Many of my Republican colleagues advocate passing a constitutional amendment to prohibit flag desecration. I admire and agree with their intent to show proper respect to our flag, but I disagree with their belief that a new constitutional amendment banning flag burning is the best way to protect the flag and punish flag burners. To this end I, along with Senator MCCONNELL, introduce legislation which will successfully and legally prevent the desecration of our national symbol.

Our bill provides for the imprisonment and fining of those who damage an American flag intending to incite a breach of the peace. It also punishes anyone who steals a flag belonging to the Federal Government or a flag displayed on Federal property. In a review of our bill, senior constitutional legal experts at the U.S. Library of Congress stated that if enacted, the bill would withstand Supreme Court constitutional scrutiny. I agree with this analysis and believe it is possible to punish the despicable behavior of flag desecration, while still preserving the stability of a document that has served us well for over 200 years.

With these comments, I wish my colleagues a happy Fourth of July holiday. May we always remember the liberties and blessings which are ours due to the sacrifice and inspiration of our American patriots.●

HONG KONG REVERSION

● Mr. GLENN. Mr. President, next week the eyes of the world will be focused on Hong Kong when the British dependent territory reverts to Chinese control. The end result of a negotiated agreement between the United Kingdom and China, the reversion itself is widely accepted and not a matter of controversy. Nevertheless, how China will handle the dynamic and thriving territory of Hong Kong in the near and longer term future is a matter of great interest, and of considerable difference of opinion.

I count myself among those who are cautiously, I underscore cautiously, optimistic about the future of Hong Kong. The principle reason for my cautious optimism is a belief that, in this area, China will be guided primarily by consideration of its economic self interest. Many have likened Hong Kong to the goose that laid the golden egg. That characterization is well deserved. Simply put, China has an enormous stake in continued economic growth and prosperity in Hong Kong. Over the last several years, economic growth in Hong Kong has averaged 5 to 6 percent a year; Hong Kong is now the eighth largest trader in the world; and its GDP of almost $24,000 per capita exceeds that of several western industrialized nations. Hong Kong is an international business and financial center. The Hong Kong and Chinese economies are already intertwined and codependent. Hong Kong is a source of substantial investment in China and a conduit for Chinese exports around the world.

To a large extent the Chinese leadership has staked its legitimacy and its future on the ability to bring growth to China's economy and an improving standard of living to its people. Over the next 5 years China will have to find jobs for an estimated 216 million new or displaced workers. Reason would argue that China simply cannot afford to substantially tamper with the economic growth engine that is Hong Kong.

In addition to the negative economic consequences of mishandling the Hong Kong reversion, China has other incentives to try hard to make things work. China has advertised the Hong Kong one country-two systems principle as a model for any potential future discussions on reunification of Taiwan with the mainland. While it's still unclear whether or not this is even a feasible proposition, you can be sure if things do not go well in Hong Kong, any possibility of talks with Taiwan on reunification will continue to remain remote for the foreseeable future. Finally, the success or failure of the Hong Kong transition will have a substantial impact on United States-Chinese bilateral relations, as well as on the worldwide perception of China.

Having outlined the reasons for my optimism, I must now explain why I temper that optimism with a healthy dose of caution. I am not sure, Mr. President, that the leadership in Beijing understands what it takes to nurture the robust and thriving socioeconomic system of Hong Kong, particularly the relationship between the political and economic spheres. I am not sure that the Chinese leadership will necessarily favor their economic interests over political or perceived security interests, if the two sets of interests collide.

The record of the period of preparation for reversion is mixed. Hong Kong continues to thrive economically and business confidence remains high. China has agreed to Hong Kong's continued membership in international institutions as a separate entity and to the continuation of Hong Kong's experienced and professional civil service. On the other hand, China's decision to replace the elected legislature, Legco, with an appointed provisional legislature and certain statements by Chinese officials concerning definition of freedom of the press have caused considerable unease among Hong Kong's democratic political organizations, in the United States and in Britain.

The great unanswered question is whether the Chinese leadership will be willing and able to effectively implement the one country-two systems model, preserving Hong Kong's economic prosperity as well as the political freedoms the people began to enjoy under British rule. If alternatively, they begin to roll back the political freedoms and individual liberties, in my view, the economy will not be immune, and they may well end up sacrificing that fabled golden goose.

We may not know the answer to that question for several years. As I said earlier, the eyes of the world will be on Hong Kong next week. But, those eyes will not be taken off Hong Kong on July 2. You can be sure the world will continue to watch China's stewardship of Hong Kong with intense interest for many years.

And, we shouldn't just watch. The United States should do everything it can to support the people of Hong Kong. The United States should encourage China to see and understand that its own interests are best served by maintaining true autonomy for Hong Kong. Anything less would be a failure.●

WILL ISEA PART WAYS WITH THE NEA?

Mr. GRASSLEY. Mr. President, I know that all of us agree there is no greater national treasure this Nation has than our children. Nurturing and encouraging them to live up to their potential is one of the most important things we can do. That is why our educational system must be the best it can be and our Nation's educators must be the best they can be. But there is something that I believe all the members of congress need to be aware of because it may have a profound and lasting effect on educators throughout the country. I am referring to the ongoing merger talks between the National Education Association and the American Federation of Teachers.

This matter is of prime importance to NEA members across the United States and I know it is of tremendous importance to the Iowa State Education Association. It is disturbing that many members of the NEA are not aware of this because this is not just joining of two teachers' organizations. Given the AFT's affiliation with the AFL–CIO and the apparent willingness of the NEA to accede to the demands of the AFT. Should the merger go through, this new organization would be a member of the AFL–CIO, which could have tremendous policy implications for the largest organization representing educators. For that reason, I urge other members of congress to read the article I am submitting for consideration.

The article follows:

WILL ISEA PART WAYS WITH THE NEA?

(By James Flansburg)

The Iowa State Education Association is thinking about dropping its affiliation with the National Education Association.

At ISEA's annual meeting in Ames in early April, a number of members said they fear that the NEA is moving toward a militant unionism that could severely harm professionalism in teaching.

The course being followed by the NEA would take away the independence of local and State affiliates, while, at the same time, putting them deeply into partisan politics and formal efforts to control local school boards and policies.

ISEA represents about 35,000 Iowa teachers, and a vast majority of them have misgivings over terms of a proposed merger between NEA and the late Albert Shanker's American Federation of Teachers, AFL–CIO.

Critics of the proposed merger contend that, more than an endeavor to improve the lot of teachers, it's a surreptitious effort aimed at strengthening the labor movement and rebuilding the Democratic Party.

NEA has a membership of about 2.2 million and AFT about 800,000, but the merger terms being pushed by NEA's national leaders endorse AFT's way of doing business instead of the more moderate approach of the traditional NEA.

An indication of that came in a February speech by NEA President Robert Chase at a National Press Club luncheon.

''I came here this afternoon to introduce the new National Education Association—the new union we are striving to create in public education,'' he said.

Chase called for ''building an entirely new union-management relationship in public education.''

No one knows more than teachers what schools need, he said: ''higher academic standards; stricter discipline; an end to social promotions; less bureaucracy; more resources where they count, in the classroom; schools that are richly connected to parents and to the communities that surround them.''

''To this end,'' he continued ''we aim not so much to redirect the NEA, as to reinvent it.

''The new direction . . . is about action. It is about changing how each of our local affiliates does business, changing how they bargain, changing what issues they put on the table, changing the ways they help their members to become the best teachers they can be.''

The union's goal? ''An agreement that allows teachers, in effect, to co-manage the school district.''

Terms of the NEA–AFT merger would make the new organization a member of the AFL–CIO, with the power to override the concerns of local and State affiliates.

Such things as student welfare and professional teachers' concerns and local school conditions could be lost in the dust of battle over union politics, local and national, and wages, hours and working conditions.

Local concerns would come behind the union's national priorities. A community might find itself held hostage by national union goals that have nothing to do with the community itself.

The new national organization would have the power to take control of local and state organizations for refusing to follow the national organization's policy and political lines.

In effect, it would have the power to trample the professional and ethical considerations that have led the huge majority of teachers in Iowa and the nation to join a professional association such as ISEA rather than a local of the AFT.

The Iowa and New Jersey state affiliates of NEA have been the most vocal critics of the merger terms, which seem basically dictated by the AFT's power sources in New York and other big urban centers.

Although a substantial majority of teachers across the country may oppose merger terms, top NEA officials and staffers have the power to bring it off.

That's because a number of state organizations are financially dependent on NEA and have little choice except to do its bidding.

ISEA, in contrast, is not financially dependent on NEA. But it might have to drop its affiliation with NEA to avoid being taken over by the newly merged organization.

So the ISEA has no alternative but to think about and start making contingency plans to cancel its NEA affiliation.

The details of that dominated a number of private discussions at the ISEA's delegate assembly at the Hilton Coliseum at Ames in April.

In most places, the merger seems a well-kept secret.

The idea is to keep the implications of the merger from the teachers in the states where local organizations and their leaders are beholden to NEA and AFT leaders.

ISEA has kept Iowa teachers up to date on the merger talks, and has advocated that other state organizations mirror the effort.

''The more information that comes out on the proposed merger, the more the membership seems disinclined to do it,'' said one person who has been following the merger talks.

It's probably not hard to find people who would dismiss all this as intramural arm wrestling between two unions.

That may well be. For the public, it may not make any difference which view prevails.

I've fought with ISEA over the years, and have been soundly denounced by dozens of teachers for dismissing it as little more than a trade union.

Whatever. If I were an Iowa teacher, I'd be against the merger because it surely would take away all hopes of the organization ever becoming a professional association that cared about anything except wages and hours.

On a practical basis, moreover, a merger would take away the implicit threat that many teachers' groups now are able to use.

Deal with the moderate ISEA or its equivalent, they lead the school boards and others to believe, or you may end up with the bloodletting unionism of the AFT.

On the other hand, I'd choose the AFT's militance before I'd relegate Iowa teachers to the kind of second-class citizenship—lots of respect and no money and no say about their working conditions—they suffered under before they acquired the ability to collectively bargain with the school districts about 25 years ago.●

THE BALANCED BUDGET ACT OF 1997 AND MEDICARE

● Mr. DODD. Mr. President, with Wednesday's passage of the Balanced Budget Act of 1997, the Senate with some trepidation, has taken a number of courageous steps toward ensuring long-term solvency of the Medicare Program.

Specifically, I believe that the adoption of means testing of Medicare premiums moves us in the right direction toward the long-term solvency of this critically important program. It is important to remember that this provision will affect only those seniors with individual annual incomes over $50,000 and married seniors with incomes above $75,000, on a sliding-scale basis. While some tried to portray this provision as a retreat from protecting our Nation's seniors, I view it as a step toward ensuring that our seniors will be well served for a long time to come. The adoption of this provision simply says that those Americans who can afford to contribute a little more for their health care should do so. Such a measure is surely needed if we are to sustain the safety net that Medicare provides to millions of senior citizens.

While I supported that particular part of the bill, I must share my deep concern over other provisions that I feel go too far. I find particularly unacceptable the provision which will raise the age at which individuals are eligible to receive Medicare from 65 to 67. The likelihood of these seniors finding affordable private insurance is slim—many will be forced to forego coverage. At a time when the number of uninsured individuals in this country is growing and employer-sponsored insurance is declining, I find it astonishing that some would choose to exacerbate the current problem further with this measure.

I also opposed a provision that will require the poorest and sickest seniors to pay up to $700 a year in home health costs. One-quarter of the home health users are over 85; 43 percent have incomes below $10,000. Forcing the most vulnerable Medicare beneficiaries to bear this significant financial burden under the guise of addressing the long-term financial challenges of this program is indefensible.

Because of these concerns, I was unable to support this bill. It is my sincere hope, however, that these issues will be resolved in conference and that ultimately we will pass into law a measure that truly will protect our Nation's seniors and the vital safety net that Medicare provides to them.●

AN INDEPENDENCE DAY TRIBUTE

● Mr. SESSIONS. Mr. President, I rise today so that this great body may momentarily reflect upon the importance of our upcoming Fourth of July celebration.

Over 200 years ago, this country began a historic experiment. Our Founding Fathers were told it would fail. Yet, after many trials and tribulations, the United States of America stands, it can fairly be argued, as the greatest Nation in the history of the world. Independence Day is our annual celebration of this achievement.

Yet, we must have the courage and honesty to admit that we are not all that we hope to be. We have much work to do, and we have many dreams to make a reality. This is our American journey. And let us not forget the debt we owe to those who sacrificed to make this journey possible, the men and women who have stood sentry as our country marched to greatness. Today, they protect the finest democracy the world has ever known and keep watch around the globe. They are a beacon of hope, freedom, and justice to all the world's nations. Today, we trumpet the personal courage of our forefathers and the continuing sacrifices of the members of our armed services.

Who are these veterans and service members? We all know them. He was your friend in school. She was the kid next door. You go to church with them, and you pass them in the grocery store. They are Americans just like you and