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Senate

(Legislative day of Friday, September 22, 2000)

The Senate met at 4 p.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

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

Gracious Father, our loving Lord, on this Sunday afternoon, we listen intently to Your assurance spoken through Jeremiah, "I have loved you with an everlasting love; therefore with loving kindness I have drawn you."—Jeremiah 31:3. We open this meeting of the Senate with these amazing words sounding in our souls. Can they be true? Your grace is indefatigable. It is magnetic. You draw us to Yourself and we receive strength and

hope. We are secure in You and therefore can work with freedom and joy. We know Your Commandments are as irrevocable as Your love is irresistible. We have the strength to live Your absolutes for abundant life. And so we accept Elijah's challenge: "Choose this day whom You will serve," and Jesus' mandate: "Set your mind on God's kingdom above everything else!"—Matthew 6:33; NEV. In His powerful name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable LARRY CRAIG, a Senator from the State of Idaho, led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Repub-

lic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDING OFFICER (Mr. ALLARD). The majority leader.

PRAYERS OF THE CHAPLAIN

Mr. LOTT. Mr. President, on this Sunday we thank the Chaplain for his words and for his prayer on this special day—and every day. It means a great deal to us, and we take great comfort in it.

NOTICE—OCTOBER 23, 2000

A final issue of the Congressional Record for the 106th Congress, 2d Session, will be published on November 29, 2000, in order to permit Members to revise and extend their remarks.

All material for insertion must be signed by the Member and delivered to the respective offices of the Official Reporters of Debates (Room HT-60 or S-123 of the Capitol), Monday through Friday, between the hours of 10:00 a.m. and 3:00 p.m. through November 28. The final issue will be dated November 29, 2000, and will be delivered on Friday, December 1, 2000.

None of the material printed in the final issue of the Congressional Record may contain subject matter, or relate to any event that occurred after the sine die date.

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By order of the Joint Committee on Printing.

WILLIAM M. THOMAS, *Chairman*.

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



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SCHEDULE

Mr. LOTT. Mr. President, the Senate will be in a period of morning business until 6:45 p.m., with Senators speaking for up to 10 minutes each. A vote on a continuing resolution that funds the Government for another day will occur at approximately 6:45 p.m. if the papers have been received from the House. We will try, once again, to see if we can get a vote before that time. The House, I believe, goes in at 6, so we probably will not have the papers before 6:45. We will see if we can go ahead and arrange for a vote to occur before that time but hopefully no later than 6:45. Senators will be updated throughout the afternoon's session.

By previous order, the Senate will convene on Monday at 5 p.m. to consider another continuing resolution. That vote will occur at 7 p.m. and will be the first vote of the day. I might say that there have been meetings with the appropriate Members of Congress and the administration on Saturday. There have been ideas exchanged—are being exchanged even now—that are being developed. I think we are very close, even though it is never over until we get an agreement on the final four or five issues that are still in play.

I think it would be wise for the Senate, the House—the Congress—and the administration to complete their work as soon as possible so that we can leave to be with our constituents and attend to our duties back in our respective States. But it is more important that we look after the people's business first. We will continue, as we have been now, until an agreement can be worked out. We are prepared to exchange some suggestions today, and hopefully we will get some additional information later on this afternoon.

It is still my hope that perhaps by Tuesday we could have the final two or three votes that would be required. That would mean the Labor-HHS appropriations bill, in whatever final form it might be, would have to be filed not later than Monday night. So we would need to have time, of course, for that to be filed and printed and for Senators to have a chance to review it. I presume that would then mean that the vote, if it came on Tuesday, would be late on Tuesday. But I will confer with Senator REID—we were just talking about it—and with Senator DASCHLE to make sure we give Senators the maximum amount of notification when those substantive recorded votes might occur.

Again, I do not want to give the impression it is just about to be done, but that would be our fervent hope. We will give as much advance notice as possible for a final vote on the tax relief package, and also the Labor-HHS appropriations bill, and bankruptcy. I expect to file cloture on the bankruptcy bill today or tomorrow, depending on what might be happening with the schedule.

With that, Mr. President, I see Senator REID is here. Would the Senator like me to yield to him?

Mr. REID. For a brief statement.

Mr. LOTT. I am glad to yield.

Mr. REID. I hope the optimism I hear in the leader's voice is well founded. I hope so. I think we have all worked hard and should wrap this up. I say to the leader, however, I hope today we follow daylight savings time, even though that is not what we have shown in the Senate. As you can see, it is really 5 after 4, not 5 after 5, as the Senate clock shows us. So we will have to make sure we go by the real time and not by what is shown in the Senate Chamber.

Mr. LOTT. Absolutely.

Mr. REID. Is that reasonable?

Mr. LOTT. That certainly is reasonable.

CONGRATULATIONS TO THE UNIVERSITY OF MISSISSIPPI FOOTBALL TEAM

Mr. LOTT. Mr. President, I extend my hearty congratulations to the University of Mississippi football team. Their homecoming was yesterday. My daughter and wife and son-in-law, along with a large number of friends, were there; I, however, was not there; I was here. But our very worthy opponent was the Running Rebels of the University of Nevada, Las Vegas. It was a hard-fought victory in overtime. The University of Mississippi prevailed 43-40. So I know all present would be interested in having that information. I extend my congratulations to Senator REID on his outstanding team and his outstanding quarterback who almost gave me a very miserable Saturday night but, thank goodness, good fortune did prevail.

Mr. REID. Mr. Leader, of course we complained about the officiating.

Mr. LOTT. It sounds like something you would hear in Washington.

Mr. REID. It was a great game. Even though the University of Mississippi—"Ole Miss"—was favored by 10 points, it took overtime for them to win by 3 points. So it was a good game and a worthy opponent, and the officiating was very good.

Mr. LOTT. I yield the floor, Mr. President.

RESERVATION OF LEADER TIME

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

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business, for not to extend beyond the hour of 6:45 p.m., equally divided between the two sides, with Senators permitted to speak therein for up to 10 minutes each.

The Senator from Idaho.

OUR ENERGY CRISIS

Mr. CRAIG. Mr. President, I thought this time was an opportunity of which

I could take advantage to talk about something we all experienced this morning when we awakened here on the east coast. That was the chill of fall in the air.

I think most of us had failed to recognize that we were late into October because the weather has been so mild and so generally warm. But we are really at the threshold of winter, and as winter comes, so does cold weather. And as cold weather comes, the average American reaches to the thermostat on the wall of his or her home and begins to turn it up.

This fall, as that experience occurs, something else is going to happen in America that will be very dramatic, and that will be the turning up of the heating bill because, whether it is electricity or oil for space heating, the cost of those commodities in the average American's household budget has increased dramatically.

In fact, in the Northeast, where home heating oil for space heat is a major commodity, those costs will have better than doubled since last year and could go even higher this year as the amount of supplies for those needs continues to not increase at the rate of demand.

Why has this happened? Why are we at the threshold of an energy crisis in this country that we have not experienced in a long, long while?

In nearly every part of the energy consumer basket—be it electricity, or home heating oil, or automobile gasoline, or diesel for our truck transportation, or fuel for the great turbines of the jet engines that fly Americans across America—there is no surplus today.

That is a historic fact. This country was built on the abundance of energy. Our successes in our economy have always been the result of having the necessary energy to accomplish what we wanted. It was always one of the least-cost items in that accumulation of costs that made up the price to the consumer of a product on the market shelf. That is no longer the case.

For the next few moments, I would like to once again address, as have I and other Senators for the last year and a half, the energy crisis we are now into and why we are there.

Largely, it gained our attention about a year ago when we became aware that the members of the OPEC countries were going to move the price of oil from about \$10 a barrel to \$28-\$30 a barrel. It had been selling for around \$10 in the world spot market, and it was beginning to increase because they were beginning to decrease their production.

Admittedly, no one was making money at \$10 a barrel. Whether it is oil of the Middle East or oil in Texas or Oklahoma or on the overthrust belt of the west in Colorado and Wyoming, oil is not profitable at \$10 a barrel simply because of the cost of production and compliance, especially in this country, with environmental rules and regulations. Somewhere at \$17 to \$20 a barrel

is where it begins to be profitable. So for a long time, for the last several years, we were operating on less-than-profitable oil for at least the producers.

For the consumer, it was a bonus. I remember just a year ago, across the Potomac in Northern Virginia, I bought regular gasoline for 90 cents a gallon. Today, one is going to pay at least \$1.60 to \$1.75, maybe even more than that, depending on your location and the location of the particular service station. That is a dramatic increase. That is a 110-120 percent increase. So that 90-cent gas, while there was a bit of a price war going on out in Northern Virginia at the time, was still based on \$10-a-barrel oil.

We know that has changed. We saw it change. Now we see the Arab nations receiving anywhere from \$28 to \$30, \$31, \$32, \$33 a barrel for their crude oil. That all translates into a much greater cost at the pump to the consumer, but it also translates into a variety of other things.

As we know, the petrochemical industry of this country is involved in almost all we do and sometimes a lot of what we wear because of the byproducts of the petrochemical industry, be it plastics or nylon or a combination of consumer goods. Slowly but surely, the increased cost of those byproducts is beginning to roll across the American economy.

The other evening I did a conference call in Idaho with a group of farmers. They happened to be sugar beet farmers and potato farmers. The price of potatoes is well below break even this year. It has been for 3 years. Many of those farmers will not make money again this year, and they are very frustrated. Some of them will lose their farms. It is also true in sugar beets, with the price of sugar at near an all-time low.

What they were most concerned about was their energy costs. As we all know, agriculture is a large consumer of energy. It is an intensive industry. Those large tractors and trucks used in the process of farming all consume large quantities of energy. The pesticides, insecticides, herbicides are all hydrocarbon or petrochemical based. All of their costs have started going up. Fertilizer costs will nearly double this year as a direct result of energy costs because when you are dealing with phosphates and phosphate fertilizers, huge volumes of energy are used to transform those from the rock to the fertilizer product that ultimately goes to the ground that the farmer uses.

All of those costs are going up, and all of them are based on one simple fact; that in this economy, the energy costs to the consumer have nearly doubled in just about a year. So the farmers, while their prices were at an all-time low, were talking to me about energy. What is this country going to do? What is this administration going to do. What is this Congress going to do about an energy policy that would ulti-

mately begin to bring those prices down. They were dramatically concerned.

When the Congress gets back in January and February, we are going to hear a hue and cry coming out of the Northeast in relation to the cost of space heat and home heating oil, even though we have tried to deal with that in short-term measures. But those are some of the circumstances in which we are involved.

The consumer is still going to the pump, and they are still filling up their vehicles. In most instances, consumers are working. They all have good jobs at this time. We are at nearly full employment. Nobody has really stopped to factor in that over the course of a year, they are going to be paying more than \$300, \$400, sometimes \$500 out of their household budget for their energy costs than they did a year ago. But it will be the single highest increase in relation to cost over a 12-month period of any one item the American consumer will buy this year. It will be their energy. Never in the history of this country has energy gone up that fast for that sustained period of time and affected all segments of the economy.

Those are some of the realities we are facing. Let me, for a few moments, explore why it has all happened. We now import about 56 percent of our supply of crude oil. That has gone up very dramatically over the last few years. In 1975, when we established the Strategic Petroleum Reserve, we were 36-percent dependent on foreign oil. The political rhetoric at that time—I was not here; the Presiding Officer was not here—was loud and boisterous: Never again will America be dependent on foreign sources of oil; we will establish a Strategic Petroleum Reserve in case of a national or an international crisis. Never will we have to be held hostage to the attitudes or the political concerns of a small group of Arab nations known as OPEC.

That was 1975 when we were 36-percent dependent. So we established SPR and we put hundreds of millions of barrels of oil in a salt dome down in Louisiana as a special reserve to be used in an international or national emergency where supply would be disrupted.

Today, we are 58-percent dependent on foreign oil, not 36-percent dependent.

I have run my 10 minutes and there are others here to speak. I ask unanimous consent to continue for 5 more minutes.

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

Mr. CRAIG. We have not heard this administration in any way talk about the need to change things very much. Why is that the case? Why are we now at the threshold I have described?

The large reason is that for the last 8 years, during a time when this dependency on foreign oil has skyrocketed, we have had no energy policy coming from the Clinton-Gore adminis-

tration. In fact, in almost every instance, they have, by rule and regulation or by process slowed down production in our fundamental sources of energy, be it domestic crude production, down 14 percent over the last decade; be it any exploration because of new environmental regulations; the inability to get out on the land and explore, even though our oil companies have the highest environmental standards to protect the land and to protect the environment around any new discoveries and developments.

Out in my State of Idaho and in the Pacific Northwest, this administration is talking about taking down four very large hydrodams. They believe that by doing so and turning the Snake and the Columbia Rivers back to a more natural flow, they could actually improve fisheries. Somebody says: It is only 5 percent of the supply.

Well, 5 percent of the supply of that region from those four dams generates enough electricity for the entire city of Seattle, WA—again, another attitude as to why we are not producing this and solving this problem but simply getting more deeply into this problem.

Well, there are a lot of other reasons, and my time is short. But as a result of all of those problems and no solution coming from the administration—well, they did have one solution. They sent Bill Richardson, the Secretary of Energy, to the Middle East, and he had in his briefcase a tin cup. He got it out and he held out his tin cup and he said to the Arab Emirate oil nations: Please fill up my cup; please turn your valves on. You see, we have no energy policy. You are our supplier. We are victim to your political and economic whims.

That has been the energy policy of the Clinton administration. That is the only real thing they have attempted to do, other than the politically charged action to open the SPR and bring about 30 million barrels of oil out of there to somehow change the price and the supply. Of course, we have held several hearings on that and, no, that hasn't happened. But this year, I, Senator FRANK MURKOWSKI, TRENT LOTT, and many others introduced the National Energy Security Act of 2000, S. 2575. We brought it to the floor. It is a major, new effort to bring our dependency on foreign oil at or below 50 percent, to encourage and maximize utilization of alternative fuels and renewable energy and increased domestic supply of not only oil but gas production, because natural gas has better than doubled in price in less than a year.

Yet this administration sits happily by, as if nothing were occurring, knowing very clearly, but not wanting to talk very loudly in this political season, that their energy policy will drive costs to the consuming public to a higher rate than ever in the history of our country. Their only real good argument is that they did it all in the name of the environment.

In closing, let me talk about the environment we are about to experience.

It is going to be a cold environment this winter. That is a normal environment then. When elderly people and poor people have to make choices this winter between food and medicine and heat, that is not a very good environment. We will do all we can here to supply them with alternative resources to hold down their heating bills, but there is one remaining fundamental fact about why they must make those choices in this environment. We have lived for 8 years without an energy policy coming from this administration, except one—the tin cup in the hand of Bill Richardson—and a policy that somehow the production of hydrocarbons in our country was environmentally damaging. I think most of us know that is no longer true today.

So I thought as I awoke this morning and felt the cool in the air and turned up the thermostat on the wall, while I may be able to afford my heating bill this winter, I know a good many people won't be able to afford theirs. That is a tragedy in this country that should not have to happen—a country that has always been so wise to allow the marketplace to provide one of the great abundances that we have always had that has set our Nation apart from all others, in our ability to produce and succeed, and that was an abundant supply of energy.

In 8 short years, that abundant supply has dwindled to a point where we really have no surpluses at all today. The average demand for growth in energy goes up 1.4 percent in our country on an annualized basis, and we have only increased production by 0.4 percent in the last 8 years—in all segments of energy. That tells you one thing very clearly. Somebody has failed along the way, and I must tell you, serving on the Energy Committee and studying and examining this issue very thoroughly over the last several years, I know who has failed. It is the Clinton-Gore administration. They failed to recognize the reality of the marketplace, the reality of the world production supply, and disallowing us from producing our way out of it.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

ALTERNATIVE ENERGY SOURCES

Mr. REID. Mr. President, I have the greatest respect for my friend from Idaho. We served together in the House, and we have worked together many years on public resources issues dealing with the West. I don't mean to be disagreeable, but on this issue we simply disagree. I am going to take a couple of minutes because I have told the Senators from Ohio and Iowa they can speak next.

The oil problem started in the Republican administration; it certainly wasn't the fault of the Republican administration. There was an embargo by the OPEC nations. Following that, there was an bipartisan effort to

change things. There were incentives to develop oil shale, do alternative energy with wind and solar and geothermal. But with the oil glut that came about, all of that was taken away. Some of the research involving alternative energy was simply not renewed by Congress. That is too bad.

During the years of the Clinton-Gore administration, they have tried very hard every year that I have served on committees and subcommittees with jurisdiction to deal with energy matters. They have tried every year—especially in the appropriations process—to get more money for development of alternative energy sources. They have been stymied every time.

We should also understand that if we could reduce the consumption of fuel in America—for example, if we had more fuel-efficient cars and if we had automobiles that were 3 miles per gallon more efficient, we would save a million barrels of oil a day.

There are things we need to do here. We need to join in a bipartisan effort, not a finger-pointing effort, to develop energy policy in this country. None of us wants to be dependent on foreign oil. In fact, with the oil being so cheap, there was no incentive for us to do it. Congress failed, and it wasn't simply that we didn't meet what the administration wanted. Certainly, this legislation has been suggested by my friend from Idaho, has as its centerpiece oil development in ANWR, the pristine Arctic wilderness, which we are not going to do.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

TAX LEGISLATION

Mr. GRASSLEY. Mr. President, last week, we started to debate a tax bill and it had to be brought down because there wasn't consent to move ahead on it. Before we adjourn and go home, hopefully, we will pass a tax bill. But there are a lot of provisions in that bill that are very good; common sense dictates them; and a lot of these are very bipartisan. So the President has threatened to veto the tax bill. I want to bring up some of these issues and ask the President why he would veto something as good as these provisions, where there is bipartisan consensus that we ought to pass them.

Obviously, this bill doesn't contain everything I would like to see in it as a Member of the Senate. As a member of the Finance Committee, we have a chance to be on the ground floor of the drafting of the legislation coming out of that committee. On the other hand, no one person, even a member of the committee, can get everything he wants in the bill. There are even some things in this bill that I don't like, but on balance it will do a lot of good for a lot of people. Therefore, I think it should be enacted.

To begin with, the bill contains a number of provisions I authored or co-

authored with some colleagues and these are the bipartisan provisions that I am thinking about. For instance, on the issue of pensions, I worked very closely with Senator GRAHAM of Florida—several critical pension provisions. As we anticipate the upcoming retirement of the baby boomers, we are always astonished at how much it is going to cost during their retirement. Retirement is expensive, not only due to rising life expectancy but also because inflation and taxes must be factored into the cost of retirement.

We keep insisting that baby boomers—now 10 years away from their retirement—must do more to prepare for that retirement. How can they do that if we don't give them the tools they need? This bill has a lot to do with that because it would make small but significant steps to improve the ability of baby boomers and subsequent generations to prepare for retirement. This bill will increase retirement savings and the national savings rates by allowing workers to save more in their pension plan or in their individual retirement account.

How can the President find disagreement on that point—the necessity of having better pension systems, the necessity for updating the individual retirement accounts so more can be saved in those accounts and so more people can be encouraged to save in those accounts?

Our bill would restore section 415 limits for pension contributions closer to—not all the way, I am sorry to say—where they were before the 1993 tax increase bill was passed.

You remember that 1993 tax increase bill? As Senator MOYNIHAN said on the floor of the Senate, it was the largest tax increase in the history of the world after Bob Dole said it was the largest increase in the history of the country.

That was a pretty significant tax increase in 1993. You remember that it passed on the tie-breaking vote of Vice President GORE as he sat right there in the chair. He cast the tie-breaking vote to pass a tax bill that most all Republicans thought was bad for the country. Even some Democrats thought it was bad for the country. When Republicans were in the minority, it would have still died on a 49-to-49 vote—except for the tie-breaking vote of the Vice President.

This bill will restore some of the bad aspects that the 1993 tax bill had on pensions contributions with these 415 limits. This bill increases existing IRA contribution limits because under this bill Americans would be able to contribute \$5,000 annually. That is an increase up from the current \$2,000 maximum contribution. This IRA limit has not been increased in the 18 years since the last time it was effective.

For workers without a pension, a pretax individual retirement account is one of the best ways they can save for retirement. This limit is being increased for traditional IRAs and Roth IRAs.

Why would the President want to veto that for people who don't have anything other than individual retirement accounts with the present \$2,000 limit? You can see what has happened to that \$2,000 limit because of inflation. After 18 years, it is not anywhere near the incentive for savings that it was in 1982.

Increasing it to \$5,000 would be a tremendous incentive for people who don't have pensions to save on their own for retirement, in addition to a baby boom generation that is not going to get out of Social Security as much as my generation will get out of Social Security when they retire.

Consequently, that helps make up for some of the shortcomings of the Social Security surplus for the baby boom generation.

Further, the bill encourages more people to save through an IRA by accelerating the scheduled increases in IRA income eligibility requirements. Individuals making up to \$50,000 and couples making up to \$80,000 could participate in an IRA. And the bill allows catch-up contributions for IRAs of an additional \$1,500 for those age 50 or over.

That will give people an opportunity who have been hit by the inflation-lessening value of the \$2,000 individual retirement account now that they are 50 and over to put aside an additional \$1,500 to make up for some of the shortcomings of Congress not keeping the \$2,000 limit adjusted for inflation.

Why would the President want to veto a bill that gives people who are saving an opportunity to make up for some of the shortcomings of Congress over the last 18 years, or even the negative impact of the 1993 tax bill on some of these pension provisions?

This bill also encourages small businesses to start and maintain pension plans.

One of the problems with the pension law is that there is tremendous discouragement for companies with under 100 employees to go to the expense of setting up a pension plan. For employers with over 100 employees and with the overhead that companies such as that have, it is not such a problem. You find larger corporations have pension plans—not small businesses.

The provisions encouraging expansion of coverage are vital and overdue improvements in pension law.

I will give you an example. The bill modifies the top-heavy rules which only apply to small businesses. The top-heavy rules have been rightly criticized because they place burdens on small business pension plans. Those same requirements are not applicable to big business. The top-heavy rules make sponsoring a pension plan expensive, complicated, and out of reach for many small employers. In fact, the ERISA Advisory Council in this administration even supported the outright repeal of these top-heavy rules.

This bill does not repeal the top-heavy rules, as much as we should, ac-

ording to the Advisory Council's recommendation. It simply modifies the most onerous aspects of the rules to make having a plan more attractive for small firms.

The bill also reduces plan costs and PBGC premiums for small businesses and eases administrative burdens by streamlining onerous pension regulations. These changes help to make the experience of maintaining a plan less difficult for small companies. Further, the bill simplifies annual reporting requirements, eliminates IRS user fees for new plans. These provisions encourage small businesses to provide pension coverage. When small businesses start up new plans, American workers win!

The bill contains many provisions which will help rank and file workers specifically.

For example, this bill enables workers aged 50 and over to make so-called catch up contributions to their retirement plan.

That may sound like something that is new and we shouldn't do. But we allow State and local government workers to make these catchup contributions under current law if they are within 3 years of retirement.

I know of no reason why we should not make the benefit of catchup contributions available to all workers—not just for those of State and local governments. We would do so in this bill for workers in for-profit businesses and also not-for-profit businesses.

Unfortunately, this bill will not allow workers who make \$80,000 or more to make these "catchup" contributions despite the fact there is not such an \$80,000 limit on the current law for State and local employees.

This is a further inequitable situation—something we give State and local government employees but we don't give employees in the private sector. We make up some of that in this legislation but not 100 percent, I am sorry to say. I regret that the bill made this restriction necessary because of negotiations that were going on between the House and Senate.

The bill reduces the vesting period for receipt of the employer's matching contribution and defined contribution plans—such as a 401(k)—from 5 years to 3. Make no mistake about it; this is a huge help to many workers. This will particularly help women, maybe because of taking care of an elderly relation, or maybe to start a family or women who are in and out of the workforce or maybe even in some cases men who are in and out of the workforce, but they are more apt to be women.

This will give them an opportunity to enhance their match so they can make up for lost time because of not being in the workforce.

This bill makes another important change to law that will help low- and modest-income workers. The bill repeals the 25 percent of compensation limit on savings and defined contribution plans.

That is a savings barrier that frustrates those of modest income. Most

workers in this Nation will be saving through section 401(k) plans or section 403(b) plans or section 457 deferred compensation plans. In a 401(k) plan, for example, the limit for saving is 25 percent of compensation or a maximum of \$10,500. Our bill repeals the 25 percent of compensation for the benefit of low and modestly paid workers who could be very thrifty people but are prohibited from saving more. They may want to sacrifice during their work years to have a better quality of life in retirement, but the present limit of 25 percent will keep them from doing that. We ought to make it possible for people who want to look ahead to do more for enhancing their retirement and have more savings for that retirement to be able to do it. This legislation does that.

I don't know why the President wants to veto such good provisions for low- and modest-pay workers. In Iowa and much of the Midwest, people are not only thrifty but they are very frugal. Let them save their money if they want to; that money belongs to them, not to the government.

The bill also greatly enhances pension portability. Because of these provisions, workers will be able to take their pension money with them when they leave one job to go to another job. Their retirement plan contributions will not be stuck in the plan of their previous employer. When more of those matching contributions are vested as I just mentioned a minute ago, a larger account can be rolled over to an IRA and to the retirement savings plan of a subsequent employer, regardless of whether the employer is for profit, not for profit, or a government employer.

Under current law, you can't make those rollovers. The pension portability provisions of this bill are a great way to reduce pension plan leakage. The issue of leakage is real, and I hope we get to examine it in more detail next year and even improve it more than this present legislation does.

The business also improves pension funding so benefits will be more secure over the long term. Good pension funding is one of the very foundations of the ERISA law. Most plans are well funded but some are not funded properly at all. We need to be taking a closer look at the underfunded plans and shine the spotlight on them.

I want to look at the reasons why some plans have not been better funded, and I hope to look at the status of the underfunded plans in greater detail next year.

Finally, I take note for my colleagues and cosponsors that this bill does not include everything I would have liked, and I hope we will be able to do more for pensions according to what Senator GRAHAM of Florida and I suggested in our legislation, which had many cosponsors.

When all is said and done, there are a lot of good provisions in this bill, particularly those that deal with women who are in and out of the workplace so

they can make up lost time on their pensions if they want to pay more into it. It does an awful lot for low- and medium-paid employees so that they can make up for the fact, if they want to save more for retirement, that the present 25-percent limit doesn't allow them to do that.

The bottom line is, why would any President want to veto such a good bill?

I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. VOINOVICH. Mr. President, in keeping with the back and forth, would it be all right for me to speak for up to 15 minutes?

Mr. REID. Mr. President, I want to be as agreeable as possible, but the Senator from Idaho took 15 minutes instead of 10 minutes, and the Senator from Iowa took 15 minutes rather than 10 minutes, and I called my friend from Wisconsin, who rushed over here and dropped everything to speak.

Mr. FEINGOLD. Mr. President, I ask if I could have unanimous consent to speak for 30 minutes after the conclusion of the remarks of the Senator from Ohio.

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

CHANGE OF VOTE

Mr. VOINOVICH. Mr. President, on rollcall vote No. 289, I inadvertently voted yea, when I intended to vote nay. I ask unanimous consent that on rollcall vote No. 289, I be permitted to change my vote from yea to nay, which in no way will change the outcome of the vote.

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

NOTHING TO BRAG ABOUT

Mr. VOINOVICH. Mr. President, this is the day the Lord has made; let us rejoice and be glad. This is Sunday, when it is the Sabbath for millions of Americans. Many of my colleagues have explained why we are here today, but I hope this is the last Sunday that the Senate, the U.S. Congress, is in session unless it is for a crisis of national or international concern. I hope this is the last Sunday that we would be here for anything but that.

Next Tuesday, the citizens of this nation will go to the polls and elect the next president of the United States. One of the first challenges that the new president will face is the need to recapture what has been lost for a generation of Americans: trust in the Federal Government.

The American people used to believe in the competence of the Federal Government to provide services and meet this nation's needs in a variety of ways. Unfortunately, in too many instances, this is not happening. Today, the Federal Government is held out as a source of scorn and ridicule.

The fact of the matter is that the Federal Government has brought most of this on itself through a gross inattention to management.

In 1993, Vice President GORE launched his "Reinventing Government" initiative. Purported to make government "work better and cost less," it had every intention to turn the diminished reputation of the Federal Government around.

However, this initiative will be remembered not for its modest accomplishments, but for missed opportunities. It has rejected bold efforts to reform Federal programs and personnel issues, and actually contributed to the growing human capital crisis that will be a major headache of the next administration.

It will be one of the most formidable tasks of the next administration.

As we have all seen, the Vice President is trying to run away from the label of being for "Big Government." In recent remarks in Arkansas, and in the presidential debates, he pointed to Reinventing Government as proof that he favors small government.

He claims credit for shrinking the Federal Government by 300,000 positions. In the third Presidential debate held earlier this month, the Vice President boasted that, due to his efforts, the Federal Government is "now the smallest that it has been since . . . John Kennedy's administration."

The Vice President's record of reinventing government is second only to his record of inventing the Internet for genuine achievement and accuracy.

The truth is: more than 450,000 positions have been removed from the Federal Government since January 1993, not 300,000 as the Vice President claims. However, his offense lies not just in the fuzzy math but also in taking credit for reductions where he does not deserve it.

More than 290,000 of the personnel cuts that were made—64 percent of the total—came from the departments of Defense and Energy. These cuts were made at the end of the Cold War in the resulting Pentagon budget reductions, as well as through four rounds of military base closings.

My colleagues should be aware that this process began before the advent of the Clinton-Gore administration and existed independently of the Reinventing Government initiative.

Other significant personnel reductions were also independent of Reinventing Government, including 15,000 employees of the Federal Deposit Insurance Corporation who were downsized at the end of the savings and loan crisis, and 8,500 employees of the Panama Canal Commission—now just a force of seven after the canal's hand off to Panama.

In truth, most of the non-defense positions discussed by the Vice President have not been eliminated, but merely transferred to the private sector through Federal contracts and Federal mandates. Paul Light, of the highly-re-

spected Brookings Institution, has documented a "shadow workforce" of almost 13 million contractors, grantees, and state and local government employees who serve as a de-facto extension of the Federal workforce—yet without the oversight and accountability. Evidence suggests that oversight of the contractor workforce is poor, yet contract managers were targeted for downsizing by Reinventing Government.

Far more noteworthy than the Vice President's characteristic exaggerations, however, is the sorry state of the civil service seven years after Reinventing Government was initiated.

As chairman of the Senate Subcommittee on Oversight of Government Management, I have led an ongoing review of overall government performance. I have found an appalling lack of forethought by the Clinton-Gore administration toward workforce planning as well as the training and development of Federal employees. The "A-Team," the people who get the job done, and who, for the last 7 years, have been ignored.

In testimony earlier this year before my subcommittee, nonpartisan experts testified that inattention to management has taken a heavy toll on the ability of the Federal workforce to do the job the American people deserve and expect.

Don Kettl, from the University of Wisconsin, testified:

The problem is that we have increasingly created a gulf between the people who are in the government and the skills needed to run that government effectively.

Paul Light of the Brookings Institution put it more bluntly. He testified that the downsizing initiated by Reinventing Government:

Has been haphazard, random, and there is no question that in some agencies we have hollowed out institutional memory and we are on the cusp of a significant human capital crisis.

The U.S. General Accounting Office may well designate human capital as a Federal "high risk" area when it releases its next series on government high risk problems in January 2001. The numbers are alarming, and most of the people are not aware of this, even Members of this body.

Right now, the average Federal employee is 46 years old. By 2004, 32 percent of Federal employees will be eligible for regular retirement, and 21 percent more will be eligible for early retirement.

Taken together, more than half the Federal workforce—900,000 employees—could potentially leave in just 4 years. Obviously, if that happens, neither Vice President GORE nor Governor Bush would have any problems meeting their campaign promises regarding this nation's Federal workforce.

Regrettably, the Clinton-Gore administration squandered 7 years before getting serious about this potential retirement wave. Indeed, Reinventing Government targeted human resources,

contract oversight, financial management and other professionals for downsizing, leaving the Federal Government without the expertise it now needs to recruit talented, technology-savvy people to fill the coming vacancies.

When it comes to the achievements of Reinventing Government, Vice President GORE has nothing to brag about. In my opinion, this effort is a liability for the Vice President, not a feather in his cap. Reinventing Government has failed to improve Government management or confront the fundamental question of how the civil service should be deployed to serve our nation. Cutting costs by only cutting jobs fails to acknowledge the central concern Americans have with Government, and that is ineffective programs, Government waste, command and control policies, and in many instances just plain gridlock.

Agencies with less staff but the same workload only experience more of the bureaucratic meltdown which undermines the public trust and demoralizes the remaining Federal workforce.

Wouldn't it be better if we focused on putting the right individuals in the job the American people actually want the Federal Government to accomplish—missions such as strengthening our national defense, saving Social Security, and saving Medicare—and giving them the training they need to get the job done?

When I asked OMB how much money they spent on training, they said they didn't know. So my subcommittee did a survey of the Federal agencies and we asked them: How much do you spend on training? They didn't know. We did get letters back from a couple of agencies and they said: We know, but we won't tell you because if we do, you, Congress, will take the money away from us.

Mr. President, I am not advocating the Federal Government fill every vacancy, person for person. What we need to do is ensure that every Federal agency has assessed its current and future workforce needs and has planned accordingly. Agencies must have the flexibility to design the recruiting and training programs that will allow them to attract and retain quality personnel and ensure they are deployed in the most effective way. In other words, the Federal workforce should be treated as an investment, not an expense.

Earlier this year, when I had begun to examine the management of human capital in my subcommittee, I asked for the training budgets of all Federal agencies. As I mentioned, they did not know; they did not collect the information. That is incredible.

The coming human capital crisis creates an opportunity for the next administration to reshape the 21st century Federal workforce, to improve Federal performance and efficiency, and to invest in the people who make the Government run. My hope is that in 4 years the next President will

boast, not just of reducing the size of Government, but also of a well planned reorganization of Federal jobs, and of having equipped our Federal workforce to support a more focused and more streamlined Federal mission so they can work harder and smarter and do more with less.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin.

A FEDERAL MORATORIUM ON EXECUTIONS

Mr. FEINGOLD. Mr. President, the last time the Federal Government executed someone was in 1963. That year, the Federal Government executed Victor Feguer, who had kidnapped and killed a young doctor. At 5:30 in the morning of February 15, 1963, at Fort Madison, IA, a Federal hangman tied a noose around Feguer's neck and put him to death.

Feguer's execution was the first and last Federal execution of the 1960s. In fact, the Federal Government has carried out executions fairly infrequently during the entire twentieth century. Only 24 Federal executions took place between 1927 and 1963. One-third of those were for wartime espionage or sabotage.

But, Mr. President, all of that is about to change. In the next 2 months, two inmates on Federal death row could become the first to be executed by the Federal Government in nearly forty years. Their names are David Hammer and Juan Garza.

As many of my colleagues recall, Congress modernized the federal death penalty in 1988 and then significantly expanded it in 1994. Those votes are about to have very real consequences. Like it or not, the national debate over the death penalty is actually intensifying and will build further next month, the months after that, and in the year to come.

And we should have this debate. We should have this debate, because the Federal Government is heading in a different direction from the rest of the country. The States have learned some serious lessons about the administration of capital punishment, and the Federal Government, above all, should learn from them.

After the Supreme Court's 1976 decision reinstating the death penalty, most States swept the cobwebs off their electric chairs and resumed executions. And most of these states have not looked back since. Just last year, the United States set the record for the number of executions in one year in this modern death penalty period: 98 executions. And already this year, there have been 70 executions in the United States.

But recently, in States all across America, awareness has been growing that the death penalty system has serious flaws and that its administration has sometimes been far from fair. From Illinois to Texas to North Carolina to

Pennsylvania, I believe that a consensus is building that there is a problem. Since the 1970s, 89 people—Mr. President, 89 people—who had been sent to death row were later proven innocent. Nine of these 89 were exonerated on the basis of modern DNA testing of biological evidence. Defendants have sometimes been represented by lawyers who slept during trial, were drunk during trial, or who were so incompetent that they were later suspended or disbarred. Prosecutorial and police misconduct sometimes have led to faulty convictions. The death penalty has been applied disproportionately to African Americans and the poor. The revelations of problems with the system mount. These are very real, serious problems that fail to live up to the fundamental principles of fairness and justice on which our criminal justice system is based.

Just last month, the Justice Department released data on Federal death penalty prosecutions. That Justice study showed racial and geographic disparities in the administration of the Federal death penalty. The study found that whether the Federal Government seeks the death penalty appears to relate to the color of the defendant's skin or the Federal district in which the defendant is prosecuted. Both the President and the Attorney General have acknowledged—they have acknowledged—that this data paints a disturbing picture of the Federal death penalty system. The Attorney General admits that she does not have answers to the questions raised by the DOJ report.

My colleagues may believe that the system is flawed, but some of them seem to fear that the people will object to efforts simply to address these inequities. The American people, however, are in fact ahead of the politicians on this, as they are on so many issues. A majority of the American people are troubled. They are troubled by these flaws in the death penalty system that they support a moratorium on executions. An NBC/Wall Street Journal poll taken this past July found that 63 percent of Americans supported a suspension of executions while questions of fairness are reviewed. And in a bipartisan poll released just this last month, 64 percent of Americans supported a suspension of executions while questions of fairness are reviewed.

Mr. President, as you have said and others have said, the Federal Government can often learn from the States. Let's apply that to the administration of the death penalty.

With so many nagging questions raised and still unanswered, how can the Federal Government go forward—how can the Federal Government go forward with its first execution in almost 40 years?

I believe it is unconscionable for the Federal Government to resume executions under these circumstances.

Earlier this year, I introduced two bills that would suspend executions

while an independent, blue ribbon commission simply reviews the death penalty system. The National Death Penalty Moratorium Act would suspend executions at the state and federal levels. The Federal Death Penalty Moratorium Act would suspend executions at the Federal level. And I am pleased that Senators LEVIN, WELLSTONE, DURBIN and BOXER have joined me on one or both of these bills. The five of us may not—in fact, do not—agree on whether the death penalty is a proper punishment, but we are united in our belief that our nation should pause and thoroughly review the system that has sent many who were later proven innocent to death row.

Addressing flaws in the death penalty system is, Mr. President, unfortunately, yet another chapter of the unfinished business of this Congress. With two executions scheduled for after adjournment, I must urge President Clinton to suspend Federal executions and order a comprehensive review of the Federal death penalty system.

Next Congress, when we return, I intend to reintroduce my legislation. I shall keep pushing forward on this issue. We have made progress this year, but we still have a long way to go toward restoring the integrity of our criminal justice system. I look forward to working with my colleagues toward that goal in the year to come.

THE OMNIBUS TAX BILL

Mr. FEINGOLD. Mr. President, I rise now to oppose yet another monstrous product that this majority has loosed on the Senate, this one an omnibus tax bill. In a number of speeches this year, as early as this May, I have tried to raise objections to the procedures that the majority is employing in this session of the Senate. It is proverbial that "a bad tree cannot bear good fruit." If any more proof were needed that these procedures are bad, the fruit of this tax bill provides it.

Let me begin by recounting how bad the tree is that bore this bill. The procedures that the majority has employed to bring this bill to the floor are egregious. And when the majority employs the procedures that it has on this bill, it is not surprising that they yield such an unattractive outcome. What has happened? A small number of Senators and Congressmen, all from one party, have cooked up this bill behind closed doors. Of the bill's major provisions, none has enjoyed consideration on the Senate floor. The majority leadership has then shoveled the contents of this back-room agreement into a conference on a comparatively minor Small Business Administration loan measure. When the fruit of such a process has, as this bill has, experienced no discussion, no vetting, and no amendment, it cannot help but have some rotten parts to it.

And there is much that is rotten about this bill. It would spend, Mr. President, a significant amount of the

surplus—about a quarter of a trillion dollars—before, before having taken any steps to save Social Security, or to reform Medicare, or to lock away on-budget surpluses to pay down the debt. Now, Mr. President, there are of course some provisions in this bill that I would support. But first and foremost, it is irresponsible to spend this much of the projected surpluses before having taken a single step to address our long-term fiscal responsibilities.

And so, Mr. President, I ask unanimous consent that an editorial on this point that appeared in the Washington Post entitled "Say Goodbye to the Surplus" be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, so ordered.

(See exhibit 1.)

Mr. FEINGOLD. Thank you, Mr. President.

Beyond that, Mr. President, this bill is also blighted by its lack of fairness. As have so many of the other fruits of this majority, this tax bill would disproportionately favor the very wealthy. When we as Senators decide on tax policy, we must ask ourselves: With a limited amount of surplus available, whose taxes should we cut first? Should tax relief go first to the wealthiest among us? The majority answers "yes" every time. Instead of the Robin-Hood-in-reverse priorities of the majority, we should instead be seeking to direct tax relief first to those who need it most: the hard-working American middle-income family.

According to an analysis prepared by the Institute on Taxation and Economic Policy, 64 percent of the benefits of this tax bill would go to the top one-fifth of the income distribution. And less than a fifth of the benefits of this tax bill would go to the bottom 60 percent of the population—one-fifth of the benefit to three-fifths of the people.

Mr. President, I ask unanimous consent that an executive summary of a policy paper on this bill prepared by the Center on Budget and Policy Priorities entitled "Leadership's Tax Plan Reinforces Inequities in Health and Pension Coverage" be printed in the RECORD at the conclusion of my remarks. The entire text of this policy paper can be found at <http://www.cbpp.org/10-26-00tax.htm>

The PRESIDING OFFICER. Without objection, so ordered.

(See exhibit 2.)

Mr. FEINGOLD. Thank you, Mr. President.

And now, let me take a few moments to address particular sections of the bill. And let me begin with the health care provisions of this bill, which, at \$88 billion for the tax provisions alone, account for what is actually the largest component of this bill. We can all agree that health care should be a priority. But the health tax provisions of this bill are structured so that the vast majority of middle-income Americans will not be able to benefit from them.

This is so because the health tax provisions in this bill operate exclusively

through the mechanism of tax deductions, instead of tax credits. Thus, Mr. President, it would provide no benefit for families of four making up to \$32,000, and actually provide precious little benefit for families making up to \$50,000. Those at the top of the income scale are not those who are having the most difficulty getting health insurance or paying for long-term care.

Indeed, the health care insurance deduction in this bill could actually reduce health care coverage. That is because the presence of the deduction might encourage private employers to drop health care coverage at the workplace.

Mr. President, I'd like to ask unanimous consent that an executive summary of a policy paper on this point prepared by the Center on Budget and Policy Priorities entitled "Health Insurance Deduction of Little Help to the Uninsured" be printed in the RECORD at the conclusion of my remarks. The full text of this policy paper can be found at <http://www.cbpp.org/8-30-00tax2.htm>

The PRESIDING OFFICER. Without objection, so ordered.

(See Exhibit 3.)

Mr. FEINGOLD. Thank you, Mr. President.

Among its health provisions, this bill also includes spending legislation to restore health care cuts made in the Balanced Budget Act of 1997. I strongly oppose the provisions in the Medicare provider payment restoration bill that disproportionately allocate scarce Medicare resources towards Medicare health maintenance organizations—HMOs—and away from beneficiary and health care provider needs.

The Medicare HMO program already treats our Wisconsin seniors unfairly. I cannot support increasing payments to a system that treats Wisconsin's seniors like second class citizens. Not only are these increased payments unjustifiable, they would raise payments without any accountability provisions that would ensure there is actually planned participation in States like Wisconsin.

Congress should not dedicate over one-third of its Medicare spending to Medicare HMOs, when only 15 percent of Medicare beneficiaries are enrolled in HMOs.

Instead of supporting HMOs, I strongly favor provisions that would support Wisconsin's seniors by preserving care through hospitals, home health care agencies, hospices, and other providers. The home health care provisions—I know firsthand from many conversations around the state—are especially inadequate, and do little to address the needs of rural beneficiaries and the most medically complex patients.

Let me turn now to the pension provisions, which, at \$64 billion, make up the next largest part of the bill. The official estimates of the costs of these provisions are large, but they understate what will be the true costs of the bill. That is because the bill's so-called Roth IRA provisions, which allow taxpayers to pay some taxes now to avoid

paying more taxes later, bring funds into the Treasury in the early years at the expense of the outyears. The bill's costs will thus likely expand when fully phased in, and will likely grow particularly in just those years when the baby boom generation is retiring and we most need the resources to actually keep Social Security and Medicare solvent.

The bill's pension provisions expand individual retirement accounts or IRAs. Among other things, it raises the amount that individuals may contribute to IRAs, raises the maximum income for those who may contribute to an IRA, raises the maximum income for those who may convert a traditional IRA into a Roth IRA, and allows individuals over age 50 to make larger catchup contributions. The bill makes similar changes in 401(k) plans, raising the amount that individuals may contribute to 401(k)s, allowing deferral of 401(k) tax treatment as with a Roth IRA, and allowing individuals over age 50 to make larger catchup 401(k) contributions.

Taken as a whole, these changes that I just listed would manifestly benefit the bestoff among us. A recent Treasury study found that just four percent of eligible taxpayers—largely the most affluent people eligible—make the maximum \$2,000 contribution to IRAs under the existing law. By definition, these would be the only people within current income limits who would benefit from raising the contribution limit. And by definition, only those above current income limits would benefit from lifting the income limits. According to the Institute on Taxation and Economic Policy analysis, more than three-fourths of the benefits of the bill's pension and IRA provisions would go to the fifth of the population with the highest incomes.

The bill's proponents claim that the bill would also increase savings. But this claim is almost Orwellian. Lifting these limits would actually decrease saving, for three reasons.

First, by making it easier for wealthy business owners to do tax-favored saving as individuals, the bill would decrease their incentives to set up business-wide, business-wide 401(k) or pension plans to get those tax benefits. As a former Assistant Secretary of the Treasury testified:

Currently, a small business owner who wants to save \$5,000 or more for retirement on a tax-favored basis generally would choose to adopt an employer plan. However, if the IRA limit were raised to \$5,000, the owner could save that amount—or jointly with the owner's spouse, \$10,000—on a tax-preferred basis without adopting a plan for employees. Therefore, higher IRA limits could reduce interest in employer retirement plans, particularly among owners of small businesses. If this happens, higher IRA limits would work at cross purposes with other proposals that attempt to increase coverage among employees of small businesses.

That is what the former Assistant Secretary for Tax Policy said. By depriving lower- and moderate-income

employees of opportunities for tax-favored saving, the higher IRA limits would thus decrease saving by those employees.

Second, the savings contributed by high-income savers would tend to be money that they would have saved anyway. Rather than cause new saving among higher-income savers, the higher limits would merely substitute tax-favored saving for fully-taxed saving. Rather than increase saving among this group, the bill would thus just cut taxes for these higher-income savers.

And third, because the bill is not paid for and therefore spends surplus money, it reduces the surplus and thus reduces the amount by which the Government pays down the debt. When the Government pays down debt, it contributes to national savings. And thus by reducing the amount by which the Government pays down debt, the bill will worsen national savings.

When the Finance Committee considered a pension bill earlier this year, it did include a provision that might have helped increase saving, Mr. President. That section, championed by Democratic Members of the Finance Committee, would have actually provided a matching credit, a matching credit, for saving by low- and moderate-income savers making up to \$50,000 for a couple. The provision was still deeply flawed, in my view, because it was not refundable, and therefore it was of no use to families of four making up to \$32,000. But if Government action is to encourage increased private saving, it needs to be directed—as that credit was—to low- and moderate-income people, who are not saving now.

What has the majority done? The majority has stripped this bill of that proposal. The majority has deleted from the bill that section most likely to increase private saving.

As well, the bill includes many offensive individual pension provisions.

Current law imposes additional requirements on plans that primarily benefit an employer's key employees, what are called "top-heavy plans." These additional requirements provide more rapid vesting and minimum employer contributions for plan participants who are not key employees. The bill would relax these rules for top heavy plans in a number of ways. For example, fewer family members would be counted for the determination of whether a plan was top-heavy. This change in the bill would allow plans to provide greater benefits to owners and their families without providing minimum benefits and more-rapid vesting to rank-and-file workers.

The bill raises the limit on the amount of income that may be considered compensation for purposes of contributions to 401(k) accounts. This change would allow an employer who wanted to save a fixed amount each year to reduce the percentage contribution that all employees could make to their 401(k)s.

As I noted at the outset, the bill's Roth IRAs shift tax receipts from the

distant future into the near future. They are thus fiscally very risky, as they drain tax revenues from the Government during the retirement years of the baby-boom generation, while giving us a false sense of additional revenues now. And they also benefit the very wealthiest among us.

Thus, the pension provisions of this bill would particularly benefit the very wealthiest. And I would assert that it is not a coincidence—I am afraid it is not a coincidence—that some of the most powerful wealthy interests in our campaign finance system are today pushing for this so-called pension "reform." I would like to take a moment to direct my colleagues' attention to these big donors.

It is time again to "call the bankroll." As I have said, this legislation doesn't benefit average working Americans who are counting on their pension when they retire, so exactly whom does it benefit? I think "calling the bankroll" could answer this.

I would like to do a truly comprehensive "calling of the bankroll" here, but that would be almost impossible. There are just too many wealthy interests behind this tax bill: financial interests, insurance companies, and labor unions, just to name a few. We could be here all day, or all week, if I tried to cover all those contributions. So in the interest of time, I will just review the unlimited soft money contributions of some of the interests pushing for this bill.

The figures I am about to cite come from the Center for Responsive Politics. They include contributions through the first 15 months of the election cycle, and in some cases include contributions given more recently in the cycle.

Some of the biggest investment and finance firms are supporting passage of this bill.

For example, Merrill Lynch, its executives and subsidiaries, have given more than \$915,000 in soft money, according to the Center for Responsive Politics.

That's just one company.

Mr. President, I have other examples I will cite regarding the "calling of the bankroll." American Express, its executives and subsidiaries have given more than \$312,000 in soft money so far in this election cycle. And Fidelity Investments and its executives have given at least \$258,000 in soft money to date.

The American Benefits Council, which is strongly supporting this bill, sent around a list of supporters of provisions of the legislation. That list includes still more big donors.

The American Council of Life Insurers and its executives have given more than \$260,000 to the parties' soft money warchests during the period.

The U.S. Chamber of Commerce and affiliated chambers of commerce have given more than \$110,000 in soft money during the period.

The list also included many of the nation's labor unions, which are also

pushing for some of the provisions of this bill, including: American Federation of Teachers, which has given at least \$820,000 so far during this election cycle; and the International Brotherhood of Electrical Workers, which has given more than \$853,000 in soft money during the period.

Regrettably, many of these institutions will see a return on their campaign finance investment in the pension provisions of this bill. More regrettably still, the working family is not likely to see much of any benefit at all.

Mr. President, I am troubled, as well, that the school construction projects in this bill—being paid for, in part, with Federal tax credits for the bondholders—will not be subject to the Davis-Bacon Act. The Davis-Bacon Act ensures that construction workers on Federal construction sites get paid a fair wage for a days' work by requiring that those workers be paid the local prevailing wage.

The worker protections embodied in the Davis-Bacon Act are essential, and one specific set of Federal construction projects—and the workers who build them—should not be deprived of these protections. I am deeply concerned that some in this body are attempting to alter the protections under the Davis-Bacon Act without a substantive debate.

Yes, Mr. President, this bill does include a long-overdue increase in the minimum wage. I have long supported that increase. Congress should have passed it two years ago, and we should have passed it in a straightforward bill, clean of tax give-aways.

Sadly, it has become the habit of this majority to extract a series of tax subsidies in exchange for a minimum wage increase. And what is worse is that the cost of these subsidies is increasing. In 1996, the Congress had to pass \$20 billion in tax cuts to get an increase in the minimum wage. Sadly, the cost of that minimum wage increase in terms of tax subsidies extracted has grown exponentially.

Another section of this bill would reinstate and expand the Foreign Sales Corporation—or FSC—export tax subsidy. We ought to be skeptical of subsidies, whether provided through the tax code, through appropriated programs, or through entitlements. In general, the best policy is to let free markets work. The FSC export tax subsidy does not do that.

While the FSC export tax subsidy may provide a very small benefit to certain firms that produce exports or that produce goods abroad, it also triggers increases in U.S. imports, so that its net effect on our balance of trade is probably negligible. As the Congressional Research Service explains, the FSC tax subsidy increases foreign purchases of U.S. exports, but to buy the U.S. products, foreigners require more dollars. That, in turn, increases demand for U.S. dollars, driving up the price of the dollar in foreign exchange

markets and making U.S. exports more expensive. This partly offsets the effect of the FSC in increasing U.S. exports. This effect also makes imports to the United States cheaper, which causes U.S. imports to increase.

The bottom line, Mr. President, is that while some firms may enjoy increased export sales, other firms will lose business and jobs because of increased imports.

This special tax subsidy thus has benefits and costs. The firms that qualify for this export subsidy gain a benefit, of course, but so too do foreign consumers. CRS notes that the FSC tax subsidy produces a transfer of economic welfare from the United States to consumers abroad when part of the tax benefit is passed on to foreign consumers as reduced prices for U.S. goods. U.S. taxpayers are paying to keep these exports cheap for foreign consumers.

But there are other costs, as well. First, and perhaps most obviously, the billions of dollars we spend through the FSC export tax subsidy could otherwise be used to lower the tax burden on businesses and individuals, or to lower the level of our massive national debt. And as with other special tax breaks, the FSC export tax subsidy distorts the marketplace, and makes our economy less efficient.

There is also an additional and potentially huge cost that may be imposed on American firms and workers because of this FSC subsidy: what amounts to a possible multi-billion dollar tax imposed by the World Trade Organization on American products that are purchased in European Union countries that could mean lost business and jobs.

I am no fan of the World Trade Organization. I opposed the 1994 legislation that implemented the most recent General Agreement on Tariffs and Trade, or GATT, in large part because it created this undemocratic, unaccountable, often secretive international organization known as the World Trade Organization or WTO.

As my colleagues know, the reason we are considering changes to the FSC export tax subsidy is because of a WTO ruling that this tax break is an illegal subsidy. If we fail to change our tax laws to comply with this ruling, we can expect billions in punitive tariffs to be levied against American goods exported to the European Union.

While the FSC tax subsidy may be bad tax policy, it is our tax policy—a policy arrived at through the elected representatives of the people of this Nation. The ability of some international bureaucracy to effectively impose punitive taxes or tariffs on American goods should offend us all. Unfortunately, that is what we face because of the action Congress took in 1994 to ratify the GATT, and unless we eliminate the FSC export tax subsidy, American firms and American workers are at risk.

Regrettably, the proposed expansion of the FSC may not remove this threat.

Mr. President, I have grave concerns that the WTO will see this expanded tax break as little more than a reconfiguration of the existing tax subsidy for exports. At a briefing for Senate staff on this issue, the Treasury Department conceded that not a single business currently able to use this export subsidy will lose its tax break. Indeed, the export tax subsidy has been expanded to provide an even larger subsidy for foreign military sales.

If the WTO rules that this change does not comply with its previous ruling, our businesses and workers will face billions in punitive tariffs on the goods they produce. That is what is at stake here. The proponents of this legislation are willing to risk billions in tariffs on American goods rather than eliminate this questionable tax expenditure.

It would be better economic policy and better fiscal policy simply to repeal the FSC altogether.

I am particularly troubled, Mr. President, by the provision of the FSC export tax subsidy section of this bill that would actually double the current tax benefit for arms sales.

That is right, Mr. President, this bill would double the tax benefit currently enjoyed by U.S. companies that sell weapons abroad.

Had the Senate been able to consider this bill under the Senate's regular procedures, I would have joined in an amendment by the Senator from Minnesota, Mr. WELLSTONE, that would have sought to correct this problem by reinstating the current tax benefit for arms sales.

United States arms manufacturers continue to lead the world in conventional arms sales to developing countries, both in terms of arms transfer agreements and in terms of arms delivered to the countries of the developing world. Conventional arms sales include such items as aircraft, tanks, complete weapons systems, spare parts, upgrades for previously purchased items, and munitions; as well as training and support services for the items purchased.

This August, the Congressional Research Service released its annual report, *Conventional Arms Transfers to Developing Nations*. This 79-page report details the worldwide arms transfer business conducted with developing nations from 1992 through 1999. During that eight-year period, the United States entered into arms-transfer agreements with developing nations worth in excess of \$62.7 billion. Our nearest competitor, France, entered into agreements with developing nations worth just about half of that total, \$31.6 billion.

During that same eight-year period, the United States delivered arms worth in excess of \$84 billion to the countries of the developing world. The United Kingdom ranked a distant second with deliveries totaling \$37.7 billion—less than half the value of the arms delivered by the United States.

And those numbers represent only the arms agreements and deliveries

with the countries of the developing world. When we add in the arms agreements and deliveries to our worldwide customers, the numbers rise even higher. During the same period, the United States also ranked first in worldwide arms transfer agreements with an astonishing \$104 billion dollars worth of agreements. Russia comes in a distant second with \$31.2 billion in worldwide arms transfer agreements.

And during those eight years, the United States delivered a total of more than \$124 billion worth of arms worldwide. Russia again came in second with \$21.6 billion in deliveries.

In both instances—arms transfer agreements and arms actually delivered—the vast majority of United States arms transactions were conducted with the countries of the developing world.

As you can see from these numbers, Mr. President, the United States has no real competitors in the arms transfer business. And the United States will continue to lead the world in arms sales into the foreseeable future, because those who would buy arms want to buy them from American manufacturers. It is that simple. These companies are already making millions and millions of dollars from these sales each year. And they are already receiving substantial tax benefits. There is no need to double that benefit.

In fact, as I noted earlier with regard to the entire FSC export tax subsidy, I would argue that we should actually be talking about eliminating this benefit entirely. At the very least, we should maintain the current level—we should not double this subsidy.

This 100 percent increase in the tax benefit for arms sales is opposed by such groups as the Council for a Liveable World Education Fund, the General Board of Church and Society of the United Methodist Church, the Justice and Witness Ministries of the United Church of Christ, NETWORK, the Church of the Brethren, the Friends Committee on National Legislation, the National Council of Churches of Christ in the USA, the Mennonite Central Committee, and the Maryknoll Mission Association of the Faithful.

The world is already a very dangerous place. The Congress should not be increasing the subsidy for U.S. companies to sell weapons abroad.

Make no mistake about the importance of this piece of legislation to arms manufacturers and other business interests who would benefit from the various tax subsidies contained in this bill. As you know, wealthy interests don't just sit idly by on the sidelines waiting for us to act on this kind of legislation. They lobby to insert favorable provisions into a bill, and once they secure a special deal, they lobby to keep it in the bill. And when I say "lobbying," I mean more than a visit or a phone call to staff—I mean campaign contributions, Mr. President, millions upon millions of dollars worth.

As we discuss the legislation before us, we cannot ignore the presence of powerful monied interests. I have often likened campaign contributions to an 800-pound gorilla that's in this chamber every day—nobody talks about him, but he cannot be ignored. On this issue as well, I refuse to ignore the 800 pound gorilla who's throwing his weight around in our political process. Instead I choose to Call the Bankroll, to inform my colleagues and the public of the contributions made by wealthy interests seeking to influence what we do here on this floor.

On this provision of the bill, I feel it is once again very important to take a moment to review the campaign contributions of the defense industry. As I have said, this bill would double the tax benefit currently enjoyed by U.S. companies that sell weapons abroad. This bill means a huge bonanza for arms manufacturers. It is only appropriate to take a look at the bonanza of contributions they have provided to the political parties.

Many members of the Business Roundtable, an organization which has urged the passage of this legislation, are some of the biggest arms manufacturers in the U.S., and some of the biggest political donors. I'd like to review the contributions of some of these companies. These figures are for contributions through at least the first 15 months of the election cycle, and in some cases include contributions given more recently in the cycle.

Lockheed Martin, its executives and subsidiaries have given more than \$861,000 in soft money, and more than \$881,000 in PAC money so far during this election cycle.

United Technologies and its subsidiaries have given more than \$293,000 in soft money and more than \$240,000 in PAC money during the period.

During that period, Raytheon has given more than \$251,000 in soft money to the parties and more than \$397,000 in PAC money to Federal candidates.

Textron has contributed more than \$173,000 in soft money and more than \$205,000 in PAC money.

And last but not least, Boeing has given more than \$583,000 in soft money since the election cycle began, and more than \$593,000 in PAC contributions.

Mr. President, these defense companies are getting a one hundred percent increase in an already unnecessary tax break, and frankly I wonder why. I wonder why we would double a tax break for the defense industry, when we haven't passed a Patient's Bill of Rights, when we haven't provided Medicare coverage for prescription drugs, and when we haven't passed so many other important measures that Americans really care about.

Sadly, it appears that there is a pretty simple way to figure out why we dole out corporate tax breaks while we neglect the priorities of the American people. All you have to do is follow the dollar.

Mr. President, this bill thus amply proves the adage that "a bad tree cannot bear good fruit." We should revise the procedures that allow such a monstrosity to be loaded into a conference report on an unrelated matter. And we should reject this bill, whose rotten provisions outnumber its sound ones.

EXHIBIT 1

[From The Washington Post, Oct. 26, 2000]

SAY GOODBYE TO THE SURPLUS

Congressional Republican reached agreement yesterday on the contents of the tax cut bill they intend to send the president before adjourning. They suggest it's a relatively minor measure, but it's not. If it becomes law atop all the spending increases also agreed to in this session, Congress and the president will have used up, before the election, well over a third of the projected budget surplus—the \$2.2 trillion over 10 years in other than Social Security funds—that the presidential candidates are so busily distending on the campaign trail. It's an astonishing display of lack of discipline and misplaced priorities.

The president sent a letter implying that he might sign the tax bill even while objecting to major parts. He ought instead to veto it if congressional Democrats won't block it first. As with the other Republican tax cuts he vetoed earlier in the year, this would cost too much—an estimated quarter-trillion dollars over the 10 years—and too much of the money would go to the part of the population least in need.

In the name of increasing access to health care, the legislation would grant a new tax deduction to people who buy their own insurance. The deduction would mainly benefit those in the top tax brackets who tend already to be insured. The president observed that, far from increasing access, it would have the perverse effect of inducing employers to drop insurance they now maintain for their employees. Among much else, the bill would also increase the amounts that can be contributed annually to tax-favored retirement accounts, a step that by definition benefits only those who can afford to save the maximum now.

The health insurance deduction was part of the Republicans' price for the \$1-an-hour increase in the minimum wage that the bill also contains. The price is too high. Also in the bill will be so-called Medicare givebacks, increases in payments to providers that the president earlier objected were tilted in favor of managed care companies already overpaid. This is on balance a bad bill dusted with confectioner's sugar and offered up at year's end on a take-it-or-leave-it basis. The right response would be to vote it down.

EXHIBIT 2

CENTER ON BUDGET AND POLICY PRIORITIES,

Washington, DC, October 26, 2000.

LEADERSHIP'S TAX PLAN REINFORCES INEQUITIES IN HEALTH AND PENSION COVERAGE TAX CUTS PRIMARILY BENEFIT HIGH-INCOME HOUSEHOLD AND COULD REDUCE HEALTH AND PENSION COVERAGE FOR LOW- AND MODERATE-INCOME WORKERS

Congress will shortly consider a significant tax package developed by the House and Senate Republican leadership. Despite some beneficial provisions in the bill, such as the \$1 increase in the minimum wage phases-in over the next two years, the bill's tax provisions will primarily benefit those with high incomes. In developing the package, the leadership dropped bipartisan provisions—such as the retirement savings tax credit and the small business tax credit adopted by the

Senate Finance Committee and the Medicaid access provisions adopted by the House Commerce Committee—that could have benefitted low- and middle-income workers. Rather, they retained provisions benefiting primarily those that already have health insurance and pension coverage. Even more worrisome is that some of these provisions could make it more difficult for low- and moderate-income workers to get health insurance and pension coverage through their jobs.

The Joint Committee on Taxation estimates the cost of the package to be \$240 billion over 10 years. But when combined with anticipated discretionary appropriations, the repeal of the telephone excise tax, new health benefits for military retirees, and Medicare give-backs as well as the resulting interest costs, this bill brings the 10-year cost recent of congressional actions to close to \$1 trillion (see box at the end of the paper). This Congress will therefore use a substantial share of the available surplus without addressing key priorities, such as reducing the ranks of the uninsured or funding prescription drug benefits. The benefits of the leadership's plan remain focused on those who have benefitted the most from the economic boom, offering little to those who continue to struggle to get ahead.

Nearly two-thirds of the tax cuts in the bill go to the 20 percent of taxpayers with the highest incomes. The top five percent of taxpayers receive a greater share of the tax cuts than the bottom 80 percent. Thus the benefits of the bill are concentrated on those that already have high rates of health insurance and pension coverage. These estimates were calculated by the Institute for Taxation and Economic Policy.

The bill's health insurance deduction is expensive and poorly targeted. This deduction is most valuable to those in the highest tax brackets, yet those most in need of coverage have no tax liability or are in the lowest (15 percent) bracket. Taxpayers with incomes too low to pay income taxes would receive no assistance from this deduction. For most taxpayers in the 15 percent bracket, the 15-cents-on-the-dollar subsidy that the deduction provides is unlikely to be sufficient to make costly health insurance affordable.

According to the Joint Tax Committee, approximately 94 percent of the cost of the health insurance tax deduction would go to subsidize taxpayers that already have health insurance, with only 6 percent of the tax benefits going to further the goal of extending health insurance coverage to the uninsured.

The Council of Economic Advisers, among other researchers, found that tax deductions are a very inefficient way of extending coverage to the uninsured. A more cost-effective approach is the Administration's FamilyCare plan, which, at a lower cost, would provide coverage to more than twice the number of uninsured than the proposed tax deduction.

Because the health care tax deduction would provide a far deeper percentage subsidy for purchasing health insurance to higher-paid business owners and executives than to lower-wage earners, it could encourage some small business owners to drop group coverage (or not to institute it in the first place) and to rely on the deduction for their own coverage. As a result, some workers could be forced to buy more costly and less comprehensive insurance on the individual market, and the ranks of the uninsured and underinsured could rise.

The bill also includes tax deductions for long-term care insurance and long-term care expenses that would provide the largest benefit to higher-income taxpayers. Most low- and middle-income taxpayers would get no

more than a 15 percent subsidy; this is too little to enable most of these families to afford costs related to long-term care.

Most of the bill's pension benefits would accrue to higher-income workers who already enjoy high rates of pension coverage. An analysis by the Institute for Taxation and Economic Policy of the bill's pension and IRA provisions found that 77 percent of the benefits would go to the 20 percent of Americans with the highest incomes. In sharp contrast, the bottom 60 percent of the population would receive less than five percent of these tax benefits.

Moreover, the bill would likely lead to reductions in pension coverage for some low- and middle-income workers and employees of small businesses. For instance, it would weaken "non-discrimination" and "top-heavy" rules that ensure company pension plans treat low-income workers fairly and are not skewed in favor of highly compensated workers. It also increases the IRA contribution limits to \$5,000, which could make IRAs more attractive than company pension plans for owners of small businesses, possibly leading them to drop plans that benefit their workers.

EXHIBIT 3

CENTER ON BUDGET AND POLICY PRIORITIES,

Washington, DC, Revised October 18, 2000.

HEALTH INSURANCE DEDUCTION OF LITTLE HELP TO THE UNINSURED

(By Joel Friedman and Iris J. Lav)

House Speaker Dennis Hastert held a press conference last week in which he called for including in the minimum-wage package a new tax deduction for health insurance premiums. The deduction would be available to taxpayers that pay at least 50 percent of the cost of their health insurance.

This proposal, which would cost nearly \$11 billion a year in fiscal year 2010, is a poorly targeted and expensive way to help the uninsured obtain coverage. Those most in need would receive little or no subsidy to help them buy insurance. Moreover, the proposal could have the effect of raising the cost of insurance for some workers.

According to an analysis by the Joint Committee on Taxation, approximately 94 percent of the cost of the Speaker's tax deduction would go to subsidize taxpayers that already have health insurance, with only 6 percent of the tax benefits going to further his stated goal of extending health insurance coverage to the uninsured.

The proposed tax deduction is most valuable to high-income taxpayers, who are in the higher tax brackets. Nine of every 10 people without health insurance, however, have no tax liability or are in the lowest (15 percent) tax bracket. Taxpayers with incomes too low to pay income taxes would receive no assistance in purchasing insurance from this deduction. For most taxpayers in the 15 percent bracket, the 15-cents-on-the-dollar subsidy that the deduction provides is unlikely to be sufficient to make insurance affordable.

Because the deduction provides a far-deeper percentage subsidy for the purchase of insurance to higher-income business owners and executives than to lower-income wage earners, it could encourage small business owners to drop, or fail to institute, group coverage and to rely instead on this deduction to help defray the cost of their own coverage. As a result, some workers could be forced to buy more costly and less comprehensive insurance on the individual market, and the ranks of the uninsured and underinsured could increase.

New research shows that a far more cost effective way to assist the uninsured, par-

ticularly uninsured children, would be to extend publicly-funded health insurance coverage to low-income parents. The Administrator's FamilyCare plan relies on this approach. At his press conference, however, the Speaker inappropriately compared his proposal to the Administration's small business health insurance tax credit. The Administration's tax credit is a very small scale proposal compared to the Hastert tax deduction. The Speaker's proposal costs \$10.9 billion a year by 2010, while the Administration's small business tax credit would cost just \$319 million over 10 years, according to JCT. The more-appropriate comparison would have been to the Administration's FamilyCare plan, which the Congressional Budget Office estimates would cost \$8.7 billion in 2010.

Available estimates show that the FamilyCare approach would result in a substantially larger number of currently uninsured people obtaining insurance coverage than would the Speaker's proposed tax deduction. This is the case despite the somewhat lower annual cost of the FamilyCare plan, when both proposals are fully in effect.

A recent report by the Council of Economic Advisers concludes that tax deductions will do little to improve tax health insurance coverage and that approaches like FamilyCare are better at targeting the uninsured.

Mr. REID. Will the Senator from Wisconsin yield for a question?

Mr. President, I would want the question to be on my time, not on his, because he has been given 30 minutes.

May I ask the Senator a question?

Mr. FEINGOLD. I yield for a question.

Mr. REID. Prior to asking a question, I personally appreciate what the Senator from Wisconsin has done on campaign finance reform. Would he think it is a fair statement to say one of the gross failures of this Congress is that we have done nothing to get the money out of politics?

Mr. FEINGOLD. Mr. President, it is just a shame that we have managed to get to the year 2000 election without having any significant action on campaign finance reform. We did take the first tiny step in the right direction on a strong bipartisan vote by doing something about disclosure by these 527 groups that were sort of a scam in the making, but we did not address the need to ban soft money which the overwhelming majority of both Houses support and the President is ready to sign. It is a glaring failure of this Congress.

Everybody else in the country knows, including those who supported the campaign of the Senator from Arizona for President on the Republican side, that soft money is a real cancer on the system. But somehow, again, the Congress is behind the people. I can't help but note, in answer to the question, that we are going to make a very important decision in the next few days on who the next President of the United States should be. The candidate of the Democratic Party, AL GORE, has pledged to make the McCain-Feingold ban on soft money the first piece of domestic legislation he will introduce, and he has pledged to work for it and sign it when Congress passes it. The candidate for the Republicans, Governor Bush, apparently is prepared to veto it.

So the tragedy, in answer to the question, of this Congress not acting is that if somehow Mr. GORE is not elected, we may finally get the 60 votes we need to break the filibuster but we will have a President who is not ready to do something about the corrosive and corrupting influence of money in politics. Of course, the Senator knows from my work on this, that I consider this to be one of the two or three greatest problems in our society. We just have to do something about the corrupting effect of money on our political and legislative system.

Mr. REID. I have a final question. It is not a complicated issue, is it? The fact is, one of the things the Senator wants to do is keep corporate money out of politics; that is, have a corporation not be able to write large corporate checks or small corporate checks; keep corporate money out of politics, as was the law early last century. Isn't that right?

Mr. FEINGOLD. Mr. President, that is absolutely right. Let me make it clear, the ban on soft money that Senator MCCAIN, I, and a majority of this body support, bans corporate contributions, union contributions, and unlimited individual contributions. It is fair and balanced.

The Senator from Nevada is absolutely right. People who might be listening to this discussion might say: Well, these kinds of contributions have always been allowed anyway. That is not true. These kinds of unlimited contributions by corporations, unions, and individuals really didn't exist for purposes of these television ads until 5, 6 years ago. This is a new corrupting influence on our system, the likes of which has not been seen since the turn of the last century. I refer to the turn from the 19th to the 20th century. In answer to the question of the Senator from Nevada, that is what led to the 1907 Tillman Act which prohibited contributions by corporations in connection with federal elections, and then, when the unions came into their prominence in the middle part of the century, the Taft-Hartley Act said unions also must be prohibited from giving contributions.

All we are trying to do is put the genie back in the bottle. Unlimited contributions have always been considered inappropriate in our system of government, and shame on this Congress that we can't see the worst corrupting influence in 100 years and that we didn't, before the turn of the century, shut it down, because it must be shut down.

I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

Mr. REID. Will the Senator yield for a unanimous consent request?

Mr. HATCH. I am happy to.

Mr. REID. I ask unanimous consent that following the remarks of the Senator from Utah, the Senator from Illinois be recognized for 15 minutes.

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

GRANTING AMNESTY TO ILLEGAL ALIENS

Mr. HATCH. Mr. President, I rise to make some points that need to be made at the end of the session.

Here we are, running right up against election time, and we are being held hostage because the President of the United States wants to grant amnesty to up to 4 million illegal aliens, people who haven't played by the rules, haven't paid the price, who literally want to jump over those who have played by the rules and who belong here—this blanket amnesty all for the purpose of politics.

In fact, I heard one of the leading Democrats say: Boy, Telemundo and all of the Hispanic newspapers are really playing this up.

Well, that might be true in the Hispanic media, but I think Hispanic people in this country want fairness above everything else. I think they know what is going on here. They know darn well they are being played, and they are being played in a vicious way.

I once again urge President Clinton not to veto the Commerce-Justice-State appropriations bill the Senate passed on Friday.

President Clinton has threatened a veto because we did not include his so-called Latino Fairness Act. But we have included something much better than his Latino Fairness Act: the Legal Immigration Family Equity Act, the LIFE Act.

This act reunites families and restores due process to those who have played by the rules. Our proposal does not pit one nationality against another, nor does it pit one race against another. Our legislation provides relief to immigrants from all countries, not just special countries. A veto of CJS would be a blow against immigrant fairness. But a veto would do far more than that.

A veto would cut off funding for some of our most important programs. The CJS appropriation allocates \$4.8 billion for the Immigration and Naturalization Service and an additional \$15.7 million for Border Patrol equipment upgrades. It provides \$3.3 billion for the FBI and \$221 million for training, equipment, and research and development programs to combat domestic terrorism. We are not playing around here. This is important stuff. I don't think it is right to be playing politics with the lives of immigrants at the end of the session just to obtain some cheap political advantage.

There is \$4.3 billion allocated for the Federal prison system in CJS. That is money we need to run the prison system and to treat people with due process. Then we have \$1.3 billion for the Drug Enforcement Administration. This is critical to our fight against illegal drugs in this country. There is \$288 million for the Violence Against Women Act. That is legislation that I have strongly supported and that provides assistance to battered women and children through a variety of different programs.

Actions have consequences. If President Clinton vetoes this bill, he is putting the public safety and well-being at risk both at home and abroad, all in an effort to play wedge politics. The President's veto threats ring hollow because this appropriations bill provides many proposals to help immigrants. The President himself has stated he wants to "keep families together and to make our immigration policies more equitable."

This is exactly what our LIFE Act that we have in the appropriations bill does. Had the White House proposed this during President Clinton's first 7 years in office, he might have been able to develop a mandate to grant amnesty to millions of undocumented aliens, aliens who have broken our laws. But no such mandate exists.

The American people need to know that the INS, the FBI, and the Border Patrol are being brought to the brink of a shutdown because President Clinton wants Congress to grant amnesty for up to 4 million illegal aliens, people who haven't played by the rules.

When we fought the H-1B legislation on the floor, many on the other side pointed out the difficulties of legal immigrant families. They pointed out that children needed to be reunited with their parents, that spouses needed to be reunited with their husbands and wives. I said I would try to do something about that.

We realized there was a problem with the late amnesty class of 1982 who qualified for residency under the 1986 Act. We said we would try to do something about that, and the LIFE Act does. The American people are a fair people. The LIFE Act will take care of 1 million people who either don't have due process or who need to be reunited with their families. It takes care of them first rather than granting amnesty to up to 4 million illegal people who haven't played by the rules, which is what the President wants to do. Fairness dictates that we not grant amnesty to millions of illegal aliens when there are 3.5 million people who have played by the rules waiting to come to the United States. The President should remember this inequitable proposal and reconsider what he wants to do here.

Let me say a couple of other things. I have even let the White House know that to determine if there are further inequities we will hold hearings right after we come back at the first of the year, and we will find out what needs to be done to restructure INS, if necessary, to make sure they treat people with more respect. We will consider these people who President Clinton would like to help. But most of them are here illegally and without further information, we think they should not be jumped above or in front of these people who aren't here legally or who have been waiting in line to be reunited with their families.

We brought both sides together in this LIFE Act and brought a variety of

different people into this. But there are some people who don't want any immigration to our country. They may live in States that are overrun with illegal immigrants; at least some of them do. Others don't seem to care about any rules, and I suspect the President is in that category. But we have brought these people together in the LIFE Act to resolve the problems that were mentioned during the H-1B debate. By gosh, I think it is time for the President to sign this bill and get about doing the Nation's business. He should quit playing wedge politics with these issues that are highly inflammable and about which he can blame people in illegitimate and wrongful ways.

I have worked very hard, along with a number of others, to bring this about in a way that is equitable, fair, and takes care of those who first need to be taken care of, with promises to hold hearings to see if there are any others who need the help and fairness that we can grant. That is the best we can do this year. That is the best we can do at the end of this session. It is the best we can do in bringing people together.

I think we have done a good job getting it done, and I hope the President will go along with our proposal so we can continue funding the INS, the Border Patrol, the FBI, training and equipment research and development programs to combat domestic terrorism, the Federal prison system, and the Drug Enforcement Administration. We must enact the CJS Appropriations into law because it funds things that are absolutely critical to this country. Moreover, it makes it possible for 1 million people to get permanent residency, people who have been waiting in line, have paid the price, and played by the rules.

This is a front-page issue in the Hispanic media, but most Americans don't know what the President is trying to do because the mainstream media is not reporting this issue. The American people need to know what is going on here. I think it is a crass approach to play wedge politics at the end of this session, holding us hostage so we can't get home and campaign and do what we need to do. Right now, I would much rather be home in Utah than here in Washington. But as long as we have to be here, I am going to make these points to try to help all immigrants, including Hispanics to receive fair treatment by the INS and by our immigration policies.

I am a cochairman of the Republican Senatorial Hispanic Task Force. I started it a number of years ago to make sure Hispanics are treated fairly and that Hispanic issues are given the attention they deserve. We have done an awful lot in this area, and I think the LIFE Act is a very good piece of legislation that will take us far down the road. Additionally, we have made a promise to hold hearings next year to see if there are any other inequities that need to be remedied. We will be glad to do that.

We have 535 Members of Congress and a wide variety of viewpoints. I think we have brought them together in a way that will work and solve some of these problems.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, I wonder if the Senator from Utah would stay on the floor for a moment. It is my understanding that, as chairman of the Senate Committee, the Senator from Utah has jurisdiction over immigration issues. I am trying to recall. In the last 2 years, the only major immigration bill that I can recall was the H-1B visa bill that we considered. Is my memory accurate on that?

Mr. HATCH. I don't think it is. We have held a number of hearings. The Subcommittee on Immigration holds hearings, which is chaired by Senator ABRAHAM and the ranking member, Senator KENNEDY. We have been trying to do an agricultural bill, H-1B, H-1A. There are a whole raft of things we have been trying to do. We have also worked consistently on the committee with the INS, the administration, and the Justice Department to resolve problems. I work on them all the time.

Mr. DURBIN. Was there a bill brought to the floor from the Subcommittee on Immigration that dealt with the larger issues that the Senator is now addressing other than H-1B during the last 2 years?

Mr. HATCH. The visa waiver bill was brought to the floor. As I understand, we have had 8 years of this administration and they haven't brought anything to the floor either, nor have they asked us to do anything here.

Mr. DURBIN. Senator HARRY REID of Nevada, Senator KENNEDY, and I have each introduced bills relative to the three elements the administration is urging and they have been pending for months now.

Frankly, I understand the good faith of the Senator from Utah, but when we literally have hundreds of thousands of people across America whose fate is hanging in the balance here on a decision to be made by the Senate and we have not seen on the Senate floor—other than the H-1B visa bill—frankly, some bills of smaller consequence, I think perhaps the Senator from Utah can understand the anxiety and concern of these families.

I deal with these families all the time, and I am sure the Senator does, too. Two out of three of my constituent cases coming into the Chicago office deal with immigration. I hear these heartbreaking stories about families that are torn apart because of some of the laws we have passed, the failure of this Congress to respond to this. And I, frankly, have urged the President to take the position he has taken—don't go home and leave these poor families out there, frankly, languishing because we failed to address three basic things. We failed to say we are going to give those refugees who

have come to this country and have faced the same kind of political persecution as refugees from Nicaragua and Cuba—we believe they should receive equal and fair treatment. I don't think that is a radical idea. Secondly, 245(i) says if you are going to get a chance to finally get your green card and become a naturalized citizen, go through the process, we think it is an unreasonable hardship to force you to go back to your country of origin and apply for a visa, which is an economic hardship and, in many cases, a danger that families should not go through.

I can't imagine why that is a radical idea. The idea of updating the registry in this country that we have used to affect immigrants has been updated regularly since 1929. We are not bringing a radical notion to the Senate. In fact, we are following the tradition of Democratic and Republican administrations, and we have not had a bill come to the floor.

We have hundreds of thousands of people whose lives hang in the balance. Frankly, I can understand the position of the President, and I agree with him. I am sorry we have not had hearings on this issue nor brought it to the floor; but to say that it is something we might look at next year is cold comfort to these people who, frankly, face the fear of being extradited or somehow removed from this country in a situation that could be a great hardship to their families.

I say to the Senator from Utah, there is another side to the story. I deal with it every day in my Chicago office and all across Illinois.

Mr. HATCH. If the Senator will allow me to respond, yes, there is another side of the story. I work on it all the time. A high percentage of people who come to my office have immigration problems. I work very hard to try to resolve them. But for 7½ years the administration has not raised this. We have had hearings on restructuring INS and straightening out some of the problems. But for 7½ years, the INS has fought against the 1982 people who we resolved in this bill called the LIFE Act that is in this bill.

The Clinton administration INS has fought the 1982 class' efforts to get due process every year since I have been here. It is one of the things that I wanted resolved, we have resolved it with the LIFE Act.

With regard to 245(i), I would like to do more, to be honest with you. But that is a minor problem compared to bringing in before them people who basically are illegal and who haven't played by the rules.

Mr. DURBIN. May I ask the Senator—

Mr. HATCH. If you would let me finish my thought.

Mr. DURBIN. I want to ask you a question specifically on that point.

Mr. HATCH. Here is the problem. This was never faced by the administration until the spring of last year.

Mr. DURBIN. I have to say to the Senator that I sent a letter along with

Senator KENNEDY and Senator REID asking, I think almost a year ago, for this matter to be considered.

Mr. HATCH. You may have done that. The administration has fought us on these issues, and frankly—

Mr. DURBIN. The administration supports our position.

Mr. HATCH. They do now and they didn't then. They support it now for crass political purposes.

Let me say one other thing. The Senator has been on the Judiciary Committee. He knows these are hot-button issues, and hot-button issues are very difficult issues to handle. He knows I want to solve these problems. But he also knows that there is a wide disparity of belief in both bodies, and it is almost impossible to bring everybody together and solve every problem, just like that. We have done our best.

Mr. DURBIN. We have not had a vote on this floor on this, have we?

Mr. HATCH. We have on the LIFE Act. It is part of the bill.

Mr. DURBIN. In terms of what we have proposed—the three bills we have proposed—I don't believe we have had a vote on the floor on them.

Mr. HATCH. I don't think we have.

Mr. DURBIN. There are a number of people who have criticized Congress because we can't act in a bipartisan fashion. Frankly, we don't get a chance to act, if we can't bring a bill to the floor—and if we can't have amendments and if we can't have debates and votes.

Mr. HATCH. One reason why it is difficult to do so is because of the wide disparity of different beliefs, and if one House or the other won't let it come to the floor.

Mr. DURBIN. If the only matters that we can consider are matter of consensus, what in the world has this Chamber turned into? Why are we afraid of debate and amendments?

Mr. HATCH. That is not my point. In this climate, any single Senator can stop anything. In the House of Representatives, any block of Members can stop anything. These are hot-button issues, and I think it is pretty amazing what we have been able to get done.

Mr. DURBIN. Let me reclaim my time.

Mr. HATCH. Can I make one last comment with the indulgence of my friend?

Mr. DURBIN. I am happy to yield.

Mr. HATCH. President Clinton properly signed the 1996 immigration bill. But now weeks before election day he seeks to turn the 1996 act on its head.

I, too, want to help constituents. But putting several million people who violated the immigration laws ahead of the line of the 3.5 million people who are legitimately waiting and have waited for years to come here legally, it seems to me, is wrong.

Mr. DURBIN. I was happy to yield to the Senator from Utah.

Mr. HATCH. Especially under these circumstances.

Mr. DURBIN. But I certainly want to add a few things.

Mr. HATCH. I yield the floor.

Mr. DURBIN. Mr. President, this image is being created under this immigration act that we are talking about people who managed to sneak into the United States illegally and who have lived their lives in violation of the law and are now trying to sneak into citizenship. There are people like that, I am sure, but they are an extremely small minority.

The vast majority of people we are concerned about are people such as Sarah. Sarah is a 19-year-old girl in southern California. She was born in Mexico and adopted at the age of 4. English is her primary language. She lives at home with her family. She is adored by her parents and her five older siblings. She is also an illegal immigrant. Why is she an illegal immigrant? It turns out that Sarah's parents made a crucial mistake at the time of adoption. They didn't apply for citizenship. The family wrongly assumed that she automatically became a citizen when they completed the formal adoption procedures in the California courtroom. No one told them they had to file separately for citizenship. It was only last year when they decided to take a trip to Mexico and asked for a passport that they realized Sarah is here illegally.

Is this someone who managed to sneak across the border and is living in violation of the law?

There are thousands of Sarahs who are, frankly, looking for relief in Congress and who can make a contribution to the United States.

But the fact that we have not brought a serious immigration bill—but for one H-1B visa bill—before Congress is the reason this President has put his foot down and said: Congress, don't go home until you address this problem.

There are people such as Sarah across America who deserve fair treatment. Frankly, they have been ignored.

I count the Senator from Utah as my friend. But I have to say that the Senate Judiciary Committee has not taken up this issue. They have ignored it. He identified the reason: It is controversial.

When you talk about immigrants, there are a lot of people who say I know how to exploit that issue. Let me tell you something. I know that is the case in my home State of Illinois. But I happen to be the son of an immigrant. I am very proud of the fact that I serve in this Senate as the son of immigrants. And many of us in this country look to our parents and grandparents as immigrants with great pride.

We should look at immigration fairly and honestly and in a legal way. You can't do it if you run away from a debate on immigration law the way we have in the Senate for the last two years.

President Clinton, hold your ground. For those across America who are waiting for us to do the fair and right and equitable thing for immigrants,

hold your ground. Insist that this Senate, before it goes home, and this Congress, before it leaves to go back to campaign, are fair to those across America who are looking to be treated equitably and justly under our immigration system.

I am responding, of course, to what the Senator from Utah raised as an issue. It wasn't the reason I came to the floor, but I feel passionately about it.

Senator KENNEDY, Senator REID, and myself are the three major sponsors of the measure on which President Clinton is insisting. They can add, I am sure, during the course of this debate their strong feelings as well.

CHOOSING A PRESIDENT

Mr. DURBIN. Mr. President, in just a few days the American people get to make one of the most important decisions that we are ever called on to make, and that is to choose a leader for our country. It appears from all of the polls that the American people just can't decide. The polls go up and down every single week. You see one candidate ahead one week and another candidate ahead the next. Frankly, the verdict of public opinion will be rendered on November 7, and we will decide the leader for the next 4 years.

Many of us believe this is a decision of importance way beyond 4 years. We think the next President is going to chart a course for many years to come.

We have to make a very basic decision.

Frankly, if you believe that the Presidency is an easy responsibility, and if you believe that America will run forward in a positive way on automatic pilot, then I think, frankly, you might be inclined to vote for Governor Bush because he has spoken in very general terms about what he thinks about America. He has made specific proposals, which are fairly radical departures from what we have been, and he says everything is going to be fine; in fact, it will be better.

Many of us, though, can remember something that perhaps Governor Bush never experienced. He was not a Governor in Texas during the period of time when we dealt with the worst deficits in the history of the United States in Washington. Under Presidents Reagan and Bush, we dealt with deficits that were crippling to this American economy. I saw it in my home State of Illinois with high unemployment and high inflation. People weren't building homes and weren't starting businesses. It was a very bad time. We were in a recession. We paid a bitter price for it—families and businesses across America. Thank goodness, in 1993, we turned a corner and started moving forward. Some of the things that have happened since are absolutely historic.

If you take a look, since March 1991—which goes back to the Bush Presidency for a few months—we have had

115 months of straight economic expansion, the longest in the history of the United States.

Governor Bush may not remember what it was like back in the old days when we would get 12 months or so of economic expansion. But that is what America truly was like.

Look at what happened to the inflation rate during that same period of time.

In 1980, the inflation rate was over 12 percent. Then it went down at the end of the administration of Jimmy Carter. Of course, it went down and it stayed down. But we have kept the inflation rate at the lowest sustained level since 1965.

These things don't happen easily or automatically. Those who think Governor Bush can come to it with little or no experience and keep it going have to answer some questions. Will he be able to do as we have done in the last 8 years—create 22 million new jobs? His father created 2½ million jobs during his 4 years; President Reagan, 16 million during his 8 years. Twenty-two million is a record, and it is a record of which we are proud. It means people have a chance.

But we can see Presidents who came on board such as former President Bush who really didn't have good luck when it came to job creation and getting people back to work.

Take a look at Federal spending.

The Republicans criticize Democrats as big spenders. Look what has happened to Federal spending as a percentage of our gross domestic product. It has gone to one of the lowest levels since 1966. We have seen Federal spending heading down and we are being criticized for being big spenders. The fact is, we have not been. Just the opposite is true: For the people often left behind, the lowest poverty rate in 20 years; African Americans and Hispanic Americans with the highest employment rates in modern memory; improvement in education scores, an indication that everybody gets a chance to improve in this country.

The overall surplus we have seen generated is the largest in our history: \$237 billion under the Clinton-Gore administration. Look at the red ink under Presidents Reagan and Bush in the early years of Clinton-Gore and how we turned the corner. There are those who think that will continue, but it isn't true. If we go the wrong way on critical decisions, we will pay the price.

The American Academy of Actuaries came out with their report last week. They took a look at Governor Bush's proposal for Social Security and they said we would return to Federal budget deficits around 2015 under George W. Bush's proposal. This group, which is nonpartisan, and is supposed to know basically more than most of us when it comes to accounting and actuary practice, concluded that Governor Bush's plan to cut taxes and divert Social Security payroll tax for individual accounts would make it all but impos-

sible to eliminate the publicly held national debt.

There is the choice, America. A choice for the next 4 years is whether we will continue to make sure that we invest in America, keep the economy moving forward, use fiscal discipline and fiscal conservatism, if you will, to make sure we pay down the national debt. I don't believe, nor does Vice President GORE, for that matter, that we should risk the Social Security system by taking \$1 trillion out of it, something that Governor Bush couldn't even explain in the last debate. How do you take \$1 trillion out of Social Security and then go ahead and spend the \$1 trillion, except at the expense of Social Security recipients? Are you going to cut the benefits? Are you going to increase their payroll taxes? Are you going to change the retirement age?

All of these things are options that none of us want to face. If you take an approach, and he suggested you may have no other alternative, you may find yourselves battling away at a stock market which looks a lot like the roller coaster at Coney Island in Senator MOYNIHAN's home State.

The PRESIDING OFFICER (Ms. COLLINS). The time of the Senator is expired.

The Senator from Nevada.

Mr. REID. I ask unanimous consent that the Senator from Massachusetts, Mr. KENNEDY, be recognized for 30 minutes.

The PRESIDING OFFICER. The Senator from Massachusetts.

WORK OF THE SENATE

Mr. KENNEDY. Madam President, I thank the Senator from Nevada. I commend my friend and colleague, the Senator from Illinois, in raising these issues. I commend him because he has presented the facts to the Senate.

We never had an opportunity to vote on the 1996 Immigration Act. To represent that we did is not stating clearly the facts. That was wrapped into a conference report on an entirely different appropriation, which was a take-it-or-leave-it, after the legislation passed, I believe, 97-3, with strong bipartisan support, and it was after days of hearing in the Senate that the Republicans took that and added these provisions, some provisions which the Senator has mentioned.

This figure of 4 million is a traditional way of distorting and misrepresenting a position, and then disagreeing with it. That is poppycock. It is red herring. The Senator from Utah ought to know better than that because that is completely inaccurate.

I can understand the frustration that many feel about this issue, and I commend the President for attempting to try and deal with it.

When we had this Latino Fairness Act, two prominent Republicans, the Senator from Florida and the chairman of the immigration committee, made

statements in favor of the position outlined by the Senator from Illinois. They were prepared. They understood that there may have been differences here, but they spoke to it.

The President is in a commendable position. I thank him for his leadership in this. I again thank the Senator from Illinois for bringing this matter to the attention of the Senate. I am very hopeful that we will stay the course on this until we get some action on this, another proposal that has a moratorium on the deportation of individuals, which has been passed through the House on the suspension calendar which addresses one of the regrettable aspects of the 1996 act. That has the bipartisan support of Chairman HYDE of the Judiciary Committee, and LAMAR SMITH from the immigration committee, which virtually passed unanimously in the House. I am hopeful we will pass that, as well.

Halloween is here. I am watching the clock that is over the Senate right now. It has not been corrected. I don't know whether the goblins are out here, as well, but Halloween is here. While the Nation observes this occasion only once a year, for this Republican Congress, every day is Halloween. This is the Halloween Congress: lavishing treats on the wealthy and cruel tricks on average families.

If he is elected, Governor Bush will borrow the idea and have a year-round Halloween White House in which powerful special interests hold sway and working families are left out and left behind. He said no to working families in Texas and he wants to say no to average Americans for 4 more years this time from 1600 Pennsylvania Avenue. He wants to say no to Social Security, no to Medicare, no to a fair prescription drug benefit for senior citizens, no to the Patients' Bill of Rights, no to improving the public schools, no to health care for uninsured children, no to fair tax cuts for average families, no to fighting hate crimes, no to fairness for lawful immigrants, no to gun safety laws.

There is no clearer example of how our Republican friends have kowtowed to powerful special interests than the tax bill before the Senate. Rather than meet the urgent priorities of the American people, Republicans have spent the past 2 weeks huddled behind closed doors to produce a quarter-trillion-dollar tax package tilted overwhelmingly toward the powerful and not toward the average families.

In fact, the top 5 percent of taxpayers will receive a greater share of the tax breaks under this Republican tax scheme than the bottom 80 percent of all taxpayers combined. There is little to distinguish this plan from the previous discredited proposals by the Republican leadership in Congress and by George W. Bush. In many ways the items in this package are even more cynical.

The Republicans know that millions of Americans are deeply concerned

about the lack of health insurance for low- and middle-income families. So this bill lowers the cost of health insurance for wealthier people who are already insured. Madam President, 95 percent of the people who will benefit under this bill in terms of the health insurance benefits are individuals who are already insured, not any expansion for those who have no health insurance today.

Republicans know that millions of Americans are concerned about saving enough for retirement, so this bill fattens the pension opportunities available to the highest level corporate executives. Republicans know that millions of children and working families are having trouble feeding their families even in this time of prosperity. So this bill increases the tax breaks that corporations can claim for three-martini lunches, dinners, and other entertainment.

Republicans know that millions of families struggle to care for elderly or disabled family members at home, so their tax bill lowers the cost of luxury nursing facilities for wealthy families.

Millions of low-wage workers are depending on Congress to raise the minimum wage this year before we adjourn. But Republicans seem to care so little about the minimum wage that they have repealed it for 6 months of next year in their tax bill. It was, apparently, an inadvertent mistake, or perhaps a Freudian slip. But if they had worked with Democrats and shown us the provision, we could have prevented such an embarrassing mistake. An increase in the minimum wage may be an afterthought for the Republican leadership, but it means food on the table and clothes for the children for the 12 million workers who benefit. To eliminate the minimum wage, even for 6 months, would be a disaster for these families.

Here we are in the final hours of this Congress and still we have been denied the opportunity to even vote whether this body thinks we should vote for a 50-cent increase in the minimum wage today—which is now \$5.15 an hour—and 50 cents next year, at the time we have the greatest economic expansion in the history of this country.

On the other hand, under Republican leadership the Congress raised its salary by \$4,800 last year and again by \$3,600 this year. Congress made sure nothing got in the way. Congressional pay was not eliminated for 6 months. Congress did not say Congressional salaries would be increased only if accompanied by \$100 billion in tax breaks. Isn't that interesting? Our Republican leaders have told us yes, you can have raises, rather than the people who are going to be affected by an increase in the minimum wage if we have \$73 billion in tax breaks. We did not have that kind of requirement when we increased our own benefits, but evidently for the hardest working families, many of those who have two or three jobs to try to make ends meet, that is the block that is put in front of them.

Madam President, 535 Senators and Representatives received a raise without a hitch. The 12 million Americans who would receive a raise in the minimum wage deserve the same. It is a children's issue, a families issue, a civil rights issue.

I hope this Republican Congress will act to pass the minimum wage before adjourning this year.

Mr. REID. Will the Senator yield for a question?

Mr. KENNEDY. Yes, I will be happy to.

Mr. REID. Isn't it true, all over this country there are State and minimum wage laws that are much higher than \$5.15 an hour? It is not as if Congress is breaking some new ground. The fact is, in several States they have a higher minimum wage than we are trying to advocate; is that not true?

Mr. KENNEDY. The Senator is correct. In a number of communities we have living wage regions, in many of the major cities of this country, which have been successful. But there are those, including Governor Bush, whose position is to say the States ought to be able to opt out on the minimum wage. When you realize the minimum wage in the State of Texas is \$3.35 an hour, when we have seen the prosperity which is across this country, that raises serious questions about the real interest in any working families.

I want to take the time remaining to talk about two public policy areas, first on education and then on health care. If Governor Bush's record in Texas is any indication, average Americans, who work day after day to make ends meet, will be an afterthought in a Bush administration.

The Republican Congress says he has the answers to education. He calls his record in Texas an education miracle. But if you look at the record, it is more of an education mirage than an education miracle. Under Governor Bush, in 1998, according to the National Center for Education Statistics, Texas ranks 45th in the Nation in high school completion rates; 71 percent of high school dropouts in Texas are minorities; Hispanic students in Texas drop out at more than twice the rate of white students in the State. So if education is the biggest civil rights issue in America, as Governor Bush proclaimed at the Presidential debates, he flunked the test in Texas.

Last August, the College Boards reported that nationally, from 1997 to the year 2000, SAT scores have increased. But in Texas, they have decreased. In 1997, Texas was 21 points below the SAT national average. By 2000, the gap had grown by 26 points.

Then, last Thursday, Governor Bush heard more bad news. The Rand Corporation released an education bombshell that raises serious questions about the validity of gains in student achievements in Texas claimed by the Governor. The Rand bombshell was all the more embarrassing because in August Governor Bush said:

Our State has done the best, not measured by us, but measured by the Rand Corporation who take an objective look at how States are doing when it comes to education.

Those are the Governor's words. Clearly, at that time Governor Bush trusted the conclusions made by the Rand Corporation because he was referring to a Rand report that looks at scores in Texas from 1990 to 1996. In fact, Senator HUTCHISON cited those findings on the floor of the Senate on Thursday.

But most of the years covered by the earlier Rand report were before Bush became Governor. The new Rand report released earlier this week analyzes the scores from 1994 to 1998, when George W. Bush was the Governor. The achievement gap in Texas is not closing, it is widening. What is the Governor's solution? Test, test, tests and more tests.

In August, Governor Bush said:

Without comprehensive regular testing, without knowing if children are really learning, accountability is a myth and standards are just slogans.

We all know tests are an important indication of student achievement, but the Rand study questions the validity of the Texas State test because Governor Bush's education program was teaching to the test instead of genuinely helping children to learn.

These are the results. We find out the objective standards, whether we take it from the Rand Corporation or the National Center for Education Statistics. When it was favorable to Texas, it was quoted ad infinitum by strong supporters of the Governor. But, those successes applied to the education policies that were developed prior to the time the Governor became Governor.

If we want a true solution to improving education, we should look at the success of States such as North Carolina, which is improving education the right way: Investing in schools, improving teacher quality, expanding afterschool programs—all in order to produce better results for students. The Bush plan mandates more tests for children, but it does nothing to ensure that schools actually improve and children actually learn.

We know immediate help for low-performing schools is essential. We know we can turn around failing schools when the Federal Government, States, parents, and local schools work together as partners to provide the needed investments.

In North Carolina, low-performing schools are given technical assistance from special State teams who provide targeted support to turn around low-performing schools. In the 1997-1998 school year, 15 North Carolina schools received intensive help from these State-assisted teams. In August 1998, the State reported most of these schools achieved exemplary growth and not one school remained in the low-performing category. Last year, 11 North Carolina schools received similar help; 9 met or exceeded their targets.

That is the kind of aid to education that works—not just tests, but realistic action to bring about realistic change for students' education. And, correspondingly, the test scores for the students in North Carolina have risen 10 points above the national average during this period.

The Democratic proposal to reauthorize the Elementary and Secondary Education Act incorporate the proven approaches that have demonstrated better results for children. But the Republican leadership has blocked any opportunity to debate education. The Elementary and Secondary Education Act, for the first time in 35 years, will not be acted on by Congress.

The Vice President, AL GORE, supports programs to improve public schools which have been proven effective. The best example we have is North Carolina. Those programs are tried and tested and demonstrated to be successful. That is what we believe ought to be done in the future for public education in this country. Yet those programs that have been tried and tested in the State of Texas are not improving education for children. Education is a prime issue for families, and we ought to look at the results. When you look at them carefully, you have to realize that what has been outlined as an educational miracle by the Governor just does not measure up—it's just an education mirage.

Instead of taking steps that will work, Governor Bush abandons the low-performing schools. He proposes a private school voucher plan that drains needed resources from troubled schools and traps low-income children in them. In the Vietnam war, it was said we had to destroy some villages in order to save them. That is what Governor Bush has in store for failing schools: a Vietnam war strategy that will destroy them instead of save them.

Parents want smaller class sizes where teachers can maintain order and give one-to-one attention students need to learn. Parents want a qualified teacher in every classroom in America. Parents want modern schools that are safe learning environments for their children. GAO found that \$112 billion was necessary for our schools to meet health and safety standards and environmental standards, to make critical repairs, and to ensure they are wired for modern technologies. That is why we want strong support for our school modernization and construction program that the Republican leadership has consistently opposed.

Here we are 4 weeks into the next fiscal year. Republicans have said that education is their top priority, but instead, they have made education their last priority.

Parents and students alike want an increase in Pell grants to help young people afford the college education they need to compete in the new economy.

The vast majority of Americans want us to address these challenges, and AL

GORE and the Democrats in Congress will do just that. We will continue to fight hard for education priorities that parents and local schools are demanding.

There is much good news about education across the nation. More students are taking the SATs so they can gain entrance into college. We see these numbers going up every year.

More and more students are taking advanced math and science classes in precalculus, calculus, and physics. We know there are schools in some parts of the country where the children cannot even read and write an essay. We ought to be doing something about it. The Republicans condemn those schools, but they have no plan to improve them.

Finally, the SAT math scores are the highest in 30 years. The SATs are taken by young people who want to go on to college. Those who are taking math now—many of the children who are taking the advanced courses are going to do better. That is what we want, isn't it? We want all these indicators to go in the right direction—better results for children.

As we come into these final weeks, parents ought to look at the Members of Congress, the Members of the Senate, and the Presidential candidates and where they stand on education. Democrats and AL GORE stand for an investment in children that will produce better results: smaller class sizes, a qualified teacher in every classroom in America in 4 years, a strong downpayment on meeting the nation's school modernization and construction needs, more afterschool programs to keep children safe and out of trouble and give them extra time for learning, too.

We should support these policies to improve public schools, and we should oppose policies by the Republican leadership and Governor Bush to abandon public schools. The nation's children deserve no less.

HEALTH CARE

Mr. KENNEDY. Madam President, few issues are of greater concern to American families than quality, affordable health care. Americans want an end to HMO abuses. They want good health insurance coverage. They want a prescription drug benefit for senior citizens under Medicare. They want to preserve and strengthen Medicare, so that Medicare will be there for both today's senior citizens and tomorrow's senior citizens. And they want these priorities not only for themselves and their loved ones but for every American, because they know that good health care should be a basic right for all.

The choice in this election is clear on health care—and it is not just a choice between different programs. It is also a choice based on who can be trusted to do the right thing for the American people. AL GORE's record and his pro-

posals are clear. He has been deeply involved in health care throughout his career. The current administration has made significant progress in improving health care in a variety of ways—from expanding health insurance for children to protecting Medicare for seniors. He has consistently stood for patients and against powerful special interests.

AL GORE has laid out a constructive program that is consistent with his solid record. He is for expanding insurance coverage to all Americans, starting with children and their parents. He is for a strong Patients' Bill of Rights to end abuses by HMOs. He has a sensible plan for adding prescription drug coverage to Medicare. He will fight to preserve Medicare, without unacceptable changes designed to undermine Medicare and force senior citizens into HMOs and private insurance plans.

George W. Bush's approach is very different. His proposals are deeply flawed. But even worse than the specifics of his proposals is his failure to come clean with the American people about his record in Texas or about his own proposals.

On health care, George Bush doesn't just have a credibility gap. He has a credibility chasm.

He has consistently stood with the powerful against the people. He refuses to take on the drug companies—or the insurance companies—or the HMOs. His budget plan puts tax cuts for the wealthy ahead of every other priority, and leaves no room for needed investments in American families. On health care, his values are not the values of the American people.

On the issue of the Patients' Bill of Rights, George Bush said in the third debate that he supports a national Patients' Bill of Rights. He said he wanted all people covered. He said that he was in favor of a patient's right to sue, as provided under Texas law. He said he brought Republicans and Democrats together in the State of Texas to pass a Patients' Bill of Rights.

That's what he said, but it is not true. Governor Bush knows his record on health care can't stand the light of day. So on national TV, he patently deceived the American people about his record, hoping no one would notice, or else hoping people would give him a pass because he didn't know any better and simply spouted what his spin doctors had given him.

But the truth has a way of coming to the surface. Here is what he did on the Patients' Bill of Rights.

He vetoed the first Patients' Bill of Rights passed in Texas. He fought to make the second bill as narrow and limited as possible. He was so opposed to the provision allowing patients to sue their HMOs that he refused to sign the final bill, allowing it to become law without his signature. That is not a record that recommends him for national office to any citizen concerned about a strong, effective Patients' Bill

of Rights. It is the record of a candidate who stands with powerful insurance companies and HMOs, not with American families, and he isn't honest about his record.

On Thursday, Senator HUTCHISON stated that the only reason Governor Bush vetoed the first bill and let the right to sue under the second bill become law without his signature was because there was disagreement on how high the caps on pain and suffering would be. I regret that my colleague has been misled. The fact is that there was no provision for lawsuits in the first Patients' Bill of Rights bill vetoed by the Governor. Let me reiterate—there was no provision for lawsuits at all in the first bill. Yet the Governor vetoed it.

In the second bill, there was also no issue about the caps on pain and suffering. Texas already had caps on pain and suffering under its general tort law, and everyone assumed that those caps would apply to lawsuits against HMOs. There was never any discussion of this issue. The fact is that Governor Bush, despite what he says today, simply does not believe that health plans should be held accountable. That is why he refused to sign the law allowing suits against HMOs. Once again, he has distorted his record in Texas—and both the record and the distortions call into serious question where he would stand as President.

Governor Bush is quick to challenge the integrity of others. But on this issue, his integrity is on the line as well. "Distort, dissemble, and deny" on an issue as important as this is not a qualification for the next President of the United States.

On health insurance, the record is equally clear—and equally bleak. Governor Bush claims he wants insurance for all Americans. He blames Vice President GORE for the growth in the number of the uninsured. But Governor Bush's record in Texas is one of the worst in the country. Texas has the second highest proportion of uninsured Americans in the country. It has the second highest proportion of uninsured children in the country. Yet, Governor Bush has not only done nothing to address this problem, he has actually fought against solutions. In Texas, he placed a higher priority on large new tax breaks for the oil industry, instead of good health care for children and their families.

When Congress passed the Child Health Insurance Program in 1997, we put affordable health insurance for children within reach of every moderate- and low-income working family in America. Yet George Bush's Texas was one of the last States in the country to fully implement the law. Despite the serious health problems faced by children in Texas, Governor Bush actually fought to keep eligibility as narrow as possible.

The PRESIDING OFFICER. The Senator's 30 minutes have expired.

Mr. KENNEDY. Madam President, I yield the floor.

Mr. SESSIONS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Madam President, I ask unanimous consent to be able to speak for 15 minutes in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator has that right.

ORDER OF BUSINESS

Mr. SESSIONS. I also note, on behalf of the majority leader, that it appears that the House of Representatives will not send the continuing resolution over until 7:30 p.m. or later, so we will continue, I suppose, in morning business.

SETTING THE RECORD STRAIGHT

Mr. SESSIONS. Madam President, I would like to say a number of things. First of all, there is no reason for us to be here today on Sunday. It is not necessary. No good purpose is occurring. We had weeks of debate on the Patients' Bill of Rights. The Senator from Massachusetts is repeating those arguments. We had weeks of debate on education, of which I was a part.

Now we come back, at the very end, and we are going to have a rehash of all of that. The President is going to hold up this legislation needed to operate this Government. He asks that the Congress come back on a daily basis—even on Sunday—to debate it. Somehow he thinks maybe through this political mechanism he can change a dynamic that is taking place in the American public. They are beginning to make a decision that, in my view, the White House is not happy about, and they are desperate to try to change that dynamic, to change that trend, and to try to create a disturbance on the floor of this Congress about matters we have been talking about all year, that should not be coming up now.

There is no need for us to be here today. But we are here. I will be here every day that we need to be here. I will be here until Christmas. I will be here, Lord willing, after this President leaves office. And we will be talking about these issues.

It is important that we do the right thing, that we not just be stampeded and pushed around and be worried about elections so we are afraid to vote because the President is out here saying ugly things about us if we don't do what he says. It is our duty to do the right thing. We have been considering these issues for months. We have been debating them for months. That is all we are about here today, to do the right thing.

I hope the leaders on this side of the aisle do not do things just to get out of here. I am willing to stay, and other people I know are willing to stay, if need be, to debate and work toward a reasonable compromise, or to stand firm, if need be, on the issues that are important to America.

I know the Senator from Massachusetts discussed the patients' bill of rights that Governor Bush allowed to become law in Texas. That bill did have the right to sue in it. It was a big part of our debate in the HELP Committee—the Health, Education, Labor, and Pensions Committee—of which I am a member and of which the Senator from Massachusetts is a member.

As I recall, several months ago, the Democrats were all touting this Texas bill because it has the right to sue in it, beyond what I think ought to be made a part of a health care reform bill.

The Patients' Bill of Rights that came out of this Senate was debated. Amendments were offered on this floor. And they lost. The bill that came out of this Senate—and that is in debate in conference today—what does it do?

When we talk about the right to sue, we are not talking about a doctor who might cut off the wrong leg and that you can't sue that doctor. It simply is, if an insurance company says this procedure—for example, maybe it is a cosmetic procedure and is not covered in your insurance policy, so they cannot pay for it; and the patient says: Yes. I think you should pay for it. So they want to have suits for punitive damages that go for years.

So what was created in this legislation was a mechanism for every patient to have certain rights to get a prompt and full determination of what is just, and get their coverage if they are entitled to it.

The way it would work would be that a physician could call and talk to an insurance company physician, an expert. If they do not agree that this was covered, they then could appeal to an out-of-the-insurance company expert or arbitrator approved by HCFA, the Health Care Financing Administration—the Federal Government—President Clinton's HCFA. They could then appeal and get an objective ruling on whether or not this was covered. Then there are certain litigation rights that continue to exist, in any case.

But what I am hearing is, business companies that are providing insurance to their employees are saying: This costs us a lot of money. We are doing it for our employees. But if you are going to have us sued, Congress, we will just get out of the business of insuring our employees. We will just give our employees a certain amount of money and they can buy insurance or not buy insurance. It will not be our problem if they do not buy it. Tough luck. We have been doing this, but we are not going to be in the position that we are going to be sued.

That was a big deal in this very Congress. And the law in Texas is more generous on lawsuits than the one we approved in this Senate.

Senator KENNEDY wanted wide-open lawsuits. He supported that aggressively, but he lost. He did not win that issue. It is not the will of this Senate. We ought not to be worrying about this

at this point in time, this late in the day, when we need to approve legislation to fund this Government.

The Senator from Massachusetts also came to the floor to talk about education. Yes, it is a top priority. We are increasing funding for education. I am on the education committee. We discussed that. In the last 2 years this Congress has spent more money on education than President Clinton asked for. We increased his request for education money. We spent more than he asked for.

But what was the debate? It went on an extended period of time right here. The debate was: Who is going to direct how it all gets spent? Were we going to trust the men and women who run our schools, the men and women who have been elected in each one of our communities to be on the school board? Are we going to trust them to spend more of this Federal money or are we going to continue to micromanage education dollars from Washington?

I have been in 20 schools this year. I have met with principals, teachers, and students in each of these schools. I always set a time to meet with the principals and teachers, and usually school board members drop in, and I ask them what their problems are.

I say: The Federal Government gives about 7 percent of the cost of education in America; 93 percent comes from State and local governments. I ask: Based on the regulations and paperwork, the interruption in your ability to discipline in the schools caused by Federal regulation, which would you prefer—the Federal Government take its 7 percent and leave, take away the paperwork and the rules and regulations, or get the 7 percent?

The answer: Take your money and go.

These are teachers who have given their lives to education. They are passionate about this. They don't want a Federal bureaucracy in Washington running their schools. What they would like is as much money as we can get to them. And we are increasing funding for State education well above the inflation rate, two or three times the inflation rate above what President Clinton has asked for. We tried to pass a new Elementary and Secondary Education Act, which is up for reauthorization this year. We had to stop considering it basically because of a filibuster from the other side. We voted. We had amendments. We went on for over 2 weeks debating the issue.

The other side was losing that debate. They were losing the votes. But if you don't have over 60 votes here, you can't shut off debate. The majority leader urged them to agree to a time limit. He said we can have many more amendments, and let's vote on them and bring this bill to conclusion. But they would not because, in fact, they had a filibuster going on. They did not want to change this old educational system that is run by bureaucracies 10 feet deep, people who have lost sight of

what education is all about. All they want to do is make sure their accounting is right in every school system in America.

There are over 700 Federal education programs in this country. The other side keeps arguing that we can't get rid of them. No, we can't consolidate them. No, we can't trust the people in our communities we elect to run our schools. No, they are not to be trusted. We have to tell them what to do. One Senator on this floor said: They may spend the money on swimming pools. Who knows best how to educate children—professional educators, teachers who have given their lives to it, principals who are dedicated to it, or some Senator here who has thousands of issues that come before them, everything from Medicare, Social Security, the attack on the U.S.S. *Cole*, all those issues? We don't know education. Neither does AL GORE know education.

I will tell you who has been wrestling with education for six years, and that is the Governor of Texas. Governors are involved in education. When he talks about education, he talks about it with a deep and abiding passion because he understands it. He has been in schools all over Texas. He is hearing the same things I have heard in the 20 schools I have been in around Alabama this year: that the Federal Government is not an aid, is not helping us, it is hurting us.

We have Federal regulations that keep children in classrooms who are a threat to the teacher and the students, and they cannot be removed because of Federal rules. We have paperwork that is driving them crazy. They can't spend the money on what they need to spend it on. They have to spend it only on what this Government and its 700 education programs say to spend it on.

So we tried to fix that. We couldn't do it because of the President and the filibuster that went on here. If we elect the Governor of Texas, who has managed education, as Governors do, who ran on education, got elected on education, and was elected with a 69-percent vote for reelection on education, we are going to get some changes.

The bureaucrats in Washington, the special interest crowd in Washington, the group that tries to turn out votes in elections, those people are not going to be happy. But teachers, principals, parents, and school board members are going to be happy because it is time for a change. It is time to break this Washington stranglehold on education. We give less than 10 percent of the money for education, but we micromanage how it is all spent. It is not acceptable, and we must stop it.

EXTENSION OF MORNING BUSINESS

Mr. SESSIONS. Madam President, I ask unanimous consent that morning business be extended with Senators permitted to speak for up to 10 minutes each until 7:30 p.m.

Mr. REID. Reserving the right to object, will the time from now until 7:30 be equally divided? I think the Republicans may have extra minutes remaining from the earlier hour. Could the Chair tell us how much time the Republicans have used?

The PRESIDING OFFICER. On the Republican side, there is approximately 10 minutes remaining; on the Democratic side, there is 1 minute remaining.

Mr. REID. I ask that the Chair take that into consideration in dividing up the next approximately 55 minutes.

The PRESIDING OFFICER. Is there objection to the time being equally divided between the parties?

Mrs. HUTCHISON. I object.

The PRESIDING OFFICER. Objection is heard.

Mrs. HUTCHISON. The time that has been allocated, the 10 minutes to the majority and 1 minute to the minority, should go forward, after which it would be equally divided.

Mr. REID. That is what I said.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. SESSIONS. Madam President, to conclude on this education matter, this Congress has been responsible. It has increased funding for education well above the inflation rate. It has increased funding for education the last 2 years that I have been on the education committee. I know for a fact, above what the President asked for.

We believe that money ought to be sent down to the States. It ought to be sent to them, and they ought to be challenged to develop, as Texas did, a plan of excellence. That ought to be ultimately determined by good, sound testing that that State adopts so it can tell whether learning is occurring.

There are schools in this country, unfortunately, where learning is not occurring. They are dysfunctional schools. We do not need to keep putting money in those kinds of circumstances. Good quality testing can tell whether learning is occurring. We ought to allow the men and women whom you and I elect in our hometowns all over America to decide how to run that fundamentally.

Yes, we will want to have controls on it, certain rules and regulations, but fundamentally we need to have a different mindset. We need to have a mindset that says to the educators, the people who are in our classroom, that we trust you, we are trying to help you, not make your life more troublesome, not giving you more headaches and paperwork; we want to help you teach our children, to help create more magic moments in that classroom where learning occurs.

There are good schools in Alabama and all over America. I have been in those schools. I had the honor to acknowledge a few days ago Mr. Terry Beasley, the principal of the year for the State of Alabama. He taught my children in public schools in Alabama.

He is a magnificent person with an unbelievable degree of dedication to learning. He has gone from one of the greatest teachers I have known to one of the best principals one would know.

There are people like that all over the system. We are not helping them. This governmental regulation and bureaucracy is making it worse and making their lives more difficult. We can improve that, but not the way we are going. We are going to need some changes.

I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

STANDING UP FOR TEXAS

Mrs. HUTCHISON. Madam President, I see the distinguished senior Senator from Massachusetts has been at it again, trying to bring the Presidential campaign to the Senate floor and misrepresenting the record in Texas. Once again, as promised, I am here to stand up for the record of the Governor of Texas and to stand up for the State of Texas.

I ask my distinguished colleague, the Senator from Massachusetts, if he would consider in the future not misrepresenting Texas for two reasons:

One is, I don't think it is persuasive to anyone in America to continue to hear the downgrading of a State in our country, and I certainly don't think it affects the Presidential race. Secondly, I just don't think that it is necessary or proper to downgrade a great State such as Texas or any other State in America.

Of course, I am from Texas; of course, I love my State. But I think, objectively speaking, a lot of other people do because we have just surpassed New York to become the second largest State in America. People are not moving there because they think we have a terrible education system. They are not moving there because they think we don't treat our children well. They are not moving there because we don't have health insurance for our children. They are not moving there because we have a bad environment. They are moving there because it is a wonderful place in which to live, and it has gotten better since George W. Bush became Governor.

So let me just set the record straight. We have a patients' bill of rights in Texas. It is the model upon which other States are now basing the laws that they are beginning to pass or look at passing. We have a very good patients' bill of rights because it has an independent review mechanism. You have an internal review and you have an external review so that the bottom line that we all want will occur, and that is that a patient will get the care the patient and the doctor believe is in the best interest of the patient. That is what a patients' bill of rights is. We also have caps on limits for lawsuits which are allowed after the exhaustion

of the internal and external reviews. There are caps on pain and suffering and noneconomic damages. That makes sure that we don't have a plethora of lawsuits, and it would keep the patient and the doctor making the decisions for health care in the forefront of our interest. So it is a model law. It is a good law. Whatever misrepresentations have been made about it, the Governor allowed it to become law. It happened on his watch.

Secondly, we are very proud of the improvements we are making in our public education system. Most States are not satisfied with where they are in public education. Texas is working very hard to improve our public education system, and under the leadership of Governor George W. Bush we are winning. Test scores are going up and, most especially, the test scores are going up in the minority communities. That is one of the focuses that Governor Bush has made in my home State of Texas because we all looked at the high school dropout rate. We were all unsatisfied with that number. We said, what can we do, especially in our Hispanic community, where the high school dropout rate is the highest per capita? We said, we have to go back to the basics.

That is what Governor Bush did. He went back to the basics and he put the resources into it. That is about \$8 million more than had been spent before. He said, we are going to go to the third grade level and that is going to be the firewall. We are going to test children in preschool; we are going to test them in the first grade and in the second grade. But if they can't read at grade level in the third grade, they will not be promoted to the fourth grade because we know that if children can't read at the early stages, they will never be able to reach their full potential in the public education system. That was the initiative of Governor Bush and, I might add, along with a great house speaker, Pete Leahy, a Democrat, and a Lieutenant Governor—at the time it was Bob Bullock, a Democrat; today, it is Rick Perry, a Republican. But we do work in a bipartisan way in the legislature. We always have in Texas. That is something that we have done since the days I served in the Texas legislature. We worked together, Democrats and Republicans. It is why I was so surprised when I came to the Senate and it didn't work that way here. We are not used to doing business that way.

With all due respect, I think Texas has it right because after the elections in Texas, we come together—the Governor and the legislature—to do what is best for the children and the people of Texas. Wouldn't it be refreshing if that were the case in Washington, DC? Wouldn't it be refreshing if the leadership that Governor Bush has shown, along with Pete Leahy and Bob Bullock, could be transferred to Washington, DC, with President Bush and TOM DASCHLE and RICHARD GEPHARDT?

Wouldn't that be refreshing? That is what Governor Bush would like to do because we think it works. We know it works because the test scores show that it works.

Madam President, we are making a huge leap in the right direction for improving public education, and we are going to the heart of the matter. We are making sure our children in the third grade can read, and we are focusing on the basics. We are focusing on reading, writing, arithmetic, history.

All of us have seen these polls of young people in our country where the television person walks up to the young person and says: What is the only State in America that is totally surrounded by water?

The young person can't answer the question. We know Hawaii is the answer, but I think we should focus on the basics—geography and history. That is what we are trying to do in Texas, and that is the kind of leadership we need for this country.

So I hope that we will examine the record in Texas in a positive way—or even in a neutral way, for Heaven's sake—because if you are neutral, you would see that Texas is a great place in which to live; that we have a great quality of life. Do we have problems? Sure. Are we working on those problems? Yes. We are doing it under the leadership of our Governor, George W. Bush.

Let me say, too, that we are also making great strides on the environment. We have a particular problem, particularly in Houston, TX, where 50 percent of the chemical refining plants in the world are located—the petrochemical refining plants. Fifty percent of the petrochemicals in the world are located on the gulf coast between Houston and Victoria.

I see that my time is up. I will step back and allow others to speak, but I will not step back if the record of Texas is misrepresented. I am here to stand for the facts and the good record of our Governor and our great State.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. KENNEDY. Parliamentary inquiry. Will the Senator yield?

Mr. SMITH of Oregon. Of course.

Mr. KENNEDY. I understand we will have some time. The House has not concluded with the continuing resolution. I understand it is agreeable with the leaders that the time remaining will be divided equally. Is the time remaining equally divided between the two sides?

The PRESIDING OFFICER. The previous order provided that the remaining time until 7:30 would be equally divided.

The Senator from Oregon.

GORE-CHERNOMYRDIN AGREEMENT

Mr. SMITH of Oregon. Madam President, I rise as one Senator in this body

and as a member of the Foreign Relations Committee to express the hope that by noon tomorrow the State Department will provide for the Senate Foreign Relations Committee the document that it has rightfully requested so that it might know the truth with respect to the Gore-Chernomyrdin agreement.

Since I have been a Senator these last 4 years, I have had occasion to meet with the Vice President and Mr. Chernomyrdin when they came to Capitol Hill to trumpet what was represented to us as the great successes of their relationship and our outreach to Russia and to help Russia in its transition to democracy. In every way possible, we have hoped to conduct our business with Russia on better terms than we have in the past.

I think it is appropriate for this Republican to say that, without question, no one should question the motives of Vice President GORE with respect to what he has tried to accomplish in this relationship. However, there is reason to believe that some of what has gone on with the best of motives may, in fact—I emphasize “may”—have violated a law and a statute of this country, if not a constitutional requirement in article II of the Constitution that agreements be reviewed by appropriate congressional committees.

I am told that with respect to the Gore-Chernomyrdin relationship a House committee was informed. Congressman Hamilton said he received some information to that effect. DICK LUGAR, the Senator from Indiana, has said he knew in general terms what they were trying to achieve.

But then all of us were taken aback a couple of weeks ago by an article in the New York Times in which this agreement was specifically quoted. I do not know of any Congressman or Senator who has yet to say they have seen the particulars of this arrangement. That is the point of the Foreign Relations Committee's inquiry of the State Department.

Let me read briefly a sentence from that New York Times story that quotes what the Vice President pledges to do. He pledges to “avoid any penalties to Russia that might otherwise arise under domestic law.”

There is nothing in the Gore-McCain law of 1992 that allows the executive branch to unilaterally waive the law. Their duty under that law is to impose sanctions, and then to waive them if that is the judgment of the executive but not to do it in a way that keeps Congress in the dark and violates specific terms of American law.

Why should we care? Many of our friends on the Democratic side said this is all just about politics. You shouldn't be raising that now.

I point out to them that the Vice President, the executive, and the State Department have had 5 years to take this out of politics and to simply disclose, as is rightfully our right to know, those documents and those particulars as to agreements.

Some of my colleagues have said these aren't agreements; that these are understandings. If it quacks like a duck and waddles like a duck, to me it is a duck.

In my opinion, when you see specific responsibilities and considerations on both sides and end dates, folks, that is an agreement, and the Congress has a right—and particularly the Senate—to see this document, and in confidence if necessary. But we have a right to documents that have been requested of the State Department.

I hope that it exonerates the Vice President. But let me tell you why I am concerned that it may not.

The Washington Times, a week ago, ran a story in which a letter was leaked from the State Department—not by the Republican Party but by the State Department somehow to a reporter of the Washington Times—a letter from the Secretary of State, Madeleine Albright, to the Russian Foreign Minister, Igor Ivanov. You have to read these words to, frankly, understand it and really believe it. I don't know how words can be any clearer that the administration is admitting to a violation of law.

This is what the Secretary wrote to the Russian Foreign Minister:

We have also upheld our commitment not to impose sanctions for these transfers disclosed in the Annex to the Aide Memoire. The Annex is very specific in its terms, and we have followed it strictly. . . . Without the Aide Memoire, Russia's conventional arms sales to Iran would have been subject to sanctions based on various provisions of our laws. This possibility still exists in the event the continued Russian transfers after the December 31 termination date.

Madam President, the Secretary of State has said here that they have violated the law.

What the Senate Foreign Relations Committee and the majority in this party are asking for is to have the proof of the State Department's assurances to us that they haven't violated the law. That is all we are asking for. If they haven't, we will be glad to say that to the whole world. But what we have received so far is their assurances that they haven't violated the law.

Guess what. I want to believe them. But I am entitled as a Senator to see the document so I might know that they have not violated the law as the Secretary of State has said.

Should we know that? I think we should.

Does that mean the Gore-Chernomyrdin agreement isn't a good deal? I don't know that. It may be a great deal.

But it is not a deal where the means justify the ends to violate American law and treat the Senate with disrespect. It does not warrant that. We are a country of laws, and we need to obey them.

We are simply asking, as a signatory to this letter, that the administration comply with the law authored by the Vice President himself.

In addition to SAM BROWNBACK and myself, the signatories to this letter

are the majority leader, TRENT LOTT, the majority leader whip, DON NICKLES, the chairman of the Foreign Relations Committee, JESSE HELMS, JOHN MCCAIN, FRED THOMPSON, the chairman of Governmental Affairs, RICHARD SHELBY, chairman of the Intelligence Committee, JOHN WARNER, chairman of the Armed Services Committee, and RICHARD LUGAR, who, by the way, wouldn't mind knowing the truth of what has been represented to him, too. He is curious about indeed what the facts are.

I regret that this is close to an election. I don't believe politics should be international. I think they should stop at the water's edge. But I think the responsibility lies with the administration to foster a bipartisan foreign policy. That is clearly not happening here.

We are entitled to know the truth. If the law has been complied with, this is over with. If it has not, then, frankly, that ought to be known by the American people as well.

Whether or not a Kilo-class submarine is a dangerous weapon, frankly, is a judgment the administration is entitled to make. But there may be other weapons on that, as the Secretary suggests, that were subject to sanctions.

We have a right to know whether or not we have been treated as mushroom farmers—keep them in the dark and shovel the manure on them.

That is not how it is supposed to work—not according to our Constitution, not according to our statutory law and various provisions.

We are entitled to know the truth. As one Senator, I plead with the State Department to show us the documents and this goes away. But you have to show us the documents. We are owed it. We deserve it. We are entitled to it. It ought to happen.

I yield the floor.

THE PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Madam President, I ask to be able to proceed for 8 minutes in morning business.

THE PRESIDING OFFICER. The Senator has that right. We are operating under a time agreement until 7:30.

AIDE MEMOIRE

Mr. BIDEN. Madam President, I have great respect for my friend from Oregon. I know he knows I think he is dead wrong on this issue. For two reasons I think he is dead wrong: On the facts and I think he is dead wrong on the approach he has taken.

The fact of the matter is, the administration at the time this aide memoire—a fancy phrase for saying this agreement—was signed by GORE and Chernomyrdin, a follow-on to a verbal agreement made by Clinton and by Yeltsin in 1994—that agreement was made known to the public; it was publicly stated, and that was actually offered. The House of Representatives was briefed at the time.

Here we are less than 10 days before an election and it has become a cause

celebre. I don't have the time, and I am sure my friend from Oregon doesn't have the inclination, to listen to why this is a violation of the separation of powers doctrine. And this is not a binding obligation. There are distinctions between binding obligations and agreements. One requires disclosure; the other does not. The fact is, this was a good deal and it was disclosed and made available to be disclosed.

Let me cut to the chase. The fact of the matter is we did have a closed meeting with members of the State Department. I was present, my friend from Oregon was present, our colleague from Kansas was present, Senator BROWNBACK, and maybe someone else; I can't recall. I indicated at the time that although the White House and the State Department were not required to share these documents, in my view they were making a tactical political mistake not doing it.

I am here to tell my friend from Oregon what I told Senator LUGAR and what I told Senator HAGEL, and I understand it is being communicated to the majority leader. The State Department is going to make available to the leadership of the House and the Senate—which is the way we do these things—the so-called annexes. If there is any violation of law—which there is not, but if there is any—the only violation could flow from there being a weapons system that was transferred on the annex, that falls within the purview of the law, that covered certain weapons systems and destabilizing systems under the McCain-Gore legislation. So if there is nothing in that annex that was transferred, there can be no question there was no law broken here.

This will be the test to know whether this is politics or not. This will be the test. If the administration makes that available to the majority leader, minority leader, Speaker of the House, and the minority leader of the House, the leadership of the House, then, in fact, we will find out. They will bring the document up, and they can see it.

If they really want to know the answer, if they really believe a law was broken, then it is really clear; they can sit down and look at it and find out. But if the offer is made and it is refused—I will say and challenge anyone to give me a good reason why I am wrong—that is pure politics.

I really mean this; I have an inordinately high regard for my friend from Oregon. That probably hurts him back home, but I like him a lot. The fact of the matter is, we have worked closely together on a whole number of items. I have never misled him and he has never misled me. I got off the phone with Strobe Talbott. The Secretary of State is intending to call the majority leader, going to make the offer tomorrow to come up and show the documents.

It is interesting that the letter requesting documents says they basically want these annexes. I know we need

more time to explain this to someone listening because this is kind of confusing. My friend from Oregon knows what I am talking about because he knows the area well. The annex lists all those weapons systems that would be sanctionable if transferred by the Russians to the Iranians, if that were to occur.

We will find out whether anything was transferred. By the way, unlike in any other administration, it has been pointed out that 10 times as many weapons were transferred to the Iranians when Bush was President than since Clinton has been President. But we will find out whether anything was violated.

I want to make it clear, the offer will be made. If the offer is rejected, I want everyone to know—and the press who may be listening—that a big neon light should go on, "Politics, politics, politics." If the offer is accepted, then, in fact—and my colleagues look at it, the majority leader of the Senate, the Speaker of the House of Representatives, if they look at it and they say this looks like a duck, to use my friend's phrase, that is a different story. That is debatable; that is something that warrants concern.

To reiterate:

The Senators' letter says that "the Vice President pledges to 'avoid any penalties to Russia that might otherwise arise under domestic law.'"

The letter omits the words immediately preceding that quote from the leaked understanding: "take appropriate steps" to avoid penalties. That meant that the United States would not circumvent U.S. law. Rather, if necessary, we would sanction Russia, but waive the penalties, pursuant to the law.

But in fact, there was no need to waive penalties at all, because Russia was not proposing any conventional arms transfers that would trigger sanctions under U.S. law—and the Vice President was assured of this by the Department of Defense before he signed the understanding.

One relevant law was the Iran-Iraq Arms Non-Proliferation Act of 1992, the so-called "McCain-Gore Act." That law requires sanctions against governments that transfer "destabilizing numbers and types" of "advanced conventional weapons" to Iran or Iraq. Thus, you must find both the sale of advanced conventional weapons to Iran, and that these are a number and type so as to tip the balance of power in the region.

We have been assured—by experienced, career officials—that the Annex listing planned Russian arms transfers to Iran contains nothing that would meet all those tests.

But we don't have to trust the Government on this. Anthony Cordesman, who was JOHN MCCAIN's national security assistant in 1992, working on the McCain-Gore bill, wrote recently: "Iran . . . has not . . . received destabilizing transfers of advanced conventional weapons."

The third Kilo-class submarine to be sent to Iran was specifically considered by the Pentagon, which decided that it would not be destabilizing.

In any case, submarines are not listed in the 1992 law's definition of advanced conventional weapons; and even President Bush made no move to add them to the list, even though the law permits such additions.

The Senators' letter quotes Secretary Albright's letter to Russian Foreign Minister Ivanov, in which she says we "upheld our commitment not to impose sanctions" and that "without the Aide Memoire, Russia's conventional arms sales to Iran would have been subject to sanctions based on various provisions of our laws." As you said yesterday:

One reasonable interpretation is that Secretary Albright is saying, "if you hadn't obeyed the Aide Memoire, you would have gotten in trouble." And that's true. If Russia had signed new deals to sell "lethal military equipment" to Iran, or if it had sold lots of "advanced conventional weapons" to Iran, it would have forced us to invoke sanctions under our law. But they basically did obey the Aide Memoire, and stayed out of trouble in this regard.

Another reasonable interpretation is that the Secretary was overstating her case, using U.S. law as a club with which to beat the Russians. If so, more power to her.

A third reasonable interpretation is that Secretary Albright was thinking of those sanctions, based on other U.S. laws, that do not require any trigger other than a Presidential determination that the national security warrants them.

The Albright letter does not show any violation or circumvention of the 1992 Iran-Iraq law, and there is no evidence of any such action.

The Senators' letter rejects Vice President GORE's point that Russia's arms transfers were pursuant to previously-signed contracts, because the McCain-Gore law does not exempt such transfers.

That misses the point. There are other laws that would require sanctions for any transfer of "lethal military equipment" to Iran. Those laws exempt transfers under pre-1996 contracts.

The administration never claimed that it was cutting off all Russian arms transfers to Iran. But it did put a cap on those transfers, limiting them essentially to ones contracted for during the Bush administration.

The Senators' letter says that the Congress must review all the relevant documents, renews a demand for all the previously requested documents, and threatens a subpoena if these are not produced by noon Monday.

The fact is, however, that only the Annex to the Aide Memoire is cited as a really necessary document.

I think the executive branch ought to find a way to let appropriate senators review the Annex and the Secretary's

letter to the Russian Foreign Minister, while maintaining the confidentiality of those documents.

Once that is done, I believe that there will be no good reason to seek further documents.

Tony Cordesman, the expert in Middle Eastern military affairs who was Senator McCain's national security assistant, summed up this case admirably a couple of weeks ago:

Political campaigns are a poor time to debate complex military issues, particularly when the debate is based on press reports that are skewed to stress the importance of the story at the expense of objective perspective and the facts.

I ask unanimous consent the pertinent letters be printed in the RECORD.

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

U.S. SENATE,

Washington, DC, October 26, 2000.

Hon. MADELEINE ALBRIGHT,

Secretary of State, U.S. Department of State,
Washington, DC.

DEAR SECRETARY ALBRIGHT: We were extremely disappointed that the Department of State continues to refuse to give the Committee access to critical documents relating to the Gore-Chernomyrdin agreement.

Madame Secretary, this is simply unacceptable. All of the evidence in the public domain leads us to the conclusion that Vice President Gore signed a secret deal with Russian Premier Viktor Chernomyrdin, in which he agreed to ignore U.S. non-proliferation laws governing weapons transfers to Iran.

The text of the agreement signed by Mr. Gore and Mr. Chernomyrdin (as published in the New York Times), the Vice President pledges to "avoid any penalties to Russia that might otherwise arise under domestic law."

And, in your letter to Russian Foreign Minister Igor Ivanov earlier this year (published in the Washington Times), you state: "We have also upheld our commitment not to impose sanctions for these transfers disclosed in the Annex to the Aide Memoire, Russia's conventional arms sales to Iran would have been subject to sanctions based on various provisions of our laws. This possibility still exists in the event of continued Russian transfers after the December 31 termination date."

The administration's defense—repeated by the Vice President this morning on "Good Morning America"—that the Russian transfers to Iran he agreed to were under "pre-existing contracts" simply does not wash. The date the contracts were signed is irrelevant. The Gore-McCain law covers the transfer of weapons after 1992. There is no "contract sanctity" exception in the law—it does not matter whether the transfers took place under new or pre-existing contracts. What matters, under law, is when the transfer took place.

The Administration's other defense—that the weapons transferred are not covered by the Gore-McCain law—is belied by the Administration's stubborn refusal to share with the Committee the Annex that lists the weapons.

In essence, you are saying to Congress and the American people: "Trust us." Considering the fact that almost everything we have learned about this secret deal has come from the news media and not the Administration, we respectfully decline.

Congress has a right and responsibility to review all the relevant documents, and to

judge for itself whether the transfers the Vice President signed off on were covered by U.S. non-proliferation laws.

We expect the Administration to share all of the requested documents with the Committee no later than noon on Monday, October 20.

If the Administration continues to stone-wall, and withhold these documents from Congress, then the Foreign relations Committee will have no choice but to issue a subpoena to obtain them.

Sincerely,

Gordon Smith, John McCain, Jesse Helms, Trent Lott, John Warner, Sam Brownback, Don Nickles, Fred Thompson, Richard Shelby, Richard G. Lugar.

U.S. SENATE,

Washington, DC, October 25, 2000

Hon. GEORGE P. SCHULTZ,

Thomas W. and Susan B. Ford Distinguished Fellow, Hoover Institution, Stanford University, Stanford, CA.

DEAR MR. SECRETARY: I read with interest your election-eve condemnation of an understanding that Vice President Gore and Russian Prime Minister Chernomyrdin reached some five years ago. I was surprised—and saddened—to see that you and other men who have served our nation with dignity and distinction would sign a letter that was promptly used in an effort to exploit a national security issue for partisan gain.

It is time to set the record straight. First, the June 1995 U.S.-Russia understanding prevented new Russian arms sales to Iran and thus enhanced the security of the United States and its allies. Second, the understanding did not circumvent, violate or undermine any U.S. law. Indeed, it appears to have led Russia to stay within the bounds of U.S. law regarding conventional arms transfers to Iran. Third, although the executive branch was under no legal obligation to submit the June 1995 understanding to the Congress as an international agreement, it did make public the broad outlines of the understanding and provide classified oral briefings at least to one committee.

One highly respected expert in this field is Mr. Anthony H. Cordesman, who was national security assistant to Senator John McCain when his employer and then-Senator Al Gore wrote the Iran-Iraq Arms Non-Proliferation Act of 1992. Mr. Cordesman now holds the Arleigh Burke Chair at the Center for Strategic and International Studies. Earlier this month, he wrote an analysis of Russia's conventional arms transfer to Iran. The opening of that study strikes me as especially worthy of your consideration: "Political campaigns are a poor time to debate complex military issues, particularly when the debate is based on press reports that are skewed to stress the importance of the story at the expense of objective perspective and the facts. Iran does represent a potential threat to US interests, but it has not had a major conventional arms build-up or received destabilizing transfers of advanced conventional weapons."

If you remain uncertain regarding any of the points I have made, I invite you to consult such sources as Mr. Cordesman's CSIS study, Iranian Arms Transfers: The Facts, the public testimony this morning of Deputy Assistant Secretaries of State John P. Barker and Joseph M. DeThomas before the Senate Committee on Foreign Relations, and even my own opening statement at this morning's hearing.

Sincerely,

JOSEPH R. BIDEN, JR.,

U.S. Senator.

Mr. BIDEN. Madam President, I don't know a lot about matters over which I

don't have jurisdiction as a Senator. So I don't expect all Senators to know as much about sanctions as the Senator from Oregon and I because we spend probably 20 percent of our time working on that in the Foreign Relations Committee. My friend from Massachusetts forgot more about HCFA than I will ever know. It took me a while to know what HCFA was. They set the rates for everything, and it affects the American people a heck of a lot more than sanctions policy.

There are discretionary sanctions available to the President of the United States. I emphasize "discretionary." The comment made by the Secretary of State refers to those discretionary policies.

The PRESIDING OFFICER. The distinguished Senator has utilized the 8 minutes he requested.

The Senator from Massachusetts is recognized.

THE TEXAS RECORD

Mr. KENNEDY. Madam President, I want to address the concerns of my friend, the Senator from Texas, in her comments earlier. I want to make very clear I have no complaint against the State of Texas. It has an outstanding history and has produced some great leaders, including Sam Houston, Sam Rayburn, President Johnson. My complaint is not against Texas at all, it is against the clear misstatements of Governor Bush about his Texas record. The facts are there. I am not attacking the State of Texas. I am sure many citizens of Texas share my concerns about the United States.

It is proper and necessary to talk about these issues. They are important. They are important in the national Presidential debate because they aren't being addressed by this Congress. The Republican leadership has blocked responsible action on education. For the first time in 35 years, Congress has failed to reauthorize ESEA. We are now 4 weeks late in passing an education funding bill. Since the majority has stifled any debate on education in this Congress, it is appropriate and necessary to speak on the Senate floor about how education will be treated in the next Congress under the next administration. The American people deserve a Congress that will act on education, not ignore it.

When we think about what will happen to education next year, we must look at the Presidential candidates and how they will address education. It is essential to look at the record of Governor Bush, the Republican candidate for President. That is what I have done.

On the children's health issue, when the Congress passed the CHIP program in 1997, we put affordable health insurance for children within reach of every moderate- and low-income working family in America. Yet George W. Bush's Texas was one of the last States in the country to fully implement the

law. Despite the serious health problems faced by children in Texas, Governor Bush fought to keep eligibility as narrow as possible.

In fact, the Bush campaign's defense of this unacceptable record is almost as telling as the record itself. According to the New York Times, the Bush campaign acknowledged that Governor Bush fought to keep eligibility narrow, but that he did so because he was concerned about costs and the spillover effect on Medicaid. This so-called spillover effect is the increase in enrollment of children in Medicaid that occurs when the Children's Health Insurance Program is put into effect. Vigorous outreach efforts are made by state governments to identify children who qualify for the new program—but the same outreach identifies many other children who should have already been enrolled in Medicaid.

In other words, Governor Bush not only opposed expanding eligibility for the new CHIP program—he was also worried that the very poorest children—those already eligible for Medicaid—might actually receive the coverage to which they were clearly entitled. That is not just what I am saying. That is also the conclusion of the New York Times when it reviewed the facts. It's no wonder that Governor Bush's Texas Administration was cited by a federal judge for its failure to live up to a consent order to let families of poor children know about their eligibility for Medicaid and about the health services to which they were entitled.

An article in Time magazine says it all. It is titled, "Tax Cuts Before Tots. Candidate Bush is pushing his compassion, but poor kids in Texas have not seen much of it." And under a box entitled "Lost Opportunity? Bush and Poor Kids," the article makes four key points:

[Bush] helped to secure tax cuts by underfunding Medicaid, causing a \$400 million shortfall in the program. He delayed the state law to expand Medicaid coverage for 303,000 new kids. They went five years without health insurance. He fought efforts to require automatic coverage for families forced off welfare rolls.

Now, my Senate colleagues from Texas offered all sorts of explanations for Governor Bush's miserable record on health care for children. They said that the court case I referred to was begun before Governor Bush took office. That is true. But the consent decree settling the case was agreed to by Governor Bush's administration in February of 1996. And the latest action by the federal judge was based on the Bush's administration failure to live up to the consent decree that it had agreed to. The Bush administration did not keep its word. Children were not its priority.

Defenders of the Governor say that Texas could not implement the CHIP program promptly because its legislature only meets every two years. But other states have legislatures that

meet only two years, and they were able to get their programs going more promptly. In fact, Texas was the next to last state in the entire country to approve a CHIP plan—the next to last state.

Governor Bush's misstatements on his Texas record do not end with uninsured children. In the debates, Vice President GORE pressed Governor Bush on the Texas record on the uninsured. Governor Bush said that Texas was spending \$4.7 billion a year for uninsured people. But it turns out that actually only one-quarter of that amount was being spent by the State of Texas. The vast majority of the spending was by hospitals and doctors for charity care, and by county governments, not by the state.

On the Texas record on the uninsured, Governor Bush claimed that the percentage of the uninsured in Texas had gone down, while the percentage of the uninsured in America had gone up. In 1998, the overall percentage of the uninsured dropped by identical amounts both nationally and in Texas—4.9 percent in Texas and 4.9 percent nationally. But, because of Governor Bush's inaction on children, the percentage of children in Texas who were uninsured dropped only half as much as the drop nationally—10 percent nationally and only 5.2 percent in Texas. When Governor Bush took office, Texas ranked second from the bottom of all 50 States in covering children and citizens of all ages. Today, after six years under his watch as Governor, Texas still ranks second from the bottom.

There is still time for the truth to be told. I am hopefully that every American will examine the records of the two candidates carefully. On health care, there should be no question at all as to which candidate stands with the powerful special interests and which candidate stands with the American people. The choice is clear. Governor Bush stands with the powerful, and AL GORE stands with the people.

I reserve the remember of my time.

The PRESIDING OFFICER. The distinguished Senator from Texas is recognized.

Mrs. HUTCHISON. Mr. President, once again I would like to make the record clear. Since the distinguished senior Senator from Massachusetts focused on health care and children's health care, I would like to talk about the Texas record. I would like to talk about Governor Bush's leadership on health care for our children.

Under Governor Bush, the percentage of Texans without health insurance has gone down while the number of Americans without health insurance has gone up.

I also think it is worth mentioning that the Governor, along with the bipartisan legislature, took all of Texas' tobacco money, \$17.4 billion in tobacco money, and allocated almost every single penny—in fact, every single penny that was not put aside for education

programs to try to encourage young people not to smoke has gone for health care, health care for children, health care for indigents. The money, wisely, was put into trust, and every county in Texas reaps the benefit of that trust fund because the interest on the trust fund is spent in each county for indigent health care.

So I think Governor Bush and the Texas Legislature are to be commended for focusing on health coverage for the people of Texas and for the children of Texas. In fact, under the leadership of Governor Bush, Texas spent \$1.8 billion in new funding for health care for the uninsured. He also increased funding for childhood immunizations by \$330 million, resulting in an increase in the percentage of immunized children from 45 percent to 75 percent.

Mr. President, although I have to say, once again, I do not think it gets anyone anywhere to talk about the record in Texas, and misrepresent that record, I think it is very clear that Texas is one of the leading States in our Nation in taking care of children, in improving its public education system, and it has been a focus of Governor Bush and our Democratic speaker and our former Democratic Lieutenant Governor; We now have a Republican Lieutenant Governor. We have improved health care and education.

Mr. KENNEDY. May we have order, Mr. President? The Senator is entitled to be heard.

The PRESIDING OFFICER. The Senator from Massachusetts is absolutely correct. The Senate will be in order so the distinguished Senator from Texas can be heard.

The Senator from Texas.

Mrs. HUTCHISON. So I think Governor Bush's record is clear. I think the great speaker, Pete Leahy, working with the Governor, Bob Bullock, and Rick Perry, working with the Governor, have done very well in health care for the children and for the uninsured in Texas. Just as we are proud of the improvements in our public education system—and certainly we recognize every State has problems. I do not think it does much good to talk about the records of different States. But I do think if you look at the record of Governor Bush in Texas on these issues, you will be impressed that it was a priority and that we have been successful in improving public education, in covering our children under the SCHIP program, making more people eligible for these programs, and immunizing our children so they would be protected from the normal childhood diseases.

I stand by my Governor and by my State. Once again, I do hope we can stop the misrepresentation of the record.

Mr. SESSIONS. Mr. President, will the Senator yield for a question? Does the Senator from Texas yield for a question?

Mrs. HUTCHISON. I will be happy to yield to the distinguished Senator from Alabama.

The PRESIDING OFFICER. My question is, is the Governor given an important role in education under State laws of Texas? And does he play a big role in education?

Mrs. HUTCHISON. In Texas, actually—

The PRESIDING OFFICER. The time allocated to the distinguished Senator has expired.

Mrs. HUTCHISON. Let me just say, our Governor has made it a role for the Governor. He has been a leader. He had a program; he worked with the legislature to enact it; and it is successful.

I thank the Senator for the question.

BANKRUPTCY

Mr. KENNEDY. Mr. President, there are two additional important issues that I would like to discuss tonight. There are few clearer examples of this Republican Congress siding with powerful special interests against average people than the pending bankruptcy bill.

The bankruptcy conference report targets working men and women who comprise the vast number of Americans in bankruptcy. Two out of every three bankruptcy filers are workers who have lost their jobs because of layoffs or downsizing. One out of every five has huge debts because of health care expenses. Divorced or separated people are three times more likely than married couples to file for bankruptcy.

Working men and women in economic free fall often have no choice except bankruptcy. Yet, under pressure from the credit card industry, this Republican Congress is bent on denying all these innocent victims of financial hardship the safety net that the bankruptcy laws have provided for a century.

This legislation unfairly targets middle class and poor families, and it leaves flagrant abuses in place.

Time and time again, President Clinton has told the Republican leadership that the final bankruptcy bill must include two important additions—a homestead provision without loopholes for the wealthy, and a provision that requires accountability and responsibility from those who unlawfully—and often violently—bar access to legal health services for women. The current bill includes neither of these provisions.

The bill does include a half-hearted, loop-hole filled homestead provision. It will do virtually nothing to eliminate fraud. With a little planning—or in some cases, no planning at all—wealthy debtors will still be able to hide millions of dollars in assets from their creditors. For example, Allen Smith of Delaware—a state with no homestead exemption—and James Villa of Florida—a state with an unlimited homestead exemption—are treated differently by the bankruptcy system today. One man eventually lost his home. The other was able to hide

\$1.4 million from his creditors by purchasing a luxury mansion in Florida.

The Senate passed a worthwhile amendment to eliminate this inequity—but that provision was stripped from the conference report. Surely, a bill designed to end bankruptcy fraud and abuse should include a loop-hole-free homestead provision. The President thinks so. As an October 12 letter from White House Chief of Staff John Podesta says:

The inclusion of a provision limiting to some degree a wealthy debtor's capacity to shift assets before bankruptcy into a home in a state with an unlimited homestead exemption does not ameliorate the glaring omission of a real homestead cap.

Yet there is no outcry from our Republican colleagues about the injustice, fraud, and abuse in these cases. In fact, Governor Bush led the fight in Texas to see that rich cheats trying to escape their creditors can hide their assets under Texas' unlimited homestead law.

In 1999, the Texas legislature adopted a measure to opt-out of any homestead restrictions passed by Congress. The legislature also expanded the urban homestead protection to 10 acres. It allowed the homestead to be rented out and still qualify as a homestead. It even said that a homestead could be a place of business. This provision gives the phrase "home, sweet home" new meaning.

The homestead loop-hole should be closed permanently. It should not be left open just for the wealthy. I wish this misguided bill's supporters would fight for that provision with the same intensity they are fighting for the credit card industry's wish list, and fighting against women, against the sick, against laid-off workers, and against other average individuals and families who will have no safety net if this unjust bill passes.

The hypocrisy of this bill is obvious. We hear a lot of pious Republican talk about the need for responsibility when average families are in financial trouble—but we hear no such talk of responsibility when the wealthy and their lobbyists are the focus of attention.

The facts are clear. The bankruptcy bill before us is designed to increase the profits of the credit card industry at the expense of working families. If it becomes law, its effective will be devastating. It eminently deserves the veto it will receive if it ever reaches the White House.

IMMIGRATION

Mr. KENNEDY. Mr. President, another issue in which this Republican Congress is ignoring working families is immigration.

Action on the Latino and Immigrant Fairness Act is long overdue. The issues in this legislation are not new to Congress. The immigrant community—particularly the Latino community—has waited far too long for the funda-

mental fairness this legislation will provide.

The Latino and Immigrant Fairness Act keeps families together. It rewards immigrants who work hard and pay taxes, and it makes our immigration policies simpler and fairer.

Our proposal is based on the fundamental principle that immigrants in similar situations should be treated equally. The Latino and Immigrant Fairness Act includes parity for all Central Americans, and for Haitians and Liberians. In 1997, Congress enacted legislation granting permanent residence to Nicaraguans and Cubans who had fled their repressive governments. But Congress did not grant the same protection to other Central Americans and Haitians. The Latino and Immigrant Fairness Act will eliminate these disparities and create fair, uniform procedures for all of these immigrants.

The Latino and Immigrant Fairness Act will also change the registry cutoff date, so that long-time immigrants who have been residing in this country since before 1986 will qualify to remain in the United States permanently, and it will restore a provision to the immigration laws that was unfairly allowed to expire in 1997.

These proposals are pro-family, pro-business, fiscally prudent, and a matter of common sense. But that hasn't stopped the Republican leadership from opposing them and offering a blatantly inadequate substitute that pays lip service to fairness for Latinos and immigrants in our communities but denies them real help.

Under even the most generous interpretation, the Republican proposal ignores the vast majority of immigrants and families. It will perpetuate the current patchwork of contradictory and discriminatory provisions enacted by the Republican Congress in recent years.

Republicans propose two things. First, a new temporary "V" visa would be created that allows certain spouses and minor children of lawful permanent residents to enter or stay in the U.S. and be granted work authorization while waiting for their green card. To qualify for the visa, applicants must have had applications for entry pending for over three years.

On the surface, this may sound like a good idea. But it unfairly picks and chooses among family members, granting relief to some, but not to others. The GOP proposal perpetuates the piecemeal and discriminatory immigration policies we are seeking to end.

Second, the Republican plan would provide an opportunity for individuals to apply for green cards—but only if they were part of two particular class action lawsuits against the INS for improper handling of the 1986 amnesty program. This selective proposal is grossly inadequate. It provides relief only for individuals who sought counsel from a specific lawyer and joined a specific lawsuit, even though countless

other individuals affected by the INS ruling are left out. Also, of those people who are actually covered by this plan, less than 40 percent are expected to prevail.

Republicans acknowledge that the 1986 law was implemented unfairly. It is wrong and inconsistent to deny a remedy to all who were affected. It is wrong to help only those who were able to hire the right attorney, and who filled out the right forms. All eligible individuals should receive relief.

Governor Bush praises his trillion dollar tax break for the wealthy, and criticizes Democrats for supporting targeted tax relief that helps some individuals, but not others. It's obvious that Republicans don't care about uniformity when the issue is immigration. It's unfair and unjust to pick and choose among immigrants who will receive this well-deserved and long-overdue relief.

We have welcomed these individuals to the United States. They are part of our communities. We have come to know them as neighbors, friends, and colleagues. We should support those who have come here in their search for freedom, equality, and a better life. These are the same dreams our ancestors came here to find in the past.

It is essential to pass the real Latino and Immigrant Fairness Act and treat immigrants fairly. Hard-working immigrant families deserve this long-overdue relief, and they deserve it now.

The PRESIDING OFFICER. The minority controls the remainder of the time.

Mr. REID. I yield that time to Senator DORGAN.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 9 minutes 17 seconds.

THEY HAD THEIR CHANCE

Mr. DORGAN. Mr. President, I am not going to talk about Texas. There has been plenty of discussion about that tonight. I am going to talk about this country. I saw this morning an interview in which Governor Bush said: "They had their chance," talking about Vice President GORE, of course. "They had their chance." I want to talk about what has happened in the last 8 years.

It is important to remember exactly what the Clinton-Gore administration inherited and where we are. They had their chance. Let's talk about President Clinton and Vice President GORE.

In 1993, when they took office, we had a \$290 billion deficit that year, and it was rising. That deficit was exploding. Our economy was in trouble. Economists predicted slow anemic growth for an entire decade ahead. That is what the Clinton-Gore administration inherited.

Now, instead of the largest deficit in history, we have the largest surplus in history. Is that an accident? I don't think so. We had a vote in this Senate and they had a vote in the House on a

new plan to take this country to a new direction, and it passed by one vote—one vote in the House and one vote in the Senate. Not one member of the majority party voted for that in either the House or the Senate. We moved this country to a new direction. Now instead of the largest deficits in history, we have the largest surpluses in history.

This is a chart which shows what these deficits and surpluses were when Governor Bush said: They had their chance. This is what we inherited from President George Bush in 1992 and 1993: red ink that was growing every year. This country was choking on deficits, and every year, when we changed direction and created a new economic plan to give people hope that we would make the tough decisions to turn this country around, we have seen lower and lower deficits and finally surpluses. That is not an accident.

They had their chance, Governor Bush said. They turned the biggest deficits into the biggest surpluses. How about economic growth? In the 12 years prior to the Clinton-Gore administration taking office, average economic growth was 2.8 percent. Since then, economic growth has been on average 3.9 percent.

Jobs: 1988 to 1992 was one of the worst 4-year periods in history for the creation of jobs. In fact, I have a chart that I think will be useful to show in terms of the creation of jobs: In the Bush administration, 1988 to 1992, 2.5 million new jobs in 4 years. In 8 years, the Clinton-Gore administration had an economy that rebounded, and we had 22 million new jobs created in this country. They had their chance.

How about the unemployment rate? In 1981-1982, Reagan-Bush averaged 7.1-percent unemployment. Currently, there is 4.1-percent unemployment, the lowest level in 30 years.

Home ownership: From 1982 to 1992, home ownership fell in this country. Now it is the highest in history.

Welfare rolls increased 22 percent from 1981 to 1992. Now they have decreased by 53 percent.

The Dow Jones was 3,300. Now it is over 10,000.

Mr. TORRICELLI. Will the Senator yield?

Mr. DORGAN. I will be happy to yield.

Mr. TORRICELLI. I think the Senator is making an important point, but I would like him to supplement it because I, too, have been startled in hearing Governor Bush explain they had their chance to enact a Patients' Bill of Rights. Indeed, it is my memory that on more occasions than I can remember the Clinton-Gore administration, with support of Democrats in this House, attempted to have a Patients' Bill of Rights.

I heard Governor Bush say on prescription drugs that we promised it and had not delivered it; we had our chance. Indeed, the Clinton-Gore administration supported prescription

drugs and Democrats supported it in the Congress but failed.

Is my recollection of this correct, that we had our chance, we have attempted to do it but, ironically, the people who have stopped it are now the same people who constitute the Bush campaign?

Mr. DORGAN. The Senator is absolutely correct. They had their chance. What about the issue of the Patients' Bill of Rights? We were blocked by the majority party.

What about campaign finance reform? We have tried, tried, and tried and were blocked by the majority party.

What about a prescription drug benefit for the Medicare program? We have tried and tried and were blocked by the majority party.

How about the issue of education and providing some help to reconstruct and renovate and provide for better schools and better classrooms?

Mr. TORRICELLI. If the Senator will yield, can we focus on that one as well because I heard in debates Governor Bush said on education Clinton-Gore had their chance. Indeed, the President proposed 100,000 new teachers repeatedly and has been fighting for it every year—got it enacted at one point—including right up to tonight on school reconstruction, which has not been supported, to my knowledge, by Governor Bush, certainly not supported by his party in Congress. So indeed they had their chance on education, and the Clinton-Gore administration led on education as they led on health care.

Mr. DORGAN. The Senator is absolutely correct. We have had the longest economic expansion in American history. That did not happen by accident. Governor Bush says: Well, gosh, that's due to the American people. The American people worked hard in 1981, 1982, 1983, and 1984. The American people had as much ingenuity, as much tenacity to work hard then. But you need public policies in place that help them as well.

The public policies that the Clinton-Gore administration and the Democrats in Congress put in place in 1993 said we were going to stop these Federal deficits. We had a new fiscal policy. We turned this country around.

The American people understand that when they have hope for the future, they do things that reflect that hope. They buy cars; they buy homes; and they take vacations. They do the things that represent their hope for the future.

There was not much hope for a long while because every year the deficit was getting worse and no one wanted to do much about it, but the Clinton-Gore administration came in and said: We have a new plan and it will be a little tough. It was hard to vote for—in fact, so hard that not one member of the majority party voted for it.

I see on the floor my friend from Texas, Mr. GRAMM, whom we have quoted many times. He said: If you

pass this plan, this country is going to go into a tailspin. Those are not his exact words, but it is exactly what he meant.

Of course, he was wrong. This country passed a new economic plan and gave the American people confidence about the future. Guess what happened. The largest deficits in history turned into the largest surpluses in history. We have had the longest economic expansion on record—welfare rolls are down, home ownership is up, inflation is down. Almost every basic index in this country is better.

Mr. DURBIN. Will the Senator yield?

Mr. DORGAN. Yes, I will yield.

Mr. DURBIN. When the Senator from Texas—Governor Bush's home State—voted against the Clinton-Gore plan in 1993, he said: "This program is going to make the economy weaker, hundreds of thousands of people are going to lose their jobs as a result of this program."

Was the Senator from Texas correct as a result of the Clinton-Gore plan? Did hundreds of thousands of people lose their jobs?

Mr. DORGAN. Mr. President, the Senator from Illinois asked a question about job creation. This administration, during these 8 years, has seen 22 million new jobs created in this country. In the 4 years prior under President George Bush, 2.5 million new jobs were created. You will see this is one of the most robust periods of economic expansion in this country's history. Is it an accident? No. This administration had a new economic plan that said let's move away from growing and choking deficits and give the American people some confidence about the future. The result of it was that confidence manifested a growing economy that created new jobs and new opportunities. Every single feature of this economy has become better in the last 8 years, every single one. Unemployment, inflation, welfare, home ownership—in every single instance, things are better in this country.

This morning, when I heard the Governor say, "Well, you have had your chance," I would say, yes, this administration had its chance and it inherited a weak and troubled economy and turned it into a strong, vibrant, growing economy, and good for them.

It did not happen because they took the easy road. This was not the easy thing to do. In 1993, when they had the vote on the new plan, it passed by only one vote in the House and the Senate. We did not get even one vote on the majority side. We took our licks for voting for it, but history shows that what we created was the strongest economy in this world, and I think Vice President GORE and President Clinton and those who voted for that new plan in this Congress can take some pride in what the result of that plan has been.

Mr. LOTT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The time allotted to the distinguished Senator has expired.

MAKING FURTHER CONTINUING APPROPRIATIONS FOR FISCAL YEAR 2001

Mr. LOTT. Mr. President, I understand the Senate has received the continuing resolution. I ask that the previous order now commence, and the clerk report the joint resolution.

The PRESIDING OFFICER. The clerk will report the joint resolution by title.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 119) making further continuing appropriations for the fiscal year 2001, and other purposes.

The Senate proceeded to consider the joint resolution.

The PRESIDING OFFICER. The joint resolution having been considered read the third time, the question is, Shall the joint resolution pass?

Mr. LOTT. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Missouri (Mr. ASHCROFT), the Senator from Missouri (Mr. BOND), the Senator from Kansas (Mr. BROWNBACk), the Senator from Montana (Mr. BURNS), the Senator from Colorado (Mr. CAMPBELL), the Senator from Idaho (Mr. CRAPO), the Senator from Wyoming (Mr. ENZI), the Senator from Tennessee (Mr. FRIST), the Senator from Washington (Mr. GORTON), the Senator from Minnesota (Mr. GRAMS), the Senator from North Carolina (Mr. HELMS), the Senator from Oklahoma (Mr. INHOFE), the Senator from Vermont (Mr. JEFFORDS), the Senator from Arizona (Mr. KYL), the Senator from Indiana (Mr. LUGAR), the Senator from Florida (Mr. MACK), the Senator from Arizona (Mr. MCCAIN), the Senator from Kentucky (Mr. MCCONNELL), the Senator from Alaska (Mr. MURKOWSKI), the Senator from Delaware (Mr. ROTH), the Senator from Wyoming (Mr. THOMAS) and the Senator from Tennessee (Mr. THOMPSON), are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. HELMS) and the Senator from Montana (Mr. BURNS) would each vote "yea."

Mr. REID. I announce that the Senator from California (Mrs. BOXER), the Senator from Georgia (Mr. CLELAND), the Senator from North Dakota (Mr. CONRAD), the Senator from California (Mrs. FEINSTEIN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Wisconsin (Mr. KOHL), the Senator from New Jersey (Mr. LAUTENBERG), the Senator from Vermont (Mr. LEAHY), the Senator from Connecticut (Mr. LIEBERMAN), and the Senator from Minnesota (Mr. WELLSTONE) are necessarily absent.

The result was announced—yeas 67, nays 1, as follows:

[Rollcall Vote No. 292 Leg.]

YEAS—67

Abraham	Feingold	Murray
Akaka	Fitzgerald	Nickles
Allard	Graham	Reed
Baucus	Gramm	Reid
Bayh	Grassley	Robb
Bennett	Gregg	Roberts
Biden	Hagel	Rockefeller
Bingaman	Harkin	Santorum
Breaux	Hatch	Sarbanes
Bryan	Hutchinson	Schumer
Bunning	Hutchison	Sessions
Byrd	Inouye	Shelby
Chafee, L.	Johnson	Smith (NH)
Cochran	Kennedy	Smith (OR)
Collins	Kerrey	Snowe
Craig	Kerry	Specter
Daschle	Landrieu	Thurmond
DeWine	Levin	Torricelli
Dodd	Lincoln	Voinovich
Domenici	Lott	Warner
Dorgan	Mikulski	Wyden
Durbin	Miller	
Edwards	Moynihan	

NAYS—1

Stevens

NOT VOTING—32

Ashcroft	Frist	Lieberman
Bond	Gorton	Lugar
Boxer	Grams	Mack
BrownbacK	Helms	McCain
Burns	Hollings	McConnell
Campbell	Inhofe	Murkowski
Cleland	Jeffords	Roth
Conrad	Kohl	Thomas
Crapo	Kyl	Thompson
Enzi	Lautenberg	Wellstone
Feinstein	Leahy	

The joint resolution (H.J. Res. 119) was passed.

Mr. DEWINE. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EUROPEAN SECURITY AND DEFENSE POLICY

Mr. WARNER. Mr. President, on October 10, 2000, the Center for Strategic & International Studies (CSIS) hosted an important luncheon discussion on the European Union's evolving European Security and Defense Policy (ESDP). The guest speakers at that luncheon were Ambassador Christopher Meyer of Great Britain, Ambassador Juergen Chrobog of Germany, and Ambassador Francois Bujon de l'Estang of France. Senator LEVIN and I were privileged to sponsor this luncheon on Capitol Hill, in the Senate Armed Services Committee hearing room. Attendees at this luncheon included a prestigious group of former ambassadors and administration officials, representatives from industry, policy and research organizations, and senior congressional staff from both the House and Senate.

Since December 1999, when the European Union (EU) Heads of State announced at a summit meeting in Helsinki their "determination to develop an autonomous capacity to take decisions and, where NATO as a whole is not engaged, to launch and conduct EU-led military operations in response to international crises," there has been a great deal of discussion and debate about the development of a common European defense identity. While I commend our European allies for their

willingness to do more militarily, I have been concerned about the impact of an ESDP on the NATO Alliance.

My views on the development of the European Security and Defense Policy start with the basic premise that NATO has been the most successful military alliance in history. NATO won the cold war; it is now plying an instrumental role in keeping the peace in Europe. Whatever is done in the context of an ESDP, it must not weaken NATO.

There are a number of questions concerning the content of an ESDP—questions I, Senator LEVIN, and others raised at the October 10 luncheon. For example, Europeans are discussing increasing their military capabilities at a time of declining defense budgets, in a number of NATO partners. How is an added military capability possible with less money? Will ESDP developments—particularly the establishment of EU military structures—take valuable and scarce resources away from NATO military capabilities? How will the EU military force interact with NATO? Will NATO have the right of first refusal—or veto power—over an EU-led military operation?

These are important questions that should be answered. During the meeting on October 10, the Ambassadors provided valuable insight into the development of an ESDP. I commend their participation in today's forum. I ask unanimous consent that the opening statements of the three Ambassadors be printed in the RECORD.

I will continue to monitor these developments and keep the Senate informed.

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

SPEECH BY AMBASSADOR CHRISTOPHER MEYER
EUROPEAN SECURITY AND DEFENSE POLICY
(ESDP) AND ITS IMPLICATIONS FOR THE UNITED STATES AND NATO

In October 1998 Tony Blair launched an initiative on European defense in a speech at Pörschach.

He had been dismayed by the inadequacy of European diplomatic and military performance in the Balkans. It undermined the credibility of the EU's common foreign and security policy. It corroded the Atlantic alliance by giving comfort to those in the U.S. who argue that the Europeans refuse to assume their share of the burden.

He saw that the Europeans lack military transportation over long distances; logistical support to sustain fighting forces for long periods away from home; and enough capabilities such as airborne surveillance, precision-guided munitions and command, control and communications. The Kosovo campaign in particular showed up these deficiencies.

Blair's aim was, and remains, three-fold: To strengthen the AEU's capacity to act internationally in a more effective manner; to deliver a step-change in Europe's ability to manage crises; and to strengthen the European Contribution to the Atlantic alliance, in particular through more robust European military capabilities.

In the British view this is overwhelmingly in the interests of the U.S., the alliance and of Europe.

Since Blair's speech, he and president Chirac have been the main drivers of this ini-

tiative. The British-French St. Malo declaration was the first land-mark. But, of course, over the last two years, the full memberships of the EU and NATO have become increasingly involved, notably Germany.

My colleagues will speak to you about the implications of this initiative for the U.S. and NATO; about the current state of play; and about next steps.

I want to make only two observations.

The first is that the initiative has made extraordinary progress in less than 2 years:

Last December, at Helsinki, the EU set itself a headline goal: to be able by 2003 to deploy 60,000 troops at 60 days' notice for operations lasting at least a year. By the end of this year we should have identified who will need to do what to make this goal reality; and we ought to have in place key element of EU/NATO arrangements, as well as necessary internal EU structures. My colleagues will say more about this.

My second observation is that behind the official statements of welcome for this initiative, there has been chronic suspicion and skepticism on this side of the Atlantic, especially on Capitol Hill. Why?

First, there is a long-standing schizophrenia at work. For decades you have been telling the Europeans to get their act together: one emergency phone number, please. But whenever we show signs of doing what you ask, you become suspicious and anxious that we are doing things behind your back. European defense initiative has been much afflicted by this schizophrenia. Damned if we do, damned if we don't.

Second, some of you don't actually believe we will ever put our money where our mouth is and increase European military effectiveness. But, Britain and, I'm sure, France and Germany are determined to make a reality of this initiative. Britain has just increased its military budget accordingly. The capabilities commitment conference will be held precisely to pin member-states down to concrete commitments. The UK has already made clear that it will offer a pool of land forces adding up to about 20,000, of whom a maximum of 12,000 would be deployed in any one scenario. The pool would allow deployment of one a group of armored, mechanized or air assault brigades, with probably two additional brigades in support (e.g. Artillery, air defense, attack helicopters, HA and signals).

The UK defense budget is rising in real terms. Procurement plans announced this year include four C-17 strategic lift aircraft with more to follow; maverick precision guided munitions and new air-to-air missiles for the Eurofighter; two new aircraft carriers and six new type-45 destroyers; new command, control and intelligence systems.

Third, you sometimes exaggerate the share of the burden the U.S. have to assume. Its true you flew most of the sorties in the Kosovo campaign. That is something we Europeans have to rectify. But don't forget that today in Kosovo, 85% of the NATO-led force comes from Europe. So does most of the civil aid. That's how it should be.

Fourth, the question is asked why it is necessary to introduce the EU into the equation, when there is already a security body called NATO, of which 13 out of 15 members are European. Isn't, the skeptics ask, the European defense initiative really about replacing NATO as the basis for collective European defense and cutting transatlantic security ties? This is perhaps the most deep-seated of U.S. concerns.

The answer to this last question is an emphatic "no", as my colleagues will confirm. NATO will remain the bedrock of our defense and that of European allies. This initiative is not about replacing NATO or undermining its role in collective defence and other de-

manding crisis management missions. No-one in Europe is suggesting an EU role in collective defence. European allies have made perfectly clear, in actions as well as in declarations, our preference to act alongside the U.S. wherever possible, particularly in high intensity operations.

Instead, this initiative is about other cases, where the U.S. does not want to be involved, "putting out fires in our backyard", as French defence minister Alain Richard has put it. With the U.S. where you want to be present, otherwise on our own. "Separable, but not separate".

Bear in mind that we are not writing on a blank piece of paper. Rather than creating a new security body, we are replacing an existing body that has not proven effective enough—the western European union—by one with far greater political, financial and organizational muscle—the European union. We are trading up for a more useful instrument. But our aims have not changed: a more effective European defence, organically linked to NATO and its structures.

Submerging Western European Union (WEU) functions into the European Union (EU), we simplify not multiply European security structures. We end an artificial separation between hard defence in NATO and WEU, from foreign and security policy in the EU. EU policies should become less declaratory, more hard-headed. That will be good for us all.

Finally, let me underline one point that Tony Blair has made clear, repeatedly, right back to his first speech in October 1998: this initiative should be judged, and we ourselves will measure its success, by whether there is a real improvement in military capabilities. We are under no illusions about the difficulty. But it has been and remains the central aim of the initiative.

SPEECH BY AMBASSADOR JURGEN CHROBOG
EUROPEAN SECURITY AND DEFENSE POLICY
(ESDP) AND ITS IMPLICATIONS FOR THE UNITED STATES AND NATO

Now that Sir Christopher has outlined how ESDP came into being and what it is all about, I would like to concentrate on the contribution ESDP will make to NATO and the transatlantic partnership. In doing so, I'll try to address some of the questions that have been raised in this country about ESDP. I'll certainly be happy to discuss them in more detail later on. Christopher Meyer's remarks have pointed out why ESDP is vital to further European integration. With ESDP, the European Union has committed itself to making essential progress towards a political union which is underpinned by credible political and military action. But ESDP is of equal importance to NATO, the U.S., and the transatlantic relationship—and not just because a strong Europe is very much in the interest of the United States.

To underpin this, I would like to make four brief points:

First: ESDP will enable Europeans to engage in crisis management, principally on the European continent. ESDP is an historic step towards strengthening the military capabilities of the Europe NATO partners. In this respect, it is a product of the lessons learned from Bosnia and Kosovo. ESDP enhances the ability of the EU to make decisions in crisis management. With ESDP, Europe will be able to perform a broad spectrum of missions ranging from civilian conflict prevention to military crisis management. These include humanitarian assistance, evacuation measures during crisis situations in third countries, and military peace-keeping and peace-enforcing—all of which we refer to as the "Petersberg Task." I would

like to mention here the efforts to enhance European capabilities predates the St. Malo agreement of 1998 by a few years. In June 1992, on German initiative, a WEU Ministerial meeting near Bonn first outlined the "Petersberg tasks" which later became the basis for ESDP objectives. Within the framework of ESDP, the EU will develop tools for civilian crisis management, including a task force of police officers ready to deploy on short notice. This will make the EU the only multilateral organization that can offer the full range of conflict management measures.

Second: By developing European capabilities in key military areas, ESDP will make a substantial contribution to transatlantic burden-sharing. These new capabilities include command and control, strategic intelligence, and strategic airlift—just to name the most important ones. These priorities will also play an important role in the reform of the German armed forces which has recently begun. This reform will triple the number of troops that Germany will be able to rapidly deploy from 50,000 to 150,000. This increase in the readiness forces will enable the Bundeswehr to participate in one major operation with up to 50,000 soldiers for a period of up to one year or two medium sized operations, each with up to 10,000 soldiers for several years, a significant improvement over current capabilities as demonstrated by the 7,500 men presently deployed in the Balkans. Germany will thus be in a better position to meet its responsibilities within NATO and the European framework. Germany's defense budget will increase by 3.2% in 2001. As you know, a German-French initiative is already underway on establishing a European air transport command—a way to combine financial resources to achieve the required capability quality and quantity. The modernization of European forces will be harmonized with NATO's Defense Capabilities Initiative and thus simultaneously contribute to both the European and NATO force goals. Senator Chuck Hagel of Nebraska said it very plainly in his recent article for "Defense News" (3.7.2000), and I quote "Greater European military capabilities will make the alliance stronger, lift some of the burden the United States now carries in having to act in every crisis, and make the U.S.-European relationship a more equal one." End of quote. I could not agree more. A strong Europe is good for the United States. For this very good reason, not only Senator Hagel but also a whole generation of American politicians before him have been calling for exactly the same steps which we are now taking with ESDP.

Third: Within NATO, ESDP will strengthen the transatlantic link. The European Union will use its crisis management capability to complement and reinforce NATO. There may be occasions when the U.S. is not inclined or, for other reasons, is unable to dispatch American troops to deal with a conflict in Europe which needs to be addressed. This is precisely the type of scenario in which ESDP can play a role. Let me be clear: The EU is not competing with NATO. The Europeans will take care of business "where NATO as a whole is not engaged" (European Council Helsinki, Dec. 1998). There will be no separate European army. There will be no unnecessary duplication of assets or capabilities between NATO and the European Union. In fact, the EU might require NATO assets to conduct EU-led military operations. ESDP reflects the EU's willingness to shoulder more of the burden of safeguarding peace and democracy. As the New Strategic Concept of the Alliance, which was endorsed at NATO's Washington summit in April 1999, states: "The increase in the responsibilities and capacities of the European allies with respect to security and defense enhances the security environment of the alliance."

And finally, my forth point. The EU will include other European countries in ESDP. Procedures are being put in place to allow the six European NATO members which are not EU member states and possibly other contributing states to fully participate in European-led operations. That includes the Eastern and Southeastern countries that are candidates for EU membership. ESDP thus reinforces and broadens the security umbrella of NATO.

To sum up: EU and NATO have very different backgrounds, histories and structures. They will not detract from each other, but grow closer in values, convictions, and actions. For the European Union, and Germany in particular, the transatlantic partnership and the U.S. political and military presence in Europe remain the key to peace and security on the European continent. And one thing is absolutely certain: NATO remains responsible for the collective defense of Europe. NATO will not lose any of its importance, and ESDP will strengthen the European Union and NATO.

SPEECH BY AMBASSADOR FRANCOIS BUJON DE L'ESTANG

EUROPEAN SECURITY AND DEFENSE POLICY (ESDP) AND ITS IMPLICATIONS FOR THE UNITED STATES AND NATO

I would like to thank Dr. Hamre and Simon Serfaty for this excellent initiative taken by the CSIS.

From St. Malo to today, some apprehension has been expressed on Capitol Hill regarding European security and defense policy. This apprehension has been largely due, I believe, to misconceptions and lack of understanding of our intentions and our objectives. Perhaps terminology has not helped either, with the European predilection for ominous acronyms

After the excellent presentations of my British and German colleagues, there is little left to add. However, there is only one thing worse than a European conspiracy: a French-inspired European conspiracy. According to a rather popular theory in Washington, ESDP is a dark and dangerous plot organized by France to finally break up the Atlantic Alliance with the unknowing complicity of its blind European partners. Therefore, people are undoubtedly paying close attention to the current French Presidency of the EU. Let me spend a few minutes to shed some light on our plans until December 31, and briefly go over the goals—and achievements—of our current presidency in order to dispel and doubt that might still be lingering in your minds.

1. To quote Lord Robertson, ESDP is about three things: capabilities, capabilities and capabilities. I wholeheartedly subscribe to this assertion, for at least two reasons: first of all, France has always prided itself, on a national level, with a strong commitment to robust defense capabilities, and our present forces are there to show it—it is only natural that we attempt to pursue our European endeavor with the same priority. Second, because capabilities are the key to the success of ESDP, in terms of political credibility of course but also in terms of our military objectives.

Let me tell you what our projects are in terms of capabilities:

As you all know by now, at Helsinki, last December, the fifteen heads of State or Government set themselves two series of targets in terms of military capabilities.

On the one hand, the quantitative so called "head-line goals" (60,000 troops rapidly deployable, self-sufficient for a whole year with the necessary air and naval support);

On the other hand, qualitative targets regarding collective capabilities in areas such

as command and control, intelligence and strategic transport. What we are doing today is to transform these political objectives into concrete goals, in a very detailed manner. In political objectives into concrete goals, in a very detailed manner. In other words, the dozen or so lines in the Helsinki conclusions on capabilities have, thanks to an alchemy performed by EU military planners with input from their NATO colleagues, turned into some 50 pages of specific requirements.

This allows us to match up what we need to what we currently have, and of course measure the gaps, which we will aim to close at the Capabilities Commitment Conference, to be held in Brussels next November 20 by Defense Ministers of the 15. This event will allow each member State to make pledges toward meeting these requirements. We also aim to decide, before the end of our Presidency, on a European review mechanism that will allow us to continue narrowing the gap until 2003, and more generally to review the nature and composition of European military forces.

Just to give you a flavor of this work, which suddenly makes all of these debates very real: the Defense Ministers of the 15 agreed, two weeks ago, that in order to fulfill the Helsinki objectives the EU needed: 80,000 troops in order to allow for a simultaneous contingency and still be able to project 60,000 as agreed (allowing for rotations, this means of course 200,000 to 230,000 troops); 300 to 350 fighter planes; some 80 combat ships . . . these are just some of the elements in this catalogue of forces that have been agreed. I could also mention strategic lift, UAVs, amphibious landing ships . . .

I would like to mention in passing that, as you can see, we are not just aiming at operations on the low end of the peace-keeping spectrum as I have sometimes heard. Does this mean that we would be able, in 2003, to carry out an operation such as "Allied Force" entirely by ourselves? Of course not—and it would be dangerous to create such expectations. But the imbalance between U.S. and European forces which we witnessed last year would be substantially reduced—and 2003 will be an important stepping stone on the path to such a capability, which we need to keep as a longer-term goal in order to be prepared for all non-article 5 contingencies.

3. I often hear people complaining about the fact that the EU is not working to improve its capabilities, but just creating new institutions. This is inaccurate on both counts: as I have just pointed out, we are actively working on reinforcing our capabilities. As for institutions, I would agree with Sir Christopher that we are re-organizing, not multiplying European institutions. As we have reiterated at the last European Councils, our goal is to develop an autonomous capacity to take decisions and, where NATO as a whole is not engaged, to launch and conduct EU-led military operations in response to international crises". The capacity to take decisions and to conduct EU-led military operations requires the adequate political-military decision-making structures, procedures and expertise. During our Presidency, we are working hard in order to allow these new EU structures (the Political and Security Committee, the Military Committee and the Military Staff) to get up and running in their permanent configuration, taking over from their interim one. These bodies are analogous to those that existed in the past in the WEU, and which will be disbanded.

I might add that those new institutions that are being created are those which fulfill the objective of allowing consultation and cooperation with NATO and with non-EU

countries, two goals that I know are very dear to many of those here today, as they are indeed to us. Under our Presidency, we have already held a joint meeting between the North Atlantic Council and the Interim Political and Security Committee (and there will be more to come), as well as several meetings of the newly set up joint working groups between the EU and NATO. These are needed to address, in a pragmatic and solution-oriented way, the issues that the two organizations need to work out together (access to NATO assets, information security, etc.) and to work out the elements of the long-term EU-NATO relationship. We have also set up an inclusive forum for the 15 European non-EU partners and, within this forum, for the 6 non-EU NATO allies. Several meetings have also already been held in the two months that have gone by since we took up our presidency. These countries will, of course, be closely associated to the November Capabilities Commitment Conference.

One final word: after having gone into such detail into our current projects, just to give you a taste of how complex this whole endeavor is and how seriously we are taking our task, I wouldn't want the trees to hide the forest.

The crucial element to bear in mind is that we are at a turning point in the history of the European Union, of the Atlantic Alliance and of transatlantic relations. There is much at stake, both for the future of the EU's foreign and security policy, and therefore for our ability as Europeans to play our role on the world stage, and for the transatlantic link as well. We have taken the full measure of what is at stake and are pleased to see that quarreling and suspicion have given largely given way, on this side of the Atlantic, to a better understanding of our common interests and our shared objective.

BRIAN BENCZKOWSKI

Mr. DOMENICI. Mr. President, at the end of this session of the 106th Congress Brian Benczkowski will be leaving my staff. Brian has worked on the Hill since his third year in law school. He started as an intern while still in law school, served as the senior analyst for judiciary issues for the Senate Budget Committee, and worked closely with my general counsel to develop, and enact, over the President's veto, the Securities Litigation Reform Act of 1995.

Brian was my counsel for the second round of Whitewater hearings and was part of the team for the historic impeachment trial of President Clinton. Brian worked on Juvenile Justice legislation, and helped me take on the Mexican drug lords.

He learned the highway, airport and other infrastructure needs of New Mexico as well as any Highway and Transportation Secretary in any Governor's cabinet. He was knowledgeable on immigration issues and helped my case-workers with the really tough, but worthy immigration problems that are a daily fact of life in a border state. Just to prove that Brian had a soft side, he was my staff person for Character Counts during the 106th Congress.

Brian was instrumental in drafting the claims process legislation for the victims of the Cerro Grande fire. From the date that the fire first started to the day that the President signed the bill, complete with the \$640 million to pay the claims, was fifty days. It is a good legislative product, and it proved that the delegation and the Congress could be bipartisan and act expeditiously in an emergency.

Brian is a talented lawyer, a caring and hard working member of my staff.

For a young man raised in Virginia, taught the law in Missouri with parents now living in Connecticut, he has made many New Mexico friends, developed a taste for green chile and amassed an understanding of the border. At one point I remarked that his Spanish was as good as any other staff member in my office.

So what is it that such a talented young man would choose to do when leaving Capitol Hill?

Banking legislative assistants and counsels with backgrounds in securities often end up at the Securities and Exchange Commission, the Commodities Futures Trading Commission or at one of the Wall Street firms. However, the typical career path wouldn't do for this untypically talented young lawyer. He is going to New York to work for the first, real sports stock market.

This new sports stock market will list the baseball and other trading cards of today's marquee athletes and major league sports rising stars. Just like any major stock exchange, the exchange is a market maker. Just like E-trade or Ameritrade people will have sports brokerage accounts.

Brian is a baseball fan, former baseball player and a font of knowledge when it comes to sports. As a former minor league baseball player myself, I know baseball and am a fan of most other sports. ESPN was a great invention that adds to most men's enjoyment of life, sports and the pursuit of happiness. Hopefully, this new sports stock exchange will add another dimension to the way we all follow sports.

Many of us share a passion for sports, but very few of us get to take that passion, and merge it with the law, get an impressive title like assistant general counsel, receive a pay check and stock options. However, Brian is going to do just that at thePit.com. I wish him and his new company every success.

MESSAGE FROM THE HOUSE

At 7:30 p.m., a message from the House of Representatives, delivered by Ms. Kellaher, one of its reading clerks, announced that the House has passed the following joint resolution, in which

it requests the concurrence of the Senate:

H.J. Res. 119. Joint resolution making further continuing appropriations for the fiscal year 2001, and for other purposes.

ENROLLED BILLS SIGNED

A message from the House of Representatives, delivered by Ms. Kellaher, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 119. Joint resolution making further continuing appropriations for the fiscal year 2001, and for other purposes.

The enrolled bill was signed subsequently by the President pro tempore (Mr. THURMOND).

ORDERS FOR MONDAY, OCTOBER 30, 2000

Mr. DEWINE. Mr. President, on behalf of the distinguished majority leader of the Senate, I ask unanimous consent that when the Senate completes its business today, it recess until the hour of 5 p.m. on Monday, October 30, 2000. I further ask consent that on Monday, immediately following the prayer, the Journal of proceedings be approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate then proceed to a period of morning business until 7 p.m., with Senators speaking for up to 10 minutes each, with the following exceptions: Senator REID, or his designee, from 5 to 6 p.m.; Senator DOMENICI, or his designee, from 6 to 7 p.m.

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

PROGRAM

Mr. DEWINE. Mr. President, for the information of all Senators, the Senate will convene tomorrow at 5 p.m., with up to 2 hours for morning business, with Senators REID and DOMENICI in control of the time.

Under the previous order, there will be a vote on a continuing resolution at 7 p.m. That will be the first vote of the day. However, other votes may be necessary during tomorrow evening's session. Good-faith negotiations are ongoing, and it is hoped that an agreement can be finalized this week.

RECESS UNTIL 5 P.M. TOMORROW

Mr. DEWINE. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 7:58 p.m., recessed until Monday, October 30, 2000, at 5 p.m.