

The Administration's China policy has come under intense scrutiny in the last year. Congressional investigators have been examining whether China sought to influence policy through illegal campaign contributions to Democratic candidates in 1996. The connection, first suggested in intelligence reports and echoed by Senator Fred Thompson, the Tennessee Republican who led hearings on campaign finance, was never proved.

The handling of the satellite case raises questions about the influence of American contributors on China policy, according to officials.

2 COMPANIES TILT TOWARD DEMOCRATS

Since 1991, the aerospace industry has divided its political contributions equally between Democrats and Republicans. In the same period, however, Loral and Hughes tilted toward the Democratic Party, giving $2.5 million to Democratic candidates and causes and $1 million to the Republicans.

Administration officials say the contributions played no role in the decisions to permit China to launch American satellites.

''The Government has to balance risks: the risk in not letting American companies get their satellites launched by the Chinese, which would reduce our high-tech advantages, and the inherent risks of technology transfer,'' said James P. Rubin, the State Department spokesman.

''That's why we impose such strict safeguards, and we are determined to investigate and use our laws to prevent that possibility,'' Mr. Rubin said.

WAIVERS REQUIRED AFTER TIANANMEN

The criminal investigation of Hughes and Loral has its roots in 1989, when sanctions were imposed after the massacre of pro-democracy demonstrators at Tiananmen Square, requiring a Presidential waiver for satellite launchings. Eleven such waivers have been granted by President Clinton and his predecessor, George Bush.

But in late 1992, American intelligence discovered that Chinese companies had sold missile technology to Pakistan, raising tensions on the subcontinent.

In the first months of Mr. Clinton's Presidency, Democrats and Republicans in Congress pressed the Administration to take action. Mr. Clinton responded with sanctions that barred American companies from sending military goods to any of the Chinese concerns involved in the Pakistan deal.

The move had the effect of halting several pending and future American satellite deals because the Chinese rocket-launching company was one of those under sanctions.

Mr. Armstrong of Hughes, a subsidiary of the General Motors Corporation, wasted no time in getting the President's attention. He wrote two blunt letters in September and October 1993 that reminded Mr. Clinton of his support for several Presidential policy initiatives like the North American Free Trade Agreement, officials said.

He bemoaned his company's loss of business to foreign competitors and requested Mr. Clinton's personal involvement. Hughes's biggest loss, the company says, was the opportunity for a joint satellite manufacturing plant in China, which the Chinese awarded to a European competitor.

CLINTON CONFRONTS DEPARTMENT TUSSLE

A key issue was whether Hughes satellites were civilian or military, a murky question in the export control laws. If the satellites were labeled commercial, the sanctions invoked over the Pakistan deal did not apply. Mr. Armstrong told Mr. Clinton, officials said, that Hughes satellites should not be considered military because their technology did not have military applications.

Soon after the letters, Mr. Clinton assured Mr. Armstrong in an open meeting that he was trying to resolve the tussle between the State Department, which licensed military exports and wanted to keep authority over satellites, and the Commerce Department, which licensed all other exports and was on the side of the satellite industry.

''I'm trying to get on top of this to decide what to do,'' Mr. Clinton told Mr. Armstrong.

At about the same time, the Administration gave signals that it was moving toward the industry's position. After one signal, Mr. Armstrong sent a letter to a senior White House official relaying a positive reaction from Chinese officials, White House officials said.

In early January 1994, the President sent another positive signal—what Hughes officials then called a ''a good first step.'' Three satellites were lableded as civilian, including one slightly modified Hughes satellite, which allowed their launchings to proceed.

Mr. Clinton's decision helped the industry. But the satellite makers wanted a broader decision that made the Commerce Department the primary licensing authority for virtually all satellites. The Commerce Department weighs the economic consequences when it considers an export license. The State Department looks at security concerns.

In 1994, Loral's chairman and chief executive, Bernard L. Schwartz, went to China with Commerce Secretary Ron Brown. Mr. Brown helped Loral close a mobile telephone satellite network deal in Beijing.

A few weeks later, the President's top political aide, Harold Ickes, wrote a memo to Mr. Clinton in which he said Mr. Schwartz ''is prepared to do anything he can for the Administration.''

In December 1994, the President selected Mr. Armstrong to head his Export Council.

And the sanctions stemming from the Pakistan sale were lifted in late 1994 as China promised to curb missile sales to other countries.

Still, the satellite industry had not achieved a major objective. So in 1995, Mr. Armstrong sent another letter to Mr. Clinton, signed by Mr. Schwartz, arguing that the Commerce Department should become the primary licensing authority for satellite exports, an industry executive said. (Mr. Armstrong, who recently became the chief executive of AT&T, declined through a spokeswoman to comment.)

The debate not only affected national security but also had enormous commercial implications. The businesses that rely on satellites are highly competitive, and European companies were more than willing to take advantage of China's low-cost services. Without the Chinese, American companies faced long waits to get their satellites sent into orbit because of a shortage of rockets. Satellite technology is crucial to an increasing number of businesses, from cellular telephone networks to global broadcast conglomerates.

CHINESE ROCKET FOR LORAL CRASHES

Finally in March 1996, Mr. Clinton shifted major licensing responsibilities for almost all satellites to the Commerce Department. The State Department retained control over a few highly sophisticated satellites as well as any sensitive support activities, or technical assistance, in connection with civilian satellites.

The industry and the Chinese applauded the action. But the events that followed a failed launching in China immediately raised questions about whether the new policy sent a wrong signal.

On Feb. 15, 1996, a Chinese rocket carrying a $200 million Loral satellite crashed 22 seconds after liftoff at the Xichang Satellite Launching Center in southern China.

Chinese officials needed to figure out what went wrong. By April an outside review commission, headed by Loral, was assembled to help the Chinese study the accident. It included two scientists from Hughes.

On May 10, the commission completed a preliminary report, based on over ''200 pages of data, analysis evaluation and reports,'' documents show. It found that the cause of the accident was an electrical flaw in the electronic flight control system.

But the report, which was promptly shared with the Chinese, discussed other sensitive aspects of the rocket's guidance and control systems, which is an area of weakness in China's missile programs, according to Government and industry officials.

The State Department learned about the report and made contact with Loral.

Loral, in what officials said was a cooperative effort, provided the review commission's report and a long letter explaining what happened. Loral told other commission members, including the two Hughes scientists, to retrieve all copies of the report because of the serious security concerns of the Government, officials said,

But the two Hughes employees believed that there was no legal obligation to comply with the request, officials also said. In late May, Hughes received a letter from the State Department charging that the transfer of information was a violation of the arms export control laws, according to officials. Loral received no such letter.

One year later, the Pentagon completed its damage assessment of the incident. It concluded, officials said, that ''United States national security has been harmed.''

The Pentagon report prompted a criminal investigation into Loral and Hughes by the Justice Department and the Customs Service. The companies say their employees have acted properly, but they decline to discuss the matter.

One key issue is whether the data turned over to the Chinese required a State Department license and, if so, whether the company officials were aware of that fact. The criminal inquiry has found evidence that several days before the review committee had its first meeting with Chinese officials, Loral executives were told by their security advisers that any sharing of information required

a State Department license, according to Administration officials. Loral never sought a license, but it may have sounded out the State Department.

An industry official said Loral had immediately told the State Department about the review commission meeting with the Chinese but had received no reply.

MORE HIGH-TECH DATA EXPORTED RECENTLY

Whatever the evidence, criminal charges may never be brought because Mr. Clinton approved the export to China by Loral of similar satellite guidance information two months ago. He acted despite the strong opposition of the Justice Department, whose officials argued that the approval would seriously undercut any criminal case.

The required notice to Congress by the President of his action was sent during a recess.

Administration officials say the decision was politically sensitive but correct because no wrongdoing had been proven and Loral had subsequently acted responsibly.

Since the inquiry began, Beijing and Washington have been exploring even more space cooperation.

Last fall President Jiang Zemin visited the United States and stopped at a Hughes site to talk about satellites. In advance of Mr. Clinton's trip to China in June, the Administration is seeking a broader agreement with Beijing on space cooperation.

But the chairman of the House International Relations Committee, Benjamin A. Gilman, Republican of New York, says the Administration should provide a ''thorough review'' of the Hughes-Loral case to Congress before it goes ahead with a plan to expedite approvals for American satellite launchings by China.

[From the New York Times, May 15, 1998]

DEMOCRAT FUND-RAISER SAID TO DETAIL CHINA TIE

(By Jeff Gerth)

(This article is based on reporting by Jeff Gerth, David Johnston and Don Van Natta and was written by Mr. Gerth.)

A Democratic fund-raiser has told Federal investigators he funneled tens of thousands of dollars from a Chinese military officer to the Democrats during President Clinton's 1996 re-election campaign, according to lawyers and officials with knowledge of the Justice Department's campaign finance inquiry.

The fund-raiser, Johnny Chung, told investigators that a large part of the nearly $100,000 he gave to Democratic causes in the summer of 1996—including $80,000 to the Democratic National Committee—came from China's People's Liberation Army through a Chinese lieutenant colonel and aerospace executive whose father was Gen. Liu Huaqing, the officials and lawyers said.

General Liu was then not only China's top military commander but also a member of the leadership of the Communist Party.

Mr. Chung said the aerospace executive, Liu Chao-ying, told him the source of the money. At one fund-raiser to which Mr. Chung gained admission for her, she was photographed with President Clinton.

A special adviser to the White House counsel, Jim Kennedy, said today, ''We had no knowledge about the source of Mr. Chung's money or the background of his guest. In hindsight it was clearly not appropriate for Chung to bring her to see the President.''

Mr. Chung's account, coupled with supporting documents like bank records, is the first direct evidence obtained by the Justice Department that elements of the Chinese Government made illegal contributions to the Democratic Party. Under American law, foreign governments are prohibited from contributing to political campaigns.

While the amount described is a tiny part of the $194 million that Democrats raised in 1996, investigators regard the identification of Ms. Liu as a breakthrough in their long search for confirmation of a ''China Plan.'' The hunt was prompted after American intelligence intercepted telephone conversations suggesting that Beijing considered covertly influencing the American elections.

Senator Fred Thompson, Republican of Tennessee and chairman of the Senate committee investigating campaign finance, sought evidence of the plan, but Mr. Chung's account did not come until the committee issued its report this year. Tonight, the Federal Bureau of Investigation briefed Senate staff members about Mr. Chung's cooperation, according to officials.

Mr. Chung, a Southern California businessman, began cooperating with investigators after he pleaded guilty in March to campaign-related bank and tax fraud. He is the first defendant in the Justice Department inquiry to agree to cooperate.

It is not clear whether other Chinese officials or executives were involved in the purported payments by Ms. Liu, or what her motivation or the Chinese military's might have been. At the time, President Clinton was making it easier for American civilian communication satellites to be launched by Chinese rockets, a key issue for the Chinese army and for Ms.Liu's company, which sells missiles for the military and also has a troubled space subsidiary.

The President's decision was valuable to Ms. Liu because it enabled her company to do more business with American companies, but it has also been sought by American aerospace corporations, including Loral Space and Communications and the Hughes Electronics Corporation, a subsidiary of the General Motors Corporation, seeking to do more business in China. It is not known, however, whether anyone in the Democratic Party or the Clinton Administration had reason to suspect the source of the contributions from Mr. Chung.

A lawyer for Mr. Chung, Brian A. Sun, declined to comment on his client's conversations with investigators, citing his client's sealed plea agreement with the Justice Department. ''I'm shocked that sources at the Justice Department would attribute anything like that to my client.''

Mr. Chung has denied being an agent of the Chinese Government. ''Nor did Mr. Chung ever try to lobby the American Government on any type of issue involving technology or anything else,'' Mr. Sun said.

A National Security Council spokesman, Eric Rubin, said, ''It is ludicrous to suggest there was any influence on the determination of U.S. policy on this matter.'' He said he did not know whether any executives from Ms. Liu's company expressed an interest in the issue.

Ms. Liu did not return a message left with her office today.

Mr. Chung's revelations have opened an avenue of inquiry leading in a diplomatically sensitive direction: next month, Mr. Clinton goes to Beijing, where he hopes to announce increased space cooperation between China and the United States.

A representative of the Chinese Government denied that Beijing was behind the purported contributions. ''China has always abided by the laws and regulations in this country,'' said Yu Shu-ning, a press counselor for the Chinese Embassy. ''We have nothing to do whatsoever with political contributions in this country.''

Mr. Chung, an American who was born in Taiwan, owned a floundering facsimile company in Torrance, Calif. He became involved with the Democratic Party in early 1995 through Asian-American contacts at the White House and was known for trying to use his connections in Washington with Chinese Government officials and executives.

Despite being labeled a ''hustler'' by one Presidential aide in 1995, Mr. Chung managed to visit the White House at least 49 times. He and his company contributed $366,000 to the Democratic National Committee—most of it before he met Ms. Liu. The full amount was later returned after questions were raised about Democratic fund-raising.

A Democratic National Committee spokesman, Richard W. Hess, said, ''We did not know and had no way of knowing the source of his funds.''

Mr. Chung met Ms. Liu in June 1996 in Hong Kong. She was not only a lieutenant colonel in the military, but a senior manager and vice president in charge of international trading for China Aerospace International Holdings Ltd., according to the company's 1996 annual report.

The company is the Hong Kong arm of China Aerospace Corporation, a state-owned jewel in China's military industrial complex with interests in satellite technology, missile sales and rocket launches.

Ms. Liu's father, General Liu, was China's senior military officer, and as vice chairman of the powerful Central Military Commission was in charge of China's drive to modernize the People's Liberation Army by selling weapons to other countries and using the hard currency to acquire Western technology. In that role, he oversaw his country's missile deals.

In addition, General Liu was a member of the Standing Committee of the Politburo of the Communist Party, the very top circle of political leadership in China. He retired from his official positions last fall at the time of the Party's 15th Congress.

China Aerospace sells satellites, launches them and owns a large part of a Hong Kong satellite operator, but the financial viability of many of these ventures depends on American satellites. In 1996 President Clinton made it easier for American satellites to be launched by Chinese rockets. The decision was announced in March but due to delays did not take effect until election day.

As Ms. Liu began her relationship with Mr. Chung, her company and father were trying to fix China's troubled rocket program. That spring, China Aerospace had brought in outside experts, including officials from Hughes and Loral to help analyze why a launch the previous February had failed. The Pentagon later concluded that the outside review harmed American national security by advancing China's rocket and missile capabilities. Both companies denied wrongdoing.

In 1991 and 1993 the United States barred all American companies from doing business with two China Aerospace units that had made illegal missile sales to Pakistan. In each instance, Mr. Liu was assistant to the president of the sanctioned company.

Writing about who in China may have benefited from the 1991 missile deal, former Secretary of State James A. Baker 3d, in his memoirs, said, ''In all probability, several senior government and party officials or their families stood to gain from the performance of those contracts.''

The missile deals were part of General Liu's strategy of selling Chinese weapons to other countries to raise money to acquire Western technology.

''Liu was a proponent of P.L.A. modernization who was very much interested in obtaining Western technology,'' said retired Rear Adm. Eric A. McVadon, the American defense attache in Beijing in the early 1990's. He said Mr. Liu constantly rebuffed American concerns about China's weaponry sales.

Those concerns were front and center in 1996, when General Liu was still in charge of

the P.L.A. They included China's sale of missiles to Iran and of nuclear equipment to Pakistan, as well as its own bellicose military maneuvers near Taiwan.

Ms. Liu, Mr. McVadon recalled, was a ''gladhander'' who ''brokered deals.'' In 1990 she was granted a visa to visit the United States as a representative of a China Aerospace subsidiary.

At the first meeting between Mr. Chung and Ms. Liu in June 1996, Mr. Chung is said to have told investigators, Ms. Liu told him she was interested in again visiting the United States. Soon learning that Mr. Chung could arrange meetings with the President, she expressed an interest in meeting Mr. Clinton.

Mr. Chung helped Ms. Liu obtain a visa on July 11, 1996, according to a law-enforcement official. Five days later, he wrote the Democratic National Committee that he wanted to bring Ms. Liu and a Chinese medical executive to a July 22 fund-raising dinner to be held at the Brentwood, Calif., home of the financier Eli Broad.

Both of his guests' names were placed on the guest list after Mr. Chung wrote a check for $45,000 to the Democratic National Committee on July 19. A week later, Mr. Chung set up a California corporation for Ms. Liu and himself, records show.

Ms. Liu arrived in Los Angeles on July 21, and the next day Mr. Chung accompanied her to two fund-raising events attended by Mr. Clinton, according to a law-enforcement official. The first was an early evening $1,000-per-plate gala at the Beverly Hilton.

Later that night, Mr. Chung and Ms. Liu attended a $25,000-per-couple dinner at Mr. Broad's home that raised more than $1.5 million for the Democrats. The President was photographed with Ms. Liu, a routine courtesy at such events.

Mr. Sun, Mr. Chung's lawyer, said, ''I don't think she was any different from any of his business contacts—they thought Johnny was influential and someone they would like to know as they furthered their business dealings in the United States.''

The previous year, photos from another Chung visit with Mr. Clinton had caused a problem. The President had expressed concerns about some of Mr. Chung's Chinese business clients—unrelated to Ms. Liu—whom the fund-raiser brought to a March 1995 radio address by Mr. Clinton.

Mr. Clinton's director of Oval Office operations, Nancy Hernreich, in testimony taken by Senate investigators, said Mr. Clinton told her later the visit shouldn't have happened. She took that to mean that Mr. Clinton thought Mr. Chung's clients were ''inappropriate foreign people.''

[From the New York Times, May 17, 1998]

HOW CHINESE WON RIGHTS TO LAUNCH SATELLITES FOR U.S.

(By Jeff Gerth and David E. Sanger)

On Oct. 9, 1995, Secretary of State Warren Christopher ended a lengthy debate within the Clinton Administration by initialing a classified order that preserved the State Department's sharp limits on China's ability to launch American-made satellites aboard Chinese rockets.

Both American industry and state-owned Chinese companies had been lobbying for years to get the satellites off what is known as the ''munitions list,'' the inventory of America's most sensitive military and intelligence-gathering technology. But Mr. Christopher sided with the Defense Department, the intelligence agencies and some of his own advisers, who noted that commercial satellites held technological secrets that could jeopardize ''significant military and intelligence interests.''

There was one more reason not to ease the controls, they wrote in a classified memorandum. Doing so would ''raise suspicions that we are trying to evade China sanctions'' imposed when the country was caught shipping weapons technology abroad—which is what happened in 1991 and 1993 for missile sales to Pakistan.

The Secretary of State's decision to keep satellites on the munitions list, making it harder for them to be exported, did not stand for long. Five months later, President Clinton took the unusual step of reversing it.

Control of export licensing for communications satellites was shifted to the Commerce Department, then run by Ronald H. Brown, who was deeply interested in promoting American businesses overseas and had been one of the Democratic Party's key fund-raising strategists. Several licenses have since been approved.

A reconstruction of Mr. Clinton's decision to change the export control rules, based on interviews and documents, shows that it followed a turf war between the State and Commerce Departments, and a broader debate over how to balance America's security concerns and commercial competition in the hottest of all the emerging markets.

It also illustrates the intersection of the interests of both large American donors and surreptitious foreign donors to the 1996 campaign.

Both American satellite makers and the Chinese were delighted with the decision because the Commerce Department has dual responsibilities: licensing sensitive exports and promoting sales of American goods around the world.

One of the beneficiaries of that decision, it now turns out, was China Aerospace because its rockets could launch American satellites. An executive of the state-owned Chinese company, Liu Chaoying, is said to have provided tens of thousands of dollars from Chinese military intelligence to the Democratic Party in the summer of 1996.

Ms. Liu's involvement was described to Federal investigators recently by Johnny Chung, a Democratic fund-raiser who says he took $300,000 from Ms. Liu—who is also a lieutenant colonel in the Chinese military—and donated almost $100,000 of it to Democratic causes, apparently keeping the rest for his businesses.

President Clinton's decision was announced in March 1996, several months before the donations were made. But the actual change was delayed until the fall.

The White House said it did not know the source of Mr. Chung's donations and denies that the decision was influenced by campaign donations, domestic or foreign.

''This was motivated by competitiveness and streamlining bureaucracy concerns, and nothing else,'' Samuel R. Berger, Mr. Clinton's national security adviser, said in an interview two weeks ago.

On Friday, Mr. Berger's spokesman, Eric Rubin, said the decision was also part of the Administration's China policy, and specially its effort to encourage China to clamp down on military exports.

''On many occasions, this was discussed with the Chinese Government because we believe that policy on satellite licenses is one of the tools we have to strengthen our nonproliferation policy,'' Mr. Rubin said.

Mr. Clinton's decision took place after months of tension with Beijing.

In January reports of China's export of nuclear technology to Pakistan and missiles to Iran caused considerable concern in Congress and the Pentagon. In early May, two months after Mr. Clinton reversed the Secretary of State, the Administration said China had agreed to curb its missile and nuclear exports. But that announcement was greeted with considerable skepticism by Republican critics, including Bob Dole, who was well on the way to getting the nomination for President.

During the campaign, the Republicans attacked Mr. Clinton for failing to curb China's sales of nuclear and missile technology to other countries.

The satellite decision in March was one element of the Administration's ''carrot-and-stock-approach to working with China,'' said James Lilley, a former United States Ambassador to Beijing.

But in the way business and diplomacy mix in Washington's dealings with China, the decision also resonated in boardrooms on both sides of the Pacific. It satisfied the commercial interests of the American aerospace industry, which had long sought access to China's low-cost ability to launch satellites into space, aboard rockets called the Long March.

And it bolstered China's own commercial interests. Ms. Liu's parent company, China Aerospace, owns a large piece of a Hong Kong satellite operator. It also owns the China Great Wall Industry Corporation, the rocket company that launches both private satellites and tests and provides equipment for the missiles in China's nuclear arsenal. It was Great Wall that the State Department sanctioned in 1991 and 1993 for selling missiles to Pakistan.

Other powerful Chinese state enterprises also had multibillion-dollar stakes in getting access to American satellites. Among them was the China International Trade and Investment Corporation, whose chairman, Wang Jun, gained unwanted attention in the United States last year when it was revealed that he attended one of Mr. Clinton's campaign coffee meetings in the White House. The day of Mr. Wang's visit, Mr. Clinton, in what Mr. Rubin said was a coincidence, signed waivers allowing the Chinese to launch four American satellites—though they were unrelated to the business interests of China International Trade.

''Any suggestions that these decisions were influenced by Wang Jun's presence in the U.S. is completely unfounded,'' Mr. Rubin said.

It is not known what motivated Ms. Liu or the Chinese military to make the donations. Ms. Liu's father, Gen. Liu Huaqing, was not only China's highest military officer but a member of the leadership of the Communist Party.

The White House and the Democratic National Committee deny any knowledge of the source of Mr. Chung's $266,000 in donations, most predating his connection with Ms. Liu, and all of which was returned.

But there is no doubt that American companies—partners and suppliers of China International Trade and China Aerospace—put enormous pressure on the White House. They were also important campaign contributors. For example, the chief executive of Loral Space and Communications gave $275,000 between November 1995 and June 1996 to the Democrats

THE PRECURSOR: A LOBBYING EFFORT TO PERSUADE BUSH

China's drive to obtain a steady stream of satellite technology from the United States preceded the Clinton Administration's arrival in Washington.

In 1990, just a year after the killings at Tiananmen Square, officials from China Aerospace and the Chinese Government approached Mr. Lilley, the American Ambassador, pressing for President Bush to waive restrictions enacted in the aftermath of Tiananmen that barred China from launching American satellites.

''They hit me very hard,'' Mr. Lilley recalled recently. ''It was a prestige national

program. It was putting China on the map as the big space country of the 21st century.''

Mr. Bush, who become America's first permanent representative in Communist China in 1974, granted a waiver that allowed a launching on one of China's Long March rockets. In 1992, a number of Senators—including Al Gore, then still a Senator from Tennessee—wrote to the Bush Administration warning that China was using the launchings to ''gain foreign aerospace technology that would be otherwise unavailable to it.''

In the last days of the 1992 Presidential campaign, Mr. Gore made the waivers an issue, contending that President Bush ''has permitted five additional American-built satellites to be launched by the Chinese.''

''President Bush really is an incurable patsy for those dictators he sets out to coddle,'' Mr. Gore said in a speech at the Goddard Space Flight Center in Greenbelt, Md.

THE ARGUMENT: BUSINESS LEADERS PRESSURE CLINTON

Almost as soon as Mr. Clinton took office, business leaders began their campaign to drastically change his views about China.

Both Chinese and American companies were working to get satellites off the State Department's munitions list. The rules for exporting goods that are on the list are particularly tough. Congress must be notified 30 days in advance. Moreover, the State Department considers only nonproliferation issues and defers to the Pentagon's judgments.

In contrast, the Commerce Department's export-control administration solicits a host of views and must weigh the effects of its decisions on America's competitive position.

Mr. Christopher's aides also noted in their 1995 classified memorandum that ''U.S. firms remain concerned there could be additional sanctions imposed on China precluding future munitions licenses,'' exactly the kind of sanctions that had been only recently lifted for China Aerospace's subsidiaries.

And there was a lot at stake: an estimated 14 commercial communications satellite launchings a year worldwide, costing several hundred million dollars apiece.

''The business community regarded the inclusion of civilian satellites on the munitions list as an insult,'' said William A. Reinsch, the Under Secretary of Commerce for export control, who fought Mr. Christopher's decision. ''We're the only country that treats them that way.''

The Chinese also understood that they had a huge stake in the outcome of the decision. Zuoyi Huang, president of the California subsidiary of China Great Wall, a part of the China Aerospace empire, said in an interview that his company was eager for any changes that would insure easier access to American technology.

''The license takes time,'' he said. ''You have to get a waiver from the President. The customers can't wait. It's just pure commercial use. It's not a military threat to the United States.''

THE REVIEW: A DECISION AGAINST AND A QUICK APPEAL

The arguments came to a head in 1995. C. Michael Armstrong, then the chief executive of Hughes Electronics and newly chosen as the head of President Clinton's export council, asked to meet Mr. Christopher. He urged that satellites, which his company produces, no longer be treated as military goods.

The Secretary of State promised that he would conduct a detailed review in consultation with the Department of Defense, the C.I.A. and the National Security Agency and the Department of Commerce.

But the majority of the interagency group quickly found itself at odds with the aerospace industry. A major issue was how to protect encryption equipment, which is built into a satellite and interprets instructions from ground controllers who manipulate the satellite once it is in orbit. Similar devices are used to communicate with American spy satellites, and the Pentagon and intelligence agencies worried that anyone who could crack the code could take control of the satellites themselves.

On Aug. 17, 1995, a memorandum prepared for the interagency group noted that the chief executive of a satellite company told Mr. Christopher that ''once it is embedded in the satellite, the encryption device has no military significance.'' Thus, the industry argued, there was little risk that the Chinese would get their hands on the encryption devices—especially because American military officials are supposed to watch the satellites with care when they are in Chinese hands.

But, the memorandum went on, ''the national security position'' is that ''the nature of the device itself,'' not its location, ''should be used to determine whether it must be controlled as a military item.''

The encryption issue was one of the main reasons the interagency group—over the objections of the Commerce Department—recommended that satellites remain on the munitions list. Mr. Christopher concurred. Soon after Mr. Christopher put his initials on the decision memorandum, Commerce Secretary Ronald H. Brown appealed the decision to the President.

THE TURNAROUND: THE COMMERCE DEPT. WINS A TURF BATTLE

The debate surrounding the appeal did not heat up for four months. The nature of the arguments that went to the White House is still unclear: many of the documents remain classified. But those that have been reviewed by The New York Times show that the White House and the Commerce Department began communicating again about the issue on Feb. 8, 1996, two days after President Clinton broke a backlog of applications for launchings by China, by approving four of them that day.

Mr. Clinton signed those waivers the same day that Wang Jun, the man who was often referred to during the campaign finance investigations as a ''Chinese arms dealer,'' visited Washington. His company, the China International Trade and Investment Corporation, has a multibillion-dollar stake in one of Hong Kong's largest satellite companies.

That same day, Mr. Wang met with Mr. Brown, at his expansive office in the Commerce Department. And that evening, Mr. Wang attended a coffee at the White House, an event Mr. Clinton later called ''clearly inappropriate.'' Others at the coffee said Mr. Wang never spoke during the session.

By mid-February, for reasons that are still murky, there seemed to be some urgency at the White House to decide whether to reverse Mr. Christopher's decision, shifting satellite export licensing to the Commerce Department.

A Feb. 15 State Department memorandum talks about speeding up the process because ''the Administration wanted to wrap this up.''

In the end, the State Department relented. Participants in the final debate said that the President concluded that the technology could be protected through the Commerce Department, just as the department protects supercomputers and other sensitive technologies.

The President's decision was announced on March 14. Commerce officials, who had just won one of Washington's nastiest turf wars, were jubilant.

''Good news,'' officials were told by E-mail. The electronic message went on to recommend a ''low key'' spin on the news that would ''not draw attention to the decision.''

Internal commerce Department documents show that officials were anticipating questions from reporters and Congress about whether the decision represented an effort to ease technology transfers to China and remove items from sanctions—some of the same concerns that figured in Mr. Christopher's decision.

In the days preceding the announcement, China had raised tensions with its Asian neighbors and the United States to new heights, firing M–9 ballistic missiles, which carried dummy warheads, into target zones 30 miles off the shore of Taiwan.

The March 14 announcement said that regulations putting into effect the President's decision would be issued within 30 days. But the bureaucratic infighting continued.

Finally, the State Department issued the regulations shifting most satellite licensing to the Commerce Department.

They were published on Nov. 5, 1996, the day President Clinton was re-elected.

Correction: A chart last Sunday about China's effort to win the right to launch American satellites referred incorrectly to the message conveyed in September and October 1993 to President Clinton by Michael Armstrong, the chief executive officer of the Hughes Electronics Corporation, an American maker of communications satellites. Mr. Armstrong, in letters to Mr. Clinton, complained that State Department sanctions against Chinese missile companies hurt his business; he did not mention the China Aerospace Corporation specifically.

Between 1993 and 1996, the Clinton Administration dropped its sanctions on China Aerospace, a state-owned Chinese company, for selling missiles to Pakistan and gave the company permission to launch private United States communications satellites, despite some lingering concerns in the Administration about security.

August 1993—State Department imposes economic sanctions against subsidiaries of Beijing-based China Aerospace for selling missiles to Pakistan. The sanctions bar American companies from doing business with the concerns.

Sept.-Oct. 1993—Michael Armstrong, the chief executive of Hughes Electronics Corp., tells the President the sanctions hurt his company because China Aerospace is a low-cost launcher of satellites.

Nov. 1993—The Administration signals it might ease satellite licensing procedures and Mr. Armstrong relays to the White House an encouraging reaction from his contacts in China.

April 1995—Secretary of State Warren Christopher begins an interagency review of restrictions on the export of communications satellites at Mr. Armstrong's urging. The companies want to see responsibility for the issue shifted to the Commerce Department.

Oct. 9, 1995—Following the recommendation of the Pentagon, intelligence agencies and his advisers, Mr. Christopher keeps satellites under the purview of the State Department. The Commerce Department appeals this decision to President Clinton.

Feb. 6, 1996—With the relations between the United States and China tense over Beijing's military operations and sales, President Clinton approves the launch of four American satellites by Chinese rockets.

Mid-February 1996—The White House revives the effort to ease restrictions on satellite exports, reviewing anew Mr. Christopher's decision.

March 8–15, 1996—China conducts missile tests near Taiwan, signalling its displeasure over talk of Taiwanese independence during Taiwan's elections.

March 14, 1996—In a low-key announcement, the Administration says that Mr. Clinton has shifted responsibility for communications satellites to the Commerce Department. Regulations, it says, are to be issued in 30 days.

May 3, 1996—Three top satellite executives write to Mr. Clinton complaining about the delay in issuing the regulations.

Nov. 5, 1996—The State Department publishes the new regulations in the Federal Register. President Clinton is re-elected.

[From the New York Times, May 19, 1998]

SATELLITE MAKER GAVE REPORT TO CHINA BEFORE TELLING U.S.

(By Jeff Gerth)

WASHINGTON.—A leading American satellite maker acknowledged for the first time Monday that a committee headed by one of its top executives provided a report in 1996 to the Chinese on a failed Chinese rocket, without first consulting federal officials, and contrary to the company's own internal policies.

But the company, Space Systems/Loral, a subsidiary of Loral Space and Communications, based in Manhattan, said it ''does not believe any of its employees dealing with China acted illegally or damaged U.S. national security.'' The company issued a two-page statement, which it called a ''fact sheet.''

In the statement, Loral said it was cooperating with the Justice Department, which is investigating whether sensitive technological information was passed to the Chinese during industry reviews of an accidental explosion of a Chinese rocket seconds after liftoff in February 1996.

The criminal inquiry is focusing on whether officials from Loral and other companies who participated in the review violated American export control laws.

Loral maintained Monday that no secret or sensitive information was conveyed to the Chinese. But a classified Pentagon study concluded the review had helped Chinese missile capabilities and harmed American security, administration officials said. The Pentagon study prompted the Justice Department's inquiry.

In recent days, the Clinton administration's policies on Chinese-launched American satellites have come under intense scrutiny because of information that a Chinese military officer had funneled nearly $100,000 into Democratic campaign committees during President Clinton's re-election campaign.

The New York Times has reported that lawyers and officials have said that Johnny Chung, a fund-raiser, provided information to federal investigators about the Chinese officer, Lt. Col. Liu Chaoying, who was a senior Hong Kong executive for China Aerospace, the Chinese conglomerate whose rocket exploded with a Loral satellite in 1996.

The information provided by Chung, which followed his pleading guilty to campaign-related bank and tax fraud charges, has re-ignited Republicans' zeal to investigate whether the Chinese government tried to influence Clinton administration policy.

Speaker Newt Gingrich is considering creating a special select committee to investigate the transfer of advanced space technology to China, and House Republicans are threatening to attach amendments to the Pentagon's budget bill later this week that would bar the sale of commercial satellites and technology to China.

Loral's statement Monday said that ''no political favors or benefits of any kind were requested or extended, directly or indirectly, by any means whatever.''

It also said that the company's chairman, Bernard Schwartz, who has been one of the largest individual Democratic Party donors in the last few years, ''was not personally involved in any aspect of this matter.''

In outlining its involvement with the Chinese rocket, Loral's statement said insurance companies asked Loral and other satellite concerns, including the Hughes Electronics Corp., to review the results of an accident investigation done by the Chinese.

The outside review was headed by a senior executive at Space Systems/Loral. The review committee's report shows that the senior Loral executive had been requested by the president of China Aerospace, which controls China's satellite and space enterprises.

In the end, the review committee affirmed what the Chinese found: ''that a failed solder joint was the most likely cause of the failure,'' Loral said Monday.

Loral also said that while the 1996 review was under way, unidentified Loral officials ''discussed the review committee's work with a number of U.S. officials interested in China's space program.'' But the company acknowledged that it had not followed its own procedures.

''Contrary to SS/L's own internal policies, the committee provided a report to the Chinese before consulting with State Department export licensing authorities,'' Loral said without elaborating.

The company has privately told investigators in a report that Loral's security advisers had told the company to seek State Department approval before talking to the Chinese but those instructions were not followed, industry executives and federal officials said.

Loral has private conceded another mistake: ignoring license conditions that required Pentagon monitors during the transmission of any information, the executives and officials said.

Last February, President Clinton approved the Chinese launch of another Loral satellite. That license, according to American officials, explicitly requires separate government approval to participate in any accident review and contains stringent safeguards against transfer of any technology. Administration officials have said that being under investigation was insufficient grounds to deny Loral a license.

But the Justice Department opposed the recent presidential approval for Loral's license, officials said. Department lawyers feared that the approval would undercut the viability of a criminal case—if one were to go forward—by creating the appearance for a jury of government support for Loral's previous conduct.

Law-enforcement officials also had initial concerns about some of the licensing language, but those concerns appear to have been allayed as the inquiry is going forward, officials said.

The expertise needed to put satellites into orbit is similar to that used to deliver nuclear warheads. The overlapping commercial and military uses lie at the heart of both the criminal inquiry and congressional concern about Clinton's policies on satellite launches in China.

On Capitol Hill Monday, senior Republicans continued to call for a broad investigation into whether the transfer of space technology to China threatened United States security.

Gingrich Monday called on Clinton to delay his trip to China in June.

The Speaker is also proposing the creation of a special committee, with five Republicans and three Democrats, and headed by Rep. Christopher Cox, R–Calif., who served as deputy counsel in the Reagan administration, said Christina Martin, Gingrich's spokeswoman.

''The purpose would be to assess whether U.S. policy was affected by Communist Chinese efforts,'' Ms. Martin said.

But Rep. Richard A. Gephardt of Missouri, the House democratic leader, argued that the House had several standing committees that could handle the task.

[From the New York Times, June 1, 1998]

THE WHITE HOUSE DISMISSED WARNINGS ON CHINA SATELLITE DEAL

(By Jeff Gerth and John M. Broder)

WASHINGTON.—The caution signs made it evident that the application by Loral Space & Communications to export a satellite to China earlier this year was anything but routine.

Justice Department prosecutors warned that allowing the deal could jeopardize possible prosecution of the company for an earlier unauthorized technology transfer to Beijing. The Pentagon reported that Loral had provided ''potentially very significant help'' to China's military rocket program. And senior White House aides cautioned that the deal was certain to spark opposition from critics of the Administration's nonproliferation and human rights policies toward China.

But the White House pressed ahead, concerned about the financial costs to Loral of delaying approval of the deal and certain that it could defend the decision against subsequent criticism.

Rarely is the public given a detailed look inside the White House decision-making process on a matter of national security as sensitive as the export of a satellite to China. These records ordinarily remain sealed for years, buried under the Government's strict regime of secrecy.

But documents produced by the White House 10 days ago in response to a demand from Congress provide an unusually rich account of the evolution of a Presidential decision in which numerous warning signals were raised and then dismissed.

According to the records, the February decision by President Clinton to approve the Loral satellite launching was treated as an urgent matter not because of its importance to the national security, but because the company was facing heavy fines for delay.

Concerns about European competition for the satellite business and fears that denying the deal would damage the United States-China relationship overrode words of caution from other Government agencies.

The presumption throughout was that the deal would be approved, as had 19 previous applications under Presidents Clinton and Bush. The documents reflect the White House staffs search for a defensible rationale for the decision.

Federal and Congressional investigators are now examining what led the President to risk political embarrassment by creating the perception that he might be letting Loral—headed by the Democratic Party's largest campaign contributor—off the hook in a serious criminal inquiry into whether Loral executives helped China's missile program.

DECISION TRACED TO A SATELLITE CRASH

Samuel R. Berger, the national security adviser, had a preemptive answer in the decision memorandum he forwarded to the President on Feb. 12. The memo briefly noted the Justice Department's concerns and referred to the possibility that Loral might have significantly aided China's military rocket program.

But he urged the President to approve the deal regardless.

''In any case,'' Berger wrote, ''we believe that the advantages of this project outweigh this risk, and that we can effectively rebut criticism of the waiver.''

Clinton approved it with his distinctive backward check mark six days later.

Since 1989, the export of American satellites for launching on Chinese rockets has

been suspended as a result of sanctions imposed after the killings in Tiananmen Square. A deal can go forward only if the President concludes that the export is in the national interest and issues a waiver.

President Bush approved all nine waiver requests that reached this desk; President Clinton routinely followed the practice in his first four years in office, signing 10 waivers with little internal debate or external controversy.

But the waiver Clinton signed on Feb. 18 was not routine. The roots of his unusual decision trace back two years when a Chinese rocket carrying a Loral satellite crashed into a village seconds after liftoff, killing and injuring dozens of civilians.

A few months later, Loral led an outside review team to help the Chinese figure out what had happened. The company says its officials did nothing wrong. But Loral also acknowledged serious mistakes in a June 1996 disclosure to the State Department, including an admission that it allowed the Chinese to see its lengthy review of the rocket mishap without prior Federal approval. Such technological assistance to the Chinese requires prior Government approval, which Loral had not received.

At virtually the same time that Loral made its disclosure to the Government, the company was seeking another Presidential waiver for a satellite. Its chairman, Bernard L. Schwartz, donated $100,000 to the Democratic Party four weeks before the waiver application was approved in early July 1996 by Clinton.

It is not known whether Loral's help for the Chinese was mentioned in the memorandum that went to the President because the White House has not released documentation on that decision.

It is known that the State Department had already alleged in a letter to satellite industry executives that there had been a violation of American export control laws in the accident review.

But as of July 1996, no criminal inquiry was under way. The Justice Department began its investigation only after the Pentagon completed an assessment of the accident review in May 1997.

That is the same month Loral applied for its most recent waiver, for the Chinasat 8 satellite.

COMPANY'S CONCERNS REACH WHITE HOUSE

The first notice to the White House of unusual problems with the Chinasat 8 waiver application came in an early January memorandum from the State Department detailing the factors for the President to consider.

Although couched in careful bureaucratic language, the State Department document made it clear that this was no routine export license application.

The State Department pointed out that China's transfer of missile technology to Iran might prohibit the export of the Loral satellite or any other satellites or related items.

''Moreover'' the State Department memo stated, ''information about unauthorized defense services provided by Space Systems/Loral and another U.S. firm to China's Long March 3B Launch Vehicle'' could lead to imposition of harsh sanctions against the company.

But the State Department and other agencies nonetheless recommended granting the waiver, because the deal would enhance the United States' leadership in commercial telecommunications, provide an incentive for China to adhere to international nonproliferation rules and improve trade ties with Beijing.

After virtually no debate at the White House, the State Department memorandum was rewritten as a decision paper for the President.

The State Department's concern about technology transfers to Iran appeared nowhere in the decision document, but a new element is inserted in the first and in most subsequent drafts. The President must act quickly, the draft states; any delay will cost Loral money.

''Due to severe contractual penalties which Loral will incur if it cannot begin technical discussions with the Chinese by next week, we recommend that you take action on this issue by January 20,'' read the first draft of the Presidential memorandum, dated Jan. 13.

A day earlier, Loral officials had made known to the White House their frustration at the slow Government response to their waiver application, which was submitted in May 1997.

A Loral letter found in White House files stated that unless the approval is granted within a week, the launching scheduled for November, would be delayed by several months, costing the company at least $6 million. Any such delay would give the Chinese grounds for canceling the project, which would cost Loral $20 million, the company warned.

''Our competitors in Europe,'' Loral officials complained, ''do not suffer delays due to export licensing or legal complications.''

The company's concerns clearly were heard at the White House.

A senior aide at the National Security Council, Maureen E. Tucker, repeatedly pressed for a rapid decision in forwarding early drafts of the Presidential decision paper to associates at the council.

She described the memorandum and accompanying documents as ''a very quick turnaround package for which I am seeking your clearance by tomorrow,'' she wrote on Jan. 13.

By Jan. 20, one frustrated aide scrawled on a draft of the memo, ''Needs to go to POTUS today!!'' POTUS is the White House jargon for President of the United States.

But the waiver request was held up by questions from Berger, who asked his legal aides to research the status of the Justice Department investigation and determine whether it would bar approval of the waiver.

Tellingly, Berger asked Gary Samore, the National Security Council's top weapons aides to research the status of the Justice Department investigation and determine whether it would bar approval of the waiver.

Tellingly, Berger asked Gary Samore, the National Security Council's top weapons proliferation export, in a handwritten note if the approval can be granted in phases ''to get over immediate crunch.''

Berger did not ask whether Loral's cooperation with the Chinese after the 1996 accident would require denial of the export license. Instead, he wonders in the note to Samore where there is ''anything we can hang our hat on to characterize Loral's 'offense.'''

Berger's aides sought advice from officials at the State Department, who informed them that Loral's offenses appear to be ''criminal'' and ''knowing.'' Ms. Tucker was told that the Pentagon investigated Loral's assistance to the Chinese after the 1996 missile explosion and concluded that the company provided ''potentially very significant help'' to Beijing's ballistic missile program.

BEHIND DECISION TO GRANT A WAIVER

The White House counsel Charles F. C. Ruff told a Security Council lawyer that the Justice Department's investigation mattered less than maintaining close diplomatic and business relations with China.

''Issue is not [underlined twice] impact on DOJ litig(ation),'' the Security Council deputy counsel Newell Highsmith wrote in notes of his conversation with Ruff, ''but whether bilateral U.S.-China concerns and economic factors outweigh risk of political embarrassment.''

A principal argument behind Clinton's decision was that it would be unfair to penalize Loral by denying it a license if it was under investigation but had not been charged with any crimes.

The export law allows the President to deny a license if the license seeker has been indicted or if there is ''reasonable cause to believe'' the license seeker ''has violated'' United States export control laws. The White House documents show that some White House and State Department officials believed the latter, but Administration officials say they relied on a 1993 State Department memo which said that companies will be denied licenses only after indictment.

''In an ideal world we would wait until this matter is resolved,'' Malcolm R. Lee, a National Security Council aide, told other White House officials in an electronic message a month before the President's decision, referring to the pending Justice Department inquiry. But, Lee added, ''that is impracticable.''

A senior Administration official, speaking not for attribution, said that waiting for the results of the Justice Department investigation could delay the satellite launching for months, if not years.

And, the official added, ''There were some imperatives to get a timely decision because of the penalties facing the company.''

But the company acknowledges that no such penalties have been imposed and the launching is still scheduled for November, as it has been for the last year.

''We believe we will not incur penalties because we can work around the problem,'' a Loral official said late last week.

PENTAGON TROUBLED BY LORAL'S ROLE

The President did not receive a detailed assessment of the potential damage to American security caused by Loral's help to China in determining the cause of the 1996 launching failure. The Pentagon was troubled by Loral's technological assistance because the rocket science involved in putting a satellite into orbit is similar to that needed to deliver a nuclear warhead.

The Pentagon relying on Air Force missile and intelligence experts, did not find grave damage but did conclude that the United States national security had been harmed, according to Administration officials.

A White House official said that the National Security Council never received the Pentagon report, which was prepared to assist the State Department. ''We did the best we could in the memo for the President in describing what we understood to be the allegations,'' the official said. ''We didn't beat around the bush.''

White House aides overcame the major impediment to the waiver—the concern of Justice Department prosecutors that it would jeopardize any possible prosecution—by relying on the fact that ''the Department had every opportunity to weigh in against the waiver at the highest levels and elected not to do so,'' as Ruff, the White House counsel, wrote on Feb. 13.

But Justice Department officials say that Ruff, in his discussion with Robert Litt, the top aide to the Deputy Attorney General, asked only about the impact of the waiver on possible prosecution—not whether the department opposed the waiver.

It is not known how the Justice Department would have answered that question.

[From MSNBC, May 27, 1998]

TIME LINE OF CLINTON CHINA DECISIONS

(By Tom Curry and Robert Windrem)

As the Clinton administration debated whether to allow U.S. satellites to be lofted into orbit aboard Chinese missiles, Bernard Schwartz, chairman of Loral Space & Communications, and Democratic fund-raiser Johnny Chung, allegedly using money from the Chinese army, gave more than $500,000 in soft money, ostensibly used for ''party-building efforts,'' to the Democrats.

The Justice Department and Congress are investigating how a technical report on the explosion of a Chinese missile in 1996—a report that could help China assess the reliability of its missile arsenal—found its way into the hands of the Chinese.

That report was prepared by employees of Loral, Hughes Electronics and other firms.

In a statement issued May 18, Loral said that ''Bernard Schwartz, chairman of Loral Space & Communications Ltd. . . . was not personally involved in any aspect of this matter. No political favors or benefits of any kind were requested or extended, directly or indirectly, by any means whatever.''

The firm also declared that: ''Allegations of a connection between the launch failure and a subsequent presidential authorization for use of Chinese launch services for another [Loral] satellite to China are without foundation.''

Nonetheless, Justice Department and congressional investigators are sure to scrutinize the chronology of gifts and decisions.

The time line does not prove any cause-and-effect relationship between donations and decisions. It does give investigators a basis for their criminal inquiry.

April 24, 1995: Loral chairman Schwartz gives $25,000 to the Democratic National Committee.

June 30, 1995: Schwartz gives $20,000 to Democratic Senatorial Campaign Committee, which provide support for Democratic Senate candidates.

Aug. 30, 1995: Schwartz gives $75,000 to DNC.

Sept. 30, 1995: Schwartz gives $20,500 to DSCC.

Oct. 9, 1995: Secretary of State Warren Christopher decides satellites should remain a military munitions item.

Nov. 29, 1995: Schwartz gives $100,000 to DNC.

Nov. 29, 1995: A Chinese government agency writes Loral, asking for help in getting an upgrade for its dual-use imaging technology, exports of which are prohibited under U.S. sanctions.

Jan. 26, 1996: Loral is sold to Lockheed for $9 billion.

CLINTON APPROVES LAUNCH

Feb. 6, 1996: Clinton approves the launch of four communications satellites on Chinese rockets.

Feb. 6, 1996: Wang Jun of CITIC, owners of percentages in Chinese satellite companies, visits the White House for coffee and dines with Commerce Secretary Ron Brown.

Feb. 8, 1996: The White House and Commerce Department begin to talk about the satellite export issue again.

Feb. 14, 1996: A Chinese rocket carrying Loral Intelsat satellite explodes, destroying a Chinese village.

Feb. 15, 1996: Schwartz gives $15,000 to DSCC.

Feb. 15, 1996: The State Department gets an urgent request from the White House to speed up the process of switching the satellite licensing to the Commerce Department.

Feb. 29, 1996: Schwartz gives $50,000 to Democratic Congressional Campaign Committee, which bankrolls Democratic House candidates.

March 8, 1996: China launches missiles.

March 14, 1996: Clinton decides to move the satellite licensing function to the Commerce Department.

March 15, 1996: Loral President J.A. Lindfelt writes Commerce to say the export of a dual-use technology, known as synthetic aperture radar, is being held up by the Defense, State and Commerce departments.

April 1996: Schwartz announces the formation of Loral Space and Communications.

April 24, 1996: Schwartz gives $50,000 to DSCC.

June 10, 1996: Schwartz gives $100,000 to DNC.

July 22, 1996: Liu Chao-Ying of China Aerospace meets Clinton with Johnny Chung.

July 31, 1996: Schwartz gives $5,000 to DSCC.

INFLUX OF CHINESE MONEY

August 1996: Chung accounts show an influx of $300,000 from Liu Chao-Ying.

Aug. 18, 1996: Chung gives $20,000 to DNC to attend Clinton's birthday party.

Aug. 28, 1996: Chung gives $15,000 to DNC at Democratic National Convention in Chicago.

Sept. 16, 1996: Schwartz gives $30,000 to DSCC.

Sept. 20, 1996: Schwartz gives $20,000 to DSCC.

Oct. 16, 1996: Schwartz gives $10,000 to DSCC.

Oct. 18, 1996: Schwartz gives $70,000 to DNC.

Oct. 24, 1996: Schwartz gives $5,000 to DSCC.

Nov. 5, 1996: New guidelines on Commerce licensing of satellites are published.

Nov. 5, 1996: Clinton is elected to his second term as president.

Oct., 1997: A federal investigation of Loral begins.

Feb. 12, 1998: As Clinton ponders whether to sign another waiver allowing launch of a Loral satellite aboard a Chinese missile, National Security Adviser Sandy Berger sends him a memo saying the Justice Department ''has cautioned that a national interest waiver in this case could have a significant adverse impact on any prosecution [of Loral] that might take place based on a pending investigation of export violation.''

But Berger adds that ''the advantages of this project outweigh the risk,'' and ''it is inappropriate to penalize [Loral] before they have even been charged with any crime.''

Feb. 18, 1998: Clinton signs a waiver allowing Loral satellite to be lifted into orbit by the Chinese.

[From MSNBC]

THE MAN BEHIND THE CHINA TROUBLE

(By Robert Windrem)

For a working class, Depression-era kid from Brooklyn, N.Y., Bernard ''Bernie'' Schwartz has done quite well for himself.

As CEO of Loral Space and Satellites, the 71-year-old Schwartz is a leader in the world of satellite communications, with significant holdings in satellite manufacturing (Loral), broadcasting (Britain's Skynet and Mexico's Satmex), Internet linkage (Orion Network Systems) and global personal communications (Globalstar). His personal wealth is measured in the hundreds of millions of dollars, much of it coming from his sale in April 1996 of Loral's defense business.

As important, Schwartz is a friend of the president. In December 1996 alone, he celebrated his birthday with an intimate dinner with President Bill Clinton and Hillary Rodham Clinton at the White House, was their guest at the Kennedy Center honors and shared a podium with Clinton at the Democratic Leadership Conference, the spawning ground for the Clinton revolution.

In March 1996, according to White House records, he got a perk that few others have recieved—dinner and a movie in the White House theater, along with a cast of celebrities to share popcorn: singer Billy Joel, baseball great Hank Aaron, actress Jennifer Jason Leigh, directors Ethan and Joel Coen, comedian Al Franken and political strategist Dick Morris.

All together, Schwartz was invited to 21 White House events during Clinton's first term.

And why not? Bernie Schwartz is the single biggest contributor to the Democratic Party in the Clinton era. A review of campaign finance databases by NBC News and the Center for Responsive Politics shows that between 1992 and 1998. Schwartz gave the Democratic Party $1,131,500 while he, his family, his companies, their political action committees and executives gave another $881,565 to Democratic candidates. Schwartz gave another $217,000 to the Democratic Leadership Conference. Schwartz and Loral gave $367,000 to the Republicans during that same period.

The man Mother Jones magazine called the orbiter of power, Schwartz has increased his contributions to the Democrats year by year. In the 1991–'92 campaign cycle, he gave $12,500; in 1993–'94, $112,000; in 1995–'96, $586,000, and in 1997–'98, $421,000. Schwartz was the single biggest donor in the 1996 and 1998 campaigns.

Schwartz has been dependent on a number of government programs and regulatory processes, including the export of communications satellites. In letters to the late Commerce Secretary Ron Brown in March and May of 1993, Schwartz laid out some of those businesses.

''Loral Corp. is the provider of [weather] satellites for the Department of Commerce's GOES program, ''Schwartz wrote, in seeking a meeting with Brown, ''In addition, there are other matters that would be of interest to Commerce in which Loral has a significant position, including the auction of radio frequencies and the exporting of highly advanced technical equipment, e.g., satellites and military hardware. Further, Loral is the principle [sic] supplier of satellites for Intelsat.''

When the two men's schedules didn't mesh in March or April, Schwartz wrote Brown again, noting, ''We are affect [sic] by a number of general areas overseen by the Commerce Department. The Department's guidance in these areas will be meaningful.'' Included in the list was Commerce's role in communications-satellite licensing.

Brown ultimately took Schwartz with him to China on a trade mission in August and September 1994. Schwartz was invited one month after he gave his first big contribution, $100,000, to the Democratic National Committee.

On that trip, Schwartz asked the Department to help set him up with officials of the Chinese military and space organizations.

A Loral spokesman initially said that Schwartz had never ''talked business'' with administration officials. But when confronted with the letters and other indications of meetings between Schwartz and Brown, the spokesman said any meetings were ''routine and proper'' and that Schwartz had always acted ''scrupulously.''

To the question of whether the contributions were meant to help Loral with the various issues before the government, including satellite launches in China, the spokesman dismissed the idea as ''ridiculous'' and said there was ''never'' a time when Schwartz discussed any of this with the president.

''Bernie Schwartz is a Roosevelt Democrat who believes that Roosevelt saved his family,'' the spokesman added, noting that he has been a longtime supporter of Clinton.

[From the Weekly Standard, June 1, 1998]

SELLING CHINA THE ROPE . . .

(By Henry Sokolski)

Presidential spokesman Mike McCurry last week justified the Clinton administration policy that allowed the transfer of satellite technology to the Chinese military with the hoary ''they started it'' defense. ''This administration,'' said McCurry, ''has pursued the exact same policy pursued by the Bush administration.''

This is not really a defense of the policy, of course, but is it true? Republican officials, as we shall see, were not without sin. But you might say that they worried enough to go to confession: They tried to control against the leaking of sensitive technology in their dealings with China by at least monitoring and limiting the transactions. Not so the Clinton administration, which from 1993 on not only showed contempt for enforcing existing satellite controls but loosened them so as to make it all but impossible to know whether they were being violated. You might say they not only skipped confession, but burned the church down.

Today's controversy surrounds what the Chinese have managed to learn through launching satellites made by two American companies, Loral Space and Communications and Hughes Electronics. Details of a federal grand-jury investigation have been leaked to New York Times reporter Jeff Gerth and others that make this much clearer. In February 1996 a Chinese Long March rocket carrying a Loral-made satellite blew up shortly after liftoff. In an effort to clarify to insurers who was to blame for this accident, analysis done by Loral and Hughes was presented to the Chinese, which the U.S. Defense Department later determined could help China perfect more reliable, accurate, long range ballistic missiles. (According to a CIA report leaked this spring, 13 Long March missiles with nuclear warheads are aimed at American cities.) The federal grand jury is now trying to determine what, if any, U.S. export-control laws may have been broken.

This story has exploded because of the tandem revelations that the Chinese military may have made illegal campaign donations to aid Clinton's reelection and that Loral's CEO is a top donor to the Democratic party. Despite Justice Department warnings that he might undermine the grand-jury investigation of Loral, the president went ahead earlier this year and allowed the company to transfer and additional satellite to China. Eager to connect the dots of the scandal, the House last week voted 364 to 54 to suspend all transfer of U.S. satellites to China.

Focusing on the money is exciting, but probably misses the point when it comes to assessing the potential damage done to national security. In fact, not just Loral and Hughes, but Lockheed Martin, Motorola, and Martin Marietta have all worked closely with the Chinese launch industry—work which began not in 1996, but nearly a decade ago in 1989. And all of this history (not just the 1996 Loral-Hughes case) bears investigating. There is no way to judge the administration's performance in the Loral-Hughes matter without knowing what was attempted by prior administrations.

It was Ronald Reagan, after all, who first allowed the launch of U.S.-made satellites on Chinese rockets, after the Challenger space shuttle crash in 1986 deprived the satellite industry of launch alternatives. And it was George Bush who waived Tiananmen Square sanctions to allow the Chinese launch of up to five U.S.-made satellites, three of which—all made by Hughes—were launched before he left office.

If this larger record is examined, three points emerge. First, all of our satellite transfers have helped China perfect its military rocketry. China's launching of U.S.-made satellites—worth up to a half-billion dollars in revenue to date—has helped finance China's own missile-modernization efforts and missile exports to nations like Pakistan and Iran. It also has given the Chinese access to U.S. rocket know-how. U.S. contractors have a natural inclination to tutor the Chinese on what they should do to make their crude rockets precise and reliable (they don't want to lose their satellites, which are worth up to 10 times the value of the launcher). Anticipating this, State and Defense officials drew up strict rules in the late 1980s covering precisely what information companies could share with the Chinese. These rules required monitoring of all contractor-Chinese exchanges (including discussions) by a U.S. government rocket-engineer enforcement agent.

Did this prevent militarily useful information from being conveyed to the Chinese? No. But because all exchanges were monitored, there was a clear record of what was conveyed and a concerted effort to keep such transfers to a minimum. Were there infractions? Yes, but when they were reported, senior officials in the Defense and State departments reprimanded the contractors and got them to stop. Yet despite these enforcement measures, a number of key technologies were transferred before 1993. Clean-rooms were constructed in China to assure Hughes' sensitive communications satellites wouldn't be ruined by dust, humidity, or major temperature changes before they were launched. And clean-room technology, as it happens, is also crucial in preparing any advanced system for launch, including reconnaissance satellites and complex warhead packages.

In an attempt to clear up liability for two launch failures in 1992, U.S. contractors also discussed how to improve Chinese payload farings (the nose cone at the rocket's top that shields the satellite) and attitude and engine controls, which fire the rocket's stages and keep them and the payload (either military or civilian) at the precise angles required for proper functioning. Finally, each launch of a Chinese Long March vehicle helped improve the reliability of China's intercontinental ballistic missile fleet, since the rockets are the same.

Republican officials, then, had a spotty record, with the advantage that they worried about it and tried to enforce the law. By the end of the Bush administration, proposals were made to loosen controls over satellite transfers. Whether they would have succeeded no one can know, because the 1992 elections intervened.

The industry, however, correctly sensed that with Clinton's election the time for pushing for decontrol was ripe. Their first step came in late 1993 when they asked the Commerce Department to persuade the White House to drop government monitoring of contractors' discussions with the Chinese. They wanted to share, unimpeded by monitors, a key technology known as ''coupling load analysis.'' The crude Chinese rockets were originally designed to be so rigid that vibration from the rocket's separating stages and engines risked shattering delicate satellites of the sort the U.S. companies would want to launch (and the Chinese would want to develop later on their own). Using coupling load analysis, the Chinese would ''soften'' their launchers, allowing them to carry more sensitive payloads—be it satellites or the latest in highly accurate, multiple-warhead systems.

The space industry was so eager to share this technology, it lobbied Congress and the executive branch throughout 1993 to be given a free hand to do so. Meanwhile, government monitors continued to file compliance reports on a host of issues. Now, however, their concerns were handled differently: Where before senior State and Defense officials took action, now little or nothing happened. Word got out: Increasingly, industry officials disobeyed government guidance, shared their know-how with the Chinese, and discovered that contempt for the law paid off.

By 1995, the satellites being launched by the Chinese were more sophisticated. One of these, AsiaSat 2, a communications satellite made by Martin Marietta, was to be placed in its orbit with a Chinese solid-rocket kick motor—a final rocket stage strapped to the satellite itself. This kick motor's propellant had to be configured with extreme precision to ensure that it would propel the satellite to an exact point in space and no further and that it would do so without shattering the satellite though vibration or jolts of acceleration.

Martin Marietta and its Hong Kong customers were concerned that the Chinese kick motor might not be capable of such precision. They asked State if they could witness a Chinese test-firing of the motor. Their wish was granted. What's unknown is what, if anything, was then said to the Chinese engineers by the company's foreign staff, who are not bound by U.S. restrictions. Were they briefed by the contractor? Did they speak with the Chinese or otherwise convey U.S. solid-rocket propulsion know-how? We don't know. Why might it matter? Perfecting kick motors can also help in China's development of a warhead-delivery system known among experts as a ''post-boost vehicle''—which is designed to penetrate missile defenses. Boosting a satellite up into a precise position in space with a kick motor is little different from blasting warheads off their predictable course down through space and the atmosphere.

The good news in this case is we may have a clue whether this technology was leaked: Industry's campaign to do away with monitoring didn't fully bear fruit until 1996. In 1995, U.S. law still required government monitoring agents, and compliance reports were still being filed. This paper trail and government monitoring work didn't grind to a halt until 1996. That's when President Clinton quietly removed virtually all commercial satellites and related technology from State Department munitions controls (which required official monitors). The responsibility was transferred to the Commerce Department, which (no surprise) trusts industry to monitor itself.

In his defense of the Clinton policy last week, Mike McCurry cited this transfer to Commerce as the one change that distinguished the Clinton administration's policy from Bush administration practices. But the transfer to Commerce was no simple ''change.'' It was tantamount to a complete overthrow of the old export-control regime.

It was under Commerce ''controls'' that Motorola and Lockheed worked with the Chinese to launch a series of small communications satellites known as Iridium. Two of these satellites at a time were successfully launched on a Long March rocket with a multiple-satellite dispenser of Chinese design. A host of issues about the satellite dispenser were somehow addressed—from proper mounting and release of the satellites to coupling load analysis and attitude control. And all were resolved. The result? China now has mastered a technology virtually interchangeable with that of multiple independently targetable warhead vehicles (MIRV), a delivery system used on America's most advanced intercontinental ballistic missiles. Indeed, the MIRV system that our military uses today was borrowed from dispensers that the commercial-satellite industry first developed.

One could go into greater detail on the potential military significance of our satellite transfers to China. But this much is already abundantly clear: Our national security demands that Congress learn all the facts. This will require going beyond the narrow legal question of whether Loral and Hughes broke the law in 1996. Indeed, allegations of influence peddling by the Chinese and the contractors should not divert attention from the crucial questions raised by a decade of U.S. satellite commerce with China.

Among them are these: Have we already given the Chinese everything of value (in which case, continued satellite commerce could hardly do much harm)? Or is there more that they need or want that we should control and protect? What, if anything, should be done to improve enforcement of controls and assure effective executive-branch backing? Finally, is the spread of missile technology so tied up in the transfer of satellites that we delude ourselves in trying to control their transfer? Would it make more sense to accept this connection and expand such trade, or in the case of China, cut it off entirely?

To get it these questions, Congress will have to hold its own hearings—but it will need the time and depth and expertise that can only come with the creation of an independent commission. The commission and Congress, moreover, are unlikely to get anywhere if U.S. contractors are unwilling to speak freely. Only they know what has actually been transferred to the Chinese since 1996. To encourage them to be forthcoming, Congress and the executive branch should grant contractors immunity from prosecution. Meantime, a moratorium should be placed on further transfers of satellites to China until the commission and Congress get the answers they need. This will hurt industry only to the extent that it drags its heels in providing information about past transfers.

Certainly, given the seriousness of these matters, it would be shortsighted of Congress to focus exclusively on the political and legal issues surrounding the 1996 Loral case. There is, after all, a broader set of concerns at stake. The president is duty bound to provide for the common defense. Not until we know the truth about the U.S. role in China's missile program can we know whether the Clinton administration has met this most basic obligation.

[From the Weekly Standard, June 1, 1998]

CLINTON'S CHINA COMMERCE

(By Matthew Rees)

The Clinton administration made a fateful decision in 1996 to put the Commerce Department in charge of overseeing exports of American satellite technology. Under fire now for transferring this weighty responsibility from the more security-conscious State Department, the administration insists the decision had nothing to do with campaign contributions from eager exporters. Instead, say the president's spokesmen, the transfer was just the outcome of a ''bureaucratic squabble.''

Whatever role donations may be played in strengthening Commerce's hand, allowing that department to license militarily sensitive goods for export was not garden-variety Washington turf battle. It was the equivalent of decontrolling such exports entirely. The current congressional investigations of technology transfers to the Chinese military would not be taking place if, over the past five years, the administration had not given Commerce unprecedented power to promote American technology sales abroad, with dangerously little attention paid to how these exports can contribute to nuclear proliferation, threaten the supremacy of the U.S. military, and undermine America's national security.

The decontrolling mentality of the Commerce Department is exemplified by William Reinsch, who heads the department's Bureau of Export Administration. This is where American companies go if they want to sell sensitive products, like supercomputers in foreign countries. The bureau's role is both to stop exports that might compromise national security and to help guarantee that the sensitive products it does approve for sale abroad don't end up in the hands of untrustworthy governments.

But Reinsch has effectively made the bureau a servant of Commerce's central mission: unbridled export promotion. His motto is ''Yesterday's adversaries are today's customers.'' This mentality has led Commerce to minimize the danger of sharing sensitive technology with countries like China. The Pentagon concluded last year that ''United States national security has been harmed'' by the assistance American aerospace companies have provided to China. Nonetheless, Reinsch was apoplectic when the House overwhelmingly voted on May 20 to block further exports of U.S. satellites to China: ''We're talking about the potential loss of major contracts,'' he whined to the Wall Street Journal. ''It could really complicate people's lives.''

The controversy over the transfer of technology to China is but one outgrowth of Commerce's policy of giving American high-technology companies unprecedented freedom to sell their products in foreign markets. Another startling illustration of the fervor with which Commerce promotes the sale of even the most sensitive exports came early in 1996. According to Gary Milhollin, of the Washington-based Wisconsin Project on Nuclear Arms Control, that's when U.S. government nuclear experts asked Commerce to provide American computer companies with a list of nuclear laboratories in Russia and China. The goal was to prevent the companies from selling their high-performance supercomputers to these laboratories, which the companies might not otherwise know to be in the nuclear business. But Commerce officials refused to provide such a list, claiming U.S. policy prevented them from sharing such information.

While Commerce aggressively pushed exports in the Reagan and Bush administrations, it had not yet triumphed over its bureaucratic rivals elsewhere in the executive branch, who acted as a brake on Commerce's salesmanship. The Defense Department, notably, would frequently challenge export licenses that posed a potential threat to America's strategic position. But a further sign of Commerce's ascendancy in the Clinton administration is that the Pentagon, too, has become an enthusiastic partner in promoting the sale of American goods in overseas markets. (Reinsch said in an interview last November that relations between Commerce and the Pentagon are ''the best they've been in 20 years.'') This is not just a matter of politically savvy defense officials' knowing which way the wind is blowing. An array of these officials appointed to senior positions by the president—William Perry, Ashton Carter, Mitch Wallerstein, Ken Flamm, to cite a few—had made names for themselves as longtime supporters of easing export controls.

A key official is Peter Leitner, a 12-year veteran of the Pentagon office that oversees export controls. He notes that the Defense Department now instructs its employees to side with Commerce in interagency debates over export controls. In congressional testimony last year, Leitner observed that ''this bizarre role change finds the State Department at times in the farcical position of being the lone agency making the national security case and opposing liberalization positions from DoD.''

Despite their generally pro-export posture, State and Defense still had reservations about transferring responsibility for licensing the export of satellite technology to Commerce. And their reservations were justified: For items under State's jurisdiction, the decision to grant an export license is supposed to be based only on national security. Moreover, Congress must be notified 30 days in advance of an export. By contrast, Commerce is mandated to weigh commercial and economic interests, and it is not required to notify Congress of its decisions. With communications satellites costing upwards of $100 million, it's easy to see how commerical concerns would tip the scales away from export controls.

When Clinton announced the transfer of licensing responsibility on March 14, 1996. Commerce officals—who had lobbied hard to be given licensing repsonsibility—were thrilled. The New York Times reported that an e-mail was circulated at Commerce announcing ''good news'' but warning recipients not to publicize the decision in a way that would ''draw attention'' to it. Clinton officials did their best to bury the news by not publishing the new rules in the Federal Register until Election Day 1996. The strategy worked: One of the most important national-security decisions made in Clinton's first term received scant attention during his reelection campaign from Congress and the press.

Satellites weren't the only technology transferred from State to Commerce two years ago. Clinton also took something known as ''hot section'' technology of the State Department's munitions list and empowered Commerce to license such exports. Hot-section technology boosts the performance and durability of fighter jets. Steve Bryen, who oversaw export controls in the Reagan administration, says this technology is so sensitive that in previous administrations it wasn't even shared with allies like the French and the Germans.

During the internal debate over transferring hot-section jurisdiction from State to Commerce, some Clinton administration officials raised questions about whether America's national security would be compromised and whether it might reduce the combat advantage of U.S. aircraft. But Commerce officials argued it would be impossible for the technology to be used by foreign manufacturers in such a way that U.S. military power could ever be equaled or surpassed. To the amazement of many Pentagon officials, this argument prevailed and responsibility for licensing exports of the technology was handed from State to Commerce.

Commerce officials have gone to extraordinary lengths to circumvent even the most modest restraints placed on them. Last year, Congress approval a measure requiring American computer companies exporting to countries believed to pose a proliferation risk (that is, Russia and China) to give the executive branch 10 days' notice to determine whether a proposed supercomputer export requires an individual license. The measures also requires that, once supercomputers have been licensed and shipped to countries of proliferation concern, U.S. government officials must check whether the buyers are using the computers as proposed.

Yet Commerce has made a ''deliberate effort to circumvent'' the post-shipment verifications, according to Milhollin. Indeed, under Commerce's interpretation, in order for the government to block an export, only the most senior cabinet officials—undersecretaries or higher are permitted to intervene. This prompted David Tarbell, who

heads the Pentagon agency that monitors export controls, to warn in an internal memo that the National Security Council and Commerce were using the undersecretary requirement to ''ensure that no (or very few) objections would ever be received.'' Tarbell's complaint is echoed by three Senate Democrats, and 10 Republicans, who have sent the president a letter asking for the law to be enforced.

There was a very precise reason Congress required the regulations: It has become disturbingly clear that Commerce had little clue about the ultimate destination of an extremely sensitive product—supercomputers. Silicon Graphics, for example, has acknowledged having sold four supercomputers to one of Russia's premier nuclear-weapons design laboratories, Chelyabinsk-70, and claimed it made the sale only because company officials didn't know the laboratory was involved in nuclear production.

Even more troubling was Reinsch's announcement last June that 47 supercomputers had been sold to China. Technical experts say these computers provide unprecedented technological capabilities to Beijing are likely to become a key element in China's nuclear program. But when Reinshc was asked about this at a congressional hearing last November, he said there was no evidence any of the computers was being used for nuclear purposes. When pressed by Rep. Duncan Hunter on whether Commerce even knew where the computers were located, Reinsch bobbed and weaved until finally giving an answer that summed up the bankruptcy of the Clinton administration's export policy: ''With respect to some of them, yes. With respect to all of them, not yet.''

There's a simple reason Reinsch couldn't be more definitive: China won't allow American officials to conduct post-shipment verifications, designed to guarantee that materials exported from the United States are being used as promised. Thus Reinsch acknowledged last December—six months after learning about the 47 supercomputers sold to China—that ''no formal post-shipment verifications have yet been requested.'' And now that another six months have passed, there's no evidence Commerce knows anything more about where the supercomputers are or how they're being used.

So what has the Clinton administration learned about the pitfalls of a permissive export-control policy? Apparently nothing. Consider this: The Defense Technology Security Administration—the agency charged with overseeing export controls for the Pentagon—is scheduled to be abolished this fall. Its successor agency will be moved within Defense to an acquisitions department that has traditionally been hostile to export controls. Even more ominous is a recent Defense News report that the Commerce Department is pushing to grant an export license for the sale of a high-temperature furnace, manufactured by a New Jersey-based company called Consarc, to a Chinese government agency. This sale—already approved in an interagency process—is all the more remarkable because the furnace will bolster Beijing's ability to produce nuclear warheads.

There's an interesting story behind the furnace. Consarc was all set to ship it to Iraq in 1990, one month before the invasion of Kuwait. The sale was blocked at the last minute by senior officials at the Pentagon and the National Security Council. Had it gone through, there's little doubt Saddam would have used it to bolster his arsenal. Clinton administration officials should have learned something from this. Short of a missile attack, what will wake them up?

[From the New York Times, June 18, 1998]

U.S. RETHINKING A SATELLITE DEAL OVER LINKS TO CHINESE MILITARY

(By Jeff Gerth)

WASHINGTON, June 17.—Faced with growing criticism of its satellite exports to China, the Clinton Administration is rethinking whether to allow one of the biggest sales to date, a $650 million deal President Clinton quietly approved two years ago.

Government officials said the Pentagon and State Department were raising new questions about whether a Chinese-controlled company with close ties to China's military should be allowed to buy the satellites, which contain some of the United States' most sophisticated communications equipment.

The satellites are the cornerstone of a commercial mobile phone network planned for China and 21 other Asian nations. American officials said their design included a powerful antenna that could eavesdrop on mobile phone calls in China or other countries in the region. It could also be used by the Chinese military to transmit messages through hand-held phones to remote parts of China.

Antennas of these dimensions are a mainstay of the United States' and Russia's eavesdropping satellites and have not previously been exported to China, though a sale to the United Arab Emirates is pending. They also can be used to extend the range of mobile phones.

Mr. Clinton leaves next week for China, and the Administration had hoped to use the trip to showcase a variety of business deals and agreements, including cooperation on civilian satellite and rocket projects. Meanwhile, the House continued investigating the export of space technology today.

Administration officials said concerns about the pending satellite sale had been deepened by American intelligence reports about Shen Rongjun, the Chinese Army general who oversees his country's military satellite programs. The reports quote the general as saying he planned to emphasize the role of satellites in gathering information.

In an unusual arrangement, Hughes Space and Communications hired General Shen's son, a dual citizen of Canada and China, to work on the project as a manager. The company said it was aware of his familial ties; it is not clear whether the Clinton Administration knew.

Father and son were both directly involved in the project, and American officials said the intelligence reports said the general was pressing his son to move it forward.

The New York Times reported last week that the Chinese military was sending many of its coded messages through American-made commercial satellites sold to Asian companies. China's military satellite network collapsed in 1996, when its first satellites wore out and the replacements failed to work as planned.

President Clinton approved the Hughes project on June 23, 1996, after advisers assured him the communications satellite technology was readily available from European suppliers and would not contribute to Chinese military capabilities.

China already has a burgeoning cellular telephone system, which relies on ground-based transmitters. There are almost 1.5 million cellular phones in Beijing and Shanghai, but the system is less developed in the country's more remote areas, industry officials say.

Donald O'Neal, a spokesman for Hughes, said the satellites were ''inherently dual use,'' meaning that they have both civilian and military potential. ''The satellite is not designed for military application,'' Mr. O'Neal said. ''But I don't know how you can prevent it.''

The Federal Government could still stop the deal. Mr. O'Neal said Hughes, which is part of Hughes Electronics, a subsidiary of the General Motors Corporation, was waiting for the Commerce Department to review its application to sell the satellite to the Asian consortium, A.P.M.T. or Asia-Pacific Mobile Telecommunications.

Liu Tsun Kie, a spokesman for the consortium, said in a telephone interview from Singapore that the satellite network would be marketed to civilians by regional telecommunications operators. It would be up to Chinese Government regulators, Mr. Liu said, to decide if China's military could use the satellites.

Mr. Liu predicted that the Clinton Administration would eventually approve the deal. ''In view of the improving Sino-American relationship, as well as the close rapport established between the U.S. satellite industry and major industry leaders in China and the Asia Pacific,'' he said, ''we are confident that A.P.M.T. will obtain all the necessary approval and export license to insure no delay in satellite launch.''

Mr. Liu said the project would attract more than 200,000 mobile phone customers in China within its first two years.

THE TWO CRUCIAL STEPS IN A SATELLITE SALE

Making a satellite sale to China involves two crucial steps that occur simultaneously. Aerospace manufacturers must persuade the President to sign a waiver of the sanctions imposed on Beijing after the Tiananmen Square killings in 1989. Each project requires a separate waiver.

At the same time, companies apply to Federal Government agencies for permission to export specific technologies used in the satellites. Satellite exports to the Chinese military are banned, but sales to Chinese companies are generally allowed, unless they would advance military development in areas like intelligence gathering and nuclear weapons.

Mr. Clinton granted the waiver for the Hughes project two years ago and the company obtained the necessary export licenses. Since then, however, Hughes has changed the design to enhance the satellite's capabilities, requiring it to return to the Government for a new license.

That decision is now before a Government Department and including officials from the Pentagon, State Department, the Arms Control and Disarmament Agency and the Department of Energy. Each department casts a single vote, with the decision made by majority rule. A dissenting agency can appeal to the President, but that has never happened.

A Commerce Department spokesman declined to discuss the case, saying it involved confidential business information.

Privately, Commerce Department officials are arguing that the deal should go forward because the design approved in 1996 is substantially the same as the current configuration, Administration and Congressional officials said.

But some Pentagon and State Department officials believe the license should face more scrutiny in light of the new information about General Shen and the capabilities of the satellite. Administration officials also said that the increased scrutiny by Congress of the Chinese military and American satellites has prompted officials to pay closer attention to exports to China.

Several Congressional committees are investigating whether the policies on technology exports hurt the national security.

TECHNICAL QUESTIONS DETERMINE FATE OF DEAL

The issue turns on highly technical questions. An Administration official who disagrees with the Commerce Department's

analysis said the Hughes design is substantially different from what was approved two years ago.

''The antenna sent up the flags,'' the official said. ''It is more powerful than what we have licensed before.''

The antenna allows the satellite to receive incoming signals. But a sophisticated antenna, like the one currently under review, can become a listening device that is very effective against ground-based interception efforts, Government reports show.

Before 1996, the Pentagon could easily have stopped the license, because satellites were treated as military items and subject to State Department authority. That year President Clinton shifted jurisdiction to the Commerce Department, easing the controls and lessening the influence of the Pentagon, a senior Government auditor told Congress earlier this month.

A.P.M.T. was organized in the early 1990's. Most of its stock was held by five Chinese state-owned entities: China Satellite Launch and Tracking Control, a unit of Costind, and scientific and research arm of the Chinese military, the China Aerospace Corporation, part of the defense-industrial complex, China Resource Holdings, a trading company that owns a bank in Hong Kong with the Riady family of Indonesia, and subsidiaries of Chinese electronics and telecommunications ministries. A small stake was held by a Singapore company.

In February 1996, the consortium authorized Hughes to proceed with the design and construction of a sweeping mobile satellite telecommunications network that would span 22 countries in Asia and the Pacific, from Pakistan to Indonesia.

China's own space program—both rockets and satellites—was then under severe strain.

A Chinese rocket exploded shortly after liftoff in February. Two months later, engineers from Hughes and Loral Space Communications were brought in by insurers and China Aerospace to help figure out what went wrong.

The conversations that ensured between the companies and Chinese technicians are now the subject of a criminal investigation, which is seeking to determine whether American export laws were violated. Both companies deny wrongdoing.

While China is trying to repair its rocket program, its satellites began to fail. The first domestically produced satellites, launched by the Chinese military in the early 1990's were wearing out, and the first replacement, built in cooperation with the German company Daimler-Benz, had failed to achieve proper orbit after its 1994 launch.

In early 1996, all this led China's most senior military official, Gen Liu Huaqing, to discuss his concern with General Shen, who until a recent reorganization was a senior Costind official and oversees China's satellite and rocket launching programs, American officials said.

General Shen and General Liu have publicly promoted satellite technology as crucial to the future development of China's military capabilities. General Shen has privately assured his colleagues about his ability to fix China's satellite problems and improve the military's surveillance and intelligence-gathering capabilities, American officials said.

At about the same time, there were concerns within Hughes and A.P.M.T. over how long it was taking President Clinton to make a decision about the deal, Mr. O'Neal and American officials said.

Commercial satellite exports to China have been banned since the killings in Tiananmen Square in 1989, but the President can waive the prohibition, which Presidents George Bush and Clinton have done 20 times.

'EXPEDITED HANDLING' OF WAIVER WAS SOUGHT

Hughes officials wanted ''an expedited handling'' of the waiver in order to meet a contractual deadline, Mr. O'Neal said. And recently released White House documents show that the company hoped to have the President sign off on the deal before Hughes' chairman left China on June 19, 1996.

The staff memorandum that the President relied on to approve the deal made no mention of the Loral-Hughes help for China's rocket program. Three weeks before the memorandum to the President, the State Department had alleged, in a letter to Hughes, that there had been a violation of the arms export control law during the rocket accident review.

The President granted the waiver on June 23.

Soon after the Presidential action, Hughes received a license to export a satellite. Later that summer, Hughes applied for another export license that would allow Shen Jun, the son of General Shen, to work on projects subject to United States export controls, including the A.P.M.T. project, Mr. O'Neal said.

''We applied for and received an export license that allowed him to participate as a translator in the A.P.M.T. preliminary design review,'' Mr. O'Neal said.

Mr. Shen was hired in 1994 by Hughes for his computer expertise, though the company was also aware of his family ties before he joined the company, Mr. O'Neal said.

General Shan has been involved in the A.P.M.T. project as the overseer of the Chinese launch and tracking company and his son has given Hughes marketing advice about China and technical advice about mobile telephone networks, Mr. Liu and a Hughes executive said.

Mr. O'Neal said he had no comment on the Shen family discussions because ''anything he said to his dad is personal.''

Despite all the flurry of activity in mid-1996 between Hughes and A.P.M.T., the deal bogged down amid internal squabbles. But by this year the pace had picked up again and last month the consortium reorganized itself and signed another deal with Hughes for an upgraded satellite.

The new satellite will have greater power to transmit and receive signals. Its payload includes a large scale antenna reflector and a digital on board processor, Mr. Liu and Mr. O'Neal said.

The antenna and processor enabled the consortium's network to pinpoint low-power hand-held phones and simultaneously handle 16,000 phone conversations. Mr. Liu said that the regional affiliates ''will be able to intercept calls if required by local authorities'' but the consortium will not be able to intercept.

As a result of the recent reorganization, the consortium is now two thirds owned by its Chinese affiliates China A.P.M.T., said Mr. Liu, the consortium's deputy president. China A.P.M.T., in turn, is owned by the same five Chinese entities, including the Costind unit, and it will be the local A.P.M.T. franchise in China.

The president of A.P.M.T. and China A.P.M.T. is Li Baoming and A.P.M.T.'s chief engineer is Feng Ruming. Mr. Liu said both men have senior posts with the China Satellite Launch and Tracking Control Corporation, the unit of Costind overseer by General Shen. American intelligence reports say Mr. Feng and Mr. Li are top military officers, according to Administration officials.

Mr. O'Neal said that Hughes was ''not aware'' of A.P.M.T.'s military ties and while ''there could be'' some, it was up to the Federal Government to vet those connections. That is precisely what is now happening.

Mr. Speaker, the House should heed the advice of former CIA Director Jim Woolsey who testified before the Committee on Rules that, quote, this is what he said, ''I can think of no subject that more closely would require a careful and thorough investigation by a select committee of Congress, and I could think of few that would even be in the same league.'' That is what the former CIA director said, that was appointed by President Clinton.

Mr. Speaker, I would urge all Members to support the creation of the Select Committee so that Americans can have some answers to the questions about the formulation of United States security policy with regard to Communist China.

Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. GOSS).

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

Mr. GOSS. Mr. Speaker, I rise in support of this resolution, which, I am pleased to say is the result of much hard work and bipartisan cooperation on the part of the leadership, the Rules Committee, and the prospective chairman and ranking member of the proposed select committee. I am very proud of the manner in which this process has been handled, and I think this resolution is a credit to all involved and to the entire House.

To the minority members of our Rules Committee, who raised in their views accompanying our report repeated concerns about the manner in which this inquiry will be handled, I point to the remarks of both the chairman-designate, Mr. COX, and the ranking member-designate, Mr. DICKS, before our Rules Committee panel. They are developing a strong bipartisan working relationship and came to the Rules Committee together in full agreement about the particulars of this resolution.

They both spoke of commitment to running a professional, serious and collegial inquiry.

Mr. Speaker, it's fair to say that we all would prefer not to be here today creating a select committee to review U.S. national security and military/commercial concerns with the People's Republic of China. We would certainly all prefer that we did not have before us very serious allegations of illegal foreign influence in our Democratic process, troubling concerns about the transfer of highly sensitive military information and technology to the Chinese, and the very real potential that palpable damage has been done to our national security.

But the fact is that we have been presented with serious and credible allegations on these points—and the American people want us to get to the bottom of what happened, how it happened, and what the impact has been for the security of our citizens and our interests.

We have an obligation to accomplish this goal in a thorough and timely manner, and I am convinced that the only good way to do that is to establish this select committee.

Members know I do not take this step lightly. As chairman of the House Intelligence Committee, I am aware of the jurisdictional authorities relevant to this subject, not just in my own committee, but in as many as 7 other House committees. I know that many of these permanent committees of the House have, in fact, been pursuing pieces of this investigation up to this point.

But the fact remains that we need to move on this and start getting some answers to these serious questions now. For that we need to have a relatively small, singly focused panel with the enhanced investigatory authorities provided by this resolution. The resolution provides mechanisms to ensure that the Select Committee has the clout to get its work done and has proper channels through which to have maximum cooperation with, and assistance from, the existing House committees.

It certainly makes sense to me that on matters of such grave importance as the national security and the sanctity of our domestic political system, we should all pull together in a bipartisan way to shed light on the truth and, if necessary, consider means to ensure that proper protections and safeguards do exist in our policies on technology transfers and controls over sensitive information with respect to foreign nations.

I agree with former Director of Central Intelligence James Woolsey who said in testimony at the Rules Committee this week that he can think of no subject that more clearly would require careful and thorough investigation by a select committee of the Congress.

Finally, Mr. Speaker, let me say that I very much hope the administration will make good on its pledge to cooperate fully with this important inquiry. And by cooperate I mean not just talking about being helpful, but about actually providing all relevant material to the inquiry, helping the select committee gain access to the individuals it needs to interview, and offering a full and complete accounting of its relevant policies.

I would hope that we do not see more of the practice we've become used to with this administration of attempting to change the subject, throw up roadblocks and shoot the messenger when serious questions are raised about its policies and decisionmaking. The American people expect and deserve better than that from this administration.

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

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

Mr. Speaker, the gentleman from New York (Mr. SOLOMON) and I had a discussion about an hour ago on the rule, and at that time I urged the gentleman to not engage in a public hanging before the facts are in. And I would repeat that at this point.

Mr. Speaker, it is a foregone conclusion that the House will vote today to create a new Select Committee to investigate the allegations that a U.S. company transferred sensitive technology to the People's Republic of China that could endanger national security and that campaign contributions played a role in obtaining the licenses necessary for U.S. companies to launch their satellites on Chinese missiles. I support the creation of the Select Committee. But I do so with some reservations.

Mr. Speaker, my reservations are shared by my Democratic colleagues on the Committee on Rules which has original jurisdiction to create this Select Committee. In our committee report minority views, we have laid out our concerns about the structure of the Select Committee and the decisionmaking process that is provided for by the enabling resolution.

We are heartened that the designated ranking minority member, the gentleman from Washington (Mr. DICKS) feels that he has reached an understanding with the designated chairman of the Select Committee on several matters that are vitally important to assuring that the Select Committee's work product is viewed as fair and that the rights of the minority have not been ignored.

However, Mr. Speaker, there are matters which I do feel compelled to bring to the attention of the House. The Committee on Rules majority states at the outset that they have used the Iran-Contra Select Committee as a model for this Select Committee. While this model bestows extraordinary powers on the chairman, Iran-Contra also stands as a model of bipartisan cooperation and the joint leadership of that committee acted jointly on all matters of procedural concern.

The Democratic members of the Committee on Rules hope that the model of bipartisanship on the Iran-Contra Select Committee holds true on this Select Committee.

Our fears of abuse, while tempered by the reputation for fairness of the designated chairman of the Select Committee, are based on the experience of the past year and a half. Granting unilateral powers to the chairman of such a serious investigation gives us serious concern, and we hope, for the sake of the integrity of this body and for the finding of truth in this matter, that the assurances that we have been given that the rights of the minority will be protected in this investigative process and that the minority will be consulted on all important matters coming before the Select Committee.

This happened during Iran-Contra, and if that Select Committee is to serve as a model for this one, we hope that the same level of bipartisan cooperation would exist over the course of this investigation.

Mr. Speaker, we are concerned about the unilateral subpoena power, unilateral deposition power, as well as the ability of the Select Committee to gain access to 10 years' worth of tax returns of individuals and entities under investigation by the Select Committee. We are concerned about how this information will be handled, and under what circumstances it will be released to the public.

These are all legitimate concerns, but we remain hopeful that the participants in this investigation will realize that if it is tainted by accusations of partisan high-handedness, that any findings and recommendations that may be made will be tainted as well.

Finally, Mr. Speaker, my Committee on Rules Democratic colleagues and I are particularly concerned about the breadth and scope of this investigation. This resolution rightfully empowers the Select Committee with the authority to make a full and complete inquiry into not just technology transfers which may have contributed to the enhancement of the offensive capabilities of the People's Republic of China and its effect on the national security concerns of the United States, but other issues relating to export policies and the influence of campaign contributions. These are legitimate areas of investigation, but I am concerned that the authorities granted in this resolution are so broad that the Select Committee could go on working well into the future.

In addition, Mr. Speaker, I would like to point out that the designated ranking member of the Select Committee, the gentleman from Washington (Mr. DICKS), has asked that the many other investigations now ongoing suspend their investigations of those matters under the jurisdiction of the Select Committee while it is in operation.

This is necessary, Mr. Speaker, to ensure that the Select Committee can get its work done and not find the need to go on ad infinitum, and I hope the other committees of the House will cooperate in this matter. We need to find out what has happened and the Select Committee needs to go on about its business and report back to the House as soon as possible.

Mr. Speaker, I support the creation of the Select Committee, but I do so with an important caveat: If this investigation wanders from the focus of determining the answers to the questions at hand and if some of my colleagues insist upon demagoguing this issue, they risk damaging not only the legitimacy of any of the findings of the committee, they risk damaging the integrity of this institution. I urge the Select Committee to ensure that its investigation is fair and thorough.

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

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

Mr. SOLOMON. Mr. Speaker, I would point out to the gentleman, because I know the gentleman from California (Mr. CONDIT) brought this up, worrying that this might go into another Congress and may run up costs of up to $5 million, I would just point out that the language speaks specifically for this Congress and this Congress only. It would take a further action by this body. So I wanted to call that to the attention of the gentleman.

Mr. FROST. Mr. Speaker, reclaiming my time, I appreciate the comments of the gentleman. There is an underlying question here which may well drive this investigation into the next Congress, which of course would have to be authorized by the next Congress. The underlying issue is the concern that the gentleman from New York (Mr. SOLOMON), who is the chairman of the Committee on Rules, has raised for many years about whether we ought to be doing any of this.

Of course, the gentleman who is the chairman of the committee has objected to and opposed the transfer of

technology which began during Republican administrations. And my concern is that if this committee goes to the fundamental issue of whether we ought to be doing business with China, that is a bottomless pit and that is a matter that could go on for a very long time.

There are legitimate differences within the Republican Party on this issue, as there are legitimate differences within the Democratic Party on this issue. So there is the potential for this investigation, even though it must be renewed at the beginning of the next Congress, to go on for a very long time if we go into the underlying foreign policy question of whether we ought to be doing any business with China.

Mr. SOLOMON. Mr. Speaker, if the gentleman would continue to yield, I think it might help to clarify. The gentleman is absolutely right. He and I were around during the Iran-Contra debate and I have here the final report of the Iran-Contra Committee. The last paragraph says, ''The President cooperated,'' and this is talking about President Reagan, ''cooperated with the investigation. He did not assert executive privilege. He instructed all relevant agencies to produce their documents and witnesses, and he made extracts available.''

Mr. Speaker, I wanted to point out if we do get full bipartisan cooperation, I do not expect this to go any further because of the narrow scope.

Mr. FROST. Mr. Speaker, reclaiming my time, while the scope of the matter under discussion today is fairly narrow, the resolution itself is very broad. It is possible that this resolution could be used in a future Congress as a means for examining the entire foreign policy of the United States as it relates to China, regardless of whether there was any wrongdoing found by this investigation.

I only raise that cautionary flag, as I did in the Committee on Rules, because that is really a legitimate matter to be determined by our foreign policy committees of this Congress, perhaps even by our Select Committee on Intelligence, perhaps by our Committee on National Security, but not necessarily by this Select Committee. Because the gentleman and previous Republican Presidents have a philosophical difference on this issue, and I would hope this Select Committee does not go to that philosophical difference of whether we ought to be engaging China, but simply limits itself to the matters at hand which raise the question of whether there was improper conduct in terms of the implementation of that policy.

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

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentlewoman from New Jersey (Mrs. ROUKEMA), an outstanding veteran Member of this Congress from Ridgewood, New Jersey.

Mrs. ROUKEMA. Mr. Speaker, I do appreciate the gentleman from New York (Mr. SOLOMON) yielding me this time at this point in this debate.

Mr. Speaker, I rise in strong support of this proposal. It is essential and timely. There is a compelling need for this committee. New evidence has come to light that against the recommendations of the Defense Department and the State Department, how conditions were waived and national security considerations were waived, and Loral Space and Communications transferred sensitive satellite and missile technology to China.

Mr. Speaker, I must also say that the technology, as we now know, allowed the Chinese to greatly improve their ballistic missile and guidance capability. We have recently learned about proliferation of nuclear weapons in India and Pakistan. That may or may not have any relationship. But in any case, the timeliness has been proven and these are important national security issues at hand.

But I must say we must put politics aside. As the gentleman from Florida (Mr. GOSS) said during the earlier debate, this is not about fault-finding. I would therefore call upon all of us, Republicans, Democrats, to put politics aside and proceed with a strong interest and fairness to find the truth in this matter. The national security ramifications of this investigation are too important to become mired in politics.

Then I must feel compelled to say that I am so pleased that we have as chairman the gentleman from California (Mr. COX). We all have utmost faith in the gentleman's ability to lead this investigation. He has the experience, he has the knowledge, and above all, he has the trust, based on that experience, of all of his colleagues because he is known as the essence of honesty, fairness and tact.

In conclusion, I want to be very clear. This is not about a real estate deal. We must, we must approve this and get on with the business of the security interests of our country.

Mr. Speaker I rise in strong support of H. Res. 463—Establishing a Select Committee to Investigate Concerns with the Peoples Republic of China. This is essential and timely.

The Investigation. This could become one of the important Congressional investigations to date. This Committee will focus on the real National Security concerns that have been surfaced, hence its title. The Members of the Select Committee will have experience and knowledge of defense, national security, and intelligence issues.

There is Compelling Need for the Committee. New evidence has come to light that against the recommendations of the Departments of Defense, State, and Justice, in February 1998, President Clinton waived national security considerations and allowed Loral Space and Communications to transfer sensitive satellite and missile technology to China.

This technology allowed the Chinese to greatly improve their ballistic missile and guidance capability. The consequences of this transaction poses the greatest nuclear threat to the United States since the end of the Cold War.

We have seen in the last few months, the proliferation of nuclear weapons to India and Pakistan. With the Chinese perfecting their weapons systems, the world is becoming a much more dangerous place. This investigation will not only help us get the facts but it will help inform us on these important national security issues.

We Must Put Politics Aside. Our colleague Representative Goss stated: This is not about fault finding. These allegations have serious national security implications and should be investigated in a serious, bi-partisan manner.

I call on all Republicans and Democrats to put politics aside and proceed with a strong interest in integrity to find the truth in this matter. The National Security ramifications of this investigation is too important to become mired in politics.

I call on the President to act in good faith with the investigation and to release all documents relating to the case.

Congressman COX. My good friend from California, Congressman CHRISTOPHER COX will be in charge of this investigation. I have the utmost faith and confidence in Congressman COX.

He has the Experience: He was senior counsel on the Iran-Contra Investigation and an accomplished attorney.

He has the Knowledge: Congressman COX is a recognized expert on foreign affairs and the intelligence community.

He has the Trust: Throughout his career in Congress, Mr. COX has commanded respect from all of his colleagues for his honesty, fairness, and tact.

He will lead this investigation fairly and with a firm hand. He will not allow this very important matter to dissolve into ''political theater.'' I strongly urge my colleagues on both sides of the aisle to work closely with Congressman COX to find the truth.

In conclusion, let me be very clear. This is not a real estate deal or a sex scandal and this is not about partisan politics. These charges go to the heart of our national security and potentially threaten every American. This Congress must rise to the challenge. A serious, professional and comprehensive investigation must be conducted to assure our national defense, and control over the laws of our land. I urge all Members to support this Resolution.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. FAZIO).

Mr. FAZIO of California. Mr. Speaker, I have enjoyed listening to the debate thus far where we have been asked on the one hand to put politics aside, and on the other hand we have heard the alarm sounded about all these terrible transgressions that have occurred supposedly in China. Prejudging the case as we create the jury system seems to be in vogue these days.

But Mr. Speaker, I support this resolution for a couple of reasons. One, I do not want to miss the opportunity to congratulate the Republicans on finally investigating something in the proper manner.

We have had 50 separate investigations in this Congress, 38 of them continuing. Not one of them has been brought to the floor in this manner so that all the Members could hear the

evidence and decide whether they want to spend the public's money to conduct them. The rest of them are funded by the slush fund, we used to call it the Speaker's slush fund until we got a new Speaker. But it is really operated out of the Committee on House Oversight with a partisan majority and no input from the minority. They make the decisions as to whether or not we are going to pursue an investigation.

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So I support this one because it is done at least intentionally in the right manner. I support the gentleman from California (Mr. COX) and the gentleman from Washington (Mr. DICKS). I think they are honorable people.

I have confidence that, even though this may be somewhat too broad in its basic premise that the two of them working together as they have thus far will make sure that it does not go too far, does not really go from what I think is the consensus need we have in this institution to look at our policies in regard to technology transfer and exports to China.

There has been a lot of Clinton bashing, and I think unfortunately so. There has been a certain amount of unwarranted China bashing, the purple rhetoric I guess is expected in a campaign year.

But what is most important here is that we review American policy, policy that began with President Reagan, was implemented by President Bush, and this President. The same debates that we have had on export administration acts, on the armed services authorizations is occurring on this issue.

Those kinds of debates that we have had frequently on this floor the 20 years that the gentleman from Texas (Mr. FROST) and the gentleman from New York (Mr. SOLOMON) and I have served in this institution are the very subject that ought to be looked at by this Select Committee.

There is no question that we do have some policies that may need to be changed, but the implication that somehow we have acted here because of campaign funds flowing in one direction or another is I think a little bit hard to take from a Congress that refuses to even consider whether or not we are going to do away with soft money or reform the campaign finance system that we all, like it or not, have to live with.

I think this committee has been given the power to really move toward a solution to all the rhetorical debate that we have heard, some of which may really warrant policy changes.

I hope this committee's leadership will be given the membership that will focus on the details and on the issues that really need to be addressed and not the politics of election 1998. With that caveat, I support this effort and wish them well.

Mr. FROST. Mr. Speaker, I yield 7 minutes to the gentleman from Washington (Mr. DICKS).

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

Mr. DICKS. Mr. Speaker, for several months, no less than seven committees of the House of Representatives have been investigating issues relating to the transfer of technology between the United States and the People's Republic of China.

The resolution now before us would vest primary responsibility for the conduct of these inquiries in a select committee. Given the complex and contentious nature of these matters, many of which involve highly classified information, consolidating the current investigations in one committee with the authority to consider matters which cross jurisdictional lines is, in my judgment, appropriate.

The technology transfer matter raises important questions of national security. The House deserves to have these questions addressed in a manner which is thorough and which focuses on substance rather than seeking to maneuver for partisan advantage.

Based on my discussions as the perspective ranking Democrat over the past week with the gentleman from California (Mr. COX), prospective chairman of the Select Committee, I believe we share a commitment to make sure that the investigation is conducted, and the Select Committee operates, in a manner which brings credit to the House.

I want to commend the gentleman from California (Mr. COX) for his willingness to consider my views on ways in which the rights of the minority to participate in the work of the Select Committee can be better ensured. We have begun to forge the kind of working relationship which will increase the likelihood that H. Res. 463, the rules which the Select Committee will adopt, and the understandings which the two of us have reached and will reach are implemented fairly.

The Select Committee would have a limited amount of time to review some complex and potentially contentious issues. At this point, I believe the inquiry needs to examine the following matters:

First, the Select Committee must review the policy devised under President Reagan and continued in the Bush and Clinton administrations to permit U.S.-owned satellites to be launched on foreign rockets, particularly those of the People's Republic of China. Is this a sound policy which appropriately balances potential economic, technological, and national security risks and benefit for the United States?

In this context, we need to examine changes in that policy and its implementation over the past decade. We must also look at the proposed sale of satellites containing sophisticated communications equipment to the People's Republic of China.

The second matter arises from the failed launch of a satellite undertaken pursuant to that policy and concerns whether, in assisting the People's Republic of China in determining the causes of that failure, information harmful to the national security of the United States was transferred to the Chinese by representatives of U.S. companies.

I would note that any information transferred which might have had negative national security implications was apparently done without the approval or knowledge of Executive Branch officials.

Was there an enhancement of the reliability of the ballistic missiles of the People's Liberation Army as a result of these transfers; and if so, how did that happen? This is an area in which we must proceed carefully, because legal proceedings are under way, but I believe the American people deserve as clear a determination as possible on the national security implications of these transfers.

The fact that the Department of Defense and the Central Intelligence Agency apparently reached different conclusions on this question underscores the difficulty of the Select Committee's task.

Finally, the Select Committee must examine whether money flowed into the political process in the United States from either domestic or foreign sources in an effort to influence Federal decisions on technology transfers. Were any decisions made to benefit a company, whether it be Loral or any other firm, because of campaign contributions? In this matter, as well, pending legal proceedings may affect our work.

As I noted, the Select Committee would have a relatively short life, and there is much to do. If it is the will of the House that a Select Committee be formed to conduct this inquiry, I would hope that the permanent committees which have had aspects of these matters under investigation will follow precedent and defer to the new committee.

It will not assist the Select Committee, nor will it justify the considerable amount of taxpayer funds to be authorized for this effort if it is to be but one of many investigations of these matters involving the same documents and the same witnesses. I hope the Select Committee can get the cooperation of the House in this area and in all others which may affect its ability to do its job.

Mr. Speaker, I urge the adoption of this resolution.

Mr. Speaker, I would like to enter into a colloquy with the distinguished chairman designee of the committee.

To the gentleman from California (Mr. COX), in the discussion of section 7, ''Procedures for Handling Information,'' the Committee on Rules' report on H. Res. 463 makes clear that classified information may be disclosed publicly only pursuant to a vote of the Select Committee. Section 7, however, discusses the making public of any information in the Select Committee's

possession, not only classified information.

Is it the gentleman's interpretation of section 7 that the Select Committee will vote to disclose publicly any information whether the information is classified or unclassified?

Mr. COX of California. Mr. Speaker, will the gentleman yield?

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

Mr. COX of California. Mr. Speaker, I thank the gentleman for yielding to me. That interpretation is the correct interpretation. As the gentleman knows, that section of this resolution, section 7, is taken essentially verbatim from the rules of the House concerning the procedures for the Permanent Select Committee on Intelligence of which the gentleman is the ranking member. Our procedure on the Select Committee will be the same as it is on the Permanent Select Committee on Intelligence.

Mr. DICKS. I thank the gentleman from California (Mr. COX) for that answer. In its discussion of section 10 of H. Res. 463, ''Tax Returns,'' the report of the Committee on Rules notes the committee's intention that the authority granted by section 10 extends to the Select Committee ''acting collegially.''

Is it the gentleman's interpretation of sections 10 and 4 of the resolution that the act of ''naming'' an individual or entity under section 10 for purpose of inspecting and receiving tax information about that individual or entity shall be done pursuant to a vote of the committee?

Mr. COX of California. Mr. Speaker, will the gentleman yield to me?

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

Mr. COX of California. Mr. Speaker, that is, again, the correct interpretation. As the gentleman and I have discussed privately, this is a very important power that the Select Committee will possess. It should be used sparingly, not only after a vote, but after consultation and I would hope deliberation not only of the chairman and ranking member but all of our members.

Mr. DICKS. Mr. Speaker, I would also say, as the prospective ranking Democrat on this select committee if the House approves this resolution, we will be very careful and judicious about the use of this authority.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado Springs, Colorado (Mr. HEFLEY), one of the most knowledgeable Members of this House on national security and the chairman of the Subcommittee on Military Installations and Facilities.

Mr. HEFLEY. Mr. Speaker, I rise in strong support of this resolution. As a member of the Committee on National Security, I believe it is imperative that we form this investigative committee. We need to find out whether or not America's national security has been or is being harmed by current policies which govern the transfer of dual-use missile and satellite technology to China.

Presently, the Committee on National Security and the Committee on International Relations are holding a joint hearing on this very subject. One thing we are consistently being told by the Clinton administration officials is that the current policies are no different than the policies under President Reagan and President Bush. Mr. Speaker, that is simply not true.

Under Presidents Reagan and Bush, all military sensitive technology was licensed by the State Department. This licensing authority was further backed up by the veto power granted to the Department of Defense if they felt our national security could be compromised by a particular transfer.

Under President Clinton, the licensing authority has been taken away from the State Department and given to the Department of Commerce. The Commerce Department's goal is to promote business, not to protect national security. Additionally, the veto power of the Department of Defense has been removed. Clearly, economic and commercial benefits have become the most important factor in this administration's licensing determinations.

But all of that aside, that is not why I support this resolution. This committee is not to serve as a political witchhunt, but instead a bipartisan investigation into whether or not we should be more worried about our national security today than we were yesterday.

We are dealing with the only Communist country in the world with nuclear capability. I urge the support of all Members on this resolution, because we are talking about the safety of our Nation. We are talking about the safety of our families.

The SPEAKER pro tempore (Mr. FOLEY). The gentleman from Texas (Mr. FROST) has 11 minutes remaining. The gentleman from New York (Mr. SOLOMON) has 17 minutes remaining.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, four years ago now, Speaker NEWT GINGRICH said this as quoted in the Washington Post, ''Clinton Democrats should be portrayed as, quote, the enemy of normal Americans.'' He then goes on to say, ''Republicans will use the subpoena power to investigate the administration.''

Some 4 years later, 50 investigations later in this House, some $17 million later of taxpayers' money, recently in the Congressional Quarterly, a senior Republican leadership aide was quoted as saying this, ''It has been very expensive, and it has not amounted to much.''

In light of the use of taxpayer dollars and duplicative and, in many cases, dead-end investigations, my original intent would be not to support with taxpayers' money one more investigation. But I think, because of the quality of the leadership of this committee and because of the importance of this issue, many of us, if not all of us, in this House want to support this resolution.

But I must express one reservation. I would imagine what an appeals court would say in reviewing a previous judge's decision in a case if, in the first statement in that court, the judge stood up and said in reference to the defendant in the case, talked about his sordid history, sordid history. Those were the words used in the very first statement by the gentleman from New York, the chairman of the Committee on Rules, in opening up what I thought was intended to be an investigation to get the facts first and then make the judgment what those facts can be concluded to say.

□ 1430

I would hope that perhaps I misunderstood, and I would be very happy to yield time to the distinguished chairman of the committee. I hope perhaps I misunderstood the context of his statement.

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

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

Mr. SOLOMON. Since 1988, under Presidents Reagan, Bush and Clinton, I have opposed this policy. So there is no politics involved.

Mr. EDWARDS. So, to clarify for the record, the reference to ''sordid history'' refers to multiple administrations' policy in regard to technology transfer to China, and those remarks were not focused on this administration's particular actions that we are supposed to be reviewing in this matter?

I think this is an important point. If the first statement on the floor of this House is to say we are now going to review the sordid history of the person we are supposed to be investigating before we draw a conclusion, then a reasonable person in or out of this House must conclude that perhaps this will be somewhat like the Burton investigation, where the chairman of the committee was quoted as saying he wants to ''get'' the President before he has even concluded the investigation.

Again, I would hope to work with the distinguished chairman and others in reviewing all of the facts, listening to the committee before we determine whether this administration has been part of a sordid history or not. And, again, perhaps the chairman could better put in context the meaning of those words. I think that would be helpful to get this investigation started on a bipartisan, objective basis.

Mr. SOLOMON. Mr. Speaker, I yield myself 30 seconds to say to the gentleman, I do not know of any previous administrations where there were sordid facts, as far as companies like Loral that were involved. This is what we were referring to, that we want to get to the bottom of it; which has nothing to do with administration politics.

Mr. Speaker, I yield 2 minutes to the gentleman from Dallas, Texas (Mr. SAM JOHNSON), a very distinguished Member and former prisoner of war for 7 long years, and a great American.

(Mr. SAM JOHNSON of Texas asked and was given permission to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, according to this administration, the President's trip to China next week marks a new high in U.S.-China relations. I am not sure that is true. The national security of this Nation is at serious risk today due to actions taken by this President and his administration regarding missile technology transfers. It is not a reason for celebration. It is not a high point.

The transfer of U.S. missile technology to China, with the direct approval of the Clinton administration, raises some rather significant questions:

One, why the authority over the waiver program was shifted from State to Commerce; two, why an American company was granted a second launch waiver when it was already being investigated by the Justice Department; three, why the Clinton administration tried to shield China from sanctions; and finally, what military benefit did China gain as a result of that technology transfer?

Mr. Speaker, today we have the opportunity to set up a committee that will search for the honest answers, and I think the honest answers are going to be forthcoming. We have a minority leader and our own majority chairman that are going to get the answers, for our national security is not a partisan issue.

I urge my colleagues to demand the truth and support this resolution today.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. Edwards).

Mr. EDWARDS. Mr. Speaker, following up with my exchange with the chairman of the Committee on Rules, it seems to me that one of the serious subjects of discussion and review of facts for this committee is, what was the role of the Loral Corporation in this process.

The chairman of the Committee on Rules, on the floor of the House in response to my question, referred to Loral's sordid history and its involvement in this process. Once again, I would point out that for a judge, or one of the judges, in this basically being a court case or investigation, to say in the very first remarks that there has been a sordid history of involvement by one of the groups being reviewed by this investigation seems to me to be drawing conclusions before we get the facts. It seems to me to sound more like the Burton committee, which had a chairman that wanted to draw the conclusions before he even had the hearing.

So, in the midst of this discussion, my intent is not to question the motives of the chairman of the Committee on Rules; my intent is to try to start out this process on a bipartisan, objective, fair basis. And I hope the distinguished gentleman would make clear what he means by referring to the ''sordid history'' of Loral or any others in this case.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume to quote from my opening statement. It says, ''Beginning in April of this year, the New York Times has focused on 'the somewhat sordid history,'" repeating exactly what they say. The gentleman should read the newspapers.

Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. TRAFICANT), a very admired Member of the other side of the body, and I wish I had more time to yield to him.

Mr. FROST. Mr. Speaker, I yield 1 minute. The gentleman from Ohio (Mr. TRAFICANT).

The SPEAKER pro tempore (Mr. FOLEY). The gentleman from Ohio (Mr. TRAFICANT) is recognized for 2 minutes.

Mr. TRAFICANT. Mr. Speaker, I thought I would just rise to tell it exactly like it is.

Last week North Korea threatened Uncle Sam. I want to quote what North Korea said. They said they will not only continue to build ballistic missiles, but they will sell ballistic missiles to the enemies of Uncle Sam or to whomever they choose. And if Uncle Sam does not like it, they can compensate us for it. They can compensate us; that is unbelievable.

Intelligence sources said North Korea is taking this bold stand because they see the way China and Communists are being treated around the globe, and that there is a weakening of resolve in Washington.

Now, there is nobody that opposed Reagan's economic policies more than I, maybe right or wrong. But one thing about Ronald Reagan, North Korea would have never made that threat to Ronald Reagan. Never. And Ronald Reagan was firm in his resolve about Communists. But if Communist China can get $50-plus billion a year in trade surpluses, get free missile technology, have access to the Lincoln bedroom, why cannot all the other Communists do it? In fact, why cannot communism make a comeback, colleagues?

It is time to question the White House. We have put China on the back page because of Monica. Let me tell my colleagues, the time now is to look at China. What did they do, and did they attempt to influence our national security? I do not think President Clinton sold our country out, but I believe they have been damn casual with China and with Communists.

And I would just like to say that we have had brave military that gave their lives fighting in foreign wars to defeat communism and to secure America. And I will be damned if I am going to be a part of any situation that is going to weaken or threaten our national security because of some political partisanship here. We should investigate and find the truth, and let the chips fall where they may. Because I will tell my colleagues what, it sounds awfully stinky to me.

Mr. FROST. Mr. Speaker, I would ask about the remaining time.

The SPEAKER pro tempore. The gentleman from Texas (Mr. FROST) has 6 minutes remaining, and the gentleman from New York (Mr. SOLOMON) has 13½ minutes remaining.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentlewoman from Jacksonville, Florida (Mrs. TILLIE FOWLER), a member of the Committee on National Security, who is so very knowledgeable about this issue.

Mrs. FOWLER. Mr. Speaker, I rise in strong support of this resolution. As a member of the House Committee on National Security, I cannot overstate the significance of the mission we are undertaking with the creation of this Select Committee.

More than 1 year ago, the gentleman from Illinois (Mr. HENRY HYDE) and I wrote to the Attorney General, asking her to investigate the loosening of export controls on a host of sensitive dual-use equipment and technology.

We asked the Attorney General to investigate the questionable decision to allow McDonnell Douglas to sell sophisticated machine tools to the PRC. Just last week ''60 Minutes'' reported that those machines have ended up in a Chinese Silkworm missile plant.

The Loral incident is what has brought us to this point today, and for good reason. According to press reports, the Defense Technology Security Administration concluded that, ''United States national security has been harmed.'' And an April 9th, 1996, Air Force Intelligence report reached a similar conclusion.

Clearly, the questionable actions of both Loral and the administration have serious implications for our national security. But so do the questions surrounding transfers of sophisticated machine tools, supercomputers, hot section technology and telecommunications technology.

The Select Committee we are creating today faces a daunting but critical task. In a nutshell, it must answer the question: Did the United States provide technology to China that will benefit its military? And, if so, why did this administration allow it to happen?

I urge my colleagues to vote ''yes'' on the resolution so that the American people can find out the answers to these questions.

Mr. Speaker, the letter to the Attorney General referred to earlier is provided for the RECORD as follows:

MAY 22, 1997.

Hon. JANET RENO,
U.S. Department of Justice,
Washington, DC.

DEAR GENERAL RENO: We are writing to request that the Justice Department's investigation of alleged illegal foreign campaign contributions to the Clinton campaign and the Democratic National Committee include an investigation of the possible link between

contributions from various Asian donors and the Clinton Administration's loosening of export controls on sensitive dual-use equipment and technology, which has specifically benefited the military and intelligence services of the People's Republic of China (PRC).

The PRC makes no secret of the fact that it is attempting to acquire a diverse, highly flexible, strategically dispersed and survivable military production capability, with force projection a key goal. The administration's pattern of decontrol and failure to enforce existing law with regard to both export procedures and punitive sanctions has substantially benefited the military goals of the People's Republic of China and presented serious new challenges to the security interests of the United States.

In our minds, there are a number of cases that raise serious questions about whether improper outside influence was brought to bear on Administration officials—including the President—and if that influence has resulted in decisions and policies that have liberalized the transfer of defense-related technologies, something which is clearly incompatible with the interest of our nation.

Examples of Questionable Decisions

Sales of sophisticated machine tools to the PRC.—A U.S. company, McDonnell Douglas, was allowed to ship an almost complete intact missile and strategic bomber factory to the PRC, despite strong opposition from specialists at the Department of Defense and evidence that the equipment was going to be diverted to military production facilities. Prior to the issuance of the original export licenses, the case was discussed with concern at the highest levels of the government, yet it was approved in the end.

News stories and a GAO report requested by the House National Security Committee (HNSC) all show that before the equipment was shipped, U.S. officials were aware that the conditions placed upon issuance of the export licenses were unenforceable, and that the Chinese possibly intended to divert the equipment they had purchased for civilian use to a military production facility.

During the period immediately before the sale—and before the export licenses had been approved—McDonnell Douglas officials showed officials from CATIC (China National Aero-Technology Import-Export Corporation) through the plant during operating hours, allowing them to videotape classified production lines in operation—a violation of current export law, which was brought to the attention of Administration officials and ignored.

Finally, once it was determined that the diversion had occurred, political appointees at the Departments of Commerce and Defense approved new licenses with different end-use conditions and destinations rather than expressing displeasure with the Chinese or exercising their legal obligation to sanction the PRC.

While aspects of this case are now under review by a grand jury in the District of Columbia, it is imperative that this matter receive full scrutiny in the context of the Justice Department's investigation of campaign finance improprieties.

Supercomputers.—The extraordinary loosening of controls on militarily-sensitive supercomputers, which began in 1994, has resulted in the sale of 46 supercomputers rated at 2,000 MTOPS and above to China in the last 15 months. According to a former Under Secretary of Defense who testified before the HNSC Procurement Subcommittee, these sales may have given the PRC more supercomputing capacity than the entire Department of Defense. Uses for supercomputers include: design and testing of nuclear weapons; sophisticated weather forecasting; weapons optimization studies crucial for the efficient use of chemical and biological weapons; aerospace design and testing; creating and breaking codes; miniaturizing nuclear weapons, and finding objects on the ocean floor, including submarines.

The decision to loosen U.S. controls on supercomputers was made in spite of the opposition of a number of Defense Department staff experts, senior military and intelligence officials, and Members of Congress. It was justified by a report commissioned and paid for by the Department of Commerce using outside consultants supplied by political appointees at the Department of Defense. The contract for the report was awarded noncompetitively to a well-known opponent of export controls. Viewed in the context of recent revelations about Chinese efforts to influence the U.S. political scene, the significant policy changes that have been pursued in this area bring into question the Administration's motives for decontrol.

Hot Section Technology.—The Administration's decision to change the jurisdiction on so-called ''hot section'' technology from the Department of State, which had guarded it jealously, to the Department of Commerce, which is in the business of making it easier for foreign entities to purchase U.S. products and technology also raises serious concerns. Hot section technology allows U.S. fighter and bomber aircraft to fly for thousands of hours longer than those produced by less sophisticated manufacturers, providing our military forces with significant cost and readiness advantages over those of other nations. Again, serious questions arise with respect to policy changes in light of Chinese efforts to influence Administration actions.

Telecommunications.—In 1994, sophisticated telecommunications technology was transferred to a U.S.-Chinese joint venture called Hua Mei, in which the Chinese partner is an entity controlled by the Chinese military. This particular transfer included fiber optic communications equipment which is used for high-speed, secure communications over long distances. Also included in the package was advanced encryption software.

Both of these transfers have obvious and significant military applications, and, again, this transfer was accomplished despite opposition from technical experts at the NSA and within the Pentagon.

The administration's actions in the abovementioned cases, and others, have resulted in a significant increase in indigenous Chinese military production capabilities. Given China's willingness to sell weapons and technology to the highest bidder—including rogue nations such as Iran, Iraq, and Libya—these transfers could represent a profound threat to U.S. military personnel. Moreover, the increased capabilities that China has gained portend a regional arms race and increase the possibility of conflict in a region ion which the United States has major interests.

Under the circumstances, if flies in the face of common sense for us to provide the PRC with the means to achieve their military and strategic goals. The administration's decision seem very suspect to us, and we strongly believe they should be investigated.

In closing, we would note that this letter does not reflect a change in our belief that a special counsel should be appointed to investigate allegations of improper fund-raising and campaign contributions, but rather an acknowledgement of the investigation as it presently exists.

Thank you for your consideration of this request. We look forward to your timely response.

Sincerely,

TILLIE K. FOWLER,
Committee on National Security.
HENRY HYDE,
Chairman, Committee on the Judiciary.

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

Mr. Speaker, I think it is vitally important that this matter be approached on a bipartisan and objective basis. The two people who are involved, the designated chair and the designated ranking minority member, clearly are fair-minded and will proceed in a reasonable and forthright manner. I would urge other Members on the other side of the aisle to give the gentleman from California (Mr. COX) and the gentleman from Washington (Mr. DICKS) the opportunity to conduct a fair and bipartisan examination into these vital questions.

We will support this resolution. We would urge that this investigation be done promptly and fairly and in a bipartisan manner.

Mr. Speaker, I have concluded my remarks. I urge adoption of the resolution.

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

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume to, first of all, just concur in exactly what the gentleman from Texas has just said.

Mr. Speaker, I yield the balance of my time to the gentleman from California (Mr. COX) to conclude for the majority. We have heard a lot of praise heaped on this gentleman. I only wish I had his demeanor and his calmness in the way that he approaches measures on this floor. He would make a great Supreme Court Justice some day, as well as a great Congressman.

Mr. COX of California. Mr. Speaker, I certainly thank the chairman of the Committee on Rules for those generous comments and, obviously, all of us being in politics here know that at this point I should sit down, because never will people say nice things like this about me again and I am enjoying the opportunity.

But I want to begin by saying exactly the same kinds of things about my colleagues who have brought us to this point, the threshold of investigating in exactly the right way a very serious matter. In particular, the ranking member on the Permanent Select Committee on Intelligence, the gentleman from Washington (Mr. DICKS), with whom it has been my pleasure to work for the last several days in a very serious and urgent way; and, as well, the minority leader of the House, who made this his priority, exactly as did the Speaker of the House.

As a consequence, I can thank the gentleman from Texas (Mr. FROST), who has conducted the debate on the minority side today, for his recommendation of an ''aye'' vote. And I can thank my colleagues for what I believe is the collective and considered

wisdom of the House in proceeding in this way.

Much of what we will undertake, much of what we will look at in this Select Committee will be secret information, and we will keep it to ourselves. Much of the reason that we are here, frankly, rests upon classified information. But the reason that we are here is also largely a matter of public record, and so what I would like to do now is begin with what is publicly known about why it is important for us to proceed in this way with this Select Committee.

In 1996, the People's Republic of China's Long March rocket, carrying a Loral satellite, exploded shortly after lift-off. It was at least the fifth Long March rocket to fail in the last 7 years. On April 4th, 1998, the New York Times, in a story by Jeff Gerth, first reported that a Federal grand jury was investigating whether, during the investigation of that 1996 launch failure, Loral and Hughes provided any information to the Chinese People's Liberation Army without the necessary State Department approval, and whether such illegal actions may have advanced the Chinese People's Liberation Army nuclear missile capabilities.

According to the April 4 New York Times article, since this proposed export could involve the transfer of the same kind of expertise that prompted the Justice Department to investigate in the first place, some Clinton administration officials claimed that the February waiver undermined the investigation.

□ 1445

The Justice Department made these very concerns known to the White House prior to the February 1998 waiver.

On April 5, 1998, Ronald Ostrow and Jim Mann reported in the Los Angeles Times that missile guidance technology transferred to the People's Liberation Army may have gone beyond China's own nuclear arsenal. They quoted a Defense Department official, who stated, ''Guidance for missiles seems to be a critical factor for Iran and North Korea. And they are getting it from China.''

On April 13, the New York Times reported further that in May 1997, the Pentagon issued a classified report which concluded that Loral and Hughes provided information that ''significantly improved China's nuclear missile capabilities.''

The New York Times reported on May 15, 1998, that a Chinese military officer, Lieutenant Colonel Liu Chao-Ying, funneled nearly $300,000 to Democratic fund-raiser Johnny Chung. Lieutenant Colonel Liu is an officer of China Aerospace, a state-owned company directly involved in China's satellite launching program. Lieutenant Colonel Liu was previously an officer of China Great Wall Industries, the manufacturers and sellers of M–11 missiles components to Pakistan.

On May 23, the New York Times reported that on February 18, 1998, while the Justice Department investigation of Loral was ongoing, President Clinton issued another waiver for Loral to export a satellite to China.

On June 1, 1998, the New York Times reported that the State Department also advised the White House prior to the February 1998 waiver that Loral's actions in 1996 appeared to be ''criminal'' and ''knowing'' and that U.S. law might prohibit satellite exports to the People's Republic of China in any event due to the PRC's transfer of missile technology to Iran.

The June 1 article also reported that the administration was aware of the Defense Department's concerns over possibly aiding the People's Liberation Army's nuclear missile program, citing a February 12 memorandum to the President from National Security Adviser Samuel Berger.

Also, according to the June 1 article, and again citing internal White House and State Department memoranda, National Security Adviser Berger and the President were made aware of the fact that Loral stood to lose the contract and to incur a financial penalty if the waiver were not granted soon.

The waiver was issued shortly after the supposed deadline. The launch project was kept on schedule for November 1998, and Loral did not incur any penalties from the Communist Chinese Government.

The press has also reported that the CEO of Loral, Bernard Schwartz, has become a close personal friend of the President and was the largest single donor to the Democratic Party in 1996.

On June 10, the General Accounting Office testified before the Senate Intelligence Committee that President Clinton's March 14, 1996, decision to transfer ultimate control of satellite exports from the State Department to the Commerce Department diminished the ability of the Defense Department to block satellite exports for national security reasons.

Until that 1996 decision by the President, the Department of Defense was routinely deferred to by the Department of State and national security was paramount when waivers were sought. Now, however, the Commerce Department, whose mission it is to promote exports, is the agency in control.

In testimony before the House Committee on National Security in November of 1997, Commerce Department official William Reinsch acknowledged that while some 47 supercomputers have been sold to the People's Republic of China, the United States Government was unaware of their whereabouts. These supercomputers may be used for, among other purposes, simulating testing of nuclear weapons.

60 minutes, on CBS, reported on June 7, 1998, that the People's Liberation Army illegally diverted enormous McDonnell Douglas aeronautics machine tools, approaching the length of a football field, for use in People's Liberation Army military aircraft production. McDonnell Douglas is now the subject of a grand jury investigation of the diversion.

All of these media reports give rise to a number of unanswered questions that will be the object of the Select Committee's focus. There is no more important question before the Select Committee than the one with which we will begin. ''Has the reliability or accuracy of nuclear missiles in the arsenal of the People's Liberation Army been enhanced; and, if so, how did this happen?''

I agree with all those who have spoken that this Select Committee is the most effective means to inquire into these matters. There are some 8 committees of the House of Representatives, with nearly 300 members, that properly have jurisdiction over these committees. Consolidating this investigation into a Select Committee whose members have been chosen by the Speaker of the House and by the minority leader, who are expert in the matter, who can consult collegially with one another, and who can maintain discretion and confidentiality, will reflect credit upon this House.

I urge my colleagues to support this resolution, to support the creation of the Select Committee, and to answer this serious question in the serious manner that it deserves.

Mr. SOLOMON. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. GILMAN).

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

Mr. GILMAN. Mr. Speaker, I thank the gentleman from New York for yielding.

I rise in strong support of this measure to establish a Select Committee on U.S. National Security and Military/Commercial Concerns of the People's Republic of China. I commend the gentleman from California (Mr. COX) for his statement.

I want my colleagues to know, we have just concluded 2 days of extensive hearings on this measure, which underscores the importance of moving ahead with the Select Committee. I urge my colleagues to support the measure.

Mr. Speaker, I want to thank the gentleman from New York, Mr. SOLOMON, for allowing me the opportunity to provide my views on the establishment of a Select Committee to examine U.S. policy regarding the transfer of U.S. satellites to China.

I strongly support the creation of this Select Committee. The Committee, headed by the able gentleman from California, Mr. COX, will be well-positioned to examine not only such issues, as whether American satellite companies divulged militarily-sensitive technology enabling China to improve its ballistic missiles.

The Committee will also be able to engage major policy issues, including whether our national security has been jeopardized by this Administration's policy of placing commercial interests above national security interests in granting licenses and national interest waivers

for the export of commercial communication satellites to China.

In the 1992 Presidential campaign, Governor Clinton attacked President Bush for ''coddling dictators'' including those who ordered the massacre of pro-democracy demonstrators at Tiananmen Square.

Who could have imagined then that President Clinton's Administration would face questions about compromising our national security at the hands of those same Chinese leaders.

Yet, in May of 1997 a highly classified Pentagon report has reportedly concluded that scientists from two leading American satellite companies, Loral Space and Communications and Hughes Engineering, provided expertise that significantly improved the guidance and reliability of China's ballistic missiles.

Moreover, documents released by the White House disclose that the Justice Department had concerns about issuing a waiver in February 1998 for the export of a Loral satellite, and the Clinton Administration knew it. Accordingly to a memo prepared for the President by his National Security Advisor, Justice ''has cautioned that a national interest waiver in this case could have a significant adverse impact on any prosecution that might take place * * *''

Despite this, the President decided to grant Loral a waiver for the export of a satellite to China.

I am concerned that in its desire to promote the commercial interests of key U.S. companies, the Administration may have undercut its own efforts to limit the spread of missile technology to China, which today is the world's leading exporter of weapons of mass destruction.

The Administration has insisted, that nothing untoward has occurred, that no inappropriate decisions or actions have been taken that resulted in harm to U.S. national security.

We will look to this proposed Select Committee to examine these issues and look forward to its conclusions and recommendations. Accordingly, I urge Members of the House to support the establishment of this important panel.

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

The SPEAKER pro tempore (Mr. FOLEY). Pursuant to House Resolution 476, the previous question is ordered on the resolution, as amended.

The question is on the resolution, as amended.

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

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

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

The Sergeant at Arms will notify absent Members.

The SPEAKER (during the voting). The Chair will remind Members that it is their responsibility to be in the Chamber when a vote is underway.

The vote was taken by electronic device, and there were—yeas 409, nays 10, not voting 14, as follows:

[Roll No. 245]

YEAS—409

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clyburn
Coble
Coburn
Collins
Combest
Condit
Cook
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Foley
Forbes
Ford
Fossella
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Greenwood
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
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Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
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Moran (KS)
Moran (VA)
Morella
Myrick
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Nethercutt
Neumann
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Northup
Norwood
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Obey
Olver
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Owens
Oxley
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Parker
Pascrell
Pastor
Paul
Paxon
Payne
Pease
Pelosi
Peterson (MN)
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Pickering
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Pitts
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Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
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Ramstad
Rangel
Redmond
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Reyes
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Ros-Lehtinen
Rothman
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Roybal-Allard
Royce
Rush
Ryun
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Schumer
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Traficant
Turner
Upton
Velazquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Wynn
Young (AK)
Young (FL)

NAYS—10

Conyers
Furse
Kanjorski
Lewis (GA)
McDermott
Mollohan
Murtha
Nadler
Oberstar
Yates

NOT VOTING—14

Clayton
Clement
Cooksey
Gonzalez
Green
Gutknecht
Hastings (FL)
Houghton
Martinez
McNulty
Moakley
Torres
Towns
Weldon (FL)

□ 1511

Mr. OBERSTAR, Mr. NADLER and Ms. FURSE changed their vote from ''yea'' to ''nay.''

Ms. CARSON changed her vote from ''nay'' to ''yea.''

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the resolution just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

BIPARTISAN CAMPAIGN INTEGRITY ACT OF 1997

Mr. LINDER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 458 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 458

Resolved, That during further consideration of the bill (H.R. 2183) to amend the Federal Election Campaign Act of 1971 to reform the financing of campaigns for elections for Federal office, and for other purposes, in the Committee of the Whole House on the State of the Union pursuant to House Resolution 442, all points of order against each amendment printed in the report of the Committee on Rules accompanying this resolution are waived if the amendment is offered by a Member designated in the report. An amendment so offered shall be considered as read.

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

□ 1515

Mr. LINDER. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. FROST), pending which I yield myself such time as I might consume. During consideration of this resolution all time yielded is for the purpose of debate only.

Mr. Speaker, this is the second resolution defining the rules of debate for the campaign finance bill, and it fulfills the promise made by the Speaker for a full and open debate on campaign finance reform. House Resolution 458 provides for the further consideration of H.R. 2183, the Bipartisan Campaign Integrity Act. The rule makes in order amendments printed in the Committee on Rules report accompanying this resolution to be offered by the Member designated in the report. The rule also waives all points of order against those amendments and provides that they shall be considered as read.

I do want to mention that the second rule identifies a certain subset of possible perfecting amendments, those printed in the accompanying report of the Committee on Rules. For those amendments the second rule waives all points of order, thereby partially superseding the terms of the first rule, H. Res. 442.

Mr. Speaker, by way of review, the House passed the rule in late May that provided for general debate in consideration not only of the constitutional amendment but also provided for the consideration of 11 amendments in the nature of a substitute with a bipartisan freshman reform bill serving as the base text. That rule allowed for the consideration of any germane amendment to the 11 substitutes to reform our campaign finance laws. Today in order to allow for consideration of as many amendments as possible this second rule makes in order every amendment submitted to the Committee on Rules.

Mr. Speaker, we cannot ask for a more fair and open amending process. The debate rules will ensure the most open debate process in the history of campaign finance reform, as was promised by Speaker GINGRICH and the Republican majority. Unfortunately the Democrat opponents of open debate promised to close down the process, allow consideration of only one bill and foreclose all other opinions on this subject. Democrats will ironically ask for closed rules or procedures that they used for 40 years to subvert popular legislation and undermine open debate, and, in addition, a recent Washington Post editorial expressed its distress that the open process may actually permit the substitute that has the most support to win. I find it interesting that wide open rules are now considered shams when the Democrats are not getting their way.

Let us review the history of campaign finance. When it came time to reform these laws the old Democrat Committee on Rules muzzled the minority and forced a closed rule upon us. Not only were we allowed to offer only one amendment to the entire bill, but the Democrats refused to allow us the basic right to offer a motion to recommit with instructions. This was not an isolated incident, but rather a pattern of suppressed debate on this issue in Democrat Congresses. In the 102nd Congress Democrats again stifled open and free debate with a similarly closed gag rule.

Mr. Speaker, rather than suppress debate, the Republican Congress has offered a wide open rule. Only weeks ago leading proponents of campaign finance reform were celebrating. Now apparently they only want to debate their own proposals. It is not enough that they want us to pass laws to limit and regulate political expression and free speech, but they also want to limit it and restrict free speech here in the House when we debate and consider these bills.

Up in the Committee on Rules we listened to testimony from Members requesting that we make their amendments in order. What did we do? We granted their requests and made their amendments in order. Now it strikes me as rather disingenuous and somewhat hypocritical for Members to submit these amendments to the Committee on Rules and then oppose the rule after we made their amendments in order. I have concluded that many Members on the other side of the aisle have decided that they just do not want to vote on some particular amendments. We are going to have a vote on banning contributions from noncitizens, prohibiting fund-raising on Federal property, prohibiting solicitation to obtain access to the White House or Air Force One and establishing penalties for violating the prohibition against foreign contributions.

While I understand why the Democrats would not want to vote on these issues, each of these amendments deserves consideration. This rule allows us to debate these important issues.

Mr. Speaker, I do not think we need a massive overhaul of our campaign finance laws, but I do have concerns about campaign financing. These concerns are about illegal money from the People's Liberation Army, illegal campaigning in Federal property and illegal campaign donations from Buddhist monks. We have laws that prevent that already, and I believe it would be more useful if we can get some kind of assurance that the current laws that we have on the books are going to be honored. These new campaign proposals will do nothing to stop the kind of shameless disregard for that law that we saw in 1996.

Mr. Speaker, let us enforce the current laws, and if it is necessary to consider more campaign legislation, let us have an open process that allows for a full debate on all pertinent issues. This rule provides for that kind of open debate.

I urge my colleagues to support the rules so we may proceed with consideration of each of the substitute campaign finance reform bills and any amendment which is offered.

Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. ARMEY).

Mr. ARMEY. I thank the gentleman for yielding this time to me.

Mr. Speaker, I appreciate the gentleman yielding, and I would like to make a statement before the body.

I have had the opportunity to discuss this work with so many interested Members, and indeed there are a great many interested Members. I am particularly responding here relating to the discussions I had with the gentleman from Connecticut (Mr. SHAYS), the gentleman from Alabama (Mr. HUTCHINSON) and the gentleman from Texas (Mr. BRADY) and discussions with members on the leadership, including the gentleman from Texas (Mr. DELAY) and others, and I want to give the body every assurance that while, one, we appreciate the cooperation and interest everyone has in this bill, they should be assured that this bill will be completed.

Proceedings on this bill in this House will be completed in their entirety by the August recess, and I would implore all Members of the body to be willing to work with the floor managers. We will make the time available. Work with the floor managers, restrain yourselves from deleterious taxes, let us keep our attention on this bill. We will make ample time available, and we will be done with House proceedings on this bill by the August recess with a good spirit of cooperation by all interested parties.

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

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

My friend from Texas is leaving the Chamber. He has just committed that we will complete consideration 7 weeks from today. If I understand what he just said, 7 weeks from today.

Mr. Speaker, if the first campaign finance reform rule reported from the Committee on Rules were not proof enough, I bring to my colleagues' attention rule No. 2. This rule is proof positive that the Republican leadership has absolutely no intention of letting Members of the House decide if we do

or do not want campaign finance reform this year. This rule assures that the House will never be able to come to a conclusion on this issue despite the assurances of the majority leader that we will do it in the next 7 weeks.

In the name of free and open debate the Republican leadership has perverted the process into a cynical exercise. That is fine, Mr. Speaker, just as long as everyone understands what is happening here. As my colleagues know, Mr. Speaker, when I was first learning about rules and procedure in the House, I was told the story of how one European parliament was never able to reach a decision because it did not have the parliamentary device of the previous question. It was unable to end debate, and consequently that parliament failed in its attempt to do its business. It seems to me that this rule puts this body at the dawn of the new millennium in the same boat as was that parliament. We will be unable to reach a decision.

In other words, Mr. Speaker, the Republican leadership is living up to its promise that the House will consider campaign reform, campaign finance reform, but they are doing that by assuring that the House will consider campaign finance reform a very, very, very long time, and that if we should by chance finish this legislation 7 weeks from now, of course it will be so late in the session that it will be impossible for the other body to act.

No longer will the Senate be able to lay sole claim to ownership of the filibuster. The Republican leadership has devised a new and original form of filibuster which we will all be able to participate in over the course of the next 7 weeks at a very minimum. If we awarded points around here for originality, the Republican leadership would certainly rate a 10.

But that is not all, Mr. Speaker. The amendments made in order by this rule are totally nongermane to the issue of reforming the campaign finance laws in this country. Let me give my colleagues just a sample of the amendments made in order in the name of free and open debate.

First, an amendment which would require unions to report their financial activities by functional category and which would require those reports to be posted on the Internet. Or how about this amendment that would require the President to post on the Internet the name of any passenger on Air Force One or Air Force Two within 30 days of the flight.

The rule makes in order many other amendments, but can someone please tell me what this amendment has to do with campaign finance reform? The rule entitles the gentleman from Virginia (Mr. GOODLATTE) to offer an amendment to each and every substitute which seeks to repeal motor voter. The point is, Mr. Speaker, this rule, like the first campaign finance rule, is specifically designed to ensure that the House will never get a clean up or down vote on Shays-Meehan. We will go through the futile exercise of amending 11 substitutes that are germane and 258 nongermane amendments, and only then, after we go through the entire process, will we be able to determine if there is in fact a winner. Quite frankly, Mr. Speaker, this process does not allow for a winner. It makes us all losers.

The Republican leadership has kept its promise to allow debate on campaign finance reform, but this process is too clever by half. This is a ruse, and none of us should forget it for a moment.

In order that the House might have the opportunity to actually reach a decision it is my intention to oppose the previous question on this resolution. Then, Mr. Speaker, should the House defeat the previous question, it will be my intention to offer a rule which mirrors the rule proposed in the original discharge petition on campaign finance. That rule, of course, was designed to allow the House to actually reach an end to the debate on the question of campaign finance reform. The substitute rule will allow for 1 hour of debate on each of 11 substitutes. It will allow the House to choose under a most-votes win procedure which of the substitutes is a preferred vehicle for further amendment. Once the House makes that choice, there would be 10 hours to consider germane amendments. The rule I propose, Mr. Speaker, would place a reasonable time frame of consideration of campaign finance reform.

That being said, Mr. Speaker, I would urge every Member of the House to oppose the previous question and to support the rule which I will offer.

In any case, Mr. Speaker, I would like to take this opportunity to notice my intention to support an important germane amendment to the Shays-Meehan substitute. As Members who have studied the history of campaign financing are aware, when the Supreme Court handed down its decision in Buckley v. Valeo in 1976, it struck down one of the four essential pillars of the campaign legislation passed by the Congress and, as a result, left an unbalanced and unstable package standing. Because the entire act was designed to be a package, when the Court struck down one part, the campaign finance laws were left without an essential component which had been envisioned as critical to making those reforms work.

Therefore, it is my strong belief that if we are going to create new campaign finance laws, it is critically important that any legislation should include a nonseverability clause so that the entire package will stand or fall even if one component might later be struck down by the courts. Should this happen, Mr. Speaker, without a nonseverability clause, we will be right back where we are today.

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

□ 1350

Mr. LINDER. Mr. Speaker, I would just like to take a moment to point out that the gentleman who just spoke is supporting all kinds of campaign finance reform except that which would include regulating labor union contributions from whom he received $427,000 in the last campaign cycle.

Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. DELAY), the majority whip of the House.

Mr. DELAY. Mr. Speaker, I rise in support of this rule, and I urge my colleagues to vote for an open and honest debate.

Mr. Speaker, my response to the gentleman from Texas who just spoke is, what chutzpa. What chutzpa. The gentleman is now against the rule after calling for open and honest debate, because this rule does not reflect exactly the way that he wants the rule to reflect; therefore, we need an open and honest debate.

Let me put this into perspective. After the last election, the Clinton administration violated campaign laws. Most people understand that, most people have seen it, using the Air Force One, Lincoln bedroom, raising money on telephones, going to temples, all of these kinds of things. In order to cover that, his party decided to call for campaign finance reform and have, for now well over a year, wanting open and honest debate right down here on the floor in this well.

They have called for open and honest debate. They want open and honest debate. Well, this rule grants us the opportunity to have that full and complete debate on the state of our campaign laws.

We feel that we ought to look at more than just limiting free speech, as the minority wants to do, but we ought to look at all of our campaign laws, those that have been broken, those that have the potential to be broken; look at everything about a campaign, not just finances.

Some of my colleagues are now complaining, complaining that the debate will be too open, too comprehensive, too complete. Well, when we first announced that we would have an open rule, some of these colleagues were exuberant. The gentleman from Maine (Mr. ALLEN) on the other side of the aisle said, this is great, this is exciting, after he learned that we would bring an open rule to the floor. My friend, the gentleman from Connecticut (Mr. SHAYS) said it was a great day for democracy. Fred Wertheimer, Fred Wertheimer of Common Cause said it was a real breakthrough. But now the so-called reformers are complaining because this debate will be too open for their taste.

Well, apparently, the only kind of open debate they want is the debate on their proposals. In their minds, the only reforms worth real discussion are their reforms.

Well, I think this attitude is typical of the wider debate. The reformers believe that the campaign system is so

corrupt, so broken that government has to step in and regulate political expression and freedom of speech. They are so convinced of the morality of their own position that they refuse to entertain other ideas of true reform. Today they want to limit debate on their own proposals, rather than open it up to the free market of ideas. And this rule allows that free market of ideas to work on this floor. I am looking forward to it.

Now, in my view, the real reason we are having this debate at all is because of the abuses of the Clinton campaign in this last election. The administration wants to change the subject. They remind me of the boy who killed both of his parents and then begged for mercy because he was an orphan. The Clinton campaign brazenly broke the campaign laws, and then begged for mercy, claiming the campaign system was broken.

We need to have debate on these laws that were broken. We need to have a better understanding of why we are here today so that we can better understand where we are headed.

So I urge my colleagues to support and vote for the previous question and vote for this rule so that we can get to the debate.

Mr. FROST. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan (Mr. BONIOR).

Mr. BONIOR. Mr. Speaker, 3 years ago Speaker Gingrich and President Clinton shook hands on national television, promising to tackle campaign finance reform and to restore the American people's faith in our electoral system. Since that time, the Republican leadership has done everything in their power to block campaign finance reform and to keep the spigots of special interest money flowing.

First, the Speaker and the Republican leadership simply tried to ignore the promise that they made to the public. Apparently, a man's handshake does not mean what it used to.

Next, under mounting public pressure, the Republican leadership tried to fool the American people with so-called reform that they rushed through without debate, and then virtually every major newspaper and public interest group called this maneuver a sham.

Finally, after a discharge petition threatening to force a full and an open debate on campaign finance reform, the Republican leadership devised a new strategy to kill it, and that is the process we are in now. It is called ''Death By Amendment.'' That is right. Instead of allowing a clean vote on a bipartisan Meehan-Shays bill, they are trying to amend it to death with irrelevant riders and killer provisions.

We say, well, how many amendments? Mr. Speaker, 258 amendments. That is right. The Republican leadership has crafted a rule permitting 258 amendments to divide, to derail, to destroy any possibility of substantive, bipartisan reform.

A lot of these amendments do not even have anything to do with campaign finance reform. They are poison pills. They are what we call booby traps, and each of these amendments, if adopted, could open a floodgate of new amendments. These amendments are the legislative equivalent of a ball and chain designed to cripple campaign reform so that they can push it overboard and watch it sink.

The Los Angeles Times calls this Republican strategy a dirty ploy. The New York Times calls it GOP trickery. I call it shameful. Polls in this country show that 90 percent of Americans think our campaign finance system needs fundamental change or to be completely rebuilt. But the Speaker has said that the problem with our political system is not the lack of reform, but that we do not spend enough money, we do not spend enough money on campaigns.

Mr. Speaker, Americans do not want more special interest money in elections; they want less. And they are tired of seeing campaigns that cost tens of millions of dollars. They are tired of seeing their TV sets flooded with nasty attack ads, and they are tired of outsiders turning their communities into war zones where special interest groups launch air wars that drown out local candidates, local issues, and the voices of individual voters.

Mr. Speaker, the American people want campaign finance reform. Why do you not honor, why do you not honor that handshake?

Today I call on you and the rest of the Republican leadership to stop the cynical charade. Americans want real reform, no more talk, and they want it now. They do not want it in 7 weeks, they do not want it on a promise. We have heard those promises before. I say to the majority leader, we have heard those promises over the last 3 years. Three years after your handshake, the time has come. Not for the strategies of ''do little, delay, death by amendment,'' but a strategy of real reform. Let this House have a clean vote on a bipartisan Meehan-Shays bill and let us start to clean up America's political campaign finance system.

Mr. Speaker, I urge my colleagues to vote ''no'' on the previous question, ''no'' on the rule. We need to go back to the process established on the discharge petition with an up-or-down vote on reform and time limits on amendments.

I see the gentleman from Georgia (Mr. LINDER), the king of raising money in this institution, as well as my friend from Texas (Mr. DELAY); and he is going to get up and he is going to suggest to those in the public that we have been receiving campaign contributions. All of us have. Every one of us has. The question is, how are we going to reform it now? We stand ready. They do not. That is the difference. Let us get on with reform.

Mr. LINDER. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado (Mr. MCINNIS), my colleague on the Committee on Rules.

Mr. MCINNIS. Mr. Speaker, I am amazed at the statement that the gentleman from Michigan makes. He talks about the spigots of special money flowing. That is a quote from the gentleman from Michigan.

The gentleman from Michigan takes 57 percent of his money from political action committees, and most of that political action committee money comes from labor unions. Well, guess what? Some of us kind of agree with the gentleman. Maybe there ought to be an amendment that addresses that union money the gentleman gets and that PAC money he gets.

But the gentleman from Michigan, in my opinion, stands in front of all of us and says, hey, what is this open rule? What do you mean, somebody else besides me has amendments? What do you mean, somebody else on this floor may be entitled to their opinion on what this bill should or should not contain? If it is what I agree with, let us have a closed rule. That is the only thing we ought to debate.

But the gentleman is telling me that SCOTT MCINNIS from Colorado wants to prevent contributions in a swap to ride on Air Force One? Why should SCOTT MCINNIS be allowed to offer an amendment on that? I say to the gentleman from Michigan, it is all fine and dandy when the gentleman gets his bill heard, or when he gets his amendment, but I happen to be one of those 270 amendments. In fact, I have several of those 270 amendments, and I think I am as entitled to debate that on this House floor as the gentleman is.

I am more than happy, and I am going to put in the RECORD the amount of money I get. I do not think it is rotten money. I think it is a right to be an American, a right of being an American to contribute to candidates one likes and to contribute against candidates one does not.

Now, obviously the key is disclosure, and I do not mind disclosing every Friday afternoon on the Internet who gave money to me. But do not prevent me from being competitive with the Al Checcis of California. If someone does not like who contributes to me, vote ''no,'' but do not take the money like the gentleman from Michigan and then stand up here and say how horrible that money is.

Mr. Speaker, 57 percent of that money came from political action committees. And yet the gentleman says, and I repeat it, ''spigots of special money.'' Come on. Let us get a debate here.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. LEVIN).

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

Mr. LEVIN. Mr. Speaker, look, what is the difference between rule 1 and rule 2? Rule 2 allows nongermane amendments, 258. Why do they want nongermane amendments? That is not the traditional pattern on this floor. Is

it to promote free speech? Not for a moment. My colleagues tried earlier to choke campaign reform.

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

Mr. LEVIN. I yield to the gentleman from Georgia.

Mr. LINDER. Is the gentleman seeking a response?

Mr. LEVIN. Yes.

Mr. LINDER. Mr. Speaker, we are allowing nongermane amendments because many Democrats, as well as Republicans, asked for their amendments to be made in order.

Mr. LEVIN. Mr. Speaker, reclaiming my time, I say to the gentleman, I think every Democrat would be glad to withdraw them if the gentleman will withdraw his nongermane amendments. Would the gentleman agree to that?

Mr. LINDER. Mr. Speaker, if the gentleman will yield further, I have the good fortune of not having any amendments.

Mr. LEVIN. Mr. Speaker, will the gentleman agree to that?

Mr. LINDER. Mr. Speaker, I will agree to withdraw any amendments that I was going to propose.

Mr. LEVIN. No, no. Will the gentleman agree to ask all the Republicans to withdraw all their nongermane amendments if we get all Democrats to do that?

No, no, I will take back my time.

The reason the gentleman does not want to do that is because allowing nongermane amendments is a strategy, it is a tactic. At first the gentleman tried to choke campaign reform with a very restrictive rule and attacked it. Some of the gentleman's own Members rebelled with virtually all of us Democrats. So that did not work, and now essentially the gentleman wants to drown it.

I heard last night some of the Republican Members, I say to the gentleman from Georgia (Mr. LINDER) coming up here and talking about left-wing Democrats who want campaign reform, who want Shays-Meehan, like JOHN MCCAIN, that left-wing Democrat. I understand FRED THOMPSON supports it, that left-wing Democrat; the gentleman from Connecticut, CHRIS SHAYS, is he a left-wing Democrat?.

Mr. LINDER. Mr. Speaker, I yield 2 minutes to the gentleman from Arkansas (Mr. HUTCHINSON).

Mr. HUTCHINSON. Mr. Speaker, I thank the gentleman from Georgia (Mr. LINDER) for yielding me this time. I appreciate his work on the Committee on Rules in developing this rule.

I support the rule that is before the House today making in order a number of amendments to various campaign finance proposals before us. I have a stake in this fight. There is the freshman bill, the Hutchinson-Allen bill that is before this body is the base bill, and yes, there are many amendments that have been offered even to that base bill.

Mr. Speaker, I believe that it is important for the American public and important for this body that we have an open and fair debate. In the short time that we have engaged in this debate thus far, I think the American public has seen ideas expressed on this floor. I believe it has been an education process. It is helpful for people as they evaluate the direction of our country on this issue.

I want to respond to the minority whip, the gentleman from Michigan (Mr. BONIOR), who talked about promises not being kept. First of all, the propositions that were made by the Speaker were in reference to the Commission bill that a commission be formed. That was voted on yesterday and defeated on the House floor, but the Speaker supported that, even though many Democrats opposed it.

The Republican leadership, I am delighted, have created this rule that is an open and fair debate. Perhaps we all got into this reluctantly, but we are here now; and I am also pleased that a deadline has been set in which we can complete this reform battle, and that we will have a final vote on campaign finance reform on this floor.

□ 1545

I think this is tremendous progress. I am concerned about amendments that are offered, but it is both the Republicans and the Democrats. The Democrats have offered 74 amendments requesting the Committee on Rules to approve those amendments for consideration on this floor. I believe over 20 of them have been offered by the gentleman from Massachusetts (Mr. MEEHAN), the gentleman who has offered one of the campaign reform proposals.

So we all need to withdraw and to restrict the debate, perhaps, in terms of looking at the amendments. Are they substantive? Are they political? Are they making statements? Do they poison the debate?

And I believe we need to complete it sooner than August. We need to complete it by mid-July, and I am asking for support for the rule for this very important debate.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. MEEHAN).

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

Mr. MEEHAN. Mr. Speaker, I rise in opposition to this second rule on campaign finance reform. As the New York Times editorialized yesterday, ''NEWT GINGRICH and other foes have lined the road [to reform] with mines and booby traps.''

The Washington Post reported yesterday that ''the House leadership continues to mock its promise to allow a clean vote on campaign finance reform.''

Mr. Speaker, this rule will result in 250 amendments potentially being offered to the Shays-Meehan bill. It is an attempt, and no one is fooled by this blatant attempt to drown the Shays-Meehan bill by frivolous amendments. Just as anti-reformers in the other body have filibustered the McCain-Feingold bill, it is clear that the defenders of the status quo in the House hope to manipulate the legislative process.

As I listen to the debate and as we prepare for the debate, this going back and forth where they check all the Members' reports and then come out and attack every Member for how much money they raised and where they raised it from, the reality is all that serves to do is undermine the debate.

Why do we not have a nice, clean, honest debate about the need to reduce the role of money in politics? But instead, we are scurrying around doing 1½ minutes' worth of opposition research trying to embarrass any Member of the House who comes to the floor to fight for reform.

This reform legislation which is going to come before the House has nothing to do with the campaign finance reports of any Member of this House. What it has to do with is making soft money illegal. What it has to do with is making the independent expenditures that are polluting campaigns all across America not illegal, but to allow disclosure so people in America know who is funding what in terms of ability to influence elections.

The Shays-Meehan bill is bicameral. It is bipartisan. We deserve an up-or-down vote. We should not have this vote cluttered by 250 amendments.

Mr. LINDER. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. BLUNT).

Mr. BLUNT. Mr. Speaker, I thank the gentleman from Georgia (Mr. LINDER) for yielding me this time.

Mr. Speaker, I support the rule. I do not think we can have campaign finance reform outside of the context of election reform. There are certainly those in this House who would like to talk about only one element of what is wrong with our campaigns. This rule allows more than that to happen.

How do we enforce the laws we have? The White House has done a great job since November of 1996 talking about the fact that the reason they violated the laws that we had was because we did not have enough laws. Nobody believes that. The worst thing we can do when people do not obey the rules is create more rules.

Mr. Speaker, if we have teenage children at home and they are not obeying the rules, the last thing we do is say we are going to double the number of rules. We have to debate in this context how we enforce the rules. Enforcing the rules matters. That has to be part of this discussion.

Somebody raised the issue of motor-voter, whether that related to campaign finance reform. We have really made it impossible for local jurisdictions that used to do a good job maintaining the integrity of their voter rolls to do that. Money is spent to turn out votes of people who are not on the

voter rolls. That is definitely an election reform, it is a campaign finance reform.

Certainly this rule is an open rule, but it is going to end in 7 weeks. We heard that commitment. This debate is going to go on as we have time for the next 7 weeks. Seven weeks is an important amount of time to talk about the future of the election process in America.

We clearly do not talk about this very often. We are talking now about reforms that were made a quarter of a century ago. We can spend 7 weeks talking about the reforms that are likely to be the reforms for the next quarter of a century. We need this open rule. We need a broad debate. We need this rule. I support it.

Mr. FROST. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, the speakers on the other side are, of course, very fast and loose with facts and with innuendo. The White House has never said they violated any campaign law during the last election. The only person convicted of violating the campaign law in the last 2 years is the gentleman from California (Mr. KIM), a Republican Member of this House.

Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. DAVIS).

Mr. DAVIS of Florida. Mr. Speaker, we are voting here today on a rule. Let us be clear what that rule does. That rule allows over 100 amendments that are nongermane, which means unrelated to the bills we are about to take up.

This is a sham. It is an attempt to defeat the real proposals that are before this House. We have already adopted a rule that allows germane amendments, that means amendments related to the bill, to come up in an unlimited number. So why should we be allowing unrelated amendments now to come up?

And what exactly are the merits that are not being addressed here today in substance, but being addressed in an attempt that drown it in extra amendments? A ban on soft money, those unlimited sums of money that are given both to the Democratic and Republican Party that should cease and which cannot be, in my judgment, rationally defended on the floor of this House.

Secondly, outside interest groups running political ads in congressional districts around the country. Anonymous political advertising. Groups that have maintained that the courts say they have a right to do anonymous political ads. Ridiculous.

These are the merits of the issues. This is what we need to debate. We do not need to adopt a rule that allows unrelated issues exceeding 100 in number to come up and cloud the facts.

Mr. Speaker, we should get to the facts, get to the merits. Ban soft money. Say that anybody that cares to run television commercials in congressional districts around the country must put their names on those ads. People are entitled to know who is at work. Let us defeat the rule.

Mr. LINDER. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I think it is interesting that the gentleman from Florida (Mr. DAVIS), who just spoke against this rule because it was too open, put out a press release on March 30 of this year where he said, ''The Republican leadership has deprived the House of Representatives of a fair debate on cleaning up our campaign finance system. Instead,'' he said, ''instead the leadership is using a parliamentary maneuver that grossly limits debate and prevents any amendments from being offered.''

Well, Mr. Speaker, we are not. We are using a normal procedure to allow any amendment being offered, and now he is offended by that. I wish he would make up his mind.

Mr. Speaker, I point out to the gentleman from Texas (Mr. FROST) when he said the White House has never said they violated any campaign laws that, no, I know that. They have never admitted to anything they have done, nor will they.

But the fact of the matter is, the President did say on tape, with his face showing on the tape, that ''We discovered we could raise gobs of money in 50- to $100,000 chunks through this loophole in the law and put it on the air.'' Now, when a candidate spends over the $70 million money that the taxpayers give him is illegal on its face.

Mr. Speaker, I yield 3 minutes to the gentleman from Kentucky (Mr. WHITFIELD).

Mr. WHITFIELD. Mr. Speaker, I really do not understand why the other side would be so surprised that there are so many amendments being offered on these bills. When we have bills that so blatantly trample on constitutional rights, I think those of us on the other side have an obligation to introduce amendments to try to prevent that from happening.

Justice Holmes in a case of *Abrams* v. *U.S.*, 1919, in speaking about political campaigns, said that ''The ultimate good desired is better reached by free trade in ideas; that the best test of truth is the power of the thought to get itself accepted in the competition of the marketplace.''

Most of these bills introduced drastically diminish the rights and opportunities for individuals who are not candidates to participate in the political system. I have heard some on the other side today say we have to reform the way the candidates receive their money, and yet these bills do not talk about the way candidates receive their money. It talks about the way other people who are not involved in the political system spend their money.

Then we hear so much about special interest. And I have asked many of them what is a special interest, and I never do get an answer. But I finally have come to the conclusion that if someone does not like someone else's views, then that is a special interest. But if they like the views that are talking about, then they are probably good and wise public advocates.

Then we also hear about we have got to know who runs these ads. If we look at these ads on television or radio, there are disclaimers that say who paid for them.

The minority leader recently introduced a constitutional amendment saying we have to change the Constitution if we are going to pass some of these bills. And yet when it came up for a floor vote, only 29 Members voted for it. Yet despite that, some of our colleagues still want a restrictive rule to aid and abet their tampering with our cherished First Amendment rights.

On a subject matter this important, the American people deserve the opportunity to listen to all sides of the debate, even if it is 400 amendments. So what are they afraid of? They are afraid that an open debate will reveal that Federal courts and the Supreme Court have consistently struck down FEC regulations that diminish the speech-crushing provisions of the legislation they are bringing to the floor.

They are also afraid that the American people will realize that their proposal does not address the abuses which occurred during the Clinton-Gore scramble for cash in the 1996 elections. They do not address fund-raising in Buddhist temples. They do not address banning fund-raising in the Lincoln bedroom. They do not address banning making phone calls from the White House. So that is why we need this open rule.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, I take money from working people in this country for my campaign, from teachers, carpenters, electricians, nurses, and I am proud of those dollars from those folks.

Mr. Speaker, I tell my colleagues what I do not do. I do not take tobacco dollars and I do not try to kill tobacco legislation because I am in the pocket of the tobacco companies.

But I will tell my colleagues who is. Today's Washington Post: ''GOP Kills McCain Tobacco Bill. The bill's demise was a victory for the Nation's leading cigarette makers who have spent millions lobbying against it, in addition to making substantial contributions to the Republican Party.''

POINT OF ORDER

Mr. LINDER. Mr. Speaker, I have a point of order.

The SPEAKER pro tempore (Mr. FOLEY). The gentleman will state his point of order.

Mr. LINDER. Mr. Speaker, I would like to inquire as to whether it is in order for the gentlewoman from Connecticut (Ms. DELAURO) to be talking about another subject when we are talking about this rule.

The SPEAKER pro tempore. The debate should be focused.

Ms. DELAURO. Mr. Speaker, this is the campaign finance rule, as I understand.

The SPEAKER pro tempore. The debate must be relevant to the rule.

Ms. DELAURO. Mr. Speaker, campaign finance is relevant to the campaign finance rule.

Mr. Speaker, take a look at the amount of money that tobacco companies have provided to the Republican committees in 1996: $4.5 million. Now, if they want to tell us that they do not hold up legislation because of the money they take from the tobacco lobby, just listen to the words of one of their own.

□ 1600

Linda Smith from Washington State, Wall Street Journal, 2 days ago, she says that she discovered that it was commonplace for the GOP majority to hold up action on bills while milking interested contributors for more campaign contributions. I said, we do that? Is that not extortion?

Let me just say, the America public is very clear on what our Republican colleagues are doing. They have put up this rule which has 258, and it may be 270 according to the gentleman from Colorado, amendments that do not have anything to do and are nongermane to the issue of campaign finance reform.

Americans are not fooled. The New York Times calls their tactics ''death by amendment,'' a filibuster in disguise. The Los Angeles Times calls it a ''dirty ploy.'' Even Republicans admit that they are selling snake oil. The gentleman from Illinois (Mr. LAHOOD) has said, we tried squelching it; now we are going to try talking it to death.

Oppose this rule. Let us have meaningful campaign finance reform.

Mr. LINDER. Mr. Speaker, I yield 30 seconds to the gentleman from Texas (Mr. DELAY).

Mr. DELAY. Mr. Speaker, I thank the gentleman for yielding to me. I wish the gentlewoman from Connecticut would have yielded to me, because I wanted to ask a question.

It is all well and good to point out the contributions; and I appreciate the contributions, although her side claims all these contributions are corrupt. She failed to point out that Ted Sioeng that sells Red Pagoda cigarettes, Chinese cigarettes, gave money to her party and to the President of the United States when he was running for reelection. A little vignette that she failed to bring up.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Speaker, last night we had an opportunity to pass real campaign finance reform; and for the fourth time, the GOP leadership pulled it out from beneath us. I am beginning to feel a little bit like Charlie Brown running to kick the ball. Just as he is about to approach the ball, Lucy moves it.

The truth of the matter is, the GOP House leadership knows that if a real campaign finance bill hits the floor, it just might pass, and that scares them, and that is the reason that we have this convoluted rule, 258 nongermane amendments put in order.

In my entire congressional career, I have had maybe four amendments accepted by the Committee on Rules. Yet, this time, they have accepted 25 on this one issue alone, 25 of my own amendments.

To put it in perspective, in the last Congress, in the second session of the last Congress, 150 amendments were ruled in order. Yet, on this one bill, there are 258 amendments ruled. Rules are meant to guide the Congress toward a decision, not to delay. Vote against the rule.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. FARR).

Mr. FARR of California. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, leadership is about getting results. This rule that we are about to vote on ensures no leadership. It ensures a lot of talk, but no results. Campaign finance reform is complicated because we have to reform all of the law; we have to do the whole system.

It is ironic that I just heard the GOP leadership get up and say, we do not want to change the law, we just want to have a debate on a few amendments. Yet, yesterday, when my colleagues proposed to the House how we are going to deal with the complicated tax reform, their solution was to throw the whole thing out.

Today, we need to overhaul the system, but we do not have to do it by addressing 258 amendments. We need to have leadership that we have seen this House have before.

Let me show my colleagues what the history of this House is. In the 101st Congress, 1989 and 1990, H.R. 5400 was introduced by our colleague, Al Swift. It went through the House by a vote of 255 to 155. Fifteen Republicans voted yes. The bill was adopted in the Senate.

The 102nd Congress, 1991 and 1992, H.R. 3750 by the gentleman from Connecticut (Mr. GEJDENSON), voted off this floor, passed the House by 273 votes to 156 votes. That bill went on to conference and ended up going to President Bush on May 5, and he vetoed the bill. That bill did everything that all of these amendments are talking about, that all of this debate is talking about. We do not even have that bill as one of the major bills this time.

The 103rd Congress back in 1993–1994, when most of us came here, this passed the House in November 1993 by a vote of 255 to 175, another bill by the gentleman from Connecticut (Mr. GEJDENSON).

The point is that leadership is about getting results. Results are about getting a bill out of this House and a bill that is comprehensive, just like the bills that my colleagues were talking about yesterday for tax reform.

Defeat this rule, bring a substantive bill up, and let us pass that.

Mr. LINDER. Mr. Speaker, I am happy to yield 2 minutes to the gentleman from Mississippi (Mr. WICKER).

Mr. WICKER. Mr. Speaker, I thank the gentleman from Georgia for yielding to me.

Mr. Speaker, I want to associate myself with the remarks of the gentleman from Kentucky (Mr. WHITFIELD) just a few moments ago and to agree that when we have a proposal of this magnitude, it deserves a lot of discussion. When we have a bill that has such chilling potential limits on free speech and free expression that even the ACLU is horrified by its prospects, then the American people need to have a full and open debate about this issue; and that is what this rule provides.

Several weeks ago, the Committee on Rules passed a rule which outlined the debate for this proposal. It provided for 11 substitutes to the freshman bill. These substitutes include ideas offered by the gentleman from Wisconsin (Mr. OBEY), the gentleman from Massachusetts (Mr. TIERNEY), the gentleman from California (Mr. FARR), and others.

Today, this rule provides for even further important amendments which we believe will improve the proposals. But some of my friends on the other side of the aisle want to quash this debate. The minority leader has said that he will raise Holy Ned in order to defeat this rule.

This should not be about grandstanding. This is about passing a meaningful campaign finance proposal that provides for full and open disclosure. Let's always come back to that—full and open disclosure. Let's let the sunshine in and let the American people decide.

Day after day, my colleagues on the other side of the aisle complain about what they perceive as a stifling of their free speech rights when the Committee on Rules brings anything less than an open rule. What do we hear today? We hear complaints about too much debate. Either they want a free and open dialogue or they want to drive these unconstitutional proposals through this body with little debate. They cannot have it both ways.

The same free speech I am trying to protect today allows Members of the House to come before the people and debate subjects free from government restriction. I look forward to this discourse and believe the American people will not drive a hole through the First Amendment.

The SPEAKER pro tempore (Mr. CALVERT). The gentleman from Georgia (Mr. LINDER) has 6½ minutes remaining.

The gentleman from Texas (Mr. FROST) has 8½ minutes remaining.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. MILLER).

(Mr. MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, we will vote on this rule shortly. This rule is designed to delay, continue the delay, and to destroy the ability to have campaign finance reform. It has been said here often that it is death by amendment. That is what is seeking to be done here.

I would hope we would reject this amendment. I would hope we would get on with the debate on the Shays-Meehan bill and the people would keep their eye on the ball.

We all understand exactly where we are today. We are in the middle of a system that the public has lost confidence in. We are in the middle of a campaign financing system in this House and the Senate and many other governmental bodies that is corroding the basis on which we make decisions.

We now see, after taking millions of dollars from the tobacco industry, the Senate kills the tobacco bill. We now see a Member from the State of Washington (Mrs. SMITH) saying that she has witnessed the people extorting or holding back legislation until they can continue to raise money. That is what is taking place. This leadership does not make any decisions until they calculate how in fact the money is taken. Money is considered in the presentation of bills, presentation of amendments.

The design here was, the Speaker shook hands with the President 3 years ago, and now we find ourselves, renounced by the minority leader, that by the August break, we will finish consideration and they will have accomplished their purpose, because they recognize that that leaves little or no time for the Senate to act on this legislation should we pass it.

So they have now kicked us into a new cycle of campaign financing where we see time and again the special interests just larding up Members of Congress, our committees, our campaign committees, the national committees of both parties.

We spend more and more money every year, and fewer and fewer people vote. If Coca-Cola did this, they would throw their board of directors out. If General Motors did this, they would throw their board of directors out. They would ask, what is wrong? What have we done?

We have chased people away from the campaigns. We have chased them away from participation in democracy.

Mr. LINDER. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. BRADY).

Mr. BRADY of Texas. Mr. Speaker, I am proud to be a cosponsor of the freshman bipartisan bill, which is the underlying bill for this debate. I think it is a fair and a balanced approach, and I am eager to debate it.

I think people are starving for debate on this issue for the right reasons, not to divert attention from scandals, not for election year politics, not to give either party an advantage. I am excited about this debate, and I appreciate the leadership bringing this issue to the floor.

I do not share the concern about 258 amendments. I just finished serving in the Texas Legislature. When we would rewrite important parts of our law such as rewriting public education code, we would routinely have 400 amendments, because we had 400 good ideas and different ideas about what education needs to be. We worked through those amendments. We worked through the days. We worked through the nights. We finished with a good product.

I have found our colleagues have a lot of good ideas on how to reform campaign finance in America, and I want to hear them. I know that some of them, I disagree with. Some give parties an advantage rather than campaign finance reform. But rather than have either party select those amendments in the back rooms, I think they ought to be out front for America to debate, to hear, and to judge, and for the will of the House to prevail with the deadline in place for commitment to finish this bill and finish this debate.

I support this rule and welcome open, honest debate.

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

The SPEAKER pro tempore. The gentleman from Texas (Mr. FROST) has 6½ minutes remaining. The gentleman from Georgia (Mr. LINDER) has 5 minutes remaining.

Mr. LINDER. Mr. Speaker, does the gentleman from Texas have any more speakers?

Mr. FROST. Mr. Speaker, we have speakers, but they are not present on the floor at this moment, so I would ask the gentleman to proceed.

Mr. LINDER. Mr. Speaker, I would suggest to the gentleman from Texas that he close the debate, because I am prepared to.

Mr. FROST. Mr. Speaker, I am not prepared at this point to yield back the balance of our time. The minority leader is en route to the chamber, and he obviously wants to take part in this debate, and he should be given that opportunity.

I reserve the balance of my time.

Mr. LINDER. Mr. Speaker, the Chair is going to have to determine whether he wants to recess, because we are ready to close the debate.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. GEPHARDT), the Democratic leader.

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

Mr. GEPHARDT. Mr. Speaker, I urge Members to vote against this rule. As I said yesterday on the floor, I think the American people want us to get campaign reform, and they want us to get it in a timely manner so that it can actually get through the rest of the process here in the House, get through the Senate, become a law, and be able to go to the President's desk.

This rule is simply designed to increase the amount of time that we will spend. It is part, I think, of an effort to talk the bill to death. We have all the ability we need to have amendments to all of these different proposals that are germane to these proposals.

If we had a procedure here regularly that said nongermane amendments should be brought, that would be the rules of the House. Those are not the rules of the House. There is no earthly explanation for this rule at this time other than to delay the processing of this bill.

I think there is a bipartisan majority in this house for the Shays-Meehan bill; that is my sense, a bipartisan, bipartisan majority in this House for the Shays-Meehan bill. The only explanation anybody can give for voting for this rule is that they want it to delay this process so that this bill cannot become law this year.

This is not the right thing for the House to do. The American people want and demand a big first step in campaign reform. The Shays-Meehan bill is that.

I commend, again, the Members in the Republican Party who have worked so hard and long to get Shays-Meehan through this House. I commend the Members on our side. This is one of the rare moments maybe in this 2-year period that we have a real bipartisan effort of coming together to solve a major problem that faces the American society. Let us get it done.

Vote against this rule. Let us keep moving. We could have a vote on Shays-Meehan yet this week and get the bill back over to the Senate and get it to the President's desk. Let us vote today for campaign reform. Let us vote against this rule.

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

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

Mr. Speaker, I urge Members to vote ''no'' on ordering the previous question. If the previous question is defeated, I will offer an amendment to the rule that will place a reasonable timeframe on consideration of campaign finance reform.

□ 1615

Vote ''no'' on the previous question.

Mr. Speaker, I submit the following extraneous material for the RECORD:

PREVIOUS QUESTION FOR H. RES. 458-CAMPAIGN FINANCE REFORM

Strike all after the resolving clause and insert the following:

Resolved, That during further consideration of the bill (H.R. 2183) to amend the Federal Election Campaign Act of 1971 to reform the financing of campaigns for elections for Federal office, and for other purposes, in the Committee of the Whole House on the state of the Union pursuant to House

Resolution 442, each amendment in the nature of a substitute specified in House Report 105–545 shall not be subject to amendment except as specified in section 2 of this resolution.

Sec. 2. (a) It shall be in order to consider the amendment numbered 30 in House Report 105–567 to the amendment in the nature of a substitute numbered 13 by Representative Shays of Connecticut if offered by Representative Maloney of New York or Representative Dingell of Michigan. All points of order against that amendment are waived.

(b) After disposition of the amendments in the nature of a substitute described in the first section of this resolution, the provisions of the bill, or the provisions of the bill as perfected by an amendment in the nature of a substitute finally adopted, shall be considered as an original bill for the purpose of further amendment under the five-minute rule for a period not to exceed 10 hours. Subject to subsection (c) no other amendment to the bill shall be in order except amendments printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII.

(c) It shall not be in order to consider an amendment under subsection (b) carrying a tax or tariff measure. Consideration of each amendment, and amendments thereto, described in subsection (b) shall not exceed one hour.

THE VOTE ON THE PREVIOUS QUESTION: WHAT IT REALLY MEANS

This vote, the vote on whether to order the previous question on a special rule, is not merely a procedural vote. A vote against ordering the previous question is a vote against the Republican majority agenda and a vote to allow the opposition, at least for the moment, to offer an alternative plan. It is a vote about what the House should be debating.

Mr. Clarence Cannon's Precedents of the House of Representatives, (VI, 308–311) describes the vote on the previous question on the rule as ''a motion to direct or control the consideration of the subject before the House being made by the Member in charge.'' To defeat the previous question is to give the opposition a chance to decide the subject before the House. Cannon cites the Speaker's ruling of January 13, 1920, to the effect that ''the refusal of the House to sustain the demand for the previous question passes the control of the resolution to the opposition'' in order to offer an amendment. On March 15, 1909, a member of the majority party offered a rule resolution. The House defeated the previous question and a member of the opposition rose to a parliamentary inquiry, asking who was entitled to recognition. Speaker Joseph G. Cannon (R-Illinois) said: ''The previous question having been refused, the gentleman from New York, Mr. Fitzgerald, who had asked the gentleman to yield to him for an amendment, is entitled to the first recognition.''

Because the vote today may look bad for the Republican majority they will say ''the vote on the previous question is simply a vote on whether to proceed to an immediate vote on adopting the resolution . . . [and] has no substantive legislative or policy implications whatsoever.'' But that is not what they have always said. Listen to the Republican Leadership Manual on the Legislative Process in the United States House of Representatives, (6th edition, page 135). Here's how the Republicans describe the previous question vote in their own manual:

Although it is generally not possible to amend the rule because the majority Member controlling the time will not yield for the purpose of offering an amendment, the same result may be achieved by voting down the previous question on the rule . . . When the motion for the previous question is defeated, control of the time passes to the Members who led the opposition to ordering the previous question. That Member, because he then controls the time, may offer an amendment to the rule, or yield for the purpose of amendment.''

Deschler's Procedure in the U.S. House of Representatives, the subchapter titled ''Amending Special Rules'' states: ''a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate.'' (Chapter 21, section 21.2) Section 21.3 continues:

Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon.''

The vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools for those who oppose the Republican majority's agenda to offer an alternative plan.

Mr. Speaker, I would further observe the irony of the back-to-back considerations yesterday and today on the floor of this House. I handled the rule yesterday on the question of abolishing the Internal Revenue Code. The majority gave us 1 hour of debate on the question of abolishing the Internal Revenue Code. Now they want to give us 7 weeks of debate on campaign finance reform.

It is obvious the majority does not want to pass campaign finance reform. It is obvious they wanted to pass the bill yesterday abolishing the IRS code. Let us not play games. Let us not pretend that something is happening that is not happening. This is not a procedure that is designed to pass legislation. This is a procedure that is designed to slowly bleed legislation to death. This is a procedure that will take the next 7 weeks with 258 nongermane amendments on top of all the amendments that are germane. This is not a serious procedure and no one should pretend that it is.

There are legitimate differences on what ought to be in campaign finance reform, but the other side has concocted a procedure that they now say will take us until August 7. Now, we have to do all the appropriation bills between that time and now. And if we get to August 7 and this still has not passed and still has not been concluded, then the other side is going to tell us, oh, we have all these Members that have travel plans, we have all these Members that want to go on junkets, get on airplanes and start their vacation, so we just have to let this thing slide on until September. And if it slides until September, then it may get lost as we are doing the continuing resolution and the supplemental appropriation and all those matters.

This is not a serious procedure. My friend the gentleman from Texas (Mr. DELAY) and my friend the gentleman from Georgia (Mr. LINDER) are not serious about this. We all understand that. They say this with a smile on their face. And there is a good reason why there is a smile on their face, because their hands are ''like this'' behind their back. They do not want this matter to be concluded. And I understand why they do not want it to be concluded. I have some differences of opinion with some of these proposals. But I want to see this brought to a final vote in an orderly way. It is the least we can do for the American public.

Mr. Speaker, we should defeat the previous question. Let us bring order to this. Let us not spend the next 7 weeks debating this legislation, and then maybe we get at the end of the 7 weeks and everybody has to get on an airplane and we cannot quite finish. Vote ''no'' on the previous question. Let us have a reasonable rule and let us get on to a final vote on campaign finance reform.

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

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

This entire debate defies credulity. We have Members releasing press releases in March castigating the Republican majority for closing the rule on debate, and then getting a totally open rule and standing up here opposing the rule because it is too open and allows too many people to make too many amendments.

We had the gentleman from Texas talking about concocting a procedure. Concocting a procedure. This is an open rule. This just says that anyone who has an amendment may be allowed to offer it. This debate begins with the gentleman from Michigan, the minority whip, saying the money spigots are open. The money spigots are open and will remain open under every one of these proposals being debated, because none of them touches the money that unions spend on elections, 99 percent of which goes to Democrats.

A Rutgers University study in the last cycle said that the labor unions spent between $300 and $500 million on politics. That is more money than is spent by the Republican and Democrat parties combined. But they do not want to touch it. That is money that is forcibly taken from the members and spent on candidates that the members may not support.

They do not want to change that. That is money that is not even recorded or reported. They do not want to change that. No, they want to stop money from legal companies or corporations where their shareholders can sell their stock if they do not like what the corporation does. The union member has trouble leaving the union and getting a job. No, those money spigots will remain open because none of these bills touches labor union monies, because that all goes to Democrats.

We then heard from the gentlewoman from Connecticut who wanted to discuss the tobacco issue. I hope she did not embarrass the gentleman from Texas (Mr. FROST), because he took

$16,000 in tobacco money in the last several years. But at least he took legal tobacco money from legal American corporations. It appears that the only tobacco money that the gentlewoman from Connecticut appreciates is illegal tobacco money from China, because we know that Ted Sieong, the largest distributor of Chinese cigarettes, or of cigarettes, Red Pagoda, gave huge sums, hundreds of thousands of dollars, to the Democrat party, to the Presidential campaign.

And when we seek to ask him about it, to see if current laws are being violated, if there is current breaking of current laws, the Democrats on the Committee on Government Reform and Oversight march in lockstep, 19 of them, to say, no, we do not want this testimony, we do not want the American people to hear, we do not want any of these people investigated.

We now have 94 people who are under suspicion for illegal activities in campaign fund-raising and campaign contributions who have either left the country, taken the Fifth Amendment, or refused to testify. And when the committee sought to subpoena them, those 19 Democrats marched in lockstep to say, no, we will not allow their testimony to be heard, we will not allow the American people to understand what laws have already been broken.

We know what laws were broken. The gentleman from Texas said that the White House has not admitted to breaking any laws. The White House does not admit to anything. The fact of the matter is this White House has been accused of a lot of things, and at no point did they say they did not do it. They said it has not been proven. They said they have not been charged, there is no evidence, but they do not deny.

And the President himself said on tape, we found a loophole. We used, yes, this bad soft money that they want to abolish. The President used it. And he put it on the air. And he, according to his words, improved his standing in the polls using large sums of soft money illegally.

When the President, when the Presidential candidates take $70 million from the taxpayers, they also are bound by the Federal laws not to spend a penny more. That is precisely what happened with Bob Dole. This President spent that, and what he admits to is $44 million more. No, he has not admitted to doing wrong in front of the public, only on a tape. Only on a videotape.

There is a problem with our campaign finance laws. We have two systems, a Presidential system, where they get $70 million from the taxpayers, report all their spending and spend no more; and we have the congressional system, where we report everything. The Presidential system is one that was broken, and that is not the one being addressed here today.

I urge my colleagues to defeat the previous question and support this rule to get on with the debate.

Mr. DAVIS of Florida. Mr. Speaker, I rise in opposition to this second rule on campaign finance reform. I think it is ridiculous that we are spending this time debating a rule when we could be spending this time debating the merits of the issue—meaningful campaign finance reform and a ban on soft money.

The rule we are currently debating makes in order an unprecedented 258 NON-GERMANE amendments. Amendments that do not relate to the underlying Substitute Amendment. We do not need this rule.

The House has already approved a rule governing debate that provides for a fair and open debate. That rule allows the consideration of an unlimited number of germane amendments. That means, Mr. Speaker, that the amendments offered must relate to the underlying Substitute Amendment. That is a fair process.

This new rule and the huge number of amendments in makes in order is unnecessary. In my opinion, it is also designed to prevent this House from ever completing consideration of campaign finance reform.

Earlier this year, I opposed the Leadership's efforts to limit the debate on this very important issue by bringing up bills under Suspension of the Rules thus prohibiting members from offering amendments. The Leadership responded to member defeat of that proposal by bringing forth a rule which made Bipartisan Campaign Integrity Act (the so-called Freshmen Bill) in order. That rule also made 11 substitute amendments and unlimited germane amendments in order. This Mr. Speaker is a fair and open process, and we already have that rule.

The Rule before us now is not a fair process because it allows non-germane amendments. An outrageous number of them at that.

Mr. Speaker, I urge my colleague to defeat this Rule. Let's put these delay tactics behind us and get on with the real business at hand—meaningful campaign finance reform.

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

The SPEAKER pro tempore (Mr. CALVERT). The question is on ordering the previous question.

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

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

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

The Sergeant at Arms will notify absent Members.

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

The vote was taken by electronic device, and there were—yeas 221, nays 194, not voting 18, as follows:

[Roll No. 246]

YEAS—221

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

NAYS—194

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Bentsen
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Clay
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)

Frost
Furse
Gejdenson
Gephardt
Goode
Gordon
Gutierrez
Hall (OH)
Hamilton
Harman
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McIntyre
McKinney
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran (VA)
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Turner
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn
Yates

NOT VOTING—18

Archer
Armey
Becerra
Clayton
Cooksey
Gonzalez
Green
Gutknecht
Hastings (FL)
Lewis (GA)
Martinez
McNulty
Parker
Strickland
Sununu
Torres
Towns
Weldon (FL)

☐ 1643

Messrs. OBEY, HILLIARD and STOKES changed their vote from ''yea'' to ''nay.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

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

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

RECORDED VOTE

Mr. FROST. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 221, noes 189, not voting 23, as follows:

[Roll No. 247]

AYES—221

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

NOES—189

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

NOT VOTING—23

Clayton
Cooksey
Danner
Dunn
Gekas
Gonzalez
Green
Gutknecht
Hastings (FL)
Jenkins
Lewis (GA)
Lewis (KY)
Martinez
McNulty
Mink
Parker
Portman
Regula
Schumer
Sununu
Torres
Towns
Weldon (FL)

☐ 1652

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. PEASE). Pursuant to House Resolution 442 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2183.

☐ 1654

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2183) to amend the Federal Election Campaign Act of 1971 to reform the financing of campaigns for elections for Federal office, and for other purposes, with Mr. CALVERT (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole rose on Wednesday, June 17, 1998, the amendment by the gentleman from Washington (Mr. WHITE) and printed in the CONGRESSIONAL RECORD as amendment No. 16 had been disposed of.

It is now in order to debate the subject matter of the amendment printed in the CONGRESSIONAL RECORD as No. 13.

Pursuant to House Resolution 442, the gentleman from Connecticut (Mr. SHAYS) and a Member opposed each will control 30 minutes.

The Chair recognizes the gentleman from Connecticut (Mr. SHAYS).

Mr. SHAYS. Mr. Chairman, I ask unanimous consent that the gentleman from Massachusetts (Mr. MEEHAN) be allowed to control half of the time. To my understanding that would be 15 minutes; is that correct?

The CHAIRMAN pro tempore. The gentleman is correct.

Without objection, the gentleman from Connecticut (Mr. SHAYS) and the gentleman from Massachusetts (Mr. MEEHAN) each will control 15 minutes.

There was no objection.

Mr. SHAYS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is a distinct honor to present before this Chamber the Meehan-Shays amendment in the nature of a substitute to H.R. 2183.

This substitute provides a soft money ban on both the Federal and State levels for Federal elections; it recognizes that sham issue ads are truly campaign ads and treats them as campaign ads; it codifies the Beck decision; it improves FEC disclosure and enforcement; it provides that unsolicited franked mass mailings be banned 6 months to an election; and it requires that foreign money and money raised on government property is illegal.

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

The CHAIRMAN pro tempore. Does any Member rise in opposition?

Mr. THOMAS. Mr. Chairman, I rise in opposition.

The CHAIRMAN pro tempore. Is the gentleman opposed to the amendment?

Mr. THOMAS. I am opposed to the amendment.

The CHAIRMAN pro tempore. The gentleman from California (Mr. THOMAS) is recognized for 30 minutes.

Mr. THOMAS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first of all, I am pleased that we have begun the process. As part of the structure around here, to be able to get time, you have to be in favor of or opposed to. The fact of the matter is, given the time that I have been involved, which is now two decades, in working on campaign reform, I am frankly, on every one of these bills opposed in part and supportive in part, and I will participate extensively in this process.

My goal will be to try to create an orderly process, one that is comprehensible and in which, to the extent possible, we create periods of time in which what we do is comprehensible to the folk outside as well as those of us who are carrying on the debate.

□ 1700

As the chairman of the committee that has jurisdiction, as I said, I have mixed feelings on a number of these bills because we have been wrestling with the way in which the system might be changed for some time.

What I want to do at the beginning of this debate is to set a tone, not on this particular bill, but on most of the bills that we will be looking at in a general sense because frankly the shadow of the Supreme Court is over us in the process of discussing campaign reform. It is over us because the Court has repeatedly said that the First Amendment is vital and critical, and where Congress steps over the line the Court will correct Congress in making sure that fundamental First Amendment freedoms of expression and assembly are maintained.

But the Court stands over us in another way, because after the Court said that, all I want to know, how come the Court is able to say that. We have three clear independent branches in the Constitution, and nowhere in the Constitution does it say that the Court can tell Congress that what it did was unconstitutional. Nowhere am I aware that the oath of office taken by Members of Congress is somehow inferior to the oath that members of the Supreme Court take.

Now obviously the answer is historically the Supreme Court usurped that power, and it has never been taken away, and so they have the power of judicial review whether it is in the Constitution or not.

But because of the ability of the Court to tell the Congress that, ''Perhaps in part you were constitutional and in part you were unconstitutional,'' it creates a dilemma for us as we debate change in campaign finance laws and the manner in which we conduct our elections.

Mr. Chairman, what I have in front of me is a chart to illustrate the way in which the current law is in fact a product of the Supreme Court. It is not a product of Congress. If my colleagues look at the original Federal Election Campaign Act, there were a number of areas where the Congress acted comprehensively, as we are attempting to do now on a number of these bills. It not only dealt with individual contributions limits, it dealt with spending limits for elections. Congress passed a limit per election. Congress passed a limit on independent expenditures per election. Independent expenditures will come up time and again, both in substitutes, and in amendments being treated in a number of different ways. For those of my colleagues who have not been involved in this process as extensively as some of us, understand that back in the early 1970s the Court said, ''Notwithstanding Congress' desire, it's overturned.''

If my colleagues look down here in terms of limit on candidates' personal funds, we talk about millionaire candidates and how we have to deal with that. Congress dealt with that, but the Court overturned that portion. And in fact the original structure of the Federal Election Commission was overturned by the Court as well.

My point is that for the last quarter of a century we have been dealing with a law which was not the way the Congress created it. The congressional package was far more comprehensive and rounded, notwithstanding the fact that the Court said portions of it were unconstitutional. Many of the problems we have wrestled with find their basis in the Court picking and choosing a comprehensive plan and not allowing a comprehensive plan to go forward.

A lot of the debate over these substitutes over the next several weeks and even perhaps months will be about how our plan deals with the problem in a comprehensive way. What I am here to tell my colleagues is that if someone tells them their plan deals with the problem in a comprehensive way, but it has a severability clause, it ''ain't'' going to be comprehensive in all likelihood. It means we will turn the clock back, we will send this legislation out into the world, and in the process of its examination the Court will overturn portions of various bills, and we will be living with a makeshift structure.

We have done that, Mr. Chairman, for the last 25 years. Let us not create the opportunity for doing it again.

And that is why on this particular bill, because it contains a severability clause, and on every comprehensive substitute which contains a severability clause, or is silent, because the Court, if it is silent, can go ahead and chop it up the way it wants to, will offer an amendment which will say that the comprehensive package that the Congress offers stands or falls as a structure.

Now this is not an attempt to destroy the process. It is an attempt to retain Congress' ability to define what the law is. Notwithstanding bipartisan efforts over the last quarter of a century, we have not been able to make adjustments that my colleagues would think would be reasonable and prudent. The Court made its adjustments. We were never able to come back and make ours.

Now what happens if the Court strikes down one of these provisions when there is no severability? Well, we are back here rewriting. But I think that is a far better position to be in than to leave the final product up to the United States Supreme Court.

And so I will offer a severability clause, and I am pleased to tell my colleagues that in a July 1997 publication by the gentleman from Massachusetts (Mr. MEEHAN), notwithstanding the fact that it was in reference to the comment of the gentleman from Texas (Mr. FROST) about a severability clause, and the gentleman from Texas joins me in this effort, I might mention, talked about the advantages of not having severability.

And so, as we begin this process, I want to focus our attention on whatever product it is that Congress generates. If we believe strongly enough, and if the House works its will, we ought to believe strongly enough to make sure that the Court does not get to write the law in the final process. The only way we can guarantee that is to make sure there is no severability clause.

And, as I said, I propose to offer an amendment to each of the major substitutes that has as a provision severability. It is not good. It lets the Supreme Court control us. It lets the Supreme Court write the law as it has done for the last 25 years.

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

Mr. MEEHAN. Mr. Chairman, I yield 1 minute to the gentlewoman from Connecticut (Mrs. KENNELLY).

Mrs. KENNELLY of Connecticut. Mr. Speaker, I rise in strong support of the Shays-Meehan substitute, and I want to commend my colleague, the gentleman from my home State of Connecticut (Mr. SHAYS) and the gentleman from the neighboring State of Massachusetts (Mr. MEEHAN) for their bipartisan effort to introduce meaningful finance reform here today. No less than the integrity of our election system and the confidence of the American people and their elected officials is at stake here today. Passage of the Shays-Meehan bill will begin to correct the abuses of the current system of financing political campaigns.

The issue is clear, Mr. Chairman. One is either for the Shays-Meehan or against it. Opponents will try and muddy the debate with nongermane amendments. We must remain focused, and we must not be diverted by these amendments. After months of delay it is finally time for action.

Again may I congratulate my colleagues the gentleman from Connecticut (Mr. SHAYS) and the gentleman from Massachusetts (Mr. MEEHAN) for their perseverance, for their commitment in bringing this vital piece of legislation to the floor.

Vote no on diversionary amendments and yes on a clean Shays-Meehan.

Mr. SHAYS. Mr. Chairman I yield 2 minutes to the gentleman from Delaware (Mr. CASTLE).

Mr. CASTLE. Mr. Chairman, I too rise today in support of the Shays-Meehan substitute to H.R. 2183, the Bipartisan Campaign Integrity Act.

The 1996 presidential campaign has made it unmistakably clear that our election system needs to be reformed. In fact, recent studies and polls indicate that the American public is cynical about our current system of campaign finance. Many believe that the size of the donation is directly related to the amount of access to power. Nonetheless, it has been a long and difficult fight to bring an open legitimate campaign finance debate to the House floor.

In fact, a couple of months ago the future of campaign finance reform was looking very dim. There was a possibility that a real campaign finance reform debate might not have occurred at all.

While the fight to bring in debate to the floor is almost over, the fight to see reform signed into law has just begun. Reformers who want to see changes signed into law must rally around one bill that has the best chance of passing. That bill is a Shays-Meehan substitute which has received strong bipartisan support.

I do not have time to go through all the things that it does, but banning soft money, dealing with the whole issue of redefining issue advocacy laws and, of course, leveling the playing field with wealthy candidates are important steps that need to be looked after.

This bill is not only supported by bipartisan Members in both the House and the Senate, but also by outside groups who represent the will of the American people in this area. It has been endorsed by 35 nonpartisan interest groups, including Common Cause, Public Citizen and the League of Women Voters. Furthermore, the Shays-Meehan substitute is also supported by the Boston Globe, the Los Angeles Times, the New York Times and the Washington Post, some of our more thoughtful newspapers.

As the debate unfolds, my colleagues will see every stop pulled, every method tried and every tactic used by those who oppose real campaign finance reform. One strategy will be to drag out this debate by offering an endless number of amendments until Members lose interest and the public demands that Congress focus on other issues of national priority. Reformers must remember that these tactics are strategies used by those who would defeat campaign finance reform by diverting attention.

Support this legislation. It is the only way to go.

Mr. THOMAS. Mr. Chairman, I yield an initial 7 minutes to the gentleman from Texas (Mr. DELAY).

Mr. DELAY. Mr. Chairman, we are finally here, and I rise in strong opposition, unless my colleagues are surprised, to Shays-Meehan and their bill.

Last week this House defeated a constitutional amendment that was authored by the minority leader, the gentleman from Missouri (Mr. GEPHARDT) that would allow Congress to limit spending for the first time. He got 29 votes. Fifty-one Members of this House voted present, and I do not know about other Members, but I did not come here to vote present. I came here to vote yes or no, to do the people's business.

But there is a lot of shenanigans going on, and all the shenanigans can be put aside because now we are into the meat of the issue.

Now the author of the constitutional amendment, the gentleman from Missouri (Mr. GEPHARDT), said the amendment was necessary because neither Congress or the States have any constitutional authority to limit expenditures, independent issue advocacy or uncoordinated. The current explosion in third-party spending is simply beyond our ability to legislate. This is what the minority leader has said, yet Shays-Meehan does just that. It attempts to legislate control of political spending and political speech, spending and speech that we are told by the minority leader was constitutionally beyond our reach to legislate.

Now the Shays-Meehan bill is nothing short of an attempt to gut the First Amendment in my opinion. It is nothing short than an effort to prohibit our constituents from knowing where we stand on the issues.

Like most of these campaign reform bills, those bills passed by the Democrat majority over the last few years, the Shays-Meehan bill is incumbent protection. It gives the advantage always to the incumbents.

Now what does the Shays-Meehan bill do? Well, the Shays-Meehan bill bans scorecards. That is right, those voter guides that are passed out in churches and in union halls that track how the incumbents vote on critical issues would be subject to a regulation by the speech police and the bureaucrats of the Federal Election Commission.

Shays-Meehan also places a gag rule, a gag rule, on independent expenditures and the ability of citizens to criticize incumbent politicians, a gag rule that the gentleman from Massachusetts (Mr. FRANK) and the minority leader told us that was not permissible in a free society.

And the worst legislative assault that comes in Shays-Meehan attempts to shut down discussion on issues in this country. Mr. Chairman, this bill brings us back to the days when a person placing an ad in a newspaper criticizing the President was hauled into court by the Justice Department. This actually happened in four separate places.

The Shays-Meehan bill would regulate speech even if it avoids the constitutional standard of express advocacy. No one even mentioning the name of a politician can feel safe that he might not have violated a federal law.

□ 1715

That is what is in this bill.

Now, the final attack on freedom in this bill comes in the form of severe government restrictions on the use of soft money by political parties and other organizations, money that is used to get out the vote activities, voter registration, issue advocacy; that is what the soft money is that is so maligned on this floor. The bill also federalizes for the first time State election law.

I want Members on this side of the aisle to listen to this. This bill federalizes State election law.

Now, finally, this bill does nothing about the millions of dollars of forced union dues taken from working people every year and used for political causes they may oppose. Sure, the bill does have a provision that is pretending to enforce the Beck decision, but to take advantage of the Beck decision, workers would have to resign from the union, resign from the union and give up their rights to vote on collective bargaining agreements and other important workplace matters.

So, Mr. Chairman, we have been down this road before. In the early 1970s, the minority has bragged, after passage of a campaign reform bill, the Nixon administration brought a group of dissidents into court for putting an ad in the New York Times calling for the impeachment of the President. What was the charge? The ads were a ''sham'' and violated campaign laws.

Well, my friends, issue speech, sham or otherwise, cannot be regulated. The Buckley court anticipated these arguments when it said, and I quote,

> It would naively underestimate the ingenuity and resourcefulness of persons and groups, designed to buy influence, to believe that they would have much difficulty devising expenditures that skirted the restriction on express advocacy or election or defeat, but nevertheless benefited the candidate's campaign.

Those who would regulate campaign speech hope, and it is a desperate hope, that the Supreme Court will look at 20 years of election activity since Buckley v. Valeo and decide things differently. But it is more likely that the court will go just the other way, toward my view and those who think that the First Amendment is America's premier political reform, not the Federal Election Campaign Act of 1974.

Mr. Chairman, I would just remind my friends to look around them, just look around. In the past month, in the last 30 days, four, that is right, four Federal courts have struck down campaign speech laws similar to those contained in this bill. Four.

Now, the Supreme Court was emphatic in Buckley that issue advocacy and political speech was at the very core of the First Amendment. To regulate it in any way is simply unconstitutional and, more importantly, it is wrong.

The true issue here is speech, I say to my colleagues. Will we vote to prevent union members or churchgoers to give information on how an incumbent votes on raising the minimum wage or banning partial-birth abortion? Well, Shays-Meehan does this. Would one vote to gag a citizens' group from buying an advertisement criticizing a Member of Congress? Shays-Meehan does that. Would one vote to blur the line of freedom of the Supreme Court that allows a speech with review by the speech police at the Federal Election Commission? Well, Shays-Meehan does that.

I ask that we oppose Shays-Meehan and let our constituents speak.

Mr. MEEHAN. Mr. Chairman, I yield myself 20 seconds to say that the date that those statements were made by the gentleman from Massachusetts (Mr. FRANK) and the gentleman from Missouri (Mr. GEPHARDT) was February 7, 1997. The Shays-Meehan bill that we are debating today was not even written, nor filed, until March 19, 1998.

Mr. Chairman, before we get into a lengthy debate over the First Amendment implications of spending limits, let me make one thing perfectly clear. The Shays-Meehan bill does not include spending limits.

Mr. Chairman, I yield 3 minutes to the gentleman from Michigan (Mr. LEVIN) who has worked so closely with us on this bill.

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

Mr. LEVIN. Mr. Chairman, I would like to respond to the gentleman from Texas (Mr. DELAY), the majority whip.

The Shays-Meehan bill does not gag speech any more than our present limitation on independent expenditures upheld by the court gags. Right now, if somebody comes in with an ad that says, defeat so-and-so, they have to come within the structures set up by Congress. There are limits on what can be contributed, and there are requirements for disclosure.

The question is, if the magic words, which really are not magical, ''elect'' or ''defeat'' are not used, should the ad be immune from any limitation as to amount or any disclosure? That is what we are talking about.

What Shays-Meehan says is that we should not provide this loophole. When Buckley was decided, there were not these barrages, these bombardments of so-called issue ads. In the last few years we have had them in torrents. And what the majority is saying is, or some of the majority, is that they want those to go on without any regulation at all.

Now, this is not, therefore, an issue of gagging any more than Buckley gagged free speech. It did not. It balanced our needs for free speech, and I love the First Amendment and voted against efforts a few days ago to undermine it.

The question is, how do we apply it to today's politics? In the decision in the Ninth Circuit, FEC v. Fergatch, here is what the court said.

> We begin with the proposition that express advocacy is not strictly limited to communications using certain key phrases. The short list of words included in the Supreme Court's opinion in Buckley does not exhaust the capacity of the English language to expressly advocate the election or defeat of a candidate. A test requiring the magic words, ''elect,'' ''support,'' or their nearly perfect synonyms for a finding of express advocacy would preserve the First Amendment right of unfettered expression only at the expense of eviscerating the Federal Election Campaign Act.

What Shays-Meehan tries to do is to protect, to preserve the thrust of that act, and not have the public swamped by undisclosed, unlimited expenditures, especially the last 2 months of a campaign.

Those who are raising the First Amendment are essentially trying to kill campaign reform. They are really hiding behind the First Amendment. They often do not support the First Amendment in other instances.

So I strongly urge support for Shays-Meehan.

Mr. SHAYS. Mr. Chairman, could the Chair inform me as to the time on each side?

The CHAIRMAN. The gentleman from Connecticut (Mr. SHAYS) has 12 minutes; the gentleman from Massachusetts (Mr. MEEHAN) has 10 and three-quarters minutes; and the gentleman from California (Mr. THOMAS) has 15½ minutes.

Mr. SHAYS. Mr. Chairman, I yield myself 20 seconds to point out that in our legislation, the term ''express advocacy'' does not include a printed communication that prevents information in an educational manner solely about the voting record or position on a campaign issue of two or more candidates. So we specifically provide and allow for voting records to be a part of the system.

Mr. Chairman, I yield 1½ minutes to the gentle and very strong woman from Maryland (Mrs. MORELLA).

Mrs. MORELLA. Mr. Chairman, we have been bogged down by excuses and dilatory tactics trying to get a vote on real campaign finance reform. All the while, our constituents have been looking on with disgust, and soft money contributions have proliferated.

Serving on the Committee on Government Reform and Oversight, I have become more convinced than ever that we must close campaign finance loopholes. Today, we finally have that opportunity to move forward with real reform, with the Shays-Meehan substitute.

This substitute addresses fundamental flaws in our system: the proliferation of soft money and issue ads. It closes the soft money loophole on both the Federal and State levels. Soft money contributions, whether by individuals, labor, corporations, have led to egregious fund-raising practices and to the escalating cost of elections.

This bill also requires that any funds spent by State, district and local political parties for Federal election activity be subject to the Federal Election Campaign Act limits.

Shays-Meehan's issue advocacy reforms will end the takeover of elections by special interest groups, and it will lead to fair and responsible political advertising. It uses a common-sense definition of express advocacy and stipulates that ads that endorse a Federal candidate under its new definition could only be run using legal hard dollars. It also requires FEC reports to be electronically filed and provides for Internet posting of disclosure detail. It clarifies the Pendleton Act's restrictions on fund-raising on Federal property, it codifies the Beck court decision.

Join us in real campaign reform. Prove that we can do it by supporting the Shays-Meehan substitute.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that the remainder of my time be controlled by the gentleman from California (Mr. DOOLITTLE).

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DOOLITTLE. Mr. Chairman, I yield 5½ minutes to the gentleman from Arkansas (Mr. HUTCHINSON).

Mr. HUTCHINSON. Mr. Chairman, I thank the gentleman for yielding me this time.

I first want to compliment the gentleman and my friend from Connecticut (Mr. SHAYS) for his leadership on this issue. I think we probably would not be here today debating campaign

finance reform without his hard fight and his commitment to this issue.

For the last year we have worked really on different tracks to accomplish campaign finance reform. We have worked on different tracks because he has advocated what on the Senate side was known as the McCain-Feingold bill and on the House side as the Shays-Meehan bill. A group of freshmen, in a bipartisan fashion, and some of them are sitting in this room, Democrats, Republicans, worked in a different way with a different approach and came up with a different product for campaign finance reform.

So today, as we talk about different approaches to this, I do not support the Shays-Meehan proposal, and I will vote against it because I believe that there is a better way to accomplish campaign finance reform. I say this with the greatest respect, but I believe that it is incumbent upon me to make my case.

Why do I say that the freshman bill is better? Why do I believe that it will accomplish more significant reform? I believe it is a better vehicle for reform because it is bipartisan, it is constitutional, it does not federalize State elections, it bans soft monies to the Federal parties, and it provides for greater disclosures. But I believe it is a better way, first of all, from a political standpoint that on the Senate side, the United States Senate has already failed to pass McCain-Feingold. They could not break cloture on that bill. So why do we want to send them the exact same bill back again? I believe that if we send them a fresh approach, a new idea, that accomplishes significant reform, that that is the best way to approach it.

Secondly, I believe the freshman bill represents a better idea because the Shays-Meehan approach disregards current Supreme Court decisions in the hope that the Supreme Court will change its opinion. As a lawyer, I have disagreed many times with the Supreme Court, and I wished they would change their opinion; but they are still supreme, and if we want to cast a vote for a bill that is going to be signed into law and a bill that is going to be upheld by the Supreme Court, I believe we have to listen and adhere to the clear decisions that the Supreme Court has given. There is too much at stake.

So the freshman bill, the freshman approach is different. We have drafted a bill that pays attention to what the Supreme Court has said and tries not to violate their constitutional restrictions and infringements upon free speech.

The third reason that I think there is a better way is that issue groups under the Shays-Meehan bill will be subject to source restrictions, donor disclosure, and speech regulation. I think this is a very serious matter. Whether we are talking about the right to life, whether we are talking about the NRA, whether we are talking about the Sierra Club, any issue group that had issue ads in the last election cannot do it the same way in the next election cycle because they would be limited on where they can get their money. Also, if they do their issue ads within 60 days of a campaign, they have to disclose their donors down to the $50 level.

□ 1730

Now, there is a hope that the Supreme Court would approve that, but I believe that that is an infringement upon free speech and the rights of the issue groups to be involved in the campaigns.

The fourth reason that I believe the freshman bill represents a better way is that we do not federalize the State elections by prohibiting contributions that are legal in a State election from being used if a Federal candidate is on the ballot, and that is the current status of the Shays-Meehan approach.

If there is a Federal candidate on the ballot, then money that is legal in the State system cannot be used for get-out-the-vote efforts, cannot be used for the traditional means of party-building efforts. So ours is a more cautious approach.

Finally, I believe that there is a better way because of the approach to how we handle soft money. Under the Shays-Meehan bill, the greatest abuse in the last presidential campaign is not addressed. The greatest abuse in the last presidential campaign was that Federal office holders and candidates were chasing soft money. There was the link that created a problem. All over the country, raising soft money and the chase for those huge contributions led to problems.

This chase is not prohibited under the Shays-Meehan bill, the result being that soft money can continue to be raised for the State parties under Shays-Meehan by presidential candidates. In the Year 2000, they will be able to go from State to State to State to raise soft money.

It is true that they are restricted at the State level as to how that money can be spent. But then they can engage in a deal; we will raise soft money for the State and that will be spent and that will free up money for the Federal candidates.

So the freshman bill would prohibit that conduct by separating Federal candidates, Federal office holders, from raising that soft money.

So I have the highest regard for the gentleman from Connecticut (Mr. SHAYS) and the gentleman from Massachusetts (Mr. MEEHAN) who have proposed this bill, but I believe the freshman bill, the bipartisan bill represents a better way.

For that reason, I would urge my colleagues to vote ''no'' on Shays-Meehan and support the freshman bill.

Mr. MEEHAN. Mr. Chairman, I yield myself 15 seconds.

Mr. Chairman, I would just point out that any money that is spent in America to influence an election ought to be disclosed. That is a basic premise in our bill. If money is spent 60 days before an election to influence that election, the public has a right to know who spent that money.

Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Mrs. CAPPS), who was just elected to this House in March in a special election to take her husband Walter's seat. The very first piece of legislation that the gentlewoman signed on to was the Shays-Meehan bill.

Mrs. CAPPS. Mr. Chairman, I am pleased that this day has finally come. In the face of many roadblocks, we are now debating the bipartisan Shays-Meehan bill. I commend my colleagues the gentleman from Connecticut (Mr. SHAYS) and the gentleman from Massachusetts (Mr. MEEHAN) for their extraordinary perseverance on this issue.

Mr. Chairman, as someone who has run in three elections in the past six months, I can tell my colleagues that the American people are crying out for us to clean up our political system. The bill before us will close the biggest loopholes in that system: soft money and sham issue advocacy ads.

In my recent special election which was strongly contested, my conservative Republican opponent and I did not agree on very much, but we did agree that in our race these ads flooded the airwaves with very misleading information. And although the ads clearly targeted one of us, either of us, both of us for election or defeat, there was no disclosure and no limits on how they were funded.

Mr. Chairman, let us not lose sight of the dramatic shift that is occurring out there in the campaigns. The voters are becoming pawns in battles between powerful outside interest groups.

We need to pass the bipartisan Shays-Meehan bill and bring the political process back to the people. If we fail, our elections will only get more expensive and more dominated by special interest, and the cynicism and outrage of the American people will increase.

I strongly encourage my colleagues to pass this historic bipartisan legislation. I have the greatest admiration for my colleagues on both sides of the aisle who are willing to come together, particularly the freshmen Members who worked so many months to craft legislation and are now coming together behind Shays-Meehan so that we can be credible with our constituents and really do something important in this area.

Mr. SHAYS. Mr. Chairman, I yield 1½ minutes to the gentleman from New York (Mr. HOUGHTON).

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

Mr. HOUGHTON. Mr. Chairman, there is not a single piece of legislation, no matter how good, that cannot be picked apart with the technical arguments. I am not going to do that. I am going to get away from emotions and the words and all the negative aspects.

I think that there are really two words that come to mind, and that is it is just ''too much.'' It is too much money. I cannot imagine looking at a primary election in California where two people spent $60 million. Is that free speech? It is not free to me; it is pretty expensive.

Will it be $60 million next round? Will it be $100 million? With the gross domestic product going up and inflation going up, will it be $200 million? What is too much? Where does this lead us? Is this what we want to leave as a legacy?

Mr. Chairman, I ask this about my children. Do I want them to come into this body, or try to come into this body, and say, listen, it is going to be a great run and it is going to cost $50 million. And if they run for five terms, it is maybe $250 million. Is this what we want? It is crazy.

We have real limits for individuals and groups and we have absolutely no limits for this loophole which was never intended to be. Our job here in this and other legislation is to close loopholes. They were never intended they should not be, we should get at it.

The Shays-Meehan bill does this, and I feel we should support it.

Mr. DOOLITTLE. Mr. Chairman, may I inquire as to the time that each side has remaining.

The CHAIRMAN pro tempore (Mr. CALVERT). The gentleman from California (Mr. DOOLITTLE) has 10 minutes remaining, the gentleman from Connecticut (Mr. SHAYS) has 8¾ minutes remaining, and the gentleman from Massachusetts (Mr. MEEHAN) has 8½ minutes remaining.

Mr. DOOLITTLE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Illinois (Mr. HYDE), the chairman of our House Committee on the Judiciary.

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

Mr. HYDE. Mr. Chairman, I am certainly no expert in this field and campaign reform is a legitimate subject that needs attention and a lot of it. I would just say to the gentleman from New York (Mr. HOUGHTON), my friend, that all that money spent on that election out there was almost the first weekend's take on the Titanic when they showed it. Everything is relative.

The one glaring problem with Shays-Meehan is we do not take into account for contributions in kind. Labor unions, at least where I come from, can throw all kinds of bodies into the precincts on the weekend. They work the shopping malls, hand out the shopping bags, work the phone banks, go door to door. Labor does that and God bless them for doing that. They are participating in the most important act, civic act they can.

But the business community does not do that. They play both sides of the street. They cover their bets. Soft money is the only way Republicans who do not have access to the bodies that organized labor throws into the turmoil, it is the only way to equalize that. They can buy people's time who can work the phone banks and hand out the shopping bags.

One would like to have volunteers and tries to have them. But one cannot equal what labor can throw into an election. And neither bill takes care of that. It gives advantage to the Democrats because by limiting, if not eliminating soft money, the Republicans are left bereft of resources to equal the hundreds of people that can work in a precinct for a Democratic candidate sent in by the Teamsters or some other union.

Mr. Chairman, as I say, I am not critical of that. But if we are reforming, we ought to take into consideration the consequences of the reform. Giving the Democratic Party such an advantage in my judgment is not reform.

Mr. MEEHAN. Mr. Chairman, I yield 1 minute to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Chairman, I rise in support of the Shays-Meehan substitute. This bipartisan effort to begin the process of mending a flawed system is necessary and appropriate and long overdue.

When I was sworn in as a newly elected Member of Congress 2 months ago, my first official act was to join over 200 of our colleagues in signing the discharge petition which would allow us to engage in meaningful debate on campaign finance reform.

I am pleased that today has arrived, despite the fact that the past few weeks have seen a deliberate effort to divert our attention away from real campaign finance reform.

In the spirit of democracy, campaigns should be about ideas, not money. Of course, I personally firmly believe that public financing of political campaigns is the ultimate answer to access and full participation by grassroots organization, women, and people of color. However, the Shays-Meehan substitute is a major step forward in taking us closer to ensuring a fair and equitable approach to financing elections.

Mr. SHAYS. Mr. Chairman, I yield 1½ minutes to the dynamic gentleman from Tennessee (Mr. WAMP).

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

Mr. WAMP. Mr. Chairman, I thank the gentleman from Connecticut (Mr. SHAYS) for yielding.

Mr. Chairman, on this issue, probably more than others that we will address, the perfect should not be the enemy of the good. This bill, of course, is not perfect, but it is good. It is better than what we have now and it is better than it used to be, because I frankly do not like taxpayer financing or broadcaster financing of campaigns. They took that out of this bill and they replaced it with some better provisions.

The two things we should focus on is banning soft money, which any thinking person is for, it is way out of hand; and, secondly, trying to hold accountable these outside groups that come in in the last few days of a campaign and assassinate people with unlimited, unregulated, now huge sums of money dumped from nowhere in campaigns. Pretty soon we as candidates will not even be able to control the message in our own campaigns.

Mr. Chairman, I have been at this long enough to know also that reformers need to come together. I hate to see reformers carping at each other over details. If we do not come together on this issue, it is not going to happen.

What should the measurement be? Is the bill better than what we have now? This bill clearly meets that test. This is a messed up system. We have got to change it. We cannot go back to the way things used to be, even though I would say to the gentleman from California (Mr. DOOLITTLE) that ideally that would be nice. But I do not think that is practical. What is practical is to try to reform the current system we have today. This is a step in the right direction.

Mr. MEEHAN. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. DOOLEY).

Mr. DOOLEY of California. Mr. Chairman, I rise in strong support of the bipartisan Shays-Meehan substitute because it is the only bill I think that really truly provides comprehensive campaign finance reform. So many of the other bills do not deal with one of the greatest loopholes in our campaign system, and that is the lack of any restrictions on issue advocacy ads.

Issue ads make a mockery of Federal election law because they are not required to report the source of their political contributions. Issue ad groups are entitled to speak, and I vigorously defend their constitutional right to do so. However, their speech should not be protected more than any other political speech.

The public deserves to know who funds Federal elections. Is a foreign government attempting to elect one of their own to the U.S. Congress? Is an organized crime ring trying to defeat a Member who has been tough on crime? Without disclosures and limits we do not know. Shays-Meehan fixes the problem.

Mr. Chairman, in my last campaign, issue groups brought ads worth over $250,000 to try to defeat me. When the press and Members of the public asked me who was behind these ads, I could only give them one answer: I do not know.

While anyone can easily track who had paid for my ads, my opponent's ads, and both of our parties' ads, no information was available concerning the ads paid for by these groups.

This chart clearly points out we are not trying to limit the right of someone to speak. We are just saying that anyone who tries to influence the outcome of an election who uses a name

and likeness of a candidate 60 days before it should live by the same rules as anyone else that has participated by contributing to our own campaigns.

□ 1745

A person who gives me $200, we have to know his name, his address, their occupation, the date of contribution, the amount of contribution, the aggregate. Yet in my last election, we had a group that came in and spent $250,000, and yet nobody knew their name. Nobody knew the source of the dollars. That is wrong. That is why we should support Shays-Meehan.

Mr. SHAYS. Mr. Chairman, I yield 1½ minutes to the gentlewoman from New Jersey (Mrs. ROUKEMA).

Mrs. ROUKEMA. Mr. Chairman, certainly I am a strong supporter of Shays-Meehan. Quite frankly, I think this is a debate that we have had years ago. In fact, the loopholes have abolished all the enforcement of the post Watergate reforms. So we are here today really dealing with a dire need for reform.

I know some are going to say, what are we talking about? The American people do not have this on their radar screen. They do not care. I submit the American people do care, but they have given up on us. I am afraid their cynicism will be justified if we do not act tonight on Shays-Meehan.

I have got to say that, if we look at the way the system works, there has been a lot of evidence that proves the need for what we are talking about today, the explosion of soft money, fat cats buying access, White House coffees, Members and Senators spending their waking moments raising cash, and certainly the indication of foreign contributions to our election system.

I have got to say that, after the Thompson hearings and the hearings of the gentleman from Indiana (Mr. BURTON), one thing is very clear to all of us, that the campaign finance system is out of control.

I have got to say that there are some who have been picking at this legislation, but I have got to say that any objective observer knows that Shays-Meehan gets right to the heart of the problem. It addresses banning, not only soft money, but it bans contributions from foreigners, and also addresses the Beck decision regulations. It is the only substitute amendment that contains a hard ban on soft money, and it should be passed.

Mr. MEEHAN. Mr. Chairman, I reserve the balance of my time.

Mr. DOOLITTLE. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky (Mr. WHITFIELD).

Mr. WHITFIELD. Mr. Chairman, we have heard a lot of discussion today about too much money being in politics. We have asked that question before, too, what is too much money. Any time we ask the advocates of this legislation, it is very difficult for them to answer the question what is too much money.

Then we talk about what is the special interest. It is pretty obvious that a special interest is any group saying something that we do not agree with.

Then we have heard people say we do not know who is doing these TV ads against us. The TV ads have the disclaimers on them. We know the groups that ran the ads. We may not like it. The gentleman was talking about $50,000 spent against him. I had $800,000 spent against me by labor unions. I did not like it, but it is their constitutional right to do that. I knew that they ran the ads because of the disclaimer.

People have talked about, we, these individuals are spending too much money on their campaigns. Mr. Checchi, out in California, Ms. Harman, Mr. Issa spent a total of maybe $40 million, maybe more, in their campaigns. It was their money. I think, in America, individuals have a right to spend their money the way they want to spend it. By the way, all three of them lost.

In Kentucky, we had an individual running for the U.S. Senate, Charlie Owens, who spent $7 million of his money, the most ever spent in Kentucky on a Senate race. His money, not anybody else's. He has a right to spend his money. Guess what. He lost.

Then we have heard a lot about, well, we have got to have Shays-Meehan because it is going to clean up this problem that we have with foreign nationals contributing to these campaigns. Section 441(e) of the current Federal Election Law says, ''It shall be unlawful for a foreign national directly or through any other person to make any contribution of money or other thing of value, or to promise expressively or impliedly to make any such contribution, in connection with an election to any political office'', and so forth and so forth and so forth. So we have the laws on the books.

Mr. SHAYS. Mr. Chairman, I yield 1 minute to the gentleman from South Carolina (Mr. SANFORD).

Mr. SANFORD. Mr. Chairman, I stand here as a conservative in support of this bill, because I think we all have to ask ourselves, when the Federal Government controls $1.7 trillion worth of daily activity as we go through the year, do we want people to have disproportionate levels of influence? I would answer no.

It ties straight to the larger question. That is, if someone gives large amounts of dollars, do they expect something in return? I think the answer is unequivocally yes. Common sense would say if one gives large amounts of money to somebody else that they expect something in return.

Tamraz, when asked before the Senate Finance Committee why did he give such large amounts of money, he said because it works. For that matter, the recent movie Bulworth, which some may have seen, talked about Bernard Schwartz and how he and the Loral Corporation had given $2 million to the DNC with surprising effect, because what they had been after, which is a satellite technology transfer, went through.

We can come up with lots of other examples. We can talk about Archer Daniels Midland and the ethanol subsidy. We can talk about many different areas wherein a disproportionate amount of influence seems to be tied to money.

The CHAIRMAN. The Chair will inform the Committee of the Whole that the gentleman from Connecticut (Mr. SHAYS) has 4¾ minutes remaining. The gentleman from California (Mr. DOOLITTLE) has 6 minutes remaining. The gentleman from Massachusetts (Mr. MEEHAN) has 5½ minutes remaining.

Mr. MEEHAN. Mr. Chairman, I yield 2 minutes to the gentlewoman from Michigan (Ms. RIVERS).

Ms. RIVERS. Mr. Chairman, over the weekend, when I was driving to my district, I came up behind a car that had a bumper sticker that read ''Invest in America; buy a congressman.'' Interestingly enough, my chief of staff saw the same bumper sticker here in Washington, D.C. Apparently, this is a more widespread view than many of us would hope.

It was fascinating to me, as I watched the earlier debate, that both parties, both sides of the aisle spent a certain amount of time attacking one another from where their monies were coming from, hoping that they would create some sort of suspicion on the part of the people watching at home about the other side and the availability of dollars and the source of dollars to them.

I think that both sides succeeded. I think that the people at home believe that neither side is particularly clean about money. People at home believe that something has to be done about the campaign finance system in this country.

The gentleman from Texas said the issue here is speech. No, the issue here is trust, how we are going to build a system that people at home can trust. I believe that we can have a system that protects free speech and is trustworthy, and I believe Shays-Meehan provides just that. It does not limit spending in any way that is not currently regulated.

Someone mentioned that it does not codify the Beck decision because it only applies to people who would leave their unions. In fact, the Beck decision only applies to people who are currently paying agency fees to unions that they have chosen not to become members of.

So much disinformation has been at work in this debate. Everyone has tried so much to disinform, to frighten people, to move us away from what our constituents want, which is a system we can trust, 435 people in the House of Representatives elected in a system that we can trust. Shays-Meehan will move us there. Please support it.

Mr. SHAYS. Mr. Chairman, I am pleased to yield 1½ minutes to the gentleman from Washington (Mr. METCALF), and I am happy he is here.

Mr. METCALF. Mr. Chairman, I rise in support of the Shays-Meehan substitute as the most comprehensive campaign finance reform bill we have today. I would like to thank the gentleman from Connecticut (Mr. SHAYS) and the gentleman from Massachusetts (Mr. MEEHAN) for their countless hours in bringing forth a bill that will dramatically change the campaign structure of this Nation.

Mr. Chairman, I was one of the Members who committed to sign the discharge petition that would have forced a vote on the Shays-Meehan bill. I did this because the American people have lost faith in the way Congress is elected, and that must be changed. Because this bill is a carefully balanced approach, my intention is to oppose all amendments.

Let me reiterate that we are at the threshold of major campaign finance reform. We have risked failure on real campaign finance reform by weighting down Shays-Meehan with a multitude of amendments. Shays-Meehan is the only bicameral legislation that can pass both the House and Senate this year. Let us support it without amendments.

Mr. DOOLITTLE. Mr. Chairman, I yield myself such time as I may consume.

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

Mr. DOOLITTLE. Mr. Chairman, in the context of the debate in the House, the phrase ''campaign finance reform'' is really synonymous, it is a code word for the government regulation of political speech.

I would just like to pose this question: If regulation works so well, then why are we in such a mess after 25 years of regulation? It was the liberal Democrats that rammed this through in 1974 with the cooperation of a Republican President.

This is when we received the limits on what individuals could contribute. This is what gave birth to PACs. This is what gave birth to the terms soft money, hard money, issue advocacy, independent expenditure. All of these, it is like opening Pandora's box. It started maybe in 1971 but got infinitely worse in 1974. Pretty much, that is how we have continued through the present.

This has produced the morass of complex, disastrous laws that we have right now where loopholes were closed in 1971, and more were closed in 1974. Guess what. For every loophole that was closed, a new one opened up over here on the other side.

We cannot enact comprehensive campaign finance reform; i.e., complete government regulation of political speech. Why? Because we have a Constitution. The Constitution, as long as it exists, provides certain ''loopholes,'' namely, certain freedoms that American citizens will have.

So the more we attempt additional regulation, the more unintended consequences we will have over here; and the morass we have now will be made even worse. That is why I believe the answer is deregulation.

The largest State in the Union, California, is free of the heavy-handed regulation in the present law as well as the way that the gentleman from Connecticut (Mr. SHAYS) and the gentleman from Massachusetts (Mr. MEEHAN) wish to make it.

The Commonwealth of Virginia has the same type of a law. Anybody can contribute, just disclose it. Just let the voters know who is giving to whom. Then let them make the decision. That is what the founders intended. That is why I said I do not know what could be more clear than this. But leave it to Congress to foul this up in the First Amendment. It says, ''Congress shall make no law abridging the freedom of speech.'' What could be more crystal clear than that?

The Shays-Meehan bill is a bill about how to abridge the freedom of speech. Other bills we will take up, including the Hutchinson–Allen bill, are about how to abridge the freedom of speech in ways they think they can somehow get around the Constitution.

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Well, it has been pointed out and I believe, the Shays-Meehan bill is an incumbent protection bill. If I wanted to do one thing to help me the most as a candidate incumbent, I would vote for Shays-Meehan. It will guarantee that I will be in office as long as I wish to. Why? Because we have certain inherent advantages as incumbents that challengers do not have.

The bill violates, as was pointed out by the gentleman from Texas (Mr. DELAY), the tenth amendment, because it federalizes State election law. It violates the first amendment by abridging the freedom of speech. This bill is unconstitutional for those reasons.

It is undesirable. Even if it somehow were constitutional, it is undesirable. It limits political discourse.

What we need is the free interchange of ideas in elections. I find the biggest complaint my constituents have is they want more information. They are hungry for information. And bills like Shays-Meehan are going to cut off that information and they are going to turn over the power to the government czar. And we can trust the government, right?

This bill is also unworkable. Let us suppose for a minute somehow it met the constitutional test; somehow we could, in the remotest way, consider it desirable as opposed to undesirable. It is unworkable. For 25 years we have had their disastrous approach to campaigns. It has utterly failed. And the more they regulate, the worse it gets. And instead of stepping back and figuring out maybe we have got the wrong approach here, maybe regulation is not the answer, no, we have a plethora of bills that want to add to the problem. More regulations, more restrictions, more heavy hand of government.

Freedom works, Mr. Chairman. And this is a very key debate in this House, and we will take this up. Freedom works. We all know what the founders meant when they said Congress shall make no law abridging the freedom of speech. I urge my colleagues to oppose Shays-Meehan and to support concepts of freedom that have made us the greatest and the freest country in the history of the world.

Mr. MEEHAN. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, as we begin this debate, one of the difficulties that we face is trying to deal with so much information that comes to the floor of the House about the Shays-Meehan proposal. I had mentioned earlier that there was a quote up here from the gentleman from Massachusetts (Mr. FRANK) and the gentleman from Missouri (Mr. GEPHARDT). There was a quote made on February 7, 1997, and there were correlations made by a number of speakers that this statement was made, and it is in conflict with the Shays-Meehan bill that we are dealing with today. The Shays-Meehan bill that we are dealing with today was not even filed until March 19, 1998.

Now, there have been other statements made about limits in spending not being constitutional. But I want to make it very clear that the first amendment implications of spending limits does not even apply to this debate because the Shays-Meehan bill does not include spending limits.

Now, the previous speaker made some comments about problems with our campaign finance system. He must believe that there are problems, because there have been millions of dollars spent investigating those problems and bringing up those problems. But when this campaign finance reform passed, after Watergate, in the 1976 Presidential election there were zero dollars spent of soft money.

And then it increased to about $19 million the next year, and then it increased from there, and it increased from there, and now we have hundreds of millions of dollars in soft money being spent, circumventing the disclosure laws and the limits that have been in effect since that time.

So this is not a problem that we have had for the last 25 years with regard to soft money. It is a problem that has grown over a period of the last 25 years.

Mr. Chairman, there has been a debate about issue ads. Opponents of campaign finance reform tell us that we must protect free speech. But when they say free speech, they mean big money. The fact is that the Shays-Meehan bill does not ban any type of communication. It merely reins in those campaign advertisements that have been masquerading as so-called issue advocacy. And according to the Supreme Court, communications that expressly advocate the election or defeat

of a clearly identified candidate can be subject to regulation.

There is a lot of misinformation on the floor of this House relative to what this bill does with labor. The United States Supreme Court made a decision stating that workers cannot be forced to pay for political advertisements. Nonunion employees who pay for union representation do not have to finance political union activities.

This bill includes a codification of Beck. It is a compromise that was reached between Democrats and Republicans. So this talk about this bill not dealing with unions simply is not so.

This bill improves FEC disclosure and enforcement. This bill has franking provisions to limit franking to 6 months before an election. This bill has foreign money and fund-raising on government money provisions.

It is a good strong piece of legislation that is the result not of partisanship, not of attempts to divide Democrats and Republicans, but rather an attempt to bring Democrats and Republicans together. Not only Democrats and Republicans in the House, but Democrats and Republicans in the other body.

We have a unique opportunity to change history and pass historic campaign finance reform. Let us vote for Shays-Meehan.

Mr. SHAYS. Mr. Chairman, I yield 1½ minutes to the gentleman from Iowa (Mr. LEACH). He has been the leader on campaign finance reform over his term in Congress.

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

Mr. LEACH. Mr. Chairman, first I want to reflect great respect for the gentleman from Connecticut (Mr. SHAYS) and the gentleman from Massachusetts (Mr. MEEHAN) for their leadership on this issue.

Secondly, let me just say that over my time in the United States Congress we have seen a number of changes that have occurred in the American political system. One that has become ever apparent is that as the political system becomes more and more hallmarked by the need for financing, candidates become increasingly tied to those who make the largest campaign contributions. The system is in need of reform.

One aspect of this relates to an old-fashioned word used in the 19th century, not much in the 20th, and that is the word ''oligarchy.'' As systems of governance become based upon a few influencing the many, they are called oligarchies and they are not democracies.

Democracy is what is at issue today.

The second trend that is extraordinary is that our Founding Fathers thought of a system of governance in which people would be elected from various parts of the country and bring to Washington the background of that part of the country. But as campaign giving is nationalized, attitudes are nationalized, and what we are seeing is the nationalization of elections. Instead of people becoming first and foremost accountable to the people in their districts, they are becoming first and foremost accountable to the people that influence the people in their districts.

Shays-Meehan, in my judgment, represents a first small but substantive step to put the people back in power.

Mr. SHAYS. Mr. Chairman, may I ask how much time I have remaining?

The CHAIRMAN pro tempore (Mr. DICKEY). The gentleman from Connecticut (Mr. SHAYS) has 2¼ minutes remaining.

Mr. SHAYS. Mr. Chairman, I yield myself the balance of my time.

This is the beginning of, I think, a fairly long and comprehensive debate, and I would first thank my colleagues on both sides of the aisle for the integrity with which they present their views, but to say, with no reluctance at all, that it is clear to me that the Meehan-Shays proposal will have to deal with a lot of misinformation about it.

For instance, it was stated, we do not allow scorecards. We specifically provide that scorecards are allowed. It says we do not deal with labor dues money. We deal with it in two ways: codification of Beck, and calling the ''sham issue'' ads what they are: ''campaign'' ads. By doing this we forbid corporate and union dues money to be used 60 days to an election in the campaign, because it is against the law to use corporate or labor money in an election.

When oppoents talk about federalizing State elections, that is just bogus. All we do is say we cannot raise soft money on the Federal and State levels for Federal elections.

When opponents talk about a gag rule, that also is bogus. We provide that third parties can spend what they will. That is the Supreme Court's decision. But when it is a campaign ad, it comes under the campaign law. We have freedom of speech under the campaign law.

I hope and pray that during the course of this debate, we will get down to what is in the bill and what is not, and we can truly argue those disagreements. But most of the complaints we have heard were not technicalities or little complaints, they were just misinformation about the bill.

I again want to thank my colleague the gentleman from Massachusetts (Mr. MARTY MEEHAN) and so many on his side of the aisle for taking a very strong position on campaign finance reform, and I encourage all to vote for the Meehan-Shays substitute.

Mr. Chairman, I yield back the balance of my time; and, Mr. Chairman, do I need to ask to move the amendment at this time?

The CHAIRMAN pro tempore. The gentleman may offer the amendment.

AMENDMENT NO. 13 IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. SHAYS

Mr. SHAYS. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment No. 13 in the nature of a substitute offered by Mr. SHAYS:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Bipartisan Campaign Reform Act of 1998''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—REDUCTION OF SPECIAL INTEREST INFLUENCE

Sec. 101. Soft money of political parties.
Sec. 102. Increased contribution limits for State committees of political parties and aggregate contribution limit for individuals.
Sec. 103. Reporting requirements.

TITLE II—INDEPENDENT AND COORDINATED EXPENDITURES

Sec. 201. Definitions.
Sec. 202. Civil penalty.
Sec. 203. Reporting requirements for certain independent expenditures.
Sec. 204. Independent versus coordinated expenditures by party.
Sec. 205. Coordination with candidates.

TITLE III—DISCLOSURE

Sec. 301. Filing of reports using computers and facsimile machines.
Sec. 302. Prohibition of deposit of contributions with incomplete contributor information.
Sec. 303. Audits.
Sec. 304. Reporting requirements for contributions of $50 or more.
Sec. 305. Use of candidates' names.
Sec. 306. Prohibition of false representation to solicit contributions.
Sec. 307. Soft money of persons other than political parties.
Sec. 308. Campaign advertising.

TITLE IV—PERSONAL WEALTH OPTION

Sec. 401. Voluntary personal funds expenditure limit.
Sec. 402. Political party committee coordinated expenditures.

TITLE V—MISCELLANEOUS

Sec. 501. Codification of Beck decision.
Sec. 502. Use of contributed amounts for certain purposes.
Sec. 503. Limit on congressional use of the franking privilege.
Sec. 504. Prohibition of fundraising on Federal property.
Sec. 505. Penalties for knowing and willful violations.
Sec. 506. Strengthening foreign money ban.
Sec. 507. Prohibition of contributions by minors.
Sec. 508. Expedited procedures.
Sec. 509. Initiation of enforcement proceeding.

TITLE VI—SEVERABILITY; CONSTITUTIONALITY; EFFECTIVE DATE; REGULATIONS

Sec. 601. Severability.
Sec. 602. Review of constitutional issues.
Sec. 603. Effective date.
Sec. 604. Regulations.

TITLE I—REDUCTION OF SPECIAL INTEREST INFLUENCE

SEC. 101. SOFT MONEY OF POLITICAL PARTIES.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following:

''SEC. 323. SOFT MONEY OF POLITICAL PARTIES.

''(a) NATIONAL COMMITTEES.—

''(1) IN GENERAL.—A national committee of a political party (including a national congressional campaign committee of a political party) and any officers or agents of such party committees, shall not solicit, receive, or direct to another person a contribution, donation, or transfer of funds, or spend any funds, that are not subject to the limitations, prohibitions, and reporting requirements of this Act.

''(2) APPLICABILITY.—This subsection shall apply to an entity that is directly or indirectly established, financed, maintained, or controlled by a national committee of a political party (including a national congressional campaign committee of a political party), or an entity acting on behalf of a national committee, and an officer or agent acting on behalf of any such committee or entity.

''(b) STATE, DISTRICT, AND LOCAL COMMITTEES.—

''(1) IN GENERAL.—An amount that is expended or disbursed by a State, district, or local committee of a political party (including an entity that is directly or indirectly established, financed, maintained, or controlled by a State, district, or local committee of a political party and an officer or agent acting on behalf of such committee or entity) for Federal election activity shall be made from funds subject to the limitations, prohibitions, and reporting requirements of this Act.

''(2) FEDERAL ELECTION ACTIVITY.—

''(A) IN GENERAL.—The term 'Federal election activity' means—

''(i) voter registration activity during the period that begins on the date that is 120 days before the date a regularly scheduled Federal election is held and ends on the date of the election;

''(ii) voter identification, get-out-the-vote activity, or generic campaign activity conducted in connection with an election in which a candidate for Federal office appears on the ballot (regardless of whether a candidate for State or local office also appears on the ballot); and

''(iii) a communication that refers to a clearly identified candidate for Federal office (regardless of whether a candidate for State or local office is also mentioned or identified) and is made for the purpose of influencing a Federal election (regardless of whether the communication is express advocacy).

''(B) EXCLUDED ACTIVITY.—The term 'Federal election activity' does not include an amount expended or disbursed by a State, district, or local committee of a political party for—

''(i) campaign activity conducted solely on behalf of a clearly identified candidate for State or local office, provided the campaign activity is not a Federal election activity described in subparagraph (A);

''(ii) a contribution to a candidate for State or local office, provided the contribution is not designated or used to pay for a Federal election activity described in subparagraph (A);

''(iii) the costs of a State, district, or local political convention;

''(iv) the costs of grassroots campaign materials, including buttons, bumper stickers, and yard signs, that name or depict only a candidate for State or local office;

''(v) the non-Federal share of a State, district, or local party committee's administrative and overhead expenses (but not including the compensation in any month of an individual who spends more than 20 percent of the individual's time on Federal election activity) as determined by a regulation promulgated by the Commission to determine the non-Federal share of a State, district, or local party committee's administrative and overhead expenses; and

''(vi) the cost of constructing or purchasing an office facility or equipment for a State, district or local committee.

''(c) FUNDRAISING COSTS.—An amount spent by a national, State, district, or local committee of a political party, by an entity that is established, financed, maintained, or controlled by a national, State, district, or local committee of a political party, or by an agent or officer of any such committee or entity, to raise funds that are used, in whole or in part, to pay the costs of a Federal election activity shall be made from funds subject to the limitations, prohibitions, and reporting requirements of this Act.

''(d) TAX-EXEMPT ORGANIZATIONS.—A national, State, district, or local committee of a political party (including a national congressional campaign committee of a political party, an entity that is directly or indirectly established, financed, maintained, or controlled by any such national, State, district, or local committee or its agent, an agent acting on behalf of any such party committee, and an officer or agent acting on behalf of any such party committee or entity), shall not solicit any funds for, or make or direct any donations to, an organization that is described in section 501(c) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code (or has submitted an application to the Commissioner of the Internal Revenue Service for determination of tax-exemption under such section).

''(e) CANDIDATES.—

''(1) IN GENERAL.—A candidate, individual holding Federal office, or agent of a candidate or individual holding Federal office shall not solicit, receive, direct, transfer, or spend funds for a Federal election activity on behalf of such candidate, individual, agent or any other person, unless the funds are subject to the limitations, prohibitions, and reporting requirements of this Act.

''(2) STATE LAW.—Paragraph (1) does not apply to the solicitation or receipt of funds by an individual who is a candidate for a State or local office if the solicitation or receipt of funds is permitted under State law for any activity other than a Federal election activity.

''(3) FUNDRAISING EVENTS.—Paragraph (1) does not apply in the case of a candidate who attends, speaks, or is a featured guest at a fundraising event sponsored by a State, district, or local committee of a political party.''.

SEC. 102. INCREASED CONTRIBUTION LIMITS FOR STATE COMMITTEES OF POLITICAL PARTIES AND AGGREGATE CONTRIBUTION LIMIT FOR INDIVIDUALS.

(a) CONTRIBUTION LIMIT FOR STATE COMMITTEES OF POLITICAL PARTIES.—Section 315(a)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)) is amended—

(1) in subparagraph (B), by striking ''or'' at the end;

(2) in subparagraph (C)—

(A) by inserting ''(other than a committee described in subparagraph (D))'' after ''committee''; and

(B) by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(D) to a political committee established and maintained by a State committee of a political party in any calendar year that, in the aggregate, exceed $10,000''.

(b) AGGREGATE CONTRIBUTION LIMIT FOR INDIVIDUAL.—Section 315(a)(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(3)) is amended by striking ''$25,000'' and inserting ''$30,000''.

SEC. 103. REPORTING REQUIREMENTS.

(a) REPORTING REQUIREMENTS.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) (as amended by section 203) is amended by inserting after subsection (d) the following:

''(e) POLITICAL COMMITTEES.—

''(1) NATIONAL AND CONGRESSIONAL POLITICAL COMMITTEES.—The national committee of a political party, any national congressional campaign committee of a political party, and any subordinate committee of either, shall report all receipts and disbursements during the reporting period.

''(2) OTHER POLITICAL COMMITTEES TO WHICH SECTION 323 APPLIES.—A political committee (not described in paragraph (1)) to which section 323(b)(1) applies shall report all receipts and disbursements made for activities described in paragraphs (2)(A) and (3)(B)(v) of section 323(b).

''(3) ITEMIZATION.—If a political committee has receipts or disbursements to which this subsection applies from any person aggregating in excess of $200 for any calendar year, the political committee shall separately itemize its reporting for such person in the same manner as required in paragraphs (3)(A), (5), and (6) of subsection (b).

''(4) REPORTING PERIODS.—Reports required to be filed under this subsection shall be filed for the same time periods required for political committees under subsection (a).''.

(b) BUILDING FUND EXCEPTION TO THE DEFINITION OF CONTRIBUTION.—Section 301(8)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(B)) is amended—

(1) by striking clause (viii); and

(2) by redesignating clauses (ix) through (xiv) as clauses (viii) through (xiii), respectively.

TITLE II—INDEPENDENT AND COORDINATED EXPENDITURES

SEC. 201. DEFINITIONS.

(a) DEFINITION OF INDEPENDENT EXPENDITURE.—Section 301 of the Federal Election Campaign Act (2 U.S.C. 431) is amended by striking paragraph (17) and inserting the following:

''(17) INDEPENDENT EXPENDITURE.—

''(A) IN GENERAL.—The term 'independent expenditure' means an expenditure by a person—

''(i) for a communication that is express advocacy; and

''(ii) that is not provided in coordination with a candidate or a candidate's agent or a person who is coordinating with a candidate or a candidate's agent.''.

(b) DEFINITION OF EXPRESS ADVOCACY.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by adding at the end the following:

''(20) EXPRESS ADVOCACY.—

''(A) IN GENERAL.—The term 'express advocacy' means a communication that advocates the election or defeat of a candidate by—

''(i) containing a phrase such as 'vote for', 're-elect', 'support', 'cast your ballot for', '(name of candidate) for Congress', '(name of candidate) in 1997', 'vote against', 'defeat', 'reject', or a campaign slogan or words that in context can have no reasonable meaning other than to advocate the election or defeat of 1 or more clearly identified candidates;

''(ii) referring to 1 or more clearly identified candidates in a paid advertisement that is transmitted through radio or television within 60 calendar days preceding the date of an election of the candidate and that appears in the State in which the election is occurring, except that with respect to a candidate for the office of Vice President or President, the time period is within 60 calendar days preceding the date of a general election; or

''(iii) expressing unmistakable and unambiguous support for or opposition to 1 or more clearly identified candidates when taken as a whole and with limited reference

to external events, such as proximity to an election.

''(B) VOTING RECORD AND VOTING GUIDE EXCEPTION.—The term 'express advocacy' does not include a printed communication that—

''(i) presents information in an educational manner solely about the voting record or position on a campaign issue of 2 or more candidates;

''(ii) that is not made in coordination with a candidate, political party, or agent of the candidate or party; or a candidate's agent or a person who is coordinating with a candidate or a candidate's agent;

''(iii) does not contain a phrase such as 'vote for', 're-elect', 'support', 'cast your ballot for', '(name of candidate) for Congress', '(name of candidate) in 1997', 'vote against', 'defeat', or 'reject', or a campaign slogan or words that in context can have no reasonable meaning other than to urge the election or defeat of 1 or more clearly identified candidates.''.

(c) DEFINITION OF EXPENDITURE.—Section 301(9)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(9)(A)) is amended—

(1) in clause (i), by striking ''and'' at the end;

(2) in clause (ii), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(iii) a payment for a communication that is express advocacy; and

''(iv) a payment made by a person for a communication that—

''(I) refers to a clearly identified candidate;

''(II) is provided in coordination with the candidate, the candidate's agent, or the political party of the candidate; and

''(III) is for the purpose of influencing a Federal election (regardless of whether the communication is express advocacy).''.

SEC. 202. CIVIL PENALTY.

Section 309 of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g) is amended—

(1) in subsection (a)—

(A) in paragraph (4)(A)—

(i) in clause (i), by striking ''clause (ii)'' and inserting ''clauses (ii) and (iii)''; and

(ii) by adding at the end the following:

''(iii) If the Commission determines by an affirmative vote of 4 of its members that there is probable cause to believe that a person has made a knowing and willful violation of section 304(c), the Commission shall not enter into a conciliation agreement under this paragraph and may institute a civil action for relief under paragraph (6)(A).''; and

(B) in paragraph (6)(B), by inserting ''(except an action instituted in connection with a knowing and willful violation of section 304(c))'' after ''subparagraph (A)''; and

(2) in subsection (d)(1)—

(A) in subparagraph (A), by striking ''Any person'' and inserting ''Except as provided in subparagraph (D), any person''; and

(B) by adding at the end the following:

''(D) In the case of a knowing and willful violation of section 304(c) that involves the reporting of an independent expenditure, the violation shall not be subject to this subsection.''.

SEC. 203. REPORTING REQUIREMENTS FOR CERTAIN INDEPENDENT EXPENDITURES.

Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) is amended—

(1) in subsection (c)(2), by striking the undesignated matter after subparagraph (C);

(2) by redesignating paragraph (3) of subsection (c) as subsection (f); and

(3) by inserting after subsection (c)(2) (as amended by paragraph (1)) the following:

''(d) TIME FOR REPORTING CERTAIN EXPENDITURES.—

''(1) EXPENDITURES AGGREGATING $1,000.—

''(A) INITIAL REPORT.—A person (including a political committee) that makes or contracts to make independent expenditures aggregating $1,000 or more after the 20th day, but more than 24 hours, before the date of an election shall file a report describing the expenditures within 24 hours after that amount of independent expenditures has been made.

''(B) ADDITIONAL REPORTS.—After a person files a report under subparagraph (A), the person shall file an additional report within 24 hours after each time the person makes or contracts to make independent expenditures aggregating an additional $1,000 with respect to the same election as that to which the initial report relates.

''(2) EXPENDITURES AGGREGATING $10,000.—

''(A) INITIAL REPORT.—A person (including a political committee) that makes or contracts to make independent expenditures aggregating $10,000 or more at any time up to and including the 20th day before the date of an election shall file a report describing the expenditures within 48 hours after that amount of independent expenditures has been made.

''(B) ADDITIONAL REPORTS.—After a person files a report under subparagraph (A), the person shall file an additional report within 48 hours after each time the person makes or contracts to make independent expenditures aggregating an additional $10,000 with respect to the same election as that to which the initial report relates.

''(3) PLACE OF FILING; CONTENTS.—A report under this subsection—

''(A) shall be filed with the Commission; and

''(B) shall contain the information required by subsection (b)(6)(B)(iii), including the name of each candidate whom an expenditure is intended to support or oppose.''.

SEC. 204. INDEPENDENT VERSUS COORDINATED EXPENDITURES BY PARTY.

Section 315(d) of the Federal Election Campaign Act (2 U.S.C. 441a(d)) is amended—

(1) in paragraph (1), by striking ''and (3)'' and inserting '', (3), and (4)''; and

(2) by adding at the end the following:

''(4) INDEPENDENT VERSUS COORDINATED EXPENDITURES BY PARTY.—

''(A) IN GENERAL.—On or after the date on which a political party nominates a candidate, a committee of the political party shall not make both expenditures under this subsection and independent expenditures (as defined in section 301(17)) with respect to the candidate during the election cycle.

''(B) CERTIFICATION.—Before making a coordinated expenditure under this subsection with respect to a candidate, a committee of a political party shall file with the Commission a certification, signed by the treasurer of the committee, that the committee has not and shall not make any independent expenditure with respect to the candidate during the same election cycle.

''(C) APPLICATION.—For the purposes of this paragraph, all political committees established and maintained by a national political party (including all congressional campaign committees) and all political committees established and maintained by a State political party (including any subordinate committee of a State committee) shall be considered to be a single political committee.

''(D) TRANSFERS.—A committee of a political party that submits a certification under subparagraph (B) with respect to a candidate shall not, during an election cycle, transfer any funds to, assign authority to make coordinated expenditures under this subsection to, or receive a transfer of funds from, a committee of the political party that has made or intends to make an independent expenditure with respect to the candidate.''.

SEC. 205. COORDINATION WITH CANDIDATES.

(a) DEFINITION OF COORDINATION WITH CANDIDATES.—

(1) SECTION 301(8).—Section 301(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)) is amended—

(A) in subparagraph (A)—

(i) by striking ''or'' at the end of clause (i);

(ii) by striking the period at the end of clause (ii) and inserting ''; or''; and

(iii) by adding at the end the following:

''(iii) anything of value provided by a person in coordination with a candidate for the purpose of influencing a Federal election, regardless of whether the value being provided is a communication that is express advocacy, in which such candidate seeks nomination or election to Federal office.''; and

(B) by adding at the end the following:

''(C) The term 'provided in coordination with a candidate' includes—

''(i) a payment made by a person in cooperation, consultation, or concert with, at the request or suggestion of, or pursuant to any general or particular understanding with a candidate, the candidate's authorized committee, or an agent acting on behalf of a candidate or authorized committee;

''(ii) a payment made by a person for the production, dissemination, distribution, or republication, in whole or in part, of any broadcast or any written, graphic, or other form of campaign material prepared by a candidate, a candidate's authorized committee, or an agent of a candidate or authorized committee (not including a communication described in paragraph (9)(B)(i) or a communication that expressly advocates the candidate's defeat);

''(iii) a payment made by a person based on information about a candidate's plans, projects, or needs provided to the person making the payment by the candidate or the candidate's agent who provides the information with the intent that the payment be made;

''(iv) a payment made by a person if, in the same election cycle in which the payment is made, the person making the payment is serving or has served as a member, employee, fundraiser, or agent of the candidate's authorized committee in an executive or policymaking position;

''(v) a payment made by a person if the person making the payment has served in any formal policy making or advisory position with the candidate's campaign or has participated in formal strategic or formal policymaking discussions with the candidate's campaign relating to the candidate's pursuit of nomination for election, or election, to Federal office, in the same election cycle as the election cycle in which the payment is made;

''(vi) a payment made by a person if, in the same election cycle, the person making the payment retains the professional services of any person that has provided or is providing campaign-related services in the same election cycle to a candidate in connection with the candidate's pursuit of nomination for election, or election, to Federal office, including services relating to the candidate's decision to seek Federal office, and the person retained is retained to work on activities relating to that candidate's campaign;

''(vii) a payment made by a person who has engaged in a coordinated activity with a candidate described in clauses (i) through (vi) for a communication that clearly refers to the candidate and is for the purpose of influencing an election (regardless of whether the communication is express advocacy);

''(viii) direct participation by a person in fundraising activities with the candidate or in the solicitation or receipt of contributions on behalf of the candidate;

''(ix) communication by a person with the candidate or an agent of the candidate, occurring after the declaration of candidacy

(including a pollster, media consultant, vendor, advisor, or staff member), acting on behalf of the candidate, about advertising message, allocation of resources, fundraising, or other campaign matters related to the candidate's campaign, including campaign operations, staffing, tactics, or strategy; or

''(x) the provision of in-kind professional services or polling data to the candidate or candidate's agent.

''(D) For purposes of subparagraph (C), the term 'professional services' includes services in support of a candidate's pursuit of nomination for election, or election, to Federal office such as polling, media advice, direct mail, fundraising, or campaign research.

''(E) For purposes of subparagraph (C), all political committees established and maintained by a national political party (including all congressional campaign committees) and all political committees established and maintained by a State political party (including any subordinate committee of a State committee) shall be considered to be a single political committee.''.

(2) SECTION 315(a)(7).—Section 315(a)(7) (2 U.S.C. 441a(a)(7)) is amended by striking subparagraph (B) and inserting the following:

''(B) a thing of value provided in coordination with a candidate, as described in section 301(8)(A)(iii), shall be considered to be a contribution to the candidate, and in the case of a limitation on expenditures, shall be treated as an expenditure by the candidate.

(b) MEANING OF CONTRIBUTION OR EXPENDITURE FOR THE PURPOSES OF SECTION 316.—Section 316(b)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)) is amended by striking ''shall include'' and inserting ''includes a contribution or expenditure, as those terms are defined in section 301, and also includes''.

TITLE III—DISCLOSURE

SEC. 301. FILING OF REPORTS USING COMPUTERS AND FACSIMILE MACHINES.

Section 302(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)) is amended by striking paragraph (11) and inserting the following:

''(11)(A) The Commission shall promulgate a regulation under which a person required to file a designation, statement, or report under this Act—

''(i) is required to maintain and file a designation, statement, or report for any calendar year in electronic form accessible by computers if the person has, or has reason to expect to have, aggregate contributions or expenditures in excess of a threshold amount determined by the Commission; and

''(ii) may maintain and file a designation, statement, or report in electronic form or an alternative form, including the use of a facsimile machine, if not required to do so under the regulation promulgated under clause (i).

''(B) The Commission shall make a designation, statement, report, or notification that is filed electronically with the Commission accessible to the public on the Internet not later than 24 hours after the designation, statement, report, or notification is received by the Commission.

''(C) In promulgating a regulation under this paragraph, the Commission shall provide methods (other than requiring a signature on the document being filed) for verifying designations, statements, and reports covered by the regulation. Any document verified under any of the methods shall be treated for all purposes (including penalties for perjury) in the same manner as a document verified by signature.''.

SEC. 302. PROHIBITION OF DEPOSIT OF CONTRIBUTIONS WITH INCOMPLETE CONTRIBUTOR INFORMATION.

Section 302 of Federal Election Campaign Act of 1971 (2 U.S.C. 432) is amended by adding at the end the following:

''(j) DEPOSIT OF CONTRIBUTIONS.—The treasurer of a candidate's authorized committee shall not deposit, except in an escrow account, or otherwise negotiate a contribution from a person who makes an aggregate amount of contributions in excess of $200 during a calendar year unless the treasurer verifies that the information required by this section with respect to the contributor is complete.''.

SEC. 303. AUDITS.

(a) RANDOM AUDITS.—Section 311(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(b)) is amended—

(1) by inserting ''(1) IN GENERAL.—'' before ''The Commission''; and

(2) by adding at the end the following:

''(2) RANDOM AUDITS.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), the Commission may conduct random audits and investigations to ensure voluntary compliance with this Act. The selection of any candidate for a random audit or investigation shall be based on criteria adopted by a vote of at least 4 members of the Commission.

''(B) LIMITATION.—The Commission shall not conduct an audit or investigation of a candidate's authorized committee under subparagraph (A) until the candidate is no longer a candidate for the office sought by the candidate in an election cycle.

''(C) APPLICABILITY.—This paragraph does not apply to an authorized committee of a candidate for President or Vice President subject to audit under section 9007 or 9038 of the Internal Revenue Code of 1986.''.

(b) EXTENSION OF PERIOD DURING WHICH CAMPAIGN AUDITS MAY BE BEGUN.—Section 311(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(b)) is amended by striking ''6 months'' and inserting ''12 months''.

SEC. 304. REPORTING REQUIREMENTS FOR CONTRIBUTIONS OF $50 OR MORE.

Section 304(b)(3)(A) of the Federal Election Campaign Act at 1971 (2 U.S.C. 434(b)(3)(A) is amended—

(1) by striking ''$200'' and inserting ''$50''; and

(2) by striking the semicolon and inserting '', except that in the case of a person who makes contributions aggregating at least $50 but not more than $200 during the calendar year, the identification need include only the name and address of the person;''.

SEC. 305. USE OF CANDIDATES' NAMES.

Section 302(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(e)) is amended by striking paragraph (4) and inserting the following:

''(4)(A) The name of each authorized committee shall include the name of the candidate who authorized the committee under paragraph (1).

''(B) A political committee that is not an authorized committee shall not—

''(i) include the name of any candidate in its name; or

''(ii) except in the case of a national, State, or local party committee, use the name of any candidate in any activity on behalf of the committee in such a context as to suggest that the committee is an authorized committee of the candidate or that the use of the candidate's name has been authorized by the candidate.''.

SEC. 306. PROHIBITION OF FALSE REPRESENTATION TO SOLICIT CONTRIBUTIONS.

Section 322 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441h) is amended—

(1) by inserting after ''SEC. 322.'' the following: ''(a) IN GENERAL.—''; and

(2) by adding at the end the following:

''(b) SOLICITATION OF CONTRIBUTIONS.—No person shall solicit contributions by falsely representing himself or herself as a candidate or as a representative of a candidate, a political committee, or a political party.''.

SEC. 307. SOFT MONEY OF PERSONS OTHER THAN POLITICAL PARTIES.

(a) IN GENERAL.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) (as amended by section 103(c) and section 203) is amended by adding at the end the following:

''(g) DISBURSEMENTS OF PERSONS OTHER THAN POLITICAL PARTIES.—

''(1) IN GENERAL.—A person, other than a political committee or a person described in section 501(d) of the Internal Revenue Code of 1986, that makes an aggregate amount of disbursements in excess of $50,000 during a calendar year for activities described in paragraph (2) shall file a statement with the Commission—

''(A) on a monthly basis as described in subsection (a)(4)(B); or

''(B) in the case of disbursements that are made within 20 days of an election, within 24 hours after the disbursements are made.

''(2) ACTIVITY.—The activity described in this paragraph is—

''(A) Federal election activity;

''(B) an activity described in section 316(b)(2)(A) that expresses support for or opposition to a candidate for Federal office or a political party; and

''(C) an activity described in subparagraph (C) of section 316(b)(2).

''(3) APPLICABILITY.—This subsection does not apply to—

''(A) a candidate or a candidate's authorized committees; or

''(B) an independent expenditure.

''(4) CONTENTS.—A statement under this section shall contain such information about the disbursements made during the reporting period as the Commission shall prescribe, including—

''(A) the aggregate amount of disbursements made;

''(B) the name and address of the person or entity to whom a disbursement is made in an aggregate amount in excess of $200;

''(C) the date made, amount, and purpose of the disbursement; and

''(D) if applicable, whether the disbursement was in support of, or in opposition to, a candidate or a political party, and the name of the candidate or the political party.''.

(b) DEFINITION OF GENERIC CAMPAIGN ACTIVITY.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) (as amended by section 201(b)) is further amended by adding at the end the following:

''(21) GENERIC CAMPAIGN ACTIVITY.—The term 'generic campaign activity' means an activity that promotes a political party and does not promote a candidate or non-Federal candidate.''.

SEC. 308. CAMPAIGN ADVERTISING.

Section 318 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441d) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1)—

(i) by striking ''Whenever'' and inserting ''Whenever a political committee makes a disbursement for the purpose of financing any communication through any broadcasting station, newspaper, magazine, outdoor advertising facility, mailing, or any other type of general public political advertising, or whenever'';

(ii) by striking ''an expenditure'' and inserting ''a disbursement''; and

(iii) by striking ''direct''; and

(B) in paragraph (3), by inserting ''and permanent street address'' after ''name''; and

(2) by adding at the end the following:

''(c) Any printed communication described in subsection (a) shall—

''(1) be of sufficient type size to be clearly readable by the recipient of the communication;

''(2) be contained in a printed box set apart from the other contents of the communication; and

''(3) be printed with a reasonable degree of color contrast between the background and the printed statement.

''(d)(1) Any communication described in paragraphs (1) or (2) of subsection (a) which is transmitted through radio or television shall include, in addition to the requirements of that paragraph, an audio statement by the candidate that identifies the candidate and states that the candidate has approved the communication.

''(2) If a communication described in paragraph (1) is transmitted through television, the communication shall include, in addition to the audio statement under paragraph (1), a written statement that—

''(A) appears at the end of the communication in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds; and

''(B) is accompanied by a clearly identifiable photographic or similar image of the candidate.

''(e) Any communication described in paragraph (3) of subsection (a) which is transmitted through radio or television shall include, in addition to the requirements of that paragraph, in a clearly spoken manner, the following statement: '_____ is responsible for the content of this advertisement.' (with the blank to be filled in with the name of the political committee or other person paying for the communication and the name of any connected organization of the payor). If transmitted through television, the statement shall also appear in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds.''.

TITLE IV—PERSONAL WEALTH OPTION

SEC. 401. VOLUNTARY PERSONAL FUNDS EXPENDITURE LIMIT.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) (as amended by section 101) is amended by adding at the end the following:

''SEC. 324. VOLUNTARY PERSONAL FUNDS EXPENDITURE LIMIT.

''(a) ELIGIBLE CONGRESSIONAL CANDIDATE.—

''(1) PRIMARY ELECTION.—

''(A) DECLARATION.—A candidate for election for Senator or Representative in or Delegate or Resident Commissioner to the Congress is an eligible primary election Congressional candidate if the candidate files with the Commission a declaration that the candidate and the candidate's authorized committees will not make expenditures in excess of the personal funds expenditure limit.

''(B) TIME TO FILE.—The declaration under subparagraph (A) shall be filed not later than the date on which the candidate files with the appropriate State officer as a candidate for the primary election.

''(2) GENERAL ELECTION.—

''(A) DECLARATION.—A candidate for election for Senator or Representative in or Delegate or Resident Commissioner to the Congress is an eligible general election Congressional candidate if the candidate files with the Commission—

''(i) a declaration under penalty of perjury, with supporting documentation as required by the Commission, that the candidate and the candidate's authorized committees did not exceed the personal funds expenditure limit in connection with the primary election; and

''(ii) a declaration that the candidate and the candidate's authorized committees will not make expenditures in excess of the personal funds expenditure limit.

''(B) TIME TO FILE.—The declaration under subparagraph (A) shall be filed not later than 7 days after the earlier of—

''(i) the date on which the candidate qualifies for the general election ballot under State law; or

''(ii) if under State law, a primary or runoff election to qualify for the general election ballot occurs after September 1, the date on which the candidate wins the primary or runoff election.

''(b) PERSONAL FUNDS EXPENDITURE LIMIT.—

''(1) IN GENERAL.—The aggregate amount of expenditures that may be made in connection with an election by an eligible Congressional candidate or the candidate's authorized committees from the sources described in paragraph (2) shall not exceed $50,000.

''(2) SOURCES.—A source is described in this paragraph if the source is—

''(A) personal funds of the candidate and members of the candidate's immediate family; or

''(B) proceeds of indebtedness incurred by the candidate or a member of the candidate's immediate family.

''(c) CERTIFICATION BY THE COMMISSION.—

''(1) IN GENERAL.—The Commission shall determine whether a candidate has met the requirements of this section and, based on the determination, issue a certification stating whether the candidate is an eligible Congressional candidate.

''(2) TIME FOR CERTIFICATION.—Not later than 7 business days after a candidate files a declaration under paragraph (1) or (2) of subsection (a), the Commission shall certify whether the candidate is an eligible Congressional candidate.

''(3) REVOCATION.—The Commission shall revoke a certification under paragraph (1), based on information submitted in such form and manner as the Commission may require or on information that comes to the Commission by other means, if the Commission determines that a candidate violates the personal funds expenditure limit.

''(4) DETERMINATIONS BY COMMISSION.—A determination made by the Commission under this subsection shall be final, except to the extent that the determination is subject to examination and audit by the Commission and to judicial review.

''(d) PENALTY.—If the Commission revokes the certification of an eligible Congressional candidate—

''(1) the Commission shall notify the candidate of the revocation; and

''(2) the candidate and a candidate's authorized committees shall pay to the Commission an amount equal to the amount of expenditures made by a national committee of a political party or a State committee of a political party in connection with the general election campaign of the candidate under section 315(d).''.

SEC. 402. POLITICAL PARTY COMMITTEE COORDINATED EXPENDITURES.

Section 315(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(d)) (as amended by section 204) is amended by adding at the end the following:

''(5) This subsection does not apply to expenditures made in connection with the general election campaign of a candidate for Senator or Representative in or Delegate or Resident Commissioner to the Congress who is not an eligible Congressional candidate (as defined in section 324(a)).''.

TITLE V—MISCELLANEOUS

SEC. 501. CODIFICATION OF BECK DECISION.

Section 8 of the National Labor Relations Act (29 U.S.C. 158) is amended by adding at the end the following new subsection:

''(h) NONUNION MEMBER PAYMENTS TO LABOR ORGANIZATION.—

''(1) IN GENERAL.—It shall be an unfair labor practice for any labor organization which receives a payment from an employee pursuant to an agreement that requires employees who are not members of the organization to make payments to such organization in lieu of organization dues or fees not to establish and implement the objection procedure described in paragraph (2).

''(2) OBJECTION PROCEDURE.—The objection procedure required under paragraph (1) shall meet the following requirements:

''(A) The labor organization shall annually provide to employees who are covered by such agreement but are not members of the organization—

''(i) reasonable personal notice of the objection procedure, the employees eligible to invoke the procedure, and the time, place, and manner for filing an objection; and

''(ii) reasonable opportunity to file an objection to paying for organization expenditures supporting political activities unrelated to collective bargaining, including but not limited to the opportunity to file such objection by mail.

''(B) If an employee who is not a member of the labor organization files an objection under the procedure in subparagraph (A), such organization shall—

''(i) reduce the payments in lieu of organization dues or fees by such employee by an amount which reasonably reflects the ratio that the organization's expenditures supporting political activities unrelated to collective bargaining bears to such organization's total expenditures;

''(ii) provide such employee with a reasonable explanation of the organization's calculation of such reduction, including calculating the amount of organization expenditures supporting political activities unrelated to collective bargaining.

''(3) DEFINITION.—In this subsection, the term 'expenditures supporting political activities unrelated to collective bargaining' means expenditures in connection with a Federal, State, or local election or in connection with efforts to influence legislation unrelated to collective bargaining.''.

SEC. 502. USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by striking section 313 and inserting the following:

''SEC. 313. USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES.

''(a) PERMITTED USES.—A contribution accepted by a candidate, and any other amount received by an individual as support for activities of the individual as a holder of Federal office, may be used by the candidate or individual—

''(1) for expenditures in connection with the campaign for Federal office of the candidate or individual;

''(2) for ordinary and necessary expenses incurred in connection with duties of the individual as a holder of Federal office;

''(3) for contributions to an organization described in section 170(c) of the Internal Revenue Code of 1986; or

''(4) for transfers to a national, State, or local committee of a political party.

''(b) PROHIBITED USE.—

''(1) IN GENERAL.—A contribution or amount described in subsection (a) shall not be converted by any person to personal use.

''(2) CONVERSION.—For the purposes of paragraph (1), a contribution or amount

shall be considered to be converted to personal use if the contribution or amount is used to fulfill any commitment, obligation, or expense of a person that would exist irrespective of the candidate's election campaign or individual's duties as a holder of Federal officeholder, including—

''(A) a home mortgage, rent, or utility payment;

''(B) a clothing purchase;

''(C) a noncampaign-related automobile expense;

''(D) a country club membership;

''(E) a vacation or other noncampaign-related trip;

''(F) a household food item;

''(G) a tuition payment;

''(H) admission to a sporting event, concert, theater, or other form of entertainment not associated with an election campaign; and

''(I) dues, fees, and other payments to a health club or recreational facility.''.

SEC. 503. LIMIT ON CONGRESSIONAL USE OF THE FRANKING PRIVILEGE.

Section 3210(a)(6) of title 39, United States Code, is amended by striking subparagraph (A) and inserting the following:

''(A) A Member of Congress shall not mail any mass mailing as franked mail during the 180-day period which ends on the date of the general election for the office held by the Member or during the 90-day period which ends on the date of any primary election for that office, unless the Member has made a public announcement that the Member will not be a candidate for reelection during that year or for election to any other Federal office.''.

SEC. 504. PROHIBITION OF FUNDRAISING ON FEDERAL PROPERTY.

Section 607 of title 18, United States Code, is amended—

(1) by striking subsection (a) and inserting the following:

''(a) PROHIBITION.—

''(1) IN GENERAL.—It shall be unlawful for any person to solicit or receive a donation of money or other thing of value for a political committee or a candidate for Federal, State or local office from a person who is located in a room or building occupied in the discharge of official duties by an officer or employee of the United States. An individual who is an officer or employee of the Federal Government, including the President, Vice President, and Members of Congress, shall not solicit a donation of money or other thing of value for a political committee or candidate for Federal, State or local office, while in any room or building occupied in the discharge of official duties by an officer or employee of the United States, from any person.

''(2) PENALTY.—A person who violates this section shall be fined not more than $5,000, imprisoned more than 3 years, or both.''; and

(2) by inserting in subsection (b) after ''Congress'' ''or Executive Office of the President''.

SEC. 505. PENALTIES FOR KNOWING AND WILLFUL VIOLATIONS.

(a) INCREASED PENALTIES.—Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) is amended—

(1) in paragraphs (5)(A), (6)(A), and (6)(B), by striking ''$5,000'' and inserting ''$10,000''; and

(2) in paragraphs (5)(B) and (6)(C), by striking ''$10,000 or an amount equal to 200 percent'' and inserting ''$20,000 or an amount equal to 300 percent''.

(b) EQUITABLE REMEDIES.—Section 309(a)(5)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(5)) is amended by striking the period at the end and inserting '', and may include equitable remedies or penalties, including disgorgement of funds to the Treasury or community service requirements (including requirements to participate in public education programs).''.

(c) AUTOMATIC PENALTY FOR LATE FILING.—Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) is amended—

(1) by adding at the end the following:

''(13) PENALTY FOR LATE FILING.—

''(A) IN GENERAL.—

''(i) MONETARY PENALTIES.—The Commission shall establish a schedule of mandatory monetary penalties that shall be imposed by the Commission for failure to meet a time requirement for filing under section 304.

''(ii) REQUIRED FILING.—In addition to imposing a penalty, the Commission may require a report that has not been filed within the time requirements of section 304 to be filed by a specific date.

''(iii) PROCEDURE.—A penalty or filing requirement imposed under this paragraph shall not be subject to paragraph (1), (2), (3), (4), (5), or (12).

''(B) FILING AN EXCEPTION.—

''(i) TIME TO FILE.—A political committee shall have 30 days after the imposition of a penalty or filing requirement by the Commission under this paragraph in which to file an exception with the Commission.

''(ii) TIME FOR COMMISSION TO RULE.—Within 30 days after receiving an exception, the Commission shall make a determination that is a final agency action subject to exclusive review by the United States Court of Appeals for the District of Columbia Circuit under section 706 of title 5, United States Code, upon petition filed in that court by the political committee or treasurer that is the subject of the agency action, if the petition is filed within 30 days after the date of the Commission action for which review is sought.'';

(2) in paragraph (5)(D)—

(A) by inserting after the first sentence the following: ''In any case in which a penalty or filing requirement imposed on a political committee or treasurer under paragraph (13) has not been satisfied, the Commission may institute a civil action for enforcement under paragraph (6)(A).''; and

(B) by inserting before the period at the end of the last sentence the following: ''or has failed to pay a penalty or meet a filing requirement imposed under paragraph (13)''; and

(3) in paragraph (6)(A), by striking ''paragraph (4)(A)'' and inserting ''paragraph (4)(A) or (13)''.

SEC. 506. STRENGTHENING FOREIGN MONEY BAN.

Section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441e) is amended—

(1) by striking the heading and inserting the following: ''CONTRIBUTIONS AND DONATIONS BY FOREIGN NATIONALS''; and

(2) by striking subsection (a) and inserting the following:

''(a) PROHIBITION.—It shall be unlawful for—

''(1) a foreign national, directly or indirectly, to make—

''(A) a donation of money or other thing of value, or to promise expressly or impliedly to make a donation, in connection with a Federal, State, or local election to a political committee or a candidate for Federal office, or

''(B) a contribution or donation to a committee of a political party; or

''(2) a person to solicit, accept, or receive a contribution or donation described in paragraph (1)(A) from a foreign national.''.

SEC. 507. PROHIBITION OF CONTRIBUTIONS BY MINORS.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) (as amended by sections 101 and 401) is amended by adding at the end the following:

''SEC. 325. PROHIBITION OF CONTRIBUTIONS BY MINORS.

An individual who is 17 years old or younger shall not make a contribution to a candidate or a contribution or donation to a committee of a political party.''.

SEC. 508. EXPEDITED PROCEDURES.

(a) IN GENERAL.—Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) (as amended by section 505(c)) is amended by adding at the end the following:

''(14)(A) If the complaint in a proceeding was filed within 60 days preceding the date of a general election, the Commission may take action described in this subparagraph.

''(B) If the Commission determines, on the basis of facts alleged in the complaint and other facts available to the Commission, that there is clear and convincing evidence that a violation of this Act has occurred, is occurring, or is about to occur, the Commission may order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties.

''(C) If the Commission determines, on the basis of facts alleged in the complaint and other facts available to the Commission, that the complaint is clearly without merit, the Commission may—

''(i) order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties; or

''(ii) if the Commission determines that there is insufficient time to conduct proceedings before the election, summarily dismiss the complaint.''.

(b) REFERRAL TO ATTORNEY GENERAL.—Section 309(a)(5) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(5)) is amended by striking subparagraph (C) and inserting the following:

''(C) The Commission may at any time, by an affirmative vote of at least 4 of its members, refer a possible violation of this Act or chapter 95 or 96 of the Internal Revenue Code of 1986, to the Attorney General of the United States, without regard to any limitation set forth in this section.''.

SEC. 509. INITIATION OF ENFORCEMENT PROCEEDING.

Section 309(a)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(2)) is amended by striking ''reason to believe that'' and inserting ''reason to investigate whether''.

TITLE VI—SEVERABILITY; CONSTITUTIONALITY; EFFECTIVE DATE; REGULATIONS

SEC. 601. SEVERABILITY.

If any provision of this Act or amendment made by this Act, or the application of a provision or amendment to any person or circumstance, is held to be unconstitutional, the remainder of this Act and amendments made by this Act, and the application of the provisions and amendment to any person or circumstance, shall not be affected by the holding.

SEC. 602. REVIEW OF CONSTITUTIONAL ISSUES.

An appeal may be taken directly to the Supreme Court of the United States from any final judgment, decree, or order issued by any court ruling on the constitutionality of any provision of this Act or amendment made by this Act.

SEC. 603. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act take effect January 1, 1999.

SEC. 604. REGULATIONS.

The Federal Election Commission shall prescribe any regulations required to carry out this Act and the amendments made by this Act not later than 180 days after the date of the enactment of this Act.

Mr. SHAYS. Mr. Chairman, I am fully prepared to go to a vote on this legislation.

The CHAIRMAN pro tempore. Does the gentleman yield back the balance of his time?

Mr. DOOLITTLE. Mr. Chairman, I rise in opposition and point out there are other amendments.

The CHAIRMAN pro tempore. Does the gentleman wish to yield at this time?

Mr. SHAYS. Yes. Let me be clear, Mr. Chairman. Do I have 5 minutes now, or can I reserve that 5 minutes?

The CHAIRMAN pro tempore. The gentleman may not reserve his time.

Mr. DOOLITTLE. Mr. Chairman, I move to strike the last word.

The CHAIRMAN pro tempore. The gentleman from Connecticut (Mr. SHAYS) has 5 minutes on his amendment.

Mr. SHAYS. Mr. Chairman, I yield to the gentleman from California (Mr. BILBRAY).

Mr. BILBRAY. Mr. Chairman, I thank my colleague from Connecticut and thank both authors of this amendment. I think it is a balanced amendment. It does not do everything we would like to see, but what legislation does?

I think we are recognizing that this issue of campaign finance reform is not Democrat or Republican. We all carry blame for what was or was not done in the past. We all carry blame for the fact that the system is not working as we know it should.

And so I would ask my colleagues to take a look at this amendment. It is comprehensive. There are parts in it that Republicans may not like, but there are parts in it where the supporters of Democrats will be infuriated. There are practices that, sadly, have become all too common, that have been used by Democratic supporters and Republican supporters, that the American people know are wrong and inappropriate. One of those activities is groups coming in at the last moment in elections and doing something that is supposedly an educational piece, which we all know are last-minute hit pieces and smear pieces.

The American people expect candidates to keep their campaigns above the belt. Sadly, there are groups that are subverting the process by using dirty tactics late in campaigns and claiming that they are educational pieces. The Shays-Meehan bill will help to reduce that type of tactic in our electoral process.

I want to say, as a Californian, I think there is one thing that is very clear that the people in this country are going to say quite loudly in the next few elections, because I saw it in California. Dirty tactics are going to backfire. Shays-Meehan helps to reduce the potential for those types of tactics being used in our Federal elections.

And I want to thank my colleague, the gentleman from Connecticut (Mr. SHAYS), and the gentleman from Massachusetts (Mr. MEEHAN) for bringing this forward and working together. Let us have a bipartisan effort in addressing these problems.

Mr. SHAYS. Mr. Chairman, I yield to the gentleman from Wisconsin (Mr. BARRETT).

Mr. BARRETT of Wisconsin. Mr. Chairman, I want to thank the gentleman from Connecticut (Mr. SHAYS) and the gentleman from Massachusetts (Mr. MEEHAN) and all the others that have been involved in this really historic effort. This has been a tremendous effort and it is just the beginning of a tremendous effort.

I am frustrated because when I talk to people in my district, in particular, young people, I find a tremendous amount of distrust in our democratic process. People have tuned out of the system because they do not think that it is responsive to them. They feel as though they cannot be a player in the game because they do not have a lot of money.

I am someone who firmly believes that democracy works only as well as we make it work. It is the ultimate participatory sport. And if young people, or any people in this country feel that they cannot be part of this system because of what they see going on right now in our country, that is bad for democracy.

□ 1815

That is bad for everybody here, whether they are a Democrat or Republican or an Independent. We should be encouraging people to be involved in this system.

I think that the Shays-Meehan proposal takes away some of the cynicism that is out there because it lets people understand that we do not want unregulated soft money coming into this system. We do not want drive-by shootings that are basically what some of these 30-second commercials are. What we want is we want integrity in the system. And I think that this is a very serious and a very meritorious attempt to bring some integrity back to the system.

So I am very proud to stand today to support the gentleman from Connecticut (Mr. SHAYS) and to support the gentleman from Massachusetts (Mr. MEEHAN). We have waited a long, long time for this debate. But, hopefully, we will be able to plow through these amendments and in the end we will support this proposal because it is a very good proposal.

Mr. SHAYS. Mr. Speaker, I thank the gentleman and say that in the near future when we will be discussing a number of amendments, it is possible that we will support some of those amendments.

We certainly are going to support the amendment on the commission bill offered by the gentleman from Michigan (Mr. DINGELL) and the gentlewoman from New York (Mrs. MALONEY). And it is also possible we will support some other amendments.

But we hope that this legislation, the Meehan-Shays legislation, remains intact. We hope to pass this bill to ban soft money, to recognize the sham issue ads that truly campaign ads, to codify the ''Beck'' decision to improve FEC disclosure enforcement, to deal with the franking problem, and to provide that foreign money and fund-raising on government property is illegal.

I urge support for the Meehan-Shays substitute.

Mr. STENHOLM. Mr. Chairman, I move to strike the last word.

PARLIAMENTARY INQUIRY

Mr. DOOLITTLE. Mr. Chairman, I was rising in opposition to claim the 5-minute time under the rule to his amendment. Is that not indeed the case?

The CHAIRMAN pro tempore (Mr. DICKEY). The Chair is endeavoring to alternate sides under the 5-minute rule.

Mr. DOOLITTLE. Mr. Chairman, I did not strike the last word. I thought we got 5 minutes on our side to oppose the initial offering of the amendment.

Mr. SHAYS. Mr. Chairman, I have no objection to the gentleman asking for 5 minutes. I did not know I had asked for 5 minutes.

The CHAIRMAN pro tempore. Members will suspend.

The time is not controlled. Debate is under the 5-minute rule. The Chair will alternate.

The gentleman from Texas (Mr. STENHOLM) is recognized for 5 minutes.

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

Mr. STENHOLM. Mr. Chairman, I rise in strong support of the Shays-Meehan campaign finance reform and commend both of the authors for their tenacity and their hard work in bringing us to this point.

Having joined with the gentleman from Kentucky (Mr. BAESLER) and other members of the Blue Dog Coalition to initiate a discharge petition last October to force consideration of campaign finance reform, I am very pleased to be here tonight finally debating a serious, substantive proposal to reform our campaign finance laws.

The current campaign finance system hands a loudspeaker to interest groups and political parties, and while ordinary citizens are reduced to speaking in a whisper. That is not the free speech envisioned by the First Amendment.

Enacting campaign finance reforms that limit the influence of wealthy individuals, special interest groups and political parties is critical to restoring the integrity of our democratic process.

I respectfully disagree with opponents of campaign finance reform who

argue that the free speech protections in the First Amendment guarantee the right of any individual or group to spend unlimited amounts of money to influence an election without having to take the responsibility for the advertisements or even acknowledge that they are funding the advertisements.

The Shays-Meehan amendment strikes to the heart of the problems in the current campaign finance system by addressing the two areas of the campaign finance system that are outside of the rules; the unregulated, unlimited donations to political parties by corporations, labor unions and wealthy individuals known as soft money and the sham issue ads that are used to influence elections without being subject to campaign laws.

I agree with those who say that we must enforce the current campaign finance rules and punish those who have violated those rules. However, the vast majority of reported scandals involve activities by people in both parties that are unethical and offensive to many of us but were not illegal because of the loopholes in our current system.

Virtually all of the scandals that have been reported in the press involve soft money or issue advocacy, which are exempt from most campaign finance laws. The Shays-Meehan amendment simply states that campaign activities of political parties and independent organizations should be subject to the same rules that apply to candidates for office.

Under current law, the individuals who are engaged in unethical behavior in raising soft money or running issue ad campaigns in 1996 will not face any penalties because they are not covered by any laws. If Shays-Meehan had been the law of the land in 1996, these individuals would be punished, as they should be.

One of the provisions I feel the most strongly about in this amendment is placing greater accountability on spending by independent organizations to influence campaigns. The Shays-Meehan amendment states that any independent expenditure made in connection with a congressional election would be subject to other regular current campaign finance laws and disclosure requirements, anyone making an independent expenditure of more than $10,000, if those communications include the name, likeness, or representation of a candidate for federal public office. These reports must be filed electronically with the FEC and posted on the Internet so citizens can find out and learn who is paying for the political ads. What could possibly be wrong with that?

The Annenberg Public Policy Center compiled an archive of 107 issue advocacy advertisements that aired during the 1996 election cycle sponsored by 27 different organizations, both liberal and conservative. While this Policy Center's report does not speak out in support of or opposed to issue advocacy, their research shows just how much these advertisements look like regular campaign commercials and how much impact their one-sided information had on voters.

While promoters of these ads claim that they are simply educating the public, more often they are stealth attacks designed more to keep the public in the dark about the full story of an issue.

The issue ad loophole in current law makes it possible for foreign governments or other foreigners to influence American elections by setting up a front organization that runs issue ads attacking candidates who do not support the interest of that foreign government. Under current law, the voters who see those ads would never know that that money to run those ads came from foreign interests. I believe that my constituents deserve to know if foreign entities are running ads in my district.

I strongly support the right of any group to express whatever views they have about me or any other candidates for office. However, I believe that the public deserves to know who is trying to influence those elections. Full disclosure is needed to allow the public to make their own judgments about advertisements run by independent organizations.

The CHAIRMAN pro tempore. The time of the gentleman from Texas (Mr. STENHOLM) has expired.

(By unanimous consent, Mr. STENHOLM was allowed to proceed for 2 additional minutes.)

Mr. STENHOLM. Mr. Chairman, contrary to claims by some organizations opposing campaign finance reform legislation, the Shays-Meehan amendment would not prevent independent organizations from running advertisements or prohibit these groups from using the name of a Member of Congress or any other candidate in that advertisement prior to an election.

I strongly support that. I do not mind any organization running anything, any individual running anything for my opponent in this year or in any other year. But I do believe my constituents that I represent have the right to know who it is that is spending the money in the 17th District of Texas, and then we will welcome that in the field of free speech and debate under all of the First Amendment rights and privileges that all of us find so dear.

Under the Shays-Meehan amendment, any independent group can run advertisements expressing any opinion it wants at any time during a campaign so long as it complies with the standards of accountability and openness that apply to other political advertisements. I heard an earlier speaker today talking about that was un-American. I do not understand for a moment how that can be.

All we are talking about is making sure that freedom of speech means just that and that the people have a right to know who it is that is having the freedom of speech.

I am standing in the well. Everyone watching in our offices and here know who I am, what I am saying. It is coming from me. I think the same should be true for any political advertisement run by any group on either side of the aisle. We ought to know who is behind it.

It is not a partisan matter. I appreciate the tenure of many of my colleagues on both sides of the aisle who are serious about this. And I hope we will cut through the chaff and get down to the meat of this issue.

Candidates from both parties both benefit from and are hurt by these advertisements. Our Nation's important free speech should not be minimized, but it should be balanced by honesty and accountability.

Vote for the Shays-Meehan amendment to bring honesty and accountability into all aspects of campaign finance.

AMENDMENT NO. 132 OFFERED BY MR. THOMAS TO AMENDMENT NO. 13 IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. SHAYS

Mr. THOMAS. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The text of the amendment to the amendment in the nature of a substitute is as follows:

Amendment No. 132 offered by Mr. THOMAS to Amendment No. 13 in the nature of a substitute offered by Mr. SHAYS:

Amend section 601 to read as follows (and conform the table of contents accordingly):

SEC. 601. NONSEVERABILITY OF PROVISIONS.

If any provision of this Act or any amendment made by this Act, or the application thereof to any person or circumstance, is held invalid, the remaining provisions of this Act or any amendment made by this Act shall be treated as invalid.

In the heading for title VI, strike ''**SEVERABILITY**'' and insert ''**NONSEVERABILITY**'' (and conform the table of contents accordingly).

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

Mr. THOMAS. Mr. Chairman, I asked to offer this amendment. As I said during general debate, this will be offered to any major substitute that has a severability clause. I talked earlier about the fact that when the first Federal Election Campaign Act was passed, Congress took a comprehensive approach to campaign reform.

When the Court reviewed it, they struck as unconstitutional portions of the plan. There really is no constitutional basis for the Court having the ability to impose its will on any other branch. They are supposed to be coequal branches. Our oath to the Constitution is not inferior to the Supreme Court's.

Notwithstanding that historical relationship, 25 years later, the portions that were struck down by the Court are simply null and void.

We have before us the first example of a number of comprehensive bills which contain a number of provisions that desire to go after certain behavior.

The Court has been on record in some areas, especially where political parties operate as an independent expenditure rather than as a party. If it is soft money the Court has said, and the most recent court example would be Colorado v. The Republican Party in which the Court upheld the right of the party to follow this model. And this particular legislation tries to correct that.

Issue advocacy is now a strong point, and there is an attempt to change the relationship that the Court has advocated in issue advocacy. I believe that we could try to test the Court to see if they would now hold constitutional a provision that they have held unconstitutional in the past. My belief is we would run that risk and lose.

It seems to me far more prudent that on any bill that contains multiple provisions which the Court could rule on that if Congress wants to retain control of campaign law, what we ought to say is that if someone takes the law to court and they beat a piece of it, then the entire law falls. What happens? We come back and rewrite a law.

The folks who do not want this amendment that I am offering, the nonseverability, the folks who want to be able to say, notwithstanding a piece of the law falling, all the rest of it stands, will tell us this, ''we will come back and fix that piece.''

I am here to tell my colleagues that, as a product of 25 years of labor to try to change the pieces that the Court changed, it is not nearly as easy as that.

What we have had for 25 years is a piecemeal law that does not work in many instances. We are here tonight and will be here over the next several weeks because what the Court did does not work. Why in the world would we repeat the same mistake again?

This amendment will be offered to every comprehensive substitute that has a severability clause. Does it mean that I am a masochist, does it mean that I am trying to defeat the effort to make change? No. What I am trying to do is guarantee Congress retains the ability to make the change, that we do not let the Court make the change.

If my colleagues do not accept my amendment, which is joined by the gentleman from Texas (Mr. FROST), so I can gladly say this is a bipartisan amendment, then what we have been under for the last 25 years is doomed to repeat itself for an open-ended number of years as the Court picks and chooses as to what to declare unconstitutional from a comprehensive bill.

I think that the choice is not a good one in either case: Live under this hodgepodge that the Court was allowed to create because of historical usurpation of a power, or for Congress to come back and rewrite the law in its entirety.

□ 1830

Either one of those are going to be the choices, and I think the far better choice is to say that if a piece falls, it all falls and we come back and rewrite it. That way we know in a given time frame we will be able to produce a product that works. The other way has not worked.

I would urge all my colleagues when we do have a vote on the amendment, that amendment No. 132 sponsored by myself and the gentleman from Texas be accepted and that it be accepted and placed in every substitute that has a severability clause, because I believe, no matter what we do, no matter what the particular provisions are in a measure, Congress ought to retain control of what is campaign finance law. The only way we can retain control is to remove the severability clause that is in the measures.

I would ask Members to support the amendment.

Mr. FROST. Mr. Chairman, I rise in support of the amendment offered by the gentleman from California (Mr. THOMAS). I happen to have the view that what we are doing here is very serious and that we should treat everything that is done here today as on the level. We should vote for the things that we think are important. And if we feel strongly about a subject, we should vote in favor of it and we should vote as if what we are doing this week and next week actually has a chance to become law, not that we are posturing but that we are looking to the point of if this becomes law, how does it work and what is the best way for it to work.

Mr. Chairman, the issue of nonseverability is one of the highest importance in this debate. In 1976, the Supreme Court ruled in Buckley v. Valeo that the provisions in the Federal Election Campaign Act of 1974 relating to the use of personal funds by a candidate to fund a campaign and on overall campaign expenditures were unconstitutional. The court held that these provisions placed direct and substantial restrictions on the ability of candidates, citizens, and associations to engage in protected first amendment rights.

At the same time, the court upheld the limitations on contributions to candidates. In so doing, the court dismantled a carefully crafted package, each part dependent upon the other to reform the way campaigns were, in the 1970s, financed.

And so, Mr. Chairman, we are left with limits on how much a candidate can receive in contributions, but no limits on what wealthy candidates can spend on their own campaigns, or the total amount that a candidate can spend regardless of source.

That, Mr. Chairman, is how we got to where we are today. In the event that the package proposed by the gentleman from Connecticut (Mr. SHAYS) and the gentleman from Massachusetts (Mr. MEEHAN) passes, and I intend to vote for it on final passage, in the event that it passes, the court could very well dismantle this package by finding that the ban on soft money or the limitations on groups or individuals making independent expenditures are, in fact, unconstitutional. What we would be left with is another hodgepodge of campaign expenditure limitations that in essence will leave us in the same difficult situation that we find ourselves in today.

Therefore, Mr. Chairman, I support the amendment to add a nonseverability clause to this legislation. A nonseverability clause will ensure that if one part of Shays-Meehan is found unconstitutional, the whole package will be nullified. There is little reason to pass legislation which may ultimately end up looking like a piece of Swiss cheese. This should be a take or leave it proposition, and addition of the amendment offered by the gentleman from California to this bill will assure that either the whole package or no package will ultimately be the law of the land. To do otherwise risks that we suffer from the law of unintended consequences. We could wind up with the worst provisions of Shays-Meehan with the best provisions of Shays-Meehan being stripped out by the Supreme Court. If we really believe in campaign reform, we should support a package that hangs together, a package where every part of it is necessary for real reform, and we risk being left with only half a package if we do not insert a nonseverability clause.

Mr. Chairman, legislating is serious business. We should assume that the bill we are debating tonight will actually become law. And if it actually becomes law, it will be totally unfair to have this provision remain in part because the Supreme Court strikes down the best portions and leaves us with the worst. I ask that Members vote in favor of the Thomas amendment.

Mr. CAMPBELL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have great admiration for the gentleman from California (Mr. THOMAS). I think his attitude about the separation of function that the Constitution provides between the Congress and the Supreme Court is insightful and that it really ought to be our job to write good laws and then the Supreme Court to uphold or strike them down, rather than to have the Supreme Court pick and choose. So he makes an awfully good case.

I rise, however, to speak against the amendment for two reasons. One is because I think it is important that we have a vote on Shays-Meehan, unamended, that the process once an amendment starts is going to be very hard to prevent from unraveling, and the very best chance that we have of having a vote in the other body is Shays-Meehan. I have my own proposal, I think it is preferable, I am allowed to say that, but it is true that Shays-Meehan/McCain-Feingold has the very best chance to be considered in the other body, and in that context it ought not be amended.

But, secondly, I believe that Shays-Meehan is constitutional, and so I devote the remainder of my time to that

subject, in that if it is constitutional in all respects, then severability becomes much less of a concern.

The two aspects of Shays-Meehan/McCain-Feingold that have been criticized are these. First the ban on soft money, and second the distinction between express and issue advocacy. As to the distinction of issue advocacy and express advocacy, those who argue Shays-Meehan is unconstitutional say that it is unconstitutional to consider as express advocacy anything that does not use the so-called magic words ''vote for.''

We are each entitled, indeed sworn to uphold the Constitution as we best see it by our own lights but if the judgement is to be what would the Supreme Court do, I draw to my colleagues' attention an opinion by the Supreme Court 10 years after Buckley v. Valeo, 10 years after the reference to the magic words, and that was in Massachusetts Citizens for Life in which the Supreme Court dealt with the question of did it have to use the magic words or not. It dealt with an edition of a flier that listed individual candidates.

The Supreme Court said:

> The Edition cannot be regarded as a mere discussion of public issues that by their nature raise the names of certain politicians. Rather, it provides in effect an explicit directive: vote for these named candidates.

So the Supreme Court 10 years after Buckley was clearly departing from the magic words test and was saying it is the effect of the communication, the effect of saying in this context these things about these candidates was to say vote for them. And so it was the effect rather than the presence of the magic words that was determinative.

The approach taken by Shays-Meehan is precisely that, suggesting or holding as matter of law that communications to the electorate using the name of a candidate or his or her picture in the last 60 days is, in effect, saying vote for or against that candidate. It is certainly within the first amendment to do so in my interpretation, far more importantly in the Supreme Court's interpretation as of 1986, 10 years after Buckley v. Valeo.

Second and last, the other component of the critics of the constitutionality of Shays-Meehan that is most commonly heard is the ban on the soft money. But the Supreme Court has also ruled on this in California Medical Association v. FEC in 1981. The Supreme Court upheld the limitation of $5,000 on contributions to PACs. Their argument was that if it was constitutional to have a limit of $1,000 on how much individuals could be contributing to a campaign, and yet $5,000 for a PAC, the purpose of avoiding corruption could be evaded by a wealthy individual or a person of influence giving the money to a PAC knowing that it would get to the benefit of the candidate. And so the Supreme Court held in California Medical Association v. FEC that the $5,000 limit on contributions to multicandidate PACs was constitutional. Well, so also here.

In order to avoid the evasion of the fundamental purpose of the $1,000 contribution, a donor could conceivably give the money to a political party and then, using the way the Supreme Court has interpreted the rules on soft money, know very well that that political party would get that money to the effective use of that candidate. And this is in reality. There are many instances that we know where it has been used in exactly that manner.

Accordingly, with those two explanations, it is my conclusion that there is nothing unconstitutional in Shays-Meehan and severability is not an issue, and, hence, I would not urge support of the Thomas amendment.

Mr. WHITFIELD. Mr. Chairman, will the gentleman yield?

Mr. CAMPBELL. I yield to the gentleman from Kentucky.

Mr. WHITFIELD. I thank the gentleman for yielding. All of us certainly admire and respect the gentleman's legal analysis. I want to read to the gentleman from page 249 of the Massachusetts case that he cited.

The CHAIRMAN pro tempore (Mr. DICKEY). The time of the gentleman from California (Mr. CAMPBELL) has expired.

(On request of Mrs. NORTHUP, and by unanimous consent, Mr. CAMPBELL was allowed to proceed for 2 additional minutes.)

Mr. CAMPBELL. I continue to yield to the gentleman from Kentucky.

Mr. WHITFIELD. ''Buckley adopted the 'express advocacy' requirement to distinguish discussion of issues and candidates from more pointed exhortations to vote for particular persons. We therefore concluded in that case that a finding of 'express advocacy' depended upon the use of language such as 'vote for,' 'elect,' 'support,' et cetera. Just such an exhortation appears in the 'Special Edition' in this case. The publication not only urges voters to vote for 'pro-life' candidates, but also identifies and provides photographs of specific candidates fitting that description.''

So it seems to me in this case, they are definitely verifying and accepting the definition of express advocacy as set out in Buckley.

Mr. CAMPBELL. I appreciate the gentleman's intervention, and I return the compliment. He is also a scholar. I certainly respect his point of view. But recognize that the Supreme Court's holding in the Massachusetts Citizens for Life case was the intent, was the purpose of the communication, not the magic words. I emphasize the exact quotation that the gentleman gave me, the words ''such as,'' not the ''words'' but ''words such as.''

Indeed, I was going to quote from Buckley myself at 424 U.S. at 44, note 52, the Supreme Court says, before giving the magic words, ''such as.'' And so the test is not the presence of the actual words but whether the purpose and effect in context is to urge the election of an individual. It was the case in Massachusetts Citizens for Life, and so also it could be the case even if no specific magic word is present.

Mr. WHITFIELD. This says, ''Just such an exhortation.'' It says, ''Rather, it provides in effect an explicit directive: vote for these candidates.'' And that is the bright line test.

Mr. CAMPBELL. Mr. Chairman, I think it is probably time for me to conclude, although I will be pleased to yield to the gentleman from California.

I will just make one last point. The holding of Massachusetts Citizens for Life was intent and effect in the context.

The CHAIRMAN pro tempore. The time of the gentleman from California (Mr. CAMPBELL) has again expired.

(On request of Mr. DOOLITTLE, and by unanimous consent, Mr. CAMPBELL was allowed to proceed for 2 additional minutes.)

Mr. CAMPBELL. Mr. Chairman, I yield to the gentleman from California (Mr. DOOLITTLE).

Mr. DOOLITTLE. Mr. Chairman, I was just concerned. It is clear to me, reading the law, that you have to have words of express advocacy. I just wanted to make sure that it was the gentleman's understanding, my colleague from California, that we were not dealing with some reasonable person test or anything of that kind. There is a magic word. It has to be a word of express advocacy. It may not be the seven magic words, whatever the number that was actually enumerated in Buckley. But I think the law is quite clear. It has to be a term of express advocacy. Does the gentleman disagree with that?

Mr. CAMPBELL. I do. Once more, though, it is important to begin by an expression of respect. I do not doubt that my colleague from California is a careful student of the law. But the holding in Massachusetts Citizens for Life, and I am going to recur to the exact quote I used was, ''The Edition cannot be regarded as a mere discussion of public issues that by their nature raise the names of certain politicians. Rather, it provides in effect an explicit directive.''

So the distinction the court appeared to be directing its attention to was, you have over here a mere discussion of public issues, and you have over here what is in effect a directive. The turning of the logic is not on the use of the words. It is on, is this a discussion of public issues or is it a directive to vote? And so under that interpretation, I think it is quite fair to say that the inclusion of names that close to an election is a directive to vote.

Mr. DOOLITTLE. Mr. Chairman, I respectfully disagree with the gentleman's interpretation. I think that is not what the law says. The Supreme Court in Buckley has spoken and has reaffirmed as recently as Colorado and all the cases as far as I know that makes quite clear that we have to have a bright line. Because we do have that little phrase in the Constitution that

says, ''Congress shall make no law abridging the freedom of speech.''

Mr. CARDIN. Mr. Chairman, I move to strike the requisite number of words.

□ 1845

Mr. Chairman, I rise in opposition to this amendment. I think this last discussion gives a good reason why we should oppose this amendment.

Mr. Chairman, we cannot anticipate what a court will do. The way that this nonseverability amendment is written, it is so broadly written that if the Court made any significant changes, any changes at all, it could jeopardize other provisions in this bill, it could jeopardize the bill itself. It may not strike at what the author is trying to do by linking certain provisions of the bill together, but because of the way the amendment is written, it is very possible that we could jeopardize what we are trying to do here in getting enacted the Shays-Meehan bill. It also compromises the coalition that has been put together in an effort to make the first steps to meaningful campaign finance reform.

So for all those reasons on the merits I would hope that my colleagues would reject this amendment.

One problem that we have is that there are 435 experts in this body on campaign finance reform, but we are all experts in our own congressional districts, and we do not appreciate that we need to legislate that will affect all 435 of the districts, and we are going to be hearing some amendments that are going to be coming forward that are well-intended, that we think we have to package everything together or add additional provisions to this in order to make Shays-Meehan better. But the one thing that I would hope all could agree on is that Shays-Meehan is a good first step to campaign finance reform, and if we are interested in changing the current system, then we should resist amendments that jeopardize our ability to get Shays-Meehan passed in this body and the other body.

Mr. Chairman, it does deal with some major issues that are out there that my constituents, indeed I think all of our constituents, are asking us to deal with in campaign finance reform, and that deals with the use of soft money by our political parties where millions of dollars are being contributed basically without accountability and are being used to influence elections even though they are not supposed to be, and issue advocacy which we just heard the debate on which is clearly aimed at influencing elections and yet does not have the accountability of moneys being reported or spent according to election law.

So for all those reasons we have a chance to do something with the underlying bill that is before us in Shays-Meehan. The amendment that is being offered would jeopardize that because it turns over to the courts the ability to throw out this entire legislation even though there may be a minor issue that the Court may have disagreement with us on. It jeopardizes the work of what we have been able to do.

Mr. Chairman, I would urge my colleagues to reject the amendment.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. CARDIN. I yield to my friend from California.

Mr. THOMAS. Mr. Chairman, I think the points the gentleman from Maryland (Mr. CARDIN) made in opposition to the amendment are exactly the reasons why I think the amendment needs to be supported, and the gentleman from Texas concurs.

First of all, the Court does not make constitutional decisions on minor provisions. I think my colleagues will find that the Court makes decisions on major provisions.

Mr. CARDIN. Reclaiming my time, Mr. Chairman, on that point I would say that is a matter in the eye of the beholder.

Mr. THOMAS. Exactly.

Mr. CARDIN. I have found some decisions made by our Court that leaves an awful lot to be desired, and it could very well deal with a minor provision here affecting it that would throw out the entire bill the way this amendment is drafted.

Mr. THOMAS. And if the gentleman would continue to yield?

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

Mr. THOMAS. What the gentleman is asking is the same position the gentleman from California (Mr. CAMPBELL) my friend asked, and that was that we should rely on expertise first of all—

Mr. CARDIN. Reclaiming my time, just the reverse. Almost every bill that we passed through this Chamber we put a severability clause intentionally in because we know that we can never anticipate what a court will do. We are the legislative body. Theirs is the judicial body. They have their responsibility. I do not claim to be the Justice in the Supreme Court, and they may do things that I disagree with. We put a severability clause in so that we can preserve our product in the case a court decides to strike part of it down.

Mr. THOMAS. And if the gentleman would yield, that is exactly what happened in the 1970s when we did not preserve the product. We created a law which did not work, and for 25 years we have not been able to make it work.

What we are trying to do, and I hope the gentleman understands the intent because it will be applied to every bill that has severability. Not all of the bills have severability. Some of the authors are willing not to include severability. The intent is to make sure that what Congress intended in fact occurs. If we have a severability clause, we are betting the Court either believes it is all constitutional or they will only pick out a minor portion. I think the gentleman will find it will not be a major portion, it will be a minor portion, and we are right back in the box of unintended consequences.

Mr. CARDIN. Reclaiming my time, we need to make progress wherever we can make progress, and if we can get through this Chamber and the other Chamber, signed by the President and through the courts, we need to take whatever progress we can, and enacting this amendment jeopardizes it.

Mr. THOMAS. Mr. Chairman, I will tell the gentleman, if he will yield, hodgepodge is not advancing the cause.

Mrs. NORTHUP. Mr. Chairman, I move to strike the requisite number of words.

It is interesting to hear the lawyers debate what the courts might do. The fact is there is clearly concern that there are portions of this bill that are not constitutional. In fact, it is clear by the resistance of the people that oppose this amendment that they fully expect that the courts are probably going to strike down a portion of the bill. If they did not expect that, they would join us, and they would support the clause that says if part of the bill goes down, it all goes down.

The aggravating part of this is that the very sponsors of this bill have sent out to the Members of this body a bill, a letter, a dear colleague letter bragging about the fact that this is a balanced approach, that we should support Shays-Meehan because it is balanced, and they go on to explain why it is balanced.

So, if they are not supporting this amendment that says it either all stands or it all falls, what they are saying is we do not care if it is balanced, we do not care in the end if what we get is an unbalanced product, we still like it.

The fact is that they would like to call this campaign finance reform. I do not believe that is a correct term because reform means better, and I think what we got is something far worse. It is a change, it is a change in how campaigns will be conducted, it will be a change in who can speak and who cannot speak. But what it will do will not be better because it will force people who want to speak about elections, people that want to talk to the voters, and the voters that wish information, they will now have less information. They will have information from Citizens for a Better Democracy or citizens who like this democracy, and they will have no idea who put money in and how the money is being spent and what their ultimate motives are.

But the point is that they are saying that this bill is balanced, and then they tell us, if it ends up that only portions of it are constitutional, that that is okay with them, too. So why do they not say they do not care whether it is balanced or not? They like the bill.

Mr. Chairman, this body should support this amendment and make sure that what has been purported to us, that having balance is important, actually sticks with the bill in case it ever goes anywhere. In the meantime the

rest of us should worry a lot that there will be some groups who may be able to speak and some groups that will not be able to speak. That is exactly what starts happening when we start talking about free speech and who can participate in elections. We start deciding who has speech and who does not have speech, and that is why the courts strike it down, that is why they will strike part of this down, that is why they may strike it all down. But to tell us that it is balanced and then say we should pass it and they do not care if it is balanced because they oppose this amendment is flat wrong. It absolutely cheats the American people of being able to have the whole story, the whole truth, the whole message, free speech.

Mr. DELAY. Mr. Chairman, will the gentlewoman yield?

Mrs. NORTHUP. I yield to the gentleman from Texas.

Mr. DELAY. Mr. Chairman, I appreciate the gentlewoman from Kentucky's remarks, and she is dead on, and if I could just take a moment to complement what she just said, although I am certainly not as eloquent as the gentlewoman is.

This is so important, and I wish we could do this all day and all night and every day because frankly this is a good debate to be having. It is one of the few debates in the long time I have been here that we are actually having, and frankly it is why most of us came here.

But in particular this amendment is vitally important because when we talk about campaign financing and campaign laws, mostly it is all sort of intertwined and related in one way or another. It is also we have a little problem with one group having an advantage over another group; that is why we have such a problem in the kinds of laws, FEC laws in 1974 that were totally written to protect the incumbents, and we all know that in fact that is why most of it was struck down by the courts. And so when we start regulating, we are picking winners and losers. Just like we would be regulating reforms or regulating anything else, we are picking winners and losers, and we are taking advantage based on who may have the votes.

But throughout the debate on this particular bill the proponents of Shays-Meehan have assured us throughout the debates that we already had in press releases and everything else that there are no constitutional problems with their proposal. Their curbs on speech in violation of the First Amendment have the Good Housekeeping seal of approval, or so they say. This amendment would give them a chance to put their money where their mouth is.

The CHAIRMAN pro tempore (Mr. DICKEY). The time of the gentlewoman from Kentucky (Mrs. NORTHUP) has expired.

(By unanimous consent, Mrs. NORTHUP was allowed to proceed for 2 additional minutes.)

Mr. DELAY. Mr. Chairman, will the gentlewoman yield?

Mrs. NORTHUP. I yield to the gentleman from Texas.

Mr. DELAY. If my colleagues think this is overreaching and what I think is a repressive piece of legislation will pass constitutional muster, well, then fine. Then they will have no problem with an amendment that will take the whole bill down if just part of it is declared unconstitutional. This amendment is a nonseverability clause. It would provide that if a portion of the bill is declared unconstitutional, the entire bill is null and void.

Now while the courts have not always regarded themselves as bound by severability clauses or the lack thereof, I think this amendment would serve as a powerful impetus for this bill to be upheld or overturned as a whole. Take, for example, what I think is a ridiculous and overdrawn provision dealing with the express advocacy clause. No one who has given this provision serious thought expects it to pass constitutional muster. Basically it would require an organization to report to government bureaucrats whether their campaign operation is an implicit advocacy of election or defeat of a candidate. The money spent to make these statements would be classified as political expenditures for the purposes of Federal election laws.

Well, the problem is that most legislative advocacy groups are prohibited by law from making political expenditures and by classifying legislative advocacy as such Congress may well outlaw their statements in the very unlikely event this provision is upheld by the Court. So characterizations of an office holder's vote as pro-life, or pro-choice, or anti-gun might therefore be illegal. Well, there may be office holders who relish the prospect of being insulated from criticism on their legislative provisions, but I hope there is very few of us in this Chamber that would relish such a thing.

The CHAIRMAN pro tempore. The time of the gentlewoman from Kentucky (Mrs. NORTHUP) has expired.

Mr. DELAY. Mr. Chairman, I ask unanimous consent that the gentlewoman be granted an additional 5 minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. SHAYS. Reserving the right to object, Mr. Chairman, I just would like to have some definition. Is the gentleman asking to strike the requisite number of words and use 5 minutes, or he is just asking unanimous consent to take 5 minutes and not strike the requisite number of words? I am just curious to know what he asked for.

Mrs. NORTHUP. Mr. Chairman, will the gentleman yield?

Mr. SHAYS. I yield to the gentlewoman from Kentucky.

Mrs. NORTHUP. Mr. Chairman, I think I am the one that has the floor, and I want to ask unanimous consent for five additional minutes.

Mr. SHAYS. No, I would object to that. There are people who are waiting to have 5 minutes, and I do not object to the gentleman asking to strike the requisite number of words and have 5 minutes, but there are people who are waiting to have time to speak, and the gentlewoman has already had 7 minutes.

Mr. Chairman, I just need to know what the process is. The gentlewoman had 5 minutes, and we extended 2 more minutes.

The CHAIRMAN pro tempore. Is the gentleman from Connecticut reserving the right to object?

Mr. SHAYS. I am reserving the right to object, Mr. Chairman, and ask this question: I am asking if the gentleman is asking to strike the requisite number of words and use his 5 minutes. Could I request that the gentleman strike the requisite number of words and we can proceed that way?

The CHAIRMAN pro tempore. Is there objection to the initial request of the gentleman from Texas?.

Mr. HEFNER. Reserving the right to object, Mr. Chairman, and I do not intend to object, but I would like to ask a question since I am probably not going to get any time and since my good friend from Texas (Mr. DELAY) is talking about the First Amendment. Let me ask the question, not being a lawyer:

These advocacy groups, and we get a mailing in the mail that does not have anybody that claims title to it, it just comes in the mail to Mr. and Mrs. Whoever, and they advocate something, but there is no return address, there is no name on it.

The CHAIRMAN pro tempore. Is there an objection to the request of the gentleman from Texas (Mr. DELAY)?

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The gentleman from North Carolina (Mr. HEFNER) has reserved the right to object.

Mr. HEFNER. Mr. Chairman, I reserve the right to object.

The CHAIRMAN pro tempore. Would the gentleman from North Carolina (Mr. HEFNER) speak to that point please?

Mr. HEFNER. Well, I guess I reserve the right to object to try to get some kind of order here as to how much time is being allotted, because with all due respect, this is going to be kind of a filibuster of one opinion.

Mrs. NORTHUP. Mr. Chairman, I can clarify my request, just to allow the gentleman to finish.

The CHAIRMAN pro tempore. Would the gentlewoman suspend?

Has the gentleman from North Carolina completed his reservation?

Mr. HEFNER. No, I have not, Mr. Chairman.

Mrs. NORTHUP. Mr. Chairman, I control the time here.

Mr. WEYGAND. Point of order, Mr. Chairman.

Mrs. NORTHUP. Mr. Chairman, I would just like to ask that the gentleman be allowed to ask the question

of the gentleman from Texas (Mr. DELAY).

POINT OF ORDER

Mr. WEYGAND. Mr. Chairman, point of order. Please clarify my understanding that, right now, the Chair has denied the gentlewoman who has asked for an additional 5 minutes with unanimous consent. That has not been granted as of right now, so she does not control the time that is before us right now.

The CHAIRMAN pro tempore. The request of the gentleman from Texas that the gentlewoman from Kentucky (Mrs. NORTHUP) have 5 additional minutes is still pending.

Mr. WEYGAND. Therefore, Mr. Chairman, I object to it until we have a clarification from the whip, which I would love to have, about the procedure as to how we are going to proceed with time. There are many people here that would like to strike the last word, and we do not disagree with having the whip take the time that he needs, but if this is going to be continuous, we have an objection to it.

The CHAIRMAN pro tempore. Is the gentleman from Rhode Island objecting?

Mr. WEYGAND. Yes, I am, Mr. Chairman.

The CHAIRMAN pro tempore. Objection is heard.

Mr. DELAY. Mr. Chairman.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Texas (Mr. DELAY).

Mr. DELAY. Mr. Chairman, I move to strike the requisite number of words.

Mr. HEFNER. Mr. Chairman, will the gentleman yield for a question?

Mr. DELAY. Your side objected and I will not yield.

This is just unbelievable. This is going to be a very long debate, I have to tell my colleagues. This is going to be a very long debate, and if my colleagues want to stifle debate and open discussion, then do so. You tried to stifle debate.

Mr. HEFNER. Mr. Chairman, would the gentleman yield?

Mr. DeLAY. Regular order, Mr. Chairman.

The CHAIRMAN pro tempore. The gentleman from Texas (Mr. DELAY) controls the time.

Mr. DELAY. I thank the Chairman.

Mr. Chairman, the Democrat side once again objected to an open discussion that we were having that we asked to extend one time and then a second time, again.

Now, my colleagues cannot have it both ways. First, my colleagues ask for open and honest debate, many vote ''present,'' do not want to participate in a debate that they have been demanding for over a year; and it just amazes me that because they do not want one particular person to be speaking or to extend the time for a short period of time, because they may be inconvenienced and they have been standing there for all of 7 minutes, they want to stifle debate and stifle discussion.

Well, fine. We can operate that way. And if my colleagues on the other side of the aisle do not want to show their colleagues courtesy, then we will operate that way.

Now, Mr. Chairman, if I could finish my statement, that I was attempting to make before I was so rudely interrupted by those that would like to stifle debate and do not want open and honest debate, we are seeing the true colors right now, what has been going on for quite a while.

So in order to try to regain where I was headed, I am just trying to say that the Shays-Meehan amendment substitute may well have the practical effect of insulating Congress from criticism, and this is the kind of thing they want to happen. They do not want to be criticized. They do not want issue advocacy groups out there criticizing their votes; they want to hide it by regulating free speech. That is what this is all about.

If the First Amendment does not prohibit this sort of abomination, exactly what does rise to the level of its scrutiny? So the severability amendment before us would put this challenge to the draftsmen of the Shays-Meehan gems such as this.

To those proponents of Shays-Meehan, I would say this. If you believe your bill is constitutional, you should have no problem allowing it to rise or fall as a whole. If you do not believe your bill is constitutional, what exactly did you mean when you took your oath of office to uphold and defend the Constitution of the United States?

And to the Members of this body I would just say, if you believe that the Bill of Rights is a crapshoot where Congress has no responsibility for the constitutionality or unconstitutionality of the bills that it enacts, do not vote for the severability amendment. If you believe that squashing legislative advocacy groups is so important that it overrides your oath of office, then do not vote for this severability amendment. If you believe in cases of constitutional doubt that the presumption should lie against the Bill of Rights, do not vote for this amendment.

If you believe it is a sound practice to enact legislative wads of constitutional scraps in the hope that perhaps the Supreme Court may have a bad day when it adjudicates your bill, do not vote for this amendment.

On the other hand, if you believe, like I do, that the First Amendment was intended to protect, above all, the marketplace of political and legislative ideas, then we welcome your voice and your vote. But if you believe, like me, that it is a travesty to use the legislative process to attempt to shut down political opposition, as exhibited on the floor already tonight, then we welcome your vote and your voice. And if you believe, like me, that the First Amendment is at the core, about the vibrancy of political, legislative and philosophical debate, debate which would be gravely threatened by this misbegotten bill, then we would welcome your voice and your vote.

Mr. HEFNER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am sorry if I angered my good friend from Texas, but I wanted desperately to ask the question, since I did not have the time.

Mr. SHAYS. Mr. Chairman, will the gentleman yield?

Mr. HEFNER. I yield to the gentleman from Connecticut.

Mr. SHAYS. Mr. Chairman, I just wanted to point out, before the gentleman from Texas (Mr. DELAY) leaves, that the first bill in the Contract With America, the congressional accountability bill which he advocated and supported and took pleasure in signing, had a severability clause.

Mr. HEFNER. Mr. Chairman, reclaiming my time, the gentleman from Texas (Mr. DELAY) is gone.

Mr. Chairman, I have an awful lot of respect for the gentleman from Connecticut (Mr. SHAYS) and the gentleman from Massachusetts (Mr. MEEHAN) and the folks that have worked so hard for campaign reform.

We are awfully selective around here. I have been here for 24 years, and I have never seen a Committee on Rules that operates like this Committee on Rules does now. The other day, not a week ago, we considered a budget that is absolutely going nowhere, it is a total disaster, and they ignored Members offering a budget that possibly could have passed. But they were not entitled to offer that budget.

Now, here they are, they are allowing over 200 amendments and many of them are not germane. We are not the United States Senate, we have to have germaneness here. But the Committee on Rules says, we will waive all points of order and we can just go ahead and offer those amendments.

We talk about the First Amendment, and some of these people would seem to think that it is okay if some advocacy group sends out a letter or a postcard that says, if you vote for BILL HEFNER and Mike Dukakis, which happened in my election, there is no disclaimer on it, you do not know where it came from, and you say, if you shut that down, that is not violating their First Amendment rights. They have no rights if there is no entity out there that claims that they are responsible for that.

Mr. Chairman, I think that what this is is a sham to kill campaign reform. I do not understand the leadership on that side. If they want to kill campaign reform, put them together, one bill with everything they want in it, and take it and go one-on-one with the Shays-Meehan bill. But to say that we are cutting First Amendment speech is totally ridiculous and, to me, it is the first time in my 24 years that I have been in this House that the Committee on Rules is writing legislation and bringing it to this floor, and I think it

is a travesty. I do not think it speaks well for this House, and I do not think it is going to solve the problems of this country.

Mr. MCINNIS. Mr. Chairman, will the gentleman yield?

Mr. HEFNER. I yield to the gentleman from Colorado.

Mr. MCINNIS. Mr. Chairman, let me say to the gentleman, I am a little surprised by the gentleman's remarks on the Committee on Rules. I am on the Committee on Rules, and about 2 hours ago the gentleman from North Carolina (Mr. HEFNER) was in front of the Committee on Rules and they were speaking about retirement, and the gentleman certainly did not address the chairman of the Committee on Rules, the gentleman from New York (Mr. SOLOMON) with the remarks that the gentleman is now addressing here. Of course, the gentleman from New York (Mr. SOLOMON) is not here.

Mr. HEFNER. Mr. Chairman, reclaiming my time, there was no reason to; we were not debating campaign reform. But if the gentleman from New York (Mr. SOLOMON) were here in this building, I would tell him that he is running a travesty, and he is running a dictatorial type of Committee on Rules, and he is writing the legislation of what comes before this House, and he is doing it with an overriding hand.

Nobody has any rights. The Committee on Rules is writing the legislation that comes to this House, make no mistake about it. The Committee on Rules is the Speaker's committee. He is absolutely telling the Committee on Rules, here is what you do, there is no deviation from it, and you bring it to the floor here; and that, to me, is not the way. You are just absolutely bypassing the legislative process, and that is not right.

Mr. MCINNIS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, to the gentleman I would just say that I am just amazed, because the gentleman is taking an entirely different approach than the gentleman did just 2 hours ago when he was sitting in front of the Committee on Rules and he was complimentary and the Committee was complimentary of the gentleman. I have great compliments for the gentleman's service.

The other point I want to make here, and I heard it today earlier from the gentleman from Michigan, everything is fine with the Committee on Rules as long as it satisfies you personally, but the minute somebody else wants to offer an amendment to debate, all of a sudden this Committee on Rules is the most horrible committee in 24 years.

There are 200-and-some amendments. This campaign reform is one of the most significant pieces of legislation that has come onto this floor. The Committee on Rules said, wait a second, we think that because there is such a divisive feeling about this, a lot of people ought to be offered the opportunity to offer their amendments.

From that side of the aisle, I listened to the gentleman from Michigan earlier today, I listened to you. This is the gentleman's side of the aisle that is always complaining about the Committee on Rules never lets us offer amendments; the Committee on Rules never lets us offer amendments; the Committee on Rules never lets us offer amendments. It is a dictatorship; they just shut it off.

So when we offer the amendments, you are down here the next day saying, the Committee on Rules offers too many amendments; the Committee on Rules offers too many amendments. We are never going to make you happy.

Let me just say, especially based on the words I heard today, I am just very surprised by the comments of the gentleman from North Carolina (Mr. HEFNER).

Mr. HEFNER. Mr. Chairman, will the gentleman yield?

Mr. MCINNIS. I yield to the gentleman from North Carolina.

Mr. HEFNER. Mr. Chairman, I do not understand what the connection is. I have no squawks with the Committee on Rules today. The gentleman from California (Mr. PACKARD), who is a very good friend, we did not offer waivers to nongermane amendments, and I am sorry if I neglected to congratulate the Committee on Rules, but I am not going to do that because I do not appreciate the work that the Committee on Rules is doing. It is no personal thing, but I do not appreciate it. But I do not see what the connection is about me being before the Committee on Rules. We just wanted to expedite it and get out of there.

Mr. MCINNIS. Mr. Chairman, reclaiming my time, let me say that the gentleman's remarks, if he takes a look at them in the transcript, he will find that they are very broad, not limited specifically to this bill: ''24 years, we have never seen a committee run like this committee.''

Two weeks ago with the budget, they did not do this. I tell my colleague, if the chairman of the Committee on Rules, the gentleman from New York (Mr. SOLOMON) were standing right here, the gentleman and I both know the gentleman from New York, he would be red in the face.

Mr. HEFNER. Mr. Chairman, call the gentleman from New York (Mr. SOLOMON).

Mr. MCINNIS. Mr. Chairman, again reclaiming my time, I hope that the gentleman from New York (Mr. SOLOMON) has the opportunity.

Now, let us focus on this other bill and the importance of that issue.

It is like going to a car dealership and, frankly, you people want to sell us a car. You say, all right, tell me about the car. It is a great car. What happens once I buy the car and I get out, what if a key part of the car, the motor does not work? Can I bring the car back? Oh, no, no, no. You take the car.

If a key part of it, i.e., just like in a bill, if a key part of it is unconstitutional, you still have to take the bill. That is what you are saying to us.

I think that the whip brought up a very good point. This is a very complicated piece of legislation. It is very ''intertwined,'' I think was the word that was used by the whip. One part depends upon the other part that depends upon this part. It is just like in the car. The car has lots of parts that depend on that motor, and the motor has lots inside it that depend on the fuel and other parts.

So what we are saying is, wait a minute. Either this car is good enough that you are saying to me if it breaks we will give you another car, if the motor goes out. That is what we are asking here.

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We are saying if our colleagues are so confident about this bill, then if a key part of the bill is found unconstitutional, which all of them deny it is, they are all saying it is very constitutional and this is constitutional to do this, this is constitutional to do that, I say back it up. Support.

What we are saying is if it is not, let us bring it back to the drawing board. Bring the car back to the garage. Do not say to the buyer of the car, ''Sorry. The motor broke, but we do not allow that. You are going to have to keep this car.'' We are saying bring it back. That is a pretty logical request to make.

The CHAIRMAN pro tempore (Mr. DICKEY). The time of the gentleman from Colorado (Mr. MCINNIS) has expired.

(On request of Mr. DELAY, and by unanimous consent, Mr. MCINNIS was allowed to proceed for 2 additional minutes.)

Ms. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. MCINNIS. I yield to the gentlewoman from Michigan.

Ms. RIVERS. Mr. Chairman, I wanted to make sure the gentleman understood this issue in context. The argument seems to be that only people who are concerned about the constitutionality of their bill would disagree to a nonseverability clause. But a very quick review of legislation in this Congress finds, as best I can tell, only four bills, only four bills that had been printed and distributed without a severability clause.

Mr. Chairman, I also find that if we are concerned that people who promote the idea of having a severability clause really are not clear about the constitutionality, I find that the gentleman from Florida (Mr. CANADY), who is the chair of the Subcommittee on the Constitution, put a severability clause in his Religious Liberties Protection Act. And the gentlewoman from Kentucky, who has argued this very vigorously who was an original cosponsor of House Resolution 456 for drug testing, also put a severability clause.

So if there are only four, why are we suddenly directing all of this wrath?

Mr. McINNIS. Mr. Chairman, reclaiming my time, I do not disagree point blank or broadly against severability. I think it is appropriate. But let me say that it is the gentlewoman from Michigan (Ms. RIVERS) and individuals such as the gentlewoman, that are saying to the country out there: This is absolutely constitutional. This is not a breach of the freedom of speech. This campaign reform, do not let anybody divert attention by saying it is unconstitutional. It is constitutional.

What happens is the gentlewoman then gets out there, saddles this thing on a lot of people, and I frankly believe parts of it are unconstitutional. But until it gets to the Supreme Court, my colleagues are able to squash the constitutional rights on something that you are going across the country, and I say ''you'' generically, that that side that is supporting this, the Democrats are going across the country guaranteeing everybody this is constitutional.

They criticize us. Every time that I have said about this bill I think there are some unconstitutional provision, I get criticisms. Why do I dare question the constitutionality?

Mr. Chairman, my point is this. If the gentlewoman would criticize me for questioning the constitutionality, then she should back up her product.

Mr. WEYGAND. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to try to get back to the substance of the bill that is before us and the amendment that is before us.

Mr. Chairman, it is interesting, the debate that we have had. The majority whip came up and talked very eloquently about the problems that he foresees with the perception that he believes that we are trying to bring to the American public. But let me tell my colleagues, I do not think any of us on this side of the aisle or that side of the aisle think that the Congress is perfect.

When we first set up this great assembly and this great body and this country, we recognized that there may be errors made by this Congress and we have a system called a Court which reviews those errors.

So if the public is watching out there, if we make a mistake in a piece of legislation, whether it be a comma, whether it be a substantial piece that may be unconstitutional, we have always, almost religiously included a severability clause. Almost every general assembly across this country does exactly the same thing, because of the check and balance system that we have before us makes sure that at least we can get part of the bill if not all of it.

Some of the comments this evening are that we have for some reason said that the Shays-Meehan bill is perfect. Well, the Shays-Meehan bill really addresses an original or substantive part of campaign finance reform and attaches to that statute many different pieces, addresses different parts. Soft money, a number of other things besides soft money, with disclosure.

Mr. Chairman, each one of those things are important elements to campaign finance reform. By themselves, they may not be as important as the whole. But individually they are important. And if one part of that happens to be unconstitutional, I am not so proud, nor do I think any of our other Members here are so proud, to say that it is without doubt we are absolutely perfect and that we should not think at all that any piece is unconstitutional.

But take a look at what we are really trying to do. Shays-Meehan is trying to correct one of the most egregious problems of campaigns today and that is the issue of soft money. We all on both sides of the aisle take political action committee money, or most people do. We all have caps on those and we have many other wealthy people or poor people who contribute to our campaigns. But one of the most difficult things for the general public, who is most important in this discussion, is they do not understand how these issue advocacy ads and thousands and millions of dollars are going in to campaigns without disclosure, without one person understanding or knowing where it is coming from, yet having a great impact on how campaigns are determined.

But more importantly, as I stated yesterday and last night, the whole issue of this body is to have people that have their finger on the pulse of America. The pulse of the people is what we are supposed to be monitoring and be a barometer of.

So often we try, and both sides are out there trying to scoop up as much money as we possibly can to get out there and talk about the issues that we think are the most important. But the average American finds it very difficult to run in a campaign when, in fact, there is so much additional money besides what we presently have limits on, political action committee money or additional contributions.

Shays-Meehan makes a dramatic attempt to correct that. It may not be everything we want in campaign finance reform, and that is why we over here are in favor of putting on the White amendment that would provide a commission. We think that we should move forward, not that this is the end-all of reforms for campaign finance, but it is the beginning. It is a major step.

Mr. Chairman, to camouflage it with this poison pill by providing nonseverability is an attempt to deny the public an opportunity for clear finance reform.

Mrs. NORTHUP. Mr. Chairman, will the gentleman yield?

Mr. WEYGAND. I yield to the gentlewoman from Kentucky.

Mrs. NORTHUP. Mr. Chairman, I think the gentleman from Rhode Island has very eloquently pointed out the difference between the perspectives here. Mr. Chairman, I would ask if the gentleman would agree that if we believe every point of this bill by itself is good, then severability makes sense. But if the Court struck out any two provisions, any three provisions, any one provision of the Shays-Meehan bill, what I believe I heard the gentleman say was it is still a great beginning and he supports it.

The CHAIRMAN. The time of the gentleman from Rhode Island (Mr. WEYGAND) has expired.

(By unanimous consent, Mr. WEYGAND was allowed to proceed for 2 additional minutes.)

Mr. WEYGAND. Mr. Chairman, the gentlewoman from Kentucky has struck a very poignant part of our argument. We believe that if one or two or three parts of this bill, or other parts of the underlying statute which we are amending, existing law, were found by the Court to be wrong, then they should be severed away from it and taken away from it. It does not mean that the rest of it should not stand.

Let me give an example which is totally different. The Tax Code. Tax law. We passed tax bills last year. Monumental tax revision. If any one piece of that tax bill fails, I am sure that the gentleman from Texas (Mr. ARCHER) and the Committee on Ways and Means and this Congress and this Senate would make provisions to try to correct the mistakes. But do we put a nonseverability clause on the tax bill?

Mrs. NORTHUP. Mr. Chairman, if the gentleman would again yield, if I can answer that because I think this is such an important clarification.

Mr. Chairman, we do not put nonseverability because those of us that voted for that tax cut believed each one of those cuts stood on their own merit, had a merit of their own.

For those of us that are asking for support for the nonseverability, we are saying that if Members believe that balance is important, and this is a balanced product and that if two or three points of it would be struck down by the courts and the rest of it would create an imbalance, severability would be important.

Mr. WEYGAND. Mr. Chairman, reclaiming my time, our sole intent here is to make sure that Shays-Meehan stands, in part or in total. This amendment that is being offered by the gentleman will, in fact, provide us with a total failure. It is a poison pill that will ruin Shays-Meehan, and it is intended to do so.

Mr. GREENWOOD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have been wanting to have some time for a while because I first want to speak on process, and I hope the gentleman from Connecticut (Mr. SHAYS) is listening, and I do not know if the gentleman from Texas (Mr. DELAY) is here or not. But I cannot let pass the nuance that the gentleman

from Connecticut was in some way trying to interfere with the free flow of debate on this floor or was in any way disrespectful of his colleagues.

Mr. Chairman, it has been my experience in the 6 years that I have served in this House that there is not a Member of the House of Representatives who is more courteous, who is more respectful of his colleagues, who is more polite than the gentleman from Connecticut. He is a gentleman par excellence, and his motives in that regard should not be questioned.

Mr. Chairman, it was clear that his concern simply was that in the format where we each seek 5 minutes and an infinite number of yields might prevent others from having an opportunity to speak. And it was only, I know, because of his courteous respect for his colleagues that he made that point and I think that should be clarified.

On the merits of severability, the gentleman from California (Mr. THOMAS), neither he nor the proponents of his amendment have yet made the case that the elements of the Shays-Meehan bill, in fact, hinge upon and were dependent upon one another. The fact of the matter is that they are not.

The first provision, the most important provision is that this bill bans soft money. Americans by overwhelming majorities understand that when huge corporations or huge labor unions are able to contribute huge sums of money to the parties, that they buy undue influence that individual Americans could never ever achieve. And Americans think that is wrong because this is not government by the corporations, for the corporations, or by the labor unions, for the labor unions. It is government by and for and of ''We the People.''

Americans understand that people should contribute to candidates, not corporations, not to parties, nor should labor unions.

Now, Mr. Chairman, that is meritorious on its own regard. If the Supreme Court decided that codifying Beck with regard to paycheck protection or with regard to contributions by union members was unconstitutional, that in no way minimizes the value of banning soft money. No more than getting rid of sham issue ads, where they get around the rightful limitations on contributions of hard money and use other funds to go right after a specific candidate and malign him and attack him without ever owning up that the purpose of that ad was to go after a specific candidate. That stands on its own merit entirely.

Whether the limitation on what wealthy candidates contribute was to stand or fall in the courts has nothing to do with the merits of getting rid of these sham ads, any more than limiting the ability of incumbents to use the franking privileges all the way up to elections. If that stands or does not stand in the Supreme Court, it has nothing to do with whether foreign money and fund-raising on government property should stay in law.

So until the proponents of the Thomas amendment can show in any way how these components of the Shays-Meehan act rely on, depend on, cannot exist without the other, they have not made anything like a case.

□ 1930

The fact of the matter is that these provisions all stand on their own. All have merit, individually or collectively, and are not dependent upon one another in order to accomplish real campaign finance reform. I urge a ''no'' vote on the Thomas amendment.

Mrs. NORTHUP. Mr. Chairman, will the gentleman yield?

Mr. GREENWOOD. I yield to the gentlewoman from Kentucky.

Mrs. NORTHUP. Mr. Chairman, what I would say is that there are different ways for different people to influence elections. The fact is, soft money, I believe, is a very good form of support for our parties. If GE gives $100,000 to the Republican Party, whatever candidates they help have no idea who gave that money, have no idea whom they might owe.

In fact, the only thing that they are thankful for is the fact that their party, whom they already agree with, their principles, supported them.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. GREENWOOD) has expired.

(By unanimous consent, Mr. GREENWOOD was allowed to proceed for 1 additional minute.)

Mr. GREENWOOD. Mr. Chairman, in response to the gentlewoman's comments, it may be the candidates do not know where the money came from, but it is certainly the case that when the XYZ Corporation gives a huge sum of money to the Democratic or the Republican Party, Members of Congress in the House and the Senate were involved in raising that money.

When the vote comes before the House, they are not adverse to reminding Members, the XYZ corporation or the XYZ labor union just gave us a million dollars, and they will really appreciate the right vote here. Do you think that does not happen?

Mr. LEVIN. Mr. Chairman, will the gentleman yield?

Mr. GREENWOOD. I yield to the gentleman from Michigan.

Mr. LEVIN. Mr. Chairman, my colleague is 100 percent right. It is so cynical for anybody to suggest that the people who are in office, who helped raise the money in many cases, do not know the source of the funds. The gentleman from Pennsylvania (Mr. GREENWOOD) is so right.

The problem is, the public does not know. But the recipients, the parties, do know.

Mrs. NORTHUP. Mr. Chairman, will the gentleman yield?

The CHAIRMAN pro tempore (Mr. DICKEY). The time of the gentleman from Pennsylvania (Mr. GREENWOOD) has again expired.

(On request of Mrs. NORTHUP, and by unanimous consent, Mr. GREENWOOD was allowed to proceed for 2 additional minutes.)

Mr. HEFNER. I object, Mr. Chairman.

The CHAIRMAN pro tempore. No timely objections were heard. The gentleman from Pennsylvania (Mr. GREENWOOD) is recognized for 2 additional minutes.

Mrs. NORTHUP. Mr. Chairman, will the gentleman yield?

Mr. GREENWOOD. Mr. Chairman, I yield to the gentlewoman from Kentucky to see what she says and to decide if I want to continue to yield.

Mrs. NORTHUP. Mr. Chairman, I will just point out that we all know who gives to the parties because it is reported. But if the XYZ Corporation thinks they want to influence an election, now they can give it to an independent organization, which is the part of the bill we think will become unconstitutional; and no one, no public has any ability to know they got $100,000 or whether they told the candidate that they gave $100,000. That is the sort of illegal action that has happened in States where they have previously passed this kind of legislation. I am sorry we cannot hear the rest of the story.

Mr. GREENWOOD. Reclaiming my time, Mr. Chairman, the fact of the matter is, we can be for soft money, as the gentlewoman is, and be against it, as I am; and that is a legitimate and reasonable debate.

The issue in this amendment is whether the ban on soft money is or is not a good idea, depending upon whether the courts decide that the ban on raising money in public offices stands or it does not.

These provisions have merit on their own. They do not hinge one upon the other. They are not dependent upon one another for their effect. They should not be subject to this sham amendment which I think, although I have nothing but respect for the gentleman from California, is really intended to undo the provisions.

Mr. DOOLITTLE. Mr. Chairman, will the gentleman yield?

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

Mr. DOOLITTLE. Mr. Chairman, is the gentleman saying there may be provisions in this bill that could be deemed unconstitutional?

Mr. GREENWOOD. Mr. Chairman, reclaiming my time, what I am saying is that the proponents of this amendment have yet to make a coherent argument that, in fact, one provision of this bill relies upon the other. The burden of proof on an offer of an amendment is to prove that their argument has validity, and you have not done that.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me begin with the assertion from the gentlewoman from Kentucky that when an individual

gives $100,000, or a corporation, to a political party, the candidates do not know who gave that. I would nominate that for the single most astounding thing said on the floor of the House since the gentleman from California (Mr. Dornan) left our premises. No one I know of thinks that that comports with the facts. Of course the candidates are made aware of who gave the soft money.

Next, I want to talk about the rule. I do not know if the gentleman from Colorado is still here. He was waxing indignant because people criticized the rule. He said, you know, you come to us, and you ask for amendments, and you ask for amendments, and you ask for amendments; and we say, no, you cannot have this, and, no, you cannot have that, and, no, you cannot have this; and then we make 417 nongermane amendments in order to this bill, and you are ungrateful.

As a matter of fact, that is precisely our point. The majority has made it clear, when they want a bill to pass, they restrict amendments unduly. The chairman of the Committee on Rules boasted on this floor that he would not allow any amendment to the defense bill, including one cosponsored by myself and the gentleman from Connecticut that would have allowed a cut in the defense bill.

He would not allow one to have us remove our troops in Bosnia, cosponsored by three Democrats and three Republicans. Amendments were kept off the bankruptcy bill. Amendments have been kept off bills.

So my colleagues are right, we do point to the glaring difference between a refusal to allow basic important amendments to bills and then loading this down with nongermane amendments. That is clearly a sign of people who do not want to have this bill.

Do my colleagues want to know what this rule is and this procedure is? This is filibuster envy. We have people here who may not make it to the Senate on their own, so they will try and change the rules so we can filibuster.

I sympathize with my friends who try to get before them. I do not agree with them. But it is a sign of how overwhelmingly opposed the Republican leadership is to letting this bill get decided, that my good friends, men of integrity and women of integrity who worked hard, have to claim as a victory that they are going to let us vote on it in August. That is, I think, a sign of how much they are not for this bill.

Mr. Chairman, I want to get to severability, but first I will yield to the gentlewoman from Kentucky.

Mrs. NORTHUP. Mr. Chairman, will the gentleman yield for a question?

Mr. FRANK of Massachusetts. Mr. Chairman, I just said I would yield to the gentlewoman from Kentucky.

What was her question?

Mrs. NORTHUP. Mr. Chairman, I was just wondering if the gentleman can name, for example, five contributors that have given $100,000 to his party. I could not name that.

Mr. FRANK of Massachusetts. Mr. Chairman, right now Bernard Schwartz comes to mind. He is the man from Loral. Then the National Education Association, the United Auto Workers. Oh, the Teamsters.

Mrs. NORTHUP. Mr. Chairman, let me ask the gentleman another question.

Mr. FRANK of Massachusetts. I am sorry, the gentlewoman asked one question, teacher. Excuse me, but I answered one question, and then I will talk some more, and she can ask another.

Mrs. NORTHUP. All right.

Mr. FRANK of Massachusetts. Because I do want to get to severability.

This notion that you cannot have severability, there is a constitutional doubt, I am struck by the number of conversions I am seeing today, first because we have the majority whip who is a born-again constitutionalist.

In the 14 years I have known him, he has voted for a number of bills that were found unconstitutional without any hesitation. He has never, in my hearing, defended free speech, but all of a sudden he is a great defender of the constitutionality of free speech and of nonseverability.

Let me talk about the telecommunications bill. It was voted out of this Congress in early 1996 with a blatantly unconstitutional provision called the Communications Decency Act, which purported to restrict what adults can say to each other on the Internet even when it wasn't obscene. Over and above obscenity, it said, we may not be indecent to each other. That passed.

The Supreme Court struck it down 9–0. Every member of the Supreme Court said, Clarence Thomas, Justice Scalia, this is blatantly unconstitutional. We cannot do it. I guess I must have been absent the day the majority whip, the arbiter of free speech, objected to that.

But do you know what, the bill had a severability clause, because if we had done it the way Members here are now advocating, that whole telecommunications bill would have been thrown out, because the telecommunications bill contained a blatantly unconstitutional provision.

As you might have inferred from the fact that I am drawing on it at length, I voted against the bill because I knew that it was unconstitutional. However, all the rest voted for it, over 400. I did not do that well in that vote.

People who voted for that blatantly unconstitutional provision and then saw it survive because of a severability clause, if they come to us now and say, we are just unable to vote for anything about which there is constitutional doubt, and we must have a nonseverability clause, do not impress me that that is, in fact, what motivates them on this particular bill.

We have another problem with this rule, and let me use a technical term to describe this rule, ''cockamamy.'' With this cockamamy rule, my colleagues have more loops and whirls.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. FRANK) has expired.

(By unanimous consent, Mr. FRANK of Massachusetts was allowed to proceed for 2 additional minutes.)

Mr. FRANK of Massachusetts. Mr. Chairman, what we have here is a procedure whereby the Committee on Rules, which would not allow the amendment of the gentleman from California (Mr. CONDIT) to the budget, would not allow on the other bill, he would not allow the Senate budget as a budget amendment here, would not allow an amendment on Bosnia, the defense bill, it has allowed nongermane amendments and other amendments.

Given the strategy that is being followed of people who want to beat this bill, but do not think they can do it head on, here is what I think we are likely to see: A nonseverability clause, if adopted, will then become the invitation for an unconstitutional amendment. What will happen will be this; here is the scenario:

They get a nonseverability clause adopted. Then they come up with an unconstitutional amendment, but one Members are afraid to vote for. If you doubt that, let me remind you that we voted for a Communications Decency Act by over 400 votes that the Supreme Court threw out 9–0.

So here is how they help to defeat Shays-Meehan. They adopt, rarely, for only like the fifth time this year it is even considered, a nonseverability clause. Then they use this rule to come up with an overwhelmingly appealing, but dubiously constitutional amendment. They get it put in, and they bring down the whole bill.

If we were talking only about Shays-Meehan and there was no chance of an amendment, then I would be less concerned about nonseverability. But you are asking for the right to put in a nonseverability clause and then come up with transparently political amendments which have overwhelming appeal, which Members this close to an election might not want to vote against, and then you would bring down the whole bill.

I think nothing could be clearer from the jumping and whooping and leaping that is going on here that people want to do anything but debate Shays-Meehan.

It is possible, by the way, that we will at some point adopt something that is in the gray area in the Constitution. That is an appropriate thing to do. That is the way we give the court a chance to test itself. But to tell us with this rule, this travesty of a rule aimed at trying to kill the bill, that we should adopt a nonseverability clause so Members can put an unconstitutional amendment in is asking the bill to commit suicide.

Mr. ALLEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to get back to the subject of amendment 132, proposed by the gentleman from California (Mr.

THOMAS) and deal with that, and then come to some of the allegations that have floated through this Chamber again about how we are impinging on free speech.

The chairman was right when he referred back to Buckley v. Valeo and how it was handled by the United States Supreme Court. Because in Buckley v. Valeo, the court made a distinction between contributions and expenditures, and we wound up with half of what the Congress had passed.

So there is always a risk when an amendment is brought before this body when we seek to pass legislation, there is always a risk that a portion of that legislation may be held unconstitutional. But in trying to avoid the problem created by Buckley v. Valeo, we are really undermining our chances of campaign finance reform.

What we are trying to do here is to pass a soft money ban. I disagree with the gentlewoman from Kentucky (Mrs. NORTHUP). We can read all the reports we want. We know who gives money to the national parties. If we can just look at the reports of the Republican Party, we will see $6 million or $7 million in money from the tobacco companies coming to the Republican Party, and that is soft money because it comes from corporations.

Corporations have not been able to give to Federal candidates for decades, and yet, they can give money to the national parties, and that money can be used for issue ads that will go out and will affect Federal elections. That is wrong. That is why we need to ban soft money.

Both the freshman bill and the Shays-Meehan bill do that. They have effective soft money bans. It is disingenuous for people to stand up and say they believe in a balanced bill. They believe it is constitutional. Therefore, we should simply go ahead and adopt a nonseverability clause.

Nonseverability clauses are the exception rather than the rule. What is going on here? There have been innumerable efforts to kill campaign finance reform, real reform in this hall, in this session. What is going on now is an attempt to adopt an amendment that would have a chance of killing in the courts any campaign reform, either Shays-Meehan or Hutchinson-Allen, that passes this particular body. We do not want that to happen.

Amendment 132 should be voted down. We do not want a nonseverability clause. If you simply look at the people who are advocating for this particular reform on the Republican side, they are not sponsors of Shays-Meehan; they are not sponsors of Hutchinson-Allen.

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Now, let me go back for a moment to the claims that are made periodically here that we are infringing on free speech. Let us go back to Buckley v. Valeo. That court held clearly that in order to prevent corruption, or the appearance of corruption, the Congress could act to impose restrictions on campaign contributions. It is absolutely clear from that decision and from other decisions that it is constitutional to ban soft money.

In a recent case, the court said if it appears that soft money is being used as a way to avoid hard money limits, then the Congress could reconsider what it has done so far on soft money.

Let us talk about what that means in the real world. In the real world, an individual can only give $1,000 to a candidate, but they can give $100,000 or $500,000 to a political party, and that money can be used for issue ads to affect a Federal election.

That is wrong. It needs to be stopped. We have got to contain the influence of big money in politics, and we cannot be diverted by arguments that we are jeopardizing free speech.

I believe Shays-Meehan is constitutional. I believe the freshman bill is constitutional. But in any bill that we pass, there is always some risk. There is always some risk. And so what we ought to do is stop all the posturing and simply say what we want is a bill to come out of this Congress that will not only pass the House and pass the Senate and be signed by the President, but will withstand constitutional scrutiny, and when it is done, will not be ruled in its entirety unconstitutional because of some minor provision.

Mr. SOLOMON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. PETERSON of Pennsylvania) having assumed the chair, Mr. DICKEY, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2183) to amend the Federal Election Campaign Act of 1971 to reform the financing of campaigns for elections for Federal office, and for other purposes, had come to no resolution thereon.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4059, MILITARY CONSTRUCTION APPROPRIATIONS ACT, 1999

Mr. SOLOMON, from the Committee on Rules, submitted a privileged report (Rept. No. 105–585) on the resolution (H. Res. 477) providing for consideration of the bill (H.R. 4059), making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1999, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4060, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1999

Mr. SOLOMON, from the Committee on Rules, submitted a privileged report (Rept. No. 105–586) on the resolution (H. Res. 478), providing for consideration of the bill (H.R. 4060) making appropriations for energy and water development for the fiscal year ending September 30, 1999, and for other purposes, which was referred to the House Calendar and ordered to be printed.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO HAVE UNTIL MIDNIGHT, FRIDAY, JUNE 19, 1998, TO FILE PRIVILEGED REPORT ON DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS ACT, 1999

Mrs. NORTHUP. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight Friday, June 19, 1998, to file a privileged report on a bill making appropriations for the Department of Agriculture, Rural Development, Food and Drug Administration and related agencies for the fiscal year ending September 30, 1999, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Kentucky?

Mr. FRANK of Massachusetts. Reserving the right to object, Mr. Speaker, just to ask how many nongermane amendments were made in order by the rules that we just filed?

Mrs. NORTHUP. It is an open rule, sir.

Mr. FRANK of Massachusetts. No nongermane amendments, though?

Mrs. NORTHUP. But I was happy to yield to the gentleman's question.

Mr. FRANK of Massachusetts. The gentlewoman did not yield, I reserved the right to object.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Kentucky?

There was no objection.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XXI, all points of order are reserved.

BIPARTISAN CAMPAIGN INTEGRITY ACT OF 1997

The SPEAKER pro tempore. Pursuant to House Resolution 442 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2183.

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IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R.

2183) to amend the Federal Election Campaign Act of 1971 to reform the financing of campaigns for elections for Federal office, and for other purposes, with Mr. DICKEY (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole rose earlier today, pending was the amendment by the gentleman from California (Mr. THOMAS) to the amendment No. 13 by the gentleman from Connecticut (Mr. SHAYS).

Is there further debate on the amendment?

Mr. POMBO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentlewoman from Kentucky (Mrs. NORTHUP).

Mrs. NORTHUP. Mr. Chairman, I appreciate the gentleman yielding to me and giving me an opportunity to answer some of the previous statements.

First of all, I was surprised at how many speakers have talked as though the whole system is corrupted. Maybe I am naive, but I believe that this is a mostly honest system. I believe that there are those people that cannot resist money in return for influence, but I have not seen many colleagues on this floor that are in that position, and I believe most of our Members work throughout the system in an honest way.

And so I think it is important to tell the people, the American people around this country, that while, yes, individuals, corporations and labor unions contribute money because they care about elections, that most Members on this floor can cite many instances when they have turned to those people that are contributors and said, in this case, I cannot support you, I do not agree, even though they contributed, because they believed in most instances they shared a common perspective of public policy.

Most all of us have, on plenty of occasions, looked almost every one of our contributors in the eye and said, not on this occasion, I cannot agree with you.

I was asked why I believe nonseverability is so important, and this is why. I believe almost without a doubt that the courts are going to strike down the provisions related to independent expenditures. So, yes, we can make soft money illegal, and soft money, in my opinion, is the type of money that is used for party building, for general themes. I am not aware that any soft money has ever come into my campaign. It may have, but I am not aware that it ever has.

But people that wish to influence campaigns, and we know they are there, if they wish to influence campaigns, they can begin giving their money to independent organizations, where most of us believe the constitutional problems with this system exists. And in that case the money is not traceable, it is not reportable, and the fact is that those independent organizations can then collaborate or whisper in the ear of anybody they want.

I know that I am going to abide by every law in campaign finance. I know I believe in the system and that I believe in the voters, but I do not want to create a system where money goes so that it can then be sent to candidates, so that the candidate that is willing to break the law the most, who collaborates with an independent organization, who will be so desperate that they ask an independent organization to, in a sense, money launder, which is what would happen, that the person that is willing to break the law the most is the person that has the best advantage.

Some people say that will never happen, but let me assure my friends that in Kentucky we passed campaign finance reform for our governor's races. And what happened? It did not take one session before we began to have parallel campaigns. For example, somebody left from one of the candidate's staffs, went to an organization, worked to raise money, worked to spend money, and none of it reportable, none of it available for the public to see. And what we had was parallel campaigns going on out of sight of the voters.

That is the sort of thing that will begin to change the system for those of us who report every expenditure and who are happy to live within the system. It will put us at the most disadvantage, and the person that is willing to collaborate illegally will be at the greatest advantage.

I am sorry that it is given to those of us that oppose this such evil intentions, because the truth is there are not many people in this House that set a better example than if we just have hard money. No independent money, no soft money. I have raised in my district from individuals, from the $5 contributors, the $10 contributors that give every month, and the large contributors, a whole group of people who have supported me, and I do not need the soft money or the independent expenditures. But there are people in districts who have not had that opportunity and they have been able to get their voice out, they have been able to have the support of the overall party building money that can turn out voters, that can say this is what the Democratic party stands for, that cannot be candidate specific, but they will be the people who suffer.

The CHAIRMAN. The time of the gentleman from California (Mr. POMBO) has expired.

Mr. POMBO. Mr. Chairman, I ask unanimous consent for an additional 2 minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California?

Mr. FARR of California. I object, Mr. Chairman.

The CHAIRMAN pro tempore. Objection is heard from the gentleman from California.

Mr. POMBO. Am I to understand the gentleman from California has objected to my asking for an additional 2 minutes?

Mr. FARR of California. The gentleman had 5 minutes and he yielded it all.

The CHAIRMAN pro tempore. Objection has been heard.

Mr. FARR of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am one of the authors of one of the bills that are going to be considered, and I find this process incredibly demeaning, although we get up here and talk about how open it is because we have 258 amendments on the floor. But, frankly, the bottom line of all this is that we have to vote on a bill, and the judgment will be whether we put a bill out and put out a good bill.

Congress is able to do that, because we did it in the 101st session of Congress, the 102nd session of Congress and the 103rd session. And, in fact, the bill we put out is more comprehensive than any of the bills we are debating here tonight. So this body is capable. We never brought up 258 amendments to try to make those things. We did not talk about severability in those issues. So I think my colleagues see what is going on here. There is an effort here to try to really defeat the issue.

I find it very ironic that we are debating right now on a nonseverability amendment to a nongermane amendment, because I think some of the people who sponsor these amendments really do not want campaign reform. They want nonreform.

This debate sometimes becomes almost silly, because the public may not understand the legal implications of severability, but they do understand fair play. And what campaign reform is about in America in 1998 is fair play. How do we take so much money out of the system? We have to pass a law to do that, and that law has to do a lot of things. But they are not all connected.

Most people believe in fair play and they also understand that in fair play people can make mistakes. And this nonseverability debate is about we can never make a mistake. Congress cannot make one word of a mistake, because if the court throws it out, we have to throw out the whole thing. If we lived by that in our lives, then one poor grade would throw our child out of school; one overdrawn check would cancel our checking account. In fact, if one Member might get in legal trouble, we should throw out all Members because they all got elected at the same time.

So let us get down to what it is all about. This is about a bill that is a bipartisan bill. We rarely see these on the floor. A lot of effort went in to try to bring a consensus about so that we could get enough votes to pass a bill out of this House in this session.

This bill has a lot of parts to it, and for those who say that we cannot have severability, they have not read the bill. There is all kinds of little things

in here, like automatic penalties for late filing. What if the court threw that out? Do my colleagues think that has something to do with soft money? Absolutely not.

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Should that kill the reforms on issue advocacy? Absolutely not. There are all kinds of parts in here that a court could say, for example, that we have not contributed enough money to enforce the law, some of the things that we have in here.

We allow the FEC to refer suspected violations to the Attorney General at any time. Read the bill. If we read the bill we will say, well, if that one sentence were found unconstitutional, should all of this other substantive stuff be thrown out? Absolutely not.

That is why people oppose this amendment, because they see this amendment as a way of destroying the whole effort here of trying to get a well-thought-out bill, a bill that has been compromised by the fact that it has gotten this far in this very controversial session of our Congress.

We need to make sure that we pass a bill that is comprehensive. And frankly, I think my bill, and both the gentleman from Connecticut (Mr. SHAYS) and the gentleman from Massachusetts (Mr. MEEHAN) and I have been working side by side, I think my bill at this point is much more comprehensive than theirs. But I am up here advocating the support of their bill because I think it is what we can politically do.

Let us not try to destroy this with 258 nongermane amendments. That is silly.

Mr. MEEHAN. Mr. Chairman, will the gentleman yield?

Mr. FARR of California. I yield to the gentleman from Massachusetts.

Mr. MEEHAN. Mr. Chairman, the point I also was going to make on severability is, if this amendment were to pass, with all the amendments that can be offered, how easy it would be for the other side to simply offer and pass a clearly patently unconstitutional amendment and the whole bill is dead.

So it could not be clearer, could not be clearer, that this amendment is a poison pill to kill this bill. Because even if everything in the bill is totally 100 percent constitutional, unlike the telecommunications bill, unlike the Brady bill, and unlike a lot of bills we pass, all they would have to do is come in with a nongermane amendment that sounds good but that they know is unconstitutional and it is over.

Mr. WHITFIELD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, one of the previous speakers, and there has been a lot of discussion actually this evening about tobacco and what happened over in the Senate, and the gentleman from Maine (Mr. ALLEN) I believe talked about how I have received a lot of tobacco money. And I wanted to confess tonight that I do represent 31,000 tobacco farmers and tobacco companies through their political action committee using hard money, which is legal, which Shays/Meehan does not try to address at all. So they are not talking about hard money, that I have received hard money from tobacco companies; and I do not apologize for that.

But I would also like to point out that there is a gentleman named Ted Sioeng, who is from Indonesia, and he is the largest cigarette manufacturer in Red China today. I have a picture here of Mr. Sioeng and our President Bill Clinton. Mr. Sioeng gave Mr. Clinton and gave the DNC $400,000. And by the way, it was not hard money, it was soft money.

Now, I do not object to soft money, except in this instance there is a Federal Election Commission rule 441(e) that says it is illegal for foreign nationals to contribute money to campaigns in the United States.

And so, I would just remind the gentleman that his President, I guess he is all of our President, some of us like him more than others, but he accepted $400,000 from this gentleman.

And do my colleagues know something else? They have been trying to investigate these illegal contributions, which led to a lot of this debate about campaign finance reform, and we cannot find Mr. Sioeng. They have been looking for him everywhere. We cannot find him or any of his family.

But I just want to remind the gentleman that the contributions to me were legal hard money through the political action committee of which employees of those companies voluntarily gave the money and PACs came about as a reform measure themselves to encourage people to participate in the political system.

Now people are saying that the only reason we are offering these amendments is that we want to kill this bill, and I would suggest to them that there are some sincere beliefs that this bill goes too far. I think that we should support nonseverability for the simple reason that I think this is a vitally important issue.

I would like to read a quote from Buckley v. Valeo.

> Discussion of public issues and debate on the qualifications of candidates are vital to the operation of the system of government established by our Constitution.

This is one of the most fundamental First Amendment activities. Now we seem to be summarily dismissing this First Amendment and the fact that Buckley v. Valeo has not been overturned and court after court after court after court continue to affirm it. And I think that the real reason that our opponents are opposed to this nonseverability amendment is that they know, without any question, that there are all sorts of provisions in this bill that are unconstitutional.

Now, our friend from Pennsylvania a while ago said, no one has talked to me about how these are interconnected, the provisions of this bill. And I tell him what, when we start broadening the definition of ''express advocacy'' that has a dramatic impact on issue advocacy and independent expenditures and what can and cannot be done. Those three are definitely related.

I want to read an article here from the American Civil Liberties Union. I have never really been a fan of the American Civil Liberties Union, but I am sure that people who follow them know that their main purpose in existing is to be sure that the Constitution is upheld. And they are bringing all sorts of lawsuits around the country on many issues that people do not like because they feel it is so important to protect constitutional rights.

I just want to read to my colleagues.

> What is wrong with the Shays/Meehan bill? Number one. Shays/Meehan is patently unconstitutional. The American Civil Liberties Union believes that key elements of Shays-Meehan violate the First Amendment right to free speech because the legislation contains provisions that would one, restrict the right of the people to express their opinions about elected officials and issues through unprecedented limitations on text, accompanying issue group voting records, and restraints on citizen commentary prior to election, restrict contributions. Two, and uses of soft money.

And remember, soft money is everything the other groups spend that are not candidates.

Mr. POSHARD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I was unable to be in the House and on the floor for the general debate on the rule, and I believe the issue of severability has been well debated here. I rise now in support of the Shays/Meehan bill.

Mr. Chairman, my colleagues, there is only one glue that holds this precious democracy together, trust, trust between the representatives and the represented.

I speak to lots of young college students throughout the State of Illinois. They often rise and look me in the eye and say to me, ''Congressman, we do not trust any of you anymore. You are all in it for yourself. You are all in it for the special interests. No one is in it for us anymore.''

And when I inquire of them as to what it is that has brought them to the point of feeling so distrustful about their government, feeling that their government just does not care about them, they always look me in the eye and they follow up with this statement. ''Congressman, just follow the money. Just follow the money. You will know why we do not trust government anymore.''

Well, I have followed it. And so have my colleagues. We know that huge amounts of money is buying access to our government. And access leads to influence, and influence leads to policies that are not always in the best interest of our people.

If democracy means anything, it must mean that all of our people, all of our people, irrespective of their economic station in life, all of them, must

have equal access to their representative. We must do nothing to disturb the trust between the representative and the represented.

Mr. Lincoln said it 130 years ago in front of a divided nation. He said, here is the bottom line. There is no other. This is the bottom line. Right makes might. Right makes might. Not money. Not power. Not position. Not even the Congress. Right makes might.

Shays/Meehan is not perfect but it seeks to reestablish some measure of balance, some measure of equality between the competing voices that seek to be heard in this democracy.

The constitutional question in that little room in Philadelphia, Pennsylvania, 225 years ago was whether the common man, the common man, would have a voice alongside the monied aristocracy.

Thomas Payne put it in these words. He said, ''Gentlemen, we have the opportunity to make the world over again, to give common people an equal voice in their government, something unheard of in the whole history of the world.''

There are times when we in this body are charged with making America over again, when equality of voice is denied in our system. Do not do further injury to this glue, to this trust, which holds us together. Pass this bill and reject any amendments which seek to weaken it. It is the right thing for all of our people.

Mr. PETERSON of Pennsylvania. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise today to support the Thomas amendment of the nonseverability clause. Because we need to do it right. We need to pass legislation that is constitutional. We should not do anything else. We know, with pretty clear record, that many provisions have already from previous legislation been termed unconstitutional. So why should we do it again?

It was interesting a little bit ago, just a few moments ago, that we were told by a gentleman that this bill was not quite perfect but it is almost and we should have no amendments because it is what the Senate would accept. I hope some day I hear a senator saying, let us keep this bill as it is because it is what the House will accept. I know that is not going to happen.

I served in state in both the Senate and the House and I know that is not going to happen in the Senate, whether it is in state or in Washington. Though I respect that gentleman very much, we should not be crafting a bill for the Senate.

I think the vast majority here tonight know that that bill will have provisions struck down by the courts. And we do not need the poison pill that the gentleman spoke of a few moments ago. Because this bill, by most people's opinion, has unconstitutional provisions.

The current law has been in place about a quarter of a century. Large sections were struck down in 1976 and left us a patchwork plan of campaign finance, a patchwork.

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It has a lot of problems. But let us not build another system where the courts can give us another patchwork quilt that will not work. It will happen again.

Now, think about this a moment. If the court strikes down money to the parties as being illegal but allows the private groups to be legal, and that part remains, we have taken the power away from the parties and we have given it to interest groups that we are talking so much about. That could happen.

Is Shays-Meehan perfect? No, it is not. I think it misses the mark. Because I think we have the soft money problem because we have taken the power away from the people. In most State governments, individual contributions are not limited at all, and soft money does not play the role there that it does in Washington. That may not be true in every State, but it is true in many. The people are stuck with the same contribution limit that was here in 1974. If that were inflation fixed, it would be probably 3 or $4,000. Now, if $1,000 was right then, it is certainly not fair today. Why not empower the individual?

We limit an individual to $25,000 in a whole congressional race. Let me tell Members why I think that is inappropriate. The Shays-Meehan approach will limit free speech. It will particularly limit free speech to those who want to protect the sanctity of life. I do not know a more noble issue than protecting life itself. It will also prohibit those who want to protect the right to bear arms, and I come from rural America and that is a pretty important issue out there, the right to bear arms, the right to defend yourself. I also come from an area where private property rights are pretty important, and those groups will be limited.

Mr. Chairman, I am going to come back to the point of $25,000 for an individual. Why should an individual who happens to believe strongly about life not be able to support every congressional candidate with $1,000 that he wants to? Under the current law, he would not be allowed to do that, and none of that is changed under Shays-Meehan. Why should he not be able to support any candidate that is pro-life? Why should he or she not be able to support anybody who defends the right to bear arms? That is very important to some people, very important to the future of this country. Or private property rights. Why should a person not be allowed individually to give to any person who believes private property rights is vital to the future? Because Congresses have historically walked all over people's private rights. The previous Congresses in my view have infringed on personal rights in many ways. So why should we not? We need to have a bill that makes sense, one that will not be partially struck down by the courts, and we need a severability clause, because if we do not do it right, we need to come back and do it again.

The CHAIRMAN pro tempore (Mr. DICKEY). The time of the gentleman from Pennsylvania (Mr. PETERSON) has expired.

(On request of Mr. WHITFIELD, and by unanimous consent, Mr. PETERSON of Pennsylvania was allowed to proceed for 1 additional minute.)

Mr. PETERSON of Pennsylvania. Mr. Chairman, I yield to the gentleman from Kentucky.

Mr. WHITFIELD. The question I had, the gentleman had referred to that individuals can give up to $25,000. I just want to make sure that everyone understands on this issue that the most that an individual can give to a candidate is $1,000 in the primary, and so he cannot give them $25,000.

Mr. PETERSON of Minnesota. That is correct. The point I was making is any individual can only give under current law, and Shays-Meehan does not touch that. And we also have a limit that any individual can only give $25,000 to 435 people. He can only give to $25,000, if he gives them the limit.

Ms. WOOLSEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is very clear that some figures my staff worked up today are accurate. In fact, it might be worse than what they worked up. With the rule that we passed today, 258 nongermane amendments to stop any real sense of taking campaign finance reform forward and actually passing it, with this rule brought to the floor by the opponents of campaign finance reform we can keep talking for 24 hours a day, 7 days a week for more than 385 days, and we will not be voting still on campaign finance reform. That is what we allowed today. That means in mid-July 1999, we could be voting on campaign finance reform.

Tonight proves, if we keep this up, this is exactly what is going to happen. We are going to kill this thing with all of these amendments. We can talk day in and day out about nonseverability. We can pull it apart, we can look at it under the microscope. What it is all about is stalling real campaign finance reform votes.

The real vote is for the Shays-Meehan bill. If you care about your constituents, you will get to it and vote on it, and then we can get on with the rest of the needs that we have for our government.

How did I get to this place? It was really kind of an awakening. A couple of years ago, I had a meeting in my offices in the district I represent, the two counties north of San Francisco across the Golden Gate Bridge. The League of Women Voters came to my office along with some Common Cause folks and members of the Democratic Central Committee to talk to me about campaign finance reform.

I was not where they were. I was more like where you are over there, I was whining and whimpering and arguing that, ''Well, if we can't have caps on what an individual can spend of their own money, people like me will never get reelected, or elected in the first place, because I don't have any money of my own.''

The people that came, they are wonderful people, they always support me, but they argued with me. They argued about the need to have regular, everyday people feel like they were part of the election campaign system, like they belonged to the political process. They argued with me about soft money, which of course I agreed with. The thing I did not agree was that what are we going to do if millionaires like Huffington, multi-multimillionaires, can spend their own money?

They laughed and they said, ''Woolsey, you know, we agree with you on everything, so we're going to forgive you this,'' and they left, and I won my election well in 1996. But as they left and as I started remembering the things they said, I realized that we do not have to do this perfect. We do not have to have all of it. We have to start. And we have to prove to people that we care that they are part of the process, that it is just not big money, that we are not paying soft money so that the money is not accountable, and that we ban soft money. Shays-Meehan does that.

Also, and they pounded this home, and they were so right, that we have to stop having advertisements and mailers without accountability, third parties sending out information without anybody knowing who it is that is sending that information.

So because of these wonderful people that came to my office several years ago, and because they liked me enough that they thought they could give me a good kick in the fanny, I came from the slow class to the fast class. I am here now. I get it. We need to take a step forward. Shays-Meehan does that for us.

Yes, we want to have a commission. We should add that amendment to the Shays-Meehan bill so that we can have the commission watching and going forward and making it even better. But we have to stop disenfranchising the people in our districts that we work for.

I do not understand who these people that are opposed to campaign finance reform work for, the people that are your constituents, the people that elect you, the people that are your employers, do they listen to you when you say you want more money in campaigning instead of less?

Mr. Chairman, if we respect the people in our districts and the people we work for, we will get on with passing campaign finance reform.

Mr. WICKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me just respond to the gentlewoman from California who complained that we have now passed a rule that is going to take a lot of time here.

First of all, the leadership has given its commitment that we will vote on this issue in August, and I believe they will honor that commitment.

Now, beyond that, when a proposal such as this, which I believe fervently strikes at the heart of free expression and the first amendment, comes forward, then I do not apologize for wanting to take the time to fully explore all the issues and to explore the ramifications and to look at alternatives. I do not apologize for that. I think it is going to take some time, but it is worth it if we can get the point across to the American people that this is going to the heart of freedom of speech.

Ms. WOOLSEY. Mr. Chairman, will the gentleman yield?

Mr. WICKER. I yield to the gentlewoman from California.

Ms. WOOLSEY. Mr. Chairman, I would like to remind the gentleman that the Speaker is the same Speaker that shook hands with the President of the United States 3 years ago, and we still do not have campaign finance reform.

Mr. WICKER. The handshake was about the type of proposal that we voted on yesterday, the commission, which the majority of folks on the other side of the aisle somehow lost interest in when it was finally presented to the floor.

But if I could reclaim my time now, I just would simply say, I do not apologize for taking this issue to the American people and pointing out that this goes to the heart of the first amendment. If Members are for Shays-Meehan, and they think every bit of it is constitutional, then they have nothing to fear voting for this nonseverability amendment. If, however, as I do, if they believe that there are unconstitutional provisions to this amendment, then they also ought to vote for the nonseverability, so everybody, regardless of what side of the issue they are on, ought to vote for the nonseverability.

Mr. MEEHAN. Mr. Chairman, will the gentleman yield?

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

Mr. MEEHAN. What do we do about the fact that somebody could offer an amendment that is clearly unconstitutional? If we were to pass this amendment and somebody down the road offers an amendment that is clearly unconstitutional, our bill is dead then.

Mr. WICKER. Reclaiming my time, I am glad the gentleman brought that up because he made that point earlier. Amendments are not that easy to pass. Amendments do not just get slipped in. We vote on them. We have 17-minute votes. I do not think amendments are going to be quite that easy. But if an amendment passes, it will be passed by a majority of the elected representatives of the people of the United States. I do not see his concern as being valid, that somehow late at night an unconstitutional amendment to this already unconstitutional proposal is going to slip in.

Mr. MEEHAN. If the gentleman will yield further, there have been a number of amendments that have passed in the telecommunications bill, the Brady bill, bills that we have passed that the court has said are unconstitutional, and they have stricken that part of the bill. But what the gentleman is asking us to do is pass an amendment where if a comma is unconstitutional, a word, a phrase, the whole bill is gone. It is a poison pill to campaign finance reform.

Mr. WICKER. Mr. Chairman, reclaiming my time, it will only be a poison pill if somehow the gentleman from Massachusetts or the gentleman from Connecticut go to sleep and allow that poison pill to go through.

In the brief time that I have remaining, let me tell Members why I think this proposal is unconstitutional. First of all, because the minority leader of the United States House of Representatives really admits that it is unconstitutional.

Let me show my colleagues this poster which the Members have seen several times before, but this is the gentleman from Missouri (Mr. GEPHARDT), House Democratic Leader, February 3, 1997, Time magazine:

> What we have is two important values in direct conflict: freedom of speech and our desire for healthy campaigns in a healthy democracy. You can't have both;

an admission by the minority leader that what he wants to do and what his political allies want to do is unconstitutional. You have got to amend the Constitution in order to accomplish their goals. That is one reason that I think this Shays-Meehan proposal is unconstitutional.

Mr. MEEHAN. Mr. Chairman, will the gentleman yield?

Mr. WICKER. I decline to yield further.

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Mr. Chairman, further I think this proposal is unconstitutional because of the unprecedented limitations that it places on political advertising and political issue expression, and let me explain.

The CHAIRMAN pro tempore. The time of the gentleman from Mississippi (Mr. WICKER) has expired.

Mr. WICKER. Mr. Chairman, I ask unanimous consent to proceed for an additional 3 minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Mississippi?

Mr. FRANK of Massachusetts. Reserving the right to object, Mr. Chairman.

The CHAIRMAN pro tempore. The gentleman from Massachusetts is recognized under his reservation of objection.

Mr. FRANK of Massachusetts. Being recognized on my reservation of objection, Mr. Chairman, does the gentleman plan to yield during that additional 3 minutes?

Mr. WICKER. Really, Mr. Chairman, I do not think I have time to yield.

Mr. FRANK of Massachusetts. Then I would be constrained to object.

I object, Mr. Chairman.

The CHAIRMAN pro tempore. Objection is heard.

The Chair recognizes the gentleman from California (Mr. DOOLITTLE).

Mr. DOOLITTLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. DELAY. Mr. Chairman, will the gentleman yield to me first?

Mr. DOOLITTLE. I yield to the gentleman from Texas.

Mr. DELAY. This is just incredible, Mr. Chairman.

The CHAIRMAN pro tempore. The Chair would like to clarify that the gentleman from California (Mr. DOOLITTLE) is recognized for 5 minutes and yields to the gentleman from Texas (Mr. DELAY).

Mr. DELAY. Now we have not only does the other side, Mr. Chairman, not allow us to extend time——

Ms. RIVERS. Parliamentary inquiry, Mr. Chairman.

The CHAIRMAN pro tempore. Does the gentleman from California yield for parliamentary inquiry?

Mr. DOOLITTLE. No, I do not yield.

Ms. RIVERS. I have to be recognized for a parliamentary inquiry, Mr. Chairman.

The CHAIRMAN pro tempore. The gentleman from California does not yield for a parliamentary inquiry.

Mr. DELAY. I appreciate it. Then they come, and this is amazing, Mr. Chairman: If we are going to have an open and honest debate, we need to extend time particularly when the gentleman just yielded time to the gentleman from Massachusetts to get into the debate, and then the other gentleman from Massachusetts walks on the floor and objects to an extension of time after the gentleman has been very courteous to yield time back and forth.

This is really strange. It is such a lack of courtesy. And then for the gentlewoman from Michigan (Ms. RIVERS) to stand up and demand time, it is just they have got to be kidding.

I think it is really strange, Mr. Chairman, that now after the gentleman from Massachusetts has objected to the gentleman from Mississippi getting extra time, now he wants us to yield to him. This is unbelievable, and I hope the American people are seeing what is happening on this floor. They want to cut down debate; we want to open debate, and we want an honest debate in exchange.

Mr. Chairman, I will be glad to exchange with the other side of this issue, and with that I will yield back to the gentleman from California so the gentleman from Mississippi can finish his thought.

Mr. DOOLITTLE. Mr. Chairman, I yield to the gentleman from Mississippi (Mr. WICKER).

Mr. WICKER. Mr. Chairman, let me talk about the unprecedented limitations on freedom of expression in this proposal before us tonight.

It costs $62,000 a page in the New York Times to buy a full-page ad, $62,000. I want to show my colleagues today $82,000. What I want to show them today is $164,000 worth of expression, the editorial page of the New York Times. The New York Times Corporation can purchase, can put out this much expression every single day of the year.

It costs $75,000 a page to buy an advertisement in USA Today. What I have here before us today is 2 pages, USA Today. The Gannett Corporation puts out $150,000 worth of expression each day, and there is no government agency coming in with a microscope saying what kind of speech is this? Is this issue advocacy? Is this express advocacy? If they print a voting record, the FEC does not come in and say, ''Well, now did they write the right kind of comments down at the bottom of that voting record?'' And that is as it should be. I applaud that. That is freedom of speech, that is freedom of expression, and that is America.

But under the proposals that we are going to be debating tonight and the rest of this process X Y Z Corporation wants to take out an $82,000 ad in the New York Times or a $75,000, or Right to Life wants to spend $75,000 of its contribution money to take out an ad in the Gannett newspaper. Then the strong arm of the Federal Government comes along with a magnifying glass and says, ''Did you say it right? Is it during the right period of time? Is it during the 60 day period right before the election?'' And there is a huge government agency coming in with even more bureaucracy then we have now.

This is an unconstitutional invasion of the right of individuals, of corporations, of public interest groups to purchase time, to purchase space in a newspaper and freely advocate as American citizens. It is unconstitutional. I think that is the very reason we need the nonseverability clause.

Mr. Chairman, I urge the adoption of the amendment and the defeat of the Shays-Meehan substitute.

Mr. DOOLITTLE. Mr. Chairman, I urge the defeat of the Shays-Meehan substitute and support the Thomas amendment.

Ms. RIVERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentlewoman yield?

Ms. RIVERS. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. For the edification of the majority whip:

The reason the gentlewoman from Michigan got up before was she and we were under the assumption that the normal procedure would be followed of alternating between the parties. I think a good-faith error was made, but the gentlewoman was not trying to usurp anything. The normal procedure is to alternate between the parties. Through a slip-up that had not happened. The gentlewoman had the reasonable expectation that a Republican, having completed, it would next have gone to her. That is why the gentlewoman did raise that question.

Ms. RIVERS. Mr. Chairman, I wish to speak today on 2 issues: the severability that has been discussed here and also the free speech issue. I want to speak especially though to the idea that the unwillingness of the sponsors to include a severability provision in this bill is somehow an indictment of the bill.

As I said earlier, research shows us that only four bills in this entire Congress have progressed without a severability clause, four bills out of 4,965 bills. Virtually every Member in this House who has sponsored a bill, including everyone sitting on both sides of the aisle has routinely included that in their bill.

Now are we arguing that this is the only constitutionally controversial bill that this body has ever considered? Absolutely not. The argument seems to be that an unwillingness to accept a severability clause indicates a weakness, that somehow people who are supporting this believe that there is a problem constitutionally. I will point out if, in fact, the numbers I am given are correct and we see a lack of severability clauses in only a handful of bills, that means the chairman of the Subcommittee on the Constitution routinely does not have a severability clause in his bills, that the chairman of the whole Committee on the Judiciary routinely does not have a nonseverability clause in his bill.

There seems to be a standard for this bill unlike any other, and I think that that is a problem. Virtually every issue that comes before this body has this sort of clause. The gentleman from Pennsylvania (Mr. GREENWOOD) made a very good argument, that these items do not hinge on one another, that if they lose one, it does not cause the fabric of the bill to fall apart. They have value independently. No case has been made why this is different than any of the other bills that we have had considered.

I want to speak now to the infringement on free speech. The argument that is being made very subtly is that somehow Shays-Meehan creates regulation where none has ever existed before, that there are new regulations on activities that have previously been unrestricted in our political activities. This is not true. Independent expenditures have existing rules that any organization who wishes to take part in that kind of activity must follow. Those groups that wish to do issue advocacy must operate within the existing rules. Laws exist right now to govern how they must behave in these activities. Those who wish to participate in giving soft money still have rules under which they must operate, and the expenditure of soft money is regulated by laws in existence. They are not working very well, but they exist.

It is important for people who are listening to this debate to understand that there are existing regulations. It is impossible to argue that these activities cannot be regulated when they already are. The system provides for government oversight of these activities. We are arguing about what that oversight should look like, not whether or not it should be there.

The whole question that was raised earlier about soft money and that somehow it is a benign issue because candidates really do not know where the money comes from:

Well, I would be interested to know if there is anybody in this room who has never been to a national fund-raiser or a State fund-raiser where they have sat at tables from people who routinely give money to their party. I suspect there is not. But even if there is someone who has somehow missed that activity, all they need to do is read the paper. The Hill, Rollcall routinely lists who was at each event and how much money they gave. Nowadays you can even pick up a local paper in Michigan. We can read about how much money Amway gave. We can read about this person, that person. We know where the money goes, which means if I can read it, my constituents can read it. Everybody knows. One would have to be beyond naive to think that the public does not care or, even more unlikely, is not affected by the money in politics and the way it is handled.

Thomas Jefferson said when a man assumes a public trust he should consider himself as public property, which means we must have higher integrity, less selfish, more reasonable, more thoughtful, more forthright and committed to doing what is right for the entire Nation.

Mr. ENGLISH of Pennsylvania. Mr. Chairman, I move to strike the requisite number of words.

Mr. DELAY. Mr. Chairman, will the gentleman yield?

Mr. ENGLISH of Pennsylvania. I yield to the gentleman from Texas.

Mr. DELAY. Mr. Chairman, I want to clear the record.

The gentleman from Massachusetts totally misrepresented what was going on here. I know the gentlewoman from Michigan (Ms. RIVERS) was overseen by the Chair, and I apologize for that. But the point was the gentleman from Mississippi (Mr. WICKER) had yielded to the gentleman from Massachusetts for a discussion and then ran out of time and was asking for an extension of time, and the other gentleman from Massachusetts (Mr. FRANK) ran down and objected to the time, cutting off debate from the gentleman from Mississippi.

Mr. Chairman, that is what happened on this floor. It is really unfortunate.

Mr. DOOLITTLE. Mr. Chairman, will the gentleman yield?

Mr. ENGLISH of Pennsylvania. I yield to the gentleman from California.

Mr. DOOLITTLE. Mr. Chairman, I would just like to remind people that in that disastrous 1974 law which, thanks to its nonseverability clause we are still saddled with its oppressive regulations of this day which have given birth to PACs, soft money, hard money, issue advocacy, independent expenditures, all of the symptoms of the disease that our liberal friends here are trying to focus on rather than the cause of the disease, which is the government regulation itself, that one of the parts of that disastrous law that was struck down, because it was a comprehensive law, just like Shays-Meehan is trying to be. And part of that was a ban on soft money. It was struck down, one of the first things to go. It has been gone since 1976. That was banned. Been tried before.

Mr. Chairman, they are doing the same unconstitutional thing again. It will be struck down.

I listened to the arguments from the other side: Well, no, we cannot go for the nonseverability clause of the gentleman from California (Mr. THOMAS) because the evil majority might sneak through some amendment they know is unconstitutional. We do not have to sneak anything through. This bill is unconstitutional, open and shut. It will be so declared when it goes through the courts. All we want then is a nonseverability clause in so the whole thing falls and certain vestiges do not remain that further clutter up the system and make matters only worse from what they are today.

Since this whole scheme of regulation was invented some 25 years ago, political participation in elections has declined, public cynicism has shot up. We hear people are spending more and more time fund-raising because these hard dollars have been unadjusted. The limits, since 1974, remain in place. That means we have to work a lot longer to raise the same amount of money. It becomes that much harder for challengers, because it is always easier as incumbents once they are there, and that is why we say this is an incumbent protection bill.

If we were acting in our own self-interest tonight, every one of us would vote for Shays-Meehan. It would lock in our seats in Congress because it makes it so much harder for a challenger to raise money and to be able to take on the system.

Eugene McCarthy even, the great liberal, admits he never would have been able to make his campaign if he could not have gotten a few large contributions from wealthy people across the country. He was clearly not in the mainstream in terms of appealing to what most people wanted, but he had a political and important statement to make.

□ 2045

He was able to raise the money because he was not fettered by the very campaign law that we have in force which would be made worse by Shays-Meehan.

This is an important point to think about. Do we want just homogenized pabulum for the future of our political campaigns, something that will appeal to everyone, so in effect it appeals to no one; or do we want the sort of vigorous debate that was contemplated by the founders that the Supreme Court recognized in Buckley v. Valeo that is the essence of the American Republic, the American democratic experience?

That is why the Supreme Court gave us Buckley v. Valeo, wiping out much of the disastrous law, unfortunately, because it did not contain the gentleman from California, Mr. THOMAS', nonseverability clause, leaving much of it in place. That is why we have this myriad of problems that we are trying to address, and I say focus on the problem, not on the symptoms.

Soft money is a symptom. If we do somehow succeed in banning soft money, we will increase independent expenditures, because we still have a Constitution, and the court still says it is the right of people to speak independently, and it is their right. But when we skew the campaign law in such a way that responsible speech is discouraged, i.e., from the candidate who wants people's votes, who therefore has incentive to be responsible in the use of his speech, we disfavor that in favor of the independent expenditure.

We do not even know who they are. They can spend unlimited amounts of money, raise unlimited amounts of money in contrast to the candidate, and they are the ones who have more incentive to make the less responsible statements.

Why do we not empower the candidate? Why do we not do as the Nation's largest State, California, and a very large State in the East, Virginia, already do it? And it works well. They do not have the limits and they allow people the freedom.

The CHAIRMAN pro tempore (Mr. DICKEY). The time of the gentleman from Pennsylvania (Mr. ENGLISH) has again expired.

(On request of Mr. MEEHAN, and by unanimous consent, Mr. ENGLISH of Pennsylvania was allowed to proceed for 2 additional minutes.)

Mr. ENGLISH of Pennsylvania. Mr. Chairman, I yield to the gentleman from California.

Mr. DOOLITTLE. Mr. Chairman, I am grateful to have the time.

Did the gentleman from Massachusetts (Mr. MEEHAN) want to address a question?

Mr. MEEHAN. No. I wanted to give the gentleman the time.

Mr. DOOLITTLE. I thank the gentleman.

Mr. Chairman, we believe as Republicans that we ought to leave the First Amendment alone.

Mr. MEEHAN. Mr. Chairman, will the gentleman yield?

Mr. ENGLISH of Pennsylvania. I yield to the gentleman from Massachusetts.

Mr. MEEHAN. Mr. Chairman, is the gentleman aware that there are no spending limits in this bill?

Mr. DOOLITTLE. I am perfectly aware that there are no spending limits in the bill.

Mr. MEEHAN. So the gentleman is aware that there are not constitutional problems in this bill?

Mr. DOOLITTLE. Oh, there are terrible constitutional problems with this bill. How can the gentleman say that? This bill is filled with problems.

Does the gentleman really believe for a minute that this bill is constitutional?

Mr. MEEHAN. Mr. Chairman, will the gentleman yield further?

Mr. ENGLISH of Pennsylvania. I yield to the gentleman from Massachusetts.

Mr. MEEHAN. So the gentleman did not favor the reforms after Watergate either?

Mr. DOOLITTLE. Mr. Chairman, I certainly did not. It is a disaster. It gave birth to the cancer we face today that you cite as the reason for your reform; your side gave us all of this monstrosity.

Mr. MEEHAN. Mr. Chairman, so the gentleman is not in favor of any limits at all?

Mr. DOOLITTLE. I thank the gentleman. That is correct. No limits.

Mr. DELAY. Mr. Chairman, will the gentleman from Pennsylvania yield?

Mr. ENGLISH of Pennsylvania. I yield to the gentleman from Texas.

Mr. DELAY. I appreciate the gentleman yielding.

The gentleman from Massachusetts asked if we supported the 1974 law that was passed after the Watergate hearings. You bet we did not. Because there were things in there like limiting the expenditure of campaigns to $70,000. I mean, a whole campaign spending $70,000, trying to reach the voters. In the Senate they limited it to 8 cents per voter, 8 cents per voter. Do you know why they did all that? I say to the gentleman from Massachusetts, it is so they could stifle challengers and give advantages to incumbents.

That is exactly why we oppose the 1974 law that, most of it was struck down by the Supreme Court over time, and that is why we are very concerned about the severability of this one. We do not want another law like the 1974 Watergate incumbent protection plan, because it is all interrelated, it is all put together, and the gentleman from Massachusetts says, if we put one unconstitutional amendment here, it is a poison pill. Well, one more poison pill in a bottle half full of poison pills will not make a difference.

Mr. KIND. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of both the Shays-Meehan bill, as well as the bipartisan freshman campaign finance reform bill. I think these bills take a large step in the direction we need to go in this country, the ability to take the big money out of the political system.

I find it amazing though, Mr. Chairman, that opponents to these bills claim that if there is a ban on soft money that our constitutional freedoms and liberties and free speech are in jeopardy, yet when I go home back to Wisconsin and listen to the people, they know, just commonsensically, they know there is too much money in the political system, too much big money being contributed, too much influence of money out here in Washington, D.C.

Why is this so important? Why do we need to have this debate and pass this legislation as soon as possible? As this chart demonstrates, Mr. Chairman, we are seeing an explosion in the arms race for big money in the political system. Back in 1987–1988, roughly $45 million in soft money contributions were contributed to both political parties. That jumped up to $86 million in the 1991–1992 campaign season, and then suddenly in 1995–1996, the last campaign season, it exploded to $262 million in soft money contributions to both parties. This is just the tip of the iceberg.

This is only going to escalate unless this body, the only body that can do something about it, takes some action as soon as possible. That is what this debate should be about. That is why these campaign finance reform measures are so important, because the people know there is too much money going into this, and it is only going to get worse.

I just have a couple more points to make. That is why we need to take action.

I am proud to have a Senator in my home State of Wisconsin, Senator RUSS FEINGOLD, leading the charge in this effort in the U.S. Senate, teaming up with Senator JOHN MCCAIN from Arizona in sponsoring the McCain-Feingold bill, one that suffered a fate that was unbecoming of this United States Congress. I commend the gentleman from Connecticut (Mr. SHAYS) and the gentleman from Massachusetts (Mr. MEEHAN) for the work that they have put in for many years of getting finance reform passed.

But perhaps it was a group of freshmen, and it behooves us as freshmen to sit up and take notice and keep our eyes and ears open to see how this place operates. Maybe it was a group of freshmen who had to come together and take a look at this from a fresh perspective, with new insight, and decide to work in a bipartisan fashion to try to eliminate the poison pills for both parties and draft something that would have a chance of passing; and I am very proud to have been a part of that process and the product that we produced. I want to encourage my colleagues that if Shays-Meehan goes down, we support the freshman bill.

But the severability clause is important, the amendment is important to discuss, because I do not believe the soft money ban is unconstitutional. I think we have solid constitutional case law that supports us with Buckley v. Valeo, which says that we can limit money, that is, soft money contributions, in order to prevent the corruption or the appearance of corruption in the political system. Anyone who takes notice of how decisions are made out here would see the appearance of corruption every day, with the amount of contributions being contributed.

I have a lot of respect for my friend and colleague, the gentlewoman from Kentucky (Mrs. NORTHUP) who was here a little bit earlier talking on the floor; but I was flabbergasted by some of the statements coming out of her mouth that she did not know where the soft money contributions were coming from to the parties and that she did not see any influence of big money in this political system. Well, I do not know where she has been for the past year and a half in watching this democratic process of ours work. I do not know where she has been for the last couple of weeks in watching the tobacco legislation and the fate that it suffered unfold in the U.S. Senate.

There is a direct link to big money in the political system. We are seeing the results of this day in and day out. But perhaps the most egregious example of what big money is doing in corrupting this political system of ours happened last year.

I came as a fiscally conservative Democrat, believing in fiscal responsibility, but also the need to invest in priorities in this country. I was very proud to be a part of the negotiations in trying to reach a bipartisan, balanced budget agreement that would put our fiscal house in order; and after the days and the weeks and the months of negotiating that balanced budget agreement last year, it finally came to a vote on this floor.

I cosponsored an amendment that would have given us 10 hours to look at that budget agreement, page through it, to see what all was in it before we were forced to vote on it. And it was voted down, that amendment, along party lines, and I could not understand. This amendment was not that unreasonable. The least we can do is step back, pause and look at the agreement before we vote on it, and I did not understand why it went down to such defeat as it did.

But I did 3 days later when it was discovered that the tobacco companies received a $50 billion tax cut that was never, we never had any hearings on it, it was never part of any of the discussion or the debate on the House floor. We certainly did not have any separate vote on this tax credit, and yet it was in there. The only reason it was in there was because of $11,293,000 worth of contributions from big tobacco.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. KIND) has expired.

(On request of Mrs. NORTHUP, and by unanimous consent, Mr. KIND was allowed to proceed for 3 additional minutes.)

Mr. KIND. Mr. Chairman, just to close, and I will just be a brief second

before I yield to the gentlewoman from Kentucky (Mrs. NORTHUP), all we have to do is just take a look at where the contributions are coming from, and we start seeing a track, we start seeing the appearance of corruption, if not corruption outright, of what is taking place right now.

How did this $50 billion tax cut get inserted in this budget agreement without any knowledge on the House floor? Well, it was because the chief lobbyist of the tobacco industry went to the Republican leadership in this Congress, literally the night before final passage of this bill, and said, hey, because a pack of cigarettes is going to be taxed an additional 15 cents, we need a break in all of this. So there was a corresponding tax credit for the next 25 years for that tax increase on a pack of cigarettes, and it was done behind closed doors without anyone else's knowledge.

Again, we just have to follow the money. There are 11,293,853 dollar reasons for why something like that would take place in this democratic process of ours.

Mr. Chairman, I would be happy to yield to the gentlewoman from Kentucky.

Mrs. NORTHUP. Mr. Chairman, I think it is important, considering what the gentleman says, that somebody respond to the cynicism of what he said, and particularly, about the tobacco bill.

I do not take, and never have, a penny of tobacco money, and yet the tobacco bill over on the Senate side is simply too big. There are reasons that people oppose it. I think that that is the sort of discussion that ruins political discussion on its value, and every time somebody disagrees with you, to say, see, they took money; or see, it is all the influence of evil.

The fact is, I do not take money, and I thought the bill got way out of hand; and it is a perfect example of why that kind of a bill that is that complicated can never pass unless we get some leadership from the White House that is involved in it and calls for it every single week.

Mr. KIND. Mr. Chairman, I think I got the gist of the gentlewoman's point there. The gentlewoman may not take the money, the parties take the money, and to be fair, the Democratic Party is also dipping into the tobacco till, perhaps not to the extent that the Republican Party is. No one has clean hands on this floor.

But the only body, the only people who are capable of cleaning it up are the ones right here, right now, and we have that ability to do it.

There is cynicism across the country, and perhaps there is some even in the gentlewoman's district, because I know there is in mine, those who feel that this democratic process is being taken away from the average citizen on the Main Streets of rural western Wisconsin, and it is going to large money, special interests that are dominating the political agenda out here in Washington; and that is what this debate is all about.

Mr. DELAY. Mr. Chairman, will the gentleman yield?

Mr. KIND. I yield to the gentleman from Texas.

Mr. DELAY. Mr. Chairman, the gentleman has received a lot of money, big money, $10,000 from a lot of unions, different unions, and I could go through them, but we do not have time because the gentleman does not have the time. My only point is, is the gentleman influenced by this big money that he received in his election?

Mr. KIND. Mr. Chairman, reclaiming my time, every Member in this House is raising some money. The money that I was receiving was from hard-working men and women.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. KIND) has expired.

(On request of Mr. DELAY, and by unanimous consent, Mr. KIND was allowed to proceed for 2 additional minutes.)

Mr. KIND. The point, Mr. Chairman, is that understanding constitutional case law right now in the court's eyes, in the court's holding, is a quid pro quo relationship constitutes corruption, and a quid pro quo relationship is defined as a relationship where money is exchanged for preferential treatment. Perhaps there are coincidences that are beyond belief out there to take a look at legislation that is being passed out here that would certainly fit under any constitutional definition and would give us legal standing to ban soft money, as these bills do.

□ 2100

Mr. WHITFIELD. Mr. Chairman, will the gentleman yield?

Mr. KIND. I yield to the gentleman from Kentucky.

Mr. WHITFIELD. Mr. Chairman, I would ask the gentleman, is soft money given to candidates directly?

Mr. KIND. Mr. Chairman, reclaiming my time, no, it is contributed to the party. But we all know standing in this body, too, we all know standing in this body as well the soft money which was originally set up for getting out the vote, and that is now being diverted for independent expenditures and issue advocacy ads.

Mr. WHITFIELD. Mr. Chairman, if the gentleman would again yield, soft money cannot be used for independent expenditures. Soft money is used for issue advocacy. There is a big difference. Independent expenditures is expressly advocating the defeat or election of a candidate and soft money is not used for that.

Mr. KIND. Mr. Chairman, reclaiming my time, if the gentleman is claiming that soft money is not filtering back into the States and being used in issue advocacy ads, he has not taken a close look at our campaign system in our country today.

I can cite countless examples of how that is happening. The original intent of soft money contributions has been perverted beyond recognition today. That is a strong argument of why these finance reform bills are necessary today.

Mr. WHITFIELD. Why? What is wrong with issue advocacy?

Mr. KIND. Mr. Chairman, part of the issue advocacy component of these finance reform bills is merely asking these groups who are behind the ads to identify who they are so the American people know who is financing this and perhaps will have a better understanding of what the political motivation might be. Neither one of these bills would prohibit issue advocacy ads.

Mr. GILLMOR. Mr. Chairman, I move to strike the requisite number of words.

Mr. DOOLITTLE. Mr. Chairman, will the gentleman yield?

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

Mr. DOOLITTLE. Mr. Chairman, I would like to ask the gentleman from Wisconsin (Mr. KIND) a question, if he would consent to answer it. The gentleman indicated in his debate that we spend too much money on campaigns. I just wondered, I want to ask him what does he mean? What is too much money? Too much money compared to what? What amount of money is appropriate?

Mr. KIND. Mr. Chairman, will the gentleman yield?

Mr. GILLMOR. I yield to the gentleman from Wisconsin.

Mr. KIND. Mr. Chairman, let me show the trend. This gives a better idea of what too much money means to the average American throughout the countryside: When we start with soft money contributions of $45 million and $86 million and suddenly it explodes to $262 million.

Mr. DOOLITTLE. Can I get a simple answer to the question? How much is too much money?

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (Mr. DICKEY). The Chair would ask each Member to yield and reclaim time so that only one person is speaking at a time.

Mr. GILLMOR. Mr. Chairman, I yield to the gentleman from California (Mr. DOOLITTLE).

Mr. DOOLITTLE. Mr. Chairman, how much is too much money? I keep hearing this assertion made out here, we spend too much money on campaigns. How much should we spend?

Mr. KIND. Mr. Chairman, will the gentleman yield?

Mr. GILLMOR. I yield to the gentleman from Wisconsin.

Mr. KIND. Mr. Chairman, where I come from, and perhaps this may not be true in my colleagues' congressional districts, but the average person in western Wisconsin believes that under the current finance system, even though it is legal for a wealthy individual or group to contribute a million dollars to either political party, that is

too much money. That is ridiculous. It is unbelievable that this democracy of our size allows that to happen. That is too much money.

Mr. GILLMOR. Mr. Chairman, I yield to the gentleman from Texas (Mr. DELAY).

Mr. DELAY. Mr. Chairman, the gentleman refuses to answer the question. I just wonder, since if we add up all the money that was spent on congressional House races in the last campaign, it amounted to about $218 million. That breaks down to about $3.80 per voter who voted in the election. $3.80. That is less money than we spent on bubble gum in this country.

The gentleman from Wisconsin, every time he talks about corruption and money corrupts keeps talking about the fact, and every time he says that he denigrates every Member of this House.

Mr. Chairman, he raised money just like we all do, and he is claiming that somebody in this House is affected by the money being raised. He will not answer the question, will not answer the question if he is affected by the tons of money he raised.

I am not affected by the money I raise. The gentleman talks about tobacco money. When the tobacco interests and the companies came to me to talk about the settlement that they made and the agreement they made with the President of the United States, I told them not only no, but hell no. I was not about to do what the tobacco companies wanted me to do.

So this whole notion that money corrupts. Then the gentleman has got to look at himself and look at himself in the mirror. Look in the mirror. Look how much money he raised. Has it corrupted him? No, it has not. He is a fine gentleman. Mr. Chairman, the gentleman is a fine gentleman and he is very much involved in this process.

So the point I am trying to make is that the Shays-Meehan bill and others are trying to restrict people's involvement, restrict their involvement in the political process as much as they can. For what reason? Frankly, they have good intentions, but the result of their intentions is incumbency protection.

Mr. GILLMOR. Mr. Chairman, reclaiming my time, I yield to the gentleman from California (Mr. DOOLITTLE).

Mr. DOOLITTLE. Mr. Chairman, it is quite obvious that there is not too much money in the system just by the facts. The amount of campaign spending as a percentage of GDP is relatively constant at 4 to 6 percent. We keep hearing these exaggerated claims that they cannot back up with any specifics.

Then, as the gentleman from Texas (Mr. DELAY) pointed out the charges that the system is corrupt, somehow we are all corrupt but nobody ever names anybody who is corrupt. We are supposed to create that pervasive feeling.

Mr. Chairman, this is destructive of our institutions and I for one have determined, that is why I introduced the bill to take off all the limits, I am not going to put up with this left-wing morality play. I am going to answer the charges every time they are made that we are spending too much money.

Mr. GILLMOR. Mr. Chairman, I yield to the gentleman from Kentucky (Mr. WHITFIELD).

Mr. WHITFIELD. Mr. Chairman, there is not anything more important than the discussion of public issues.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. GILLMOR) has expired.

(On request of Mr. WHITFIELD, and by unanimous consent, Mr. GILLMOR was allowed to proceed for 30 additional seconds.)

Mr. GILLMOR. Mr. Chairman, I yield to the gentleman from Kentucky (Mr. WHITFIELD).

Mr. WHITFIELD. Mr. Chairman, there is nothing more important in the discussion of public issues than for the public to be informed. In 1996, Procter & Gamble spent more money promoting its products, $5 billion, than we spend in campaigning for all elections in the U.S., Federal, State and local, $2.2 billion.

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore. Before we proceed, the Chair reminds Members to refrain from profanity.

Mr. TIERNEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I just want to make one note before I yield to the gentleman from Maine. We are hearing a lot of comment, people wanting to know how much is too much and talking about whose interests are being concerned. The perception of the American public is clear. They are upset about what is going on in politics and they have the clear perception, whether or not it is reality with respect to each and every Member here.

The perception is that money is a corrupting influence and that money is having an impact, so much so that when Bill Moyers spoke recently to a group, he did an interesting exercise. He had an entire group stand up and asked a third to sit down and identified that that third of the group represented those people who do not bother to register anymore.

Then he had a second third sit down and identified that that was the group of people in this country that while they may bother to register, they do not bother to go out and vote. So the remaining one-third of people represented just that small portion of people in this country that actually are voting now and, in effect, are electing their representatives.

Whatever the reasons are that the other two-thirds are not voting, one clear reason that people express as one reason is that they have the definite perception that money is adversely impacting this system.

Mr. Chairman, one of the speakers earlier talked about Mr. McCarthy running for President. Senator McCarthy, as a liberal, talked about the fact he did not have a campaign unless he had large contributions. Let me turn that around for a second and speak of what a well-known conservative, the Senator from Arizona, Barry Goldwater had to say.

> The fact that liberty depended on honest elections was of the utmost importance to the patriots who founded our Nation and wrote the Constitution. They knew that corruption destroyed the prime requisite of constitutional liberty: An independent legislature free from any influence other than that of the people. Applying these principles to modern times, we can make the following conclusions: To be successful, representative government assumes that the elections will be controlled by the citizenry at large, not by those that give the most money. Electors must believe that their vote counts. Elected officials must owe their allegiance to the people, not to their own wealth or to the wealth of interest groups that speak only for the selfish fringes of the whole community.

The American people no longer believe that that is the case, and that is one of the problems that we have, and the perception one of the reasons that we have to address campaign finance reform.

Mr. Chairman, I yield to the gentleman from Maine (Mr. ALLEN), who has asked for some time on this.

Mr. ALLEN. Mr. Chairman, I thank the gentleman from Massachusetts (Mr. TIERNEY) for yielding. I want to get back away from some of this rhetoric about free speech back to what the Court itself has said. I want to get back to what the Court itself said in Buckley v. Valeo.

We know this debate is degenerating when we start talking about individual Members and what individual Members raise and whether there is actual corruption with respect to decisions made by any individual Member.

What the Supreme Court has said very clearly in Buckley v. Valeo, that the Congress has the constitutional right to regulate elections in order to minimize corruption or the appearance of corruption. And the Court said it is unnecessary to look beyond the act's primary purpose, to limit the actuality and appearance of corruption resulting from large individual financial contributions, in order to find a constitutionally sufficient justification for contribution limitations.

The question was raised earlier, I believe by the gentleman from Kentucky (Mr. WHITFIELD), what is wrong with soft money? I will tell my colleagues what is wrong with soft money. Right now we have a system, what is left of it after Buckley v. Valeo, that imposes individual contribution limits for individuals and for PACs in the amount of money that can be given to Federal candidates.

Since 1907 in the case of corporations, and 1940s in the case of labor unions, neither corporations nor labor unions can give to individual candidates. Soft money is no longer a loophole, it is a highway. It is the means by which very

large contributions, hundreds of thousands of dollars from some corporations, millions or up to millions of dollars in some cases, are funneled to the national parties. Then they are used for television ads.

Those ads may be issue advocacy, as the gentleman from Kentucky said. But what do those ads say? Watch them in the last cycle. They say: Congressman So-and-so is voting against the environment. Congressman So-and-so is doing this or such. Call him and tell him to stop.

Those are ads intended, they are absolutely intended to have an effect on an election and they are the reason why we need to ban soft money.

Mr. SANFORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to just touch on a couple of points that I have heard during this debate. The first has been there is too much money spent in politics, or there is too little money spent in politics. I think neither one is actually the case.

Mr. Chairman, I think rather what we have is a structural problem in politics that the Shays-Meehan bill begins to address. That structural problem that we have is that we have got diffused cost and concentrated benefit.

Our Federal Government, as we all know, is a very big thing. It is $1.7 trillion worth of spending every year. And if we look at that issue of diffused cost and concentrated benefit, as a conservative we can see it in troubling spots. Again, people do not buy votes. I would agree with the gentleman from Texas (Mr. DELAY), I would agree with the gentleman from Arizona, I would agree with a whole host of folks on that very point. But it does buy influence. It helps in access.

The guy that is giving a Member $10,000 is a guy they are ever going to pick up the phone for or open the door to. Again, they cannot give $10,000; that is a rhetorical statement.

Take for instance the sugar subsidy vote. That is a classic example. I mean, here is a program that costs the American consumer another $1.2 billion a year in the form of higher sugar prices. It is hardly the kind of thing that I could sell back home in a town meeting. There are always a handful of domestic sugar producers and consequently districts that are affected in our country. Yet all those benefits go down to truly the hands of the few.

In the case of the sugar subsidy, we are looking at $60 million a year that goes in personal benefit for instance to the Fanjul family. The Fanjul family, they are not American citizens. They hold Spanish passports, but they are on the Forbes 400 list and they have yachts and helicopters and a whole host of things.

□ 2115

All this bill is about is trying to limit their level of access versus the level of access of a person in my district who lives in a very simple trailer in Moncks Corner, South Carolina. I think that that is part of the issue that we are dealing with, not too much money, not too little money, but an issue of diffused cost and concentrated benefit in a very big government.

Two, one of my colleagues was earlier holding up both the New York Times and I think it was U.S.A. Today, pointing out how the editorial page in the New York Times was, I think, $85,000; and U.S.A. Today, I think it was $75,000. The point was, hey, they are not controlled in the way they get to advocate a point, but Shays-Meehan would control others.

That is a good thing as a conservative. They are not in the business of arguing for ethanol subsidies. They are not in the business of arguing for grain contracts or for weapons treaties. They are not in the issue of government contracts, for that matter.

But what you have here is a case when you do want their interests limited, because you do not want somebody trying to sell missiles to China to have unlimited access on that front.

The third point that I would make just in the debate that I have been hearing is there has been much discussion, I think I even heard the words verbatim ''we believe you ought to leave the First Amendment alone.'' But the bulk of the people that are suggesting that, and I would say that with all due respect to my colleague from California, would be people that may have voted for, for instance, the religious freedom constitutional amendment last week.

Mr. DELAY. Mr. Chairman, will the gentleman yield?

Mr. SANFORD. I yield to the gentleman from Texas.

Mr. DELAY. Mr. Chairman, the gentleman is talking about me. The whole religious liberties constitutional amendment was to protect the First Amendment of freedom of religion. It had nothing to do, as the gentleman suggests, in shutting down freedom of religion. It is too big, two different things.

Mr. SANFORD. I think that is the jump in logic. In other words, to suggest that limiting of soft money is eliminating of speech is not the same thing.

Mr. DELAY. If the gentleman will yield, the courts have held so.

Mr. SANFORD. But in a 5–4 Supreme Court decision, they have also held in a different version a separation of church and States than the one that you voted for.

Mr. DELAY. No, no. The Supreme Court said that we could not practice openly and freely religion in the schools. You are right. We have as a body the opportunity to say, no, you are wrong. We are going to pass the constitutional amendment protecting the freedom of religion. It had nothing to do with shutting down the freedom of speech or religion.

Mr. SANFORD. Which is a great thing. In other words, that is what we are charged to do by the Founding Fathers. I think in the same way, it is a very legitimate point, a very legitimate point to say that, in this debate, we ought to look at limits on the degree to which people can influence a giant $1.7 trillion yearly machine.

Mr. HAYWORTH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I listened with great interest to the debate this evening. I rise to support the Thomas amendment. I also rise to discuss some very interesting comments made by my friend from Massachusetts, followed up by my friend from Maine.

I appreciate my friend from Massachusetts quoting the late great Senator from my State, Barry Goldwater. I think it is important also to remember the context of Senator Goldwater's quote, because, ladies and gentlemen of the House and ladies and gentlemen of America who join us beyond these walls via C–SPAN, a check of the complete Goldwater record indicates that our late great senior Senator was talking about liberty and freedom of expression within the context of those who had that right denied by the coercive actions of organized labor bosses who reached into their pockets against their will to advocate causes with which the rank and file disagreed.

Indeed, I note with interest, this dispatch from U.S.A. Today, May 30, 1996, Dateline, Portland, Maine, the campaign in which my friend from Maine was involved, ''By air, the AFL–CIO has spent more than $500,000 on a series of television ads criticizing Jim Longley's votes on Medicare, student loans, and private pensions. The ads have helped make Portland the political advertising capital of the Nation. From April 1 through September 15, 6,968 ads aired or 41 per day.''

My friend from Maine also offered elucidation of what he called the soft money process. I believe he should know firsthand, as chairman of Clinton-Gore 1992, which was the vast recipient of vast amounts of soft money, firsthand, the Clinton-Gore ticket and the minions of the Washington labor bosses got help that was never really documented.

Again, let me give credit to the left, because in employing so-called campaign finance reform, they ensured in 1974 and years before that there would be no legitimate documentation of the amounts of money spent by the Washington union bosses to the extent that a study from Rutgers University shows us that, instead of $35 million spent by Ball Sweeney and his ilk, they instead spent between $300 million and $500 million to try and influence elections in the Congress of the United States.

Yet, the self-same recipients of that ultimate special interest money would come here to this floor and act as the paragons of virtue and tell us that we need to change our system.

Barry Goldwater was right about something else. When he discussed Bill

Moyers, and I thought it was interesting to see the jump from Bill Moyers to Senator Goldwater, when he said, when he said how hypocritical.

The fact is that we have seen the corruptive influence of people reaching into the pockets of other people against their will, subverting those First Amendment rights, free from documentation, free from the spotlight of the Washington media, except in rare cases. We see all too often through the clear glasses that Senator Goldwater wore, which I wear in representation on my lapel, the real story here and the real culprits.

Two things should happen if we want real campaign reform. Number one, I would suggest to my friends on the left and those well-intentioned friends here on the right, if you want real campaign reform, obey existing laws.

I would note with interest the comments of my dear friend from Wisconsin who seem to imply that the reason the White House strayed into suspect ground and may have violated these rules was because of the current system. No, I would suggest otherwise.

I would suggest that there was a clear, sadly mistaken desperation for cash and a win-at-all-costs mentality that cannot be excused by any type of misdirection play, by any type of masquerading in the public interest to claim that somehow let us clamp limits on those who seek donations of free will from free American citizens.

Let us, instead, maintain the current system, allowing the union bosses to reach into the pockets of every working American who happens to be a member of a union, subverting their rights, and taking their money to go to causes with which they may disagree.

I would suggest, again, to this body, that we should adopt the Thomas amendment. And I would suggest further to this body that let us have a clear examination of what, in fact, has transpired in the past election, in elections before, and let us tell the entire story. Senator Goldwater was talking about the freedom to use contributions, not to have money cynically taken away.

Ms. HOOLEY of Oregon. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. Mr. Chairman, I thank the gentlewoman for yielding to me. Before the gentleman from Arizona (Mr. HAYWORTH) leaves the hall, I would just like to raise a question.

The gentleman stated that one of the things we should do is to obey existing law. I agree. I agree with that. The gentleman was not in any way suggesting that money spent in any individual campaign of any Member was not consistent with existing law, was he?

Mr. HAYWORTH. Mr. Chairman, will the gentlewoman from Oregon yield?

Ms. HOOLEY of Oregon. I yield to the gentleman from Arizona.

Mr. HAYWORTH. Mr. Chairman, the gentleman is making my point for me. What I am suggesting that, through previous design of so-called campaign finance reform, a large segment of this society, through coercive tactics, have their contributions undocumented. To that extent, the law is silent.

Mr. ALLEN. The law is silent.

Mr. HAYWORTH. Under a lawyer's definition, that would be existing law. It makes the point that there are those following the human impulse of gaining the system for their own selfish needs.

Ms. HOOLEY of Oregon. Mr. Chairman, reclaiming my time, I yield to the gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. Mr. Chairman, the point the gentleman makes is actually the right point, because nothing that happened in that election broke existing law. The fact is that the gentleman would like to change the law as with respect to labor dues. So he would seek to change existing law.

But the fact is, what we are here about today is to try to deal with the influence of money in politics. That does not mean that there is some level that is so big that we have to deal with it. What happens with bubble gum, what happens with yogurt is irrelevant.

What we are talking about and what the reformers are saying is this, we need to break the link between Federal candidates, Federal office holders, national parties, agents of the national parties, and giant contributions.

Mr. HAYWORTH. Mr. Chairman, will the gentlewoman yield so that I might ask my friend, the gentleman from Maine, a question?

Ms. HOOLEY of Oregon. No.

Mr. ALLEN. The gentleman has had his time.

We are trying to break the link, because as the Supreme Court has said on several occasions, we can, this Congress can enact reform in order to prevent appearance of corruption or corruption.

What the Court has also said in another case is that it is because of the risk that corporations that accumulate wealth in the course of their business activities, because of the risk, that those corporations, big money in this society, could unduly influence elections. The Court has said it is appropriate to regulate or to bar contributions from corporations.

Mr. DELAY. Mr. Chairman, will the gentlewoman yield?

Mr. ALLEN. Most recently, in the Colorado Republicans case, which was the case dealing with hard money limits, the Court said, if it appears to Congress, if it appears to Congress that the existing hard money limitations could be circumvented because of contributions to the political parties, i.e., soft money, then the Congress could rethink whether or not it wanted to change limits or create limits on contributions to the national parties.

That is why we are here. Because what used to be a loophole is now a highway because there is too much money in this system, soft money. It is being used to influence Federal elections. We need to shut down this system.

It is, in fact, soft money, these unlimited contributions from corporations, from unions, from wealthy individuals to the national parties in the last cycle that is subverting our political process. That does not mean that you go to any one individual and say this result was influenced by big money.

What we have got in this system, in this country right now is a political system gone awry. We need to change it.

What we have got with the Thomas amendment is an attempt to subvert the Shays-Meehan bill. That is what is going on here. The folks who are trying to improve the Shays-Meehan bill with this amendment, with this proposed amendment, are not supporters of reform generally. They are trying to undermine reform. There is no question about it. It may be an argument about free speech, may be an argument about other forms of money. But the fact is that we have got to have campaign reform. We have got to have it in this session. It means a ban on soft money. It means voting down the time.

Ms. HOOLEY of Oregon. Mr. Chairman, let me just briefly end by talking about this is really something the American public wants. It is something that we have with the Shays-Meehan bill. We have a bipartisan bill. All you have to do when you talk about influences, all you have to do is look at what has happened to the tobacco bill.

Somehow or another, we have to restore the faith in the American public so that everyone has a voice in our system. We need campaign finance reform, and we need it now. The Shays-Meehan is our best chance.

Mr. HUTCHINSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to make a couple of comments as I listen to this debate tonight. First of all, I am reminded of the words of the gentleman from New York (Mr. SOLOMON) last night, after an extended debate, that we should remind ourselves that we need to, under the 5-minute rule, move forward at some point and conclude debate and continue on to the next amendment.

The present amendment is the Thomas amendment. I know that we are engaged in a vigorous debate on the underlying amendment, the Shays-Meehan provision, but I think that we need to keep our eye on the ball and to move on so that we can get to other amendments in this process.

I also wanted to make the point that I appreciate my fellow freshmen are here. The gentleman from Tennessee (Mr. WAMP), I believe it was, made mention that freshmen are still warm to reform. I see my friend the gentleman from Wisconsin (Mr. KIND) and

the gentleman from Maine (Mr. ALLEN). Both of those gentlemen have been very active participants in the freshman task force.

□ 2130

And the freshman bill that will come up later on addresses some of the serious problems that have been raised.

My friend, the gentleman from Arizona (Mr. HAYWORTH), makes mention of the last campaign and the problems in it. And I do not believe that a lack of enforcement, and I say this as a former Federal prosecutor, the lack of enforcement of laws has never been a reason for us not to improve the law.

Certainly we ought to enforce the law, but it is a separate issue when it comes to improving the law. And there were problems in the last campaign that chased after soft money, and for that reason, we should remedy it.

A question was raised, whether we could cite any instances of corruption. Well, that is what some of these committees are investigating, the instances of corruption that deal with soft money and contributions from corporations. But I do not think the issue is necessarily corruption.

I believe the issue is confidence of the American public in our system. And I will point to instances on both sides of soft money.

On the Democrat side, the $600,000 contribution from the Loral Corporation to the Democratic National Committee at a time when that organization was under investigation when they were asking for approval of a technology transfer to China. That hurts the confidence of the American public, and it should not have been done. We should ban that kind of contribution; whether it affects the system or not, there is the perception of it.

On the Republican side, I will cite the instance of Microsoft. When they are under investigation by the Department of Justice, they should not be able to give $200,000 in contributions to a national political party. Whether it affects the debate or not, the perception of the American public is that it does. And that is what I am concerned about, is the confidence.

So I believe soft money is an issue. I think it is an important issue that we must address. And even though I oppose the Shays-Meehan bill for other reasons, I compliment my fellow freshmen for being concerned about this issue and wanting to improve the system.

Mr. HAYWORTH. Mr. Chairman, will the gentleman yield?

Mr. HUTCHINSON. I yield to the gentleman from Arizona.

Mr. HAYWORTH. Mr. Chairman, I just want to ask a question of my good friend from Arkansas. In his days as a prosecutor, did he petition for the legislature to change laws in lieu of prosecuting those who had broken existing laws?

Mr. HUTCHINSON. Mr. Chairman, reclaiming my time, certainly we should never do anything to substitute for law enforcement. The gentleman is absolutely correct. And I am fully supportive of strengthening our ability to enforce the laws. Our committees should be investigating any wrongdoing.

But the problem is clear, and that is soft money. That was the problem, the chase for, in the last campaign. And we should not neglect addressing that problem because of enforcement problems.

I want to come back, and I love this debate, but I think the gentleman from Connecticut is entitled to a few moments here, so I will be glad to yield to the gentleman from Connecticut (Mr. SHAYS) if he has some areas that he wants to wrap up. And, hopefully, we will conclude this debate.

Mr. SHAYS. Mr. Chairman, I thank the gentleman. I have not asked for my 5 minutes, but I will just say that we have strayed a bit from the amendment, and I am concerned that we have the potential for hundreds of amendments, so we maybe should try to come to a debate on certain amendments and then go on to the next amendment. We can still make some of the same points, because they are related.

But what the gentleman from California (Mr. THOMAS) proposes is to strike the severability clause, which basically says that if any provision in this act or amendment made by this act, or the application or the provision or amendment to any person or circumstances is held to be unconstitutional, the remainder of this act and amendments made by this act, and so on, are still constitutional and remain in effect.

That is a clause that is in most bills. It was in the congressional accountability bill, under the Contract With America, voted for by the gentleman from Texas (Mr. DELAY) and other Republicans, all other Republicans. It was in H.R. 65, the Victim Restitution Act. The gentleman from Texas voted for that as well. It was in the Regulatory Transition Act of 1995 as well as in our Contract With America. This was introduced by the gentleman from Texas (Mr. TOM DELAY). It is the same severability clause, and it passed as well.

Mr. SHAYS. Mr. Chairman, I move to strike the requisite number of words.

First, Mr. Chairman, I want to say that this is the first night of extended debate, and I would say we are all learning from this process. We are all learning as to how much time we should be asking for. We have Members who come and others who are waiting. I kind of hoped that the way the process would work was that we would ask for 5 minutes, and if we asked for an additional 2 minutes, it would be granted without objection, and if there is a reason to extend even further, that it will be the same for both sides. But I think there were some moments where we probably erred in that process.

Also, there were times in this debate where I heard some strong attacks and concerns with other Members, and we just started to go to it and forget what we are debating. We have lots to debate here, and I truly believe we will cover all the territory by the time we do all of the amendments. But right now, what we are debating is the severability clause and whether we should take it out of the Shays-Meehan amendment.

In some cases we pass bills with the severability clause and in other cases we are silent. And when we are silent, the court basically follows the process of considering a severability clause included. But this is a case where the amendment is actually saying that if any part is unconstitutional, the whole bill should be eliminated. There are only a handful of times in a number of years that this provision has been offered. That is my understanding.

And so I say, first, I believe the severability clause should be included, like it was in with most of our Contract With America, like it was with the bill that the gentleman from Texas introduced in the Contract With America, the Regulatory Transition Act of 1995. He introduced it, we voted on it, it passed.

It was in the telecommunications bill, thank goodness, because one small part was declared unconstitutional and the rest remained intact. It was in the Brady bill, thank goodness, because one part of the Brady bill was declared unconstitutional, but not the rest of it.

I believe that some want this amendment because they think that this whole bill that we have—which deals with soft money, which deals with recognition of sham issue ads, which codifies Beck, which has improvement of FEC disclosure and enforcement and deals with franking and foreign money and fund-raising on government property not being allowed—some think they are all intertwined. I do not. I think some parts can stand on their own.

Obviously, everybody will make up their mind. We are going to vote on this tomorrow. But I believe that the other danger is that other amendments will be attached. We will oppose some amendments, but some will be attached because nobody will have the courage to vote against certain amendments because they will be difficult politically. And I would not want to risk the chance that those amendments in particular would then disqualify the rest of the bill.

So I would conclude by saying that we need to oppose this amendment. It is a provision that is in most bills and it certainly should be in this one. And when I see parts of the legislation in 1976 that were declared unconstitutional and other parts that were not, I thank goodness the other parts still stayed there. We can always come back and make changes where we think there is an unconstitutional element that has been taken out, and just come back and address that issue.

So I strongly oppose taking out the severability clause and, in particular,

replacing it with a statement that says if any part is unconstitutional, the whole bill goes. That, to me, is just an attempt to kill meaningful campaign finance reform.

Mr. DELAY. Mr. Chairman, will the gentleman yield?

Mr. SHAYS. I yield to the gentleman from Texas.

Mr. DELAY. Mr. Chairman, the gentleman keeps referring to the fact that I introduced bills and voted for bills that had severability clauses. I do not know what that has to do with this case where we are making the case that when we are talking about an overall campaign structure, one affects the other.

That is the case we are trying to make here; one affects the other.

Mr. SHAYS. Reclaiming my time, Mr. Chairman, the gentleman did make that case, but in addition, acted like this was a very extraordinary event and that somehow, by our putting the severability clause in the bill, we feared that another part was unconstitutional.

What is fair is fair. I do not believe that when my colleague introduced and voted for the Contract With America, those various bills, that he feared that various parts were unconstitutional. I just want to say that this is a very usual clause to be in a bill. It should stay there. And I hope tomorrow, when we all come to this Chamber, we vote to defeat this amendment.

Mr. MILLER of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to begin by commending the gentleman from Massachusetts (Mr. MEEHAN) and the gentleman from Connecticut (Mr. SHAYS) for all of their work on this legislation. They have spent many, many, many months crafting this legislation to address many of the underlying problems that we have in our current campaign financing system in this country; problems that threaten this institution, that threaten many of our democratic institutions; problems that are corroding the way we make decisions in the House of Representatives, in the United States Senate, and within the administration.

They are problems that the American people demand that we address and that we rectify and that we once again bring them back in to our democratic decision-making process and not bring them in based upon the size of their wallet, the size of their contributions and who they know, but rather, on the merit of their arguments. That is what this, the People's House, is supposed to be doing.

This discussion about the severability amendment is simply a ruse to attack this legislation and to certainly set it up for later attack if it looks like, in fact, it is going to pass. We draw, very often, very complicated legislation in this House. And we know, very often, that we are treading to the end, because people, in fact, are trying to affect court decisions when they draft legislation, when they draft amendments. And to protect the underlying legislation, very often we put severability clauses in those pieces of legislation.

We do it in the State legislatures, we do it in city councils, and they do it in the United States Congress, and we have for many, many, many years.

In this particular legislation, the gentleman from Connecticut and the gentleman from Massachusetts have addressed a number of the problems that we confront in our campaign finance system. Each and every one of those remedies could stand by themselves, and they are very, very important to improving our system. They are very, very important to improving the participation of the American public in that legislation. That is why we want the severability clause, because of those provisions by themselves.

So if a constitutional challenge is brought on one of these single provisions, we will retain the best of this legislation, and that will become part of our campaign financing system, and we will, in fact, have a better campaign financing system than we have today. We will have a less corrupt campaign financing system than we have today. We will have a campaign finance system that encourages people to participate, which our system does not do today. That is why we need this severability.

To throw this up and suggest that somehow this is a trick and this is to allow us to do a lot of unconstitutional things is just simply not the case. The authors of this legislation are far more careful about their legislative duties than that. The people that they have consulted have guided us and are relying on past court decisions.

Yes, we may not do it perfectly, but we should not be in a position where one challenge against a very small part of this legislation can throw out so many other parts of the legislation that are very, very, very important to us.

Ms. ESHOO. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentlewoman from California.

Ms. ESHOO. Mr. Chairman, I thank my colleague from California for yielding to me, and I want to commend all of the sponsors of the Meehan-Shays legislation for the work that they have done, the source of encouragement that each one, especially the original sponsors of the bill, has been to all of us that have yearned for and hoped to make the kinds of changes that we are seeking to make in the campaign financing system that we have today.

We hopefully all remember the day that we came to this floor and we raised our hands and took our oath of office, and we had families sitting in the gallery. I do not think that there is a moment in my life that quite matches that one: my hopes and aspirations for the future, the good wishes of my constituents, whether they voted for me or not.

We start out, really, I think, with 100 percent goodwill. I think the only thing that could match that day was the day that my two children came into this world.

I have to tell my colleagues that if there is one thing that is constantly rubbing down or taking the polish or the gleam off of that magnificent day, that very first day when I became a Member of Congress, is the system by which we are elected, that is, the money in the system. We know it is broken, we know it cannot be defended, but right here on the floor tonight we are debating an amendment that is being offered to this very good piece of legislation.

In my view, it seeks to throw some dust in the wheel, to clog up the wheel, throw sand into the wheel, to jam it up.

Ms. ESHOO. Mr. Chairman, I move to strike the requisite number of words.

If we are going to talk about constitutional issues and freedom of speech, it seems to me that none of us have very much freedom of speech if we are drowned out by millions of dollars. And so we have to, in the House of Representatives, in the Congress, really speak to the hopes and aspirations of the American people and say to them, yes, we are capable of addressing this; we can rebuild the confidence that the American people should have in this institution.

They know it is broken. They know much of what goes on here is not on the level.

□ 2145

They know that money speaks to this process and that it warps it and that it is corrosive.

We have and should have to corral the political will in this place to reform the system. No bill is perfect. Why? Because human beings are not, so no piece of legislation is perfect. But this is sound. It addresses the things that are really broken down.

Mr. DELAY. Mr. Chairman, would the gentlewoman yield?

Ms. ESHOO. Mr. Chairman, I would love to yield, but I do not have the time. I would like to complete my train of thought. I have been on the floor since a quarter of 7 this evening to do this.

We can do this, but we have to be very careful to distinguish excuses, throwing sand in the wheels and jamming them up and those issues that really mean something. We are all pros here. We are all pros here. We know what can be done with parliamentary maneuvers. Try to explain that to your constituents. They know it is not for real, they know that there are excuses coming out of this place.

Why do we not reach for the brass ring and say to the American people, ''You know what? We can do it.'' It says, ''In God we trust.'' In the people we trust. 68 percent in the poll in the

Wall Street Journal of the American people said they wanted this system reformed. We can do it, Republicans and Democrats.

Yield and do not succumb, my colleagues, to these things that are being thrown in as excuses, because that is what they are. Let us come through the 105th Congress the last few days that we have, legislative days, and show the American people that we are worthy of their trust, that we can move legislation through this place where it is not encumbered by any money except the interests of the people that we have come here to represent.

Remember that first day our excitement. If we can come to this floor having passed this legislation, having it signed into law, I predict that every day we come to this floor we are going to have that same exhilarating feeling that we did the very first day when we raised our hands, took our oath, and saw all of the endless opportunities without anything getting in the way.

Again, I thank my colleagues. They have given me a great deal of courage and inspiration by what they have fought for and kept the faith. And we are going to keep the faith, and I have trust that we can do this.

Ms. PELOSI. Mr. Chairman, will the gentlewoman yield?

Ms. ESHOO. I yield to the gentlewoman from California.

Ms. PELOSI. Mr. Chairman, I thank my colleague for yielding.

I rise to thank the gentleman from Massachusetts (Mr. MEEHAN) and the gentleman from Connecticut (Mr. SHAYS) for their leadership and their courage for bringing us to this moment of truth. Are we for campaign finance reform, are we for cleaning up the system, or not?

My colleague mentioned the first day when we were all here and raised our hands and pledged to take an oath to uphold the Constitution of the United States against all enemies, foreign and domestic. The greatest enemy to our Constitution, foreign or domestic, is the money in the political system that undermines and mutes the voices of the American people.

Mr. Chairman, when Washington was first established as the capital of our country, it was a swamp. In 200 years, it has returned to being a putrid swamp contaminated by the impact of campaign money into the system. Again, against the wishes of the American people.

I rise against this amendment because I see it as an attempt to unravel and undermine the courage of the Meehan-Shays, Shays-Meehan bill. This is a good bill. It strikes a balance.

Mr. DELAY. Mr. Chairman, would the gentlewoman yield?

Ms. PELOSI. I am sorry, I do not have the time. The gentleman knows I would if I could.

It strikes a balance. That is why we have to keep it intact. We have come to the moment of truth. I ask my colleagues to vote ''yes'' on Shays-Meehan, ''no'' against the Thomas amendment. Let us face this moment of truth. The American people are watching. Let us drain the swamp.

Mr. COLLINS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Thomas amendment.

I think when we look at what happened with the campaign finance reform after Watergate and the provisions that were struck down by the Supreme Court, we see a patchwork of legislation that is left that has led to a lot of the problems that we have here today.

Mr. Chairman, I want to refer to a news article that was in the Clayton County, Georgia News Daily back on May 23 of this year. The longest reigning speaker of the house of any state legislators in Georgia, his name is Tom Murphy. And the quote in the headline was by Mr. Murphy. ''I worry about the future.''

It goes on to say that:

> If Tom Murphy could do it all over again today, he would steer clear of politics. Murphy, the longest tenured serving speaker in the country, told the Clayton College and State University Alumni Association that politics has deteriorated into an arena of viciousness and untruths. The candidates are getting so careless with the truth that I worry about the future of this state and the nation. What truly worries me in the next few years, unless something happens, is you will not get a decent person to run for office.

Mr. Murphy never mentioned finances. He never mentioned money. He mentioned untruths and viciousness. That is what we need to focus on. The gentleman sent me an article the other day of a quote, and the quote reads as this. It is titled ''Honesty'':

> We can afford to differ on the currency, the tariff, and foreign policy; but we cannot afford to differ on the question of honesty if we expect our republic permanently to endure. Honesty is an absolute prerequisite to efficient service to the public. Unless a man is honest, we have no right to keep him in public life. It matters not how brilliant his capacity. Without honesty, the brave and able man is merely a civic wild beast who should be hunted down by every lover of righteousness. No man who is corrupt, no man who condones corruption in others, can possibly do his duty to the community. If a man lies under oath or procures the lie of another under oath, if he perjures himself or suborns perjury, he is guilty under the statute law. Under the higher law, under the great law of morality and righteousness, he is precisely as guilty if, instead of lying in a court, he lies in a newspaper or on a stump; and in all probability the evil effects of his conduct are infinitely more widespread and more pernicious. We need absolute honesty in public life; and we shall not get it until we remember that truth-telling must go hand-in-hand with it, and that it is quite as important not to tell an untruth about a decent man as it is to tell the truth about one who is not decent.

That was by Theodore Roosevelt in 1900.

Mr. Chairman, yes, we can change campaign laws. And there are probably some that need to be changed. We have not investigated thoroughly enough yet to determine just which ones. But that is not the problem. The main problem is compliance and untruths. The change in statutes will not change either compliance or untruths.

It has been mentioned about unions and dues from union members and how in the 1996 campaigns some of them were erroneously used. I have with me a flyer that was published in Georgia. On the back of it it says the ''Georgia State AFL–CIO Not Profit Organization.'' On the inside the cover says their rules and it walks through several things, Medicare, pensions; and it goes on to say, and this is entirely against the law, the current law, this is where compliance has not been adhered to, it says, ''Vote no on Collins. Vote no on Milner and Collins.''

That is where your noncompliance comes in. The untruths are in the breeding of this. We can change the law. We can change every law in the campaign finance arena. But if we do not change the hearts and the souls of those who are involved in the government, we are not doing anything.

That is the problem. It is not written words down. It is inside the individual. It is not how we get here as much as what we do to get here and what we do after we get here.

Mr. MEEHAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this has been a long evening. But then again, this has been a long wait. I have been in the Congress now for 6 years trying to find some way to get campaign finance reform passed. And I remember when I first got here, sort of a brash young freshman legislator and I got together with another member from Oklahoma. He is a great Member, had a lot of experience, Mike Synar.

Mike had a lot of courage and he was smart. And he sat down with me and he said, ''If you want to work on campaign finance reform, boy, let me give you some tips. The first thing you have to do is you have to work with Republicans. Because if we, as Democrats,'' and we were the majority party then, ''if we, as Democrats, propose our bill, it is not going to have credibility. We have got to get Republicans on board. So the first thing you need to do is find a group of Republicans who are interested in truly passing campaign finance reform.''

And that is what we did. Every year that I have fought for campaign finance reform, I have worked with Republicans so that we could level the playing field equally among Democrats and Republicans.

The other thing that Mike Synar said was, ''You know what? My experience is that independent expenditures are the thing that are going to kill American politics because congressional elections are not going to be about the people who live back home anymore.''

Mike Synar knew something about independent expenditures, because the

National Rifle Association and other groups spent millions over the years trying to defeat him. So he said, ''Whenever you come up with a bipartisan bill, you got to make sure that you deal with independent expenditures.''

And here we are, 5 years later, finally on the verge of having a vote before this House. And it gets emotional at times because I know how it feels having worked so long and so hard on a bill to have it misrepresented on the floor. It gets frustrating.

Members say the bill is unconstitutional. We have been working with constitutional scholars on this for the last 5 years to make sure it does pass constitutional muster. And other Members bring up the campaign reports of whatever Member stands up. It is irrelevant.

The bill that is before us does not deal with each individual Member's campaign report. It deals with soft money and independent expenditures. It deals with giving the FEC the teeth it needs to enforce the laws.

Why would we want to go after soft money, my colleagues ask? We have spent millions of dollars investigating and having public hearings on the soft money abuses in the system. Everyone in America, whether they be Democrat or Republican, agrees the soft money system is totally out of control.

This is relatively new by the way. In 1976, there was not any soft money spent in the presidential election. In 1980, only $19 million was spent. In 1984 there was $22 million spent. In 1988, there was $45 million. 1992 it goes up. In 1994, it goes up. And now it is $263 million. This is a recent phenomenon in American politics, soft money or the expenditures over and above the legal limits that are in force that are in law and that are constitutional. That is what this debate is really all about. That is why we are here.

I want to tell my colleagues that I believe we are on the verge of a majority of Members, Democrats and Republicans, who are ready to vote for Shays-Meehan but it is going to be tougher than that. As if it was not tough enough to form a consensus among Democrats and Republicans, a lot who have had great ideas about campaign finance reform. No, it is getting even tougher.

□ 2200

We have the potential of 260 to 270 amendments. Tonight we have been debating since 5:30 and we are not through the first one yet. That is what we are up against. It is a challenge. Tempers are going to get short at times, short fuses, when representations are made that are not accurate. But I believe we are on the verge of a historic vote, a vote that will have Democrats and Republicans joining together, not only in a bipartisan way but a bicameral way, because the other body has already voted, a majority, for this bill.

We can pass this bill. We can pass this bill. I urge Members of both sides of the aisle to defeat this amendment tomorrow morning, because it is a poison pill. It kills the bill. And after we are finished with that, I urge Members to get rid of these poison pill amendments and pass this bill and have the courage to move forward.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this week the Lawyers Committee on Civil Rights celebrates and commemorates its 35 years of fighting for justice in America. Its theme is Answering the Call for Equal Justice.

As I listened to my colleagues, I want to agree with the gentleman from Georgia. It is a question of compliance. But it also is a question of laws. The call for justice is, one, to have the right law, but, as well, to be able to comply.

The Shays-Meehan legislation dealing with real campaign finance reform brings both of those to the table. It calls for justice for America. It emphasizes democracy. It puts the control of politics in the hands of the people. And it provides us with the law which we should obey.

We can spend a lot of time tonight talking about money in the Buddhist temples, or maybe we should talk about the alleged loan schemes to funnel $1.6 million of foreign cash into U.S. elections through the National Policy Forum which then-RNC head Haley Barbour solicited these funds on board Hong Kong businessman Ambrous Young's yacht in the Hong Kong harbor. We can stand up and call the roll of the many times that we have not complied with our own laws. But maybe those laws are faulty, and maybe men and women have frailties and character flaws. Now we have the time to deal with real campaign reform.

We have already heard that 81 percent of the moneys that fund campaigns come from men, only 19 percent from women. What it simply says is we have got to even the playing field. We have got to enhance, if you will, the pennies, the nickels and the dimes that women give, the dollars, the five-dollar bills, so that the moneys lift everyone equally. But obviously some of our gentlemen control these large pockets of soft money. They control PACs. And so there is an unequalness there.

I want to see everyone have an access to this political process and to be heard. My good friends on the other side of the aisle realize that this amendment on severability is a poison pill, so that if you find one sentence in the Shays-Meehan legislation as being unconstitutional, all the work that we have done throws out, throws out a very valid piece of legislation.

What the American people would like to see is the real words of the candidates, one on one. They would like to see some of our media provide the free time so that we can be heard one on one. This legislation goes to the question of all the signs of outside dollars that may come in and influence negatively the process of the American people. I believe the Lawyers Committee for Civil Rights is right, calling for and answering the call for equal justice. The Shays-Meehan legislation frankly tells you how to do it. Take all of the excess money out of this process. Let democracy be run truly by those who go to the polls every single time there is an election, by those who read and analyze, by those who believe in philosophies and make their decisions at the voting booth based upon the decision that has been given to them by this Constitution and by this flag, the right to make a democratic choice.

I would hope my friends in the 258 amendments that we have, we do not even have 258 more days in this year, much less in this session, would realize that we need to get down to the business that the American people have asked for. We need to lift all boats at the same time. We need to equalize and make sure that the least of those who have nothing more than their vote can be heard in the halls of Congress.

Lastly, Mr. Chairman, let me say something. There was a lot of disagreement over this legislation, and I am not here to point any fingers. But we voted on bankruptcy legislation just a couple of weeks or so ago. In this article by the Wall Street Journal, it said that the lawyers and bankruptcy judges and law professors and even the National Bankruptcy Commission said the bill was not the right bill. But in the same article, it said that the American Financial Services Association paid a lot of money in campaign contributions, and we have a bill that may hurt working men and women. I hope we can fix it. But what we really need to do is to fix it permanently and ensure that the loudest voice in this House is that of the average working man and woman. That is why we need to get rid of this amendment and support the Shays-Meehan legislation.

Mr. MICA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, there is a movie that I enjoyed, it was called Groundhog Day. Some of my colleagues may have seen Groundhog Day. Maybe the Chairman saw it. I know they have theaters in Arkansas, Mr. Chairman.

I am a member of the Committee on House Oversight. We have heard all of these arguments. The House of Representatives was set up, and fortunately we have the Committee of the Whole and here we are tonight as the Committee of the Whole and we are repeating all of those arguments. We had 40 Members and these Members are very well intended. I heard the gentleman from California (Mr. DOOLITTLE), I heard the gentleman from Connecticut (Mr. SHAYS), I heard the gentleman from Massachusetts (Mr. MEEHAN), I heard every one of the sponsors almost, or I read their testimony for their proposals. The problem is we have 435 experts. The gentleman from

Georgia (Mr. COLLINS) was just here and showed his brochure of how he was offended and beaten up by soft money or union money.

The problem we have here is this soft money, and we would love to ban it, I would love to ban it, we looked at this, the problem we have is we have $263 million here, but we heard the gentleman from Arizona who said that there was a half a billion dollars of union money that you could not even put on this chart in addition to that. And, Mr. Chairman, we are all going to be here again because we are not going to be able to solve this unless we can solve all of these problems. We do have an impediment. The impediment to soft money, and we have heard it, is the Constitution and the Bill of Rights, the first amendment, the free speech clause.

We have been through this debate in committee, we are going to be through this debate again. Our committee tried and we did our best. We brought out four bills, one on disclosure, one banning soft money, one banning union money, and one banning very clearly foreign contributions. And unfortunately we are here again.

So we will repeat on campaign finance reform Groundhog Day. We are going to hear all the arguments again. We are going to have the same votes again. It is just a prediction. It is going to be another Groundhog Day.

Mr. Chairman, I yield to the gentleman from Texas (Mr. DELAY).

Mr. DELAY. Mr. Chairman, I thank the gentleman for yielding. I think this has been a pretty good debate, although Members do not want to seem to yield to questions. I think that is unfortunate, so I am going to try to put this in perspective and bring us back to Earth.

There are two different kinds of campaign money. One is hard money, one is soft money. The hard money that we are talking about is money that goes directly to candidates to elect or defeat candidates. That is heavily regulated and supported by the Supreme Court to do so. What the Shays-Meehan bill wants to do is stop the soft money.

Now, the gentlewoman from Texas talks about the Lawyers for Civil Liberty.

Ms. JACKSON-LEE of Texas. The Lawyers Committee for Civil Rights.

Mr. DELAY. The Lawyers for Civil Rights under Shays-Meehan could not raise the money to advocate the kinds of issues the gentlewoman advocates under Shays-Meehan. They would be regulated. I do not understand why she would support Shays-Meehan.

She talks about leveling the playing field. The Supreme Court said that the concept that government may restrict speech of some elements of our society in order to enhance the relative voice of others is wholly foreign to the first amendment. We are not trying to level the playing field here. What they want to do in the Shays-Meehan bill, they want to ban soft money. Ban it altogether. And, therefore, bring moneys under the hard money type of regulations. They want to recognize people like Lawyers for Civil Liberty; if they want to run ads against TOM DELAY because he does not support their advocacy, they want to call those sham type ads and they want to regulate those, too. I do not want to regulate your group. I want them to be able to come at TOM DELAY and let us have a discussion of the issues. They want to codify Beck. But the problem is that you have to remove yourself from the union in order to take advantage, you have to resign from the union to take advantage of their Beck codification. This is all tied together. This is all part of what we are talking about here.

The gentleman from Georgia is absolutely right. Honesty does not come from a bureaucrat. Honesty does not come from the Shays-Meehan bill. You cannot bring honesty to this Chamber, and I might say, this Chamber is not corrupt. This Chamber is not corrupt.

The CHAIRMAN pro tempore (Mr. DICKEY). The time of the gentleman from Florida (Mr. MICA) has expired.

(By unanimous consent, Mr. MICA was allowed to proceed for 3 additional minutes.)

Mr. MICA. Mr. Chairman, I continue to yield to the gentleman from Texas.

Mr. DELAY. Mr. Chairman, the point here is that honesty does not come from a bureaucrat or from a law. I have said it before and I will say it again, I do not know one Member of this body that is corrupted by money. As the gentlewoman said, we ought to lift all boats. Under Shays-Meehan and other kinds of restrictions, she would not be elected. She would not be able to get 58 percent of her money from PACs, because they would eliminate PACs. They would eliminate soft money. They would not be able to elect a woman and let her get in a boat and be lifted. That is what we are trying to say here.

Ms. JACKSON-LEE of Texas. Mr. Chairman, will the gentleman yield?

Mr. DELAY. I cannot yield. I do not have the time, and I am trying to finish so the other gentlemen can use the time. You would not yield to me, so I just have to keep moving.

Mr. Chairman, the point I am trying to make here is, real reform is opening up the process, not shutting it down in favor of incumbents. That is what they are trying to do. This is all interconnected. The Thomas amendment is saying that if one part of this is struck down, then it all should be struck down, because the Shays-Meehan bill is connected and interconnected.

Therefore, I beg Members to vote for Thomas. Because if you are for real reform and not shutting down the process, if you are for real reform and opening up the process and inviting more people in, then you would not only pass the Thomas amendment but defeat the Shays-Meehan bill.

Mr. MICA. Mr. Chairman, reclaiming my time, I yield to the gentleman from Kentucky (Mr. WHITFIELD).

Mr. WHITFIELD. Mr. Chairman, the cosponsor of the bill from Massachusetts mentioned that they had 127 legal scholars working on this project. They issued a report called Buckley Stops Here, the 20th Century Fund, not-for-profit group.

This is paid for by what we would call soft money, contributions. And we want them to use soft money to speak about an issue and try to overturn the Buckley case if they want to do that. But if Shays-Meehan is adopted, they are going to curtail the speech of not-for-profit groups because in essence they do not like what these groups are saying.

You are curtailing the amount of money that can be given to 501(c)(3) organizations and you are expanding the definition of express advocacy.

Mr. SHAYS. Express advocacy involves——

Mr. MICA. Regular order, Mr. Chairman.

Mr. Chairman, how much time do I have remaining?

The CHAIRMAN pro tempore. The gentleman will suspend.

The Chair would like for each Member to yield and to reclaim his or her time so that one person will speak at a time.

Mr. MICA. Mr. Chairman, how much time do I have remaining?

The CHAIRMAN pro tempore. The gentleman has 30 seconds.

Mr. MICA. Mr. Chairman, in conclusion, and I am sorry I do not have too much time, but I tried to point out and I serve on the committee, we looked at this, we have been there, we have done it. We see $263 million in soft money, another half a billion not even on that chart. We are not going to resolve this because you do not have the votes on either side, and 218 votes in this House beats the best argument.

□ 2230

So people want the laws enforced, people want disclosure, and people want a ban on foreign money. Those are the things we can agree on. Those are the things that we brought out as a committee.

The gentleman from California (Mr. THOMAS) has done his best. I urge his amendment.

Ms. DELAURO. Mr. Chairman, I rise in support of Meehan-Shays.

Americans want fundamental change, a complete overhaul of the campaign finance system. They want meaningful limits on frenzied political spending, and they want them now.

Finally, today, we have an opportunity to give the Americans what they want. We have an opportunity to end the abuses of the electoral process.

We must ban soft money, rein in the exploitation of issue ads, limit individual contributions, and restore the faith of the American people in our political process. We must pass Meehan-Shays.

The Republicans have tried to kill reform time and time again by breaking promises, strong-arming reformers off of the discharge

petition, and by introducing a hodgepodge of bills that the House already rejected and a constitutional amendment that they didn't even believe in. Now, they are attaching hundreds of poisonous amendments to a bill that would genuinely reform this system.

Why? Because the Republican leadership is trying to protect a broken system that works for them. The Republican leadership wants to keep the flow of big money coming from special interests and silence the voices of working men and women and their families. The Republican leadership wants to kill reform.

Representative RAY LAHOOD even admitted last week that the Republicans were ''trying to talk it to death.''

But talk is cheap. Today, I challenge my Republican colleagues to act. Prove that you are not in the pockets of the special interests. Restore America's faith in its elections. Support genuine campaign finance reform and bring a true victory home to the American people. Vote for Meehan-Shays.

The CHAIRMAN pro tempore (Mr. DICKEY). Does any other Member seek recognition?

Mr. SHAYS. Mr. Chairman, I wonder what the process is to encourage the Chair to ask for a vote on this issue, and then I think we will have a rollcall vote tomorrow.

What is that process?

The CHAIRMAN pro tempore. Are there any other Members who would like to speak on the amendment?

If not, the question is on the amendment offered by the gentleman from California (Mr. THOMAS) to the amendment in the nature of a substitute offered by the gentleman from Connecticut (Mr. SHAYS).

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

Mr. SHAYS. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to House Resolution 442, further proceedings on the amendment offered by the gentleman from California (Mr. THOMAS) to the amendment in the nature of a substitute offered by the gentleman from Connecticut (Mr. SHAYS) will be postponed.

PARLIAMENTARY INQUIRY

Mr. HUTCHINSON. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state his parliamentary inquiry.

Mr. HUTCHINSON. Am I correct to understand that once the Thomas amendment has been considered and now that we have to roll that vote that we could not consider another amendment tonight?

The CHAIRMAN pro tempore. It is the Chair's understanding that there will be a motion to rise.

Mr. HUTCHINSON. Am I correct that there was an understanding that we would cease debate at 10 o'clock tonight or when we completed debate on the Thomas amendment? If that is correct, it would appear to me that we are slowing down the process of amendments that need to be considered. I think we could do another amendment tonight within 30 minutes, as tired as everybody is.

The CHAIRMAN pro tempore. A motion to rise, if made, is preferential.

Mr. MICA. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. HAYWORTH) having assumed the chair, Mr. DICKEY, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2183) to amend the Federal Election Campaign Act of 1971 to reform the financing of campaigns for elections for Federal office, and for other purposes, had come to no resolution thereon.

APPOINTMENT AS MEMBERS OF THE MEXICO-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER pro tempore. Without objection, and pursuant to the provisions of 22 U.S.C. 276h, the Chair announces the Speaker's appointment of the following Members of the House to the Mexico-United States interparliamentary group, in addition to Mr. KOLBE of Arizona, chairman, and Mr. GILMAN of New York, vice chairman, appointed on April 27, 1998:

Messrs. DREIER of California,
BARTON of Texas,
BALLENGER of North Carolina,
MANZULLO of Illinois,
BILBRAY of California,
SANFORD of South Carolina,
HAMILTON of Indiana,
FILNER of California,
DELAHUNT of Massachusetts; and
REYES of Texas.

There was no objection.

NASHVILLE'S HOUSE THAT CONGRESS BUILT

(Mr. CLEMENT asked and was given permission to address the House for 1 minute, revise and extend his remarks and include extraneous material.)

Mr. CLEMENT. Mr. Speaker, I rise today to report on my experience with the House that Congress Built and to urge all my colleagues to participate in this project.

Last year Congress passed House Resolution 147, which encourages all Members to participate in and to support activities to provide homes for low income families. So far 361 Members of Congress have agreed to participate in the House that Congress Built to make the American dream of home ownership a reality for low income families.

On Friday, June 12, I teamed up with the Nashville Area Habitat for Humanity and the Homebuilders Association of Middle Tennessee to break the world's record for building a habitat home. We not only broke the record, we shattered it. With 250 builders and 50 supervisors. Working tirelessly, the 3 bedroom 1,000 square foot home was built in an amazing 4 hours 39 minutes and 8 seconds. It was an unbelievable experience that I had the opportunity to participate in.

I also had opportunity to meet Millard Fuller, the founder of Habitat for Humanity International. It appears now we will be in the Guinness Book of World Records. I urge all my colleagues to join Habitat for Humanity in building homes in their districts. And let me mention it again—we built that home in an amazing 4 hours 39 minutes and 8 seconds.

Mr. Speaker, I rise today to report on my experience with ''The House That Congress Built'' and to urge ALL my colleagues to participate in this project.

On Friday, June 12, 1998, I teamed up with the Nashville Area Habitat for Humanity and the Homebuilders Association of Middle Tennessee to break the world record for building a Habitat home. We not only broke that record . . . we shattered it. The record had been 5 hours, 57 minutes and 13 seconds. With over 250 framers, builders, drywallers, electricians, plumbers and landscapers working tirelessly, the three bedroom, 1000-square-foot home was built in an amazing 4 hours, 39 minutes and 8 seconds.

I was very proud to be a part of this team. The hard work that Habitat for Humanity and the Homebuilders Association of Middle Tennessee devoted to this build is inspirational and heart warming. Witnessing the hard work of 250 builders and 50 supervisors who worked on the house was truly a sight to behold.

This project was a blessing to participate in because it gave me an opportunity to get to know the family who now owns the Habitat house. This personal contact is extremely important because it puts a face on poverty. When we give poverty a name and not merely a statistic, the problem reaches into our hearts and we feel compelled to do our part in helping to eliminate poverty housing in our country.

This home was built for Marilyn Winston and her 12-year-old son Ramonze. They had never owned a home and were living in a drug-infested and violence-filled neighborhood. Ramonze could not go outside to play. Marilyn, a registered medical assistant, is very devoted to the education and safety of her son and works very hard to provide for him. In their new home, Ramonze has his own room, a yard to play in and a safe neighborhood to live in.

At this building, I had the privilege to meet Millard Fuller, the founder and president of Habitat for Humanity International. Millard was a self-made millionaire at age 29, when he and his wife, Linda, sold all their possessions, gave their money to the poor and struck out on a search for a focus in their lives. Their experiences led Millard to create Habitat for Humanity International, dedicated to providing homes for low-income families.

Today, Habitat has over 1,400 affiliates in North America and partners in more than 50 nations. The 70,000th home will be built in September.

I think we can all agree with the principal benefits of home ownership. A home is not merely a shelter—it provides a family with an opportunity for growth, prosperity and security.

Home ownership promotes economic independence for our citizens and provides stability for our neighborhoods.

The United States is the first country in the world to make owning a home a reality for a vast majority of its families; however, more than one-third of the families in this country are not homeowners. A disproportionate percentage of non-homeowning families are low-income families. Owning a home is like owning a piece of the rock. If we all join together, we can help ensure that this nation becomes a nation of homeowners.

Last year, Congress passed House Resolution 147, which encourages all members to participate in and support activities to provide homes for low-income families. So far, 361 members of Congress have agreed to participate in the House that Congress Built, to make the American dream of homeownership a reality for low-income families. When we voted on this resolution last year, I thought it was a good idea. After participating in the world-record breaking build on Friday, I'm convinced that this is one of the greatest events I've ever had the privilege to be part of since becoming a member of Congress. I urge all of you to join Habitat for Humanity in building homes in your districts. I promise you that if you participate in a habitat for Humanity build, it will be one of the most rewarding experiences of your life.

I also urge my colleagues to ensure that this effort does not end with one symbolic house in each congressional district. Our goal is to eliminate poverty housing across the United States. This has to be the beginning of the fulfillment of the American dream for each and every American.

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

SUPPORT THE CHILD CUSTODY PROTECTION ACT

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

Mr. SMITH of New Jersey. Mr. Speaker, I urge support for the legislation of the gentlewoman from Florida (Ms. ROS-LEHTINEN), the Child Custody Protection Act.

Mr. Speaker, my colleagues may recall that when the partial-birth abortion ban became an issue, many pro-abortion organizations, including Planned Parenthood Federation of America and their research arm, the Guttmacher Institute wrote a letter saying there are 500 partial-birth abortions every year in the entire country. That statement, just like other statements that they made, turned out to be bogus, turned out to be a lie.

It was a New Jersey newspaper that broke the story that just one clinic in my State, the Metropolitan Medical Associates in Englewood, did about 1,500 partial-birth abortions each and every year, many of them on teenagers.

Now we find that the Metropolitan Medical Associates and other abortion mills in the State of New Jersey advertise and market their business in Pennsylvania and elsewhere and use the fact that New Jersey does not have a parental consent or parental notice statute as a way of luring young girls to that clinic and to other clinics. If we look at this ad, it stresses that pregnancies are terminated up to 24 weeks without parental knowledge or consent.

These ads are telling teens ''Hey, we can end your pregnancy and your baby's life and your parents don't have to know.'' But if a teenager's secret abortion leads to complications, what happens then? Where is it written that the person driving the frightened and vulnerable 13 or 14-year-old to an abortion mill is responsible? No, her parents will be responsible for and involved in her care after the abortion—when the disaster hit. They should have had the chance to be involved at the beginning—and they would have if the state law had not been evaded.

We need to say that the law does matter. We need to say that parents matter. And we need to help those vulnerable children who are being carried across state lines and pushed into abortion clinics by relative strangers who, in most cases, have their own reasons for making sure that these girls get abortions.

Support the Child Custody Protection Act.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

(Mr. CONYERS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

CALLING FOR REAL REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE of Texas) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I think, as we were engaged in this very important and maybe life-changing debate on the question of campaign finance reform, returning the government back to the people, it might have been some confusion on a group that I wish to pay tribute tonight and that is, of course, the lawyers' committee for civil rights under law. That is not a political advocacy group, nor is it a PAC that secures and solicits money to fund candidates for any kind of election. This is a 35th year, an anniversary of this great and historic body. Its theme is answering the call for equal justice.

On June 21, 1963, President John F. Kennedy summoned 250 of America's most prominent lawyers to the White House to enlist their leadership in helping to resolve the civil rights crisis which gripped the Nation. In the preceding weeks Americans had witnessed the bombing of black churches, the number of civil rights, the murder of civil rights activist Medgar Evers and the defiance of Alabama governor George Wallace who sought to block the admission of black students to the State university. Establishment of the lawyers' committee sought to fulfill the expectation of America's leaders that the private bar become an active force in the continuing struggle for equal opportunity and racial equality.

In saying that, Mr. Speaker, let me also acknowledge that we are not talking about taking the opportunities away from various advocacy groups to participate in the political process, and to raise money, and to speak and to utilize the first amendment. My colleagues know on the other side of the aisle in debate of this issue that you can organize a PAC and be actively involved in both fund-raising and speaking your views. So I would not want the great work of the lawyers' committee on civil rights to be associated with a PAC or an advocacy group. They are a justice group.

In keeping that in mind, Mr. Speaker, let me also say that we can see in our campaign process the influence of big money. Just this week the other body, of course, has not spoken to the issue that the American people want them to speak to, and that is the issue of reforming and changing the laws as it relates to the sale of tobacco. Four thousand youngsters every day start smoking, and 1,000 of them will die. Now that is why the Congressional Children's Caucus on Wednesday, June 24 will convene a hearing so that the world can hear our children speak out against the violence of tobacco use, how they are besieged with advertisement and encouragement to use it. We will listen to their voices. We will listen to physicians tell us how cigarette smoke, secondhand smoke, impacts children every day.

It is important that we relieve ourselves of the whole influence of negative influences on this concept of government and democracy. I certainly think that actions this week speak of negative influences. For most of the American public, when told the truth, want a reform of the way tobacco is utilized in this country and how it is projected toward our youth.

We could have had a strong tobacco reform bill. We could have had a bill that provides for the health care of Americans at the same time that we are protecting our children against advertisement that would encourage them to smoke. But yet influence has brought that bill to a halt.

I am here to call on this House to move forward and to bring about real reform as it relates to tobacco. I am here to ask this House to listen to these children as they come to the United States capital to present their case. And lastly, Mr. Speaker, I am here to make sure that we give attention and respect to an organization that deserves such; that is, the lawyers' committee for civil rights under the law, and maybe in its 35th year, as

it fought for civil rights and justice, maybe we will stand in this body and also answer the call for equal justice. We will pass real campaign finance reform, and we will have a tobacco bill that will protect our children. I hope that their call is not in vain and that it will not be silenced by the pondering of our voices and by the overwhelming special interests that try to strangle democracy in this House.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida (Ms. ROS-LEHTINEN) is recognized for 5 minutes.

(Ms. ROS-LEHTINEN addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

(Mr. DAVIS of Illinois addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. SCARBOROUGH) is recognized for 5 minutes.

(Mr. SCARBOROUGH addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. METCALF) is recognized for 5 minutes.

(Mr. METCALF addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

U.S. SUPPORT FOR PEACE AND STABILITY IN THE CAUCASUS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, yesterday two of my colleagues, Mr. KENNEDY of Massachusetts and Mr. KENNEDY of Rhode Island and I met with Deputy Secretary of State Strobe Talbot and other top State Department officials to discuss the resolution of the conflict in Nagorno Karabagh, a state in the southern Caucasus region of the former Soviet Union. Our goal was to try to develop some new ideas on how we can work to promote greater cooperation and stability in this strategically-located region.

Although the State Department clearly considers Nagorno Karabagh to be of the utmost importance, my colleagues and I are concerned the U.S. diplomatic efforts have either stalled or are going in the wrong direction. We are concerned that our diplomatic priorities are being eclipsed by commercial interests in the region and that the traditional American mission of promoting democracy is being diverted by the desire to develop oil resources.

Secretary Talbot and his colleagues from the Department of State who met with us were most gracious, I should say, but there are differences between the State Department and those of us in this Congress who are staunch supporters of Armenia and Nagorno Karabagh.

And, Mr. Speaker, as I have mentioned in this House on several occasions, the people of Nagorno Karabagh fought and won a war of independence from Azerbaijan. A tenuous ceasefire has been in place since 1994, but a more lasting settlement has been elusive. The United States has been involved in a major way in the negotiations intended to produce a just and lasting peace. Our country is a co-chair along with France and Russia of the international negotiating group commonly known as the Minsk group formed to seek a solution to the Nagorno Karaagh conflict. Pro Armenian Members of this House welcome the high profile U.S. role in this process. As I have indicated, we have some substantive differences.

Unfortunately the State Department is most reluctant to drop its support for Azerbaijan's claim of so-called territorial integrity despite the fact that Nagorno Karabagh has been inhabited by Armenians for centuries.

□ 2230

I would say, Mr. Speaker, it is time for the U.S. and our Minsk Group partners to forget about the idea of Azerbaijan's so-called ''territorial integrity'' as the foundation for peacefully resolving this conflict.

In the first place, given Nagorno Karabagh's autonomous status in the old Soviet system, there is no reason why they must be considered part of Azerbaijan. But more importantly, Mr. Speaker, the people of Nagorno Karabagh do not consider themselves to be a part of Azerbaijani society. And, considering the horrible treatment visited upon the people of Karabagh and the Armenian community in Azerbaijan proper, it is apparent to me that Azerbaijan really has no use for the people of Karabagh.

The State Department officials that we met with yesterday seemed to be open to new ideas coming from the parties to the conflict, and that created a certain amount of optimism. They stressed that if Armenia, Azerbaijan and Nagorno Karabagh all agreed on a status for Nagorno Karabagh that left it free of Azeri suzerainty, the United States would go along. There was a clear understanding on the part of the State Department that the earlier Minsk Group proposal that did not address the status issue was no longer acceptable to Armenia or Nagorno Karabagh.

Mr. Chairman, as we stressed at yesterday's meeting, our top priority should be to push for direct negotiations, involving Nagorno Karabagh and Azerbaijan, without preconditions. And I should add that any proposal that starts with the premise that the map of Azerbaijan must include Nagorno Karabagh is a big precondition.

As a first step, Mr. Speaker, I would stress the importance of strengthening the current, shaky cease-fire as a priority for the Minsk Group. Making a priority of securing the cease-fire would help end the violence, stop the continuing casualties, and help build confidence for further agreements between the parties.

I believe we should also consider the idea of ''horizontal links,'' a federation between Azerbaijan and Nagorno Karabagh among equals. This model has been used in resolving the Bosnia war and in the current negotiations aimed at resolving the Cyprus conflict.

Another key is the need for security guarantees for Karabaugh. As I mentioned, Karabagh won the war and holds the strategic advantage. But it is unrealistic and unfair to except Karabagh to give up its gains on the battlefield for vague promises at the negotiating table by the United States or the other Minsk Group cochairs.

Finally, let me say, Mr. Speaker, that America's role should be that of a nonbiased mediator. It is a role that we have played honorably and with great success in conflicts raging from the Middle East to Bosnia and to Northern Ireland, and there should be no difference here in the case of Karabagh.

POSSIBLE CURES FOR ABUSES IN MANAGED CARE

The SPEAKER pro tempore (Mr. HAYWORTH). Under the Speaker's announced policy of January 7, 1997, the gentleman from Iowa (Mr. GANSKE) is recognized for 60 minutes as the designee of the majority leader.

Mr. GANSKE. Mr. Speaker, it has been a long day here in the House with a lot of debate about campaign finance reform, and as our colleagues on the other side of the Capitol have been debating for almost 4 weeks until it ended yesterday, a debate on tobacco legislation, which appears to be at least significantly set back. We have a debate going on on campaign finance reform which is much needed, and it appears as if we may have a 3 or 4 week debate on that as well. I hope that the outcome comes out better than that.

But I want to speak tonight about another issue that has been bottled up in Congress for a couple of years that has broad bipartisan support, something that is very important to our constituents back home and to every American, and that is the issue of abuses in managed care and whether we ought to have some minimum standards, Federal safety standards for managed care.

I frequently hear my colleagues who oppose this saying, well, let us not legislate by anecdote. I mean, heaven forbid that we should ever in this body legislate by anecdote. The problem is that these anecdotes are real people, and they are all over the country, and

we can read about them in newspapers at home, and nearly everyone knows somebody or has a family member that has been affected by abuses in the managed care industry.

Here we have a headline from the New York Post: ''HMO's Cruel Rules Leave Her Dying for the Doc She Needs.'' Does that seem harsh? Well, how about this case history of one of these ''anecdotes.'' Although I really do not think we would want to call Barbara Garvey an anecdote to her family.

Barbara Garvey is a 54-year-old Chicago woman who fell seriously ill when she was vacationing in Hawaii. The doctors in Hawaii correctly diagnosed her condition and advised the Garveys that she needed a bone marrow transplant immediately. Then the physicians cautioned the couple that Barbara should not travel back to Chicago for this treatment since this could increase the risk of her suffering a cerebral hemorrhage, or infection during her air travel. So they phoned her doctor back in Chicago who agreed with the Hawaiian doctors; take care of her in Hawaii. Travel by an airplane in her condition is too dangerous. However, the HMO bureaucrats told Barbara's husband, David, that the HMO would not be responsible for her treatment if she remained in Hawaii, and that she should return to Chicago. In route to Chicago, Barbara suffered a stroke that left her right side paralyzed and she was unable to speak. When she arrived in Chicago, she was admitted to St. Luke's Medical Center where she died 9 days later of a stroke.

The HMO then attempted to use a legal loophole to avoid all responsibility. That loophole is contained in a law known as the Employee Retirement Insurance Security Act of 1974, ERISA, which was enacted well before the era of managed care and was intended to provide workers with benefit protections. The HMO claims that because Garvey received her health care through her employer, the Garveys cannot receive damages for Barbara's death.

HMOs have been using ERISA, in many cases successfully, to shield them from the accountability of their decisions, when they tie the doctor's hands and they direct a patient's care leading to injury, or even, in the case of Barbara Garvey, death.

Well, I guess the opponents to this legislation would just say, gee, we should not legislate by anecdote.

Well, how about the case of Betty Wolfson. This is told by her daughter. The dispute between my mother and her HMO arose when the HMO's doctors recommended a course of treatment that world-renowned neurosurgeons at UCLA medical centers believe will endanger her life. We wanted a second opinion because my mom has an artery in her brain the diameter of a golf ball that is full of blood clots. It has caused her to go blind in one eye. At any time she could completely lose her sight and suffer a massive stroke, or die.

Initially my mom's HMO stated there is no appeal process. Finally, someone explained there was no ''complaint department,'' only a ''customer satisfaction department.'' By the sheer fact that HMOs have endless financial resources, her daughter continues, this makes it a cinch for her HMO to prevail. When this process bankrupts my mother and forces my folks out of their HMO, it is often taxpayers that end up picking up the tab, saving the HMO from having to shell out for expensive medical treatments.

Her daughter continues, Sadly, our story is not unique. ERISA, the Employment Retirement Income Security Act, contains a loophole that allows HMOs to sidestep accountability for denying or delaying medical care. If this loophole were closed now, families like ours would not have to suffer financial and emotional ruin to get adequate help for our loved ones.

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

Mr. GANSKE. I yield to the gentleman from New Jersey.

Mr. PALLONE. Mr. Speaker, first of all, let me say that I am very pleased to see the gentleman here again tonight talking about the need for managed care reform or patient protections, because I believe, as I have said before, that this is the number one issue facing this Congress. It is the issue that I hear most often when I talk to my constituents and our constituents throughout this country, be they Democrat, Republican, Independent; regardless of party affiliation, regardless of State, are demanding action on these patient protections.

I just wanted to make a brief comment which is that the gentleman really points out how this is nothing more than a very common sense approach to quality health care. The gentleman mentioned anecdotes, and of course they are not, they are real people and we know that they are real people, but beyond that is the notion that, and I have said this before, in my constituents' minds and I think most Americans' minds, when they hear the types of things that the gentleman is relating, they cannot believe it because they assume that their insurance company, whether it is an HMO or whatever kind of managed organization, would follow common sense precepts. In other words, they would not assume that because one is in Hawaii that one has to take a plane contrary to one's health and come back to Chicago.

They would not assume, for example, that if one needs to go to an emergency room, that one would have to go to one 40 miles away rather than the one that is around the corner, because that particular hospital is not part of the network. They assume that if someone has to have access to a particular type of care, specialty care, for example, that the specialist is going to be available and that the HMO will not deny them.

I think even more so, as the gentleman pointed out, is that when I talk to some of my constituents that have had problems with HMOs, they talk about the lack of an appeals process that they can really utilize, because again, if a mother has to take care of a sick child or a father has to take care of a sick child and they are working, they do not have the time to spend 9 hours a day going through some obscure way of appealing a decision. They have to have a very easy way to take an appeal to someone who is actually going to hear it in an expedited way.

I have found, as the gentleman said, that a lot of these problems with HMOs, essentially what happens is that if someone does not want to accept a decision that has been made with regard to a particular type of care or access to a specialist or use of particular equipment, that people essentially give up because they do not have the time or the wherewithal to go through the appeals process, and that should not be. That is what is so egregious I think about the system that is set up.

Of course, the other aspect that the gentleman points out is the inability to sue the HMO when they make a mistake or they make a decision that actually damages someone or kills someone. Again, I do not think most people would think that they have lost the right to sue because of the Federal law that is out there.

So all we are really saying, all the gentleman is really saying is that we need some common sense patient protections that apply to all HMOs, to all managed care organizations, to all insurance companies, and that those basic patient protections, that ''floor,'' if you will, needs to be put in place. Otherwise, we have people dying and people getting seriously ill, and the long-term consequences of that not only are bad for the individuals, but in many cases cost the taxpayers even more money because they end up footing the bill.

So I just want to thank the gentleman again for these examples, because I think that when we use examples, that is the way people will understand it. But unfortunately, we are going to have to somehow get this into the heads of some of our colleagues, because although there are a lot of people that support this, there are a lot unfortunately that make it difficult to bring up the legislation.

Mr. GANSKE. Mr. Speaker, reclaiming my time, I appreciate the gentleman's comments, because he is getting to a point that I will get to a little bit later, but we might as well get to now. I am going to talk about some more examples tonight, but it is not as if we have not had several bipartisan bills sitting here in Congress this year, last year, bipartisan bills in 1996 with over 300 cosponsors dealing with this problem with no standards for people who are in HMOs and are receiving their insurance through their employer in a self-insured plan because of Federal law.

□ 2245

We have two bipartisan bills now, right here sitting here in Congress waiting to be acted on. One is the Patient Bill of Rights. The other is the Patient Access to Responsible Care Act.

The second one has about 230 cosponsors. Just by the number of cosponsors alone, if it were on the floor today it would pass. I happen to think that when and if we can get one of these bills to the floor, and overcome the leadership's objections to this legislation, that legislation will pass overwhelmingly in a bipartisan fashion.

But why is it being held up? What is the problem? I mean, it is not as if the American public is not calling for this. It is not as if the American public is not well aware of these problems, which I will going to go into in more detail. Nine out of ten Americans by survey today say: Please, give us some Federal legislation for some minimum quality standards so that when we get sick, our HMO will give us the care that we need.

Mr. PALLONE. Mr. Speaker, if the gentleman would yield, I think it is pretty obvious. And I do not think we need to do any more than ask the average American. I am sure they would articulate and be right in saying that it is the insurance industry, of course, that is continuing to lobby in Congress to prevent this legislation from coming forward.

The fact of the matter is they spend a lot of money on advertisements and other ways of trying to influence what goes on here. So I have no doubt that the reason why the leadership has been unwilling to bring this to the floor is because of the opposition from the insurance industry.

We have had this so often with health care reform in general. But this, of course, hits at the very heart of the HMO and the managed care industry, because they fear that somehow by us putting these patient protections in effect, that they are going to be told what to do or that somehow their costs may be impacted.

I really do not see it as a cost issue. I do not think it is going to cost anything more, or certainly a very insignificant amount extra money if anything, to implement these basic patient protections and we have to keep making that point.

Mr. GANSKE. Mr. Speaker, reclaiming my time for a moment, I think we should make a distinction between the insurance industry and HMOs and the managed care industry.

There are a lot of health insurance companies that provide health insurance policies to individuals. They do not have the liability exemption that a managed care plan, an HMO, has when it is offered through an employer. Consequently, we see significantly fewer of these horror stories from that portion of the insurance industry.

We see fewer reports of problems in the nonprofit managed care industry because they are ethically trying to do their job. When they look at a Patient Bill of Rights, as has been proposed by our legislation, they are already doing most of the things that we are proposing.

What we are really talking about is a subset of the managed care industry that adamantly opposes quality standards. Why? Because they are cutting corners. That way they can increase their profit margin. Their stock will go up. Their CEOs will make millions more. They can capture more of the market share, because they are keeping their premiums lower than those plans that are actually trying to do a legitimate job.

Mr. PALLONE. Mr. Speaker, if the gentleman will yield, we had a report that the gentleman mentioned the other night on the floor about the CEOs of some of these for-profit HMOs or managed care organizations, their salaries are many millions of dollars per year with all kinds of stock options that add up to additional millions of dollars.

I am glad the gentleman brought out the distinction between the different types of HMOs and managed care, because in fact many of the not-for-profit HMOs or managed care organizations in the beginning, when the President first proposed patient protections, were actually supportive of the patient protections, most of which are incorporated in the two bipartisan bills that the gentleman mentioned.

It is true that there are good and bad insurance companies and generally the not-for-profit HMOs and managed care organizations have not really had a problem with the kind of patient protections that we are talking about.

Mr. GANSKE. We are actually seeing some of the nonprofit HMOs such as Kaiser, HIP, calling for Federal legislation for patient protections. They would like to see a national uniform standard so that their competitors who cut corners and needlessly put at risk people's life and limbs are not able to unfairly compete against them when they are trying to do a legitimate job.

Let me give another example. I am not calling some of these cases anecdotes, because some of the opponents to these two bills say, well, we should not legislate by anecdote. I am a physician. I continue to be a physician. I continue to do charity care while I am in Congress. So I am going to refer henceforth in this talk tonight to ''patients,'' because that is what I think they are.

Let us talk about Francesca Tenconi, an 11-year-old girl. She suffers from a disease called Pemphigus Foliaceous. This is an autoimmune disease in which her body's immune system becomes overactive and attacks the protein in her skin.

Her parents have had to battle with their HMO to insist upon appropriate diagnosis and medical care. According to her father, Francesca's medical and insurance ordeal began in December 1995 when at the age of 11 she was diagnosed with a skin rash. By March, that condition had spread and become worse, and by April it was so bad she could not attend school. During this period, her parents made several requests to get a referral to a specialist to find out what was going on and her HMO refused.

Finally, in May, almost 6 months after the first appearance of her skin problems, the HMO finally did some biopsies and sent them to out-of-network doctors and they finally got an accurate diagnosis. But even after receiving the diagnosis, her HMO still insisted on treating the disease with its own doctors, even though this is a very complicated, difficult disease.

It was not until February of 1997, over 1 year after her symptoms appeared, that they finally allowed her to receive care at Stanford Medical Center, which possessed the doctors capable of treating this illness.

Explaining the prolonged and unnecessary pain of lying down without skin on his daughter's back for over a year, Don Tenconi 6 said, ''If you feel this pain, you will shed tears of pain. The same pain that Francesca shed night after night, week after week for months.''

And because Francesca received her health care through Donald's employer, the HMO claims that ERISA shields it from damages resulting from delaying and denying medically appropriate care and referrals. And that is wrong.

That is a real live little girl who for a year had basically no skin on her back. Think of how painful that condition would be. Think about being that little girl's mother and father. Think about their continued appeals to try to get appropriate care from their managed care company.

Today in our committee, the Committee on Commerce, we had a long hearing on liver transplants. Let me give another example of an HMO abuse. A woman suffering, her name is Judith Packevicz, suffering from a rare form of cancer of the liver, is today being denied life-saving treatment by her HMO. The HMO will not pay for a liver transplant recommended by her oncologist, with the support of all of her treating physicians.

This is causing this woman to live out a death sentence. The HMO denied the recommended transplant on the grounds that it allegedly ''does not meet the medical standard of care for this diagnosis.''

No explanation of why the recommended transplant allegedly fails to meet community standards, when all of her doctors have recommended this treatment, has been provided in correspondence from the HMO.

Well, under ERISA, should Mrs. Packevicz die before she receives a transplant, her HMO will have no costs at all. Is that what we want to see continue in this country?

Mr. PALLONE. Mr. Speaker, that is horrible. Can I ask the gentleman if he

knows, what would be the cost of a liver transplant, approximately? What is the cost? Do you have any idea?

Mr. GANSKE. The cost of a liver transplant, in total, would probably be in the range of several hundred thousand dollars. This is not something that the Packevicz can afford.

Mr. PALLONE. But this is obviously the reason why they are excluding it, because they do not want to incur that cost. There is no question, I would say.

Mr. GANSKE. Mr. Speaker, what we have with the managed care industry is we have a situation where they make more profit by giving less service, less treatment. By my mind, this is the only industry in this United States or anywhere where they get paid more for doing less. It is a perverse incentive system and one that needs guidelines so that it is not abused.

Another example, how about Carol Anderson, a hospital worker who has had to change insurance providers in the middle of her breast cancer treatment. When she called an HMO to ask if her doctors were on his network of physicians, she was told they were not but because her breast reconstruction was already underway, she could stay with them.

However, the next month, that HMO refused to cover her surgery claiming she had been misinformed by somebody and so after months of fighting, they finally agreed to pay, but only if she switched physicians. That is tough in the middle of treatment, especially reconstructive treatment. I am a reconstructive surgeon. I know how difficult some of those operations can be.

The bills that are sitting here waiting to be acted upon by Congress address that. They say that if a patient is in the middle of treatment and the employer switches the insurance coverage to a different HMO, the patient does not have to switch doctors until that treatment is finished.

Same thing goes with pregnancy. A woman is 7-months pregnant, her employer switches plans, her current doctor is not in the treatment plan. Well, too bad. She has to go to a new physician, a new doctor. Our bills address that and say, huh-uh, if employees are offerer an employer plan in that situation with a pregnant woman nearly ready to give birth, they cannot force her to go to another physician. And why? Because there is a certain benefit to continuity of care.

Mr. PALLONE. Mr. Speaker, if the gentleman would again yield, just common sense. We are not really asking for anything more. And obviously it makes sense to not switch physicians in the middle of a pregnancy or in the middle of some kind of disorder.

If I could just mention too, I think that many constituents that I talk to, not only in my district but in other parts of the country, really would like to see some kind of option where patients can go outside the network for a doctor or hospital or other provider, even if it means that the patient has to pay more.

I know that the Patient Bill of Rights, which is one of the bills that the gentleman mentioned, specifically says that when consumers sign up for health insurance with the employer, that the employer has to offer the option of going outside the network for a doctor, even if it means that the patient has to pay a little more. Not everybody wants to do that, but for those people who are willing to pay a little more it certainly makes sense.

I find that a lot of people do not realize when they sign up for a particular HMO that they are limited by the number of doctors, or realize what doctors are in the plan or not. That is why disclosure, which is another one of the issues that is addressed in these two bills, is so important.

We need to have disclosed what the patient is getting into when they sign up. Too many people now just do not know what the HMO covers and what it does not, and what doctors are in it and what hospitals are in it and what not.

□ 2300

That is another basic right and another basic protection that those bills address which I think needs to be addressed.

Mr. GANSKE. Mr. Chairman, in light of all of these cases, and I can come to the floor every single night and talk about patients like these, and the gentleman could, too. In light of that, what does the American public think about all of this? Let me give a few of the findings from a nationwide health care poll done by a Republican pollster, the Republican pollster, by the way, who did most of the polling for the Contract With America.

Let us just look at what some of the findings were in this recently conducted poll of over 1,000 adults nationwide. This was done May 1, 1998.

Question: Would you say the overall quality of health care over the last 10 years has improved, stayed the same, or deteriorated? Improved, 34 percent; stayed the same, 15 percent; deteriorated, 46 percent.

Fifty-five percent of Americans living in the West think the overall quality of care has deteriorated in the last 10 years.

Question: Health care providers should be required to give their patients full information about their treatment, their condition, and treatment options. Do you support? Support, 7 percent; opposed, 1.6 percent.

There is a provision in one of these bills, allow free communications, allow unrestricted communications between doctors and their patients. We would think that would be a given right.

Mr. PALLONE. Mr. Chairman, I think the gentleman should elaborate on that a little bit more. Most people are shocked by this gag rule. Just explain that a little more. People are shocked when they hear what kinds of restrictions are in place.

Mr. GANSKE. Mr. Chairman, as the gentleman from New Jersey knows, I have had a bill before Congress with over 300 bipartisan cosponsors that my Republican leadership will not allow to the floor. It would ban gag clauses which prevent doctors from being able to tell their patients all of their treatment options. We are not saying the HMO has to cover all of those treatment options; we are simply saying that the HMO cannot restrict a physician from telling a patient all of their treatment options. That is what those gag clauses are. I cannot even get that to the floor.

Mr. PALLONE. I would wonder whether or not that is even constitutional if someone ever wanted to take it up to the Supreme Court. It seems to violate the First Amendment not to be able to speak out in your profession.

Mr. GANSKE. Mr. Chairman, let us go on with some of these survey findings.

Proposal: Any basic managed care plan would be required to allow patients to see plan specialists when necessary. Do you support? 94 percent. Opposed, 2.1 percent.

We are talking about the ability when you have a complicated medical decision to get a referral to a specialist. That is one of the provisions in these two bills: the Patient Bill of Rights and the Patient Access to Responsible Care Act. Ninety-five percent of the American public agrees with that.

Proposal: Patient should have the right to a speedy appeal when a plan denies coverage for a benefit or service. Do you support? 94.7 percent. Opposed, 3.3 percent.

Proposal: A complete list of benefits and costs offered by the health plan before he or she signs up for the plan. Do you support? 91.3 percent. Opposed, 4.6 percent.

This is another one of the provisions that is in both of these bills, full disclosure. For heaven's sake, we are talking about an organization that makes life and death decisions.

Proposal: All health plans must allow their patient the option of seeking treatment outside of their HMO with the HMO covering at least a portion of the cost. Do you support? 87 percent. Opposed, 8.8 percent.

It goes across all groups. Here is another one. Insurance companies would be prohibited from paying doctors more money for offering less treatment or refusing referrals. Do you support? By a margin of two to one across all age groups, Republicans, Democrats, rich, poor.

Question: Let us say the proposals I just read were packaged in a single piece of legislation. Would you be more likely or less likely to vote for your Member of Congress if he or she voted for this legislation? More likely, 86 percent; less likely, 4 percent.

Here is a very interesting question from this Republican pollster. This, I think, gets to what we want to talk about next, and that is cost. If you knew that enacting all six proposals as

a single piece of legislation would cost about $17 more per month, would you support this legislation? Support, 67 percent; oppose, 23 percent.

Do you know what? That is way higher than most of the estimates done by reputable accounting firms would say would be the cost. A survey by Coopers & Lybrand done by the Kaiser Family asked the question or looked at it actuarially. What would be the cost of a Patient Bill of Rights?

Mr. PALLONE. Most of what I have seen are within $5 and $10. That is most of what I have seen.

Mr. GANSKE. Coopers & Lybrand said that a cost of the legislation, Patient Bill of Rights, exclusive of the liability provision, and we will get to that in a minute, would cost a family of four for a year $31.

Mr. PALLONE. Which is a lot less.

Mr. GANSKE. Significantly less than the question, which had a two-thirds majority positive answer.

We often hear from the opponents to this, well, small business is really against this. All of those small businesses would stop covering their employees. It would mean that more and more people would not have insurance.

Okay. This is very interesting, because today, actually yesterday, Kaiser Family, Kaiser-Harvard Program at the Public and Health Social Policy Institute, the Kaiser Family Foundation released a survey done of 800 small business people across the country. So these are the employers, these are the small business employers.

What did they find? They found that small business executives are pretty much just like everyone else in the public. They think that there is a need for Federal legislation on this.

Let me provide some specifics. Questions to the small business executives, the ones who are providing the insurance to the majority of people in this country: Would you favor a law requiring health plans to provide more information about how they operate? 89 percent favored; 5 percent opposed.

Would you favor a law requiring health plans to require ability to appeal health plans decisions? 88 percent favored; 8 percent opposed.

They continue to ask these small business executives: Would you favor a law requiring plans to allow direct access to gynecologists? 84 percent favored.

Would you favor a law requiring health plans to allow direct access to specialists? 75 percent favored.

Would you favor a law requiring health plans to remove limits on coverage for emergency room visits, so that if you have a case of crushing chest pain, you can go to the emergency room and not be worried that if the EKG is normal, you are going to be stuck with a big bill? 77 percent favored.

Mr. PALLONE. But, again, if the gentleman will yield, it makes sense that we get these kinds of responses because it is just common sense. Why would people think anything different? That is, I think, what we have been saying from the beginning, that these are just common-sense principles, and people are going to overwhelmingly support them.

But I just wanted to mention two other things that the gentleman brought up, and I would like to stress again; and those are, the reason why people are demanding these changes and want these bills to come to the floor is because the quality of health care is suffering.

We have prided ourselves in this country for so many years on having the best quality health care in the world, and I would venture to say that we still do, but that will not be the case for very long unless we start to put these kinds of common-sense protections in place, because quality is really suffering, and people realize that more and more. I think that people are used to having quality health care in this country, and they are not going to be satisfied with something less than that.

The other thing that the gentleman mentioned is that the opponents not only talk about cost, but suggest that because of the exorbitant costs that they bring up falsely, that the consequence of our legislation would be that fewer people would have health insurance. In fact, there is no truth to that whatsoever.

In fact, the reality is that fewer and fewer Americans have health insurance every day even with the HMOs in place. The phenomenon of more and more Americans not having health insurance is not a consequence of HMOs or any particular type of health insurance. It has to do with the fact that more and more employers simply do not provide health insurance. That is the biggest factor. So, really that is a ruse, talking about the costs. Talking about the fact that fewer Americans have health care has nothing to do with this debate, nothing to do with it whatsoever.

Mr. GANSKE. Mr. Chairman, reclaiming my time, this Kaiser Family Foundation survey gets right to that point. They asked these employers: How many of you will drop your coverage for your employee? The answer was between 1 and 3 percent; 1 and 3 percent, significantly different from the inflated claims that you will hear from the business groups.

But I want to point out a couple of additional things in this survey, and this is very interesting. Small business executives were asked this: Would you be in favor of requiring health plans by law to allow patients to sue health plans? This is going to surprise some of my colleagues on the Republican side. Favor, 61 percent; oppose, 30 percent.

If you then ask the question: Would you still be in favor of it if it resulted in higher premiums? More than half still favor it. Why? It is just like this talk I gave to this group of businesswomen, small businesswomen back in my district about a month ago.

We were talking about this issue. Do you know why? Because they are also consumers. They know that if their son or daughter has a skin problem like we have talked about with this poor little girl who is 11, and they have problems, they need to have recourse and remedy for it.

Then they went back, and they asked all those other questions that I have talked about by saying: Would you still favor that law if it might result in higher premiums? And 60 percent or more still favored every one of those.

Then they found this: 57 percent of small business executives think that managed care has made it harder for people who are sick to see medical specialists; 58 percent say it has decreased the quality of care people receive when they are sick; 65 percent of these small business executives say it has reduced the amount of time doctors spend with our patients; and interestingly, 43 percent say it really has not made much of a difference of what my health care costs have been to have all of my employees in an HMO.

I think that when we look at really some of our grass-roots, small business people, the people who are purchasing that insurance for their 10, 15, 20 employees, they are just like everyone else in the public. They know that there are abuses in those health plans, and they want to make sure, darn sure that their employees are not harmed, and also that they and their families who are covered by their plans are not harmed.

Mr. PALLONE. The employers are usually covered by the same plan.

Mr. GANSKE. Exactly.

Mr. PALLONE. It only makes sense.

Mr. GANSKE. Let us talk for a minute about the cost of liability. We have heard a lot of inflated estimates of this. Texas, as you know, passed a liability provision taking away the exemption for HMOs in Texas.

□ 2315

So one of the HMOs asked its actuarial firm how much extra should they raise the cost of a premium, and they asked the actuarial firm that is in the pockets of the HMOs, the one that does all the HMOs' bidding, Milliman & Robertson, well outlined by an expose, I would say, in the Wall Street Journal just recently. Even so, when Milliman & Robertson had to put the number on the line for the company that was actually going to do this, the liability provision would have raised the cost of the premium, I think, 0.3 percent. No, I am sorry, 34 cents per month, 34 cents per month.

Mr. PALLONE. Could I ask the gentleman this? The bottom line is that if we have this liability provision, and the HMOs know that they could be liable, I would think the consequence would be that they would be a lot more careful about what they deny and what they do. And so, therefore, the situations where they would be liable for malpractice or making the wrong decisions would decrease and their costs probably would not be that great.

So a lot of this is just preventive. A lot of the things that we are suggesting here just make for a better system in general and create prevention on the part of the HMO. And so I think that that is the reason why ultimately the cost is not really going to go up.

Mr. GANSKE. Well, let us look at a little more detail at this. This is going to be a matter of contentious debate, if and when we can ever get the Republican leadership to allow this to come to the floor, and that is, what will be the cost of the liability on this?

Well, here is what we have. We have a study that was done by Multinational Business Services, MBS. They estimated the liability cost impact of insurance premiums would be 0.75 percent. Less than 1 percent. What did Muse & Associates find would be the cost of liability for HMOs? 0.14 percent to 0.2 percent, two-tenths of a percent. How about the Barents Group? What did they estimate? 0.9 percent, less than 1 percent, up to about 1.5 percent.

But, really, as was pointed out, the insurance premium increases are most likely to occur for the HMOs that are most likely to be denying the care that is medically necessary, not the HMOs that are trying to do the ethical job that they should be and providing the care when it is medically appropriate. So there would be a range.

For many plans that are trying to do the ethical thing, the costs would be minimal.

Mr. PALLONE. And we would be bringing the unethical ones up to the same standards as the ethical ones in the long run. That is what the effect would be.

Mr. GANSKE. I remember in our Committee on Commerce we had testimony by a medical reviewer. Her name was Linda Peno. She testified before our committee, and she admitted that she killed a man. She was not in prison, she was not on parole, she had never been even investigated by the police. In fact, for causing the death of a man, she received congratulations from her colleagues and moved up the corporate ladder.

She was working as a medical reviewer at an HMO. She confessed how HMOs can use the term ''medically necessary'' as the ''smart, smart bomb'' of denials. There is a lot we need to do in terms of due process and making sure that HMOs do not abuse some of the terms that they use all the time to deny care; that is, in both of these bills, Patient Access Responsible Care Act and Patient Bill of Rights.

And there are standard due process provisions in those bills so that if care is denied, a patient can get a timely appeal process. Gee, that does not sound so outlandish. That is something that every other insurance company that is not shielded by ERISA has found it has had to do for 40 or 50 years, or else they would suffer the consequences.

□ 2320

When we talk about this legislation, I liken this to the automobile industry. When my colleagues or I buy a car, we are assured that we are going to have a car with headlights that work, turn signals, brakes, safety seat belt, some minimum federal safety standards. And yet, I do not see that we have any nationalized auto industry. And judging from the ads that I see in magazines or on TV, there sure is an awful lot of competition out there in the auto industry.

But we have some Federal standards, do we not?

Mr. PALLONE. Absolutely.

Mr. GANSKE. What is wrong with having some minimum safety standards for plans that Congress 25 years ago give a total exemption to?

Mr. PALLONE. There is no question that this is nothing more than common sense. We have said it over and over again and we are simply asking for a floor for patient protections.

I think, as the gentleman has well pointed out this evening, that basically it just brings the standards, if you will, of some of the worse for-profit HMOs up to the level of some of the better not-for-profit HMOs.

I just want to say once again that, really, the key here is not to persuade I think the average congressman or congresswoman. Because, as my colleague has said, we have a majority of the Members of this House on one or both of these bills. What we have to do is persuade the leadership that this is something that needs to be brought up.

I think tonight, with the polling that you brought out, makes a very convincing case and, hopefully, will also convince the leadership that from a political point of view this makes sense. Because the gentleman has very specifically pointed out how this is something that the public is going to be watching in terms of how they vote in November.

So, hopefully, we are lighting up a fire here tonight when we continue to bring up this issue. And although there are not a lot of days left in this session, there is certainly enough to get this passed.

I want to commend the gentleman again for being outspoken on this issue. Of course, as a physician, he is in the best position really to talk about these cases and analyze some of them. And I commend him, as a physician and as a Member of this body, for speaking out even though it is often at odds with his own leadership.

Again, I do not want to make this a partisan issue because I believe that most Members of this body, whether Republican or Democrat, support this legislation. So I think we just have to keep at it and keep telling these stories and keep pointing out to our colleagues how important it is that this be brought of up before we end the session this fall.

Mr. GANSKE. Reclaiming my time, I would just think that our constituents ought to consider real people who are affected by some of the horror stories that we are hearing from mismanaged care.

Let me give my colleague another example. We recently had a 28-year-old woman who was hiking in the Shenandoah Mountains not too far from here. She fell off a 40-foot cliff accidentally. Luckily, she was not killed. She had a fractured skull, was comatose, broken arm, broken pelvis, was lying at the bottom of this 40-foot cliff, nearly drowned in a nearby pool.

Fortunately, she had a hiking companion, was able to get a life flight, was taken to a hospital, spent a long time in the hospital, ICU, morphine drips, all sorts of things. Her HMO refused to pay for her hospitalization.

This is that woman, Jackie Lee, shortly before she was put onto the helicopter. The HMO refused to pay for her care because she had not phoned for a preauthorization, as they would say.

I ask my colleagues, Jackie Lee was lying there at the base of that have 40-foot cliff, comatose, with a broken arm and pelvis, and a fractured skull. Was she supposed to wake up with her non-injured arm, pull her cellular phone out of her pocket, dial a number probably thousands of miles away to get an okay to go to the hospital?

And then after she was at the hospital, the HMO said, well, you did not notify us in time so we are not going to pay you on that reason also. Well, my goodness gracious, she was comatose in the ICU for a week. She was on intravenous morphine.

That is the type of real-life problem that all of those small business employers who answered this survey are aware of. They are aware of it either from their own families or friends or they are aware of it from their employees. That is why they are calling on Congress, just like everyone else, to do something.

I will just have to finish on this.

Mr. PALLONE. Before my colleague finishes, though, again, I assume that the cost of this care that she received was very expensive and that is another reason why they are denying it.

Mr. GANSKE. Reclaiming my time, I can guarantee my colleague that this young woman did not have the $12,000 to $15,000 that her HMO refused to pay. And neither would most people in this country.

So, I think that I would encourage all of our constituents from around the country to rise up in arms on this, to say, look, Congress may have killed tobacco legislation that would help prevent youngsters from smoking, maybe they are going to obfuscate on campaign finance reform. But I will tell my colleagues, there is one thing that Congress had darn well better do before it leaves because my daughter or my son's health may depend on it or my mother's or fathers's or my employees', and that is Congress needs to fix the mess that it has made in the past related to health plans and managed care.

If Congress does not handle this problem, we are going to hold you personally, congressman or congresswoman,

responsible for doing this and we will hold the leadership responsible.

I will tell my colleagues, I am hearing from all over the country on this. The water is building up behind this dam on this issue. And I will just have to say that sometimes it takes remarkable actions to get the leadership of this House and the Senate to do what they ought to do for the betterment of our constituents. We very well may be looking at that in the very near future.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. CLAYTON (at the request of Mr. GEPHARDT) for today after 3 p.m., on account of official business.

Mr. GREEN (at the request of Mr. GEPHARDT) for today and the balance of the week, on account of official business in the district.

Mr. REYES (at the request of Mr. GEPHARDT) for today and the balance of the week, on account of official business.

Mr. SUNUNU (at the request of Mr. ARMEY) for today after 4 p.m. And the balance of the week, on account of attending a wedding in the family.

Mr. WELDON of Florida (at the request of Mr. ARMEY) for today and on June 19 and 22, on account of family matters.

Mr. GUTKNECHT (at the request of Mr. ARMEY) for today after 1:30 p.m. And the balance of the week, on account of attending his son's graduation.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MEEHAN) to revise and extend their remarks and include extraneous material:)

Mr. CONYERS, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Mr. POMEROY, for 5 minutes, today.

(The following Members (at the request of Mr. SHAYS) to revise and extend their remarks and include extraneous material:)

Mr. MILLER of Florida, for 5 minutes, on June 22.

Mr. SCARBOROUGH, for 5 minutes, today.

Mr. METCALF, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. MEEHAN) and to include extraneous material:)

Mr. VENTO.

Mr. KIND.

Mr. HAMILTON.

Mr. FROST.

Mr. FORD.

Mr. DINGELL.

Mr. SANDLIN.

Mr. ROTHMAN.

Mr. ACKERMAN.

Mr. MCGOVERN.

Mr. LAFALCE.

Ms. LEE.

Mr. DAVIS of Florida.

Mr. BENTSEN.

Mr. STARK.

Ms. NORTON.

Mr. NEAL of Massachusetts.

Mr. LIPINSKI.

Mr. KUCINICH.

Mr. VISCLOSKY.

Mr. CONYERS.

(The following Members (at the request of Mr. SHAYS) and to include extraneous material:)

Mr. FRELINGHUYSEN.

Mr. WOLF.

Mr. DAVIS of Virginia.

Mr. GILMAN.

Mr. RADANOVICH.

Mr. DUNCAN.

Mr. PORTER.

Mr. YOUNG of Alaska.

Mr. PACKARD.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight, reported that that committee did on this day present to the President, for his approval, bills of the House of the following title:

H.R. 1847. An act to improve the criminal law relating to fraud against consumers.

H.R. 3811. An act to establish felony violations for the failure to pay legal child support obligations, and for other purposes.

ADJOURNMENT

Mr. GANSKE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 28 minutes p.m.), the House adjourned until tomorrow, Friday, June 19, 1998, at 9 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

9680. A letter from the General Counsel, Department of Defense, transmitting a report entitled ''Department of Defense Panel to Study Military Justice in the National Guard Not in Federal Service,'' pursuant to Public Law 104—201, 110 Stat. 2534; to the Committee on National Security.

9681. A letter from the Director, Office of Rulemaking Coordination, Department of Energy, transmitting the Department's final rule—Conduct of Employees (RIN: 1990–AA19) received June 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9682. A letter from the Director, Office of Rulemaking Coordination, Department of Energy, transmitting the Department's final rule—Information Security Program [DOE O 471.2A] received June 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9683. A letter from the AMD—Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule—Implementation of Section 402(b)(1)(A) of the Telecommunications Act of 1996 [CC Docket No. 96–187] received June 17, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9684. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend titles XIX and XXI of the Social Security Act to achieve improvements in outreach and provision of health care to children; to the Committee on Commerce.

9685. A letter from the Chief, Regulations Branch, U.S. Customs Service, transmitting the Service's final rule—Emissions Standards For Imported Nonroad Engines [T.D. 98–50] (RIN: 1515–AC28) received May 22, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9686. A letter from the Chief Counsel, Office of Foreign Assets Control, Department of the Treasury, transmitting the Department's final rule—Blocked Persons, Specially Designated Nationals, Specially Designated Terrorists, and Specially Designated Narcotics Traffickers: Additional Designations [31 CFR Chapter V] received May 27, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

9687. A letter from the Assistant Secretary for Strategy and Threat Reduction, Department of Defense, transmitting the joint Department of Defense and Department of Energy report to Congress on the Project Plan for the Russian Reactor Care Conversion Program, pursuant to Pub.L. 105—29; to the Committee on International Relations.

9688. A letter from the Executive Director, Committee for Purchase From People Who Are Blind or Severely Disabled, transmitting the Committee's final rule—Procurement List Additions—received June 17, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

9689. A letter from the Acting Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting a draft of proposed legislation to amend the Act which established the Weir Farm National Historic Site, in the State of Connecticut, by modifying the boundary and for other purposes; to the Committee on Resources.

9690. A letter from the Assistant Administrator, National Ocean Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Monterey Bay National Marine Sanctuary [Docket No. 971014243–7243–01] received June 17, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

9691. A letter from the Assistant Administrator, National Ocean Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Temporary Rule Prohibiting Anchoring by Vessels 50 Meters or Greater in Length on Tortugas Bank within the Florida Keys National Marine Sanctuary [Docket No. 971014245–7245–01] received June 17, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

9692. A letter from the Deputy Assistant Administrator for Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Taking of Marine Mammals Incidental to Commercial Fishing Operations; Pacific Offshore Cetacean Take Reduction Plan Regulations [Docket No. 970129015–7220–05; I.D. 010397A] (RIN: 0648–AI84) received June 17,

1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

9693. A letter from the Assistant Administrator for Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Groundfish of the Gulf of Alaska; Seasonal Apportionments of Pollock [Docket No. 980331079–8144–09; I.D. 031198D] (RIN: 0648–AK71) received June 17, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

9694. A letter from the Acting Director, Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Atlantic Tuna Fisheries; Atlantic Bluefin Tuna General Category [I.D. 100297A] received June 17, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

9695. A letter from the Acting Director, Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pollock in Statistical Area 610 [Docket No. 971208297–8054–02; I.D. 060598A] received June 17, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

9696. A letter from the Assistant Administrator for Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Halibut Donation Program [Docket No. 980212037–8142–02; I.D. 012798A] (RIN: 0648–AJ87) received June 17, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

9697. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulation: Fireworks displays within the First Coast Guard District [CGD01–98–065] (RIN: 2115–AE46) received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9698. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone: Peekskill Summerfest 98 Fireworks, Peekskill Bay, Hudson River, New York [CGD01–98–050] (RIN: 2115–AA97) received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9699. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revisions to Digital Flight Data Recorder Rules [Docket No. 28109; Amendment No. 11–44] (RIN: 2120–AF76) received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9700. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; AlliedSignal Inc. Model TPE331 Series Turboprop Engines [Docket No. 97–ANE–47–AD; Amendment 39–10565; AD 98–12–09] (RIN: 2120–AA64) received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9701. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Allison Engine Company Model AE 3007A Turbofan Engines [Docket No. 98–ANE–14–AD; Amendment 39–10568; AD 98–12–12] (RIN: 2120–AA64) received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9702. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Eurocopter France Model AS 332C, L, L1, and L2 Helicopters [Docket No. 98–SW–07–AD; Amendment 39–10571; 98–12–15] (RIN: 2120–AA64) received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9703. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A320–111, -211, and -231 Series Airplanes [Docket No. 96–NM–184–AD; Amendment 39–10573; AD 98–12–18] (RIN: 2120–AA64) received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9704. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Bell Helicopter Textron Canada Model 407 Helicopters [Docket No. 98–SW–10–AD; Amendment 39–10576; AD 98–12–22] (RIN: 2120–AA64) received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9705. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; AERMACCHI S.p.A. S.205 Series and Models S.208 and S.208A Airplanes [Docket No. 97–CE–146–AD; Amendment 39–10570; AD 98–12–14] (RIN: 2120–AA64) received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9706. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; CASA Model C–212 Series Airplanes [Docket No. 98–NM–97–AD; Amendment 39–10582; AD 98–12–28] (RIN: 2120–AA64) received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9707. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A310 Series Airplanes Equipped With General Electric Model CF6–80A3 Series Engines [Docket No. 98–NM–182–AD; Amendment 39–10578; AD 98–12–24] received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9708. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Fokker Model F.28 Mark 1000, 2000, 3000, and 4000 Series Airplanes [Docket No. 98–NM–45–AD; Amendment 39–10580; AD 98–12–26] (RIN: 2120–AA64) received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9709. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; British Aerospace BAe Model ATP Airplanes [Docket No. 98–NM–53–AD; Amendment 39–10581; AD 98–12–27] (RIN: 2120–AA64) received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9710. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; British Aerospace BAe Model ATP Airplanes [Docket No. 97–NM–312–AD; Amendment 39–10579; AD 98–12–25] (RIN: 2120–AA64) received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9711. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—National Standards For Traffic Control Devices; Revision Of The Manual On Uniform Traffic Control Devices; Pedestrian, Bicycle, And School Warning Signs [FHWA Docket 96–9; FHWA–97–2281] (RIN: 2125–AD89) received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9712. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; British Aerospace Model Viscount 744, 745, 745D, and 810 Series Airplanes [Docket No. 97–NM–321–AD; Amendment 39–10444; AD 98–12–17] (RIN: 2120–AA64) received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9713. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Eurocopter France Model AS 332C, L, L1, and L2 Helicopters [Docket No. 98–SW–07–AD; Amendment 39–10571; AD 98–12–15] (RIN: 2120–AA64) received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9714. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Lucas Air Equipment Electric Hoists [Docket No. 98–SW–04–AD; Amendment 39–10583; AD 98–12–29] (RIN: 2120–AA64) received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9715. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Avions Mudry et Cie Model CAP 10B Airplanes [Docket No. 97–CE–126–AD; Amendment 39–10566; AD 98–12–10] (RIN: 2120–AA64) received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9716. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Industrie Aeronautiche e Meccaniche Model Piaggio P–180 Airplanes [Docket No. 97–CE–141–AD; Amendment 39–10569; AD 98–12–13] (RIN: 2120–AA64) received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9717. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Modification of the Atlantic High Offshore Airspace Area; correction [Airspace Docket No. 97–ASO–16] (RIN: 2120–AA66) received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9718. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establish Class E Airspace; Atkinson, NE [Airspace Docket No. 98–ACE–8] received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9719. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revocation and Establishment of Class D; and Revocation, Establishment and Modification of Class E Airspace Area; Olathe, JOHNSON County Industrial Airport, KS; Correction [Airspace Docket No. 98–ACE–5] received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9720. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Leeville, LA [Airspace Docket No. 98–ASW–27] received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9721. A letter from the General Counsel, Department of Transportation, transmitting

the Department's final rule—Revision of Class E Airspace; Sabine Pass, TX [Airspace Docket No. 98–ASW–28] received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9722. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Intracoastal City, LA [Airspace Docket No. 98–ASW–24] received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9723. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Venice, LA [Airspace Docket No. 98–ASW–25] received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9724. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Grand Chenier, LA [Airspace Docket No. 98–ASW–26] received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9725. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Grand Isle, LA [Airspace Docket No. 98–ASW–29] received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9726. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Le Mars, IA [Airspace Docket No. 98–ACE–7] received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9727. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Aurora, NE [Airspace Docket No. 98–ACE–13] received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9728. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Eurocopter France Model SE3130, SA3180, SE313B, SA318B, and SA318C Helicopters [Docket No. 98–SW–03–AD; Amendment 39–10574; AD 98–12–20] (RIN: 2120–AA64) received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9729. A letter from the Acting Deputy Director, NIST, National Institute of Standards and Technology, transmitting the Institute's final rule—GRANT FUNDS—Materials Science and Engineering Laboratory—Availability of Funds [Docket No. 970520119–7284–02] (RIN: 0693–ZA15) received June 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

9730. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Federal Employment Tax Deposits——De Minimis Rule [TD 8771] (RIN: 1545–AW29) received June 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

9731. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Action on Decision in Paul A. Bilzerian v. United States, 86 F.3d 1067 (11th Cir. 1996), rev'd 887 F. Supp. 1509 (M.D. Fla. 1995), remanded sub nom. Steffen v. United States, 952 F. Supp. 779 (M.D. Fla. 1997) received June 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

9732. A letter from the General Counsel, Department of the Treasury, transmitting a draft of proposed legislation to improve the operation of the United States Mint as a Performance-Based Organization (PBO) in the Department of Treasury, and for other purposes; jointly to the Committees on Banking and Financial Services and Government Reform and Oversight.

9733. A letter from the Acting General Counsel, Department of Defense, transmitting a draft of proposed legislation to authorize a pilot program to increase the micro-purchase threshold in Government Procurements from $2,500 to $10,000; jointly to the Committees on Government Reform and Oversight and Small Business.

9734. A letter from the Director, Office of Personnel Management, transmitting a draft of proposed legislation to establish an appropriate system for overtime pay for Federal firefighters, and for other purposes; jointly to the Committees on Government Reform and Oversight and Education and the Workforce.

9735. A letter from the Secretary of Health and Human Services, transmitting the Department's final rule—Medicare Program; Incentive Programs-Fraud and Abuse [HCFA–6144–FC] (RIN: 0938–AH86) received June 8, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); jointly to the Committees on Ways and Means and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TALENT: Committee on Small Business. H.R. 3853. A bill to promote drug-free workplace programs; with an amendment (Rept. 105–584). Referred to the Committee on the Whole House on the State of the Union.

Mr. DIAZ-BALART: Committee on Rules. House Resolution 477. Resolution providing for consideration of the bill (H.R. 4059) making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1999, and for other purposes (Rept. 105–585). Referred to the House Calendar.

Ms. PRYCE of Ohio: Committee on Rules. House Resolution 478. Resolution providing for consideration of the bill (H.R. 4060) making appropriations for energy and water development for the fiscal year ending September 30, 1999, and for other purposes (Rept. 105–586). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of Rule X and clause 4 of Rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. DUNCAN:

H.R. 4077. A bill to provide for establishment of a memorial to sportsmen; to the Committee on Resources.

By Ms. VELAZQUEZ (for herself, Mr. GOODE, Mrs. MCCARTHY of New York, Mr. LAFALCE, Mr. DAVIS of Illinois, and Mr. HINOJOSA):

H.R. 4078. A bill to increase funding for the Women's Business Center Program; to the Committee on Small Business.

By Mr. DOOLITTLE:

H.R. 4079. A bill to authorize the construction of temperature control devices at Folsom Dam in California; to the Committee on Resources.

By Mr. DINGELL (for himself, Mr. BROWN of Ohio, Mr. STUPAK, Mr. PALLONE, Mr. WAXMAN, Mr. MARKEY, Mr. BOUCHER, Mr. MANTON, Mr. GORDON, Ms. FURSE, Mr. RUSH, Mr. KLINK, Mr. WYNN, Mr. GREEN, Ms. MCCARTHY of Missouri, and Ms. DEGETTE):

H.R. 4080. A bill to amend the Federal Food, Drug, and Cosmetic Act with respect to the safety of food from foreign countries; to the Committee on Commerce.

By Mr. HUTCHINSON:

H.R. 4081. A bill to extend the deadline under the Federal Power Act applicable to the construction of a hydroelectric project in the State of Arkansas; to the Committee on Commerce.

By Mrs. KELLY:

H.R. 4082. A bill to allow depository institutions to offer interest-bearing transaction accounts and negotiable order of withdrawal accounts to all businesses, to repeal the prohibition on the payment of interest on demand deposits, to require the Board of Governors of the Federal Reserve System to pay interest on certain reserves, and for other purposes; to the Committee on Banking and Financial Services.

By Mr. KUCINICH (for himself, Mr. LATOURETTE, and Mr. HAMILTON):

H.R. 4083. A bill to make available to the Ukrainian Museum and Archives the USIA television program "Window on America"; to the Committee on International Relations.

By Mr. SANDERS (for himself, Mr. FILNER, Mr. HINCHEY, Mr. KUCINICH, Mr. FRANK of Massachusetts, Mr. BORSKI, Mr. DEFAZIO, Mr. NADLER, Mrs. MINK of Hawaii, Mr. ABERCROMBIE, and Ms. FURSE):

H.R. 4084. A bill to require the establishment of a Consumer Price Index for Elderly Consumers to compute cost-of-living increases for Social Security and Medicare benefits under titles II and XVIII of the Social Security Act provided after 1999; to the Committee on Ways and Means, and in addition to the Committees on Commerce, and Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SMITH of Michigan (for himself, Mr. PETERSON of Pennsylvania, and Mr. ISTOOK):

H.R. 4085. A bill to require congressional approval of proposed rules designated by the Congress to be significant; to the Committee on the Judiciary, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. MILLENDER-MCDONALD:

H.R. 4086. A bill to amend the Small Business Act to increase the authorized funding level for women's business centers; to the Committee on Small Business.

By Mr. YOUNG of Alaska:

H.R. 4087. A bill to amend the Indian Employment, Training and Related Services Demonstration Act of 1992 to provide for the transfer of services and personnel from the Bureau of Indian Affairs to the Office of Self-Governance, to emphasize the need for job creation on Indian reservations, and for other purposes; to the Committee on Resources.

By Mr. YOUNG of Alaska (for himself and Mr. KILDEE):

H.R. 4088. A bill to amend the Indian Health Care Improvement Act to make permanent the demonstration program that allows for direct billing of Medicare, Medicaid,

and other third-party payors, and to expand the eligibility under such program to other tribes and tribal organizations; to the Committee on Resources, and in addition to the Committees on Commerce, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. WOOLSEY (for herself, Mr. FILNER, Mr. STARK, Mr. TOWNS, Mr. MCGOVERN, Ms. FURSE, Ms. SLAUGHTER, Mr. KENNEDY of Massachusetts, Mr. HINCHEY, Mr. OLVER, Mr. FALEOMAVAEGA, Ms. NORTON, Ms. LOFGREN, Mr. SANDERS, Mr. OWENS, and Mr. FRANK of Massachusetts):

H. Res. 479. A resolution recognizing the security interests of the United States in furthering complete nuclear disarmament; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

352. The SPEAKER presented a memorial of the Senate of the State of Michigan, relative to Senate Resolution No. 172 memorializing the Congress of the United States to increase funding to the Equal Employment Opportunity Commission to handle the backlog of individual cases; to the Committee on Education and the Workforce.

353. Also, a memorial of the House of Representatives of the Commonwealth of The Mariana Islands, relative to House Resolution No. 11–22 requesting the United States Congressional Committee who has jurisdiction of the Office of Insular Affairs to investigate allegations made against the CNMI government and its people; to the Committee on Resources.

354. Also, a memorial of the Senate of the State of Hawaii, relative to Senate Concurrent Resolution No. 161 memorializing the United States Congress to enact legislation reauthorizing the federal highway program by May 1, 1998; to the Committee on Transportation and Infrastructure.

355. Also, a memorial of the Senate of the State of Michigan, relative to Senate Resolution No. 169 memorializing the Congress of the United States to refrain from imposing any special taxes on sport utility vehicles; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII,

Mr. GUTIERREZ introduced A bill (H.R. 4089) for the relief of Keysi Castillo Henriquez and Leydina Henriquez Aleman; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 74: Mr. HILLIARD, Mr. COYNE, Mr. NEAL of Massachusetts, Mr. DELAHUNT, Mr. MOAKLEY, Mr. TIERNEY, Mr. MARKEY, and Mr. MEEHAN.

H.R. 306: Mr. GEPHARDT, Ms. MCCARTHY of Missouri, Mr. OBEY, Mr. SPRATT, and Ms. STABENOW.

H.R. 371: Mrs. CAPPS.

H.R. 872: Mr. REDMOND.

H.R. 915: Mrs. THURMAN, Ms. ROS-LEHTINEN, Ms. MILLENDER-MCDONALD, Mr. BONIOR, Mr. BALDACCI, Mr. MEEKS of New York, Ms. KILPATRICK, Mr. YATES, Mr. SCHUMER, Ms. ROYBAL-ALLARD, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. TOWNS, and Mr. BERMAN.

H.R. 922: Mr. HOSTETTLER.

H.R. 1018: Mr. LEWIS of Georgia.

H.R. 1047: Mr. LUTHER.

H.R. 1126: Ms. RIVERS and Mr. KANJORSKI.

H.R. 1173: Ms. LEE.

H.R. 1231: Mr. KILDEE and Mr. ENGLISH of Pennsylvania.

H.R. 1241: Ms. LOFGREN.

H.R. 1515: Mr. BLILEY.

H.R. 1531: Mr. SANDLIN.

H.R. 1800: Mr. MURTHA.

H.R. 1813: Mr. ACKERMAN.

H.R. 1915: Mr. TOWNS.

H.R. 2021: Mr. BOEHNER, Mr. LINDER, and Mr. BARTLETT of Maryland.

H.R. 2374: Mr. WAXMAN.

H.R. 2504: Mr. SNYDER and Ms. RIVERS.

H.R. 2519: Mr. DAVIS of Illinois.

H.R. 2599: Ms. WOOLSEY and Ms. LEE.

H.R. 2602: Mr. ENGLISH of Pennsylvania.

H.R. 2708: Mr. WATKINS, Mr. HILLIARD, Ms. FURSE, Mr. LEACH, Mr. NETHERCUTT, Mr. CRAPO, Mr. SHAYS, Mr. SESSIONS, Mr. CALLAHAN, Mrs. EMERSON, and Mr. SMITH of Michigan.

H.R. 2721: Mrs. CUBIN.

H.R. 2800: Mr. CALVERT, Mr. BARRETT of Nebraska, Mr. EVANS, and Mr. GREEN.

H.R. 2817: Mr. SAM JOHNSON, Mr. NUSSLE, Mr. SHERMAN, Mr. SESSIONS, Mr. BILBRAY, Mrs. MORELLA, Mr. BASS, Mr. PAXON, Mr. MALONEY of Connecticut, Mr. OBERSTAR, Mr. BONIOR, and Mr. KNOLLENBERG.

H.R. 2820: Mr. MCGOVERN.

H.R. 2837: Mr. DREIER.

H.R. 2852: Mr. DINGELL.

H.R. 2908: Mr. BEREUTER, Mr. SNOWBARGER, and Mr. OBERSTAR.

H.R. 2942: Mr. COBURN.

H.R. 2968: Mr. BOB SCHAFFER.

H.R. 3008: Mrs. LINDA SMITH of Washington and Mr. HILL.

H.R. 3050: Mr. MCDERMOTT.

H.R. 3053: Mr. HASTINGS of Washington and Mr. CUMMINGS.

H.R. 3081: Ms. DELAURO, Mr. CLAY, Ms. LEE, Mr. ANDREWS, and Mr. DEUTSCH.

H.R. 3189: Mr. HILL and Mr. HEFLEY.

H.R. 3240: Mr. MARTINEZ.

H.R. 3251: Mr. ABERCROMBIE, Mr. WEXLER, Mr. PRICE of North Carolina, Mr. HEFNER, and Mr. KUCINICH.

H.R. 3259: Mr. BORSKI.

H.R. 3299: Ms. CHRISTIAN-GREEN.

H.R. 3331: Mrs. CUBIN.

H.R. 3334: Mr. SANDLIN.

H.R. 3341: Mr. SNYDER.

H.R. 3342: Mr. BOEHLERT and Mr. BONIOR.

H.R. 3398: Mr. CHABOT.

H.R. 3506: Mr. LEVIN, Mr. PASCRELL, Mr. KLECZKA, and Mr. GORDON.

H.R. 3514: Mr. DAVIS of Illinois.

H.R. 3541: Mr. PAPPAS.

H.R. 3560: Mr. SHAYS.

H.R. 3568: Mr. GILMAN, Mr. ANDREWS, Mr. HINCHEY, Mr. CLEMENT, and Mr. PASTOR.

H.R. 3610: Mr. CUMMINGS, Mr. BAESLER, Mr. JONES, Mr. KIND, Mr. EHLERS, Mr. LEWIS of Kentucky, and Mr. JOHNSON of Wisconsin.

H.R. 3632: Mr. WHITFIELD.

H.R. 3654: Mr. PETERSON of Minnesota.

H.R. 3682: Mrs. NORTHUP, Mr. HALL of Ohio, Mr. MOLLOHAN, Mr. GRAHAM, and Mr. PETRI.

H.R. 3710: Mrs. JOHNSON of Connecticut, Mr. BLAGOJEVICH, Mr. BISHOP, Mr. LATHAM, Mr. MCDERMOTT, Mr. GOODE, Mr. HEFNER, Mr. BARRETT of Nebraska, Mr. MILLER of California, Mr. BROWN of Ohio, Mr. REGULA, Mr. COOK, Mrs. EMERSON, and Mr. PACKARD.

H.R. 3767: Mr. MINGE.

H.R. 3789: Mr. ROGAN.

H.R. 3795: Mr. FORBES.

H.R. 3821: Mr. WAXMAN, Mr. SPENCE, Mr. ROGAN, Mr. HOSTETTLER, Mr. KLUG, Mr. MCHUGH, and Mr. CHRISTENSEN.

H.R. 3879: Mr. HEFLEY, Mr. METCALF, Mr. DEUTSCH, Mr. CANNON, Mr. TAYLOR of North Carolina, Mr. HOUGHTON, and Mrs. NORTHUP.

H.R. 3897: Mr. NADLER.

H.R. 3898: Mr. CHABOT.

H.R. 3900: Mr. NADLER.

H.R. 3919: Mr. CALVERT and Mr. KINGSTON.

H.R. 3937: Mr. THOMPSON.

H.R. 3942: Mr. GREEN, Mr. DOOLEY of California, Mrs. BONO, Mr. DREIER, and Mr. TRAFICANT.

H.R. 3993: Mr. BRYANT and Mr. CLEMENT.

H.R. 4005: Mr. LAZIO of New York and Mr. FOLEY.

H.R. 4016: Mr. MCGOVERN.

H.R. 4022: Mr. PETERSON of Minnesota, Mrs. CHENOWETH, and Mr. METCALF.

H.R. 4049: Mr. BRYANT.

H.R. 4071: Ms. WATERS and Mr. ENGLISH of Pennsylvania.

H.J. Res. 122: Mr. FROST and Mr. HOUGHTON.

H.J. Res. 123: Mr. MCINTOSH, Mr. GOODE, Mr. REDMOND, Mr. NEY, and Mr. BOSWELL.

H. Con. Res. 203: Mr. EVERETT, Mr. ORTIZ, Ms. SANCHEZ, Mrs. MYRICK, Mr. LIPINSKI, Ms. DANNER, Mr. HINCHEY, Mrs. KELLY, and Mr. KIND of Wisconsin.

H. Con. Res. 210: Ms. DELAURO.

H. Con. Res. 258: Mr. ANDREWS and Mr. MEEHAN.

H. Con. Res. 271: Mr. ACKERMAN.

H. Res. 172: Mr. ACKERMAN.

H. Res. 212: Mr. KING of New York and Mr. PETERSON of Minnesota.

H. Res. 425: Mr. ENGLISH of Pennsylvania, Mr. DIXON, Mr. ABERCROMBIE, and Mr. DEFAZIO.

H. Res. 452: Mr. RAHALL, Mr. COBURN, Mr. ROGERS, Mrs. MYRICK, Mr. GOODLATTE and Mr. BURTON of Indiana.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2183

OFFERED BY: MR. GILLMOR

(To the Amendment Offered By: Mr. Shays or Mr. Meehan)

AMENDMENT NO. 134: Add at the end of title V the following new section (and conform the table of contents accordingly).

SEC. 510. PROTECTING EQUAL PARTICIPATION OF ELIGIBLE VOTERS IN CAMPAIGNS AND ELECTIONS.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et. seq.), as amended by adding at the end of the following new section:

''PROTECTING EQUAL PARTICIPATION OF ELIGIBLE VOTERS IN CAMPAIGNS AND ELECTIONS''

''SEC. 326. Nothing in this Act may be construed to prohibit any individual eligible to vote in an election for Federal office from making contributions or expenditures in support of a candidate for such an election (including voluntary contributions or expenditures made through a separate segregated fund established by the individual's employer or labor organization) or otherwise participating in any campaign for such an election in the same manner and to the same extent as any other individual eligible to vote in an election for such office.''

H.R. 2183

OFFERED BY: MR. SALMON

(To the Amendments Offered By: Mr. Shays or Mr. Meehan)

AMENDMENT NO. 135: Add at the end the following new title:

TITLE ___—POSTING NAMES OF CERTAIN AIR FORCE ONE PASSENGERS ON INTERNET

SEC. ___01. REQUIREMENT THAT NAMES OF PASSENGERS ON AIR FORCE ONE AND AIR FORCE TWO BE MADE AVAILABLE THROUGH THE INTERNET.

(a) IN GENERAL.—The President shall make available through the Internet the name of any non-Government person who is a passenger on an aircraft designated as Air Force One or Air Force Two not later than 30 days after the date that the person is a passenger on such aircraft.

(b) EXCEPTION.—Subsection (a) shall not apply in a case in which the President determines that compliance with such subsection would be contrary to the national security interests of the United States. In any such case, not later than 30 days after the date that the person whose name will not be made available through the Internet was a passenger on the aircraft, the President shall submit to the chairman and ranking member of the Permanent Select Committee on Intelligence of the House of Representatives and of the Select Committee on Intelligence of the Senate—

(1) the name of the person; and

(2) the justification for not making such name available through the Internet.

(c) DEFINITION OF PERSON.—As used in this Act, the term ''non-Government person'' means a person who is not an officer or employee of the United States, a member of the Armed Forces, or a Member of Congress.

H.R. 2183

OFFERED BY: MR. BOB SCHAFFER OF COLORADO

(To the Amendment Offered By: Mr. Campbell)

AMENDMENT NO. 136: Amend title II to read as follows:

TITLE II—PAYCHECK PROTECTION

SEC. 201. PROHIBITING INVOLUNTARY ASSESSMENT OF EMPLOYEE FUNDS FOR POLITICAL ACTIVITIES.

(a) IN GENERAL.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding at the end the following new subsection:

''(c)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

''(A) for any national bank or corporation described in this section to collect from or assess its stockholders or employees any dues, initiation fee, or other payment as a condition of employment if any part of such dues, fee, or payment will be used for political activity in which the national bank or corporation is engaged; and

''(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activity in which the labor organization is engaged.

''(2) An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time. Each entity collecting from or assessing amounts from an individual with an authorization in effect under such paragraph shall provide the individual with a statement that the individual may at any time revoke the authorization.

''(3) For purposes of this subsection, the term 'political activity' means any activity carried out for the purpose of influencing (in whole or in part) any election for Federal office, influencing the consideration or outcome of any Federal legislation or the issuance or outcome of any Federal regulations, or educating individuals about candidates for election for Federal office or any Federal legislation, law, or regulations.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to amounts collected or assessed on or after the date of the enactment of this Act.

H.R. 2183

OFFERED BY: MR. BOB SCHAFFER OF COLORADO

(To the Amendment Offered By: Mr. Doolittle)

AMENDMENT NO. 137: Add at the end the following new section:

SEC. 7. PROHIBITING INVOLUNTARY ASSESSMENT OF EMPLOYEE FUNDS FOR POLITICAL ACTIVITIES.

(a) IN GENERAL.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding at the end the following new subsection:

''(c)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

''(A) for any national bank or corporation described in this section to collect from or assess its stockholders or employees any dues, initiation fee, or other payment as a condition of employment if any part of such dues, fee, or payment will be used for political activity in which the national bank or corporation is engaged; and

''(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activity in which the labor organization is engaged.

''(2) An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time. Each entity collecting from or assessing amounts from an individual with an authorization in effect under such paragraph shall provide the individual with a statement that the individual may at any time revoke the authorization.

''(3) For purposes of this subsection, the term 'political activity' means any activity carried out for the purpose of influencing (in whole or in part) any election for Federal office, influencing the consideration or outcome of any Federal legislation or the issuance or outcome of any Federal regulations, or educating individuals about candidates for election for Federal office or any Federal legislation, law, or regulations.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to amounts collected or assessed on or after the date of the enactment of this Act.

H.R. 2183

OFFERED BY: MR. BOB SCHAFFER OF COLORADO

(To the Amendment Offered By: Mr. Bass)

AMENDMENT NO. 138: Strike section 501 and insert the following (and conform the table of contents accordingly):

SEC. 501. PROHIBITING INVOLUNTARY ASSESSMENT OF EMPLOYEE FUNDS FOR POLITICAL ACTIVITIES.

(a) IN GENERAL.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding at the end the following new subsection:

''(c)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

''(A) for any national bank or corporation described in this section to collect from or assess its stockholders or employees any dues, initiation fee, or other payment as a condition of employment if any part of such dues, fee, or payment will be used for political activity in which the national bank or corporation is engaged; and

''(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activity in which the labor organization is engaged.

''(2) An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time. Each entity collecting from or assessing amounts from an individual with an authorization in effect under such paragraph shall provide the individual with a statement that the individual may at any time revoke the authorization.

''(3) For purposes of this subsection, the term 'political activity' means any activity carried out for the purpose of influencing (in whole or in part) any election for Federal office, influencing the consideration or outcome of any Federal legislation or the issuance or outcome of any Federal regulations, or educating individuals about candidates for election for Federal office or any Federal legislation, law, or regulations.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to amounts collected or assessed on or after the date of the enactment of this Act.

H.R. 2183

OFFERED BY: MR. BOB SCHAFFER OF COLORADO

(To the Amendment Offered By: Mr. Shays or Mr. Meehan)

AMENDMENT NO. 139: Strike section 501 and insert the following (and conform the table of contents accordingly):

SEC. 501. PROHIBITING INVOLUNTARY ASSESSMENT OF EMPLOYEE FUNDS FOR POLITICAL ACTIVITIES.

(a) IN GENERAL.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding at the end the following new subsection:

''(c)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

''(A) for any national bank or corporation described in this section to collect from or assess its stockholders or employees any dues, initiation fee, or other payment as a condition of employment if any part of such dues, fee, or payment will be used for political activity in which the national bank or corporation is engaged; and

''(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activity in which the labor organization is engaged.

''(2) An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time. Each entity collecting from or assessing amounts from an individual with an authorization in effect under such paragraph shall provide the individual with a statement that the individual may at any time revoke the authorization.

''(3) For purposes of this subsection, the term 'political activity' means any activity carried out for the purpose of influencing (in whole or in part) any election for Federal office, influencing the consideration or outcome of any Federal legislation or the issuance or outcome of any Federal regulations, or educating individuals about candidates for election for Federal office or any Federal legislation, law, or regulations.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to amounts collected or assessed on or after the date of the enactment of this Act.

H.R. 2183

OFFERED BY: MR. BOB SCHAFFER OF COLORADO

(To the Amendment Offered By: Mr. Snowbarger)

AMENDMENT NO. 140: Amend section 5(b) to read as follows:

(b) PROHIBITING INVOLUNTARY ASSESSMENT OF EMPLOYEE FUNDS FOR POLITICAL ACTIVITIES.—

(1) IN GENERAL.—Section 316 of such Act (2 U.S.C. 441b), as amended by subsection (a), is further amended by adding at the end the following new subsection:

''(d)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

''(A) for any national bank or corporation described in this section to collect from or assess its stockholders or employees any dues, initiation fee, or other payment as a condition of employment if any part of such dues, fee, or payment will be used for political activity in which the national bank or corporation is engaged; and

''(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activity in which the labor organization is engaged.

''(2) An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time. Each entity collecting from or assessing amounts from an individual with an authorization in effect under such paragraph shall provide the individual with a statement that the individual may at any time revoke the authorization.

''(3) For purposes of this subsection, the term 'political activity' means any activity carried out for the purpose of influencing (in whole or in part) any election for Federal office, influencing the consideration or outcome of any Federal legislation or the issuance or outcome of any Federal regulations, or educating individuals about candidates for election for Federal office or any Federal legislation, law, or regulations.''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to amounts collected or assessed on or after the date of the enactment of this Act.

H.R. 2183

OFFERED BY: MR. BOB SCHAFFER OF COLORADO

AMENDMENT NO. 141: Insert after title III the following new title (and redesignate the succeeding provisions accordingly):

TITLE IV—PAYCHECK PROTECTION

SEC. 401. PROHIBITING INVOLUNTARY ASSESSMENT OF EMPLOYEE FUNDS FOR POLITICAL ACTIVITIES.

(a) IN GENERAL.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding at the end the following new subsection:

''(c)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

''(A) for any national bank or corporation described in this section to collect from or assess its stockholders or employees any dues, initiation fee, or other payment as a condition of employment if any part of such dues, fee, or payment will be used for political activity in which the national bank or corporation is engaged; and

''(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activity in which the labor organization is engaged.

''(2) An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time. Each entity collecting from or assessing amounts from an individual with an authorization in effect under such paragraph shall provide the individual with a statement that the individual may at any time revoke the authorization.

''(3) For purposes of this subsection, the term 'political activity' means any activity carried out for the purpose of influencing (in whole or in part) any election for Federal office, influencing the consideration or outcome of any Federal legislation or the issuance or outcome of any Federal regulations, or educating individuals about candidates for election for Federal office or any Federal legislation, law, or regulations.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to amounts collected or assessed on or after the date of the enactment of this Act.

H.R. 2183

OFFERED BY: MR. BOB SCHAFFER OF COLORADO

(To the Amendment Offered By: Mr. Hutchinson or Mr. Allen)

AMENDMENT NO. 142: Insert after title III the following new title (and redesignate the succeeding provisions accordingly):

TITLE IV—PAYCHECK PROTECTION

SEC. 401. PROHIBITING INVOLUNTARY ASSESSMENT OF EMPLOYEE FUNDS FOR POLITICAL ACTIVITIES.

(a) IN GENERAL.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding at the end the following new subsection:

''(c)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

''(A) for any national bank or corporation described in this section to collect from or assess its stockholders or employees any dues, initiation fee, or other payment as a condition of employment if any part of such dues, fee, or payment will be used for political activity in which the national bank or corporation is engaged; and

''(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activity in which the labor organization is engaged.

''(2) An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time. Each entity collecting from or assessing amounts from an individual with an authorization in effect under such paragraph shall provide the individual with a statement that the individual may at any time revoke the authorization.

''(3) For purposes of this subsection, the term 'political activity' means any activity carried out for the purpose of influencing (in whole or in part) any election for Federal office, influencing the consideration or outcome of any Federal legislation or the issuance or outcome of any Federal regulations, or educating individuals about candidates for election for Federal office or any Federal legislation, law, or regulations.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to amounts collected or assessed on or after the date of the enactment of this Act.

H.R. 2183

OFFERED BY: MR. BOB SCHAFFER OF COLORADO

(To the Amendment Offered By: Mr. Obey)

AMENDMENT NO. 143: Insert after title V the following new title (and redesignate the succeeding provisions accordingly):

TITLE VI—PAYCHECK PROTECTION

SEC. 601. PROHIBITING INVOLUNTARY ASSESSMENT OF EMPLOYEE FUNDS FOR POLITICAL ACTIVITIES.

(a) IN GENERAL.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding at the end the following new subsection:

''(c)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

''(A) for any national bank or corporation described in this section to collect from or assess its stockholders or employees any dues, initiation fee, or other payment as a condition of employment if any part of such dues, fee, or payment will be used for political activity in which the national bank or corporation is engaged; and

''(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activity in which the labor organization is engaged.

''(2) An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time. Each entity collecting from or assessing amounts from an individual with an authorization in effect under such paragraph shall provide the individual with a statement that the individual may at any time revoke the authorization.

''(3) For purposes of this subsection, the term 'political activity' means any activity carried out for the purpose of influencing (in whole or in part) any election for Federal office, influencing the consideration or outcome of any Federal legislation or the issuance or outcome of any Federal regulations, or educating individuals about candidates for election for Federal office or any Federal legislation, law, or regulations.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to amounts collected or assessed on or after the date of the enactment of this Act.

H.R. 2183

OFFERED BY: MR. BOB SCHAFFER OF COLORADO

(To the Amendment Offered By: Mr. Tierney)

AMENDMENT NO. 144: Insert after title V the following new title (and redesignate the succeeding provisions and conform the table of contents accordingly):

TITLE VI—PAYCHECK PROTECTION

SEC. 601. PROHIBITING INVOLUNTARY ASSESSMENT OF EMPLOYEE FUNDS FOR POLITICAL ACTIVITIES.

(a) IN GENERAL.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding at the end the following new subsection:

''(c)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

''(A) for any national bank or corporation described in this section to collect from or assess its stockholders or employees any dues, initiation fee, or other payment as a condition of employment if any part of such dues, fee, or payment will be used for political activity in which the national bank or corporation is engaged; and

''(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activity in which the labor organization is engaged.

''(2) An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time. Each entity collecting from or assessing amounts from an individual with an authorization in effect under such paragraph shall provide the individual with a statement that the individual may at any time revoke the authorization.

''(3) For purposes of this subsection, the term 'political activity' means any activity carried out for the purpose of influencing (in whole or in part) any election for Federal office, influencing the consideration or outcome of any Federal legislation or the issuance or outcome of any Federal regulations, or educating individuals about candidates for election for Federal office or any Federal legislation, law, or regulations.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to amounts collected or assessed on or after the date of the enactment of this Act.

H.R. 2183

OFFERED BY: MR. BOB SCHAFFER OF COLORADO

(To the Amendment Offered By: Mr. Farr)

AMENDMENT NO. 145: Add at the end of title VII the following new section (and conform the table of contents accordingly):

SEC. 704. PROHIBITING INVOLUNTARY ASSESSMENT OF EMPLOYEE FUNDS FOR POLITICAL ACTIVITIES.

(a) IN GENERAL.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b), as amended by section 304, is further amended by adding at the end the following new subsection:

''(d)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

''(A) for any national bank or corporation described in this section to collect from or assess its stockholders or employees any dues, initiation fee, or other payment as a condition of employment if any part of such dues, fee, or payment will be used for political activity in which the national bank or corporation is engaged; and

''(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activity in which the labor organization is engaged.

''(2) An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time. Each entity collecting from or assessing amounts from an individual with an authorization in effect under such paragraph shall provide the individual with a statement that the individual may at any time revoke the authorization.

''(3) For purposes of this subsection, the term 'political activity' means any activity carried out for the purpose of influencing (in whole or in part) any election for Federal office, influencing the consideration or outcome of any Federal legislation or the issuance or outcome of any Federal regulations, or educating individuals about candidates for election for Federal office or any Federal legislation, law, or regulations.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to amounts collected or assessed on or after the date of the enactment of this Act.

H.R. 2183

OFFERED BY: MR. SMITH OF MICHIGAN

AMENDMENT NO. 146: Insert after title III the following new title (and redesignate the succeeding provisions accordingly):

TITLE IV—REPORTS ON FEDERAL POLITICAL ADVERTISEMENTS

SEC. 401. REPORTS ON FEDERAL POLITICAL ADVERTISEMENTS CARRIED BY RADIO STATIONS, TELEVISION STATIONS, AND CABLE SYSTEMS.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by section 101, is further amended by adding at the end the following new section:

''REPORTS ON FEDERAL POLITICAL ADVERTISEMENTS CARRIED BY RADIO STATIONS, TELEVISION STATIONS, AND CABLE SYSTEMS

''SEC. 324. (a) IN GENERAL.—In such manner as the Commission shall prescribe by regulation, prior to the dissemination of any Federal political advertisement, each operator of a radio broadcasting station, television broadcasting station, or cable system shall report to the Commission the true identity of each advertiser and the cost, duration, and other appropriate information with respect to the advertisement.

''(b) FEDERAL POLITICAL ADVERTISEMENT DEFINED.—In this section, a 'Federal political advertisement' includes any advertisement advocating the passage or defeat of Federal legislation, any advertisement advocating the election or defeat of a candidate for Federal office, and any advertisement characterizing the positions taken by such a candidate.''.

H.R. 2183

OFFERED BY: MR. SMITH OF MICHIGAN

(To the Amendment Offered By: Mr. Campbell)

AMENDMENT NO. 147: Insert after title III the following new title (and redesignate the succeeding provisions accordingly):

TITLE IV—REPORTS ON FEDERAL POLITICAL ADVERTISEMENTS

SEC. 401. REPORTS ON FEDERAL POLITICAL ADVERTISEMENTS CARRIED BY RADIO STATIONS, TELEVISION STATIONS, AND CABLE SYSTEMS.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by section 301, is further amended by adding at the end the following new section:

''REPORTS ON FEDERAL POLITICAL ADVERTISEMENTS CARRIED BY RADIO STATIONS, TELEVISION STATIONS, AND CABLE SYSTEMS

''SEC. 324. (a) IN GENERAL.—In such manner as the Commission shall prescribe by regulation, prior to the dissemination of any Federal political advertisement, each operator of a radio broadcasting station, television broadcasting station, or cable system shall report to the Commission the true identity of each advertiser and the cost, duration, and other appropriate information with respect to the advertisement.

''(b) FEDERAL POLITICAL ADVERTISEMENT DEFINED.—In this section, a 'Federal political advertisement' includes any advertisement advocating the passage or defeat of Federal legislation, any advertisement advocating the election or defeat of a candidate for Federal office, and any advertisement characterizing the positions taken by such a candidate.''.

H.R. 2183

OFFERED BY: MR. SMITH OF MICHIGAN

(To the Amendment Offered By: Mr. Hutchinson or Mr. Allen)

AMENDMENT NO. 148: Insert after title III the following new title (and redesignate the succeeding provisions accordingly):

TITLE IV—REPORTS ON FEDERAL POLITICAL ADVERTISEMENTS

SEC. 401. REPORTS ON FEDERAL POLITICAL ADVERTISEMENTS CARRIED BY RADIO STATIONS, TELEVISION STATIONS, AND CABLE SYSTEMS.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by section 101, is further amended by adding at the end the following new section:

''REPORTS ON FEDERAL POLITICAL ADVERTISEMENTS CARRIED BY RADIO STATIONS, TELEVISION STATIONS, AND CABLE SYSTEMS

''SEC. 324. (a) IN GENERAL.—In such manner as the Commission shall prescribe by regulation, prior to the dissemination of any Federal political advertisement, each operator of a radio broadcasting station, television broadcasting station, or cable system shall report to the Commission the true identity of each advertiser and the cost, duration, and other appropriate information with respect to the advertisement.

''(b) FEDERAL POLITICAL ADVERTISEMENT DEFINED.—In this section, a 'Federal political advertisement' includes any advertisement advocating the passage or defeat of Federal legislation, any advertisement advocating the election or defeat of a candidate for Federal office, and any advertisement characterizing the positions taken by such a candidate.''.

H.R. 2183

OFFERED BY: MR. SMITH OF MICHIGAN

(To the Amendment Offered By: Mr. Shays or Mr. Meehan)

AMENDMENT NO. 149: Add at the end of title V the following new section (and conform the table of contents accordingly):

SEC. 510. REPORTS ON FEDERAL POLITICAL ADVERTISEMENTS CARRIED BY RADIO STATIONS, TELEVISION STATIONS, AND CABLE SYSTEMS.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by sections 101, 401, and 507, is further amended by adding at the end the following new section:

''REPORTS ON FEDERAL POLITICAL ADVERTISEMENTS CARRIED BY RADIO STATIONS, TELEVISION STATIONS, AND CABLE SYSTEMS

''SEC. 326. (a) IN GENERAL.—In such manner as the Commission shall prescribe by regulation, prior to the dissemination of any Federal political advertisement, each operator of a radio broadcasting station, television broadcasting station, or cable system shall report to the Commission the true identity of each advertiser and the cost, duration, and other appropriate information with respect to the advertisement.

''(b) FEDERAL POLITICAL ADVERTISEMENT DEFINED.—In this section, a 'Federal political advertisement' includes any advertisement advocating the passage or defeat of Federal legislation, any advertisement advocating the election or defeat of a candidate for Federal office, and any advertisement characterizing the positions taken by such a candidate.''.

H.R. 2183

OFFERED BY: MR. SNOWBARGER

(To the Amendments Offered By: Mr. Shays)

AMENDMENT NO. 150: Add at the end the following new title:

TITLE ____—ENHANCING ENFORCEMENT OF CAMPAIGN LAW

SEC. ___01. ENHANCING ENFORCEMENT OF CAMPAIGN FINANCE LAW.

(a) MANDATORY IMPRISONMENT FOR CRIMINAL CONDUCT.—Section 309(d)(1)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(d)(1)(A)) is amended—

(1) in the first sentence, by striking ''shall be fined, or imprisoned for not more than one year, or both'' and inserting ''shall be imprisoned for not fewer than 1 year and not more than 10 years''; and

(2) by striking the second sentence.

(b) CONCURRENT AUTHORITY OF ATTORNEY GENERAL TO BRING CRIMINAL ACTIONS.—Section 309(d) of such Act (2 U.S.C. 437g(d)) is amended by adding at the end the following new paragraph:

''(4) In addition to the authority to bring cases referred pursuant to subsection (a)(5), the Attorney General may at any time bring a criminal action for a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1986.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to actions brought with respect to elections occurring after January 1999.

H.R. 2183

OFFERED BY: MR. SNOWBARGER

(To the Amendments Offered By: Mr. Shays)

AMENDMENT NO. 151: Add at the end the following new title:

TITLE ____—INCREASE IN FEC AUTHORIZATION

SEC. ___01. INCREASE IN AUTHORIZATION OF APPROPRIATIONS FOR FEDERAL ELECTION COMMISSION.

Section 314 of the Federal Election Campaign Act of 1971 (2 U.S.C. 439c) is amended

by adding at the end the following new sentence: ''There are authorized to be appropriated to the Commission $60,000,000 for each of the fiscal years 1999, 2000, and 2001, of which not less than $28,350,000 shall be used during each such fiscal year for enforcement activities.''.

H.R. 2183

OFFERED BY: MR. ENGLISH OF PENNSYLVANIA

(To the Amendment Offered By: Mr. Shays or Mr. Meehan)

AMENDMENT NO. 152: Add at the end of title V the following new section (and conform the table of contents accordingly):

SEC. 510. PROHIBITING BUNDLING OF CONTRIBUTIONS.

Section 315(a)(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(8)) is amended to read as follows:

''(8) No person may make a contribution through an intermediary or conduit, except that a person may facilitate a contribution by providing—

''(A) advice to another person as to how the other person may make a contribution; and

''(B) addressed mailing material or similar items to another person for use by the other person in making a contribution.''.

H.R. 2183

OFFERED BY: MR. ENGLISH OF PENNSYLVANIA

(To the Amendment Offered By: Mr. Shays or Mr. Meehan)

AMENDMENT NO. 153: Amend section 301(20)(A)(ii) of the Federal Election Campaign Act of 1971, as added by section 201(b) of the substitute, to read as follows:

''(ii) mentioning a political party or a clearly identified candidate for election for Federal office by name, image, or likeness during the 60-day period which ends on the date of a general election for Federal office (not including any days during such period which occur prior to any primary election in which the candidate involved appears on the ballot), other than a communication which is not made to the general public or a communication which is described in section 301(9)(B)(i); or

H.R. 2183

OFFERED BY: MR. ENGLISH OF PENNSYLVANIA

(To the Amendment Offered By: Mr. Shays or Mr. Meehan)

AMENDMENT NO. 154: Add at the end of title V the following new section (and conform the table of contents accordingly):

SEC. 510. DISCLOSURE OF INFORMATION BY PERSONS CONDUCTING POLLS DURING FEDERAL ELECTION CAMPAIGNS.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by sections 101, 401, and 507, is further amended by adding at the end the following new section:

''DISCLOSURE OF INFORMATION BY PERSONS CONDUCTING POLLS BY TELEPHONE

''SEC. 326. (a) IN GENERAL.—Any person who conducts a poll by telephone or electronic means to interview individuals on opinions relating to any election for Federal office (other than an election for President or Vice President) in which the number of households surveyed is equal to or greater than the applicable threshold described in subsection (b) shall disclose to each respondent to the poll the identity of the person sponsoring the poll or paying the expenses associated with the poll.

''(b) APPLICABLE THRESHOLD OF HOUSEHOLDS SURVEYED.—For purposes of subsection (a), the 'applicable threshold' with respect to a poll is—

''(1) 2,500 households, in the case of a poll relating to an election for the office of Senator or of Representative from a State which is entitled to only one Representative; or

''(2) 1,000 households, in the case of a poll relating to an election for the office of Representative in, or Delegate or Resident Commissioner to, the Congress from any other State.''.