United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 105th CONGRESS, SECOND SESSION

Vol. 144 WASHINGTON, THURSDAY, APRIL 30, 1998 No. 51

House of Representatives

The House met at 10 a.m.

The Reverend Thomas Kuhn, Church of the Incarnation, Centerville, OH, offered the following prayer:

Father, as we look around us, we see signs of the love that You have for this great Nation of ours. But as we look at the many blessings we have, we know that You are also calling on us to share those blessings with others.

You made us the most powerful Nation on earth so that we could be a kind and gentle people, ready to help and protect those who are unable to protect themselves.

You made us strong so that we could guarantee that all people enjoy the rights and freedoms that You gave them. May we work that no one is enslaved to prejudice and hatred.

You gave us this great power so that we might prosper and grow. May we share our blessings with those who are homeless and poor and hungry and be always ready to help those who need us the most.

You gave us great strength so that we may never tire in the search for peace in the world. In a world where there seems to be a never ending source of conflict between nations, may we have the strength to persevere in the search for that peace.

Watch over and strengthen this House of Representatives that they may always work for the common good of our Nation and the world. Amen.

THE JOURNAL

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

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

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Speaker's approval of the Journal.

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

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

The SPEAKER. Pursuant to clause 5, rule I, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

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

Mr. GIBBONS led the Pledge of Allegiance as follows:

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H.J. Res. 102. Joint resolution expressing the sense of the Congress on the occasion of the 50th anniversary of the founding of the modern State of Israel and reaffirming the bonds of friendship and cooperation between the United States and Israel.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2646. An act to amend the Internal Revenue Code of 1986 to allow tax-free expenditures from education individual retirement accounts for elementary and secondary school expenses, to increase the maximum annual amount of contributions to such accounts, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 2646) ''An Act to amend the Internal Revenue Code of 1986 to allow tax-free expenditures from education individual retirement accounts for elementary and secondary school expenses, to increase the maximum annual amount of contributions to such accounts, and for other purposes,'' requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ROTH, Mr. MACK, Mr. COATS, Mr. GORTON, Mr. COVERDELL, Mr. MOYNIHAN, Ms. MOSELEY-BRAUN, Mr. KENNEDY, and Mr. BINGAMAN, to be the conferees on the part of the Senate.

The message also announced that pursuant to section 4355(a) of title 10, United States Code, the Chair, on behalf of the Vice President, appoints the following Senators to the Board of Visitors of the United States Military Academy:

The Senator from Indiana (Mr. COATS), from the Committee on Armed Services, and the Senator from Texas (Mrs. HUTCHISON), from the Committee on Appropriations.

The message also announced that pursuant to section 4355(a) of title 10, United States Code, the Chair, on behalf of the Vice President, appoints the Senator from Rhode Island (Mr. REED), At Large, to the Board of Visitors of the United States Military Academy.

The message also announced that pursuant to section 6968(a) of title 10, United States Code, the Chair, on behalf of the Vice President, appoints the following Senators to the Board of Visitors of the United States Naval Academy:

The Senator from Arizona (Mr. MCCAIN), from the Committee on Armed Services, and the Senator from Mississippi (Mr. COCHRAN), from the Committee on Appropriations.

The message also announced that pursuant to section 6968(a) of title 10,

Printed on recycled paper containing 100% post consumer waste

United States Code, the Chair, on behalf of the Vice President, appoints the following Senators to the Board of Visitors of the United States Naval Academy:

The Senator from Maryland (Ms. MIKULSKI), from the Committee on Appropriations, and the Senator from Maryland (Mr. SARBANES), At Large.

The message also announced that pursuant to section 9355(a) of title 10, United States Code, the Chair, on behalf of the Vice President, appoints the following Senators to the Board of Visitors of the United States Air Force Academy:

The Senator from Idaho (Mr. KEMPTHORNE), from the Committee on Armed Services, and the Senator from Montana (Mr. BURNS), from the Committee on Appropriations.

The message also announced that pursuant to section 9355(a) of title 10, United States Code, the Chair, on behalf of the Vice President, appoints the following Senators to the Board of Visitors of the United States Air Force Academy:

The Senator from South Carolina (Mr. HOLLINGS), from the Committee on Appropriations, and the Senator from Georgia (Mr. CLELAND), At Large.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. HULSHOF). The Chair will recognize 5 one-minutes on each side.

A RIGHT TO KNOW

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

Mr. DELAY. Mr. Speaker, it was Theodore Roosevelt who said in his third State of the Union address:

> No man is above the law and no man is below it; nor do we ask any man's permission when we require him to obey it. Obedience to the law is demanded as a right, not asked as a favor.

President Clinton should have kept that quote in mind before he invoked executive privilege. When Janet Reno appointed Ken Starr to investigate the various scandals that have beset the administration, he promised to follow the rule of law. He has done so despite the best efforts of the President's attack dogs to discredit him.

The American people have a right to know the truth about the actions of the President and all the President's men. They have a right to know that the rule of law is still being followed in the White House.

No man is above the law, no matter how often the President invokes executive privilege.

CONCERNING REMARKS OF SPEAKER GINGRICH IN MONDAY SPEECH

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

Mr. GEPHARDT. Mr. Speaker, ideally we are able to put aside our partisan interests and consider the people's business, if not with a blank slate, at least with an open mind. The Speaker of the House has an even greater duty. He not only represents his district and his party but he represents the integrity of the House of Representatives for all Members.

This Monday the Speaker delivered a speech in which he accused unnamed presidential advisers of being unpatriotic, accused Members of the Committee on Government Reform and Oversight for voting for a cover-up, urged the President and unnamed members of our party to quit undermining the law in the United States, and declared that in the last 2½ years we have lived through the most systematic, deliberate obstruction of justice, cover-up and effort to avoid the truth we have ever seen in American history. These remarks, which demean the office which he is privileged to hold, were repeated in the well of the House.

The Speaker noted in the same speech that America is a Nation under the rule of law and that no person is above the law. I fully agree with his comments. But speeches are empty sentiments unless they are practiced through our public behavior. There is more to the rule of law than after-dinner rhetoric. The rule of law requires impartial and competent investigations. It assumes the Speaker will not prejudge the results of these investigations. It requires, if not charity towards all, at least an absence of malice.

The Speaker's remarks have shown that he falls far short of this standard. I have sent him a letter and asked him here today to recuse himself from all further actions connected with this investigation. We must restore a sense of fairness to this process and integrity to this House.

RECOGNIZING FIRST UNITED PRESBYTERIAN CHURCH OF COLLINSVILLE, ILLINOIS, ON ITS 175TH BIRTHDAY

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

Mr. SHIMKUS. Mr. Speaker, I rise today to recognize an event that will occur in my hometown of Collinsville, Illinois. On May 3 of this year, the First United Presbyterian Church of Collinsville will celebrate its 175th birthday. It is the oldest church in continuous existence in Madison County. Informal worship services began in 1818, the year Illinois became the 21st State.

To honor this celebration, the church is having at least one special program a month from February through July. Each month a different group within the church will lead services. The first program in February was a reenactment of a Society Meeting in the style which was held in the 1800s. Many members of the congregation dressed for the occasion in period pieces, including the pastor and members of the choir.

Besides a special service on May 3, the actual date of the organization of the congregation, there will be programs to honor the church-related Glenwood Cemetery, established in 1822, on May 16 and 17. These celebrations are geared so that members of the congregation will have the opportunity to share with the community and rejoice in the blessings that God has given them.

SHAME IN THE MAKING

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

Mr. STUPAK. Mr. Speaker, and now I mean Speaker GINGRICH, you have begun personal attacks on the President. Mr. Speaker, you have told your Republican cash cow GOPAC that the President is obstructing justice. By stating your attacks on the President in a partisan manner, before a partisan group, you have shown that you cannot lead the House in a fair and impartial manner in any review of any inquiry. In fact, it appears that you have already reviewed the alleged facts and you have prejudged and you have made yourself judge and jury.

Mr. Speaker, let us stick to the facts, not by GOPAC but just the facts. But instead, Mr. Speaker, even a Roll Call editorial calls your actions ''Shame In The Making.'' Let us not bring shame to this House. You have a responsibility to lead, not mislead. You should be a statesman without prejudging any inquiry.

Instead you have become a lightning rod of partisanship. Just over a year ago, we had to reprimand you and fine you over $300,000 for bringing shame and disrespect to this House. Do we have to go down that shameful road again? Do not bring shame and disrespect to this House, Mr. Speaker, by your personal attacks.

AMERICAN PEOPLE HAVE A RIGHT TO KNOW WHY FOREIGN FUND-RAISING INVESTIGATION IS BEING BLOCKED

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

Mr. PITTS. Mr. Speaker, with regard to the House investigation on the use of illegal foreign money in the last election by the DNC, over 90 people involved with the fund-raising have either taken the fifth amendment or fled the country to avoid testifying. This fact alone points to extensive illegal activity.

The only way the American people are going to get to the truth is if we

grant immunity to some of these witnesses who know firsthand what happened. Why do some Members want to block a full investigation? The Justice Department agreed to immunity for every witness on whom we voted. The Justice Department had no objection.

The only reason to vote against immunity is to keep those witnesses from telling the American people what happened. Why would some Members want to be involved in covering up that? The Members should stop voting to block immunity and stop putting up roadblocks so we can get to the truth. The American people deserve the truth. The American people have the right to know what happened and who was responsible.

DOES OUR CHINESE FOREIGN POLICY MAKE ANY SENSE?

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

Mr. TRAFICANT. Mr. Speaker, when it comes to China, the wheel is turning but the hamster is dead. Check this out. China rips us off for $60 billion a year. Then they steal our nuclear and missile technology. Then they sell that technology and those missiles to our enemies. Then the White House, they panic, and they spend billions of dollars to protect America from Chinese missiles pointed at us by our enemies, missiles that were financed by American dollars.

□ 1015

Unbelievable.

Some of these foreign policy gurus must have fallen into the gene pool when the lifeguard was not looking, my colleagues.

If this is a policy, I am a fashion leader.

I want to say one last thing: I want to yield back any national security we have left, and if this policy with China makes any sense, then we all need a lobotomy.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. HULSHOF). The Chair will remind all persons in the gallery that they are here as guests of the House and that any manifestation of approval or disapproval of proceedings is in violation of the rules of the House.

DEMOCRATS STONEWALLING THEIR OWN JUSTICE DEPARTMENT

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

Mr. TIAHRT. Mr. Speaker, the House Committee on Government Reform and Oversight would like to grant immunity to Nancy Lee, Larry Wong, Irene Wu and Kent La and get their testimony so that Congress can learn the facts about illegal campaign contributions in the 1996 presidential election. The Justice Department does not oppose the granting of immunity to these four key witnesses, but the Democrats on the committee refuse, refuse to grant immunity to these four witnesses.

How can this be defended? It cannot. This is the same people who cry partisanship whenever any investigation into the allegations of wrongdoing are investigated and the same people who are not only defending the White House stonewalling but now stonewalling their own Justice Department.

I must grant the Democrats this, they really do know how to play hardball, but this is the same people who have tried to destroy the reputations of Judge Robert Bork and Judge Clarence Thomas and now Judge Ken Starr are now the same people who stand silent and motionless in the face of massive evidence of White House stonewalling and round-the-clock spin.

Stop the stalling and stop the spin so the American people can get to the truth.

LISTEN TO THE VOTERS OF THE DISTRICT OF COLUMBIA

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

Ms. JACKSON-LEE of Texas. Mr. Speaker, I am very glad to be here with my daughter for a day, Demika, who is a student at Brown Middle School; and I am here this morning because I wanted us to have a reasonable debate, Mr. Speaker, on this very important question of vouchers in schools.

Mr. Speaker, I think it is extremely important that we are reasonable because, if we are not reasonable, then we do not help those young people who, in fact, need to be educated. When one of our colleagues across the aisle compares public school education to communism, then we are unreasonable.

When the schools in D.C., private schools, cost on an average $12,000, a $2,000 voucher is not going to happen and not going to help children. In fact, it is $3,200. Only 2,000 children are going to be able to be helped. This drains money from our public school system.

Mr. Speaker, the District of Columbia has already voted against vouchers; and if I was to ask those in the District of Columbia, I would imagine, Mr. Speaker, they would ask us to help them educate their children, help them support public schools. I would ask that we listen to the voters of the District of Columbia and not vote for D.C. vouchers.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Members of the House are reminded it is a violation of House rules to call attention in debate to any guests of the House in the Chamber.

WHY ARE THE DEMOCRATS STONEWALLING THEIR OWN JUSTICE DEPARTMENT?

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

Mr. SAM JOHNSON of Texas. Mr. Speaker, as my colleagues know, Democrats are saying the American people are tired of talking about White House scandals. Well, congressional investigators are even more tired of the stonewalling, lack of cooperation and extraordinary memory loss that seems to afflict Harvard and Yale Law School graduates whenever they are called to testify. I believe the American people are stunned by the evasions, the retractions, the utter devotion to spin over truth coming out of this White House.

Mr. Speaker, it is Democrats on the House Committee on Government Reform and Oversight who are doing the stonewalling. Letters from the Justice Department say, and it has been said already, that Justice does not oppose granting immunity to four key witnesses in the campaign finance investigations, and I will just repeat that. The Justice Department does not oppose immunity, and yet the Democrats on the committee refuse to grant immunity.

I ask the American people to be the judge. Why would the Democrats be stonewalling their own Justice Department?

SHAMEFUL CIRCUMSTANCE WHICH NEEDS TO BE ADDRESSED

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

Mr. HINCHEY. Mr. Speaker, in the last several days, the Speaker of this House has launched an intemperate prejudicial attack on the President of the United States, demeaning himself and the office he holds by prejudging issues that may, in fact, come before this House. One can only conclude by these intemperate actions that the Speaker's basic intention is to draw attention away from the failure, his failure and the failure of the Republican leadership to address important issues that are of deep concern to the American people.

Yesterday, we learned that the Speaker personally made it impossible to reach a bipartisan agreement on a broad-based tobacco bill. He, in effect, told the chairman of the Committee on Commerce that he could no longer cooperate with Democrats to put together a bill that would make it difficult for children to become addicted to tobacco, demonstrating once again how deeply into the pockets of tobacco this Speaker actually is.

It is a shameful circumstance and one that needs addressing. We need to get on to the business of this House.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3584

Mr. FROST. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor from H.R. 3584.

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

There was no objection.

PROVIDING FOR CONSIDERATION OF S. 1502, DISTRICT OF COLUMBIA STUDENT OPPORTUNITY SCHOLARSHIP ACT OF 1997

Mr. HASTINGS of Washington. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 413 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 413

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House the bill (S. 1502) entitled the ''District of Columbia Student Opportunity Scholarship Act of 1997''. The bill shall be considered as read for amendment. The previous question shall be considered as ordered on the bill to final passage without intervening motion except: (1) two hours of debate on the bill equally divided and controlled by the Majority Leader or his designee and a Member opposed to the bill; and (2) one motion to commit.

The SPEAKER pro tempore. The gentleman from Washington (Mr. HASTINGS) is recognized for 1 hour.

Mr. HASTINGS of Washington. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. FROST) pending which I yield myself such time as I may consume. During consideration of this resolution all time yielded is for the purpose of debate only.

Mr. Speaker, yesterday the Committee on Rules met and granted a closed rule for S. 1502 which provides for 2 hours of debate equally divided between the majority leader or his designee and an opponent of the bill. The rule also provides for one motion to commit.

Mr. Speaker, let us make no mistake about it. The intent of this bill is to provide a better education for the children of Washington, D.C. The bill allows the most needy families of this city to choose what school is best for their child, and it provides them the resources to do it. In short, the bill empowers the families of Washington, D.C., who now have no choice but to send their child to an often inadequate local school.

At the same time, though, this bill will help the children who remain in the District's public school system. It provides Federal funding to help local public school students pay for private tutors. In addition, as some students begin to choose scholarships, spending per pupil in District public schools may go up, while class sizes go down.

Our intent is not to drain Federal funds from public schools. Instead, we are striving to help out accountability back into the public school system. A parent who notices that a neighbor's child has blossomed under the scholarship program will have the same opportunity for their child.

The scholarship funds in this bill are in addition to the more than $568 million that Congress provides every year to the District of Columbia public schools, a school system that spends more money per pupil than almost any other school system in the country, approximately $10,000 per pupil.

Mr. Speaker, the D.C. Student Scholarship Act helps the children of this city. I strongly support this legislation because I firmly believe that it enables parents to send their children to a more structured, more disciplined environment. It is their choice. At the same time, the bill allows the local public schools to focus on the children who remain and allows each school to spend more money for each child.

I urge my colleagues to support this rule and the underlying legislation.

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

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

Mr. Speaker, the Republican leadership just does not get it. We do not get better public schools by shifting public money to private and parochial schools; and that is, in the end, what the Republican leadership wants to do. They just want to start this grand social experiment in the District of Columbia and use the bill before us to do it.

Mr. Speaker, no one denies that there is a need for vast improvement in the schools of the District. But providing vouchers for 2,000 students just will not get it done.

And, Mr. Speaker, to make matters worse, this rule shuts out any debate on this matter. This closed rule prohibits the delegate from the District of Columbia (Ms. NORTON) from offering an amendment to a bill that ostensibly affects only her constituents.

This rule is unconscionable and deserves to be defeated.

Mr. Speaker, the Republican leadership will use words and phrases like school choice, accountability, object lesson to promote school vouchers. The Republican leadership will say that, first and foremost, school vouchers are about the children. Mr. Speaker, if that is, in fact, the case, why have not we seen legislation to provide schools districts with the funds they need to hire more teachers so that we can reduce class size and more readily promote structure and discipline in the classrooms across this country?

(Mr. CONYERS asked and was given permission to speak out of order for 1 minute.)

CIRCUMVENTION OF COMMITTEE ON THE JUDICIARY'S JURISDICTION

Mr. CONYERS. Mr. Speaker, I have sent the Speaker, the gentleman from Georgia (Mr. NEWT GINGRICH) a letter that I want to put in the RECORD which deals with the fact that he has asked for a special committee to review any reports submitted by the independent counsel, Kenneth Starr. In my view, I say to him any such circumvention of the Committee on the Judiciary's historic duty would set a poor precedent and clearly indicate an intent to politicize this matter, rather than give it any sober and objective scrutiny.

Coming several months before the midterm elections, I believe the American public would also see the abandonment of regular order as signaling a partisan witch-hunt. This is especially important in light of the bias that you, you being the gentleman from Georgia (Mr. GINGRICH), have demonstrated in your recent public comments.

The letter referred to is as follows:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE JUDICIARY,
Washington, DC, April 29, 1998.

Hon. NEWT GINGRICH,
Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: During the course of the past several months, news reports have repeatedly quoted you and your office as contemplating the circumvention of the House Judiciary Committee and the formation of a special committee to review any report submitted by Independent Counsel Kenneth Starr pursuant to 28 U.S.C. 595(c).

In my view, any such circumvention of the Judiciary Committee's historic jurisdiction would set a poor precedent and clearly indicate an intent to intensely politicize this matter rather than give it any sober and objective scrutiny. Coming several months before the midterm elections, I believe the American public would also see the abandonment of regular order as signaling a partisan witch hunt. This is especially important in light of the clear bias you have demonstrated in your recent public comments concluding the existence of illegal conduct prior to your even reading or considering the report to the House.

In fact, if one looks closely at this matter, it is hard to see how one could contemplate any other venue than the House Judiciary Committee, which clearly has both the expertise and experience to handle any such report.

The Independent Counsel Statute itself (the Ethics in Government Act, 28 U.S.C. 591, *et seq.*) is the legislative product of the House Judiciary Committee. The Committee continues to be engaged in oversight of the Act, has conducted hearings on the Act, and shortly will be responsible for reauthorization of the Act.

Discussion of any underlying criminal statutes that may be contained in the report are under the jurisdiction of the Committee, and again, are subject to continuing scrutiny.

The House Judiciary Committee is the one Committee with the experience of handling grand jury materials, the secrecy of which both federal law and House precedents require.

As you know, I have repeatedly questioned Kenneth Starr both because of the tactics he employs and due to the numerous conflicts of interest that have beset his investigation from the start. If this matter is to be transferred to the House, it would be most unfortunate to taint any process from the outset

with partisanship or political gamesmanship. Such a process would be widely viewed as a kangaroo court which illegitimately forms conclusions prior to hearing facts, and whose sole objective is the politicization of allegations to influence the fall Congressional elections.

Thank you for your attention to this matter.

Sincerely,

JOHN CONYERS, Jr.,
Ranking Democrat.

□ 1030

Mr. FROST. Mr. Speaker, if it is about the well-being of children, why have we not seen legislation that promotes the best possible public education we can provide in this rich and affluent Nation of ours?

Mr. Speaker, I can only guess that the Republican leadership believes that Democratic opposition to school vouchers is a good campaign issue. But I will state unequivocally that the education of the children of this country is not something that should be used to serve a political agenda. Public education is the cornerstone of this great country of ours, and I stand second to no one in my support and commitment to public education.

The congressional Republican leadership can politicize the education of the boys and girls of this country all they want, but Democrats, as well as a good many Republicans, know that public education is good for our children and good for our country. This does not mean, Mr. Speaker, that there are not problems that all of us from the Congress to our Governors, school boards and every parent needs to face squarely, but this proposal does not address any of the problems we find in our public schools.

In fact, the National Alliance of Black School Educators has said that this proposal constitutes an abandonment of the real issues that affect quality teaching and learning in the worst of our public schools. If the District of Columbia represents some of the worst of our public schools, then how can this Congress turn its back on its children?

I would suggest that instead of using the $7 million for a school voucher program, that it would be far better to use half of that money, as the gentlewoman from the District of Columbia (Ms. NORTON) proposes, for reading tutors for the 73 poorest-performing schools in the city.

I am not standing here as an apologist for the administration of the school system in this city, but I am standing here as someone who is committed, as are my constituents, to strong and effective public education. I fear that this proposal of the Republican leadership is just a first step in the dismantling of public education.

Mr. Speaker, this closed rule is unfair to the people of the District of Columbia because their elected Representative of this body has been precluded from offering an alternative to legislation which affects only them, and this bill is unfair to public education throughout this country. I urge the defeat of the rule and the defeat of the bill

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

Mr. HASTINGS of Washington. Mr. Speaker, I yield 4 minutes to the gentleman from Staten Island, New York (Mr. FOSSELLA).

Mr. FOSSELLA. Mr. Speaker, I urge the adoption of this rule and also the underlying legislation. Let me just point out why.

While we are all in favor of improving education, let us just look to the status and the state of the Washington, D.C. school system. In a report in the Washington Post, they claim that the system is a well-financed failure. Despite spending $9,000 per student, more than half of the tenth-graders test below basic in reading, and fully 89 percent of the tenth-graders test below basic in math.

Mr. Speaker, there is the old fairy tale about Peter Pan leading the children into Never Never Land, and I would submit that that is exactly, unfortunately, what has been happening in the Washington, D.C. school system. We have been leading these children into Never Never Land, never having them to become productive members of society.

When we think what it would be like back in our hometown, whether it is Staten Island or anywhere across America, to have 89 percent of the tenth-graders test below average in math and to some extent reading, I think we would call for a rapid change. To me, it is not a fairy tale, it has become a Shakespearean tragedy, it is a rotten weed, and we must root it out.

I think that is what we are talking about here, because when we think about the system, two words come to mind, and that is, what we hear today, awful, to describe the system, and opportunity, to describe how we can help these children escape the abyss, the trap that they will be in for the rest of their lives.

Let us put a face on it. Beginning in September, there will be a 5-year-old boy or girl who will begin kindergarten. That 5-year-old will soon become a 7-year-old, a 10-year-old, a 12-year-old, and that person, that little boy or girl, will not have the same opportunity or hope that we should provide. We talk about, well, we know what is best.

There was recently a private scholarship fund funded by a man named Ted Forstmann, a good American who saw that common sense would prevail; that if parents were given a choice to send their children to a different school, a better school, they would do so. And indeed, 1,000 scholarships were made available to the parents of the city school system; 7,500 applied. If that does not tell us that there are parents out there who care about their children, who care about sending their children to quality schools, I do not know what does.

Well, perhaps this will. In New York City, there are similar types of scholarships we have tried with raising private funds. Again, in the last couple of years, 1,300 children have received scholarships; more than 22,000 parents have applied to bring their kids and put them into schools that will provide them with the best education possible.

We talk about the entrenched bureaucrats and the special interests who put themselves first. Let us put the children and families first of this country when it comes to education. Let us provide them with the hope and opportunity they rightfully deserve and expect.

There was a famous battle at the beginning of World War I where the French general said, ''They shall not pass,'' as referred to the German troops. Well, they did. But in the meantime during that battle we lost over a million lives, and I suggest strongly that if we allow the status quo and the defenders of the status quo to win this argument, we will see them not pass, that being the children, but we will lose too many lives in the meantime.

Let me just close, Mr. Speaker, with one last thing. Again, we have argued that for years, we even heard the acknowledgment by those who oppose this rule and oppose this legislation that there are problems. Well, I would say strongly that everybody else, the special interests, the bureaucrats, those who like the status quo, have had their chance. I say, give the people and the children of the Washington, D.C. school system a chance for once. Put them first.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, I rise in strong opposition to this closed rule and this misguided bill. As we move into the 21st century, Congress must work to ensure the success, not just of individual students, but of all of our young people.

My mother worked in a sweatshop earning 2 cents for each collar she stitched onto a shirt. She never dreamed that one day her child would be a member of the United States Congress. But education is a great equalizer in this Nation. It affords the child of a garment worker the same opportunities as the children of university professors and business leaders.

Our public school system needs help, but siphoning Federal money, public money from our public schools will not solve the problems. We must improve public schools for all of our children, not to provide an out for a select few which will further degrade the educational quality for those who remain. We need to reduce class size. We need to create an environment where children will learn, put computers in the classroom, enacting high standards to make sure that our kids are learning, and create that environment, as I have said. And when we reduce that class

size, when we put more reading teachers in the classroom, we give our kids a greater opportunity.

But that is not what the Republican leadership in this House is talking about. They have no interest in improving public education in this country. Instead, they would take money from the public schools, give it to private schools. They would provide vouchers for just 2,000 students in the District of Columbia, 3 percent of the kids who go to school here. This is an experiment which they want to carry across the country.

Vouchers have been voted down in State referendums, declared unconstitutional by our State courts, even declared a failure in towns where the experiment has been tried. In Cleveland, test scores for students who moved to private schools with vouchers did not improve. Even more disturbing, an audit found that the biggest beneficiaries in the Cleveland area to this experiment were the taxi drivers, because they were taking these children to schools, private schools, by taxi.

Vouchers will not solve the problems in our public schools, they will just create new ones. If our goal is truly to improve public education in this country, vouchers just do not make the grade. Let us abandon this experiment, an experiment on our children. We do not need any more experiments on our children in this country. We need to make sure that they get the finest education. Let us improve our public schools. Let us cut down the class size. Let us make more reading teachers available. Let us make sure they are wired up to computers and the Internet. That is where the future of our children lie, not in the voucher experiment on the kids of this country.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. HULSHOF). Again, the Chair must remind all persons in the gallery that they are here as guests of the House and that any manifestation of approval or disapproval of proceedings is in violation of the Rules of the House.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 3 minutes to the gentleman from Colorado (Mr. BOB SCHAFFER).

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, the Constitution gives the Congress the direct authority to play a managerial role in only one school district in the entire country, and that is the District of Columbia. Only the District of Columbia is designated by the Constitution again as a place where this Congress has direct authority to deal with the matters at the classroom level of public education.

Now, that authority has been decentralized quite a bit. It has been decentralized to a large unionized government and bureaucracy that is failing children and stranding them, denying them any kind of hope or opportunity for achieving the American dream and getting ahead through academic progress and academic proficiency.

Mr. Speaker, I find it remarkable that anyone would come here and try to defend the comparative record of the District of Columbia public school system when compared with the rest of the country. If we are willing to do that on an intellectually honest level, one will find very clearly and directly that the children in the District of Columbia schools are at a decided disadvantage over children throughout the rest of the country.

Now, the left wing of the Democrat party, as estabished and enshrined here in the District of Columbia, is one that remarkably favors bureaucracy and institutions rather than children. This debate here today and the rule before us is about whether we are going to get serious about putting children first, putting children ahead of bureaucrats, making sure that the comfort of children and engaging in economic competitiveness and prosperity is more important than the economic comfort of the bureaucrats who run the worst school system in the entire country.

I would suggest the following, Mr. Speaker, that our goal and objective here in Washington with respect to the District of Columbia ought to be to treat parents like real customers, to treat teachers like real professionals, to, in fact, liberate the education system here in the District of Columbia, to focus on the freedom to teach and the liberty to learn. That is what we are offering through this scholarship program, to empower parents to make the educational decisions for their children, not the bureaucrats who have left them behind for so long.

Mr. FROST. Mr. Speaker, I yield 7 minutes to the gentlewoman from the District of Columbia (Ms. NORTON).

Ms. NORTON. Mr. Speaker, I thank the gentleman for yielding. Let me begin by making a point that I hope everyone who comes to the floor understands.

The Member who just spoke indicated a prerogative he thinks he has in the District of Columbia that he does not have in anyone else's district. May I say to him that he has no prerogative to manage anybody who is not accountable to him at the ballot box, and neither he nor any Member of this House manages anything in the District of Columbia; and under the Constitution of the United States, no Member should ever claim to manage any people who cannot vote for him. The gentleman has no prerogatives, and I will accept none, nor will I accept pejorative language with respect to our schools. Let me just start this debate with that understanding to Members who want to come to the floor that way.

The District of Columbia public schools are poor, very, very poor. But they are no better and they are no worse than every big-city school system in the United States of America. So if my colleagues want to help the youngsters of the District of Columbia, help them. But they are tired of hearing Members of this body, who have not compared my school system to theirs or any others, describe it as the worst in the United States, and I will not have it on this floor today.

I oppose this rule, and I oppose it because the real needs of the children in my district are too serious to engage in a political exercise. I recognize that that is not the intent of every Member who favors vouchers, but whether intended or not, that is exactly what we will engage in this morning.

The reason that I call this a political exercise is that the voucher bill before us is exactly like the vouchers that have already been declared unconstitutional in two States; two courts, one in Ohio, another in Wisconsin, in the only court tests of publicly funded vouchers have held them unconstitutional as recently as last year.

□ 1045

President Clinton will veto this bill because it will drain funds from the public schools to parochial and private schools. I have his statement of administration policy before me as I speak. Let me quote from it.

> S. 1502 would create a program of federally funded vouchers that would divert critical resources, that should be devoted to our public education priorities, to private schools with little or no public accountability for how funds are used. Moreover, the bill is apparently designed to ensure that receipt of these vouchers, unlike other Federal funds, would not require schools to comply with Federal civil rights laws that protect students from discrimination on the basis of race, color, national origin, sex, or disability.

Mr. Speaker, I sought to convert the interest of Members in the school system of the District into legislation which could be signed. To that end, because of the almost certain constitutional demise of this bill coupled with the assured presidential veto, I went to the Committee on Rules yesterday feeling that we had an obligation to come forward with a substitute all could support if we seriously meant to help these kids.

My substitute would have directed the $7 million into objectively approved reforms in the D.C. public schools, chosen because they would have the greatest impact on the largest number of students. Specifically, I asked for $3.5 million to be given to the D.C. Control Board to be passed on for reading tutors in the District's 73 lowest performing schools. I then asked that the other half be provided to the Secretary of Education to fund proven reforms that fit the District's 70 lowest performing schools.

I drew that section of my substitute from the Porter-Obey bill that we passed last year on school reform demonstration projects. Beyond the quality controls now being implemented by the District's impressive new superintendent, Arlene Ackerman, the Porter-Obey program requires approval by the Department of Education, and thus I thought that that kind of substitute

would guarantee precisely the kind of controls and the kind of outcomes, and the substitute met all the issues that I believe Republicans and Democrats say mean most to them; the emphasis on devolution for Republicans that has been thrown over to the side, as if the people of the District of Columbia were wards of this body, or colonists before the Declaration of Independence. Mr. Speaker, I am here this morning to warn every Member that this Member will not be treated as if she represents colonials.

The substitute would also, of course, not only have satisfied devolution concerns but the concerns of Democrats to reach the majority of the kids in the D.C. public schools.

Now, the substitute was not made in order, nor was an amendment by the gentleman from Virginia (Mr. SCOTT) made in order that would apply the civil rights enforcement mechanism to these vouchers.

What the majority has done is to create a fiction, saying that public funds in these 100 percent Federal funded vouchers are not State aid for purposes of civil rights enforcement. Thus, if there has been a violation of civil rights under these vouchers, the only recourse would be to file a suit in Federal court, which of course, would be impossible for the low-income residents to whom these vouchers are directed.

Mr. Speaker, I ask Members to oppose this rule, whether Democrats or Republicans. I ask them to respect the people of the District of Columbia who have voted in a percentage of 89 percent against vouchers.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Speaker, I thank the gentleman from Washington (Mr. HASTINGS) for yielding me this time.

Mr. Speaker, first of all let me say to the gentlewoman from the District of Columbia (Ms. NORTON) that this is not and should not be seen as a Washington, D.C. bashing bill. The delegate from Washington, D.C. is very passionate in representing her area and does a great job.

I served on the Committee on Appropriations Subcommittee on the District of Columbia. We worked with the Control Board, we worked with Marion Barry, we worked with a lot of people in the years I was on that committee and tried to be as sensitive as possible. And I believe that the gentlewoman would agree that there were lots and lots of rhetorical charges about what the big bad Republicans were going to do, and yet in the final analysis, much of what she pushed for was actually put into law on all aspects of the District.

So I think it is very important to say that we have worked on a bipartisan basis and on a slow basis in terms of any reform effect in Washington, D.C. because, as one of the appropriators said, it is a free vote for us to the degree that nobody is going to answer to the people in Washington, D.C. except for the delegate. But I think rather than abusing that, the Republican Congress has taken all kinds of extra steps so, though, that we can be fair and so forth. This is not and is not designed to bash Washington, D.C. schools.

However, let me say this. As the son of an educator, as the brother of an educator, as the brother-in-law of an educator, I come from a family of educators. And I believe one thing that I have learned around the family dinner table is that education should be dynamic. We should focus not on the system always, not on the teachers always, not on the structure, certainly not on the politics, but we should focus on the classroom, the child and the teacher, and that relationship.

As we focus on it, we should ask, will this legislation or will this matter help that child out there achieve a better education so that he or she can go on to compete with children from Miami to New York to San Francisco to Stockholm to Tokyo? And I believe that if we ask those questions and put the children first, we can see that this is a reasonable approach.

Mr. Speaker, this is not a hard ball approach. This is a choice. Think about it on a small business basis. If we said one particular type of small business would have the monopoly, there would be no more pet stores except for the ones that were in existence. There would be no more barber shops except for the ones in existence. There would be no more restaurants except for the ones that are in existence. People would say, ''What are you doing? That is going to kill the quality of the product,'' and I would agree with them.

Why is education so special that we are afraid to put in that same element that drives the American economy of small businesses? Why is education above a little competition? I believe education is sacred enough that competition will enhance it. I think it is very important.

Last night I had the occasion to go to a dinner for Gulfstream Aerospace, which Ted Forstmann is the Chairman of the Board, and they were receiving the Collier Award for Excellence in Aviation, and he talked about competition and he talked about being an American and, yes, the subject of the D.C. Scholarship Fund came up, which he is the author of.

Mr. Speaker, I have and I will submit for the record testimony of one woman, and I am going to quote directly a Mrs. Jones, because she competed as one of the 8,000 people who wanted the 1,000 scholarships and she did not make it and she was crying. And then Mr. Forstmann called her later on and said instead of giving out a thousand scholarships, he was going to give out 1001 scholarships. Here is what she said: ''And when they tell me that I won, I was screaming and yelling and acting like a fool. You do not know how I prayed for that scholarship.''

That is what this is about. It is about this woman and her child.

The question of constitutionality has come up. Let me say this, and I will submit this for the RECORD, Mr. Speaker, but the scholarship program fully satisfies the constitutional requirements under the first amendment. The Supreme Court has held that assistance such as the scholarships provided in this bill is permissible if, one, the choice where to use the assistance is made by the parents of the students, not the government; number two, the program does not create a financial incentive to choose private schools; and, number three, it does not involve the government in the schools' affairs. This, like the GI Bill, Pell Grants, and Federal day care assistance is a choice of funds where the choice is made by the recipients and not by the government.

I will also submit a letter to the gentleman from Texas (Mr. ARMEY) Majority Leader, from Clint Bolick, the vice president of the Institute for Justice, where he cites five different cases, and I will submit this for the RECORD, Mr. Speaker:

Myth: The voucher program violates the separation of church and state and is unconstitutional

FACT

The scholarship program fully satisfies the constitutional requirements under the First Amendment. The Supreme Court has held that assistance such as the scholarship provided for in the bill is permissible if: (1) the choice where to use assistance is made by the parents of students, not the government; (2) the program does not create a financial incentive to choose private schools; and (3) it does not involve the government in the school's affairs.

The D.C. scholarship program fulfills these criteria. Like the G.I. Bill, Pell Grants and federal day care assistance, the choice of where the funds are expended is made not by the government but by the scholarship recipients. Because the amount of the scholarship is equal to or less than the cost of tuition, the program does not create a financial incentive to choose private schools. Scholarships are also made available under this legislation to pay costs of supplemental services for public school students, who already receive a free education. Moreover, the program involves only those regulations necessary to ensure that reasonable educational objectives are met, and does not create entanglement between the government and religious schools. The scholarship program does not impermissibly establish religion, but instead serves to expand educational opportunities for children who desperately need them.

INSTITUTE FOR JUSTICE,
October 3, 1997.

Hon. RICHARD K. ARMEY,
U.S. House of Representatives, Cannon House Office Building, Washington, DC.

Re constitutionality of District of Columbia Student Opportunity Scholarship Act of 1997.

DEAR MR. ARMEY: Thanks and congratulations to you and your colleagues for sponsoring legislation that would create unprecedented educational opportunities for economically disadvantaged children in the District of Columbia. Having defended parental

choice programs in Milwaukee and Cleveland, I can attest to their enormous contribution toward the goal of equal educational opportunities.

Critics of parental choice have raised the red herring of constitutionality. They contend that the moment a dollar of public funds passes the threshold of a religious school, it violates the constitutional prohibition against religious establishment—a position repeatedly rejected by the U.S. Supreme Court. Of course, such reasoning also would invalidate the G.I. Bill, Pell Grants, daycare vouchers, and the Individuals with Disabilities Education Act, all of which allow the use of public funds in religious schools. It is true that state courts have divided over the constitutionality of parental choice, usually ruling on state rather than federal constitutional grounds. The Cleveland program, which was upheld by the state trial court but struck down by the court of appeals on First Amendment grounds, has been allowed to continue—including religious schools—by the Ohio Supreme Court pending review.

For our purposes, only the First Amendment is relevant. In an unbroken line of cases since 1983, the U.S. Supreme Court has held that programs that allow the use of public funds in religious schools or religiously-sponsored activities are permissible so long as (1) the decision where to use the funds is made not by the government, but by parents or students; and (2) religious schools are only one among a range of options, and no financial incentive is created to choose private schools.

The following U.S. Supreme Court decisions have developed these principles:

Mueller v. *Allen* (1983): The Court upheld a state income tax deduction for educational expenses, even though the vast majority (roughly 96 percent) of the deductions were used for religious school expenses. The Court noted that the deduction was available for expenses incurred either in public or private schools, and that public funds are transmitted to religious schools ''only as a result of numerous choices of individual parents of school-age children.'' The independent choices of third parties render the aid ''indirect,'' as opposed to direct subsidies of religious schools.

Witters v. *Washington Department of Services for the Blind* (1986): The Court unanimously upheld the use of college benefits by a blind student to study for the ministry at a divinity school. The state transmitted funds directly to the school at the student's direction. Again, the Court found that ''[a]ny aid provided by Washington's program that ultimately flows to religious institutions does so only as the result of the genuinely independent and private choices of aid recipients,'' and that the program ''creates no financial incentive for students to undertake sectarian education.''

Zobrest v. *Catalina Foothills School District* (1993): The Court upheld the use of a publicly funded interpreter by a deaf student in a Catholic high school. The interpreter translated religious as well as secular lessons. ''By according the parents freedom to select a school of their choice,'' the Court reasoned, ''the statute ensures that a government-paid interpreter will be present in a sectarian school only as a result of the private decision of individual parents.''

Rosenberger v. *Rector and Visitors of University of Virginia* (1995): The Court approved the direct funding of a religious student publication because other non-religious activities were funded as well. ''A central lesson of our decisions,'' the Court declared, ''is that a significant factor in upholding governmental programs in the face of Establishment Clause attack is their neutrality toward religion.''

Agostini v. *Felton* (1997): The Court overturned previous adverse Supreme Court precedents and allowed the use of public schoolteachers to provide remedial instruction inside religious schools. Again, the decision relied heavily on the program's neutrality between religious and secular schools.

The District of Columbia scholarship bill was carefully drafted to meet the applicable constitutional standards. Just like Pell Grants and other current federal programs, it places funds at the disposal of beneficiaries, who may use them in public, private, or religious schools. The program does not create an incentive to choose religious schools; in fact, all except the poorest families receiving scholarships will have to contribute to tuition if they choose private schools. Unquestionably, the primary effect of the scholarship program is not to establish religion, but to expand educational opportunities to children who desperately need them.

I hope these comments are helpful to you and your colleagues as you proceed toward passage of this program. It is an essential part of the effort to empower parents and improve public education in our nation's capital.

Very sincerely,

CLINT BOLICK,
Vice President and Director of Litigation.

Mr. FROST. Mr. Speaker, I yield 30 seconds to the gentlewoman from the District of Columbia (Ms. NORTON).

Ms. NORTON. Mr. Speaker, I would just like the record to show that the quotation just cited did not apply to vouchers but to tax schemes, not vouchers to parents. But the decisions from which I quoted, where vouchers were found unconstitutional, applied directly to vouchers of precisely the kind at issue here.

Mr. FROST. Mr. Speaker, I yield 4 minutes to the gentleman from Indiana (Mr. ROEMER).

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

Mr. ROEMER. Mr. Speaker, I thank the gentleman from Texas (Mr. FROST) for yielding me this time.

Mr. Speaker, I believe it was Socrates that said the living are to the dead as the educated are to the uneducated. In our society today, an education is a person's future and their future extends from cradle to grave, and we all will be learning our entire lifetime in this next millennium.

I have to agree with the gentlewoman from the District of Columbia (Ms. NORTON) when she said that D.C. has some of the finest schools in the country, and D.C. has, just as every other school system in our country has, some schools that are in dire need of help.

I have visited D.C. schools and met with Vera White, a principal at Jefferson Junior High School. She knows every single name of every single student and knows where they live and keeps them after school for homework. They have a space lab in the basement. They have honor roll students and people clamoring to get into that public school. It is a great school.

They have the charter school, the Options charter school in D.C. that may be the best charter school that I have been in in the country.

But we also have problem schools in D.C., and in Chicago, and in L.A., and in New York, and in Indiana. And we can get up on the floor and point fingers and say we have got a better solution than our opponents, just as we did with the budget and we said it was President Reagan's fault or it was the Democratic Congress' fault.

Mr. Speaker, it is time for us to work together on the issue that the American people are the most keenly interested in and come up with bipartisan solutions to solve this Nation's problems.

Mr. Speaker, this bill does not do it. It does not give our party anything but a motion to recommit. I strongly urge our side and the Republican side to vote for the motion to recommit to be offered by the gentlewoman from the District of Columbia, for full, whole school reform and for more reading tutors in our schools.

My problem with the vouchers is twofold. We have heard the Republicans accuse the Democrats, and sometimes rightly so, of trying to redistribute wealth in our country through the tax system. That is exactly what this bill does. It takes $7 million that is going to go to the public education system and diverts it to private schools.

If we want to raise $50 million like they are doing in San Antonio, Texas in the private sector, that is great. I support those programs, but do not redistribute money from public schools that is intended to go to public schools and have it go to private schools.

Secondly, when we have said we want to work in a bipartisan way to fix the IRS, we do not say we are going to fix it for 2,000 people and leave the rest of the people on their own. That is what the voucher program does today. This bill says we have got a problem with 78,000 schoolchildren and we are going to fix it for 2,000 of those 78,000.

The Democratic Party, or I guess I am speaking for myself from Indiana, we are not happy with the status quo. That is why we passed charter school reform. That is why later today in the higher ed bill I have included an amendment in the bill that is for alternative teacher certification, so that new teachers can come through the system that have military experience, that have experience in the private sector.

I am for closing down poorly performing schools, reconstituting schools.

□ 1100

I am for new ideas in our schools, but the voucher program is not big enough to help our Nation's schools. It is experimental only on D.C. school children and 2,000 of them.

I encourage my Republican colleagues, let us work together, as we did on balancing the budget, on education. Let us work together on what the American people think is the key issue

out there, providing good quality, affordable education to children in D.C., Indiana, and California.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 2½ minutes to the gentleman from Wisconsin (Mr. NEUMANN).

Mr. NEUMANN. Mr. Speaker, I would like to make a couple of very specific points here. What this is really all about, what we are talking about today is allowing poor and moderate income families to make the same and have the same choices in where they send their kids to school as middle and upper income families.

My friend, the gentleman from Indiana, who I agree with on so many different things, on the other side of the aisle, I do agree with him that this idea of fixing it for 2,000 is not the right solution.

I think what we should be doing here today is taking the education dollars that are already being spent and empowering parents all across America to be making the decision for where they send their kids to school.

I would like to make a second point, because we have heard a lot about how this is transferring public education dollars to private schools and somehow this is a new idea in America. That is just plain not right.

We have a system for higher education in America today called a Pell Grant system. Pell Grants are college scholarships that are literally given to students that go to teacher and pastor training schools, all sorts of different religious schools all across the United States of America.

These Pell Grants are not given with strings attached that the government is telling these teacher and pastor training schools for religious institutions across America what or how to teach; they simply give them the Pell Grant. Those are Federal tax dollars that are already being handled in this manner. This is not even a new idea that we are talking about here today. It already goes on all across America.

I think the number one social problem facing America today is education. The fact that our kids rate somewhere in the twenties in the world is just plain unacceptable. We need to as a Congress, we need to as a Nation retarget our ideas that our kids become, again, the best educated kids in the entire world.

To do that, one idea is more Washington involvement, more Washington tax dollars, and more strings from here; and that is wrong. It does not work. The right idea to solve the education problems facing America today is to empower our parents to once again be actively involved in the decisions on what our kids are taught, where it is taught and how it is taught.

The way we empower our parents to be able to make those decisions, in wealthy families they can make those decisions already, but in poor and moderate income families the way to do this is to empower and have this sort of voucher system.

Mr. Speaker, I want to take 30 seconds to point out that if we are successful at empowering our parents to be actively involved in the choice of where their kids go to school, what they are taught and how it is taught, there is a very interesting side benefit. Studies show, of 12,000 teenagers that were looked at, if parents were more involved in these teenagers' lives, the immediate impact is less crime, fewer drugs are used, fewer teen pregnancies, and teen smoking goes down immediately.

As we are solving the problem of education by allowing our parents to be more involved in what their kids are learning, where it is taught and how it is taught, we expect side benefits in other areas that will benefit this Nation greatly.

Mr. FROST. Mr. Speaker, I would inquire the time remaining on each side.

The SPEAKER pro tempore (Mr. HULSHOF). The gentleman from Texas (Mr. FROST) has 11½ minutes remaining. The gentleman from Washington (Mr. HASTINGS) has 14 minutes remaining.

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

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

Mr. Speaker, I rise to very strongly oppose this rule and also this very misguided bill. My colleagues on the Republican side come up and they tell us this is a noble experiment. Folks, this is not an experiment. This is a plan masquerading as a policy.

The gentleman who preceded me made a very cogent point. This bill only helps 2,000 students in the District of Columbia. That leaves 75,000 students in the District of Columbia who get no help whatsoever. This bill only appropriates money for one year, so at the end of this year it is very uncertain as to whether this noble experiment will even be able to continue. More importantly, this so-called noble experiment has been rejected already by 20 States. In fact, three States in public referenda rejected this idea twice.

This is a very poorly thought out idea. Here is why: We did a study and looked at some of the private schools in the District of Columbia. What we found out was that approximately 90 percent of the private schools in the District of Columbia charged tuition far in excess of what is being provided.

So this notion that there is going to be this great choice for families is really a mistake. It is really a fraud. They are not going to have the choice to go to the Sidwell Friends or the St. Albans and the great private schools.

Let us be candid. Sure, if we gave someone the money to go to the best private school in America, would they get a good education? Yes. The fact of the matter is the Republicans cannot do that and are not planning to do it. It is not practical. The money does not exist.

What they are basically doing is patronizing the citizens of the District of Columbia by saying we know what is best for them, and we are going to take money away from their school system and put it into this experiment. But no, no, it is not their money; it is new money.

Look, here is the reality. The District of Columbia needs money for discipline programs, for reading tutors, for aftercare programs. If we want to fundamentally improve education in the District of Columbia or if we want to fundamentally improve education in America, what we need to do is invest in public schools. If there is new money, do not experiment, put it into the school system where it can really be used.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 3½ minutes to the gentleman from Missouri (Mr. TALENT).

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

Mr. Speaker, I want to begin my comments here today by quoting something Lyndon Johnson said, but before that, the Bible said it. He said: ''Let us reason together.'' That is what I hope we can do in this debate.

I do not want to bash the District of Columbia schools. I think we owe these kids and their parents who care so much about this debate the truth. I think we should be candid. I think we should reason, then, about the truth.

The truth of the matter is that the District of Columbia schools are not safe, and the kids are not learning, and everybody knows it. The longer they stay in the District of Columbia schools, the less they learn. The longer high school students stay in the D.C. schools, the more their test scores drop below the national average. Thirty-three percent of the third graders in the D.C. public schools score below basic levels in reading and math, and 80 percent of the fourth graders score below basic levels in reading and math.

For kids who come from these neighborhoods and have as few options as these kids have, if they are not learning how to read, it means they are ending up in gangs or on drugs or many of them dead. That is what it means to these kids. Those are facts that annihilate all these other facts and the rest of this debate. Let us tell the truth about the situation these kids are in. If we cannot give them anything else, let us give them the truth.

The second point, Mr. Speaker, this bill will help at least these kids. Do not show disrespect to their parents, who are lining up by the thousands for these scholarships, by saying it is not going to help them. They know it is going to help them. It is exactly what any of us would do. That is the reason they wanted the scholarships. So we know the schools are failing. We know we can help these kids.

Then the other argument, which I respect because we have got to do something about the public schools, is what about the other kids? What about the rest of the public schools? This is not the way to help them.

Mr. Speaker, this may be the only way to help them. This kind of choice program is operating in other schools, and that is what they are telling us. This is what the former superintendent of Milwaukee public schools says:

So what I am arguing is that we have got to support the changes that will make the difference for kids both inside and outside the existing system. But it is the existence of an option outside that will help you fight, make the improvements inside, because no matter what people say rhetoric-wise, I can tell you, you can stand up and talk all you want about what needs to be done, but if people know this is the only game in town, there is absolutely nothing you can do other than run your mouth off about what needs to happen. It is not going to happen for the majority of kids.

This is exactly the kind of leverage that will support the reformers and give them the opportunity to change a system that is bogged down in bureaucracy and entrenched interest. The District of Columbia schools have three times as many administrators per teachers as other city schools around the country.

What else can we do if we do not do this? I will just close by saying this: We appointed a general as the czar of the District of Columbia public schools, and he tried for a year, and he quit.

This is a program that addresses a need we all know exists. It will help the kids who get these scholarships, and it is going to help the kids who remain. Let us do something for these kids. Let us reason together about this process, and then send this bill to the President.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentlewoman from Florida (Ms. BROWN).

Ms. BROWN of Florida. Mr. Speaker, I rise in opposition of this so-called District of Columbia Opportunity Scholarship Act.

This piece of legislation would put our educational system at risk. Supporters of this bill argue a chance for a better education; however, 93 percent of the students in our Nation's Capital will not benefit from this $45 million bill.

There is no evidence that vouchers are an effective way to improve education. In fact, it leaves those students who cannot benefit from this voucher system worse off.

Every child in the District of Columbia and across the Nation deserves our assistance for a quality education. I urge my colleagues to listen to the people of our Nation's Capital who want to build their community and not dismantle a public education system of which many of us have been beneficiaries. Make no mistake about it. The Republicans want to dismantle public education in this country and not work to strengthen it.

Mr. HASTINGS of Washington. Mr. Speaker, how much time is remaining on each side?

The SPEAKER pro tempore. The gentleman from Washington (Mr. HASTINGS) has 10½ minutes remaining. The gentleman from Texas (Mr. FROST) has 8¼ minutes remaining.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 2½ minutes to the gentlewoman from North Carolina (Mrs. MYRICK).

Mrs. MYRICK. Mr. Speaker, I very much respect the gentlewoman from the District of Columbia (Ms. NORTON), and I know how hard she works to face the problems that are in the District, which everybody acknowledges. So I do want to say that this bill is in no way an attack on the D.C. school system. This bill is a way to look for solutions to help and to solve some of the problems.

Most of the people will agree, and I think it has been well documented in the press, that there are a lot of problems in this school system. There are problems, yes, in school systems all over the country. It seems to be the number one issue that parents say they are concerned about, is the education of their children.

What we are looking at doing with this bill is providing some choice for those parents. This bill would give those parents in D.C. the same opportunity as parents in other communities across the country have.

Last fall when the private scholarship fund, the Washington Scholarship Fund was announced, this was only for 1,000 scholarships that would be paid for privately. There were 7,573 children who applied. That is one out of every six eligible children in the District applied.

I think that sends a very strong message that there are parents in the D.C. school system who would like and appreciate their child to have that choice. This does not take any money away from the school system. This is additional money, additional dollars that are going into this program.

Competition is what has driven America. Competition works with students. Students thrive on competition. Business thrives on competition. There is no reason our school system could not thrive on competition. It is very healthy in America, and it makes things run.

I would also like to just say for the record that my understanding is that the constitutional issue was a State constitutional issue in both of those cases. This is not something Federal.

Mr. FROST. Mr. Speaker, I yield 30 seconds to the gentlewoman from the District of Columbia (Ms. NORTON).

Ms. NORTON. Mr. Speaker, let me correct the gentlewoman from North Carolina on both of the decisions, both the Wisconsin and the Ohio decisions. The courts looked both to their State constitution and specifically, specifically grounded their decisions on the Constitution of the United States of America as well.

□ 1115

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Speaker, I rise in opposition to the rule and the bill. Quite frankly, the District of Columbia, in my judgment, is a city in trouble, with deep problems. We have individuals in trouble, families in trouble, and reduced population. Families are, in fact, moving out.

I think some of the initiatives that have been made to try to invest in the public schools in terms of reading and some of the other voluntary efforts are good but not nearly enough considering what we really have to accomplish.

This bill, frankly, indicts the D.C. public schools. The D.C. public schools are not the problem. They are the solution. The problem is in the broader community. And by taking dollars away and not facing up to this and suggesting we are going to abandon those schools, we are sending the wrong message.

One of the messages was to let a military general run it. Well, after a year he quit. It is a tough job. He could not handle any more of this task. I appreciate that. I understand it. I taught for about 10 years myself, and I do not know I want to go back into the St. Paul Minneapolis, schools today and try to teach much less administrate the whole district.

But the fact is, we have to invest in these kids. We have to invest in this community. The old paradigm of getting by that worked when I was in school or when I was teaching does not work.

Look at what is happening in Chicago. Seven in the morning till seven at night. We talk about kids entering school, and they actually go backwards. The fact is, if you try to plot those kids in some of these schools, we will find the population of students in September is practically 100 percent different in May. There is no continuity. How can anyone teach under those circumstance?

These are the types of problems we face as they come through the door. Does anyone in this Chamber or in this country seriously believe that the people that have devoted their lives to public education are somehow not interested in kids? That is fundamentally what these statements on the floor of Congress are saying.

We have public education for democracy to educate the people in this country, to bring them forward. But the type of students we are getting, the kids we are getting, have more problems, and we have to meet those needs.

It is a big investment. It may mean choosing between weapon systems and investment in people, but Congress has not been willing to do that. We are trying to buy off on the cheap with these vouchers. I think these kids are worth a decent investment not a gimmick which only offers cosmetic pseudo solutions.

There is perhaps no issue more important to the future of this country than education. As an educator, it has always been a priority of mine to ensure that our children are given the

chance to partake in a quality learning environment. While I understand that confidence in our public school system has eroded, the solutions proposed don't address the problem. A voucher program is not a reasonable or adequate solution to current challenges and problems in the public schools of D.C. and our nation.

All Americans have a stake in our public schools. Public schools were established to provide equality of the most basic and important opportunity—the opportunity to learn. However, voucher programs would make schools more inequitable than they already are and widen the gap between some privileged and the vast majority underprivileged students.

Proponents of the school voucher initiatives maintain that this system would bring healthy competition into the educational system. This is an unfair assumption, however, because public schools have greater limitations and restrictions than their private counterparts. For example, private schools are allowed to pick and choose and exclude students, while public schools must accept every student, regardless of past academic achievements. Also, it is unclear that physically and mentally disabled students would be considered in such plans. Currently, private schools are not required to include special services for these students.

Make no mistake, a voucher program redirects public funds from public schools to private schools. This shift leaves public schools—which far outnumber private schools—with less sufficient resources. Expanding educational choice for some students should not come at the expense of others. Rather than siphoning students away from public schools, and the abandonment of the D.C. public schools, we should be focusing our efforts on the important mission of improving such schools and the schooling within. This legislation provides a select few students with vouchers, while providing no answers for the 76,000 students left behind in the D.C. public schools.

Accept the implicit statement that Congress has given up on D.C. schools. The same money spent on vouchers could be better used for teacher training, smaller classes, expanded support systems and a host of other important improvements. Instead of this political solution, we ought to help all 78,000 children improve their skills with the same money that would provide just 2,000 children with private school educations. Vouchers anticipated under this act help only 3% of the children in D.C. schools.

The consideration of choice options will no doubt be influenced by many factors. However, let's keep in mind that children are our nation's most precious resource—all of our future. Rather than voting for a program that will only benefit a select number of students, we must ensure that all of our children are provided with the best possible opportunity to learn so that they are prepared for the challenges of the new millennium. Let's can the new B–2 bombers or the missile defense system and put students first. Let's invest to make every child in D.C. a winner.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. FORBES).

Mr. FORBES. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in support of the District of Columbia Student Opportunity Scholarship Act. If ever there was a national priority to do something about the state of education in this country, K through 12, it is now. That is why I rise in support of this initiative as well as supporting the initiative laid out by President Clinton.

I am a product of the public school systems. I went to a public college. I do not indict the public school system; in fact, I revere it. But there are problems.

And in the District of Columbia, where this is supposed to be the shining beacon of opportunity, of democracy, we have a serious problem. We are saying it is okay for children of people who work in the administration, whether it be the Democrat administration or the Republican administration before it, it is okay for the children of Members of Congress all to go to private schools, because we can do something about it, but let us trap in a failing public school those kids who come from families who do not have the means to escape a failing system.

Now, that is not an indictment of all public schools, but here in the District of Columbia, that shining beacon of democracy, we cannot get our hands around the problem. So we say to these parents, sorry, your kids must go to these failing schools, but I, as a Member of Congress, will send my kids to private schools. I, as a member of the Clinton administration, will send my kid to private schools.

Why do we not embrace, all of us, Republicans and Democrats alike, the vast initiatives that will put this Nation on record as making a priority over the next 25 years of improving the excellence of public schools across this country?

Let us go for voluntary testing standards. Let us go for 100,000 more teachers in the classroom to reduce the size. Let us put subject matter back in the Ed schools, not just method. Let us go for teacher training and do the kinds of things that will build success and assure that the United States of America remains number one in the global economy for our children and our grandchildren to come and that we do not rest on the laurels of success of the last 100 years and think that everything will be all right.

We have serious problems in our education system K through 12, and we have an obligation as a Nation to deal with those problems. Keep decision-making local, keep control in our States, but let us put the Federal Government on record as wanting to do something about deteriorating schools and overcrowded schools and crowded classrooms.

If we care about our children, we will put this initiative forward. We will pass this initiative to give some choice to kids who are trapped in a failing system.

Mr. FROST. Mr. Speaker, I yield myself 30 seconds.

The preceding speaker may be speaking for Republican Members of Congress, but my three children graduated from public schools, and I know many Members on my side of the aisle whose children attend public schools.

Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Ms. VELÁZQUEZ).

(Ms. VELÁZQUEZ asked and was given permission to revise and extend her remarks.)

Ms. VELÁZQUEZ. Mr. Speaker, I rise in strong opposition to this bill.

Mr. Speaker, look at this little girl, one of nine children. Her father was a sugar cane cutter. Her mother sold food to the sugar cane workers in the sugar cane plantations to help make ends meet. This little girl would have never gone to college if we had turned our backs on public schools. This little girl would certainly never have become a Member of Congress if we had turned our backs on public schools.

My colleagues, do not be fooled. This bill is an abandonment of our Nation's commitment to public schools and public education. This bill tells that little girl and millions and millions of children like her that we are giving up hope on providing them with a quality education.

The Republican leadership wants to take $45 million away from public education to provide 3 percent of D.C. schoolchildren with vouchers that they do not want and will not be able to use. That is so shameful. That is not the way that we strengthen public schools in our Nation. We strengthen public schools and public education by investing more resources, not taking it away from them.

What sense does that make? It makes sense if we want to kill public education. That is what the Republicans intend to do under this bill, kill public education. Vote ''no'' on this terrible bill.

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

This is a terrible rule. This is a terrible bill. This is a closed rule. We have been denied the opportunity for the one representative from the District of Columbia to even be heard on this matter, to offer an amendment.

I urge this rule be rejected and this bill be rejected.

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

Mr. HASTINGS of Washington. Mr. Speaker, I yield the balance of my time to the gentleman from Oklahoma (Mr. WATTS).

Mr. WATTS of Oklahoma. Mr. Speaker, I have heard several statements made this morning and I want to make an effort, hopefully, to correct the record and set the record straight.

One of the things that I heard earlier in argument concerning this rule was that this legislation would only help so many students, about 2,000 students, and that this is an experiment for D.C. public schools. And the essence of the comments were that why just do it here in D.C.? If we are not going to do it elsewhere, then it is a bad experiment.

Well, I would like to note for the record that our former colleague, Floyd Flake, a Democrat from New York, and the gentleman from Missouri (Mr. JIM TALENT) and myself, all three of us offered a scholarship program about, I guess, last October. That was defeated. And that scholarship program would have been nationwide. We were proposing to do the same thing in all 50 States that we are proposing doing here in the District of Columbia this morning. And just for the record, about 90 percent of Republicans supported that and about 95 percent of Democrats voted against it.

But there are several other things that I would like to make note for the record. The question was asked, does the scholarship bill not drain D.C. public schools of the resources they desperately need?

And the answer to that is an emphatic no. The legislation would not take one dime away from D.C. public schools. It is over and above what money goes to D.C. public schools. The funding for this proposal would not come out of the district school budget. In fact, under the bill, per-student spending for public schools would increase, because the budget will remain the same, but there will be 2,000 fewer students in the public school system.

Another question is, is the amount of the scholarship not too small for the parents to afford to send their children to all but a handful of schools?

Well, there are 88 private schools inside the Washington Beltway that cost less than $4,000 per student, including 60 that cost less than $3,200. These schools include Catholic, Protestant, Muslim and private nonsectarian schools.

Another question that has been raised this morning is, will private schools not just cherrypick the brightest students and leave the public schools with the students who need the most help?

Well, the scholarships do not go to the schools. They are awarded to parents. The parents decide where the children go. So the parents, if there is any cherrypicking, the parents will be the ones doing the cherrypicking. They will pick the best schools. The parents will. Not the teachers, not the school system, not the government, but the parents will determine where their children go to school.

There is another question under the bill, is will schools not be able to discriminate against children, African American children, or against any other group of children that the legislation does not protect?

Section 7 of this bill specifically prohibits discrimination. It reads, ''An eligible institution participating in the scholarship program under this subtitle shall not engage in any practice that discriminates on the basis of race, color, national origin or sex.''

It also specifically states in section 8 that nothing in the bill shall affect the rights of students or the obligations of the District of Columbia public schools under the Individuals With Disabilities Act. Nothing in the bill waives any current Federal, State or local statute protecting civil rights. In fact, private and religious schools in the District today are already subject to D.C. civil rights laws, one of the most expansive in the country.

Mr. Speaker, I say to my colleagues, good public schools should not be threatened by this legislation. We talk about how money is going, that we are taking money from public schools and putting it into the private school system. We fail to overlook that the money from this program is over and above the D.C. public school funding.

And we talk about how we are taking money from public schools. Let me tell my colleagues, when I went to Congressman Flake's district and looked at his school system up there, and I have traveled around the country and looked at different private school programs and what they are doing and what the Catholics in New York are doing, and we talk about cherry-picking, there are private schools in America today where they take the lowest on the totem poll.

□ 1130

Say, give us the most challenging student that they have. We will take them. We will prepare school just for them. But we talk about cherry-picking, we talk about where the money is going and how we are taking money from public schools.

And I heard Floyd Flake. Floyd Flake reminded me of something very important that I think we all should note and all should remember. He said this. He said, we are talking about taking money from public schools. He said, our prison system is what is taking money from public schools, because rather than spending the money on our kids to read, write, and do the arithmetic, putting them in quality venues, we end up spending $25,000 or $30,000 a year because they cannot read, write, or do the arithmetic but put them in prison.

So I support my colleagues on the Democratic side and Republican side as well to say, let us support this rule. Let us support this legislation. This is good public policy.

Mr. GOSS. Madam Speaker, I rise in support of the rule. As this legislation is the result of a negotiated compromise and the work of both Houses, I do believe that a closed rule is appropriate.

No one can deny the children of our Capitol City are in trouble. Almost every measurable statistic proves that the D.C. school system is failing these children. One in particular, though, is staggering—85 percent of D.C. public school graduates who enter the University of District Columbia need remedial coursework before beginning their college studies! But our focus should be on children and families, not statistics. These families should not be forced to tolerate failure—they should be empowered with choice so that their kids can succeed.

Given the dismal state of the D.C. school system and the common sense approach this legislation takes, it is difficult to understand why some of my colleagues are so opposed to this bill. S. 1502 is straight forward—it adds $7 million of new money so that 2,000 kids can receive scholarships to attend the school of their choice and an equal number of students may receive tutorial assistance. That means more money per pupil, not less. This is not about taking away from public education, it is about returning accountability to public education!

Mr. Speaker, school choice is working in my district because it returns accountability to parents and families, rather than education bureaucrats. Low-income D.C. residents support scholarships by a 59 to 17 margin. The demand is there, the need has been proven beyond question and today we are acting. I commend Mr. ARMEY, Mr. LIPINSKI, and others for their bipartisan leadership on this issue.

Mr. HASTINGS of Washington. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

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

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

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

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

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 224, nays 199, not voting 9, as follows:

[Roll No. 117]

YEAS—224

Aderholt	Cox	Hansen
Archer	Crane	Hastert
Armey	Crapo	Hastings (WA)
Bachus	Cubin	Hayworth
Baker	Cunningham	Hefley
Ballenger	Davis (VA)	Herger
Barr	Deal	Hill
Barrett (NE)	DeLay	Hilleary
Bartlett	Diaz-Balart	Hobson
Barton	Dickey	Hoekstra
Bass	Doolittle	Horn
Bereuter	Dreier	Hostettler
Bilbray	Duncan	Houghton
Bilirakis	Dunn	Hulshof
Bliley	Ehlers	Hunter
Blunt	Ehrlich	Hutchinson
Boehlert	Emerson	Hyde
Boehner	English	Inglis
Bonilla	Ensign	Istook
Bono	Everett	Jenkins
Brady	Ewing	Johnson (CT)
Bryant	Fawell	Johnson, Sam
Bunning	Foley	Jones
Burr	Forbes	Kasich
Burton	Fossella	Kelly
Buyer	Fowler	Kim
Callahan	Fox	King (NY)
Calvert	Franks (NJ)	Kingston
Camp	Frelinghuysen	Klug
Campbell	Gallegly	Knollenberg
Canady	Ganske	Kolbe
Cannon	Gekas	LaHood
Castle	Gibbons	Largent
Chabot	Gilchrest	Latham
Chambliss	Gillmor	LaTourette
Chenoweth	Gilman	Lazio
Christensen	Goodlatte	Leach
Coble	Goodling	Lewis (CA)
Coburn	Goss	Lewis (KY)
Collins	Graham	Linder
Combest	Granger	Livingston
Cook	Greenwood	LoBiondo
Cooksey	Gutknecht	Lucas

Manzullo
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)

NAYS—199

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

NOT VOTING—9

Bateman
Dixon
Gonzalez
Hall (TX)
Jefferson
Kennelly
Meek (FL)
Sandlin
Smith (OR)

□ 1152

Ms. WATERS changed her vote from ''yea'' to ''nay.''

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HASTINGS of Washington. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the rule just adopted.

The SPEAKER pro tempore (Mr. HULSHOF). Is there objection to the request of the gentleman from Washington?

There was no objection.

DISTRICT OF COLUMBIA STUDENT OPPORTUNITY SCHOLARSHIP ACT OF 1997

Mr. ARMEY. Mr. Speaker, pursuant to House Resolution 413, I call up the Senate bill (S. 1502) entitled the ''District of Columbia Student Opportunity Scholarship Act of 1997'', and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The text of S. 1502 is as follows:

S. 1502

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. SHORT TITLE; FINDINGS; PRECEDENTS.

(a) SHORT TITLE.—This Act may be cited as the ''District of Columbia Student Opportunity Scholarship Act of 1997''.

(b) FINDINGS.—Congress makes the following findings:

(1) Public education in the District of Columbia is in a crisis, as evidenced by the following:

(A) The District of Columbia schools have the lowest average of any school system in the Nation on the National Assessment of Education Progress.

(B) 72 percent of fourth graders in the District of Columbia tested below basic proficiency on the National Assessment of Education Progress in 1994.

(C) Since 1991, there has been a net decline in the reading skills of District of Columbia students as measured in scores on the standardized Comprehensive Test of Basic Skills.

(D) At least 40 percent of District of Columbia students drop out of or leave the school system before graduation.

(E) The National Education Goals Panel reported in 1996 that both students and teachers in District of Columbia schools are subjected to levels of violence that are twice the national average.

(F) Nearly two-thirds of District of Columbia teachers reported that violent student behavior is a serious impediment to teaching.

(G) Many of the District of Columbia's 152 schools are in a state of terrible disrepair, including leaking roofs, bitterly cold classrooms, and numerous fire code violations.

(2) Significant improvements in the education of educationally deprived children in the District of Columbia can be accomplished by—

(A) increasing educational opportunities for the children by expanding the range of educational choices that best meet the needs of the children;

(B) fostering diversity and competition among school programs for the children;

(C) providing the families of the children more of the educational choices already available to affluent families; and

(D) enhancing the overall quality of education in the District of Columbia by increasing parental involvement in the direction of the education of the children.

(3) The 350 private schools in the District of Columbia and the surrounding area offer a more safe and stable learning environment than many of the public schools.

(4) Costs are often much lower in private schools than corresponding costs in public schools.

(5) Not all children are alike and therefore there is no one school or program that fits the needs of all children.

(6) The formation of sound values and moral character is crucial to helping young people escape from lives of poverty, family break-up, drug abuse, crime, and school failure.

(7) In addition to offering knowledge and skills, education should contribute positively to the formation of the internal norms and values which are vital to a child's success in life and to the well-being of society.

(8) Schools should help to provide young people with a sound moral foundation which is consistent with the values of their parents. To find such a school, parents need a full range of choice to determine where their children can best be educated.

(c) PRECEDENTS.—The United States Supreme Court has determined that programs giving parents choice and increased input in their children's education, including the choice of a religious education, do not violate the Constitution. The Supreme Court has held that as long as the beneficiary decides where education funds will be spent on such individual's behalf, public funds can be used for education in a religious institution because the public entity has neither advanced nor hindered a particular religion and therefore has not violated the establishment clause of the first amendment to the Constitution. Supreme Court precedents include—

(1) Wisconsin v. Yoder, 406 U.S. 205 (1972); Pierce v. Society of Sisters, 268 U.S. 510 (1925); and Meyer v. Nebraska, 262 U.S. 390 (1923) which held that parents have the primary role in and are the primary decision makers in all areas regarding the education and upbringing of their children;

(2) Mueller v. Allen, 463 U.S. 388 (1983) which declared a Minnesota tax deduction program that provided State income tax benefits for educational expenditures by parents, including tuition in religiously affiliated schools, does not violate the Constitution;

(3) Witters v. Department of Services for the Blind, 474 U.S. 481 (1986) in which the Supreme Court ruled unanimously that public funds for the vocational training of the blind could be used at a Bible college for ministry training; and

(4) Zobrest v. Catalina Foothills School District, 509 U.S. 1 (1993) which held that a deaf child could receive an interpreter, paid for by the public, in a private religiously affiliated school under the Individual with Disabilities Education Act (20 U.S.C. 1400 et

seq.). The case held that providing an interpreter in a religiously affiliated school did not violate the establishment clause of the first amendment of the Constitution.

SEC. 2. DEFINITIONS.

As used in this Act—

(1) the term ''Board'' means the Board of Directors of the Corporation established under section 3(b)(1);

(2) the term ''Corporation'' means the District of Columbia Scholarship Corporation established under section 3(a);

(3) the term ''eligible institution''—

(A) in the case of an eligible institution serving a student who receives a tuition scholarship under section 4(c)(1), means a public, private, or independent elementary or secondary school; and

(B) in the case of an eligible institution serving a student who receives an enhanced achievement scholarship under section 4(c)(2), means an elementary or secondary school, or an entity that provides services to a student enrolled in an elementary or secondary school to enhance such student's achievement through instruction described in section 4(c)(2);

(4) the term ''parent'' includes a legal guardian or other person standing in loco parentis; and

(5) the term ''poverty line'' means the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved.

SEC. 3. DISTRICT OF COLUMBIA SCHOLARSHIP CORPORATION.

(a) GENERAL REQUIREMENTS.—

(1) IN GENERAL.—There is authorized to be established a private, nonprofit corporation, to be known as the ''District of Columbia Scholarship Corporation'', which is neither an agency nor establishment of the United States Government or the District of Columbia Government.

(2) DUTIES.—The Corporation shall have the responsibility and authority to administer, publicize, and evaluate the scholarship program in accordance with this Act, and to determine student and school eligibility for participation in such program.

(3) CONSULTATION.—The Corporation shall exercise its authority—

(A) in a manner consistent with maximizing educational opportunities for the maximum number of interested families; and

(B) in consultation with the District of Columbia Board of Education or entity exercising administrative jurisdiction over the District of Columbia Public Schools, the Superintendent of the District of Columbia Public Schools, and other school scholarship programs in the District of Columbia.

(4) APPLICATION OF PROVISIONS.—The Corporation shall be subject to the provisions of this Act, and, to the extent consistent with this Act, to the District of Columbia Nonprofit Corporation Act (D.C. Code, sec. 29–501 et seq.).

(5) RESIDENCE.—The Corporation shall have its place of business in the District of Columbia and shall be considered, for purposes of venue in civil actions, to be a resident of the District of Columbia.

(6) FUND.—There is established in the Treasury a fund that shall be known as the District of Columbia Scholarship Fund, to be administered by the Secretary of the Treasury.

(7) DISBURSEMENT.—The Secretary of the Treasury shall make available and disburse to the Corporation, before October 15 of each fiscal year or not later than 15 days after the date of enactment of an Act making appropriations for the District of Columbia for such year, whichever occurs later, such funds as have been appropriated to the District of Columbia Scholarship Fund for the fiscal year in which such disbursement is made.

(8) AVAILABILITY.—Funds authorized to be appropriated under this Act shall remain available until expended.

(9) USES.—Funds authorized to be appropriated under this Act shall be used by the Corporation in a prudent and financially responsible manner, solely for scholarships, contracts, and administrative costs.

(10) AUTHORIZATION.—

(A) IN GENERAL.—There are authorized to be appropriated to the District of Columbia Scholarship Fund—

(i) $7,000,000 for fiscal year 1998;

(ii) $8,000,000 for fiscal year 1999; and

(iii) $10,000,000 for each of fiscal years 2000 through 2002.

(B) LIMITATION.—Not more than 7.5 percent of the amount appropriated to carry out this Act for any fiscal year may be used by the Corporation for salaries and administrative costs.

(b) ORGANIZATION AND MANAGEMENT; BOARD OF DIRECTORS.—

(1) BOARD OF DIRECTORS; MEMBERSHIP.—

(A) IN GENERAL.—The Corporation shall have a Board of Directors (referred to in this Act as the ''Board''), comprised of 7 members with 6 members of the Board appointed by the President not later than 30 days after receipt of nominations from the Speaker of the House of Representatives and the Majority Leader of the Senate.

(B) HOUSE NOMINATIONS.—The President shall appoint 3 of the members from a list of 9 individuals nominated by the Speaker of the House of Representatives in consultation with the Minority Leader of the House of Representatives.

(C) SENATE NOMINATIONS.—The President shall appoint 3 members from a list of 9 individuals nominated by the Majority Leader of the Senate in consultation with the Minority Leader of the Senate.

(D) DEADLINE.—The Speaker of the House of Representatives and Majority Leader of the Senate shall submit their nominations to the President not later than 30 days after the date of the enactment of this Act.

(E) APPOINTEE OF MAYOR.—The Mayor shall appoint 1 member of the Board not later than 60 days after the date of the enactment of this Act.

(F) POSSIBLE INTERIM MEMBERS.—If the President does not appoint the 6 members of the Board in the 30-day period described in subparagraph (A), then the Speaker of the House of Representatives and the Majority Leader of the Senate shall each appoint 2 members of the Board, and the Minority Leader of the House of Representatives and the Minority Leader of the Senate shall each appoint 1 member of the Board, from among the individuals nominated pursuant to subparagraphs (A) and (B), as the case may be. The appointees under the preceding sentence together with the appointee of the Mayor, shall serve as an interim Board with all the powers and other duties of the Board described in this Act, until the President makes the appointments as described in this subsection.

(2) POWERS.—All powers of the Corporation shall vest in and be exercised under the authority of the Board.

(3) ELECTIONS.—Members of the Board annually shall elect 1 of the members of the Board to be the Chairperson of the Board.

(4) RESIDENCY.—All members appointed to the Board shall be residents of the District of Columbia at the time of appointment and while serving on the Board.

(5) NONEMPLOYEE.—No member of the Board may be an employee of the United States Government or the District of Columbia Government when appointed to or during tenure on the Board, unless the individual is on a leave of absence from such a position while serving on the Board.

(6) INCORPORATION.—The members of the initial Board shall serve as incorporators and shall take whatever steps are necessary to establish the Corporation under the District of Columbia Nonprofit Corporation Act (D.C. Code, sec. 29–501 et seq.).

(7) GENERAL TERM.—The term of office of each member of the Board shall be 5 years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which the predecessor was appointed shall be appointed for the remainder of such term.

(8) CONSECUTIVE TERM.—No member of the Board shall be eligible to serve in excess of 2 consecutive terms of 5 years each. A partial term shall be considered as 1 full term. Any vacancy on the Board shall not affect the Board's power, but shall be filled in a manner consistent with this Act.

(9) NO BENEFIT.—No part of the income or assets of the Corporation shall inure to the benefit of any Director, officer, or employee of the Corporation, except as salary or reasonable compensation for services.

(10) POLITICAL ACTIVITY.—The Corporation may not contribute to or otherwise support any political party or candidate for elective public office.

(11) NO OFFICERS OR EMPLOYEES.—The members of the Board shall not, by reason of such membership, be considered to be officers or employees of the United States Government or of the District of Columbia Government.

(12) STIPENDS.—The members of the Board, while attending meetings of the Board or while engaged in duties related to such meetings or other activities of the Board pursuant to this Act, shall be provided a stipend. Such stipend shall be at the rate of $150 per day for which the member of the Board is officially recorded as having worked, except that no member may be paid a total stipend amount in any calendar year in excess of $5,000.

(c) OFFICERS AND STAFF.—

(1) EXECUTIVE DIRECTOR.—The Corporation shall have an Executive Director, and such other staff, as may be appointed by the Board for terms and at rates of compensation, not to exceed level EG–16 of the Educational Service of the District of Columbia, to be fixed by the Board.

(2) STAFF.—With the approval of the Board, the Executive Director may appoint and fix the salary of such additional personnel as the Executive Director considers appropriate.

(3) ANNUAL RATE.—No staff of the Corporation may be compensated by the Corporation at an annual rate of pay greater than the annual rate of pay of the Executive Director.

(4) SERVICE.—All officers and employees of the Corporation shall serve at the pleasure of the Board.

(5) QUALIFICATION.—No political test or qualification may be used in selecting, appointing, promoting, or taking other personnel actions with respect to officers, agents, or employees of the Corporation.

(d) POWERS OF THE CORPORATION.—

(1) GENERALLY.—The Corporation is authorized to obtain grants from, and make contracts with, individuals and with private, State, and Federal agencies, organizations, and institutions.

(2) HIRING AUTHORITY.—The Corporation may hire, or accept the voluntary services of, consultants, experts, advisory boards, and panels to aid the Corporation in carrying out this Act.

(e) FINANCIAL MANAGEMENT AND RECORDS.—

(1) AUDITS.—The financial statements of the Corporation shall be—

(A) maintained in accordance with generally accepted accounting principles for nonprofit corporations; and

(B) audited annually by independent certified public accountants.

(2) REPORT.—The report for each such audit shall be included in the annual report to Congress required by section 11(c).

(f) ADMINISTRATIVE RESPONSIBILITIES.—

(1) SCHOLARSHIP APPLICATION SCHEDULE AND PROCEDURES.—Not later than 30 days after the initial Board is appointed and the first Executive Director of the Corporation is hired under this Act, the Corporation shall implement a schedule and procedures for processing applications for, and awarding, student scholarships under this Act. The schedule and procedures shall include establishing a list of certified eligible institutions, distributing scholarship information to parents and the general public (including through a newspaper of general circulation), and establishing deadlines for steps in the scholarship application and award process.

(2) INSTITUTIONAL APPLICATIONS AND ELIGIBILITY.—

(A) IN GENERAL.—An eligible institution that desires to participate in the scholarship program under this Act shall file an application with the Corporation for certification for participation in the scholarship program under this Act that shall—

(i) demonstrate that the eligible institution has operated with not less than 25 students during the 3 years preceding the year for which the determination is made unless the eligible institution is applying for certification as a new eligible institution under subparagraph (C);

(ii) contain an assurance that the eligible institution will comply with all applicable requirements of this Act;

(iii) contain an annual statement of the eligible institution's budget; and

(iv) describe the eligible institution's proposed program, including personnel qualifications and fees.

(B) CERTIFICATION.—

(i) IN GENERAL.—Except as provided in subparagraph (C), not later than 60 days after receipt of an application in accordance with subparagraph (A), the Corporation shall certify an eligible institution to participate in the scholarship program under this Act.

(ii) CONTINUATION.—An eligible institution's certification to participate in the scholarship program shall continue unless such eligible institution's certification is revoked in accordance with subparagraph (D).

(C) NEW ELIGIBLE INSTITUTION.—

(i) IN GENERAL.—An eligible institution that did not operate with at least 25 students in the 3 years preceding the year for which the determination is made may apply for a 1-year provisional certification to participate in the scholarship program under this Act for a single year by providing to the Corporation not later than July 1 of the year preceding the year for which the determination is made—

(I) a list of the eligible institution's board of directors;

(II) letters of support from not less than 10 members of the community served by such eligible institution;

(III) a business plan;

(IV) an intended course of study;

(V) assurances that the eligible institution will begin operations with not less than 25 students;

(VI) assurances that the eligible institution will comply with all applicable requirements of this Act; and

(VII) a statement that satisfies the requirements of clauses (ii) and (iv) of subparagraph (A).

(ii) CERTIFICATION.—Not later than 60 days after the date of receipt of an application described in clause (i), the Corporation shall certify in writing the eligible institution's provisional certification to participate in the scholarship program under this Act unless the Corporation determines that good cause exists to deny certification.

(iii) RENEWAL OF PROVISIONAL CERTIFICATION.—After receipt of an application under clause (i) from an eligible institution that includes a statement of the eligible institution's budget completed not earlier than 12 months before the date such application is filed, the Corporation shall renew an eligible institution's provisional certification for the second and third years of the school's participation in the scholarship program under this Act unless the Corporation finds—

(I) good cause to deny the renewal, including a finding of a pattern of violation of requirements described in paragraph (3)(A); or

(II) consistent failure of 25 percent or more of the students receiving scholarships under this Act and attending such school to make appropriate progress (as determined by the Corporation) in academic achievement.

(iv) DENIAL OF CERTIFICATION.—If provisional certification or renewal of provisional certification under this subsection is denied, then the Corporation shall provide a written explanation to the eligible institution of the reasons for such denial.

(D) REVOCATION OF ELIGIBILITY.—

(i) IN GENERAL.—The Corporation, after notice and hearing, may revoke an eligible institution's certification to participate in the scholarship program under this Act for a year succeeding the year for which the determination is made for—

(I) good cause, including a finding of a pattern of violation of program requirements described in paragraph (3)(A); or

(II) consistent failure of 25 percent or more of the students receiving scholarships under this Act and attending such school to make appropriate progress (as determined by the Corporation) in academic achievement.

(ii) EXPLANATION.—If the certification of an eligible institution is revoked, the Corporation shall provide a written explanation of the Corporation's decision to such eligible institution and require a pro rata refund of the proceeds of the scholarship funds received under this Act.

(3) PARTICIPATION REQUIREMENTS FOR ELIGIBLE INSTITUTIONS.—

(A) REQUIREMENTS.—Each eligible institution participating in the scholarship program under this Act shall—

(i) provide to the Corporation not later than June 30 of each year the most recent annual statement of the eligible institution's budget; and

(ii) charge a student that receives a scholarship under this Act not more than the cost of tuition and mandatory fees for, and transportation to attend, such eligible institution as other students who are residents of the District of Columbia and enrolled in such eligible institution.

(B) COMPLIANCE.—The Corporation may require documentation of compliance with the requirements of subparagraph (A), but neither the Corporation nor any governmental entity may impose requirements upon an eligible institution as a condition for participation in the scholarship program under this Act, other than requirements established under this Act.

SEC. 4. SCHOLARSHIPS AUTHORIZED.

(a) ELIGIBLE STUDENTS.—The Corporation is authorized to award tuition scholarships under subsection (c)(1) and enhanced achievement scholarships under subsection (c)(2) to students in kindergarten through grade 12—

(1) who are residents of the District of Columbia; and

(2) whose family income does not exceed 185 percent of the poverty line.

(b) SCHOLARSHIP PRIORITY.—

(1) FIRST.—The Corporation first shall award scholarships to students described in subsection (a) who—

(A) are enrolled in a District of Columbia public school or preparing to enter a District of Columbia public kindergarten, except that this subparagraph shall apply only for academic years 1997–1998, 1998–1999, and 1999–2000; or

(B) have received a scholarship from the Corporation for the academic year preceding the academic year for which the scholarship is awarded.

(2) SECOND.—If funds remain for a fiscal year for awarding scholarships after awarding scholarships under paragraph (1), the Corporation shall award scholarships to students who are described in subsection (a), not described in paragraph (1), and otherwise eligible for a scholarship under this Act.

(3) LOTTERY SELECTION.—The Corporation shall award scholarships to students under this subsection using a lottery selection process whenever the amount made available to carry out this Act for a fiscal year is insufficient to award a scholarship to each student who is eligible to receive a scholarship under this Act for the fiscal year.

(c) USE OF SCHOLARSHIP.—

(1) TUITION SCHOLARSHIPS.—A tuition scholarship may be used for the payment of the cost of the tuition and mandatory fees for, and transportation to attend, an eligible institution located within the geographic boundaries of the District of Columbia; Montgomery County, Maryland; Prince Georges County, Maryland; Arlington County, Virginia; Alexandria City, Virginia; Falls Church City, Virginia; Fairfax City, Virginia; or Fairfax County, Virginia.

(2) ENHANCED ACHIEVEMENT SCHOLARSHIP.—An enhanced achievement scholarship may be used only for the payment of the costs of tuition and mandatory fees for, and transportation to attend, a program of instruction provided by an eligible institution which enhances student achievement of the core curriculum and is operated outside of regular school hours to supplement the regular school program.

(e) NOT SCHOOL AID.—A scholarship under this Act shall be considered assistance to the student and shall not be considered assistance to an eligible institution.

SEC. 5. SCHOLARSHIP AWARDS.

(a) AWARDS.—From the funds made available under this Act, the Corporation shall award a scholarship to a student and make scholarship payments in accordance with section 6.

(b) NOTIFICATION.—Each eligible institution that receives the proceeds of a scholarship payment under subsection (a) shall notify the Corporation not later than 10 days after—

(1) the date that a student receiving a scholarship under this Act is enrolled, of the name, address, and grade level of such student;

(2) the date of the withdrawal or expulsion of any student receiving a scholarship under this Act, of the withdrawal or expulsion; and

(3) the date that a student receiving a scholarship under this Act is refused admission, of the reasons for such a refusal.

(c) TUITION SCHOLARSHIP.—

(1) EQUAL TO OR BELOW POVERTY LINE.—For a student whose family income is equal to or below the poverty line, a tuition scholarship may not exceed the lesser of—

(A) the cost of tuition and mandatory fees for, and transportation to attend, an eligible institution; or

(B) $3,200 for fiscal year 1998, with such amount adjusted in proportion to changes in

the Consumer Price Index for all urban consumers published by the Department of Labor for each of fiscal years 1999 through 2002.

(2) ABOVE POVERTY LINE.—For a student whose family income is greater than the poverty line, but not more than 185 percent of the poverty line, a tuition scholarship may not exceed the lesser of—

(A) 75 percent of the cost of tuition and mandatory fees for, and transportation to attend, an eligible institution; or

(B) $2,400 for fiscal year 1998, with such amount adjusted in proportion to changes in the Consumer Price Index for all urban consumers published by the Department of Labor for each of fiscal years 1999 through 2002.

(d) ENHANCED ACHIEVEMENT SCHOLARSHIP.—An enhanced achievement scholarship may not exceed the lesser of—

(1) the costs of tuition and mandatory fees for, and transportation to attend, a program of instruction at an eligible institution; or

(2) $500 for 1998, with such amount adjusted in proportion to changes in the Consumer Price Index for all urban consumers published by the Department of Labor for each of fiscal years 1999 through 2002.

SEC. 6. SCHOLARSHIP PAYMENTS.

(a) PAYMENTS.—The Corporation shall make scholarship payments to the parent of a student awarded a scholarship under this Act.

(b) DISTRIBUTION OF SCHOLARSHIP FUNDS.—Scholarship funds may be distributed by check, or another form of disbursement, issued by the Corporation and made payable directly to a parent of a student awarded a scholarship under this Act. The parent may use the scholarship funds only for payment of tuition, mandatory fees, and transportation costs as described in this Act.

(c) PRO RATA AMOUNTS FOR STUDENT WITHDRAWAL.—If a student receiving a scholarship under this Act withdraws or is expelled from an eligible institution after the proceeds of a scholarship is paid to the eligible institution, then the eligible institution shall refund to the Corporation on a pro rata basis the proportion of any such proceeds received for the remaining days of the school year. Such refund shall occur not later than 30 days after the date of the withdrawal or expulsion of the student.

SEC. 7. CIVIL RIGHTS.

(a) IN GENERAL.—An eligible institution participating in the scholarship program under this Act shall not discriminate on the basis of race, color, national origin, or sex in carrying out the provisions of this Act.

(b) APPLICABILITY AND CONSTRUCTION WITH RESPECT TO DISCRIMINATION ON THE BASIS OF SEX.—

(1) APPLICABILITY.—With respect to discrimination on the basis of sex, subsection (a) shall not apply to an eligible institution that is controlled by a religious organization if the application of subsection (a) is inconsistent with the religious tenets of the eligible institution.

(2) CONSTRUCTION.—With respect to discrimination on the basis of sex, nothing in subsection (a) shall be construed to require any person, or public or private entity to provide or pay, or to prohibit any such person or entity from providing or paying, for any benefit or service, including the use of facilities, related to an abortion. Nothing in the preceding sentence shall be construed to permit a penalty to be imposed on any person or individual because such person or individual is seeking or has received any benefit or service related to a legal abortion.

(3) SINGLE-SEX SCHOOLS, CLASSES, OR ACTIVITIES.—With respect to discrimination on the basis of sex, nothing in subsection (a) shall be construed to prevent a parent from choosing, or an eligible institution from offering, a single-sex school, class, or activity.

(c) REVOCATION.—Notwithstanding section 3(f)(2)(D), if the Corporation determines that an eligible institution participating in the scholarship program under this Act is in violation of subsection (a), then the Corporation shall revoke such eligible institution's certification to participate in the program.

SEC. 8. CHILDREN WITH DISABILITIES.

Nothing in this Act shall affect the rights of students, or the obligations of the District of Columbia public schools, under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.).

SEC. 9. RULE OF CONSTRUCTION.

(a) IN GENERAL.—Nothing in this Act shall be construed to prevent any eligible institution which is operated by, supervised by, controlled by, or connected to, a religious organization from employing, admitting, or giving preference to, persons of the same religion to the extent determined by such institution to promote the religious purpose for which the eligible institution is established or maintained.

(b) SECTARIAN PURPOSES.—Nothing in this Act shall be construed to prohibit the use of funds made available under this Act for sectarian educational purposes, or to require an eligible institution to remove religious art, icons, scripture, or other symbols.

SEC. 10. REPORTING REQUIREMENTS.

(a) IN GENERAL.—An eligible institution participating in the scholarship program under this Act shall report to the Corporation not later than July 30 of each year in a manner prescribed by the Corporation, the following data:

(1) Student achievement in the eligible institution's programs.

(2) Grade advancement for scholarship students.

(3) Disciplinary actions taken with respect to scholarship students.

(4) Graduation, college admission test scores, and college admission rates, if applicable for scholarship students.

(5) Types and amounts of parental involvement required for all families of scholarship students.

(6) Student attendance for scholarship and nonscholarship students.

(7) General information on curriculum, programs, facilities, credentials of personnel, and disciplinary rules at the eligible institution.

(8) Number of scholarship students enrolled.

(9) Such other information as may be required by the Corporation for program appraisal.

(b) CONFIDENTIALITY.—No personal identifiers may be used in such report, except that the Corporation may request such personal identifiers solely for the purpose of verification.

SEC. 11. PROGRAM APPRAISAL.

(a) STUDY.—Not later than 4 years after the date of enactment of this Act, the Comptroller General shall enter into a contract, with an evaluating agency that has demonstrated experience in conducting evaluations, for an independent evaluation of the scholarship program under this Act, including—

(1) a comparison of test scores between scholarship students and District of Columbia public school students of similar backgrounds, taking into account the students' academic achievement at the time of the award of their scholarships and the students' family income level;

(2) a comparison of graduation rates between scholarship students and District of Columbia public school students of similar backgrounds, taking into account the students' academic achievement at the time of the award of their scholarships and the students' family income level;

(3) the satisfaction of parents of scholarship students with the scholarship program; and

(4) the impact of the scholarship program on the District of Columbia public schools, including changes in the public school enrollment, and any improvement in the academic performance of the public schools.

(b) PUBLIC REVIEW OF DATA.—All data gathered in the course of the study described in subsection (a) shall be made available to the public upon request except that no personal identifiers shall be made public.

(c) REPORT TO CONGRESS.—Not later than September 1 of each year, the Corporation shall submit a progress report on the scholarship program to the appropriate committees of Congress. Such report shall include a review of how scholarship funds were expended, including the initial academic achievement levels of students who have participated in the scholarship program.

(d) AUTHORIZATION.—There are authorized to be appropriated for the study described in subsection (a), $250,000, which shall remain available until expended.

SEC. 12. JUDICIAL REVIEW.

(a) JURISDICTION.—

(1) IN GENERAL.—The United States District Court for the District of Columbia shall have jurisdiction in any action challenging the constitutionality of the scholarship program under this Act and shall provide expedited review.

(2) STANDING.—The parent of any student eligible to receive a scholarship under this Act shall have standing in an action challenging the constitutionality of the scholarship program under this Act.

(b) APPEAL TO SUPREME COURT.—Notwithstanding any other provision of law, any order of the United States District Court for the District of Columbia which is issued pursuant to an action brought under subsection (a) shall be reviewable by appeal directly to the Supreme Court of the United States.

SEC. 13. APPROPRIATION OF INITIAL FEDERAL CONTRIBUTION TO FUND.

There are hereby appropriated, out of any money in the Treasury not otherwise appropriated, $7,000,000 for the District of Columbia Scholarship Fund.

SEC. 14. EFFECTIVE DATE.

This Act shall be effective for each of the fiscal years 1998 through 2002.

The SPEAKER pro tempore. Pursuant to House Resolution 413, the gentleman from Texas (Mr. ARMEY) and a Member opposed, the gentlewoman from the District of Columbia (Ms. NORTON), each will control 1 hour.

The Chair recognizes the gentleman from Texas (Mr. ARMEY).

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

Mr. Speaker, S. 1502 represents a legislative effort that was first introduced in this body in 1995 by former Representative Steve Gunderson from Wisconsin. We have continued to introduce this bill and consider it off and on, most recently in this body as an amendment to the D.C. appropriations bill last year. The bill was passed in the other body at the close of last year's session and has been available to the House for consideration at the desk since that time.

Mr. Speaker, what this legislation does is provide $7 million worth of additional funding to the Washington,

D.C. School District specifically for the assistance of low-income families in the District, that they might have greater ability within their own family to provide educational opportunities for their children.

In the first half of the bill, we make available for 2,000 Washington, D.C. families scholarships for up to $3,200 available by random selection to low-income families in D.C. It is important that we emphasize that these scholarships are available only to lower income families of D.C., so that they may be able with those scholarships to exercise the same choice and discretion over the education of their children as is done regularly in this city by wealthy families.

D.C., as my colleagues know, is an interesting city in that while it has some outstanding schools, it has other schools that are in fact tragic failures for the children. All too often those children that are left in these difficult schools are the children of the very poorest citizens of the District. D.C. is a city where you have a contrast of affluence as over and against low-income families, where the higher income families all too often exercise the prerogatives made available to them by their higher incomes to take their children to nonpublic educational facilities and to move their children around. We think that that opportunity should not be an opportunity that exists only in the hands of wealthy people but should be made available to each child. We believe that each and every child is God's child and should have as much opportunity.

We have also had an opportunity by working with families through the efforts of the privately funded Washington Scholarship Fund and other efforts such as my own effort in Tools for Tomorrow to meet with the children and to meet with their parents. We see the frustration, we see the concern, we see the hope for these. Indeed, the Washington Scholarship Fund just a few months ago announced in D.C. without fanfare and without any marketing effort that there would be an additional 1,000 scholarships available to low-income families.

□ 1200

By word of mouth this information passed through the neighborhoods, and before long they had almost 8,000 applicants. Yesterday, the 1,000 scholarships were announced as they were selected randomly, and 1,000 of these almost 8,000 families had a great joy in their lives that is reported in the morning's paper. So that we ask initially in this bill to make that opportunity available to an additional 2,000 families.

Second part of this bill makes possible for an additional 2,000 families to use scholarship resources from this special fund of new money for the purposes of hiring tutors and mentors for their children and for the purposes of acquiring educational facilities for their children to supplement the almost frightening deficiencies that we all too often find in the schools.

This is a situation where the need is clearly demonstrated, the desire to do better is clearly demonstrated on the part of a large number of families. The children are there, and the children are anxiously awaiting the opportunity that we can make to them, and the educational slots in the over 80 schools are there and available to the children. Since this is new money added to the D.C. education budget, it is inconceivable to me that anybody could oppose the Congress of the United States with its unique jurisdictional relationship to this city making this opportunity available to these children.

In closing my remarks, let me say very emphatically, Madam Speaker, as emphatically as I may, this legislative effort, this $7 million, these 2,000 scholarships, these 2,000 attendant scholarships are not about politics, they are not about my party, they are not about their party, they are certainly not about me, for I will never be hunting a vote in this city. They are about the children and, quite frankly, only about the children.

And I guess the question that I would put before this body in my opening remarks is, are we willing to put other things second to the children? Can we rise to the occasion of simply looking at the children, seeing their beautiful little faces, with their hope and their optimism, and say there is no consideration that we can weigh against that?

Nothing can be as great as the needs of these children and our commitment to them.

Madam Speaker, I reserve the balance of my time.

Ms. NORTON. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, let me begin by briefly explaining what S. 1502, the D.C. Voucher Bill before us this morning, would do. The bill would divert $7 million from the Federal Treasury in fiscal year 1998 and $45 million over 5 years and funnel these resources to religious and private schools. The bill not only diverts funds from the Treasury, where they might be available for public schools, S. 1502 also potentially diverts money from the District of Columbia. Under the bill, religious and private schools in Virginia and Maryland could receive students with tuition paid by D.C. vouchers.

S. 1502 also would create a new unheard of, unprecedented layer of bureaucracy. Instead of delegating the task of administering this voucher program to an existing institution or to a pro bono organization, an entirely new bureaucracy costing $500,000 annually is required by the bill. A corporation, consisting entirely of political appointees not responsible to D.C. residents or even to the parents involved, would be responsible for administering the voucher program and disbursing the federal funds.

Despite the fact that these are local schools, almost none of these appointments would be made by a local official. Of the seven appointees, only one would be appointed by a D.C. official. The remaining six would be appointed by the President of the United States, but even he would have to make his appointments from lists submitted by the Speaker of the House and the Majority Leader of the Senate, none of whom have been elected by any parent or any resident in the District of Columbia.

Since these appointees are simply distributing vouchers, it is not clear why it is appropriate for the task to be done by political appointees at all.

Although home rule has been regularly violated ever since its inception in 1974, total Federal control over the mere administration of such a local program is without precedent and is completely at odds with principles of devolution espoused by the Republican majority.

Astonishingly, these appointees would each be paid up to $5,000, although the vouchers they would be distributing range from only $3,200 for tuition to $500 for tutoring. At best, the bill would allow only 3 percent of D.C. public school students, 2,000 out of nearly 80,000, to apply for vouchers to attend religious and private schools. There is no requirement that these schools take these students and no requirement that these schools make any effort to retain these students or work to eliminate any problems they may have instead of expelling them, as is required of the public schools. Choice, therefore, would not rest with the parents but with the religious and private schools that will apply their own standards for admission and retention of each child.

The bill erodes antidiscrimination laws such as title VI, title IX and the Age Discrimination Act by providing that, despite the Federal subsidies to the schools, vouchers are not State aid for purposes of the bill. Although the bill contains an antidiscrimination provision, a person who suffers discrimination would be deprived of the Federal enforcement mechanism available to public school students and would be without any administrative mechanism to enforce her civil rights. Her only recourse would be to file a costly civil suit in Federal court, a remedy virtually unavailable to the low-income families to whom these vouchers are directed.

In addition, the bill expressly permits tax dollars to support sex discrimination by funding single sex programs. There are no safeguards in the bill to prevent a cottage industry of new and untested religious and private schools from competing for and receiving these federally funded vouchers. There is no provision for accountability for the funds to the Federal Government which grants them or accountability to anyone else.

The sponsors of S. 1502 identify the Cleveland voucher program as a model for their bill. That program is almost identical. It had 2,000 students, and the

amounts were roughly comparable, $2,500 vouchers for tuition and $260 tutoring vouchers per student. An evaluation commission by the State of Ohio found, and I am quoting, If the background and demographic factors, including previous achievement, are accounted for, there are no significant differences in third grade achievement between the scholarship students and their Cleveland school peers, end quote.

In no academic subject, reading, mathematics, social studies or science, did the voucher students do any better than their public school peers. Central to the Cleveland program was a feature that its framers hoped would save its constitutionality. As with the D.C. vouchers, the funds would go to the parent, not the religious school. However, in 1997, the Court of Appeals of Ohio, relying both on the State constitution and the Constitution of the United States, ruled that publicly funded vouchers were unconstitutional because they violate the first amendment requirement that State funds and actions not be entangled with the operations of religiously sponsored programs.

The Ohio court held, and I am quoting, Because the scholarship program provides direct and substantial nonneutral government aid to sectarian schools, we hold that it has the primary effect of advancing religion in violation of the establishment clause, end quote.

The only other court to rule on vouchers, the Wisconsin Court of Appeals, reached the same conclusion and went even further. That court noted that even though, quote, some parents of students participating in the program may have their children exempted from religious activities at sectarian schools, that does not alter the fact that money drawn from the State treasury would underwrite precisely those activities for other program students, end quote.

The Ohio court was unanimous, and the Wisconsin court decision was four to one, both striking down publicly funded vouchers like those before us on constitutional grounds.

These decisions protect religion as much as the government in order to assure that complete freedom from government regulation, oversight and accountability is always the case for religious institutions in our country. Moreover, ever since President Clinton has been in office, he has consistently opposed vouchers on the principle that public funds should go to public schools. Because this bill represents an attempt to gain a foothold in the federal budget and begin a drain of Federal resources to religious and private schools, S. 1502 will be vetoed. The statement of policy delivered this morning said, and I quote, If this bill were presented to the President, the President's senior advisers would recommend that the bill be vetoed, end quote.

Thus, the bill before us has little chance of becoming law, because virtually identical bills have been found unconstitutional and because the President of the United States has promised a veto. Unfortunately, the D.C. students who applied were not told of these impediments and have had their hopes raised. This is at least the third attempt by the Republican majority to impose vouchers on the District of Columbia, a jurisdiction powerless to stop them because the District has no representation in the Senate and because the vote on the House floor that I won square and fair and that the federal courts said was entirely constitutional in the 103rd Congress was taken from me when the Republicans assumed the majority in the 104th Congress.

District residents, like their Congresswoman, have been very critical of their public schools, but our residents identify strongly with their public schools and are determined to strengthen them. In 1996, the Control Board took drastic action in ousting the elected school board and imposing an entirely new regime precisely for the purpose of forging a top-to-bottom reform of the public school system.

A new superintendent from Seattle, Washington, Arlene Ackerman, has just initiated a dramatic revitalization designed to rapidly raise student achievements. For example, D.C. students are to read 25 books or the equivalent next year. I challenge every Member of the House to see to it that every child in their districts reads even half that many books next year.

□ 1215

The Summer Stars program (Students and Teachers Achieving Results), will make D.C. one of the very first jurisdictions in the United States to eliminate social promotion by putting in its place a program not only to remediate as many as 20,000 children this summer, but also to catch others before failure sets in. To their credit, President Clinton and the Department of Education have funded half of the $10 million required to fund this innovative program. Although this is just the kind of radical change Congress has been calling for, no congressional funds have been offered to fund any part of this effort. Suggestions that congressional support would greatly assist this program have fallen on deaf ears.

District of Columbia residents, like the residents who participated in all the 19 other statewide referenda, have rejected public subsidies for religious and private schools. The other jurisdictions are, Alaska, California, Colorado, Idaho, Maryland, Massachusetts, Michigan, Missouri, Nebraska, New York, Oregon, Utah, and Washington State. In five States where two referenda were held, California, Maryland, Massachusetts, Oregon and Washington, voucher proponents lost worse on the second vote than they did on the first. In all, there have been 20 statewide referenda and 20 resounding defeats.

In the District of Columbia, public subsidies for private and religious schools lost by the largest margin, 9 to 1, and yet this Member, over her objection, is faced with this bill, this afternoon.

As many as 7,500 low-income families have applied for scholarships in the District. This response is entirely natural and predictable. There are few low-income, or, for that matter, middle-income families in cities or suburbs today who would not come forward if they saw full-page advertisements in the newspapers and TV commercials calling for people to come and get free scholarships to go to private or religious schools. Private schools, whether in city or suburb today, usually have a better reputation than corresponding public schools.

The District of Columbia schools are in very poor condition, and I challenge any Member of this body to have the knowledge of how poor, to have been more critical or to have tried harder to raise them. But these schools mirror the condition of virtually every big-city school system in the country, no better and no worse. In fact, the $7,000 per pupil expenditure in the District is the second lowest in the region. In this region, for example, the city of Alexandria, I say to the gentleman from Virginia (Mr. MORAN), has a per pupil expenditure of $9,000, while my schools have $7,000.

As the District is showing, there are ways to rapidly accelerate reform of schools, but there are also ways to rescue children today while D.C. schools are being fixed. Just yesterday, two philanthropists contributed $6 million in private funds for scholarships for District kids like those who have applied for these vouchers, which every Member in this body knows will not be available. I stand ready to work with the majority, not only on District school reform, as I did on the D.C. charter bill in 1996, and the Riggs-Roemer charter bill last year; I stand ready to work with the majority again, and I welcome their assistance in selecting any approach that must have their agreement as much as mine.

The reading teachers for the lowest performing schools and the Porter-Obey program that I attempted to offer as a substitute for this voucher bill is but one example. I will go further. I am prepared to help raise private funds for private school students. In short, I am prepared to work with my colleagues in a collegial and bipartisan approach to improve schools in my district. I ask them to remember and to respect that it may be your capital of the United States, but it is my district. In the spirit of devolution, of local control, and the deference routinely afforded other Members, I ask that in seeking to help the families I represent, you work through me and with me. You will find me a willing and amiable partner.

Madam Speaker, I reserve the balance of my time.

Mr. ARMEY. Madam Speaker, I yield 1 minute to the gentleman from Florida (Mr. MILLER), a distinguished educator.

Mr. MILLER of Florida. Madam Speaker, I rise today in strong support of the gentleman from Texas (Mr. ARMEY)'s bill to save the D.C. schoolchildren. D.C. schoolchildren deserve a chance to succeed. No one debates that simple fact. However, it takes courage to overcome the obstacles that stand in the way of so many children in the District.

Some argue that by just giving more money, we can solve the problems, but if money was the answer, the D.C. school system should be among America's best. The sad truth is that the D.C. schools are among America's worst.

The D.C. youngsters attend schools of despair where they are more likely to encounter drugs or violence than an opportunity to succeed. We have the power to change that, but it takes courage to vote with one's heart and not the politically easy vote. The cynics sitting there wringing their hands and promising to reform the system from within are not helping any children. All they are doing is helping the teachers' union continue the downward spiral of education in this Nation's capital.

Today, we must all show the courage to save the children by taking on the status quo. We must vote to save the kids. Support the bill.

Ms. NORTON. Madam Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. STOKES).

Mr. STOKES. Madam Speaker, I thank the gentlewoman from the District of Columbia for yielding me this time. I want to take a moment just to congratulate her for the extraordinary leadership she has been giving to all of us on this issue.

Madam Speaker, I know from experience that school voucher programs are expensive, they do not work, and as the Ohio Court of Appeals determined, they are unconstitutional. A State-supported voucher initiative in my district which the Republicans have heralded as a success has been little benefit to the low-income students it was intended to reach. In fact, a recently released independent audit and evaluation of the Cleveland school program brought to light several critical facts about the program that should be considered in this debate.

The audit found a flood of management flaws, including problems that ranged from the widespread and very costly use of taxis to transport kids to and from school, to the failure to verify financial eligibility, to inadequate measures to monitor student attendance.

The audit shows a 41 percent cost overrun in the Cleveland voucher program that has resulted in this school year's costs being pushed from $7.1 million to $10 million. The cause of this misspending of State tax dollars includes the fact that approximately 36 percent of the nearly 3,000 voucher students used taxis to get to their private schools, costing $18 to $15 a day and totaling nearly $1.5 million. In addition, taxi companies charged the State even when students were absent if the parents did not notify the companies in advance.

Madam Speaker, I am a product of the Cleveland public schools. I walked 3 miles to school every day. That education I got in the Cleveland public school system enables me to be able to stand here in the well of the House of Representatives today. The results of the evaluation of the Cleveland voucher program show that this program has attracted better achieving students; I urge a no vote on this bill.

Mr. ARMEY. Madam Speaker, I yield 2 minutes to the distinguished gentleman from California (Mr. CUNNINGHAM), an ace fighter pilot and dedicated public schoolteacher.

Mr. CUNNINGHAM. Madam Speaker, I would add my wife is a public school teacher as well with a doctorate degree.

Madam Speaker, I had a high regard for General Julius Becton who led D.C. in an almost impossible task, and have worked with Arlene Ackerman who is going to take his place. But I want to say, Bishop McKinney came, an African American from San Diego, that has a school of at-risk black children in the school system, at-risk children that over 90 percent of them go on to school, and they work with special vouchers in the program.

I live in Washington, D.C., and I have met some good teachers, and I have met where they work to have good schools. That is true in any city, and we can find bad schools in any city. But I want to tell my colleagues, per capita, the schools in D.C. are worse. Sixty years old, the average. They have not done a very good job of managing their own city. Roofs that they had to close down the systems, and I get sick and tired of saying we are going to take money away from public education when we could have saved 35 percent for school construction out of public education by waiving Davis-Bacon to repair and build schools, but would they do it? No, because the unions did not want it. Thirty-five percent saving of money, but they would not even do it. They would not even vote to have the NEA pay its fair share of taxes in D.C. so that that money would go to the school, because, quote, that was a union.

But I want to tell my colleagues, they are behind the power curve. I lived up by the train station. My car was broken into twice. Someone died and was shot right outside the driveway. Two ladies were mugged going into the area. A large portion of the students graduating from D.C. are functionally illiterate, and that is not what we want. We want to give them an opportunity.

Madam Speaker, the wealthy do have a choice. The President, the Vice President, and guess what, the delegate to D.C. have their children in private schools. Give the students that are trapped the same opportunity.

CONFERENCE REPORT ON H.R. 3579, 1998

Mr. LIVINGSTON submitted the following conference report and statement on the bill (H.R. 3579) making emergency supplemental appropriations for the fiscal year ending September 30, 1998, and for other purposes.

CONFERENCE REPORT (H. REPT. 105–504)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3579) ''making emergency supplemental appropriations for the fiscal year ending September 30, 1998, and for other purposes'' having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1998, and for other purposes, namely:

TITLE I—EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR THE DEPARTMENT OF DEFENSE

CHAPTER 1

DEPARTMENT OF DEFENSE—MILITARY

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For an additional amount for ''Military Personnel, Army'', $184,000,000: Provided, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

MILITARY PERSONNEL, NAVY

For an additional amount for ''Military Personnel, Navy'', $22,300,000: Provided, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

MILITARY PERSONNEL, MARINE CORPS

For an additional amount for ''Military Personnel, Marine Corps'', $5,100,000: Provided, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

MILITARY PERSONNEL, AIR FORCE

For an additional amount for ''Military Personnel, Air Force'', $10,900,000: Provided, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

RESERVE PERSONNEL, NAVY

For an additional amount for ''Reserve Personnel, Navy'', $4,100,000: Provided, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

For an additional amount for ''Operation and Maintenance, Army'', $1,886,000: Provided, That

such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, NAVY

For an additional amount for ''Operation and Maintenance, Navy'', $48,100,000: Provided, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, AIR FORCE

For an additional amount for ''Operation and Maintenance, Air Force'', $27,400,000: Provided, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for ''Operation and Maintenance, Defense-Wide'', $1,390,000: Provided, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

For an additional amount for ''Operation and Maintenance, Defense-Wide'', $125,528,000, for emergency expenses resulting from natural disasters in the United States: Provided, That the Secretary of Defense may transfer these funds to current applicable operation and maintenance and working capital funds appropriations, to be merged with and available for the same purposes and for the same time period as the appropriation to which transferred: Provided further, That the transfer authority provided in this provision is in addition to any transfer authority available to the Department of Defense: Provided further, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: Provided further, That the entire amount shall be available only to the extent that an official budget request for $125,528,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

OPERATION AND MAINTENANCE, ARMY RESERVE

For an additional amount for ''Operation and Maintenance, Army Reserve'', $650,000: Provided, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

For an additional amount for ''Operation and Maintenance, Air Force Reserve'', $229,000: Provided, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

For an additional amount for ''Operation and Maintenance, Army National Guard'', $175,000: Provided, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for ''Overseas Contingency Operations Transfer Fund'', $1,814,100,000, to remain available until expended: Provided, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: Provided further, That the Secretary of Defense may transfer these funds to fiscal year 1998 appropriations for operation and maintenance, working capital funds, the Defense Health Program, procurement, and research, development, test and evaluation: Provided further, That the funds transferred shall be merged with and shall be available for the same purposes and for the same time period as the appropriation to which transferred, except that funds made available for or transferred to classified programs shall remain available until September 30, 1999: Provided further, That the transfer authority provided under this heading is in addition to any other transfer authority contained in Public Law 105–56.

REVOLVING AND MANAGEMENT FUNDS

NAVY WORKING CAPITAL FUND

For an additional amount for ''Navy Working Capital Fund'', $23,017,000: Provided, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

DEFENSE-WIDE WORKING CAPITAL FUND

For an additional amount for ''Defense-Wide Working Capital Fund'', $1,000,000: Provided, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OTHER DEPARTMENT OF DEFENSE PROGRAMS

DEFENSE HEALTH PROGRAM

For an additional amount for ''Defense Health Program'', $1,900,000: Provided, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

GENERAL PROVISIONS—THIS CHAPTER

SECTION 1. In addition to the amounts provided in Public Law 105–56, $36,500,000 is appropriated under the heading ''Overseas Humanitarian, Disaster, and Civic Aid'': Provided, That from the funds made available under that heading, the Secretary of Defense shall make a grant in the amount of $16,500,000 to the American Red Cross for Armed Forces emergency services: Provided further, That from the funds made available under that heading, the Secretary of Defense shall make a grant in the amount of $20,000,000 to the American Red Cross for reimbursement for disaster relief and recovery expenditures at overseas locations: Provided further, That the entire amount shall be available only to the extent that an official budget request for $36,500,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: Provided further, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

SEC. 2. Funds appropriated by this Act, or made available by the transfer of funds in this Act, for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414).

SEC. 3. In addition to the amounts appropriated to the Department of Defense under Public Law 105–56, there is hereby appropriated $47,000,000 for the ''Reserve Mobilization Income Insurance Fund'', to remain available until expended: Provided, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: Provided further, That the entire amount shall be available only to the extent that an official budget request for $47,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

SEC. 4. The President is urged to encourage other nations who are allies and friends of the United States to contribute to the burden being borne by the United States in preventing the government of Iraq from using Weapons of Mass Destruction, which pose a threat to the world community. The President is also urged to seek financial, in-kind and other contributions to help defray the costs being incurred by the United States in this operation. For this purpose, a special account shall be established in the Treasury which will accept such financial contributions, and from which funds will be subject to obligation through the normal appropriations process. The Secretary of Defense, after consultation with the Secretary of State, shall provide a report to the Congress within 60 days after enactment as to the status of this effort, and shall make a comprehensive account of the efforts made and results obtained to share the burden of the common defense. The Director of the Office of Management and Budget shall report to the Congress within 30 days as to the establishment of such burden-sharing account in the Department of the Treasury.

(INCLUDING TRANSFER OF FUNDS)

SEC. 5. (a) QUALITY ASSURANCE REPORT ON MILITARY HEALTH CARE.—The Secretary of Defense shall appoint an independent panel of experts to evaluate recent measures taken by the Acting Assistant Secretary of Defense for Health Affairs and the Surgeons General of the Army, Navy and Air Force to improve the quality of care provided by the Military Health Services System.

(b) MEMBERSHIP.—(1) The panel shall be composed of nine members appointed by the Secretary of Defense. At least five of those members shall be persons who are highly qualified in the medical arts, have experience in setting health care standards, and possess a demonstrated understanding of the military health care system and its unique mission requirements. The remaining members shall be persons who are current beneficiaries of the Military Health Services System.

(2) The Secretary shall designate one member to serve as chairperson of the panel.

(3) The Secretary shall appoint the members of this panel not later than 45 days after enactment of this Act.

(c) FUNCTIONS OF THE PANEL.—The panel shall review the Department of Defense Access and Quality Improvement Initiative announced in early 1998 (together with other related quality improvement actions) to assess whether all reasonable measures have been taken to ensure that the Military Health Services System delivers health care services in accordance with consistently high professional standards. The panel shall specifically assess actions of the Department to accomplish the following objectives of that initiative and related management actions:

(1) Upgrade professional education and training requirements for military physicians and other health care providers;

(2) Establish ''Centers of Excellence'' for complicated surgical procedures;

(3) Make timely and complete reports to the National Practitioner Data Bank and eliminate associated reporting backlogs;

(4) Assure that Military Health Services System providers are properly licensed and have appropriate credentials;

(5) Reestablish the Quality Management Report to aid in early identification of compliance problems;

(6) Improve communications with beneficiaries to provide comprehensive and objective information on the quality of care being provided;

(7) Strengthen the National Quality Management Program;

(8) Ensure that all laboratory work meets professional standards; and

(9) Ensure the accuracy of patient data and information.

(d) REPORT.—Not later than six months after the date on which the panel is established, the panel shall submit to the Secretary a report setting forth its findings and conclusions, and the reasons therefor, and such recommendations it deems appropriate. The Secretary shall forward the report of the panel to Congress not later than 15 days after the date on which the Secretary receives it, together with the Secretary's comments on the report.

(e) PANEL ADMINISTRATION.—(1) The members of the panel shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized by law for employees of agencies while away from their homes or regular places of business in the performance of services for the panel.

(2) Upon request of the chairperson of the panel, the Secretary of Defense may detail to the panel, on a nonreimbursable basis, personnel of the Department of Defense to assist the panel in carrying out its duties. The Secretary of Defense shall furnish to the panel such administrative and support services as may be requested by the chairman of the panel.

(f) PANEL FINANCING.—Of the funds appropriated in Public Law 105–56 for ''Research, Development, Test and Evaluation, Navy'', $4,700,000 shall be transferred to ''Defense Health Program'', to be available through fiscal year 1999, only for administrative costs of this panel and for the express purpose of initiating or accelerating any activity identified by the panel that will improve the quality of health care provided by the Military Health Services System.

(TRANSFER OF FUNDS)

SEC. 6. Of the funds appropriated in Public Law 105–56, under the heading ''Chemical Agents and Munitions Destruction, Defense'' for Operation and maintenance, $40,000,000 shall be transferred to ''Operation and Maintenance, Defense-Wide''.

SEC. 7. (a) Congress urges the President to seek concurrence among the members of the North Atlantic Treaty Organization (NATO) on arrangements that set forth—

(1) the benchmarks for achieving a sustainable peace process that are detailed in the report accompanying the certification that was made by the President to Congress on March 3, 1998;

(2) estimated target dates for achieving the benchmarks; and

(3) a process for NATO to review progress toward achieving the benchmarks.

(b) The President shall submit to Congress—

(1) not later than June 30, 1998, a report on efforts to gain agreement on arrangements described in subsection (a), and such report should include an explanation of the Administration's view of whether it would promote United States interests to adopt firm schedules or deadlines for achieving such benchmarks; and

(2) semiannually after that report, so long as United States ground combat forces continue to participate in the Stabilization Force for Bosnia (SFOR), a report on the progress made toward achieving the benchmarks referred to in subsection (a)(1), including any developments which may affect the ability of the relevant parties to achieve the benchmarks in a timely manner.

(c) The Congress urges the President to ensure that efforts to meet the estimated target dates described in this section do not jeopardize the safety of United States Armed Forces in Bosnia.

(d) The enactment of this section does not reflect approval or disapproval of the benchmarks submitted by the President in the certification to Congress transmitted on March 3, 1998.

SEC. 8. Notwithstanding any other provision of law, in the case of a person who is selected for training in a State program conducted under the National Guard Challenge Program and who obtains a general education diploma in connection with such training, the general education diploma shall be treated as equivalent to a high school diploma for purposes of determining the eligibility of the person for enlistment in the Armed Forces.

SEC. 9. In addition to the amounts provided in Public Law 105–56, $179,000,000 is appropriated under the heading ''Research, Development, Test and Evaluation, Defense-Wide'': Provided, That the additional amount shall be made available for enhancements to selected theater missile defense programs to counter enhanced ballistic missile threats: Provided further, That of the additional amount appropriated, $45,000,000 shall be made available only for the purpose of adjusting the cost-share of the parties under the Agreement between the Department of Defense and the Ministry of Defence of Israel for the Arrow Deployability Program: Provided further, That of the additional amount appropriated, $38,000,000 shall be made available only for the Sea-Based Wide Area Defense (Navy Upper-Tier) Program: Provided further, That the entire amount shall be available only to the extent that an official budget request for $179,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: Provided further, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

SEC. 10. (a)(1) The Secretary of Defense may enter into a lease or acquire any other interest in the parcels of land described in paragraph (2). The parcels consist in aggregate of approximately 90 acres.

(2) The parcels of land referred to in paragraph (1) are the following land used for the commercial production of cranberries:

(A) The parcels known as the Mashpee bogs, located on the Quashnet River adjacent to the Massachusetts Military Reservation, Massachusetts.

(B) The parcels known as the Falmouth bogs, located on the Coonamessett River adjacent to the Massachusetts Military Reservation, Massachusetts.

(3) The term of any lease or other interest acquired under paragraph (1) may not exceed two years.

(4) Any lease or other real property interest acquired under paragraph (1) shall be subject to such other terms and conditions as are agreed upon jointly by the Secretary and the person or entity entering into the lease or extending the interest.

(b) Of the amounts appropriated or otherwise made available for the Department of Defense for fiscal year 1998, up to $2,000,000 may be available to acquire interest under subsection (a).

SEC. 11. In addition to the amounts provided in Public Law 105–56, $272,500,000 is appropriated under the heading ''Aircraft Procurement, Navy'': Provided, That the additional amount shall be made available only for the procurement of eight F/A–18 aircraft for the United States Marine Corps: Provided further, That the entire amount shall be available only to the extent that an official budget request for $272,500,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: Provided further, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

SEC. 12. Funds appropriated in fiscal year 1997, 1998 and hereafter for the Pacific Disaster Center may be obligated to carry out such missions as the Secretary of Defense may specify for disaster information management supporting mitigation, preparedness, response and recovery from this federal facility and assuring critical infrastructure availability and humanitarian assistance at the federal, state, local and regional levels in the geographic area of responsibility of the Commander in Chief, Pacific and beyond in support of the Global Disaster Information Network as appropriate.

(INCLUDING TRANSFER OF FUNDS)

SEC. 13. Of the funds provided in Public Law 105–56 for ''Research, Development, Test and Evaluation, Navy'', $300,000 shall be transferred to ''Operation and Maintenance, Defense-Wide'': Provided, That the Secretary of Defense shall make grants from the ''Operation and Maintenance, Defense-Wide'' account in the total amount of not to exceed $300,000 to the Outdoor Odyssey at Roaring Run to initiate a youth development and leadership program.

SEC. 14. Notwithstanding section 7306 of title 10 United States Code, and any other provision of law, of the funds made available to the Department of the Navy by Public Law 105–56, $3,000,000 may be used only for disposal of residual fuel contained on the U.S.S. Alabama.

SEC. 15. Notwithstanding any other provision of law, funds appropriated for the Defense Health Program for fiscal year 1998 may be used to provide health benefits under section 1086 of title 10, United States Code, to a person who is described in paragraph (1) of subsection (d) of such section, would be eligible for health benefits under such section in the absence of such paragraph (1), and satisfies the requirements of subparagraphs (A) and (B) of paragraph (2) of such subsection (d), if the Secretary of Defense considers that the provision of health benefits under such section is appropriate to ensure health care coverage for such a person who may have been unaware of the termination of the person's eligibility for such health benefits.

(INCLUDING TRANSFER OF FUNDS)

SEC. 16. In addition to the amounts provided in Public Law 105–56, $28,000,000, to remain available until expended, is appropriated and shall be available for deposit in the International Trust Fund of the Republic of Slovenia, Mine Clearance, and Assistance to Mine Victims in Bosnia and Herzegovina (the ''Fund'') and other land mine-affected countries in the region: Provided, That the entire amount shall be available only to the extent an official budget request, for a specific dollar amount, that includes a designation of the entire amount as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted to the Congress by the President: Provided further, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act: Provided further, That the amount designated as an emergency shall be transferred to the Department of State for administration: Provided further, That such amount may be deposited in the Fund in two equal annual installments, upon emergency designation, only if the President certifies annually to the Congress of the United States that such amounts could be used effectively and for objectives consistent with ongoing efforts to carry out humanitarian demining activities in and around Bosnia: Provided further, That such amount may be deposited in the Fund only to the extent of deposits of matching amounts in that Fund by other governments, entities, or persons.

SEC. 17. It is the sense of the Congress that none of the funds appropriated or otherwise made available by this Act may be made available for the conduct of offensive operations by United States Armed Forces against Iraq for the purpose of obtaining compliance by Iraq with

United Nations Security Council Resolutions relating to inspection and destruction of weapons of mass destruction in Iraq unless such operations are specifically authorized by a law enacted after the date of the enactment of this Act.

SEC. 18. CAVALESE, ITALY AIR TRAGEDY.—The United States Congress expresses regret and extends its deepest sympathies to the families of the victims for the tragic incident involving Marine Corps aircraft near Cavalese, Italy on February 3, 1998. The Secretary of Defense shall make available on a timely basis all legal and other technical assistance necessary to facilitate the expeditious processing and resolution of legitimate claims for wrongful death, loss of business and profits, and property damage under the procedures set forth under the NATO Status of Forces Agreement. The Secretary of Defense shall ensure that any claim to replace the destroyed funicular system before the upcoming winter tourist season be considered on a priority basis.

CHAPTER 2

DEPARTMENT OF DEFENSE—MILITARY CONSTRUCTION

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

For an additional amount for ''Military Construction, Army National Guard'' to cover costs arising from storm related damage, $3,700,000, to be available only to the extent that an official budget request for a specific dollar amount that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: Provided, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

FAMILY HOUSING, NAVY AND MARINE CORPS

For an additional amount for ''Family Housing, Navy and Marine Corps'' to cover costs arising from Typhoon Paka related damage, $15,600,000: Provided, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

For an additional amount for ''Family Housing, Navy and Marine Corps'' to cover costs arising from El Niño related damage, $2,500,000, to be available only to the extent that an official budget request for a specific dollar amount that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: Provided, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

FAMILY HOUSING, AIR FORCE

For an additional amount for ''Family Housing, Air Force'' to cover costs arising from Typhoon Paka related damage, $1,500,000: Provided, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

For an additional amount for ''Family Housing, Air Force'' to cover costs arising from El Niño related damage, $900,000, to be available only to the extent that an official budget request for a specific dollar amount that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: Provided, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

BASE REALIGNMENT AND CLOSURE ACCOUNT, PART III

For an additional amount for ''Base Realignment and Closure Account, Part III'' to cover costs arising from El Niño related damage, $1,020,000, to be available only to the extent that an official budget request for a specific dollar amount that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: Provided, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

GENERAL PROVISION—THIS CHAPTER

SEC. 20. Notwithstanding any other provision of law, using amounts appropriated in Public Law 104–196 for ''Military Construction, Navy'', for the military construction project for North Island Naval Air Station, California, and contributions (if any) provided by the State of California and local governments to support that project, the Secretary of the Navy, in cooperation with local governments, shall carry out beach replenishment in connection with that project using sand obtained from any location. The contributions (if any) provided by the State of California and local governments shall be available only for beach replenishment activities performed after the date of the enactment of this Act.

TITLE II—EMERGENCY SUPPLEMENTAL APPROPRIATIONS

CHAPTER 1

DEPARTMENT OF AGRICULTURE

FARM SERVICE AGENCY

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

For additional gross obligations for the principal amount of emergency insured loans authorized by 7 U.S.C. 1928–1929, to be available from funds in the Agricultural Credit Insurance Fund, for losses in fiscal year 1998 resulting from natural disasters, $87,400,000.

For the additional cost of emergency insured loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, $21,000,000, to remain available until expended: Provided, That the entire amount shall be available only to the extent that an official budget request for $21,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: Provided further, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

EMERGENCY CONSERVATION PROGRAM

For an additional amount for the ''Emergency Conservation Program'' for expenses resulting from natural disasters, $30,000,000, to remain available until expended: Provided, That the entire amount shall be available only to the extent that an official budget request for $30,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: Provided further, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

For an additional amount for the ''Emergency Conservation Program'' to provide cost-sharing assistance to maple producers to replace taps and tubing that were damaged by ice storms in northeastern States in 1998, $4,000,000, to remain available until expended: Provided, That the entire amount shall be available only to the extent that an official budget request for $4,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: Provided further, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

TREE ASSISTANCE PROGRAM

An amount of $14,000,000 is provided for assistance to replace or rehabilitate trees, excluding trees used for pulp and/or timber, and vineyards damaged by natural disasters: Provided, That the entire amount shall be available only to the extent that an official budget request for $14,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: Provided further, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

COMMODITY CREDIT CORPORATION FUND

LIVESTOCK DISASTER ASSISTANCE PROGRAM

Effective only for losses incurred beginning on November 27, 1997, through the date of enactment of this Act, $4,000,000 to implement a livestock indemnity program to compensate producers for losses of livestock (including ratites) due to natural disasters designated pursuant to a Presidential or Secretarial declaration requested during such a period in a manner similar to catastrophic loss coverage available for other commodities under 7 U.S.C. 1508(b): Provided, That the entire amount shall be available only to the extent that an official budget request for $4,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: Provided further, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

DAIRY PRODUCTION DISASTER ASSISTANCE PROGRAM

Effective only for natural disasters beginning on November 27, 1997, through the date of enactment of this Act, $6,800,000 to implement a dairy production indemnity program to compensate producers at a payment rate of $4.00 per hundredweight for losses of milk that had been produced but not marketed or for diminished production (including diminished future production due to mastitis) due to natural disasters designated pursuant to a Presidential or Secretarial declaration requested during such period: Provided, That payments for diminished production shall be determined on a per head basis derived from a comparison to a like production period from the previous year, the disaster period is 180 days starting with the date of the disasters and the payment rate shall be $4.00 per hundredweight of milk: Provided further, That the entire amount shall be available only to the extent that an official budget request for $6,800,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: Provided further, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

NATURAL RESOURCES CONSERVATION SERVICE

WATERSHED AND FLOOD PREVENTION OPERATIONS

For an additional amount for ''Watershed and Flood Prevention Operations'' to repair damages to the waterways and watersheds resulting from natural disasters, $80,000,000, to remain available until expended: Provided, That the entire amount shall be available only to the extent that an official budget request for $80,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: Provided further, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

CHAPTER 2

UNITED STATES INFORMATION AGENCY

INTERNATIONAL BROADCASTING OPERATIONS

For an additional amount for ''International Broadcasting Operations'', $5,000,000, to remain available until September 30, 1999, for a grant to Radio Free Europe/Radio Liberty for surrogate radio broadcasting to the Iraqi people: Provided, That such broadcasting shall be designated ''Radio Free Iraq'': Provided further, That within 30 days of enactment into law of this Act the Broadcasting Board of Governors shall submit a detailed report to the appropriate committees of Congress on plans to establish a surrogate broadcasting service to Iraq: Provided further, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: Provided further, That the entire amount shall be available only to the extent that an official budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to Congress.

CHAPTER 3

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

OPERATION AND MAINTENANCE, GENERAL

For emergency repairs due to flooding and other natural disasters, $105,185,000, to remain available until expended, of which such amounts for eligible navigation projects which may be derived from the Harbor Maintenance Trust Fund pursuant to Public Law 99–662, shall be derived from that Fund: Provided, That the entire amount shall be available only to the extent an official budget request for a specific dollar amount that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to Congress: Provided further, That the entire amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

WATER AND RELATED RESOURCES

For an additional amount for ''Water and Related Resources'' to repair damage caused by floods and other natural disasters, $4,520,000, to remain available until expended, which shall be available only to the extent that an official budget request for a specific dollar amount that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to Congress: Provided, That the entire amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

CHAPTER 4

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

CONSTRUCTION

For an additional amount for ''Construction'', $1,837,000, to remain available until expended, to repair damage caused by floods and other natural disasters: Provided, That the entire amount shall be available only to the extent that an official budget request that includes designation of the entire amount as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: Provided further, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

UNITED STATES FISH AND WILDLIFE SERVICE

CONSTRUCTION

For an additional amount for ''Construction'', $32,818,000, to remain available until expended, to repair damage caused by floods and other natural disasters: Provided, That of such amount, $29,130,000 shall be available only to the extent that an official budget request that includes designation of the entire amount as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: Provided further, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

NATIONAL PARK SERVICE

CONSTRUCTION

For an additional amount for ''Construction'' to repair damage caused by floods and other natural disasters, $9,506,000, to remain available until expended: Provided, That the entire amount shall be available only to the extent that an official budget request that includes designation of the entire amount as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: Provided further, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

UNITED STATES GEOLOGICAL SURVEY

SURVEYS, INVESTIGATIONS, AND RESEARCH

For an additional amount for ''Surveys, Investigations, and Research'' for emergency expenses resulting from floods and other natural disasters, $1,198,000, to remain available until expended: Provided, That the entire amount shall be available only to the extent that an official budget request that includes designation of the entire amount as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: Provided further, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

BUREAU OF INDIAN AFFAIRS

CONSTRUCTION

For an additional amount for ''Construction'', $1,065,000, to remain available until expended, of which $700,000 is to repair damage caused by floods and other natural disasters, and $365,000 is for replacement of fixtures and testing for and remediation of Polylchlorinated biphenyls (PCBs) in Bureau of Indian Affairs schools and administrative facilities: Provided, That the entire amount shall be available only to the extent that an official budget request that includes designation of the entire amount as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: Provided further, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

STATE AND PRIVATE FORESTRY

For an additional amount for ''State and Private Forestry'' for emergency expenses resulting from damages from ice storms, tornadoes and other natural disasters, $48,000,000, to remain available until expended: Provided, That of such amount, $28,000,000 shall be available only to the extent that an official budget request that includes designation of the entire amount as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: Provided further, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

NATIONAL FOREST SYSTEM

For an additional amount for the ''National Forest System'' for emergency expenses resulting from damages from ice storms, tornadoes and other natural disasters, $10,461,000, to remain available until expended: Provided, That of such amount, $5,461,000 shall be available only to the extent that an official budget request that includes designation of the entire amount as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: Provided further, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

WILDLAND FIRE MANAGEMENT

For an additional amount for ''Wildland Fire Management'' for emergency expenses for forest fire presuppression activities on National Forest System lands, for emergency fire suppression on or adjacent to such lands or other lands under fire protection agreement, and for emergency rehabilitation of burned-over National Forest System lands, in response to damages caused by windstorms in Texas, $2,000,000, to remain available until expended: Provided, That the entire amount shall be available only to the extent that an official budget request that includes designation of the entire amount as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: Provided further, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

DEPARTMENT OF ENERGY

STRATEGIC PETROLEUM RESERVE

The paragraph under this head in Public Law 105–83 is amended by inserting before the period, '': Provided further, That the drawdown and sale of oil from the Strategic Petroleum Reserve shall be prohibited to the extent that such actions are determined by the President to be imprudent in light of current market conditions and that an official budget request for a prohibition of the drawdown and sale of oil from the Strategic Petroleum Reserve and including a designation of the entire request and the $207,500,000 of revenue foregone as an emergency requirement as defined in the Balanced

Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: Provided further, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act''.

CHAPTER 5

DEPARTMENT OF TRANSPORTATION

FEDERAL HIGHWAY ADMINISTRATION

FEDERAL-AID HIGHWAYS

EMERGENCY RELIEF PROGRAM

(HIGHWAY TRUST FUND)

For an additional amount for the Emergency Relief Program for emergency expenses resulting from floods and other natural disasters, as authorized by 23 U.S.C. 125, $259,000,000, to be derived from the Highway Trust Fund and to remain available until expended: Provided, That the entire amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: Provided further, That of such amount, $35,000,000 shall be available only to the extent that an official budget request for a specific dollar amount that includes designation of the entire amount of the request as an emergency requirement as defined in such Act is transmitted by the President to the Congress: Provided further, That any obligations for the Emergency Relief Program shall not be subject to the prohibition against obligations in section 2(e)(3)(A) and (D) of the Surface Transportation Extension Act of 1997: Provided further, That 23 U.S.C. 125(b)(1) shall not apply to projects resulting from flooding during the fall of 1997 through the winter of 1998 in California: Provided further, That if sufficient carryover balances for the necessary expenses for administration and operation (including motor carrier safety program operations) of the Federal Highway Administration, the National Highway Traffic Safety Administration, and the Bureau of Transportation Statistics are not available, and pending the reauthorization of the Federal-aid highways program, the Secretary of Transportation may borrow such sums as may be necessary for such expenses from the unobligated balances of discretionary allocations for the Federal-aid highways program made available by this Act.

FEDERAL RAILROAD ADMINISTRATION

EMERGENCY RAILROAD REHABILITATION AND REPAIR

For necessary expenses to repair and rebuild freight rail lines of regional and short line railroads or a State entity damaged by floods that occurred between and including September 1996 and March 1998, $9,800,000, to be awarded to the States subject to the discretion of the Secretary on a case-by-case basis: Provided, That funds provided under this head shall be available for rehabilitation of railroad rights-of-way, bridges, and other facilities which are part of the general railroad system of transportation, and primarily used by railroads to move freight traffic: Provided further, That railroad rights-of-way, bridges, and other facilities owned by class I railroads are not eligible for funding under this head unless the rights-of-way, bridges, or other facilities are under contract lease to a class II or class III railroad under which the lessee is responsible for all maintenance costs of the line: Provided further, That railroad rights-of-way, bridges, and other facilities owned by passenger railroads, or by tourist, scenic, or historic railroads are not eligible for funding under this head: Provided further, That these funds shall be available only to the extent an official budget request, for a specific dollar amount, that includes designation of the entire amount as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: Provided further, That the entire amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: Provided further, That all funds made available under this head are to remain available until September 30, 1998.

CHAPTER 6

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT BLOCK GRANTS

For an additional amount for ''Community development block grants'', as authorized under title I of the Housing and Community Development Act of 1974, $130,000,000, which shall remain available until September 30, 2001, for use only for disaster relief, long-term recovery, and mitigation in communities affected by Presidentially declared natural disasters designated during fiscal year 1998, except for those activities reimbursable by or for which funds are made available by the Federal Emergency Management Agency, the Small Business Administration, or the Army Corps of Engineers: Provided, That in administering these amounts and except as provided in the next proviso, the Secretary of Housing and Urban Development (the Secretary) may waive or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary or the use by the recipient of these funds, except for statutory requirements related to civil rights, fair housing and nondiscrimination, the environment, and labor standards, upon a finding that such waiver is required to facilitate the use of such funds and would not be inconsistent with the overall purpose of the statute: Provided further, That the Secretary may waive the requirements that activities benefit persons of low and moderate income, except that at least 50 percent of the funds under this head must benefit primarily persons of low and moderate income unless the Secretary makes a finding of compelling need: Provided further, That all funds under this head shall be allocated by the Secretary to States to be administered by each State in conjunction with its Federal Emergency Management Agency program or its community development block grants program or by the entity designated by its Chief Executive Officer to administer the HOME Investment Partnerships Program: Provided further, That each State shall provide not less than 25 percent in nonfederal public matching funds or its equivalent value (other than administrative costs) for any funds allocated to the State under this head: Provided further, That, in conjunction with the Director of the Federal Emergency Management Agency, the Secretary shall allocate funds based on the unmet needs identified by the Director as those which have not or will not be addressed by other Federal disaster assistance programs: Provided further, That, in conjunction with the Director, the Secretary shall utilize annual disaster cost estimates in order that the funds under this head shall be available, to the maximum extent feasible, to assist States with all Presidentially declared disasters designated during this fiscal year: Provided further, That the Secretary shall publish a notice in the Federal Register governing the allocation and use of the community development block grants funds made available under this head for disaster areas: Provided further, That 10 days prior to distribution of funds, the Secretary and the Director shall submit a list to the House and Senate Appropriations Subcommittees on VA, HUD and Independent Agencies, setting forth the proposed uses of funds and the most recent estimates of unmet needs (including all uses of waivers and the reasons therefore): Provided further, That the Secretary and the Director shall submit quarterly reports to the Subcommittees regarding the actual projects, localities and needs for which funds have been provided: Provided further, That these reports shall be based upon quarterly reports submitted to HUD and the Director by each State receiving funds under this head: Provided further, That the entire amount shall be available only to the extent an official budget request, that includes designation of the entire amount of the request as an emergency requirement as defined by the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: Provided further, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

INDEPENDENT AGENCY

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF

For an additional amount for ''Disaster relief'', $1,600,000,000, to remain available until expended: Provided, That these funds shall be available only to the extent that an official budget request for a specific amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to Congress: Provided further, That the entire amount appropriated herein is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

CHAPTER 7

RESCISSIONS

DEPARTMENT OF TRANSPORTATION

FEDERAL AVIATION ADMINISTRATION

GRANTS-IN-AID FOR AIRPORTS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION OF CONTRACT AUTHORIZATION)

Of the unobligated balances authorized under 49 U.S.C. 48103 as amended, $241,000,000 are rescinded.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PUBLIC AND INDIAN HOUSING

SECTION 8 RESERVE PRESERVATION ACCOUNT

(RESCISSION)

Of the amounts recaptured under this heading during fiscal year 1998 and prior years, $2,347,190,000 are rescinded.

TITLE III—SUPPLEMENTAL APPROPRIATIONS

CHAPTER 1

DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

During fiscal year 1998, not to exceed $543,000 from funds available to the Secretary of Agriculture to provide compensation to agriculture producers and other persons under section 105(b) of the Federal Plant Pest Act (7 U.S.C. 150dd(b)) may be available for payments to any person who had wheat stored in a storage facility that was subject to an emergency action notice issued by the Secretary relating to the presence or presumed presence of Karnal bunt to compensate the person for economic losses incurred as a result of the effect of the notice on the operation of the storage facility (including wheat plowed under in calendar year 1996) after issuance of an emergency action notice due to Karnal bunt. The determination by the Secretary of the amount of any compensation to be paid under this section shall be final.

DEPARTMENTAL ADMINISTRATION

For an additional amount for ''Departmental Administration'', $2,000,000.

OFFICE OF THE GENERAL COUNSEL

For an additional amount for the ''Office of the General Counsel'', $235,000.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

INSPECTION AND WEIGHING SERVICES

For expenses necessary to recapitalize the revolving fund established under section 7(j)(1) of the United States Grain Standards Act (7 U.S.C. 79(j)(1)), $1,500,000.

FARM SERVICE AGENCY

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

For additional gross obligations for the principal amount of direct and guaranteed loans as authorized by 7 U.S.C. 1928–1929, to be available from funds in the Agricultural Credit Insurance Fund, as follows: farm ownership loans, $43,320,000, of which $25,000,000 shall be available for guaranteed loans; operating loans, $105,000,000, of which $35,000,000 shall be for subsidized guaranteed loans; and for boll weevil eradication program loans as authorized by 7 U.S.C. 1989, $18,814,000.

For the additional cost of direct and guaranteed loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, as follows: farm ownership loans, $3,356,000, of which $967,000 shall be for guaranteed loans; operating loans, $7,973,000, of which $3,374,000 shall be for subsidized guaranteed loans; and for boll weevil eradication program loans as authorized by 7 U.S.C. 1989, $222,000.

FOOD STAMP PROGRAM

Of the amounts made available under this head in Public Law 105–86, funds for employment and training shall remain available until expended as authorized by section 16(h)(1) of the Food Stamp Act.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

For an additional amount for ''Salaries and expenses'' from fees collected pursuant to section 736 of the Federal Food, Drug, and Cosmetic Act, not to exceed $25,918,000, to remain available until expended: Provided, That fees derived from applications received during fiscal year 1998 shall be credited to the appropriation current in the year in which fees are collected and subject to the fiscal year 1998 limitation.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 1001. Notwithstanding any other provision of law, permanent employees of county committees employed during fiscal year 1998 pursuant to 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) shall be considered as having Federal Civil Service status only for the purpose of applying for United States Department of Agriculture Civil Service vacancies.

SEC. 1002. Notwithstanding any other provision of law regarding a competitive research, education, or extension grant program of the Department of Agriculture, the Secretary may use grant program funds, as necessary, to supplement funds otherwise available for program administration, to pay for the costs associated with peer review of grant proposals under the program.

CHAPTER 2

DEPARTMENT OF ENERGY

DEPARTMENTAL ADMINISTRATION

Such additional amounts as necessary, not to exceed $5,408,000, to cover increases in the estimated amount of cost of Work For Others notwithstanding the provisions of the Anti-Deficiency Act (31 U.S.C. 1511 et seq.): Provided, That such increases in cost of Work For Others are offset by revenue increases of the same or greater amount derived from fees authorized by sections 31 and 33 of the Atomic Energy Act of 1954 (42 U.S.C. 2051 and 2053), to remain available until expended.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2001. Notwithstanding any other provisions of law, no fully allocated funding policy shall be applied to projects for which funds were identified in the Conference Report (House Report 105–271) accompanying the Energy and Water Development Appropriations Act, 1998, Public Law 105–62 (111 Stat. 1320, et seq.), under the Construction, General; Operation and Maintenance, General; and Flood Control, Mississippi River and Tributaries, appropriation accounts: Provided, That the Secretary of the Army, acting through the Chief of Engineers, is directed to undertake these projects using continuing contracts, as authorized in section 10 of the Rivers and Harbors Act of September 22, 1922 (33 U.S.C. 621).

SEC. 2002. The Secretary of the Army, acting through the Chief of Engineers, is directed to use available funds, up to the maximum amount authorized per project under Section 205 of the Flood Control Act of 1948, as amended, to provide a level of enhanced flood protection at Elba, Alabama.

SEC. 2003. Section 2 of the Emergency Drought Relief Act of 1996 (Public Law 104–318; 110 Stat. 3862) is amended by adding at the end the following new section:

''(c) EXTENSION OF PERIODS FOR REPAYMENT.—Notwithstanding any provision of the Reclamation Project Act of 1939 (43 U.S.C. 485 et seq.), the Secretary of the Interior—

''(1) shall extend the period for repayment by the City of Corpus Christi, Texas, and the Nueces River Authority under contract No. 6–07–01–x0675, relating to the Nueces River reclamation project, Texas, until—

''(A) August 1, 2029 for repayment pursuant to the municipal and industrial water supply benefits portion of the contract; and

''(B) until August 1, 2044 for repayment pursuant to the fish and wildlife and recreation benefits portion of the contract, and

''(2) shall extend the period for repayment by the Canadian River Municipal Water Authority under contract No. 14–06–500–485 relating to the Canadian River reclamation project, Texas, until October 1, 2021.''.

SEC. 2004. Section 303 of the Energy and Water Development Appropriations Act, 1998 (Public Law 105–62), does not apply to the worker transition plan for the Pinellas Plant site.

CHAPTER 3

DEPARTMENT OF THE INTERIOR

NATIONAL PARK SERVICE

OPERATION OF THE NATIONAL PARK SYSTEM

For an additional amount for ''Operation of the National Park System'', $340,000, to remain available until expended, to provide for public access at Katmai National Park and Preserve and for litigation costs related to the disposition of an allotment within the Park.

MINERALS MANAGEMENT SERVICE

ROYALTY AND OFFSHORE MINERALS MANAGEMENT

For an additional amount for ''Royalty and Offshore Minerals Management'' to meet increased demand and workload requirements stemming from higher than anticipated leasing activity in the Gulf of Mexico, $6,675,000, to remain available until expended, to be derived from increased receipts resulting from increases to rates in effect on August 5, 1993, from rate increases to fee collections for Outer Continental Shelf administrative activities performed by the Minerals Management Service over and above the rates in effect on September 30, 1993, and from additional fees for Outer Continental Shelf administrative activities established after September 30, 1993.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

ABANDONED MINE RECLAMATION FUND

(TRANSFER OF FUNDS)

For an additional amount for the ''Abandoned Mine Reclamation Fund'', $3,163,000, to be derived by transfer from amounts available in Public Law 105–83 under the heading, ''Regulation and Technology'', and to be subject to the same terms and conditions of the account to which transferred.

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

For an additional amount for ''Operation of Indian Programs'', $1,050,000, to remain available until expended, for the cost of document collection and production, including electronic imaging, required to support litigation involving individual Indian trust fund accounts.

OFFICE OF SPECIAL TRUSTEE FOR AMERICAN INDIANS

FEDERAL TRUST PROGRAMS

For an additional amount for ''Federal Trust Programs'', $4,650,000, to remain available until expended, for the cost of document collection and production, including electronic imaging, required to support litigation involving individual Indian trust fund accounts.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

INDIAN HEALTH SERVICE

INDIAN HEALTH SERVICES

For an additional amount for ''Indian Health Services'', $100,000, to remain available until expended, for suicide prevention counseling.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 3001. Section 330C(c) of subpart I of part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.), as amended by section 4922 of Public Law 105–33, is further amended by inserting '', to remain available until expended,'' after the words ''fiscal years 1998 through 2002, $30,000,000''.

SEC. 3002. Construction of the Trappers Loop connector road, and any related actions, by any Federal or state agency or other entity are deemed to be non-discretionary actions authorized and directed by Congress under title III, section 304(e)(3) of the Omnibus Parks and Public Lands Management Act of 1996 (110 Stat. 4093).

SEC. 3003. Neither the issuance by the United States of an easement on and across National Forest lands for the Boulder City Pipeline (also known as Lakewood Pipeline) nor the acceptance of such easement by the City of Boulder, Colorado, nor the relocation of such pipeline on such easement, shall cause, be construed as, or result in the abandonment, termination, relinquishment, revocation, limitation, or diminution of any rights claimed by such city pursuant to or as a result of any prior grant, including the Act of July 26, 1866 (43 U.S.C. 661) and the Acts authorizing the conveyance of such city of the Silver Lake Watershed. The alignment of the relocated pipeline shall be considered neither more nor less within the scope of any prior grants than the alignment of the pipeline existing prior to the issuance of such easement.

SEC. 3004. Notwithstanding any other provision of law, the Secretary of the Interior, through the Bureau of Indian Affairs, may hereafter directly transfer to Indian tribes in North and South Dakota portable housing units at the Grand Forks Air Force Base in North Dakota that have been declared excess by the Department of Defense and requested for transfer by the Department of the Interior: Provided, That the Department of the Interior shall not be responsible for rehabilitation of the portable housing units or remediation of any potentially hazardous substances.

SEC. 3005. PETROGLYPH NATIONAL MONUMENT. (a) SHORT TITLE.—This section may be cited as the ''Petroglyph National Monument Boundary Adjustment Act''.

(b) FINDINGS.—Congress finds that—

(1) the purposes for which Petroglyph National Monument (referred to in this section as ''the monument'') was established continue to be valid;

(2) it is of mutual benefit to the trustee institutions of the New Mexico State Trust lands and the National Park Service for land exchange negotiations to be completed with all due diligence, resulting in the transfer of all State Trust lands within the boundaries of the monument to the United States in accordance with State and Federal law;

(3) because the city of Albuquerque, New Mexico, has acquired substantial acreage within the monument boundaries, purchased with State and municipal funds, the consolidation of land ownership and jurisdiction under the National Park Service will require the consent of the city of Albuquerque, and options for National Park Service acquisition that are not currently available;

(4) corridors for the development of Paseo del Norte and Unser Boulevard are depicted on the map referred to in section 102(a) of the Petroglyph National Monument Establishment Act of 1990 (Public Law 101–313; 16 U.S.C. 431 note), and the alignment of the roadways was anticipated by Congress before the date of enactment of the Act;

(5) it was the expectation of the principal proponents of the monument, including the cities of Albuquerque and Rio Rancho, New Mexico, and the National Park Service, that passage of the Petroglyph National Monument Establishment Act of 1990 (Public Law 101–313; 16 U.S.C. 431 note) would allow the city of Albuquerque—

(A) to utilize the Paseo del Norte and Unser Boulevard corridors through the monument; and

(B) to design and construct infrastructure within the corridors with the cultural and natural resources of the monument in mind;

(6) the city of Albuquerque has not provided for the establishment of rights-of-way for the Paseo del Norte and Unser Boulevard corridors under the Joint Powers Agreement (JPANO 78–521.81–277A), which expanded the boundary of the monument to include the Piedras Marcadas and Boca Negra units, pursuant to section 104 of the Petroglyph National Monument Establishment Act of 1990 (Public Law 101–313; 16 U.S.C. 431 note);

(7) the National Park Service has identified the realignment of Unser Boulevard, depicted on the map referred to in section 102(a) of the Petroglyph National Monument Establishment Act of 1990 (Public Law 101–313; 16 U.S.C. 431 note), as serving a park purpose in the General Management Plan/Development Concept Plan for Petroglyph National Monument;

(8) the establishment of a citizens' advisory committee prior to construction of the Unser Boulevard South project, which runs along the eastern boundary of the Atrisco Unit of the monument, allowed the citizens of Albuquerque and the National Park Service to provide significant and meaningful input into the parkway design of the road, and that similar proceedings should occur prior to construction within the Paseo del Norte corridor;

(9) parkway standards approved by the city of Albuquerque for the construction of Unser Boulevard South along the eastern boundary of the Atrisco Unit of the monument would be appropriate for a road passing through the Paseo del Norte corridor;

(10) adequate planning and cooperation between the city of Albuquerque and the National Park Service is essential to avoid resource degradation within the monument resulting from storm water runoff, and drainage conveyances through the monument should be designed and located to provide sufficient capacity for effective runoff management; and

(11) the monument will best be managed for the benefit and enjoyment of present and future generations with cooperation between the city of Albuquerque, the State of New Mexico, and the National Park Service.

(c) PLANNING AUTHORITY.—

(1) STORM WATER DRAINAGE.—Not later than 180 days after the date of enactment of this Act, the Secretary of the Interior, acting through the Director of the National Park Service (referred to in this section as the ''Secretary''), and the city of Albuquerque, New Mexico, shall enter into negotiations to provide for the management of storm water runoff and drainage within the monument, including the design and construction of any storm water corridors, conveyances, and easements within the monument boundaries.

(2) ROAD DESIGN.—

(A) If the city of Albuquerque decides to proceed with the construction of a roadway within the area excluded from the monument by the amendment made by subsection (d), the design criteria shall be similar to those provided for the Unser Boulevard South project along the eastern boundary of the Atrisco Unit, taking into account topographic differences and the lane, speed and noise requirements of the heavier traffic load that is anticipated for Paseo del Norte, as referenced in section A–2 of the Unser Middle Transportation Corridor Record of Decision prepared by the city of Albuquerque dated December 1993.

(B) At least 180 days before the initiation of any road construction within the area excluded from the monument by the amendment made by subsection (d), the city of Albuquerque shall notify the Direct of the National Park Service (hereinafter ''the Director''), who may submit suggested modifications to the design specifications of the road construction project within the area excluded from the monument by the amendment made by subsection (d).

(C) If after 180 days, an agreement on the design specifications is not reached by the city of Albuquerque and the Director, the city may contract with the head of the Department of Civil Engineering at the University of New Mexico, to design a road to meet the design criteria referred to in subparagraph (A). The design specifications developed by the Department of Civil Engineering shall be deemed to have met the requirements of this paragraph, and the city may proceed with the construction project, in accordance with those design specifications.

(d) ACQUISITION AUTHORITY; BOUNDARY ADJUSTMENT; ADMINISTRATION AND MANAGEMENT OF THE MONUMENT.—

(1) ACQUISITION AUTHORITY.—Section 103(a) of the Petroglyph National Monument Establishment Act of 1990 (Public Law 101–313, 16 U.S.C. 431 note) is amended—

(A) by striking ''(a) The Secretary'' and inserting the following:

''(a) AUTHORITY.—

''(1) IN GENERAL.—Subject to paragraph (2), the Secretary'';

(B) by striking '', except that lands or interests therein owned by the State or a political subdivision thereof may be acquired only by donation or exchange''; and

(C) by adding at the end the following:

''(2) LAND OWNED BY THE STATE OR A POLITICAL SUBDIVISION.—No land or interest in land owned by the State or a political subdivision of the State may be acquired by purchase before—

''(A) the State or political subdivision holding title to the land or interest in land identifies the land or interest in land for disposal; and

''(B)(i) all private land within the monument boundary for which there is a willing seller is acquired; or

''(ii) 2 years have elapsed after the date on which the Secretary has made a final offer (for which funds are available) to acquire all remaining private land at fair market value.''.

(2) BOUNDARY ADJUSTMENT.—Section 104(a) of the Petroglyph National Monument Establishment Act of 1990 (Public Law 101–313; 16 U.S.C. 431 note) is amended—

(A) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and indenting appropriately;

(B) by inserting ''(1)'' after ''(a)''; and

(C) by adding at the end the following:

''(2)(A) Notwithstanding paragraph (1), effective as of the date of enactment of this subparagraph—

''(i) the boundary of the monument is adjusted to exclude the Paseo Del Norte corridor in the Piedras Marcadas Unit described in Exhibit B of the document described in subparagraph (B); and

''(ii) the inclusion of the Paseo Del Norte corridor within the boundary of the monument before the date of enactment of this paragraph shall have no effect on any future ownership, use, or management of the corridor.

''(B) The document described in this subparagraph is the document entitled 'Petroglyph National Monument Roadway/Utility Corridors', dated October 30, 1997, on file with the Secretary of the Interior and the mayor of the city of Albuquerque, New Mexico.''.

(e) ADMINISTRATION AND MANAGEMENT OF THE MONUMENT.—Section 105 of the Petroglyph National Monument Establishment Act of 1990 (Public Law 101–313, 16 U.S.C. 431 note) is amended by adding at the end the following:

''(f) BOCA NEGRA AND PIEDRAS MARCADAS UNITS.—If the binding agreement providing for the expansion of the monument pursuant to section 104 is amended, in accordance with the terms of the agreement, to transfer to the National Park Service responsibility for operation, maintenance, and repair of any or all property within the Boca Negra or Piedras Marcadas unit of the monument, the Secretary may employ, at a comparable grade and salary within the National Park Service, any willing employees of the city assigned to the unit.''.

(f) DOUBLE EAGLE II AIRPORT ACCESS ROAD.—The Administrator of the Federal Aviation Administration shall allow the use of the access road to the Double Eagle II Airport in existence on the date of enactment of this Act for visitor access to the monument.

SEC. 3006. COUNTY PAYMENT MITIGATION—TRANSPORTATION SYSTEM MORATORIUM. (a)(1) This section provides compensation for loss of revenues that would have been provided to counties if no road moratorium, as described in subsection (a)(2), were implemented or no substitute sales offered as described in subsection (b)(1). This section does not endorse or prohibit the road building moratorium nor does it affect the applicability of existing law to any moratorium.

(2) The Chief of the Forest Service, Department of Agriculture, in his sole discretion, may offer any timber sales that were scheduled October 1, 1997, or thereafter, to be offered in fiscal year 1998 or fiscal year 1999 even if such sales would have been delayed or halted as a result of any moratorium (resulting from the Federal Register proposal of January 28, 1998, pages 4351–4354) on construction of roads in roadless areas within the National Forest System adopted as policy or by regulation that would otherwise be applicable to such sales.

(3) Any sales offered pursuant to subsection (a)(2) shall—

(A) comply with all applicable laws and regulations and be consistent with applicable land and resource management plans, except any regulations or plan amendments which establish or implement the moratorium referred to in subsection (a)(2); and

(B) be subject to administrative appeals pursuant to part 215 of title 36 of the Code of Federal Regulations and to judicial review.

(b)(1) For any previously scheduled sales that are not offered pursuant to subsection (a)(2), the Chief may, to the extent practicable, offer substitute sales within the same State in fiscal year 1998 or fiscal year 1999. Such substitute sales shall be subject to the requirements of subsection (a)(3).

(2)(A) The Chief shall pay as soon as practicable after fiscal year 1998 and fiscal year 1999 to any State in which sales previously scheduled to be offered that are referred to in, but not offered pursuant to, subsection (a)(2) would have occurred, 25 percentum of any anticipated receipts from such sales that—

(i) were scheduled from fiscal year 1998 or fiscal year 1999 sales in the absence of any moratorium referred to in subsection (a)(2); and

(ii) are not offset by revenues received in such fiscal years from substitute projects authorized pursuant to subsection (b)(1).

(B) After reporting the amount of funds required to make any payments required by subsection (b)(2)(A), and the source from which such funds are to be derived, to the Committees on Appropriations of the House of Representatives and the Senate, the Chief shall make any payments required by subsection (b)(2)(A) from any funds available to the Forest Service in fiscal year 1998 or fiscal year 1999, subject to approval of the Committees on Appropriations of the House of Representatives and Senate, that are not specifically earmarked for another purpose by the applicable appropriation Act or a committee or conference report thereon.

(C) Any State which receives payments required by subsection (b)(2)(A) shall expend such funds only in the manner, and for the purposes, prescribed in section 500 of title 16 of the United States Code.

(c)(1) During the term of the moratorium referred to in subsection (a)(2), the Chief shall prepare and submit to the Committees on Appropriations of the House of Representatives and the Senate a report on each of the following—

(A) a study of whether standards and guidelines in existing land and resource management plans compel or encourage entry into roadless areas within the National Forest System for the purpose of constructing roads or undertaking any other ground-disturbing activities;

(B) an inventory of all roads within the National Forest System and the uses which they serve, in a format that will inform and facilitate the development of a long-term Forest Service transportation policy; and

(C) a comprehensive and detailed analysis of the economic and social effects of the moratorium referred to in subsection (a)(2) on county, State, and regional levels.

SEC. 3007. PROVISION OF CERTAIN HEALTH CARE SERVICES FOR ALASKA NATIVES. Section 203(a) of the Michigan Indian Land Claims Settlement Act (Public Law 105–143; 111 Stat. 2666) is amended—

(1) by inserting ''other than community based alcohol services,'' after ''Ketchikan Gateway Borough,''; and

(2) by inserting at the end the following new sentence: ''Notwithstanding any other provision of law, such contract or compact shall provide services to all Indian and Alaska Native beneficiaries of the Indian Health Service in the Ketchikan Gateway Borough without the need for resolutions of support from any Indian tribe as defined in the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e)).''.

SEC. 3008. Section 326(a) of the Act making Appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1998 and for other purposes (Public Law 105–83; 111 Stat. 1543) is amended by striking ''with any Alaska Native village or Alaska Native village corporation'' and inserting ''to any Indian tribe as defined in the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e))''.

SEC. 3009. None of the funds in this or any other Act shall be used to issue a notice of final rulemaking prior to October 1, 1998 with respect to the valuation of crude oil for royalty purposes, including without limitation a rulemaking derived from proposed rules published in 63 Federal Register 6113 (1998), 62 Federal Register 36030, and 62 Federal Register 3742 (1997).

CHAPTER 4

DEPARTMENT OF HEALTH AND HUMAN SERVICES

CENTERS FOR DISEASE CONTROL AND PREVENTION

DISEASE CONTROL, RESEARCH, AND TRAINING

For an additional amount for the Centers for Disease Control and Prevention, ''disease control, research, and training'', $9,000,000.

HEALTH CARE FINANCING ADMINISTRATION

PROGRAM MANAGEMENT

For an additional amount for ''Program management'', $2,200,000.

Title II of Public Law 105–78 is amended under this heading by striking the fourth proviso and inserting the following new proviso: ''Provided further, That $20,000,000 appropriated under this heading for the transition to a single Part A and Part B processing system and $20,000,000 to be used only to the extent needed for Year 2000 century date change conversion requirements of external contractor systems shall remain available until expended:''.

OFFICE OF THE SECRETARY

GENERAL DEPARTMENTAL MANAGEMENT

Of the funds appropriated under the heading ''general departmental management'' in Public Law 105–78 to carry out title XX of the Public Health Service Act, $10,831,000 shall be for activities specified under section 2003(b)(2), of which $9,131,000 shall be for prevention service demonstration grants under section 510(b)(2) of title V of the Social Security Act, as amended, without application of the limitation of section 2010(c) of said title XX.

DEPARTMENT OF EDUCATION

SPECIAL EDUCATION

Public Law 105–78, under the heading ''special education'' is amended by inserting before the period the following: '': Provided further, That $600,000 of the funds provided under section 672 of the Act shall be for the Early Childhood Development Project of the National Easter Seal Society for the Mississippi Delta Region, which funds shall be used to provide training, technical support, services, and equipment to address personnel and other needs''.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 4001. (a) If a State child health plan under title XXI of the Social Security Act is approved on or after October 1, 1998, and before October 1, 1999, for purposes of such title (including allotments under section 2104(b) of such title) the plan shall be treated as having been approved with respect to amounts allotted under such title for fiscal year 1998, as well as for fiscal year 1999.

(b) The appropriation in section 2104(a)(1) of such title for fiscal year 1998 shall remain available to be obligated through September 30, 1999.

SEC. 4002. Notwithstanding any other provision of law, the Department of Health and Human Services shall permit the submission of public comments until August 31, 1998, on the final rule entitled ''Organ Procurement and Transplantation Network'' published by the Department in the Federal Register on April 2, 1998 (63 Fed. Reg. 16295 et seq.), and such rule shall not become effective before October 1, 1998, after the end of such comment period.

CHAPTER 5

LEGISLATIVE BRANCH

CONGRESSIONAL OPERATIONS

HOUSE OF REPRESENTATIVES

PAYMENTS TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

For payment to Lois G. Capps, widow of Walter H. Capps, late a Representative of the State of California, $133,600.

For payment to Mary Bono, widow of Sonny Bono, late a Representative of the State of California, $136,700.

ARCHITECT OF THE CAPITOL

CAPITOL BUILDINGS AND GROUNDS

CAPITOL BUILDINGS

SALARIES AND EXPENSES

For an additional amount for ''Capitol Buildings Salaries and Expenses'', $7,500,000, to remain available until expended, to begin repairs and rehabilitation of the Capitol dome: Provided, That this additional amount shall be available for obligation without regard to section 3709 of the Revised Statutes, as amended.

CAPITOL GROUNDS

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the design, installation and maintenance of the Capitol Square perimeter security plan, $20,000,000 (of which not to exceed $4,000,000 shall be transferred upon request of the Capitol Police Board to the Capitol Police Board, ''Capitol Police'', ''General Expenses'' for physical security measures associated with the Capitol Square perimeter security plan) to remain available until expended, subject to the review and approval by the appropriate House and Senate authorities: Provided, That this additional amount shall be available for obligation without regard to section 3709 of the Revised Statutes, as amended.

CHAPTER 6

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

AMTRAK REFORM COUNCIL

For necessary expenses of the Amtrak Reform Council, including the independent assessment of Amtrak, authorized under sections 202, 203, and 409 of Public Law 105–134, $2,450,000, to remain available until September 30, 1999: Provided, That not to exceed $400,000 shall be transferred to the Department of Transportation Inspector General for the new responsibilities associated with section 409(c) of Public Law 105–134.

FEDERAL AVIATION ADMINISTRATION

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

For an additional amount for Facilities and Equipment for expenses relating to Year 2000 computer hardware and software problems, $25,000,000, to remain available until September 30, 1999.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

RESEARCH AND SPECIAL PROGRAMS

For an additional amount for Emergency Transportation activities, $1,000,000, to remain available until expended: Provided, That of these funds, $400,000 shall be available only for costs associated with construction and establishment of an emergency transportation response center in Arab, Alabama; $550,000 shall be available only for costs associated with purchase and establishment of a mobile emergency response system to be administered jointly by the Alabama Department of Transportation and the Alabama Emergency Management Agency; and $50,000 shall be for Research and Special Programs Administration administrative costs associated with these projects.

RELATED AGENCY

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

For an additional amount for ''Salaries and Expenses'' for necessary expenses resulting from the crash of TWA Flight 800, $5,400,000: Provided, That the entire amount is available only for costs associated with rental of the facility in Calverton, New York, of which not to exceed $500,000 is for security expenses: Provided further, That no funds or unobligated balances are available to provide for or permit flight operations at the Calverton airfield.

GENERAL PROVISION—THIS CHAPTER

SEC. 6001. Of the balances available to the Federal Transit Administration from previous

appropriations Acts, $1,000,000 shall be made available for a comprehensive transportation investment analysis of the primary urban corridor from Ewa to east Honolulu, Hawaii: Provided, That these funds shall remain available until September 30, 2001.

CHAPTER 7

DEPARTMENT OF THE TREASURY

AUTOMATION ENHANCEMENT

YEAR 2000 CENTURY DATE CHANGE CONVERSION

For necessary expenses of the Department of the Treasury for Year 2000 century date change conversion requirements, $35,500,000, to remain available until September 30, 2000.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

For an additional amount for ''Salaries and Expenses'', for Year 2000 century date change conversion requirements, $5,300,000, to remain available until September 30, 2000.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 7001. FEDERAL EMPLOYEE VOLUNTARY EARLY RETIREMENT.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—Effective for purposes of the period beginning on the date of enactment of this Act and ending on September 30, 1999, paragraph (2) of section 8336(d) of title 5, United States Code, shall be applied as if it had been amended to read as follows:

''(2)(A) has been employed continuously, by the agency in which the employee is serving, for at least the 31-day period ending on the date on which such agency requests the determination referred to in subparagraph (D);

''(B) is serving under an appointment that is not time limited;

''(C) has not been duly notified that such employee is to be involuntarily separated for misconduct or unacceptable performance;

''(D) is separated from the service voluntarily during a period in which, as determined by the Office of Personnel Management (upon request of the agency) under regulations prescribed by the Office—

''(i) such agency (or, if applicable, the component in which the employee is serving) is undergoing a major reorganization, a major reduction in force, or a major transfer of function; and

''(ii) a significant percentage of the employees serving in such agency (or component) will be separated or subject to an immediate reduction in the rate of basic pay (without regard to subchapter VI of chapter 53, or comparable provisions); and

''(E) as determined by the agency under regulations prescribed by the Office, is within the scope of the offer of voluntary early retirement, which may be made on the basis of—

''(i) one or more organizational units;

''(ii) one or more occupational series or levels;

''(iii) one or more geographical locations;

''(iv) other similar nonpersonal factors the Office determines appropriate; or

''(v) any appropriate combination of such factors;''.

(b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—Effective for purposes of the period beginning on the date of enactment of this Act and ending on September 30, 1999, subparagraph (B) of section 8414(b)(1) of title 5, United States Code, shall be applied as if it had been amended to read as follows:

''(B)(i) has been employed continuously, by the agency in which the employee is serving, for at least the 31-day period ending on the date on which such agency requests the determination referred to in clause (iv);

''(ii) is serving under an appointment that is not time limited;

''(iii) has not been duly notified that such employee is to be involuntarily separated for misconduct or unacceptable performance;

''(iv) is separated from the service voluntarily during a period in which, as determined by the Office of Personnel Management (upon request of the agency) under regulations prescribed by the Office—

''(I) such agency (or, if applicable, the component in which the employee is serving) is undergoing a major reorganization, a major reduction in force, or a major transfer of function; and

''(II) a significant percentage of the employees serving in such agency (or component) will be separated or subject to an immediate reduction in the rate of basic pay (without regard to subchapter VI of chapter 53, or comparable provisions); and

''(v) as determined by the agency under regulations prescribed by the Office, is within the scope of the offer of voluntary early retirement, which may be made on the basis of—

''(I) one or more organizational units;

''(II) one or more occupational series or levels;

''(III) one or more geographical locations;

''(IV) other similar nonpersonal factors the Office determines appropriate; or

''(V) any appropriate combination of such factors;''.

SEC. 7002. Notwithstanding section 2164 of title 10, United States Code, the Department of Defense shall permit the two dependent children of deceased United States Customs Senior Special Agent Manuel Zurita attending the Antilles Consolidated School System at Fort Buchanan, Puerto Rico, to complete their primary and secondary education at this school system without cost to such children or any parent, relative, or guardian of such children. The United States Customs Service shall reimburse the Department of Defense for reasonable educational expenses to cover these costs.

CHAPTER 8

DEPARTMENT OF VETERANS AFFAIRS

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

For an additional amount for ''Compensation and pensions'', $550,000,000, to remain available until expended.

INDEPENDENT AGENCIES

ENVIRONMENTAL PROTECTION AGENCY

STATE AND TRIBAL ASSISTANCE GRANTS

Notwithstanding any other provision of law, eligible recipients of the funds appropriated to the Environmental Protection Agency in the State and Tribal Assistance Grants account since fiscal year 1997 and hereafter for multimedia or single media grants, other than Performance Partnership Grants authorized pursuant to Public Law 104–134 and Public Law 105–65, for pollution prevention, control, and abatement and related activities have been and shall be those entities eligible for grants under the Agency's organic statutes.

ADMINISTRATIVE PROVISION

No requirements set forth in any carbon monoxide Federal implementation plan (FIP) that are based on the Clean Air Act as in effect prior to the 1990 amendments to such Act may be imposed in the State of Arizona.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

HUMAN SPACE FLIGHT

(TRANSFER OF FUNDS)

The Administrator of the National Aeronautics and Space Administration shall transfer from amounts made available for NASA in Public Law 105–65 under the heading, ''Mission support'', $53,000,000 to ''Human space flight'' for Space Station activities, to be merged with and to be available for the same purposes of such account: Provided, That the total amount available for Space Station activities in fiscal year 1998 shall be up to $2,441,300,000.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 8001. Section 206 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998 (Pub. L. 105–65; October 27, 1997) is amended by inserting the following before the final period: '', and for loans and grants for economic development in and around 18th and Vine''.

SEC. 8002. HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS. (a) Notwithstanding any other provision of law, with respect to the amount allocated for fiscal year 1998, and the amounts that would otherwise be allocated for fiscal year 1999, to the City of Philadelphia, Pennsylvania on behalf of the Philadelphia, PA–NJ Primary Metropolitan Statistical Area (in this section referred to as the ''metropolitan area''), under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)), the Secretary of Housing and Urban Development shall adjust such amounts by allocating to the State of New Jersey the proportion of the metropolitan area's amount that is based on the number of cases of AIDS reported in the portion of the metropolitan area that is located in New Jersey.

(b) The State of New Jersey shall use amounts allocated to the State under this section to carry out eligible activities under section 855 of the AIDS Housing Opportunity Act (42 U.S.C. 12904) in the portion of the metropolitan area that is located in New Jersey.

SEC. 8003. RATIFICATION OF INTERNET INTELLECTUAL INFRASTRUCTURE FEE. (a) The 30 percent portion of the fee charged by Network Solutions, Inc. between September 14, 1995 and March 31, 1998 for registration or renewal of an Internet second-level domain name, which portion was to be expended for the preservation and enhancement of the intellectual infrastructure of the Internet under a cooperative agreement with the National Science Foundation, and which portion was held to have been collected without authority in William Thomas et al. v. Network Solutions, Inc. and National Science Foundation, Civ. No. 97–2412, is hereby legalized and ratified and confirmed as fully to all intents and purposes as if the same had, by prior act of Congress, been specifically authorized and directed.

(b) The National Science Foundation is authorized and directed to deposit all money remaining in the Internet Intellectual Infrastructure Fund into the Treasury and credit that amount to its Fiscal Year 1998 Research and Related Activities appropriation to be available until expended for the support of networking activities, including the Next Generation Internet.

CHAPTER 9

RESCISSIONS AND OFFSET

DEPARTMENT OF AGRICULTURE

AGRICULTURAL RESEARCH SERVICE

(RESCISSION)

Of the funds made available under this heading in Public Law 105–86, $223,000 are rescinded.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 105–86, $350,000 are rescinded.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 105–86, $25,000 are rescinded.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 105–86, $38,000 are rescinded.

FOOD SAFETY AND INSPECTION SERVICE

(RESCISSION)

Of the funds made available under this heading in Public Law 105–86, $502,000 are rescinded.

FARM SERVICE AGENCY

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 105–86, $1,080,000 are rescinded.

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

(RESCISSION)

Of the funds made available for the cost of the unsubsidized guaranteed operating loans under this heading in Public Law 105–86, $8,273,000 are rescinded.

NATURAL RESOURCES CONSERVATION SERVICE

CONSERVATION OPERATIONS

(RESCISSION)

Of the funds made available under this heading in Public Law 105–86, $378,000 are rescinded.

RURAL HOUSING SERVICE

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 105–86, $846,000 are rescinded.

FOOD PROGRAM ADMINISTRATION

(RESCISSION)

Of the funds made available under this heading in Public Law 105–86, $114,000 are rescinded.

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

(RESCISSION)

Of the funds made available under this heading in Public Law 104–208, $1,188,000 are rescinded.

OREGON AND CALIFORNIA GRANT LANDS

(RESCISSION)

Of the funds made available under this heading in Public Law 104–208, $2,500,000 are rescinded.

UNITED STATES FISH AND WILDLIFE SERVICE

RESOURCE MANAGEMENT

(RESCISSION)

Of the funds made available under this heading in Public Law 105–18, $250,000 are rescinded.

CONSTRUCTION

(RESCISSION)

Of the funds made available under this heading in Public Law 104–208, $1,188,000 are rescinded.

NATIONAL PARK SERVICE

CONSTRUCTION

(RESCISSION)

Of the funds made available under this heading in Public Law 104–208, $1,638,000 are rescinded.

BUREAU OF MINES

MINES AND MINERALS

(RESCISSION)

The following amounts, totaling $1,605,000, are rescinded from funds made available under this heading: in Public Law 103–332, $1,255,000; in Public Law 103–138, $60,000; in Public Law 102–381, $173,000; and in Public Law 102–154, $117,000.

BUREAU OF INDIAN AFFAIRS

CONSTRUCTION

(RESCISSION)

Of the funds made available under this heading in Public Law 104–208, $837,000 are rescinded.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

FOREST AND RANGELAND RESEARCH

(RESCISSION)

Of the funds made available under this heading in Public Law 105–83, $148,000 are rescinded.

STATE AND PRIVATE FORESTRY

(RESCISSION)

Of the funds made available under this heading in Public Law 105–83, $59,000 are rescinded.

NATIONAL FOREST SYSTEM

(RESCISSION)

Of the funds made available under this heading in Public Law 105–83, $1,094,000 are rescinded.

WILDLAND FIRE MANAGEMENT

(RESCISSION)

Of the funds made available under this heading in Public Law 105–83, $148,000 are rescinded.

RECONSTRUCTION AND CONSTRUCTION

(RESCISSION)

Of the funds made available under this heading in Public Law 105–83, $30,000 are rescinded.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH PROFESSIONS EDUCATION FUND

(RESCISSION)

Of the funds made available under the Health Professions Education Fund appropriation account, $11,200,000 are rescinded.

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

PAYMENTS TO AIR CARRIERS

(RESCISSION)

Of the funds made available under this heading in Public Law 101–516 and subsequently obligated, $2,500,000 shall be deobligated and are hereby rescinded.

PAYMENTS TO AIR CARRIERS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION OF CONTRACT AUTHORIZATION)

Of the budgetary resources provided for ''Small Community Air Service'' by Public Law 101–508 for fiscal years prior to fiscal year 1998, $3,000,000 are rescinded.

FEDERAL AVIATION ADMINISTRATION

FACILITIES, ENGINEERING, AND DEVELOPMENT

(RESCISSION)

Of the funds made available under this heading in previous appropriations Acts, $500,000 are rescinded.

GRANTS-IN-AID FOR AIRPORTS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION OF CONTRACT AUTHORIZATION)

Of the unobligated balances authorized under 49 U.S.C. 48103 as amended, $54,000,000 are rescinded.

FEDERAL RAILROAD ADMINISTRATION

CONRAIL LABOR PROTECTION

(RESCISSION)

Of the funds made available under this heading in previous appropriations Acts, $508,234 are rescinded.

DEPARTMENT OF THE TREASURY

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 104–208, as amended by Public Law 105–18, $6,000,000 are rescinded.

OPERATIONS AND MAINTENANCE, CUSTOMS P–3 DRUG INTERDICTION PROGRAM

(RESCISSION)

Of the funds made available under this heading in Public Law 102–393, $4,470,000 are rescinded.

INTERNAL REVENUE SERVICE

INFORMATION TECHNOLOGY INVESTMENTS

(RESCISSION)

Of the funds made available under this heading in Public Law 105–61, $30,330,000 are rescinded.

GENERAL PROVISION—THIS CHAPTER

SEC. 9001. None of the funds appropriated or otherwise made available in Public Law 105–86 shall be used to pay the salaries and expenses of personnel to carry out a conservation farm option program as authorized by section 335 of Public Law 104–127 in excess of $11,000,000.

GENERAL PROVISIONS—THIS TITLE

SEC. 10001. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 10002. None of the funds appropriated or otherwise made available in this or any prior Act may be obligated or expended by the Patent and Trademark Office to plan for the lease of new facilities until 30 days after the submission of a report, to be delivered not later than May 15, 1998, to the Committees on Appropriations, on the space plans and detailed cost estimate for the build-out of the new facilities: Provided, That such funds shall be made available only in accordance with section 605 of Public Law 105–119.

SEC. 10003. Section 203 of the National Sea Grant College Program Act (33 U.S.C. 1122) is amended by—

(1) striking paragraph (5) and redesignating paragraphs (6) through (17) as paragraphs (5) through (16);

(2) redesignating subparagraphs (C) through (F) of paragraph (7), as redesignated, as subparagraphs (D) through (G); and

(3) inserting after subparagraph (B) of paragraph (7), as redesignated, the following:

''(C) Lake Champlain (to the extent that such resources have hydrological, biological, physical, or geological characteristics and problems similar or related to those of the Great Lakes);''.

SEC. 10004. (a) Any agency listed in section 404(b) of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1998, Public Law 105–119, may transfer any amount to the Department of State, subject to the limitations of subsection (b) of this section, for the purpose of making technical adjustments to the amounts transferred by section 404 of such Act.

(b) Funds transferred pursuant to subsection (a) shall not exceed $12,000,000, of which not to exceed $3,500,000 may be transferred from the United States Information Agency, of which not to exceed $3,600,000 may be transferred from the Defense Intelligence Agency, of which not to exceed $1,600,000 may be transferred from the Defense Security Assistance Agency, of which not to exceed $900,000 may be transferred from the Peace Corps, and of which not to exceed $500,000 may be transferred from any other single agency listed in section 404(b) of Public Law 105–119.

(c) A transfer of funds pursuant to this section shall not require any notification or certification to Congress or any committee of Congress, notwithstanding any other provision of law.

SEC. 10005. Section 584 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997 (Public Law 104–208; 110 Stat. 3009–171) is amended—

(1) in subsection (a)—

(A) by striking ''For purposes'' and inserting ''Notwithstanding any other provision of law, for purposes''; and

(B) by striking ''fiscal year 1997'' and inserting ''fiscal years 1998 and 1999''; and

(2) by amending subsection (b) to read as follows:

''(b) ALIENS COVERED.—

''(1) IN GENERAL.— An alien described in this subsection is an alien who—

''(A) is the son or daughter of a qualified national;

''(B) is 21 years of age or older; and

''(C) was unmarried as of the date of acceptance of the alien's parent for resettlement under the Orderly Departure Program.

''(2) QUALIFIED NATIONAL.—For purposes of paragraph (1), the term 'qualified national' means a national of Vietnam who—

''(A)(i) was formerly interned in a reeducation camp in Vietnam by the Government of the Socialist Republic of Vietnam; or

''(ii) is the widow or widower of an individual described in clause (i); and

''(B)(i) qualified for refugee processing under the reeducation camp internees subprogram of the Orderly Departure Program; and

''(ii) on or after April 1, 1995, is accepted—

''(I) for resettlement as a refugee; or

''(II) for admission as an immigrant under the Orderly Departure Program.''.

SEC. 10006. The President shall instruct the United States Representatives to the World Trade Organization to seek the adoption of procedures that will ensure broader application of the principles of transparency and openness in the activities of the organization, including by urging the World Trade Organization General Council to—

(1) permit appropriate meetings of the Council, the Ministerial Conference, dispute settlement panels, and the Appellate Body to be made open to the public; and

(2) provide for timely public summaries of the matters discussed and decisions made in any closed meeting of the Conference or Council.

DISTRICT OF COLUMBIA CHIEF OF POLICE

SEC. 10007. (a) EMPLOYMENT CONTRACT.—Paragraph 2 of section 1 of the Act entitled ''An Act relating to the Metropolitan police of the District of Columbia'', approved February 28, 1901 (DC Code, sec. 4–104), and any other provision of law affecting the employment of the Chief of the Metropolitan Police Department of the District of Columbia shall not apply to the Chief of the Department to the extent that such paragraph or provision is inconsistent with the terms of an employment agreement entered into between the Chief, the Mayor of the District of Columbia, and the District of Columbia Financial Responsibility and Management Assistance Authority.

(b) APPOINTMENT AND REMOVAL DURING CONTROL YEAR.—

(1) APPOINTMENT.—During a control year, the Chief of the Metropolitan Police Department of the District of Columbia shall be appointed by the Mayor of the District of Columbia as follows:

(A) Prior to appointment, the District of Columbia Financial Responsibility and Management Assistance Authority (hereafter in this subsection referred to as the ''Authority'') may submit recommendations for the appointment to the Mayor.

(B) In consultation with the Authority and the Council of the District of Columbia, the Mayor shall nominate an individual for appointment and notify the Council of the nomination.

(C) After the expiration of the 7-day period which begins on the date the Mayor notifies the Council of the nomination under subparagraph (B), the Mayor shall notify the Authority of the nomination.

(D) The nomination shall be effective subject to approval by a majority vote of the Authority.

(2) REMOVAL.—During a control year, the Chief of the Metropolitan Police Department of the District of Columbia may be removed by the Authority or by the Mayor with the approval of the Authority.

(3) CONTROL YEAR DEFINED.—In this subsection, the term ''control year'' has the meaning given such term in section 305(4) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

(c) EFFECTIVE DATE.—This section shall be effective as of April 21, 1998.

SEC. 10008. SUPPORT FOR DEMOCRATIC OPPOSITION IN IRAQ. Notwithstanding any other provision of law, of the funds made available under the heading ''Economic Support Fund'' in Public Law 105–118, $5,000,000 shall be made available for assistance to the Iraqi democratic opposition for such activities as organization, training, communication and dissemination of information, developing and implementing agreements among opposition groups, compiling information to support the indictment of Iraqi officials for war crimes, and for related purposes: Provided, That within 30 days of enactment into law of this Act the Secretary of State shall submit a detailed report to the appropriate committees of Congress on plans to establish a program to support the democratic opposition in Iraq.

This Act may be cited as the ''1998 Supplemental Appropriations and Rescissions Act''.

And the Senate agree to the same.

BOB LIVINGSTON,
JOSEPH M. MCDADE,
BILL YOUNG,
RALPH REGULA,
JERRY LEWIS,
JOHN EDWARD PORTER,
HAROLD ROGERS,
JOE SKEEN,
FRANK R. WOLF,
JIM KOLBE,
RON PACKARD,
SONNY CALLAHAN,
JAMES T. WALSH,
JOHN P. MURTHA
(except for IMF and section 8 housing rescission),
Managers on the Part of the House.

TED STEVENS,
THAD COCHRAN,
ARLEN SPECTER,
PETE V. DOMENICI,
C.S. BOND,
SLADE GORTON,
MITCH MCCONNELL,
CONRAD BURNS,
RICHARD C. SHELBY,
JUDD GREGG,
R.F. BENNETT,
BEN NIGHTHORSE CAMPBELL,
LARRY CRAIG,
LAUCH FAIRCLOTH,
KAY BAILEY HUTCHISON,
ROBERT C. BYRD,
D.K. INOUYE,
ERNEST F. HOLLINGS,
PATRICK J. LEAHY,
DALE BUMPERS,
FRANK R. LAUTENBERG,
TOM HARKIN,
BARBARA A. MIKULSKI,
HARRY REID,
BYRON L. DORGAN,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3579) making emergency supplemental appropriations for the fiscal year ending September 30, 1998, and for other purposes, submit the following joint statement to the House and Senate in explanation of the effects of the action agreed upon by the managers and recommended in the accompanying report.

Report language included by the House in the report accompanying H.R. 3579 (H. Rept. 105–469) which is not changed by the report accompanying S. 1768 (S. Rept. 105–168), and Senate report language not changed by the conference are approved by the committee of conference. The statement of the managers, while repeating some report language for emphasis, is not intended to negate the language referred to above unless expressly provided herein.

TITLE I—EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR THE DEPARTMENT OF DEFENSE

CHAPTER 1

DEPARTMENT OF DEFENSE—MILITARY

Chapter 1 of the conference agreement recommends a total of $2,834,775,000 in new budget authority for the Department of Defense, for costs resulting from ongoing contingency operations in Southwest Asia and Bosnia, storm damage at defense facilities, and other urgent requirements. Chapter 2 of this conference agreement contains additional emergency appropriations associated with military construction.

Of the funds provided in this Chapter, the conferees recommend $2,040,500,000 in emergency supplemental appropriations for finance personnel and operations and maintenance costs associated with contingency operations in Southwest Asia and Bosnia. In addition, the conferees recommend a total of $231,275,000 for the repair of defense facilities damaged by natural disasters. Of this amount, $125,528,000 is designated as contingent emergency appropriations, to be made available upon the President's submission of a subsequent budget request designating the entire amount as an emergency requirement.

The following table provides details of the emergency supplemental appropriations in this Chapter for contingency operations and natural disasters.

SUPPLEMENTAL APPROPRIATIONS, DEPARTMENT OF DEFENSE

[In thousands of dollars]

	Budget request	House	Senate	Conference
Contingency operations—Military personnel:				
Army	184,000	184,000	184,000	184,000
Navy	22,300	22,300	22,300	22,300
Marine Corps	5,100	5,100	5,100	5,100
Air Force	10,900	10,900	10,900	10,900
Navy Reserve	4,100	4,100	4,100	4,100
Total	226,400	226,400	226,400	226,400
Overseas Contingency Operations Transfer Fund	1,621,900	1,829,900	1,556,000	1,814,100
Total, contingency operations	1,848,300	2,056,300	1,782,400	2,040,500
Natural disasters:				
Operation and maintenance:				
Army	1,886	2,586	1,886	1,886
Navy	48,100	53,800	33,272	48,100
Marine Corps	0	26,810	0	0
Air Force	27,400	49,200	21,509	27,400
Defense-Wide	1,390	1,390	1,390	1,390

SUPPLEMENTAL APPROPRIATIONS, DEPARTMENT OF DEFENSE—Continued

[In thousands of dollars]

	Budget request	House	Senate	Conference
Defense-Wide (El Nino, Ft Stewart)	50,000	0	44,000	125,528
Army Reserve	650	650	650	650
Air Force Reserve	229	229	229	229
Army National Guard	175	5,925	175	175
Air National Guard	0	975	0	0
Total	129,830	141,565	103,111	205,358
Working capital funds:				
Navy Working Capital Fund	23,017	30,467	23,017	23,017
Defense-Wide Working Capital Fund	1,000	1,000	1,000	1,000
Total	24,017	31,467	24,017	24,017
Defense Health Program	1,900	1,900	1,900	1,900
Total, Natural Disaster Relief	155,747	174,932	129,028	231,275

CONTINGENCY OPERATIONS FUNDING

The conferees agree to reduce the Department of Defense budget request for contingency operations in Southwest Asia by $50,000,000 for drawdown authority that will not be required in support of U.S. operations. The conferees also agree to reduce the budget request for operations in Bosnia by $7,900,000 for excessive infrastructure development costs.

DISASTER RELIEF TRANSFER ACCOUNT

Under the heading ''Operation and Maintenance, Defense-Wide'', the conference agreement includes $125,528,000, which is available for transfer to the applicable appropriations accounts, to cover the cost of storm damage at military facilities. This amount reflects updated storm damage costs provided by the Department of Defense. The following table displays the revised estimates of the storm damage caused by El Nino and tornadoes at Fort Stewart, Georgia. The conferees recognize that more complete damage assessments may require the Department to adjust the priority for funding between these accounts.

[In thousands of dollars]

	El Nino	Ft. Stewart	Total
Operation and maintenance, Army	700	40,300	41,000
Operation and maintenance, Navy	6,861	.....	6,861
Operation and maintenance, Marine Corps	27,185	.....	27,185
Operation and maintenance, Air Force	21,800	.....	21,800
Operation and maintenance, Army National Guard	5,750	3,200	8,950
Operation and maintenance, Air National Guard	975	.....	975
Navy Working Capital Fund	18,757	.....	18,757
Total	82,028	43,500	125,528

EMERGENCY USE OF FUNDS FOR INFRASTRUCTURE PROJECTS

The conferees direct that funds provided to the Overseas Contingency Operations Transfer Fund may not be used to construct or modify any facility or project where the costs exceed $2,000,000. Funds for such military construction projects in the Southwest Asia or Bosnia theaters of operations shall be requested by the Department of Defense and approved through the usual authorization and appropriation process.

LOGCAP

The conferees are aware that the Army recently has entered into a Logistics Civil Augmentation Program (LOGCAP) contract with a new contractor to provide various world-wide logistics services. The conferees understand that despite this new contract, the previous LOGCAP provider was allowed to continue providing services in the Bosnia theater of operations due to the possibility that U.S. forces could be withdrawn within a matter of months. Given the President's decision to extend the Bosnia mission indefinitely, the conferees direct the Army to carefully reassess the costs and benefits of its decision to retain the old LOGCAP contractor in Bosnia and to take action to change its Bosnia contractor if appropriate. The Secretary of Defense shall report to the congressional defense committees by June 1, 1998, on the results of this review.

CLASSIFIED PROGRAMS

The conference agreement concerning classified activities requested by the Administration is contained in a classified annex to this statement of the managers.

RESERVE MOBILIZATION INCOME INSURANCE FUND

In section 3 of the General Provisions, the conferees recommend $47,000,000 for the Reserve Mobilization Income Insurance Fund instead of $37,000,000 as proposed by the House. The Senate did not address this issue. The Department of Defense has recently advised the conferees that $47,000,000 is required to cover all remaining obligations for pending and future member appeals for this program. The conferees believe that this additional funding will resolve the outstanding financial obligations for those Reservists who participated in this program.

ENHANCEMENTS TO SELECTED THEATER MISSILE DEFENSE PROGRAMS

In section 9 of the General Provisions, the conferees agree to provide $179,000,000 for selected theater missile defense programs. The conferees direct that the following amounts shall be made available only for the following purposes: $35,000,000 for Patriot/Aegis/GBR integration; $15,000,000 for Patriot Remote Launch; $40,000,000 for PAC–3 and Navy Area Demonstration; $6,000,000 for Enhanced Early Warning; $38,000,000 for Navy Theater Wide Missile Defense (Navy Upper-Tier); and $45,000,000 for the Arrow Deployability Program. The additional investment in the Arrow Deployability Program is made available for the purpose of purchasing components for a third Arrow battery.

YOUTH DEVELOPMENT AND LEADERSHIP PROGRAM

In section 13 of the General Provisions, the conferees agree to provide $300,000 for the Office of the Assistant Secretary of Defense (Reserve Affairs) to initiate the Outdoor Odyssey Youth Development and Leadership program. These funds are to be derived by transfer from the fiscal year 1998 Navy research, development, test and evaluation account (surface combatant combat system engineering, TBMD/UYQ–70). Funds are to assist a non-profit corporation to acquire suitable property and facilities and to initiate operation of a youth training program patterned after successful Marine Corps and Army National Guard methods and procedures. Special emphasis is expected to be given towards educating and recruiting qualified youth for possible duty in the armed forces. The conferees direct that funds for property acquisition be obligated within thirty days of enactment.

DISABLED HEALTH CARE

The conferees are aware that many CHAMPUS beneficiaries under the age of 65, who are entitled to Medicare on the basis of disability, do not know they must purchase Medicare Part B in order to have CHAMPUS as a secondary payer to Medicare. The Department has recently identified these beneficiaries and notified them of their ineligibility for CHAMPUS. However, notices were sent out on March 20, 1998, just prior to the Medicare enrollment closing date of March 31, 1998. The conferees believe this may not have provided beneficiaries sufficient time to enroll in Part B. In addition, for those who have enrolled, there will be a gap in coverage before the Part B policy takes effect. Therefore, the conferees have included section 15 in the General Provisions that will permit the use of fiscal year 1998 Defense Health Program funds to cover this potential temporary gap in health care for the disabled until they are covered or enrolled in Medicare Part B.

BOSNIA DEMINING

In section 16 of the General Provisions, the conferees agree to provide $28,000,000 to be deposited in the International Trust Fund of the Republic of Slovenia for Demining, Mine Clearance, and Assistance to Mine Victims in Bosnia and Herzegovina. The United States program and amounts appropriated will be administered by the State Department. Funding shall be deposited in two equal installments to the extent others have contributed matching amounts. It is the conferees' intent that the amounts deposited and interest earned may be expended by the Republic of Slovenia only in consultation with the United States Government and with the concurrence of the Fund's Board of Advisors. Any submission to the United States government for reimbursement of funds appropriated in this act must be made utilizing an internationally recognized accounting method in compliance with accepted United States government accounting standards and principals. The conferees recommend that the President nominate, after consultation with the United States Congress, at least two citizens of the United States for membership on the Fund's Board of Advisors, and that membership on the Board shall be proportionate to the percentage of the United States government's contribution to the Fund.

The conferees agree that in the use of these funds, all economically feasible and commercially available equipment may be considered for demining activities. Some portion of these funds is directed for the flail method of demining. This method includes a robotically-controlled, skid-steer mobile

unit with a flail attachment that detonates mines without human risk. Funds may be used to procure this type of equipment. To provide necessary support facilities, the conferees direct that funds also be made available for the Ultimate Building Machine system currently used by the armed forces to rapidly construct low cost, durable, semi-permanent structures.

BIOENVIRONMENTAL RESEARCH

The fiscal year 1998 Defense Appropriations Act provided $5,000,000 to the Defense Special Weapons Agency for bioenvironmental research. The conferees direct that this funding be used only for continuation of the Agency's core five year, integrated bioenvironmental hazards research program that focuses primarily on the development of biosensors and biomarkers of exposure for human and ecological bioenvironmental problems relevant to DoD.

AIR BATTLE CAPTAIN PROGRAM

The conferees are concerned that the Army is not complying with directives of the conferees on the fiscal year 1998 Defense Appropriations Act and those of the Senate on this bill regarding the Air Battle Captain program. The conferees are disturbed with the apparent decision not to comply with these directives. The conferees reiterate their strongly held view that the Army shall obligate funds to cover the ongoing program and to initiate the recruitment of new students for the fall 1998 program.

WHITE SANDS MISSILE RANGE

The conferees understand that the White Sands Missile Range is the progress of completing civilian personnel drawdowns to reach personnel levels assumed in the fiscal year 1999 Department of Defense budget. The conferees direct that the Army take no actions to implement any personnel reductions below the levels assumed in the fiscal year 1999 Department of Defense budget without notifying the congressional defense committees 45 days prior to taking any such action.

GENERAL PROVISIONS—THIS CHAPTER

The conferees agree to delete language, as proposed by the House, which limits the availability of funds provided in this chapter to the current fiscal year unless otherwise specified.

The conferees agree to retain section 1, as proposed by the Senate, which provides funds to ''Overseas Humanitarian, Disaster, and Civic Aid'' for a grant to the American Red Cross for Armed Forces emergency services and for reimbursement for disaster relief at overseas locations.

The conferees agree to restore section 2, as proposed by the House, which provides technical language regarding obligation of funds in this Act for intelligence-related programs.

The conferees agree to delete language, as proposed by the Senate, which requires the Secretary of the Army to comply with a 1991 Memorandum of Agreement with the Washington State Parks and Recreation Commission concerning the Yakima Training Center.

The conferees agree to restore and amend section 3, as proposed by the House, to provide $47,000,000 for the Reserve Mobilization Income Insurance Fund.

The conferees agree to retain section 4, as proposed by the Senate, which urges the president to seek burdensharing contributions from other nations to help defray the cost of United States deployments in the Gulf region.

The conferees agree to restore and amend section 5, as proposed by the House, which establishes an independent panel to evaluate the quality of health care initiatives begun by the Department of Defense.

The conferees agree to retain section 6, as proposed by the Senate, which transfers funds from ''Chemical Agents and Munitions Destruction, Defense'' to ''Operation and Maintenance, Defense-Wide'' for civil military programs.

The conferees agree to delete language, as proposed by the Senate, which prohibits the Army from proceeding with civilian personnel reductions at all Army Test Ranges.

The conferees agree to retain and amend section 7, as proposed by the Senate, which urges the President to enter into an agreement with NATO regarding a schedule for achieving benchmarks for a continued United States force presence in Bosnia.

The conferees agree to retain section 8, as proposed by the Senate, which concerns participants of the National Guard Youth Challenge Program and their eligibility for enlistment in the military.

The conferees agree to retain and amend section 9, as proposed by the Senate, which provides funds for selected theater missile defense programs.

The conferees agree to retain section 10, as proposed by the Senate, which allows the Secretary of Defense to lease land near the Massachusetts Military Reservation.

The conferees agree to delete language, as proposed by the Senate, concerning the termination date of the National Defense Panel.

The conferees agree to retain section 11, as proposed by the Senate, which provides funds for ''Aircraft Procurement, Navy'' for eight F/A–18 aircraft for the Marine Corps.

The conferees agree to include section 12 concerning obligation of funds for disaster information management.

The conferees agree to include section 13 concerning a youth development and leadership program.

The conferees agree to include section 14 which allows the Department of Defense to dispose of residual fuel.

The conferees agree to include section 15 concerning CHAMPUS beneficiaries, under the age of 65, who are entitled to Medicare on the basis of disability.

The conferees agree to retain and amend section 16, as proposed by the Senate, which provides funds for demining, mine clearance, and assistance to mine victims in Bosnia and Herzegovina.

The conferees agree to restore and amend section 17, as proposed by the House, which expresses the sense of the Congress that the conduct of offensive operations by United States forces against Iraq should be specifically authorized by law.

The conferees agree to include section 18 which directs the Department of Defense to expeditiously process claims as a result of the air tragedy in Italy.

CHAPTER 2

DEPARTMENT OF DEFENSE—MILITARY CONSTRUCTION

The conferees provide a total of $25,220,000, of which $17,100,000 is designated as an emergency, for damage related to Typhoon Paka, and $8,120,000 is provided as a contingent emergency for storm damage, as follows:

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

The conferees provide $3,700,000 as a contingent emergency appropriation in order to demolish and replace buildings destroyed by storm damage at Fort Stewart, Georgia.

FAMILY HOUSING, NAVY AND MARINE CORPS

The conferees recommend $15,600,000, as requested, for repair of family housing units, fences, damaged landscaping, and debris removal at Naval Station Marianas, Guam, as a result of Typhoon Paka. In addition, the conferees recommend $2,500,000 as a contingent emergency, for repair of foundation slabs, pipes, erosion, and family housing units in California, associated with damages from El Niño.

FAMILY HOUSING, AIR FORCE

The conferees recommend $1,500,000, as requested, for the repair of family housing units, debris removal, and replacement of furnishings at Andersen AFB, Guam, as a result of Typhoon Paka. In addition, the conferees recommend $900,000 for repair of family housing at Vandenberg AFB, California, associated with damages from El Niño. This funding was requested under ''Operation and Maintenance, Defense-wide'', as a contingent emergency.

BASE REALIGNMENT AND CLOSURE ACCOUNT, PART III

The conferees recommend $1,020,000 for repairs to an ongoing project to provide an Aircraft Parking Apron at Camp Pendleton Marine Corps Air Station, California, for replacement of a protective berm surrounding the fuel farm facility, which was damaged as a result of El Niño. This funding was requested under ''Operation and Maintenance, Defense-wide'', as a contingent emergency.

FAMILY HOUSING IMPROVEMENT FUND

The Department of Defense is delaying the execution of family housing construction projects for which funds have been appropriated, for possible transfer into the Family Housing Improvement Fund. Funds that were appropriated for specific construction projects should be executed as justified to the Congress. The conferees support the Department's privatization efforts through the authorities that reside in the Fund, but intend that previously approved construction projects proceed in order to improve the quality of life for service members and their families at the earliest possible date.

The President's Budget for fiscal year 1999 indicates that the Family Housing Improvement Fund had an unobligated balance of $28,000,000 available at the beginning of fiscal year 1998, and that no further funds would be transferred into the Fund during fiscal year 1998. Thus, based on the Administration's budget, this balance is sufficient to carry out planned activities throughout fiscal year 1998, and the execution of previously approved construction projects will cause no delays in privatization efforts. The conferees intend to review the operation of the Fund in detail in action on the budget request for fiscal year 1999.

The conferees note that, on April 22, 1998, the Department of the Army cancelled the proposed award of the whole-installation capital venture initiative project at Fort Carson, Colorado. This contact would have been the first exercise of the authority sought by the Department of Defense and enacted in the National Defense Authorization Act for fiscal year 1996 on February 10, 1996 (section 2801 of Public Law 104–106, 10 U.S.C. 2871). The Army's decision was based upon litigation in the U.S. Court of Federal Claims, and has resulted in re-examination of the acquisition process. The Army is now studying corrective action alternatives including a return to best and final offers and resolicitation. The conferees are concerned about this development, and will follow further events closely in order to review the operation of this program and the Department of Defense's management of Service activities.

CAMP PENDLETON MARINE CORPS BASE, CALIFORNIA

The conferees direct that not later than 30 days after enactment, the Secretary of the Navy provide a report detailing the cost of the 1993 flood, any corrective actions taken subsequent to the flood, the cost of the corrective actions, and the impact of the current flooding on the bridge replacement and river flood control, Santa Margarita construction projects as authorized and appropriated in fiscal year 1998.

PICATINNY ARSENAL, NEW JERSEY

In fiscal year 1998, $1,300,000 was provided for design of the Armament Software Engineering Center (ASEC) at Picatinny Arsenal. The conferees urge the Department of the Army to release this funding without delay.

GENERAL PROVISION

Sec. 20. The conferees have included a provision relating to a project at North Island Naval Air Station, California, for which funds were appropriated in Public Law 104–196.

TITLE II—EMERGENCY SUPPLEMENTAL APPROPRIATIONS

CHAPTER 1

DEPARTMENT OF AGRICULTURE

FARM SERVICE AGENCY

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

EMERGENCY INSURED LOANS

The conference agreement provides a subsidy of $21,000,000 for emergency insured loans as proposed by both the House and Senate. The subsidy will support an estimated loan level of $87,400,000. The conference agreement deletes supplemental appropriations of $5,400,000 for subsidized guaranteed operating loans and $3,200,000 for direct farm operating loans as proposed by the Senate.

EMERGENCY CONSERVATION PROGRAM

The conference agreement provides $30,000,000 for the emergency conservation program instead of $20,000,000 as proposed by the House and $60,000,000 as proposed by the Senate. The conference agreement also includes $4,000,000 for maple producers to replace taps and tubing damaged by ice storms in the northeast instead of $4,480,000 as proposed by the Senate. The House bill had no similar provision.

TREE ASSISTANCE PROGRAM

The conference agreement provides $14,000,000 for the tree assistance program instead of $4,700,000 as proposed by the House and $8,700,000 as proposed by the Senate.

The conference agreement also adds bill language to exclude producers from receiving assistance for trees used for pulp and/or timber.

COMMODITY CREDIT CORPORATION FUND

LIVESTOCK DISASTER ASSISTANCE PROGRAM

The conference agreement provides $4,000,000 for livestock disaster assistance as proposed by both the House and Senate.

The conference agreement also makes producers of ratites eligible for compensation under this program as proposed by the House.

DAIRY PRODUCTION DISASTER ASSISTANCE PROGRAM

The conference agreement provides $6,800,000 for dairy production disaster assistance as proposed by the House instead of $10,000,000 as proposed by the Senate.

The conference agreement contains bill language to permit not more than $4.00 per hundredweight as compensation for diminished production or for milk produced but not marketed.

NATURAL RESOURCES CONSERVATION SERVICE

WATERSHED AND FLOOD PREVENTION OPERATIONS

The conference agreement provides $80,000,000 for watershed and flood prevention operations instead of $65,000,000 as proposed by the House and $100,000,000 as proposed by the Senate.

CHAPTER 2

UNITED STATES INFORMATION AGENCY

INTERNATIONAL BROADCASTING OPERATIONS

The conference agreement includes an additional $5,000,000, as proposed in the Senate bill, for the ''International Broadcasting Operations'' account of the United States Information Agency, to remain available until September 30, 1999, for the establishment of surrogate radio broadcasting to the Iraqi people by Radio Free Europe/Radio Liberty, which shall be designated ''Radio Free Iraq''. The House bill had no similar provision. The conferees agree that this funding shall provide for the total costs of such a broadcast service in fiscal years 1998 and 1999, including start-up costs, RFE/RL operational costs, and engineering and transmission costs incurred by the International Broadcasting Bureau. The conference agreement also requires the Broadcasting Board of Governors to submit a detailed report to the Congress, within 30 days of enactment, containing plans for the establishment and operation of such a broadcast service within the amount provided. The conference agreement designates this amount as an emergency requirement, and provides that the entire amount shall be available only to the extent that the President transmits to the Congress an official budget request, designating the request as an emergency requirement.

CHAPTER 3

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

CONSTRUCTION, GENERAL

The conference agreement deletes language proposed by the Senate appropriating: $8,000,000 for Archusa Dam in Mississippi; $25,000,000 for levee and waterway repairs at Elba and Geneva, Alabama; $2,500,000 for river and shoreline repairs along the Missouri River in South Dakota; $1,100,000 for levee repairs at Suisun Marsh, California; $1,400,000 for maintenance dredging at Apra Harbor, Guam; and $500,000 for repair of Mackville Dam in Vermont. The conferees note that supplemental funding for the Suisun Marsh project is provided to the Bureau of Reclamation in this chapter under the paragraph entitled ''Water and Related Resources.'' The conferees do not intend to preclude the Corps from undertaking emergency repair work where appropriate, to the extent authorized by law.

OPERATION AND MAINTENANCE, GENERAL

The conference agreement appropriates $105,185,000 instead of $84,457,000 as recommended by the House and $30,000,000 as recommended by the Senate. The agreement deletes language proposed by the Senate providing for a transfer from the Flood Control and Coastal Emergencies account to the Operation and Maintenance, General account.

DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

WATER AND RELATED RESOURCES

The conference agreement appropriates $4,520,000 as recommended by the House to repair damage caused by floods and other natural disasters.

CHAPTER 4

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

The managers understand that the estimates, which form the basis for many of these emergency appropriations, are based on preliminary damage determinations. Refinements and re-estimates, possibly resulting in allocations different from preliminary projections, may be necessary. The managers expect funds to be provided consistent with established priorities. Before proceeding with final allocations to the field, the managers expect the agencies to provide a report that identifies all of the projects considered for funding, including any changes from earlier estimates.

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

CONSTRUCTION

The managers have provided $1,837,000 for construction, contingent on a Presidential declaration of emergency, as proposed by the Senate. The House proposed no funds for this purpose.

UNITED STATES FISH AND WILDLIFE SERVICE

CONSTRUCTION

The managers have provided $32,818,000 for construction as proposed by the Senate instead of $28,938,000 as proposed by the House. Of that amount, $29,130,000 is contingent on a Presidential declaration of emergency. The allocation of these funds should be based on the most recent estimates and agency priorities, in accordance with the direction at the beginning of this chapter.

NATIONAL PARK SERVICE

CONSTRUCTION

The managers have provided $9,506,000 for construction as proposed by the Senate instead of $8,500,000 as proposed by the House. These funds are contingent on a Presidential declaration of emergency.

UNITED STATES GEOLOGICAL SURVEY

SURVEYS, INVESTIGATIONS, AND RESEARCH

The managers have provided $1,198,000 for surveys, investigations, and research as proposed by the Senate instead of $1,000,000 as proposed by the House. These funds are contingent on a Presidential declaration of emergency.

BUREAU OF INDIAN AFFAIRS

CONSTRUCTION

The managers have provided $1,065,000 for construction, continent on a Presidential declaration of emergency, as proposed by the Senate. The House proposed no funds for this purpose.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

STATE AND PRIVATE FORESTRY

The managers have provided $48,000,000 for State and private forestry as proposed by both the House and the Senate. Of that amount $28,000,000 is contingent on a Presidential declaration of emergency.

NATIONAL FOREST SYSTEM

The managers have provided $10,461,000 for the National forest system as proposed by both the House instead of $10,000,000 as proposed by the Senate. Of that amount $5,461,000 is contingent on a Presidential declaration of emergency.

The managers have not included $2,000,000 in non-emergency payments to States as proposed by the Senate. The House had no similar provision. This issue is discussed in more detail in section 3006 under General Provisions for Chapter 3 in Title III.

WILDLAND FIRE MANAGEMENT

The managers have provided $2,000,000 for wildlife fire management, contingent on a Presidential declaration of emergency, as proposed by the Senate. The House proposed no funds for this purpose. A technical correction has also been made to the appropriations language.

DEPARTMENT OF ENERGY

STRATEGIC PETROLEUM RESERVE

The managers have included language which, upon a Presidential declaration of emergency, would negate the sale of Strategic Petroleum Reserve oil to pay for Reserve operations in fiscal year 1998. The language modifies a provision included by the Senate. The House had no similar provision.

CHAPTER 4A

DEPARTMENT OF HEALTH AND HUMAN SERVICES

CENTERS FOR DISEASE CONTROL AND PREVENTION

DISEASE CONTROL, RESEARCH AND TRAINING

The conference agreement deletes a provision in the Senate bill that provided $9,000,000 for polio eradication activities in Africa. The Senate bill declared the full amount of the appropriation an emergency for the purposes of the Budget Act and made obligation of the funds contingent upon a formal designation of the funds by the President as an emergency for the purposes of the Budget Act. The House bill contained no similar provision. Chapter 4 of Title III of the conference agreement provides a regular appropriation of $9,000,000 for polio eradication activities in Africa. These funds are not designated as an emergency for the purposes of the Budget Act.

CHAPTER 5

DEPARTMENT OF TRANSPORTATION

FEDERAL HIGHWAY ADMINISTRATION

FEDERAL-AID HIGHWAYS

EMERGENCY RELIEF PROGRAM

(HIGHWAY TRUST FUND)

The conference agreement provides $259,000,000 in emergency appropriations for the emergency relief program to repair highway damage resulting from recent natural disasters nationwide. Of the amount provided, $224,000,000 has been designated by the President as an emergency requirement pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended. The conference agreement provides that the remaining $35,000,000 is available only if designated by the President as an emergency requirement.

The conference agreement deletes language proposed by the Senate that provides that no announcement of allocation of emergency relief funds shall be made prior to 15 days after notification to the House and Senate Transportation Appropriations Subcommittees, the Senate Environment and Public Works Committee, and the House Transportation and Infrastructure Committee. The House bill contained no similar provision.

The conference agreement includes a provision that permits the Secretary of Transportation to borrow, pending the reauthorization of the Intermodal Surface Transportation Efficiency Act of 1991, such sums as may be necessary for administrative expenses of the Federal Highway Administration, the National Highway Traffic Safety Administration, and the Bureau of Transportation Statistics from the unobligated balances of discretionary allocations for the federal-aid highways program made available by this Act. The conferees further expect the Federal Highway Administration to proceed with highway research and development programs and projects to the extent to which funding is available after consultation with the House and Senate Committees on Appropriations.

The conference agreement waives the per-state per-disaster limitation for projects resulting from the fall of 1997 through the winter of 1998 flooding in California, as proposed by the House. The Senate bill proposed to waive the limitation to projects resulting from the fall of 1997 and winter of 1998 flooding in the western states.

FEDERAL RAILROAD ADMINISTRATION

EMERGENCY RAILROAD REHABILITATION AND REPAIR

The conference agreement provides $9,800,000 for emergency railroad rehabilitation and repair. These funds are available for flood and storm-related damages incurred by class II and III railroads from September 1, 1996 through March 31, 1998. The House bill provided $9,000,000, of which $2,650,000 was for flood damages in the Northern Plains states in March and April 1997, and $6,350,000 was for El Nino related damages in the fall of 1997 and winter of 1998. The Senate bill provided $10,600,000, of which $5,250,000 was for flood damages in California, West Virginia, and the Northern Plains states, and $5,350,000 was for storm damages in the fall of 1997 through the winter of 1998.

The conferees believe that, to the maximum extent possible, insurance should provide for damages incurred by railroads from floods and other natural disasters. Generally, the Department of Transportation should not be responsible for reimbursing privately owned railroads for these damages. A long-term approach on how to handle these damages should be developed. As such, the conferees direct the Secretary of Transportation to report to the House and Senate Appropriations Committees not later than December 31, 1998 on how future emergency railroad repair costs should be borne by the railroad industry and their underwriters. The Senate included this provision in bill language.

CHAPTER 6

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT BLOCK GRANTS

Appropriates $130,000,000 for Community Development Block Grants to be used for disaster relief, long term recovery and mitigation in communities designated as Presidentially declared natural disasters during fiscal year 1998. The House had proposed $20,000,000 and the Senate had proposed $260,000,000. The House limited assistance to states affected by the January 1998 Northeast ice storm.

HUD is provided broad waiver authority, including the authority to waive statutory requirements that activities benefit persons of low and moderate income. States are required to provide a 25 percent match in nonfederal public funds, to administer the funds for unmet needs in conjunction with its FEMA program or its community development block grant program and to use annual disaster cost estimates. HUD must notify the VA, HUD and Independent Agencies Subcommittees on Appropriations 10 days prior to distribution of funds regarding how these funds are to be utilized and the most recent estimate of unmet needs. Additionally, HUD and FEMA must submit quarterly reports regarding the actual uses of the funds. These reports are to be based on quarterly reports submitted to HUD by the States that received funds.

The conferees have serious misgivings about providing CDBG funds for disaster mitigation, particularly given the waiver authority and the possibility that the majority of the funds will be spent to cover the repair costs of investor-owned utility companies.

In an attempt to deal with this concern, language is included by the conferees to require HUD to submit to the VA/HUD subcommittees a list of the amounts of funds provided and the locality to which the funds are provided. HUD is directed, however, to allocate the funds in a fair manner to each jurisdiction that is eligible to receive them.

INDEPENDENT AGENCY

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF

Appropriates $1,600,000,000 for disaster relief as proposed by the Senate. The House had provided no funding for disaster relief. The amount provided is available only to the extent that an official budget request for a specific amount, which includes designation of the entire amount of the request as an emergency, is transmitted by the President to Congress.

The conferees are concerned about the problems of providing emergency temporary housing to migrant farm workers in California and urge FEMA to take into account the special needs of migrant farm worker disaster victims.

Finally, the conferees urge FEMA to approve expeditiously state requests under section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act for buyout relocations designed to reduce overall disaster costs in future years.

CHAPTER 7

RESCISSIONS

DEPARTMENT OF EDUCATION

BILINGUAL AND IMMIGRANT EDUCATION

The conference agreement does not include a rescission of $75,200,000 as included in the House bill. The Senate bill included no similar provision.

DEPARTMENT OF TRANSPORTATION

FEDERAL AVIATION ADMINISTRATION

GRANTS-IN-AID FOR AIRPORTS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION OF CONTRACT AUTHORIZATION)

The conference agreement rescinds $241,000,000 in contract authority under title II. When combined with the rescission included under title III, the total rescission of contract authority in this bill is $295,000,000.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PUBLIC AND INDIAN HOUSING

SECTION 8 RESERVE PRESERVATION ACCOUNT

(RESCISSION)

Rescinds $2,347,190,000 from the Section 8 Reserve Preservation Account. The House proposed rescinding $2,193,600,000 from this account. The Senate did not include a similar rescission.

These funds represent excess section 8 reserves that are unnecessary during the remaining portion of the current fiscal year. In fiscal year 1999, however, section 8 renewal needs are $10,800,000,000. As proposed by the President, the excess reserves could be used to reduce the fiscal year 1999 request, and thereby reduce the total appropriation for fiscal year 1999. Clearly, the conferees understand that the section 8 renewal account must be fully funded in order to protect the homes of those families who rely on the assistance.

INDEPENDENT AGENCY

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

NATIONAL AND COMMUNITY SERVICE PROGRAMS OPERATING EXPENSES

(RESCISSION)

Deletes language proposed by the House and stricken by the Senate rescinding $250,000,000 of fiscal year 1998 funds for National and Community Service Programs Operating Expenses.

TITLE III—SUPPLEMENTAL APPROPRIATIONS

CHAPTER 1

DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

The conference agreement provides $543,000 to compensate wheat producers for economic losses associated with the presence or presumed presence of Karnal bunt instead of up to $5,000,000 as proposed in the House-reported bill, H.R. 3580. The Senate bill had no similar provision.

DEPARTMENTAL ADMINISTRATION

The conference agreement provides $2,000,000 for Departmental Administration as proposed by the Senate instead of $4,300,000 as proposed in the House-reported bill, H.R. 3580.

OFFICE OF THE GENERAL COUNSEL

The conference agreement provides $235,000 for the Office of the General Counsel as proposed in the House-reported bill, H.R. 3580, and by the Senate.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

INSPECTION AND WEIGHING SERVICES

The conference agreement provides $1,500,000 to recapitalize the revolving fund of the Grain Inspection, Packers and Stockyards Administration to accommodate losses in fiscal year 1998 and ensure the reserve has sufficient funds to carry out the provisions of the U.S. Grain Standards and Agricultural Marketing Acts. The House and Senate bills contained no similar provision.

FARM SERVICE AGENCY

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

The conference agreement provides a subsidy of $2,389,000 for direct farm ownership loans instead of $2,608,000 as proposed by the Senate and $5,144,000 as proposed in the House reported bill, H.R. 3580. The subsidy will support an estimated loan level of $18,320,000.

The conference agreement provides a subsidy of $967,000 for guaranteed farm ownership loans as proposed in the House-reported bill, H.R. 3580, instead of $966,197 as proposed by the Senate. The subsidy will support an estimated loan level of $25,000,000.

The conference agreement provides a subsidy of $222,000 for boll weevil eradication loans as proposed in the House-reported bill, H.R. 3580, and by the Senate. The subsidy will support an estimated loan level of $18,814,000.

The conference agreement provides a subsidy of $4,599,000 for direct farm operating loans instead of $3,162,000 as proposed by the Senate and $626,000 as proposed in the House-reported bill, H.R. 3580. The subsidy will support an estimated loan level of $70,000,000.

The conference agreement provides a subsidy of $3,374,000 for guaranteed subsidized farm operating loans as proposed in the House-reported bill, H.R. 3580. The Senate proposed a contingent emergency appropriation of $5,400,000. The subsidy will support an estimated loan level of $35,000,000.

The Secretary of Agriculture is directed to revise the emergency loan program regulations to allow applicants who have suffered through natural disasters over the last several years and/or have a majority of the crops grown on leased land to be eligible to receive an emergency loan in fiscal year 1998 with reduced or waived security requirements. The conferees further expect the Secretary and congressional committees of jurisdiction to correct any unfair requirement of borrower ineligibility due to a lawful exercise of rights provided by the Agricultural Credit Act of 1987.

The conferees are concerned about reports that county-loss restrictions or other restrictions in the Non-insured Assistance Program (NAP) have worked against providing such last-resort disaster assistance to farmers in areas of high value specialty crop production. The Department is directed to report by July 1, 1998, NAP expenditures by state during the last two fiscal years, the degree to which program restrictions have affected the distribution of funds to any state, and to make recommendations to the Committee for program changes that would prevent such inequities in the distribution of funds.

FOOD STAMP PROGRAM

The conference agreement deletes the words ''as amended'' which were included in the House-reported bill, H.R. 3580.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

The conference agreement provides language to allow the Food and Drug Administration to collect and spend an additional $25,918,000 in prescription drug user fees in fiscal year 1998 as proposed by the Senate instead of $15,596,000 as proposed in the House-reported bill, H.R. 3580.

The conference agreement also provides that fees derived from applications received during fiscal year 1998 shall be credited to the appropriation current in the year in which fees are collected and subject to the fiscal year 1998 limitation as proposed by the House.

GENERAL PROVISIONS—THIS CHAPTER

The conference agreement provides that permanent employees of county committees employed during fiscal year 1998 shall be considered as having Federal Civil Service status only for the purpose of applying for United States Department of Agriculture Civil Service vacancies as proposed by the Senate. The House bill contained no similar provision.

The conference agreement provides bill language to permit funds for the Cooperative State Research, Education, and Extension Service competitively-awarded grants program to be used to pay for peer panel and review costs associated with that program. The House and Senate bills contained no similar provision.

CHAPTER 2

DEPARTMENT OF ENERGY

DEPARTMENTAL ADMINISTRATION

The conference agreement includes language proposed by the Senate to provide the Department of Energy the authority to increase the cost of work for other programs within the Department Administration account by $5,408,000, provided that the increased costs are offset by revenue increases of the same or greater amount.

ATOMIC ENERGY DEFENSE ACTIVITIES

WEAPONS ACTIVITIES

The conference agreement deletes the language proposed by the Senate to provide $4,000,000 for the development and demonstration of dielectric wall accelerator technology.

DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT

The conferees direct the Department of Energy to find additional funding to accelerate the transfer of materials from the waste tanks at the Hanford site in Washington, and submit expeditiously a reprogramming request for this activity. Funding for this reprogramming is to be derived from within available balances in the defense environmental management accounts of the Department.

GENERAL PROVISIONS—THIS CHAPTER

Section 2001. The conference agreement includes language vitiating OMB guidance prohibiting the award of continuing contracts for construction projects identified in the Conference Report accompanying the Energy and Water Development Appropriations Act, 1998. An explanation of this provision is included at page 5 of House Report 105–470.

Section 2002. The conference agreement includes language directing the Secretary of the Army to use up to the maximum amount authorized per project under the Section 205 continuing authorities program of the Corps of Engineers to provide a level of enhanced flood protection at Elba, Alabama. Given the urgent situation, the conferees direct the Secretary to incorporate as part of any cost-sharing agreement for flood damage prevention a provision which permits the non-Federal sponsor to use other available Federal funding sources to satisfy the non-Federal share.

Section 2003. The conference report includes language recommended by the Senate making a technical correction to legislation extending the periods of repayments of the Nueces River and Canadian River reclamation project in Texas.

Section 2004. The conference agreement includes language proposed by the Senate exempting the worker transition plan for Federal employees at the Pinellas Plant in Florida from section 303 of Public Law 105–62, the Energy and Water Development Appropriations Act, 1998. The work force restructuring plan to support the accelerated closure of the plant was developed prior to enactment of the fiscal year 1998 appropriation.

Provision not included in the conference agreement. The conference agreement deletes language recommended by the House and Senate prohibiting the Corps of Engineers from performing certain work at the Kennewick Man discovery site. The conferees understand that the work has already been completed.

CHAPTER 2A

INTERNATIONAL MONETARY FUND

The Senate amendment provided appropriations of $14,500,000,000 for an increase in the United States quota at the International Monetary Fund and $3,400,000,000 for the proposed New Arrangements to Borrow, as requested by the President. The House bill did not address these matters.

The House Appropriations Committee has reported H.R. 3580, a non-emergency supplemental appropriations bill that includes amounts for the International Monetary Fund and the New Arrangements to Borrow that are identical with the appropriations in the Senate amendment.

The managers have deferred consideration of these matters without prejudice until later in the 105th Congress, with the understanding that the House will first consider both the quota increase for the International Monetary Fund and the request for the New Arrangements to Borrow.

CHAPTER 3

DEPARTMENT OF THE INTERIOR

NATIONAL PARK SERVICE

OPERATION OF THE NATIONAL PARK SYSTEM

The managers have provided $340,000 for operation of the National park system to be used to lease lands in Katmai National Park and Preserve. The managers note that a Federal district court recently upheld an application for an allotment of key lands in Katmai National Park and Preserve, and are advised that the location of the private lands will create a major disruption to park visitors in the upcoming season. The managers therefore have provided $340,000 to enable the Park Service to lease the inholdings, depicted in United States Survey 7623, in order to provide full public access, and to cover costs related to the recent litigation.

To prevent the need to provide these lease moneys on an annual basis, the managers direct the Secretary of the Interior to begin immediate negotiations to secure permanent full public access through acquisition of the inholding depicted in United States Survey 7623, permanent conservation and access easements on the inholdings, land exchange,

or a combination thereof. By July 1, 1998 the Secretary should report to the House and Senate Committees on Appropriations on progress toward such an acquisition arrangement and inform the Committees whether a Declaration of Taking is necessary and would lead to a timely acquisition for the 1999 visitor season. If no agreement has been signed by July 15, 1998, the Secretary should advise the Committees of all other alternatives and any additional authority necessary for the Park Service or any other land management agency.

MINERALS MANAGEMENT SERVICE

ROYALTY AND OFFSHORE MINERALS MANAGEMENT

The managers have provided $6,675,000 for royalty and offshore minerals management as proposed by both the House and the Senate. These funds are to be derived from increased receipts.

The managers are aware of the success of the past four lease sales in the Gulf of Mexico and understand that, since enactment of the Deep Water Royalty Relief Act, revenues from lease sales in the deep water have been more than $1.2 billion in excess of estimates. Furthermore, the managers expect that existing financial terms will be maintained for lease sales in the remaining incentive period, including minimum bids and royalty rates.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

ABANDONED MINE RECLAMATION FUND

(TRANSFER OF FUNDS)

The managers have provided $3,163,000 for the abandoned mine reclamation fund as proposed by both the House and the Senate. These funds are to be derived by transfer from the regulation and technology account.

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

The managers have provided $1,050,000 for operation of Indian programs as proposed by both the House and the Senate.

OFFICE OF SPECIAL TRUSTEE FOR AMERICAN INDIANS

FEDERAL TRUST PROGRAMS

The managers have provided $4,650,000 for Federal trust programs as proposed by both the House and the Senate.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

INDIAN HEALTH SERVICE

INDIAN HEALTH SERVICES

The managers have provided $100,000 for Indian health services as proposed by the Senate. The House proposed no funds for this purpose.

The managers are concerned about the alarming rate of suicide attempts in Indian country, especially among youth and young adults. The managers intend to address this problem more fully in the context of the fiscal year 1999 appropriation. The $100,000 provided in this supplemental appropriation is intended to allow the Indian Health Service to begin to target especially troubling situations on an emergency basis. One example is the situation on the Standing Rock Sioux Reservation. The managers expect the Service to report to the House and Senate Committees on Appropriations, within 30 days of enactment of this Act, on what is being done to address the problem at Standing Rock and similar problems on other reservations.

GENERAL PROVISIONS—THIS CHAPTER

Section 3001.—The managers have included language as proposed by the House making certain Indian Health Service diabetes funding available until expended. The Senate had no similar provision.

Section 3002.—The managers have included language as proposed by the Senate dealing with construction of the Trappers Loop connector road. The House had no similar provision.

Section 3003.—The managers have included language as proposed by the Senate dealing with an easement across National Forest lands for the Boulder City Pipeline. The House had no similar provision.

Section 3004.—The managers have included language which modifies a provision proposed by the Senate dealing with the transfer of portable housing units at the Grand Forks Air Force Base in North Dakota to Indian tribes in North and South Dakota. The House had no similar provision. The modification adds language stipulating that the Department of the Interior is not responsible for rehabilitating the units for remediation of hazardous substances.

Section 3005.—The managers have included language as proposed by the Senate to adjust the boundaries of the Petroglyph National Monument to allow for construction of a road. The House had no similar provision.

Section 3006.—The managers have included language which modifies a provision proposed by the Senate regarding county payment mitigation for revenue that may be lost due to a proposed Forest Service moratorium on building roads in roadless areas. The House had no similar provision.

The managers disagree with the Forest Service's proposed moratorium on road building in roadless areas. The managers consider such a moratorium to be in conflict with orderly project planning which results from land management planning activities. Despite this disagreement with the Administration's actions, nothing in this section prohibits or delays the Forest Service from implementing the moratorium subject to whatever legal challenges which may occur pursuant to existing law.

The managers have made several modifications to the bill language proposed by the Senate. The managers have inserted new language clarifying that the provision neither endorses nor prohibits any road building moratorium resulting from the Forest Service proposal of January 28, 1998, and that the provision does not affect the applicability of existing law to any moratorium. The managers also have inserted new language which clarifies that previously scheduled timber sales to be considered for compensation or substitution should be those which were scheduled as of October 1, 1997, or thereafter. The managers have not provided an appropriation of $2,000,000, as was proposed by the Senate, to cover part of the cost of compensating States for lost timber-receipt revenue caused by a road building moratorium. Instead, the managers have provided authority to the Chief of the Forest Service to make the State payments using any funds available to the Forest Service in fiscal years 1998 or 1999, subject to the advance approval of the House of Senate Committees on Appropriations. The managers have maintained the language proposed by the Senate to accomplish three reports. The managers have not stipulated, as proposed by the Senate, that funds for the study, inventory and analysis required for the three reports should come from funds appropriated for Forest Research. The managers allow the Chief to use existing funds at his discretion to complete these three reports, subject to normal reprogramming procedures.

Section 3007.—The managers have included language as proposed by the Senate making a technical correction to a provision of law dealing with certain health care services for Alaska Natives. The House had no similar provision. The language amends Title II of the Michigan Indian Land Claims Settlement Act to clarify the terms under which the Indian Health Service awards a contract or compact in the Ketchikan Gateway Borough and to identify the Alaska Native groups affected by the title.

Section 3008.—The managers have included language as proposed by the Senate making a technical correction to a provision in the fiscal year 1998 Interior and Related Agencies Appropriations Act dealing with self-determination contracts and compacts for health care services to Alaska Natives. The House had no similar provision.

The managers have not included bill language as proposed by the Senate regarding Floyd Bennett Field in New York City. The managers are aware, however, of ongoing discussions among the City of New York, the Department of Transportation and the Department of the Interior regarding the New York Police Department's proposed use for air and sea rescue and public safety purposes of the facility at Floyd Bennett Field that is to be decommissioned by the U.S. Coast Guard on May 22, 1998. The managers encourage all parties involved to continue these discussions, and direct the Secretaries of Transportation and the Interior to report to the House and Senate Committees on Appropriations and the Senate Committee on Commerce, Science and Transportation and the House Committee on Transportation and Infrastructure on the status of these discussions no later than May 15, 1998.

The managers have not included language proposed by the Senate prohibiting the promulgation and issuance of certain Indian gaming regulations. The House had no similar provision.

Section 3009.—The managers have included language placing a moratorium on the issuance of final regulations by the Minerals Management Service on the valuation of crude oil for royalty purposes. This moratorium will remain in effect until October 1, 1998. The managers expect the Service to report to the House and Senate Committees on Appropriations as soon as possible on the proposed regulations, including a description of the comments the Service has received and how those comments have been addressed.

The managers considered, but did not adopt, language that would adjust the boundaries of the Coastal Barrier Resources System in Florida. These adjustments were enacted into law in 1996 but were not implemented because the maps needed to make the adjustments were not received by the Fish and Wildlife Service in a timely manner. Evidently, these maps were lost in the mail and therefore were not on file at the time the legislation was enacted. The managers intend to look into this matter further and work with the legislative committees of jurisdiction to determine if a legislative remedy can be identified in the context of the fiscal year 1999 appropriations bill for the Department of the Interior and Related Agencies or some other legislative vehicle.

CHAPTER 4

DEPARTMENT OF HEALTH AND HUMAN SERVICES

CENTERS FOR DISEASE CONTROL AND PREVENTION

DISEASE CONTROL, RESEARCH, AND TRAINING

The conference agreement includes $9,000,000 for polio eradication activities in Africa. The Senate bill provided the same amount, declared the funding as an emergency for the purposes of the Budget Act, and conditioned the obligation of such funding on the submissions by the President of a request designating the full amount as an emergency for the purposes of the Budget Act. The House bill contained no similar provision.

HEALTH CARE FINANCING ADMINISTRATION

PROGRAM MANAGEMENT

The conference agreement includes $2,200,000 for the Health Care Financing Administration (HCFA) for program administration. The House included $16,000,000 for this account in H.R. 3580 as reported from the House Committee. The Senate bill included no similar provision.

The conferees are very concerned that Medicare contractors will not be able to address their Year 2000 computer requirements in time for the century change. Failure to meet these requirements could seriously disrupt the Medicare program which finances health care for over 30 million of our most vulnerable citizens. The conference agreement modifies language included in Public Law 105–78, the Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriations Act, 1998, to allow $20,000,000 to be used to supplement contractor budgets to meet these obligations.

The conferees also understand that most, if not all, contractors refused to sign contract amendments assuring HCFA that the necessary software changes would be made. The conferees direct HCFA to report to the Committees on Appropriations on a regular basis during the rest of this fiscal year and during fiscal year 1999 on the progress that contractors are making to comply with the necessary Year 2000 fixes by the Department's imposed deadline of December 31, 1998. If the progress is not satisfactory, the Committees intend to provide additional enforcement tools to the Department to assure compliance in the fiscal year 1999 appropriations bill.

The conferees note that there has been considerable controversy about the accuracy of data originally used by HCFA in developing Medicare physician practice expense regulations. Concerns have been expressed that reductions in Medicare reimbursements for certain specialists, based on these data, could affect physician willingness to provide services to Medicare and therefore reduce beneficiaries' access to care. During the fiscal year 1999 appropriations process, it may be necessary to consider the use or collection of additional data to give a more accurate picture of physician practice expense costs.

OFFICE OF THE SECRETARY

GENERAL DEPARTMENTAL MANAGEMENT

The conference agreement includes language proposed in H.R. 3580 as reported from the House Committee to ensure that funds appropriated in Public Law 105–78, the Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriations Act, 1998, for the Adolescent Family Life program are allocated in a manner consistent with Congressional intent. The Senate bill included similar language.

DEPARTMENT OF EDUCATION

SPECIAL EDUCATION

The conference agreement includes language proposed in H.R. 3580 as reported from the House Committee modified to ensure that $600,000 is spent in fiscal year 1998 for the Early Childhood Development Project of the National Easter Seal Society for the Mississippi Delta Region. This project was specifically identified for funding in the conference report on the FY 1998 appropriations bill, as it had been also in the House and Senate committee reports. The modified language provides that the funds are to be derived from funds available for research and innovation under section 672 of the Individuals with Disabilities Education Act and that they shall be used to provide training, technical support, services and equipment to address personnel and other needs. The Senate bill included no similar provision.

GENERAL PROVISIONS—THIS CHAPTER

The conference agreement includes language proposed in H.R. 3580 as reported from the House Committee which allows a State's ''State Children's Health Insurance Program'' plan under title XXI of the Social Security Act to be approved up until September 30, 1999 and enable the State still to be eligible for its FY 1998 allotment. The language would also postpone to the end of FY 1999 the Administration's statutory obligation to reapportion to other States any unused FY 1998 funds. The Senate bill included no similar provision.

The conference agreement includes language that was not contained in either the House or Senate bills that would extend the comment period on the final rule entitled ''Organ Procurement and Transplantation Network'' until August 31, 1998. The agreement also prohibits such rule from becoming effective before October 1, 1998.

The conference agreement does not include an authorization, included in the Senate bill, for the Safe Schools Security Act. This provision would have authorized up to $2,250,000 to establish a School Security Center, administered by the Attorney General, to provide technical assistance to improve school security. The provision would also have authorized up to $10,000,000 for competitive grants to Local Education Agencies to assist them in acquiring school security technology and carry out programs to improve school security. The House bill contained no similar provision.

The conferees are concerned with the recent outbreaks of school violence as exemplified by the tragedies in Edinboro, PA; Pearl, MS; West Paducah, KY; and Jonesboro, AR. While the conferees recognize the complexity of the problem, they understand that no single approach, by itself, will prevent such tragedies. However, the conferees are aware that new technology is available to address school crime and violence.

The conferees encourage the Department of Education to utilize funds within the Safe and Drug Free Schools and Communities Act to support grants to districts that exhibit the most serious crime problems. Such funds could be used to acquire security technology, support security assessments, and other assistance aimed at improving school security through the use of technology.

CHAPTER 5

LEGISLATIVE BRANCH

CONGRESSIONAL OPERATIONS

HOUSE OF REPRESENTATIVES

PAYMENTS TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

The conferees have agreed to provide funds for the customary death gratuity for the widow of Walter Capps, late a Representative of the State of California, and for the widow of Sonny Bono, late a Representative of the State of California. The amounts provided reflect the annual salary of Mr. Capps and Mr. Bono at the time of their deaths.

ARCHITECT OF THE CAPITOL

CAPITOL BUILDINGS AND GROUND

CAPITOL BUILDINGS

SALARIES AND EXPENSES

The conference agreement appropriates $7,500,000 for repairs and rehabilitation of the U.S. Capitol dome, as proposed in the Senate amendment. The conferees agree that this work must proceed without delay due to the extent of deterioration of the structural elements of the interstitial space in the dome. There is urgent need to evaluate the integrity of these structural elements through a lengthy process of paint removal, inspection, and reapplication of paint. This phase of the project will provide basic information upon which the balance of the dome rehabilitation project will be planned.

CAPITOL GROUNDS

(INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates $20,000,000 for implementation of the Capitol Square perimeter security plan, including a transfer of not to exceed $4,000,000 to the Capitol Police Board upon request of the Board. The remaining funds, $16,000,000, shall be available to the Architect of the Capitol for the non-electronic components of the plan. The expenditure of these funds is subject to the review and approval by the appropriate House and Senate authorities, including the Committees on Appropriations of the House and Senate, the Speaker of the House, the Committee on House Oversight, and the Senate Committee on Rules and Administration. These funds will provide urgently needed improvements to the existing perimeter security that protects the Capitol grounds and buildings, including replacement of deteriorating planters and concrete barriers with more effective metallic bollards, and more effective vehicle entry/exit security. The conference agreement authorizes up to $4,000,000 to be transferred to the Capitol Police Board, upon the request of that body, for the electronic components of the perimeter security plan. It may be that the Architect of the Capitol and the Capitol Police Board will consolidate this project into one or more centrally administered contract(s). In that event, the language of the bill is sufficiently flexible to allow a single source of funds to be used. On the other hand, if the Police Board and Architect decide that separately administered contracts are more desirable or cost-effective, the bill language authorizes that up to $4,000,000 may be transferred to the Police Board for those purposes. That transfer will be at the discretion of the Capitol Police Board. Unspent savings from these funds by either the Capitol Police Board or the Architect of the Capitol are subject to normal reprogramming procedures.

CHAPTER 6

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

The conferees direct the Secretary of Transportation to notify the House and Senate Committees on Appropriations not less than 3 business days before any discretionary grant award or letter of intent in excess of $2,000,000 is announced or made by the Department or its modal administrations from: (1) any discretionary program of the Federal Highway Administration other than the emergency relief program; (2) the airport improvement program of the Federal Aviation Administration; or (3) the transit planning and research and discretionary grants programs of the Federal Transit Administration.

TRANSPORTATION PLANNING, RESEARCH AND DEVELOPMENT

The conference agreement deletes the appropriation proposed by the Senate of $6,900,000 for transportation planning, research and development. No similar appropriation was provided by the House. The conferees have agreed to provide resources for the Amtrak Reform Council and the independent assessment of Amtrak under a separate heading as proposed by the House. The conferees are aware that the Department has allocated $400,000 from resources provided in the fiscal year 1998 Department of Transportation and Related Agencies Appropriations Act for transportation planning assistance for the 2002 Winter Olympics in Salt Lake City, Utah, and $50,000 for initiation of a multimodal transportation study for Albuquerque and Santa Fe, New Mexico.

AMTRAK REFORM COUNCIL

The conference agreement provides $2,450,000 for the Amtrak Reform Council and an independent assessment of Amtrak authorized by the Amtrak Reform and Accountability Act of 1997. Funds provided under this heading are available until September 30, 1999. The conference agreement also includes a provision that not to exceed $400,000 of the funds provided under this heading shall be transferred to the Department of Transportation Inspector General to cover costs associated with the independent assessment.

FEDERAL AVIATION ADMINISTRATION

OPERATIONS

(AIRPORT AND AIRWAY TRUST FUND

The conference agreement deletes the appropriation of $47,200,000 proposed by the Senate for additional funding to address Year 2000 computer problems. The House bill contained no similar appropriation. However, the agreement does include funding of $25,000,000 under ''Facilities and equipment'' for this purpose.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND

The conference agreement includes $25,000,000 for ''Facilities and equipment'' instead of $108,800,000 as proposed by the Senate and zero as proposed by the House. As specified in the Senate bill, these funds are specifically provided to address Year 2000 computer hardware and software problems. Although these funds were not requested by the administration, the conferees believe that additional funding is needed now to ensure the success of this critical activity. Since submission of the fiscal year 1999 budget, the FAA has agreed to accelerate the timetable for the Year 2000 effort by five months. Although the cost of this has not yet been estimated by the FAA, the conferees believe that additional funding may be required. The conference agreement makes these funds available for obligation until September 30, 1999. The conferees agree that these funds may also be used for the Host repair and replacement program, to the extent necessary to address Year 2000 concerns and risks.

The conferees agree with reporting requirements proposed by the Senate for monthly status reports and for compliance with the Inspector General's February 4, 1998 recommendations regarding the Year 2000 program. The House proposed no similar reports.

In addition, the conferees give final approval to reprogramming requests of the Department of Transportation which provide additional fiscal year 1998 funding of $12,710,000 for Year 2000 remediation efforts and $63,400,000 for replacement of the Host, Oceanic Display and Planning System (ODAPS), and Off-Shore Flight Data Processing System (OFDPS). The conferees agree that the following sources are to be used to finance these reprogrammings:

[In thousands of dollars]

Source program name	Fiscal year—		
	1996	1997	1998
NEXRAD	.....	.....	1,000
ARTCC modernization	.....	.....	8,000
Voice switching and control system	.....	.....	16,700
BUEC replacement	2,500	.....	.....
Low density RCL	.....	2,097	13,840
Chicago tracon	.....	1,350	.....
Non-directional beacon	.....	.....	700
Aeronautical center training facilities	.....	.....	3,000
Aviation safety analysis system	.....	.....	1,000
Atlanta metroplex	.....	.....	1,000
Critical telecommunications support	.....	.....	1,000
DASI	.....	.....	1,600
Distance learning	.....	1,400	3,000
DoD base closure	.....	.....	1,006
ERSDS	.....	.....	2,850
Long range radar improvements	.....	.....	2,200
SETA	.....	.....	1,000
Technical services support contract	.....	.....	4,800
Voice recorder replacement program	.....	.....	1,000
Program support leases	258	947	565
NAS infrastructure management system	.....	.....	1,285
FAA corporate systems architecture	1,195	.....	.....
Environmental compliance/OSHA	.....	.....	500
Oceanic automation build 1.5	.....	.....	317
Total	1,453	5,794	68,863

These sources were all submitted by the Department of Transportation to finance the reprogramming requests.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

RESEARCH AND SPECIAL PROGRAMS

The conference agreement provides $1,000,000 for emergency transportation activities of the Research and Special Programs Administration. These funds shall be utilized to increase the emergency preparedness of the State of Alabama in responding to natural disasters and other emergencies. On April 8, 1998, tornadoes swept through central Alabama, killing 33 persons, injuring more than 265 persons, and destroying at least $125,000,000 in residential and commercial property. Improved command and control emergency response capability would speed the dispatch of rescue teams, provide quicker clearance of road blockages, and aid in coordinating the many on-scene federal and state response teams. Of the funds provided, $400,000 shall be for construction and establishment of an emergency transportation response center in Arab, Alabama, to be administered by the Alabama Emergency Management Agency, for emergency communication and response services in the northern part of Alabama. The State will provide necessary matching funds for construction of this facility. The Department of Transportation will provide no ongoing consulting or other services after the establishment of the center. In addition, $550,000 is provided for a mobile emergency response system (MERS) vehicle, to be jointly operated by the Alabama Department of Transportation and the Alabama Emergency Management Agency, which will enable on-scene command and control response coordination. In addition, $50,000 is provided for departmental administrative costs associated with this program.

RELATED AGENCY

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

The conference agreement provides $5,400,000 for the National Transportation Safety Board for expenses resulting from the crash of TWA Flight 800, as proposed by both the House and the Senate. Technical changes have been made to the bill language relating to the location and designation of the facility, as proposed by the House.

GENERAL PROVISIONS—CHAPTER 6

The conference agreement includes a provision (sec. 6001) that provides $1,000,000, to be derived from balances available to the Administrator of the Federal Transit Administration from previous appropriations Acts, to conduct transit investment analysis from Ewa to east Honolulu, Hawaii. Funds shall remain available until September 30, 2001.

The conference agreement deletes the provision proposed by the Senate which related to administrative handling of exemption requests for air service to slot-controlled airports. The conferees are concerned by the Department's lack of timeliness in the consideration and disposition of exemption requests for air service to slot-controlled airports, and by the lack of responsiveness to inquiries from interested members of Congress.

CHAPTER 7

DEPARTMENT OF THE TREASURY

YEAR 2000 CENTURY DATE CHANGE CONVERSION

The Administration requested transfer authority, subject to advance notice being transmitted to the Appropriations Committee, of up to $250,000,000 from any funds available to the Department to any other Department account in order to fund essential Year 2000 century date change conversion requirements. The conferees are committed to providing the resources the Department needs to successfully complete Year 2000 conversion activities; however, the conferees have denied the Administration's request for Department-wide transfer authority.

The conference agreement provides, through direct appropriations ($40,800,000) and through the approval of reprogramming actions ($133,100,000), the total additional amount currently estimated by the Department of the Treasury to be required for Year 2000 conversion activities in fiscal year 1998 at the internal Revenue Service ($63,200,000), the Financial Management Service ($7,400,000), the United States Customs Service ($37,300,000), and for the Department-wide communications system ($66,000,000).

The conferees agree with the language in House Report 105–470 regarding the accountability for Year 2000 expenditures.

The conferees have also recommended the rescission of previously appropriated funds to offset amounts provided in this Act. The specific actions taken by the conferees in this bill are described below.

AUTOMATION ENHANCEMENT

The conference agreement provides $35,500,000 for Automation Enhancement instead of $28,110,000 as proposed in H.R. 3580, as reported by the House Committee on Appropriations, and $39,410,000 as proposed by the Senate. This appropriation, combined with the approval of a reprogramming action, will provide a total of $66,000,000 for Year 2000 activities associated with the Treasury Communications System. Funds are made available until September 30, 2000.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

The conference agreement provides $5,300,000 for the Financial Management Service as proposed in H.R. 3580, as reported by the House Committee on Appropriations, and as proposed by the Senate. This appropriation, combined with the approval of a reprogramming action, will provide a total of $7,400,000 for Year 2000 work at the Financial Management Service. Funds are made available until September 30, 2000.

UNITED STATES CUSTOMS SERVICE

CUSTOMS FACILITIES, CONSTRUCTION, IMPROVEMENTS

The conference agreement provides no funds for the Customs Facilities, Construction, Improvements account, instead of $5,512,000 as proposed by the Senate.

INDEPENDENT AGENCIES

FEDERAL ELECTION COMMISSION

INDEPENDENT AUDIT AND MANAGEMENT REVIEW

Public Law 105–61 provided $750,000 for an independent technological and performance audit and management review of the Federal Election Commission. These funds were provided to the General Accounting Office (GAO) for the sole purpose of entering into a contract with an independent entity for the purpose of completing this review. The fiscal year 1998 conference agreement (House Report 105–284) further required the GAO to consult with the Committees on Appropriations and the House Oversight Committee on

the parameters of the review. GAO has consulted with the Committees, as required. The conferees direct GAO to proceed no later than 15 days after enactment of this bill with implementation of the statement of work agreed to by the Committees on Appropriations and the House Oversight Committee on April 28, 1998, absent additional changes agreed to by all parties.

GENERAL PROVISIONS—THIS CHAPTER

FEDERAL EMPLOYEE RETIREMENT OPEN ENROLLMENT

The conferees have taken no action in response to the Administration's proposal to repeal section 642 of the Treasury and General Government Appropriations Act, 1998, the Federal Employees' Retirement System Open Enrollment Act of 1997.

FEDERAL EMPLOYEE VOLUNTARY EARLY RETIREMENT

The conferees have included a new provision providing temporary government-wide authority for agencies to offer targeted early retirement. This authority expires on September 30, 1999. The conference agreement does not affect the existing statutory requirement in section 8336(d)(2) and section 8414(b)(1)(B) of title 5, United States Code, that, in order to be eligible for voluntary early retirement, an individual must have completed 25 years of service or have reached age 50 and completed 20 years of service.

EDUCATIONAL EXPENSES FOR CHILDREN OF MANUEL ZURITA

The conferees have included a new provision permitting the two dependent children of deceased Customs Service Senior Special Agent Manuel Zurita to complete their primary and secondary education at the Antilles Consolidated School System at Fort Buchanan, Puerto Rico at no cost to the children or their family. The Customs Service shall reimburse the Department of Defense for all reasonable educational expenses.

CHAPTER 8

DEPARTMENT OF VETERANS AFFAIRS

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

Inserts language proposed by the Senate appropriating $550,000,000 for compensation and pensions. The House, in H.R. 3580, proposed language appropriating $550,000,000 for compensation and pensions.

INDEPENDENT AGENCIES

ENVIRONMENTAL PROTECTION AGENCY

STATE AND TRIBAL ASSISTANCE GRANTS

The conferees have included bill language as proposed by the House which clarifies that recipients for grant funds under the ''State and Tribal Assistance Grants'' account shall be those entities which were made eligible for such grants under the Agency's various organic statutes. This action will correct the inadvertent result of language included in the fiscal year 1998 Appropriations Act limiting the eligibility for such grants.

ADMINISTRATIVE PROVISION

The conferees have included bill language as proposed by the House which stipulates that no requirements of any carbon monoxide Federal Implementation Plan (FIP) which are based on the Clean Air Act prior to the adoption of the Clean Air Act Amendments of 1990 may be imposed in the State of Arizona. The conferees understand that the State of Arizona and the Environmental Protection Agency have worked diligently to produce a carbon monoxide State Implementation Plan (SIP), and encourage the parties to complete this work and approve a new SIP at the earliest possible date.

FEDERAL EMERGENCY MANAGEMENT AGENCY

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

The conferees are concerned about the economic disruption that may take place in Sacramento and Los Angeles based on the Flood Insurance Rate Maps that were issued January 5, 1998 and are aware of the vigorous efforts by these cities to increase their level of flood protection. The Federal Emergency Management Agency is directed to work closely with the Army Corps of Engineers to determine whether the flood control work underway and planned will provide sufficient protection in Sacramento and Los Angeles to satisfy requirements for designation as an A99 zone.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

HUMAN SPACE FLIGHT

(TRANSFER OF FUNDS)

The conferees have provided an additional $53,000,000 by transfer for Space Station activities in fiscal year 1998. The House had provided for a transfer of $173,000,000 and the Senate had provided for no additional funds. The transfer is from the Mission Support account and is to be combined with $37,000,000 which NASA may reallocate from within the Human Space Flight account. The total funding for Space Station activities in fiscal year 1998 will be up to $2,441,300,000 after this transfer and reallocation.

The amount transferred from Mission Support consists of $15,000,000 from space communications, $15,000,000 from salaries, $11,000,000 from research operations support, and $12,000,000 from construction of facilities. At a minimum, the conferees agree that NASA should reallocate to the International Space Station, within the Human Space Flight account, the following amounts: $5,000,000 from the shuttle program, $10,000,000 from payload processing, and $12,000,000 from advanced projects.

The conferees are in receipt of the report recently released by the Cost Assessment and Validation Task Force which concludes that the fiscal year 1999 budget request for the International Space Station program is not adequate to execute the baseline program, cover normal program growth, and address the known critical risks. As such, the conferees therefore remain deeply concerned that NASA not force reductions in current and future outyear projections for space science, earth science, aeronautics and advanced space transportation because of the need to accommodate overruns in the space station budget. The conferees call upon the Administration to submit a credible plan for responding to the recommendations contained in the report by June 15, 1998, with corresponding budget proposals that provide for necessary additional resources for fiscal year 1999 and beyond.

GENERAL PROVISIONS

Section 8001. Amends section 206 of the Fiscal Year 1998 VA, HUD and Independent Agencies Appropriations Act to redefine an area of economic development in Kansas City, Missouri, as proposed by the Senate. The House did not include a similar provision.

Section 8002. Requires HUD to allocate directly to New Jersey a portion of HOPWA funds designated for the Philadelphia, PA–NJ Primary Metropolitan Statistical Area as proposed by the Senate. The House did not include a similar provision.

The conferees agree to include this provision until the end of fiscal year 1999 for the purpose of providing HUD sufficient time to review the delivery process, particularly as it relates to metropolitan statistical areas with multiple jurisdictions that cross state lines, and to make appropriate recommendations.

Section 8003. The conferees have included a new section under ''General Provisions'' which would serve to ratify and confirm Congressional intent with respect to the collection and use of funds by the National Science Foundation (NSF). The explosive growth of the commercial segment of the Internet resulted in the collection of program fees in excess of the amount projected. These were in turn held in an ''Intellectual Infrastructure Fund'' until the Congress, as part of the fiscal year 1998 Appropriations Act, determined to use these funds for NSF's work on ''Next Generation Internet'' activities. This action by the Congress has since been held up by proceedings in the federal court system, and the language included in this new section will statutorily correct the lack of authority perceived by the court. The conferees would not in this regard that the federal judge in this case literally invited this action by the Congress, which would do nothing more than permit the NSF to proceed with the use of these funds as intended by Public Law 105–65.

CHAPTER 9

RESCISSIONS AND OFFSET

DEPARTMENT OF AGRICULTURE

The following table reflects the conference agreement on rescissions.

	House-reported (H.R. 3580)	Senate	Conference
Agricultural Research Service	$223,000		$223,000
Animal and Plant Health Inspection Service, salaries and expenses	350,000		350,000
Agricultural Marketing Service, marketing services	25,000		25,000
Grain Inspection, Packers and Stockyards Administration, salaries and expenses	38,000		38,000
Food Safety and Inspection Service	502,000	502,000	502,000
Farm Service Agency, salaries and expenses	1,080,000		1,080,000
Agricultural Credit Insurance Fund Program Account	6,737,000	6,736,197	8,273,000
Natural Resources Conservation Service, conservation operations	378,000		378,000
Rural Housing Service, salaries and expenses	846,000	846,000	846,000
Food and Nutrition Service, food program administration	114,000		114,000

The conferees direct that the rescission from the Animal and Plant Health Inspection Service affect only the agency's contingency fund.

The Department of Agriculture indicates that the proposed rescission of funds appropriated for Farm Service Agency salaries and expenses should not result in staff reductions beyond those expected in fiscal year 1998. The conference directs that the funding rescission be applied only to the non-salary portion of the Farm Service Agency budget.

GENERAL PROVISION—THIS CHAPTER

The conference report includes a general provision prohibiting funds in P.L. 105–86 to be used to pay personnel who carry out a conservation farm option program in excess of $11,000,000 as proposed in the House-reported bill, H.R. 3580. The Senate bill contained no similar provision.

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

(RESCISSION)

The managers have agreed to the rescission of $1,188,000 from management of lands and resources as proposed by both the House and the Senate.

OREGON AND CALIFORNIA GRANT LANDS

(RESCISSION)

The managers have agreed to the rescission of $2,500,000 from Oregon and California grant lands as proposed by both the House and the Senate.

UNITED STATES FISH AND WILDLIFE SERVICE

RESOURCE MANAGEMENT

(RESCISSION)

The managers have agreed to the rescission of $250,000 from resource management as proposed by both the House and the Senate.

CONSTRUCTION

(RESCISSION)

The managers have agreed to the rescission of $1,188,000 from construction as proposed by both the House and the Senate

NATIONAL PARK SERVICE

CONSTRUCTION

(RESCISSION)

The managers have agreed to the rescission of $1,638,000 from construction as proposed by both the House and Senate.

BUREAU OF MINES

MINES AND MINERALS

(RESCISSION)

The managers have agreed to the rescission of $1,605,000 from minerals as proposed by both the House and Senate.

BUREAU OF INDIAN AFFAIRS

CONSTRUCTION

(RESCISSION)

The managers have agreed to the rescission of $837,000 from construction as proposed by the Senate instead of a rescission of $737,000 as proposed by the House.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

FOREST AND RANGELAND RESEARCH

(RESCISSION)

The managers have agreed to the rescission of $148,000 from forest and range land research as proposed by the House. The Senate did not propose a rescission from this account.

STATE AND PRIVATE FORESTRY

(RESCISSION)

The managers have agreed to the rescission of $59,000 from State and private forestry as proposed by the House. The Senate did not propose a rescission from this account.

NATIONAL FOREST SYSTEM

(RESCISSION)

The managers have agreed to the rescission of $1,094,000 from the National forest system as proposed by the House. The Senate did not propose a rescission from this account.

WILDLAND FIRE MANAGEMENT

(RESCISSION)

The managers have agreed to the rescission of $148,000 from wildland fire management as proposed by the House. The Senate did not propose a rescission from this account.

RECONSTRUCTION AND CONSTRUCTION

(RESCISSION)

The managers have agreed to the rescission of $30,000 from reconstruction and construction as proposed by the House. The Senate did not propose a rescission from this account.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH PROFESSIONS EDUCATION FUND

(RESCISSION)

The conference agreement includes a rescission of $11,200,000 from unobligated balances of the Health Professions Education Fund.

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

PAYMENTS TO AIR CARRIERS

(RESCISSION)

The conference agreement rescinds $2,500,000 in general fund authority from the payments to air carriers program as proposed by the House instead of $2,499,000 as proposed by the Senate.

PAYMENTS TO AIR CARRIERS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION OF CONTRACT AUTHORIZATION)

The conference agreement rescinds $3,000,000 in contract authority provided for ''Small community air service'' by Public Law 101–508 for fiscal years prior to fiscal year 1998, as proposed by both the House and Senate.

FEDERAL AVIATION ADMINISTRATION

FACILITIES, ENGINEERING, AND DEVELOPMENT

(RESCISSION)

The conference agreement rescinds $500,000 in unobligated balances from ''Facilities, engineering, and development''. The FAA has no plans for using these funds, which have remained unobligated for many years.

GRANTS-IN-AID FOR AIRPORTS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION OF CONTRACT AUTHORIZATION)

The conference agreement rescinds $54,000,000 in contract authority in this title of the bill. These funds are in excess of the annual obligation limitation placed on the program by the fiscal year 1998 Department of Transportation and Related Agencies Appropriations Act and are therefore not available for obligation in fiscal year 1998.

(LIMITATION ON OBLIGATIONS)

The conference agreement restores the reduction of $31,400,000 in the obligation limitation for ''Grants-in-aid for airports'' proposed by the House. The Senate bill contained no similar reduction. The conference action results in a funding level of $1,700,000,000 for this program, which was the original level enacted in the Department of Transportation and Related Agencies Appropriations Act, 1998.

FEDERAL RAILROAD ADMINISTRATION

CONRAIL LABOR PROTECTION

(RESCISSION)

The conference agreement rescinds $508,234 for Conrail labor protection activities from unobligated balances under this heading, as proposed by the House, instead of from resources provided by direct appropriations by transfer as proposed by the Senate.

DEPARTMENT OF THE TREASURY

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

(RESCISSION)

The conference agreement rescinds $6,000,000 from funds appropriated in fiscal year 1997 for the Automated Targeting System (ATS), as proposed in H.R. 3580, as reported by the House Committee on Appropriations, and as proposed by the Senate. ATS was scaled back to a voluntary pilot program in fiscal year 1998, thereby realizing significant savings. The conference agreement does not rescind $5,300,000 in Customs Service's unobligated balances, as proposed by the Senate.

UNITED STATES CUSTOMS SERVICE

OPERATIONS AND MAINTENANCE, CUSTOMS P–3 DRUG INTERDICTION PROGRAM

(RESCISSION)

The conference agreement rescinds $4,470,000 from funds previously appropriated for the Customs P–3 Drug Interdiction Program, instead of $5,511,754, as proposed by the Senate. The conference agreement makes a technical correction to the Senate bill, rescinding funds from the Operations and Maintenance, Customs P–3 Drug Interdiction Program instead of the Customs Facilities, Construction, Improvements account.

INTERNAL REVENUE SERVICE

INFORMATION TECHNOLOGY INVESTMENTS

(RESCISSION)

The conference agreement rescinds $30,330,000 from funds appropriated in fiscal year 1998 for the Internal Revenue Service's Information Technology Investments program, instead of $27,410,000 as proposed in H.R. 3580, as reported by the House Committee on Appropriations, and $33,410,000 as proposed by the Senate. The conferees wish to make it clear that they fully support the program to modernize the Internal Revenue Service's information systems and only take this action in response to the Department's need to address urgent Year 2000 century date change conversion requirements.

GENERAL PROVISIONS—THIS TITLE

Sec. 10002.—The conferees are aware of concerns regarding the Patent and Trademark Office's (PTO) lack of progress in its space planning activities for its new facilities which may result in unnecessary cost growth. In addition, the conferees are aware that questions have been raised regarding the justification for, and costs associated with, build-out of the new facilities. Therefore, language has been included requiring the PTO to submit a report to the Committees on Appropriations no later than May 15, 1998 detailing its space plans and associated build-out costs for the new facility, and making funds for the build-out available only in accordance with standard reprogramming procedures. The conferees do not intend for this provision to prevent the move to new facilities to meet the PTO's space requirements. The Senate bill included language prohibiting expenditure of funds until submission of a report on the cost-benefit analysis of PTO's relocation to a new facility versus other alternatives to meet its space requirements. The House bill contained no provision on this matter.

Sec. 10003.—The conference agreement includes language, as proposed in the Senate bill, to repeal a provision included in the National Sea Grant College Program Reauthorization Act of 1998 which designated Lake Champlain as one of the Great Lakes, and instead includes new language to make the study of Lake Champlain an allowable purpose for funding under the National Sea Grant College Program. The House bill included no similar provision.

Sec. 10004.—The conference agreement includes a provision, as proposed in the Senate bill, to permit the transfer back to the State Department of up to $12,000,000 that was transferred out of the State Department to other agencies pursuant to section 404 of the fiscal year 1998 Commerce, Justice, State Appropriations Act. Section 404 provided funds for the implementation of the initial year of operation of the International Cooperative Administrative Support Services program. The transfer permitted under this provision is based upon a re-estimate of the allocation of costs among participating agencies. The conferees intend that the funds transferred back to the State Department pursuant to the provision shall only be used for State Department ICASS costs. The House bill did not include a provision on this matter.

Sec. 10005.—The conference agreement includes a provision, as proposed in the Senate bill, which continues a refugee program for the unmarried sons and daughters over 21 years of age of Vietnamese reeducation camp detainees who were previously admitted to the United States pursuant to the Orderly Departure Program. This section extends the original provision, included in the Foreign Operations Appropriations Act for fiscal year 1997, through fiscal years 1998 and 1999. The House bill included no similar provision.

Sec. 10006.—The conference agreement includes a provision, as proposed in the Senate bill, requiring the United States Representatives to the World Trade Organization (WTO) to seek changes in certain WTO procedures to promote greater openness and transparency in its activities. The House bill included no similar provision.

In addition, the conferees expect the National Oceanic and Atmospheric Administration to move promptly with the award of funds provided in the fiscal year 1998 Appropriations Act to the Institute for the Study of Earth, Oceans, and Space to undertake a ground-based demonstration of the collection of wind data.

The conference agreement does not include Section 2004 of the Senate bill. This in no way can be considered as expressing the approval of the Congress of the action of the Federal Communications Commission (FCC) in establishing one or more corporations to administer Section 254(h) of the Communications Act of 1934. However, the conferees expect that the FCC will comply with the reporting requirement in the Senate bill, respond to inquiries regarding the universal service contribution mechanisms, access charges and cost data, and propose a new structure for the implementation of universal service programs. The conferees concur with the provisions of the Senate bill relating to compensation for employees administering these programs. In carrying out the reporting requirement, the conferees believe that any proposed administrative structure should take into account the distinct mission of providing universal service to rural health care providers, and include recommendations as necessary to assure the successful implementation of this program.

The conference agreement does not include section 2008 of the Senate bill, waiving a matching funds requirement for a Small Business Development Center pilot project on Internet commerce in Vermont.

The conference agreement does not include section 2010 of the Senate bill, setting forth the sense of the Senate relating to United States contributions in support of United Nations peacekeeping missions.

The managers considered, but did not adopt, language that would create a Trade Deficit Review Commission, as proposed by the Senate. The conferees agree that serious concerns exist regarding continuing trade deficits and intend to work with the legislative committees of jurisdiction to establish such a Commission, including in the context of the fiscal year 1999 appropriations process.

Sec. 10007.—The conference agreement inserts a new section 10007 as a technical amendment which provides that provisions of the District of Columbia Code affecting the employment of the Chief of the Metropolitan Police Department of the District of Columbia shall not apply to the Police Chief to the extent the provisions are inconsistent with the terms of an employment agreement between the Police Chief, the Mayor and the District of Columbia Financial Responsibility and Management Assistance Authority. The section further includes language making the procedure for the appointment and removal of the Chief during a control year consistent with procedures for the Chief Financial Officer and certain department heads as set forth in the District of Columbia Financial Responsibility and Management Assistance Act of 1995 and the District of Columbia Management Reform Act of 1997.

Sec. 10008.—Support for Democratic opposition in Iraq.

The conference agreement includes a general provision providing that, notwithstanding any other provision of law, $5,000,000 of the funds previously appropriated for the ''Economic Support Fund'' in Public Law 105–118 (Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1998) be made available for support for the democratic opposition in Iraq. The funds are to be used for such activities as organization, training, communication, dissemination of information, developing and implementing agreements among opposition groups, compiling information to support the indictment of Iraqi officials for war crimes, and for related purposes. The provision also requires a report from the Secretary of State to the appropriate committees of Congress within 30 days of enactment into law of this Act on plans to establish a program to support the democratic opposition in Iraq.

The Senate amendment contained similar language, but included a supplemental appropriation of $5,000,000 for these activities. It also designated these funds as an emergency requirement under the terms of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, and further provided that the entire amount would be made available only to the extent that an official budget request for a specific dollar amount, that included designation of the entire amount of the request as an emergency requirement, was transmitted by the President to Congress. The House bill did not address this matter.

The managers expect that a significant portion of the support for the democratic opposition should go to the Iraqi National Congress, a group that has demonstrated the capacity to effectively challenge the Saddam Hussein regime with representation from Sunni, Shia, and Kurdish elements of Iraq.

OFFSETTING EMERGENCY SUPPLEMENTAL APPROPRIATIONS

The conference agreement deletes a sense of the House provision contained in the House bill that stated that all emergency supplemental appropriations considered in the 105th Congress should be offset. The Senate did not include such a provision.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1998 recommended by the Committee of Conference, with comparisons to the fiscal year 1998 budget estimates, and the House and Senate bills for 1998 follow:

Budget estimates of new (obligational) authority, fiscal year 1998	22,597,439,000
House bill, fiscal year 1998	551,430,066
Senate bill, fiscal year 1998	23,859,654,012
Conference agreement, fiscal year 1998	3,409,562,066
Conference agreement compared with:	
Budget estimates of new (obligational) authority, fiscal year 1998	−19,187,876,934
House bill, fiscal year 1998	+2,858,132,000
Senate bill, fiscal year 1998	−20,450,091,946

BOB LIVINGSTON,
JOSEPH M. MCDADE,
BILL YOUNG,
RALPH REGULA,
JERRY LEWIS,
JOHN EDWARD PORTER,
HAROLD ROGERS,
JOE SKEEN,
FRANK R. WOLF,
JIM KOLBE,
RON PACKARD,
SONNY CALLAHAN,
JAMES T. WALSH,
JOHN P. MURTHA
(except for IMF and section 8 housing recission),
Managers on the Part of the House.

TED STEVENS,
THAD COCHRAN,
ARLEN SPECTER,
PETE V. DOMENICI,
C.S. BOND,
SLADE GORTON,
MITCH MCCONNELL,
CONRAD BURNS,
RICHARD C. SHELBY,
JUDD GREGG,
R.F. BENNETT,
BEN NIGHTHORSE CAMPBELL,
LARRY CRAIG,
LAUCH FAIRCLOTH,
KAY BAILEY HUTCHISON,
ROBERT C. BYRD,
D.K. INOUYE,
ERNEST F. HOLLINGS,
PATRICK J. LEAHY,
DALE BUMPERS,
FRANK R. LAUTENBERG,
TOM HARKIN,
BARBARA A. MIKULSKI,
HARRY REID,
BYRON L. DORGAN,
Managers on the Part of the Senate.

DISTRICT OF COLUMBIA STUDENT OPPORTUNITY SCHOLARSHIP ACT OF 1997

Ms. NORTON. Madam Speaker, I yield 2 minutes to the distinguished gentleman from Georgia (Mr. LEWIS), the deputy chief whip.

Mr. LEWIS of Georgia. Madam Speaker, it has been 3 years since a GAO report found that 1 out of every 3 of our Nation's schools are in need of major reconstruction and repair. Public school buildings are crumbling. Our schoolteachers are dealing with overcrowded classrooms. Many of our schools are fighting a war on drugs and violence.

Parents and teachers in my own district tell me about these problems and the lack of resources in the public schools in Atlanta. The GAO report shows that these problems exist nationwide, because overcrowded students attend classes in closets, hallways and even bathrooms. Yet, in 3

years, the Republican leadership has done nothing to address these devastating problems.

Nine out of 10 children in America attend public schools. The bill before us does nothing to address the problems that they face.

In fact, this bill is nothing new. It is just the latest assault on public schools by the opponents of public education.

□ 1230

In the last three years, my Republican colleagues have proposed abolishing the Department of Education, cutting the school lunch program, cutting funding for safe and drug-free schools, for teacher training, and for Head Start. The Republican record is clear. It is anti-public education.

And now they have the audacity to propose draining $45 million from the Federal Treasury to send just 3 percent of D.C. students to private and religious schools. The vast majority of students in D.C. public schools, 76,000, will be left out and left behind.

Now, the Republicans will have us believe that they care about D.C. public schools and their students. Do not be fooled. Education is a great equalizer in our Nation. For $45 million, we could set up computer labs for every school in the District of Columbia. We could hire teachers, reading teachers for all of the public schools in the District. With adequate funding, with public education as our top priority, we could truly make a difference for the majority of our schoolchildren in this city and nationwide.

Madam Speaker, the Democrats have a plan that will rebuild and repair 50,000 of our Nation's schools, put 100,000 more teachers in our Nation's classrooms, reduce the class size to 18 students and strengthen teacher training.

It is time for us to take action and move forward to improve American public schools. This legislation is a step backward. It is a step in the wrong direction. Oppose the Republican D.C. voucher scheme and invest in public education for all of our children, so no child will be left behind in the District of Columbia or any place in America.

Mr. ARMEY. Madam Speaker, I yield 4½ minutes to the distinguished gentleman from Texas (Mr. DELAY), the majority whip.

Mr. DELAY. Madam Speaker, an ancient Greek philosopher once said that only the educated are truly free. To a remarkable extent, that is still true today. The state of our education system pounds that point home. In many of our communities our children get the best education in the world. They are free to become lawyers, doctors, astronauts, engineers or whatever they want. They are free to live the American dream.

But in other communities, those communities that are not so well off, those communities that are ravaged by crime and drugs, the schools very often fail the children. They fail to give the children the necessary tools so they can realize their dreams. They fail to provide the children the safe and secure environment where they can learn. They fail to provide teachers who have the knowledge and the ability to teach. They fail to use their resources wisely to ensure that money is spent on teaching children, not on padding the wallets of bureaucrats.

And as a result of these failures, the children in these communities are trapped. They are not free to live their dreams. They are trapped in a system that ensures mediocrity, that inspires despair, that instills failure.

The District of Columbia has many examples of failure in its education system. It has amongst the highest illiteracy rates of any school system in the country. It spends more money per student than most schools. The question today is pretty simple: Do we take the steps that will instill accountability and responsibility and quality into the school system, or do we let the status quo continue unabated?

Well, in my view we need to shake this system up, and I cannot think of a better way to do that than to establish scholarships for children who want to break out of a failing system. I have heard most of the opponents today; and a lot of opponents in Washington, D.C., including half the teachers in the school system, send their children to schools other than the government school system. I have heard many complaints from those people who oppose the proposal offered by the gentleman from Texas (Mr. ARMEY) to establish this scholarship program. They say it means that we are abandoning the public school system. Nothing could be further from the truth.

If we wanted to abandon the public school system we would offer legislation that would give every student in the D.C. system a scholarship, every student a scholarship to the private or public school system somewhere else. And my guess is that that proposal would be a cheaper alternative than the current system and wildly popular with most of the residents in the District of Columbia.

But the majority leader is offering his proposal to inspire a rebirth in the D.C. school system. There is nothing like a little competition to get a system to change for the better, and we know that in business and we know it in life.

So some teachers' unions are fighting this proposal and other school choice proposals, and half of them send their kids to private schools, and they fight them with every ounce of energy that they can muster. Apparently the unions are scared of the concept of accountability and responsibility and quality.

I know many teachers who are as frustrated with the current system as we are. They want the best for these students. But the bureaucrats and the union leaders want the best for the bureaucracy and the union and not for students. And what is best for the bureaucracy and for the union is often the worst for the student and the parents.

Giving families the opportunity to choose where their children will attend school is an innovative way to inspire competition and improve our public school system. Many low-income families cannot afford to send their children to private school or even the means to take them to another public school in a better area.

The D.C. Scholarship Opportunity Act would give a low-income family in the District a choice, a chance, the power to provide their children with a better education. The D.C. Scholarship Opportunity Act is an important way to begin to affect our communities, to show them that we in Washington are committed to improving the educational system.

So, Madam Speaker, I applaud the majority leader for his commitment. Improving this system will help more children to realize the American dream.

Ms. NORTON. Madam Speaker, I yield 30 seconds to the distinguished gentleman from Missouri (Mr. CLAY), the ranking member of the Committee on Education and the Workforce.

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

Mr. CLAY. Madam Speaker, I thank the gentlewoman from the District of Columbia (Ms. NORTON) for yielding me this time.

Madam Speaker, I rise in opposition to this voucher bill because it will do absolutely nothing to improve the quality of educational opportunities available in the District of Columbia. What this bill will do, however, is create false hope in the minds of schoolchildren and their parents and allow the Republicans to trumpet a lot of their baseless partisan political themes.

Let me say to my Republican colleagues and the District residents that federally funded school vouchers will not be made available here or anywhere else in America during the 105th Congress.

Madam Speaker, this is the third time that Republicans have trotted out this misguided D.C. voucher proposal for consideration in the House. Twice before they unsuccessfully attempted to attach it to the D.C. Appropriations bill. Now, the proposal finally stands alone to be judged on its own. It has never gone through the committee process for deliberate consideration. If it had, it would not have seen the light of day.

Just, last November, a bipartisan majority of this body soundly rejected legislation to offer federally funded vouchers nationwide. Why? Because Members recognized that vouchers simply channel taxpayer dollars to private and religious schools—something ridiculous to do when budget pressure makes it difficult to properly fund public schools. Members also recognized that the bill would erode protections afforded through our civil rights laws.

The voucher proposal before us today suffers from the very same fatal flaws. What's more, the D.C. voucher bill would be vetoed if it were sent to the President.

Madam Speaker, we should not undermine the efforts of those local officials who are principally responsible for the education of District students by forcing upon them the failed and unconstitutional voucher experiment. Rather, what we should do is support the Norton substitute to provide the D.C. public schools with $7 million to implement comprehensive reforms and hire additional reading tutors. Both initiatives would target the lowest performing schools. This approach would ensure all D.C. students the promise of a quality education from what would soon become an exemplary public school system.

Mr. ARMEY. Madam Speaker, I yield 4 minutes and 10 seconds to the distinguished gentleman from Virginia (Mr. DAVIS).

(Mr. DAVIS of Virginia asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Virginia. Madam Speaker, it is with an abiding respect and great reluctance that I oppose the gentlewoman from the District of Columbia (Ms. NORTON), my friend and colleague, but I support this legislation.

I think a few things need to be said. First, this is not taking one cent from the public schools in the District of Columbia, which have the highest spending rate per pupil in the Washington region right now. And I will join the gentlewoman in making sure they have the money to continue to build a quality public school system.

But we have tried through a presidentially appointed control board to make the system better, and it is clear it is more than a one-year ordeal. It is going to take several years. We recognize and we have to recognize the current failures of the public school system that the Washington Post this morning labeled ''troubled.''

The dropout rate is the highest in the region. Test scores the lowest almost in the country. Opened four years in a row late. It is just not operating. It is so bad that no Member of Congress sends their kids through the District of Columbia public school system today. The President and the Vice President, offered those opportunities, did as most of us and declined and opted for private schools, and I do not blame them or fault them in any way because the school system today is not something that we could be proud of.

Madam Speaker, I want to work to make it better. This is a scholarship. This bill allows not just the opportunity for some of the poorest of the poor to send their kids to private schools. It allows the option for dollars for tutoring and dollars for teacher training and the like.

What has happened in this city over the last 20 years is that the middle class and the upper class have responded by sending their kids to private schools or moving out of the city where there are school systems that are delivering an educational quality. What we are trying to offer here is a scholarship opportunity for the poorest of the poor in the city to give their children the same opportunity that Members of Congress have to send their kids to quality schools.

Opponents have said we are imposing this on the city. We are not imposing anything on the city. There is an article in the Washington Post today that talks about the Ted Forstmann scholarships for the city. Seven thousand poor families applied for this $1,700 grant, and they have to put up $500 of their own, when they could take a free public school system, and they are still overwhelmed with responses. I predict that we will get more responses to this program should this become law.

One lady, Karen Leach, said ''I prayed every day. I just prayed every day,'' that she would be able to get the additional scholarships to send her kids where they could get a quality education. I think this bill will answer the prayers of a few thousand other parents in the city as well.

As I said, it is not imposing vouchers. We are not imposing these scholarships on anybody. If parents do not want them, then they should not apply and should not take them. But please do not tell single mothers like Karen Leach that because they are poor, working poor, working two jobs in some cases to give their kids a better life, that they cannot have access to these educational scholarships just because their political leaders are afraid to admit that perhaps the school system is not working and is not functional in some cases, it has not opened on time for four years, and some of the other things we have discussed. It should not mean that the poor students cannot live and have the American dream like the rest of us.

I agree with my colleagues on the other side of the aisle. Let us fix the system. Let us give the public schools more dollars to do the job. We increased spending in the classroom last year. But even the presidentially appointed control board is not going to fix the schools overnight.

For Christopher Leach, who is mentioned in the Post article today, which I will submit for the RECORD, and others who are going to be in the third grade next year, the schools they will be going to are not functional, are not at an acceptable level for any of us to send our kids. They will never have another chance at the third grade while we are busy fixing the system. Next year is it for them.

What we are trying to offer a few thousand kids the opportunity to have a system with the educational quality that the rest of us enjoy. And while we all know their schools do not meet the standards we want for our kids, why would we relegate them and not give them the kind of choices the rest of us have? But because we are richer, because we can send our kids to private school or we can move to wealthy suburban areas where they have different school systems, we deny them the opportunities that we have.

Madam Speaker, with the gap between rich and poor growing greater in America and in this region every day, we cannot afford to relegate these poor students to a dysfunctional school system. They deserve these opportunity scholarships. I support the legislation.

Madam Speaker, the Washington Post article which I previously referred to follows:

[From the Washington Post, Apr. 30, 1998]

1,001 D.C. STUDENTS WIN SCHOLARSHIPS

(By Debbi Wilgoren)

Hundreds of low-income District parents are receiving calls and letters this week telling them that they have won scholarships to help them take their children out of the city's troubled public school system and enroll them in private schools.

They are the winners in a computerized lottery, held Monday and Tuesday, that awarded privately funded scholarships of as much as $1,700 each to 1,001 children to cover 30 to 60 percent of private school tuition. The money will go to about 750 families, who will receive separate scholarships for each of their children.

''I prayed every day. I just prayed every day,'' said Karen Leach, a single mother who works nights as a security guard and won scholarships for her sons, Christopher, 8, and Christian, 5. ''I just want my kids to have the best that I can get for them.''

Leach said she will use the money to put her children back in Catholic school. Her older son attended Assumption School in Southeast Washington from nursery school through second grade, but he and his 5-year-old brother enrolled at Leckie Elementary School in far Southwest last fall because Leach could no longer afford tuition.

The two children have done fairly well in public school this year, but Leach said she believes they will get a better education and more individualized attention in Catholic school because classes will be smaller and the other children will be better behaved.

At Leckie, she said, ''some of the kids are just out of control.''

The number of scholarships, which are being provided by the five-year-old Washington Scholarship Fund, has more than doubled this year, thanks to the largess of Wall Street tycoon Theodore J. Forstmann and John Walton, heir to the Wal-Mart fortune. They donated a total of $6 million to the effort last fall.

At a news conference yesterday announcing the 1,001 winners—chosen from more than 7,500 low-income applicants—Forstmann said he intends to launch similar funds soon in as many as 30 U.S. cities, including Los Angeles. That would greatly expand a new type of philanthropy that already is helping to pay the private school costs of 14,000 children across the country.

The effort coincides with growing national concern about the quality of public education provided in mostly poor, urban school districts. It comes as publicly funded, privately operated charter schools are opening in the city and many states, and as Republican leaders in Congress are pushing for taxpayer-funded private school vouchers for poor students in the District and elsewhere.

The House is expected today to pass legislation, already approved by the Senate, that would set up a D.C. voucher program despite strong opposition from Education Secretary Richard W. Riley, Del. Eleanor Holmes Norton (D–D.C.), local officials and parent groups.

President Clinton, however, has promised to veto the bill, and congressional leaders say they lack the two-thirds majority needed to override his veto. Opponents of voucher programs say the government should use its resources to improve public schools. They also complain that such programs unfairly favor parochial schools, where tuition is much lower than at most secular private schools.

Forstmann refused to take a position yesterday on the issue of taxpayer-funded vouchers. But he dismissed suggestions that he and other donors should give money to public schools, saying many public school systems are so dysfunctional that donating to them does not help children.

''It's a little like putting money into the former Soviet Union,'' he said. ''If the system worked, we wouldn't have to be here.''

Forstmann said he believes public schools will work better if they are forced to compete more directly with private schools for students. He appealed to others to give money so more poor children can choose between public and private school.

Yesterday, he met with Leach and a few other parents, then telephoned several additional winners. Fund Executive Director Douglas D. Dewey said all scholarship recipients will be notified by telephone and mail this week. Those who were not selected will receive letters by Monday or Tuesday.

The organization originally planned to award 1,000 scholarships. But at the last minute, it decided to include an applicant who was not selected in the lottery but whose academic struggle—he has repeated third grade twice—was featured in a Washington Times article Monday.

Ms. NORTON. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, correcting the record for the gentleman from Virginia, the District has the second lowest per pupil spending on students in the region. His district, Fairfax County, is $7,650. Mine is only $7,000 and Alexandria is $9,000.

Madam Speaker, I yield 2 minutes to the distinguished gentlewoman from California (Ms. WATERS) chair of the Congressional Black Caucus.

Ms. WATERS. Madam Speaker, firstly, I am appalled at the disrespect that is being shown to the gentlewoman from the District of Columbia (Ms. NORTON). It is an unwritten rule in this body to allow the leadership of the district to go to that person who represents that district. Not only is she being disrespected, but after she gives us the facts and the figures, then we have Members on the other side get up and talk about she is wrong and give other facts and figures.

I am appalled at what you are doing, and I do not think for one minute that you care more about this district than the gentlewoman from the District of Columbia. And let me say this, the gentlewoman is smarter than the gentleman from Texas (Mr. ARMEY), than the gentleman from Virginia (Mr. MORAN) and all the rest of them put together. How dare you question her ability to lead this District?

Madam Speaker, everybody knows this has been a political ploy. Not only do we not believe you care more about these children than the gentlewoman from the District of Columbia, we do not believe that, but do you expect to buy their education on the cheap?

□ 1245

We heard what education costs in all of these districts and the surrounding ones. But you want to come with a mere $3,200 a year for 3 percent of the students and then say that the $7 million will not take away from the other students in the district. It is outrageous.

I would ask the gentleman from Virginia (Mr. MORAN) and the gentleman from Texas (Mr. ARMEY), those who believe in this so much, try it in your own district, try it in your own district.

Even though I do not support this kind of thing, this kind of subsidy to private schools and to religious schools, if they want it so badly, I will support it for their districts.

I would ask my Members, please do not run over the gentlewoman from the District of Columbia (Ms. NORTON). Do not disrespect this district. Do not be bullies on this issue. We know that you are stepping on the District in every way that you can. They are down. It is difficult to fight. They do not have the power to stop you. You have the numbers. You can step on their backs. You can step on their necks.

I would ask you to have a little decency. Give the right of representation to the gentlewoman from the District of Columbia (Ms. NORTON). Follow her lead and discontinue this madness.

PARLIAMENTARY INQUIRY

Mr. RIGGS. Madam Speaker, parliamentary inquiry.

The SPEAKER pro tempore (Mrs. EMERSON). The gentleman from California will state his parliamentary inquiry.

Mr. RIGGS. Madam Speaker, is referring to Members of Congress as bullies and imputing the intellect of Members of Congress in order with House procedures and rules?

The SPEAKER pro tempore. Members should refrain from engaging in personalities during debate.

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

Madam Speaker, if I might just take a moment, since my intellect, my motives, and my character have just been called into question, let me just make the observation that I made at the outset, Madam Speaker. This is not about me, and, in all due respect, it is not about the gentlewoman from the District of Columbia. It is about the children.

Quite frankly, we have 8,000 of those children and their parents that have said this is a good deal. We want it. You can read about them in today's paper.

Madam Speaker, I yield 2 minutes to the distinguished gentlewoman from Kentucky (Mrs. NORTHUP).

Mrs. NORTHUP. Madam Speaker, I and all other moms know what it is like to worry every day about how your child is doing in school. It is terrible if your child is trapped in a school that is unsafe and unworkable. Your daughter's sleepless nights become your own sleepless nights.

Most parents with children in the D.C. public schools live under these intolerable conditions. D.C. schools have received national attention. In spite of funding per student that ranks among one of the highest in the Nation, education in the District has reached crisis proportions.

Decrepit school buildings are literally falling apart. The local news here is filled with stories of fire code violations, violence in schools, and failing test scores.

The problem in the D.C. public schools right now is the entire system is broken. It is not just a bad teacher or disorganized principal or a leaky roof or an unrestrained bully in the fourth grade. It is all of these problems and more. A parent cannot just change their child's teacher or their class or their school. There is no place to escape, and so the children are simply trapped.

Hopefully, the District will begin the long process of improvement. In the meantime, the children in these schools cannot wait. Too many lives have already been ruined. A child only gets to be in first grade once. He or she only gets to be a child one time. We need to make sure that each child has at least a chance to spend that year, that childhood in a safe school with an opportunity to learn.

School choice will offer parents the opportunity to give their children a chance to learn, thus enabling them to lay the foundation for future success. The key to ending the cycle of public assistance dependence is in opening doors for children to receive a quality education.

School choice is popular in this community. A recent poll found that low-income parents support scholarships. Among families earning less than $25,000, 59 percent support the program. We should, too.

Ms. NORTON. Madam Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. SAWYER).

Mr. SAWYER. Madam Speaker, while there are a lot of good reasons to be skeptical about the bill before us, I think that the most important is sometimes glossed over, and that is the need for a full and effective evaluation of the program.

Evaluation is critical if we are to avoid monumental failure. Parental satisfaction and other subjective measures are important but wholly insufficient to measure the efficacy of this kind of funding scheme and its educational consequences.

A bill that is serious about a voucher experiment I believe should include statutory requirements for:

The random sampling of the students who are measured in the course of their experience with this;

Baseline data to benchmark evaluation including parental data, their

prior school experiences, relevant educational values, and reasons for making or not making a choice; student data on prior achievement, behavior, and special needs;

Appropriate control groups, including sibling nonparticipants;

Data from within and across all sites;

Comparable testing across all sites;

Data on transportation problems and solutions such as we experience in Ohio; and

Effects on all students, beyond standardized testing, including changing patterns of school enrollment by school type and demographic characteristics; the enhancement of geographic mobility among students; how school choices expand or contract; the kind of students who are accepted and rejected and retained by ''choice schools''; and effects on racial and class integration.

In section 11 of the bill, there is an evaluation component that comes close to addressing some of these requirements but hardly even a majority of them. However, the evaluation component's very language assumes the success of the program. This is a large and costly experiment in the lives of real children, both the ones in the program and those who are not. We owe it to them to include a serious effort to measure the costs and benefits and measurable change in student performance.

Whether or not the politicians on this floor or across this country agree about vouchers, no one can say we know for sure how well they will work. The students cannot afford for us to proceed without a mechanism for knowing if we are wrong.

Mr. ARMEY. Madam Speaker, may I inquire as to how much time is remaining for each side.

The SPEAKER pro tempore. The gentleman from Texas (Mr. ARMEY) has 39 minutes remaining. The gentlewoman from the District of Columbia (Ms. NORTON) has 33 minutes remaining.

Mr. ARMEY. Madam Speaker, I yield 4 minutes to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Madam Speaker, I will not take issue with my colleague from California. I do not want to speak for the gentleman from Texas (Mr. ARMEY), but there is no question in my mind that I am not as smart as the gentlewoman from the District of Columbia (Ms. NORTON). I would never try to compete with the gentlewoman from the District of Columbia on any kind of an intellectual or even a rhetorical basis.

I am going to, though, plead with my colleagues on the Democratic side, where the opposition to this bill lies, to set aside the suspect political motivation behind this bill and to put aside all that kind of lofty ideological rhetoric that partisanship can inspire. I do not necessarily disagree with all that rhetoric in principle. But I am going to ask you to strip away the esoteric and political issues that normally accompany this issue and look at the essence of what this bill does. Because all it is is an additional $7 million that can only go to poor families, only poor families. If it is not spent, it will not go to DC, nor to any other educational effort of merit. It will be lost. A lost opportunity.

What does it do that is so threatening? It lets parents pick where their kids will go to school. Those parents can choose the school my children go to, only a couple of miles away from the District of Columbia. It is in an almost entirely minority neighborhood, a public elementary school, with an African American principal, and an African American administration. Almost the entire student body is minority. But it is safe. The children that go to this school get the basic education they need, and they are going to get to go to college if they have the will and make the effort. It is a credit to the public school system as so many thousands of schools in this Nation are a credit to our investment in public education.

I am also going to ask you to let me make this a little more personal. A few months ago, my daughter broke out crying at the dinner table. She said, ''Mommy, Daddy, I cannot keep up with the other kids in my class. I cannot think as fast as them. I am the worst in the class.''

We comforted her and explained to her, ''Honey, the radiation that killed the cancer cells in your brain also killed the brain cells, but we are going to send you to a tutor,'' which we do, ''and we are going to make sure you can keep up.'' Expensive? Very. All out-of-pocket. Worth it? Of course.

But what about the dozens of other kids in the same condition at D.C. Children's Hospital, almost all of them minority, low-income families? Why should they be doomed because of the accident of their birth? Their parents do not have any possibility of enabling their kids to keep pace, of realizing their potential, of ever going to college. This bill gives them a faint, dim glimmer of hope because it can be used for tutoring that they could not otherwise afford.

Madam Speaker 85 percent of the children in Ward 3, the wealthiest ward in this city, have a choice of schools, and they choose to send their kids to private schools. Why should the parents in other wards of the city not have the same choice? Why should their kids suffer so because of the accident of their birth?

We spend more on D.C. public schools and get less out of them than any other school state system in the country. Three-fourths of their 8th grade students flunk basic math. Forty percent drop out. A minority of high school graduates are able to qualify for a college education. On average they're at least 2 years behind their peers in other school systems.

Why should we condemn all of these children to continue to suffer such inequity because we want to uphold our lofty principles and our traditional politics? Of course we believe in public schools. But we also believe in the intrinsic worth of every one of those children born in the District of Columbia. They have the same right anyone else has.

Why are you denying that right to even 2,000 children who could break out of the bonds of a failed school system? Because you want to maintain the status quo? Because you do not want to admit that the current failed condition is the reality of this failed school system? It is not fair to deny hope to even 2,000 children. What is fair is to support this bill.

Ms. NORTON. Madam Speaker, I invite the gentleman to exercise some of that passion for vouchers for the children of Alexandria.

Madam Speaker, I yield 1½ minutes to the gentleman from New Jersey (Mr. ROTHMAN).

Mr. ROTHMAN. Madam Speaker, last year, within our balanced budget bill, Congress gave American families a $400 tax credit for every child under the age of 17 in the household. This year, it will be $500 per child. American families can use all of those monies for private or religious school tuition. That is their choice.

This year, some in Congress want to bust the Nation's first balanced budget in 30 years by subsidizing private and religious school education, a subsidy that would ultimately affect funds available for the public schools.

If this voucher bill passes, the other real consequence would be higher property taxes for America's families to make up the difference. In New Jersey, our property taxes are already too high.

Besides, what is next? If someone does not like the books in their public library, should the government give that person a money voucher to buy books so that they can start their own private library? If somebody does not like the people who go into the public parks, should the government give money vouchers to that person so they can buy their own swing set and build their own private park? I do not think so.

America is still a country that believes in the common good and to achieve the opportunity for success and the opportunity to achieve the American dream.

Let us fix our public schools. Let us encourage competition by supporting chartered public school, but let us not pillage the public school systems in America. Hurting public schools in America will not be good for America.

Mr. ARMEY. Madam Speaker, I yield 1 minute to the distinguished gentleman from Pennsylvania (Mr. GOODLING), chairman of the Committee on Education and the Workforce, and, in my estimation, this government's number one expert on the subject of education by virtue of understanding and concern.

Mr. GOODLING. Madam Speaker, I thank the gentleman for yielding to me.

Madam Speaker, what I really want to talk about right now is, I get fed up when I hear the other side keep talking about pupil/teacher ratio, keep talking about building buildings, repairing building. For 20 years, 20 years, they had an opportunity to send 40 percent of the excess cost for special education to that school district and to every school district. They sent 6. If they would send 20, 40 percent, if they would send 40 percent of excess cost to special education to Washington, D.C., do they know what they would send them? Another $12 million.

Put your money where your mandate was. You mandated 100 percent special ed. You do not send them the 40 percent. You were sending them 6 percent. We got it up to 9. That is a long, long way away.

If they had an additional $11 million because you put your money where your mouth was for 20 years when you mandated special ed, they would have all the money in the world they need to deal with pupil/teacher ratio, to improve the school buildings, to build new school buildings.

So do not come here now 20 years later and somehow blame it on somebody else. It was you that passed the 100 percent mandate, and it was you that did not fund it. Now put your money where your mouth is.

□ 1300

Ms. NORTON. Madam Speaker, I yield 2 minutes to the gentleman from Maine (Mr. ALLEN), a member of the Subcommittee of the District of Columbia of the Committee on Government Reform and Oversight.

Mr. ALLEN. Madam Speaker, I rise in opposition to the bill before us today because I believe that vouchers are the wrong way to improve our public schools.

Taxpayer dollars should be spent to improve our public schools for all children, not on a $45 million unproven program that will reach only a small minority of D.C. students. This bill will cost over $7 million a year, and I believe that money could be used to help all of the 78,000 students in the District's public schools, rather than the 2,000 or so who may benefit from vouchers.

I believe that what we are seeing here is an effort to try out in the District of Columbia an idea that Members would like to bring and would be more appropriately dealt with around the country in other States.

I serve as a member of the Committee on Government Reform and Oversight's Subcommittee on the District of Columbia, and our subcommittee has held hearings on the state of the District's public schools. They are hurting. Serious action is essential to give the students of the District the education they want and deserve.

The District is moving ahead with an academic plan to improve student achievement, develop qualified teachers and strengthen its infrastructure.

One example is the District's new summer STARS, Students and Teachers Achieving Results and Success, program. STARS is intended to end social promotion and give students an intensive, highly-structured opportunity to gain important math and reading skills. It shows how committed the District is to improving student achievement.

Our goal is to improve the District's public schools for all children, not to weaken them for the benefit of a chosen few; and despite all of the emotion and argument around this issue, I believe this is the right course. I urge my colleagues to vote against this bill.

Mr. ARMEY. Madam Speaker, I yield 4 minutes to the gentleman from California (Mr. RIGGS), the chairman of the Subcommittee on Early Childhood, Youth and Families of the Committee on Education and the Workforce that deals with elementary and secondary education.

Mr. RIGGS. Madam Speaker, I thank the majority leader for yielding me this time and for his leadership on this very important issue.

It occurs to me, as I have listened to the debate for the better part of this hour, that this has, unfortunately, become one of those ''he said, she said'' debates, where we talk right by one another with only an occasional ad hominem attack by one Member against other Members to liven things up.

But I was very moved by what the gentleman from Virginia (Mr. MORAN) had to say, and I do not think anybody can question that gentleman's commitment to the District of Columbia. I wish I would have heard a better response to his concerns from the delegate for the District of Columbia than to simply say, try parental choice in the City of Alexandria public schools.

It so happens that the City of Alexandria, Virginia, public school system is top-notch. But, by comparison, the District of Columbia public schools are in crisis, a crisis of catastrophic proportions. So why do those people on this side of the aisle, with the exception of the gentleman from Virginia (Mr. MORAN) and maybe a handful of other Democratic Members of the House, continue to stand in the way of school choice? Why?

We need it in the District of Columbia. It is the last best hope for many District of Columbia families.

And I am struck. I saw a poll conducted by the Joint Center of Political and Economic Studies last year that found that 57 percent of African Americans support giving parents vouchers which they can use to pick the best schools, the best and most appropriate education for their children, and that number soars to 80 percent, 80 percent, colleagues, for black parents with younger children.

So we have to choose. Where are we going to stand? Are we going to stand with our fellow Americans, our constituents who are demanding parental choice in education?

It reminds me of the saying, ''When the people leave, perhaps the leaders will follow.'' Or are we going to remain absolutely beholden to the teachers' unions, a special-interest lobby that happens to be the core constituency of the national Democratic Party.

Show some political courage. The time and place is here and now in the District of Columbia.

This is a very modest bill, a very modest bill. It does not go nearly far enough, in my opinion, because it would only give a small number of parents versus the number of parents who have applied for these tuition scholarships, a small number of parents a scholarship up to $3,200 so that their children may attend the public, private or parochial school of their choice. That means the decision rests not with the government, not with the public school system but with the parent. And who better to make that decision?

We heard a lot of misinformation about this bill. The facts are very straightforward. The gentleman from Virginia (Mr. DAVIS) spoke to some of the concerns. Will the scholarship bill drain the D.C. public school resources that the school system desperately needs? No. Not one dime of this money, not one dime of the money for scholarships, would come from the District of Columbia school budget.

Is $3,200 not too little to cover tuition costs at private or parochial schools? Answer: emphatically no.

We had hearings in my subcommittee. We heard that at least 60 private schools inside the Beltway cost less than $3,200 per student, and more than two dozen others cost less than $4,000. These include religious and private schools and 14 schools in southeast, the quadrant of the District where the District's poorest families live.

Is the scholarship program not a violation of home rule? No. Because, as the gentleman from Virginia (Mr. DAVIS) said, the scholarships are not imposed on anyone, and no one is forced to participate. These schools already, the private schools, already accept minorities and children with disabilities, and this legislation is not unconstitutional. It is not a violation of the separation between church and State, because, as with the GI bill and early childhood educations and day care assistance, the recipient, that is the parent, makes the choice, not the government.

It is time to give those children a chance by giving those parents a choice.

Ms. NORTON. Madam Speaker, I yield myself such time as I may consume to clarify that my response to the gentleman from Virginia (Mr. MORAN) was based on the fact his district spends $2,000 more per pupil than mine; that his minority children are low achieving; and that no Member should try to put on my district what he has not already put on his own.

Madam Speaker, I yield 2 minutes to the gentleman from Virginia (Mr.

SCOTT), who is a member of the Committee on Education and the Workforce as well a member of the Committee on the Judiciary.

Mr. SCOTT. Madam Speaker, I rise in strong opposition to S. 1502, the D.C. voucher bill.

Madam Speaker, there are a number of reasons to vote against the bill, and let me just focus on two.

First, the bill ignores 97 percent of the students and offers just a jackpot for the privileged few. But there are not enough seats available in private schools in the Washington, D.C., area to accommodate those privileged few who might win the lottery.

A recent Washington Post article looked into the number of available seats and found that, ''D.C. students would find the costs high and the openings scarce.''

Furthermore, Madam Speaker, we must remember that the bill, should it pass, would be subject to an immediate court challenge over the use of taxpayer funds to go to private religious schools. Private religious schools make up 80 percent of the private schools in the Washington, D.C., area. So of those seats purported to be available by the proponents of the legislation, at least 80 percent of them may well not be available because of court challenges that would prevent their participation in the voucher program.

Madam Speaker, perhaps the most disturbing part of the bill is the provision which guts civil rights protections for the students. Although through legislative trickery the bill declares that the vouchers are not Federal aid to the school, such declaration has no purpose other than to exempt the schools from Federal enforcement of civil rights. Tragically, the bill clearly allows for discrimination against the disabled.

So while this legislation is framed as an educational bill to help disadvantaged D.C. students, in reality it is a flagrant assault by the majority on civil rights laws.

Madam Speaker, although this bill will provide no assistance to 97 percent of the students in Washington, D.C., a $7 million federally funded education program ought to at least have full Federal civil rights protections for the privileged few it purports to help. The fact that that protection is not contained in the bill is another reason to vote ''no''.

Madam Speaker, we need to vote ''no'' and defeat the bill.

Mr. ARMEY. Madam Speaker, I yield myself such time as I may consume to set the record straight.

Section 7 of the bill specifically prohibits discrimination. It reads, ''An eligible institution participating in the scholarship program under this subtitle shall not engage in any practice that discriminates on the basis of race, color, national origin or sex.''

It also specifically states in section 8 that nothing in the bill shall affect the rights of students or the obligations of the District of Columbia public schools under the Individuals with Disabilities Act. Nothing in the bill waives any current Federal, State or local statute protecting civil rights. In fact, private and religious schools in the District are already subject to D.C. civil rights law, among the most expansive in the country.

I am sure, Madam Speaker, that I will not have to address fallacy number seven in the book of complaints again.

Madam Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. WOLF).

Mr. WOLF. Madam Speaker, I rise in strong support of this bill. Probably none of my colleagues here send their kids to the District of Columbia schools. None of my colleagues here have probably ever taught in the District of Columbia schools.

My daughter, for 5 years, worked at 14th and Belmont, in the community of Hope, up there where most of the kids are not getting a decent education. She then taught in the District of Columbia schools for a year.

We are talking about real people's lives. I commend the gentleman from Virginia (Mr. MORAN) for what he said. I know of a young boy who left the District of Columbia schools where he was failing and then went out to the Fairfax County schools and is now getting Bs.

My colleagues say, stay with the schools. None of my colleagues would allow their children to go to the District of Columbia schools. My colleagues would take two jobs, three jobs, they would do anything they could to get their kids into another school, and now they want to deny the opportunity for parents to have that opportunity.

If I lived in the District of Columbia, I would be a revolutionary because of the way these schools are. The Armey proposal for scholarships is good. It is going to help real people to make a real difference, and I urge all the Members, all the Members to vote for this bill. Because, when it passes, and, hopefully, it will be signed, it will save lives because it will give a young man and a young woman the opportunity to go on and do things that all of us, everybody in this body, wants for their own children.

Ms. NORTON. Madam Speaker, I yield 2 minutes to the gentlewoman from California (Ms. WOOLSEY).

(Ms. WOOLSEY asked and was given permission to revise and extend her remarks.)

Mr. SCOTT. Madam Speaker, will the gentlewoman yield?

Ms. WOOLSEY. I yield to the gentleman from Virginia.

Mr. SCOTT. Madam Speaker, I wish to respond to the comments of the majority leader.

The fact that it is designated as not aid to the school eliminates the Federal enforcement, and there are a lot of things that can be done under Federal enforcement that are exempt because of that language.

I had an amendment in the Committee on Rules that was denied to allow that language to come out so that we could have full participation and full enforcement of civil rights. That is not in the bill because of that language.

Ms. WOOLSEY. Madam Speaker, reclaiming my time, I say to all my colleagues that public education is the backbone of our country. Let us not forget that. It is why we are a great Nation. Public education is available to all. It does not discriminate, and it must be strengthened, not weakened. Yet this bill before us today will do just that. It profoundly harms our public schools.

This bill makes it easier for a chosen few, and the word is few, to go to private schools, schools that self-select their student body, schools that have no responsibility to special education and no concern for students with unique educational needs.

□ 1315

This is not acceptable. I am proud to speak for public education in America. Sure, it is not perfect, but the solution to any problems of our public school system will not be solved by providing vouchers to a few chosen children. The solution is to fix our public schools so that all families would choose public education unless they choose to go to a religious school that they would pay the tuition from their family.

S. 1502 hurts our kids, hurts our schools and our country, and it must be defeated.

Mr. ARMEY. Madam Speaker, I yield 1 minute to the distinguished gentleman from Colorado (Mr. BOB SCHAFFER).

Mr. BOB SCHAFFER of Colorado. Madam Speaker, the Constitution of the United States in article 1, section 8, gives Congress the authority to exercise exclusive legislation in all cases whatsoever over such district as may, by cession of particular States, and the acceptance of Congress, become the seat of the Government of the United States.

And there are other sections in the Constitution as well that give the Congress the authority and, in fact, the obligation to be concerned about the children of the District of Columbia public schools.

But it is more than just a constitutional authority. We have a moral obligation to treat these children like real Americans. It is interesting when we read the newspapers here in Washington about how voucher opponents send their own children to private schools. Now, these are people over here who understand the difference between bondage and liberty.

John Milton, British poet, in the poem Samson Agonistes, said, ''But what more often nations grown corrupt than to love bondage more than liberty, bondage with ease than strenuous liberty.''

Some people understand the difference between bondage and liberty

and send their children to the schools of their choice. Let us treat children in the District of Columbia like real Americans as well, so they might one day learn the difference between bondage and liberty.

Ms. NORTON. Madam Speaker, I yield myself such time as I may consume.

This Member reminds the Member that I represent people who ask that they be treated like real Americans, that their home rule and self-government be respected, and that the vote which this Member won on the House floor, as a real American, not be taken from my taxpaying residents.

Madam Speaker, I yield 2 minutes to the gentlewoman from New York (Mrs. LOWEY).

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

Mrs. LOWEY. Madam Speaker, I rise in strong opposition to this legislation.

My colleagues, there are several important educational initiatives before this Congress that would benefit millions of students across our Nation, not just the chosen few. There is the President's proposal to help schools hire 100,000 new teachers to reduce class size in the lower grades. There is also the President's school modernization and repair initiative. I introduced one version last year, the Rebuild America's Schools Act, that has attracted nearly 120 cosponsors. And a new proposal introduced by the gentleman from New York (Mr. RANGEL), myself, and others would offer tax credits to help local schools eliminate overcrowding, finance roof and window repair, and invest in computers and technology. These measures have the support of the American people. But are they being considered by the House? No.

Madam Speaker, Democrats believe the Government should work to strengthen public schools, not undermine them. Unfortunately, that is exactly what this proposal is designed to do. Of course, there are problems, serious problems, with the schools in this district and other districts. One problem that I find particularly serious with this proposal is funding religious schools. I believe in government-church separation, and providing public vouchers for religious school costs would clearly violate this important constitutional principle.

A potential lack of accountability to the taxpayer is another problem.

Madam Speaker, the bill before us authorizes enough money next year to provide vouchers to roughly 7 percent of D.C. children. What about the rest? What message does this educational sweepstakes send to our youth? It says, ''Your future is based on the luck of the draw, not your effort and ambition, and not equal opportunity for all.''

Madam Speaker, D.C. public schools are in trouble. We need to invest in them. The Republicans want to tear them down brick by brick. The answer is not a limited voucher program that will weaken our public schools. It is tougher academic standards, safer school buildings, smaller classes, more teacher training. We have to invest in our public schools and make sure that every youngster has the opportunity to get an outstanding education.

Mr. ARMEY. Madam Speaker, I yield 2 minutes to the distinguished gentleman from Indiana (Mr. SOUDER).

Mr. SOUDER. Madam Speaker, I want to thank the majority leader for his efforts in this and leading the way to give opportunity to those who may not have it.

As I have, basically, understood much of the debate today, I am sure there were some survivors on the Titanic who were glad that the minority Members were not making the decisions on whether to use the lifeboats, because the decision would have been, since everybody cannot be in the lifeboat, nobody should be in the lifeboat.

I am glad that the Members of the minority party who have spoken out here are not in charge of IDEA, because apparently the rule would be if we cannot fully fund IDEA, nobody should get the money.

The question here is should those who are reaching out get some opportunity. But the underlying fundamental question here, and I want to make it clear on the RECORD here, because I have taken some criticism because I supported the High Hopes initiative in the committee, because I think we need to reach out in multiple ways, in public schools, in private schools, in charter schools, every way possible to increase the opportunities for all minorities, whether they be Hispanic, African American, Asian, rural white. We need to make sure that everybody has the opportunity to succeed in America.

One of the things that this bill does is it empowers parents and children to vote with their feet. We keep hearing the word ''lottery'' like it is some kind of a gambling thing when, in fact, it is not. Maybe only 2,000 will get in, but many more will want to get in. Those who do not get in will still have the incentive to push in their schools, because their schools, in order to keep them from applying, presumably will start to listen to parents, presumably will start to respond.

In fact, if what the people want, because they are clearly spending more dollars in the public schools than they are in these private schools, if what the people want is discipline, if what the people want is better basic education, if what the people want is to get the things that they are getting out of the private schools, the public schools where they have choice start to respond.

We have an excellent public school in Southeast Washington and Anacostia, the Thomas Jefferson School, that does not have the crime problems, where they have more excellence going on. And we need to encourage those public schools that are reaching out and doing that; and one way to do that is to give the parents the ability to say, ''If you do not respond to us, if you do not listen to us, we will vote with our feet.'' And that is what we are doing here is empowering the poor like the rich are.

Ms. NORTON. Madam Speaker, I yield myself such time as I may consume.

I want to put this civil rights issue that the gentleman from Virginia (Mr. SCOTT) raised to rest by asking unanimous consent that the response of the Leadership Conference on Civil Rights, the coalition of the Nation's civil rights organizations, be admitted into the RECORD. The Leadership Conference opposes the bill.

The SPEAKER pro tempore (Ms. EMERSON). Is there objection to the request of the gentlewoman from the District of Columbia?

There was no objection.

Ms. NORTON. Madam Speaker, I yield 1 minute to the gentleman from Illinois (Mr. DAVIS).

(Mr. DAVIS of Illinois asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Illinois. Madam Speaker, I rise today in opposition to this bill, for three reasons. First of all, it is undemocratic in that it ignores the will of the people of the District of Columbia. They have already spoken and overwhelmingly rejected vouchers in a recent referendum.

Secondly, I oppose it because it is simply another attempt to dismantle public education in America. Public education has been the cornerstone of democracy and must remain so. This bill would divert $7 million from private schools to public schools to help only a few students. And we are not even sure that vouchers will improve achievements anyway. Evidence suggests that it need not necessarily do so.

Finally, I oppose this bill because we should focus on putting our resources where they are really needed. We should use the money to fix up the crumbling schools, wire schools for the Internet, provide textbooks and other learning aids for students to learn.

So I urge my colleagues, let us not do the political thing, let us do the real thing, let us do the meaningful thing, let us support public education and vote this bill down.

Mr. ARMEY. Madam Speaker, I yield 1 minute to the distinguished gentleman from Pennsylvania (Mr. PITTS).

Mr. PITTS. Madam Speaker, I rise to urge my colleagues to support the D.C. Opportunities Scholarship Act.

We have a moral responsibility to put children first in education, including inner-city children in D.C. All children should have the opportunity to attend school where they are safe, in a classroom where their teacher is qualified, and where their parents are involved in their education.

According to a Washington Post article I recently read, about 40 percent of second- and third-graders tested in D.C. public schools last spring read too poorly to meet the new proposed standard for promotion to the next grade.

This would mean about 5,000 of Washington's 13,000 second- and third-graders might have to repeat their grade for some reason. Five thousand Washington D.C. kids are simply not being taught basic reading skills. I wonder how many of these students will slip through the cracks and graduate in high schools without ever being able to read a newspaper.

Right now, many of their parents are helpless to take action and provide a good education for their children. Let us give them a choice to respond to the educational needs of their children. Let us support this D.C. Opportunity Scholarship Act.

Ms. NORTON. Madam Speaker, may I inquire how much time I have remaining?

The SPEAKER pro tempore. The gentlewoman from the District of Columbia (Ms. NORTON) has 22 minutes remaining. The gentleman from Texas (Mr. ARMEY) has 23½ minutes remaining.

Ms. NORTON. Madam Speaker, I yield 1½ minutes to the distinguished gentlewoman from Colorado (Ms. DEGETTE).

Ms. DEGETTE. Madam Speaker, I thank the gentlewoman from the District of Columbia for yielding and also for her inspired leadership on this issue.

Last night we began debating a higher education bill that will significantly help students who go on to get a postsecondary education. As I stand here today, I think, what good is that bill, what good is this bill if we cannot even give an elementary or a secondary education to a kid? What good is legislation for postsecondary education if we sabotage the public school system in this country and if we undermine the future of millions of kids in this country?

And this legislation is just the first step. Public schools in Washington and all over the United States face very real and serious problems. But we do not solve them by funneling money away from them. If we begin instituting voucher systems, we might as well just say, let us walk away from our public schools. And none of us are ready to do that.

Let us talk about this lifeboat analogy we heard about. Imagine there is a ship that is about to sink. We know the ship is going down. We have the chance to do something about it. The Republican response is, let us make sure that we have lifeboats for 3 percent of the passengers on the ship. The rest of the passengers, let us hope they can swim.

What we need to do to effectively address the problems that our public schools face is to fix our crumbling inner-city schools, reduce our classroom size, train qualified teachers, modernize our classroom, and connect our kids to the Internet. Let us look at competition, but within the public schools.

Mr. ARMEY. Madam Speaker, I yield 2 minutes to my friend, the distinguished gentleman from Florida (Mr. WELDON).

Mr. WELDON of Florida. Madam Speaker, I am a product of the public school system. I went to primary and secondary, as well as college and medical school, through public schools. Indeed, my mother was a public school teacher. But yet, I support this bill, and I think this bill is a very good bill. And, frankly, I am appalled at the kind of language that people are using to describe this concept.

I mean, this is a very, very limited, small scholarship program; and to use this kind of language that I think incites fear in people, frankly, I just do not understand it.

We have a very serious problem in the D.C. public school system. Sixty-five percent of D.C. public schoolchildren test below their grade level, this despite spending about $7,500 per student.

The Washington Post, not exactly a Republican newspaper, reported that 85 percent of the D.C. public school graduates who enter a university need remedial education. Forty percent of the high school students either drop out or they shift over to a private school.

Now let me tell my colleagues something: Rich people have school choice in the city of Washington. Indeed, the President, the Vice President, how many Members of this body send their children to the D.C. public schools? We are talking about giving a limited number of students a scholarship and to see how well it goes over, to see if the families like it, to see if the children like it. And they use this language like we want to destroy public education all across America.

□ 1330

In my opinion it is an outrage to use these kind of terms to describe a simple, very limited scholarship program. I think what you fear most is that this is going to be a success and the parents in the Washington D.C. area will ask for more of it. That is what you really fear.

In my opinion, this piece of legislation is something that everybody should support, particularly those who are really interested in education. Let us put the issue to rest. If this is such a bad idea, will we not find out with this scholarship program? You will be able to stand up and say, ''I told you so.''

Ms. NORTON. Madam Speaker, I yield 1½ minutes to the gentlewoman from Michigan (Ms. STABENOW).

Ms. STABENOW. Madam Speaker, I come to the floor today as a parent of two children who have gone through an urban public school, a good public school in Lansing, Michigan, who I am very proud of. We have had our challenges. Contrary to what this bill suggests, we have rolled up our sleeves and this year alone we have been able to recruit 1,100 new volunteers to work one-on-one with our students. We have through NetDay been able to bring together business and labor to wire 29 schools without taxpayers' expense, to be able to improve opportunity for technology and the Internet for every child in the Lansing public schools.

What this bill does, it talks about a legitimate concern for children in Washington, D.C. and proposes exactly the wrong solution. It proposes taking $7 million out of a precious budget where there is not enough money and saying that 2,000 children will have the opportunity for a voucher, 76,000 children will be left with a system that does not have the investments it needs. Those 76,000 children could have in fact 65 schools wired for the Internet, 460,000 new textbooks in those schools, if instead of this bill we would in fact invest that $7 million to affect every child in Washington, D.C.

Last fall literally the roofs were falling in on D.C. children. The response of the other side was to say 2,000 of the children could go to a different school and leave 76,000 children I suppose with buckets to catch the water. Our response is fix the schools, modernize them, improve them, and invest in every single American child in this country.

Mr. ARMEY. Madam Speaker, I yield 1 minute to the gentleman from Indiana (Mr. MCINTOSH).

Mr. MCINTOSH. Madam Speaker, I rise in full support of this legislation. I think it is a wonderful opportunity to truly serve those who are most needy, the young in this country.

I am reminded of a student in Indianapolis, Alphonso Harrell, whom I met. He was from a disadvantaged family and trapped in a public school that was not serving him, he was not doing well, and on his way to possibly a career of crime and terrible life. He had the advantage of a privately funded scholarship that allowed him to go to a local high school run by the Catholic religion. Alphonso has turned around. He now is a very good student, on the student government, captain of the football team and on his way to college, because of that opportunity.

This legislation makes those opportunities available for the least advantaged here in the District of Columbia. I applaud it wholeheartedly.

Unfortunately, many of the outside groups who are opposing this legislation are special interests who want to see the monopoly of the public school system maintained in the District of Columbia even when it does not serve the students. I rise in full support of this legislation and urge my colleagues to vote for it.

I strongly support this bill.

The fact is scholarship programs like this literally change lives of nation's youth. I was moved by the story of young Alphonso Harrell of Indianapolis, Indiana.

Alphonso has turned his life around dramatically since enrolling at Cathedral High School. Beforehand, he was underachieving in public school, and could easily have ended up in jail or worse.

However, a privately funded scholarship program changed all that. Alphonso had a chance to escape a terrible school

Now, Alphonso is an honor student, captain of the football team, on student govt, and will be attending college soon.

Opponents of D.C. Scholarships represent a narrow, selfish special interest who want to keep the monopoly of failed public school systems. They would have you believe that Private Schools are not a viable option for the poor and downtrodden of the District of Columbia.

While many of the opponents, themselves, send their children to private and parochial bastions of privilege, they would deny even the most modestly priced private education to the children of hard working residents of the District.

Mr. President and my fellow Members, I beseech you to set these children free. Set them free of the uncaring bureaucrats and special interests who rule their lives.

Why should families of limited means be reduced to the edges of financial ruin in order to provide their children with a $2500 private school education, when at the same time the District of Columbia is spending an average of $9000 per student annually and providing, as far as the parents are concerned, virtually nothing in return?

It is heartless for opponents of this bill to rob the children of the District of Columbia of a good education.

Parents know best what is good for their children, and deserve the right to choose where to educate their children.

My fellow members of the House, I urge you to vote with parents and vote in favor of the D.C. Scholarship Bill.

Ms. NORTON. Madam Speaker, I yield 2 minutes to the distinguished gentleman from Texas (Mr. RODRIGUEZ).

Mr. RODRIGUEZ. Madam Speaker, I rise in opposition to the so-called Student Opportunity Scholarship Act, another voucher proposal. Vouchers are not the answer to the many problems that confront our schools. It is seen as a panacea but it is a scapegoat to our existing situation. Yes, it might help some of the youngsters that are out there and it might be beneficial, but it is going to be at the expense of all the other youngsters that are out there. In fact, the vouchers take away tax dollars from public schools where our children have the greatest need.

If we are going to commit to helping, we ought to be out there providing the resources that are needed. At this present time there is a press conference out there because there are being cuts right now at teacher training, there are some cuts that are being put out in terms of not allowing sufficient resources to be able to build our classrooms. There are also some proposed cuts that would not allow for construction of schools. There are some cuts that will also have some direct impact in terms of wiring our classrooms. We should be adding additional resources instead of taking existing resources from the youngsters that are now out there, instead of coming up with this program that is only going to be responsible for only impacting a few at the expense of all the rest.

Let us not be fooled into believing that this bill is for the benefit of our students and for our parents. In fact, most parents will not have a say-so in terms of who will be able to get in there. In fact, one of the difficulties about the voucher system is that it does not allow the opportunity for youngsters to participate. If you have any type of difficulties, any kind of handicap, those youngsters will not be included. So yes, it is very exclusive. It is only for those individuals that will be able to get in there, again at the expense of all the others.

Public policy should respect the parental choice but the choice of benefit of all the students, not at the expense of the rest. Let us not abandon our public schools. I would ask and look at what has happened. There is a direct correlation between the proposals and the individuals supporting this proposal and the lack of commitment to fund our particular classrooms out there, lack of commitment to support public education as a whole. That is where it is needed.

Mr. ARMEY. Madam Speaker, I should just like to observe that it is generally advisable when one speaks of a direct correlation to offer empirical data rather than bias and opinion.

Madam Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. HOEKSTRA).

Mr. HOEKSTRA. Madam Speaker, I thank the gentleman from Texas for yielding time. As the previous Member may have talked about, there is a direct correlation that when you send money to Washington, it does not make it back to the child and it does not make it back to the classroom. This current system gobbles up money and it hurts kids and it hurts our public schools and it hurts our children. We have taken a look at it: 760 programs, 39 agencies, $100 billion. It does not work. You send a dollar to Washington for education, maybe 60 to 70 cents actually makes it back to a child in a classroom. Yes, we do not support that kind of a system.

We have gone to 17 States, we have taken a look at what works in education. We have gone to lots of great schools. When you empower parents, when you focus on basic academics, when you get dollars back into the classroom, it works. We are not in the process or the need to focus on a particular system. We need to start taking a look at the kids.

We have been in Cleveland, we have been in Milwaukee, we have been in all the places where education is progressing and where change is taking place. And every place where education is improving, it is moving power to parents and it is moving it to the local level and not moving more of it back to Washington.

This is not the answer to all of the problems we face in education, but it is definitely a step in the right direction. It is a step that we ought to take. And it is a step we ought to take here in Washington, D.C. because it is not an issue of money. We spend roughly $10,000 per child in Washington and we get some of the lowest results of any public school in the country. It is not fair to those kids.

Another few million dollars to improve these schools is not going to make the difference. We need radical change. We need to help the 7,573 students who tried to apply to get these scholarships who are not going to have that opportunity.

Ms. NORTON. Madam Speaker, I yield 1½ minutes to the distinguished gentleman from Texas (Mr. GREEN).

Mr. GREEN. Madam Speaker, I thank the gentlewoman from the District of Columbia for yielding me this time to speak in opposition to this bill. Let me quote some of my colleagues from the other side.

The gentleman from Florida (Mr. WELDON) said that rhetoric and the destroying of public education is not the intent. I sat on this floor and heard one of my colleagues a few months ago say that public education is a legacy of the Communist revolution. And so maybe that is not the intent of this bill, but it sure gives that intent when you hear some of the rhetoric from the other side.

My colleague from Indiana talked about the Titanic, that nobody would get on the lifeboat. Those of us who saw the Titanic will remember how those gates were closed for those people in steerage. Those 7,500 children may be able to get out and get that lifeboat, but we are leaving thousands and tens of thousands still in steerage with the gates closed and without the opportunity that fixing public education really needs to be done.

Public education is available for everyone. It is irresponsible to have a voucher bill that takes scarce public funds and uses it for private schools, to only educate those few who maybe will make it out of steerage and maybe break down that gate or sneak around that gate, but not break the whole gate down so everyone can have that opportunity. That is what public education is about.

The tuition costs in private schools in the D.C. area is far greater than the value of the vouchers. So we are only going to be able to help those few students, Madam Speaker, who will be able to have their parents to match that, because the tuition is going to be so much more. Again, we are throwing up barriers. We really ought to fix the D.C. schools, and not only fix it for 10 percent of the students.

Madam Speaker, I hope this bill will be defeated.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mrs. EMERSON). The Chair would like to ask those in the gallery to refrain from any audible conversation.

Mr. ARMEY. Madam Speaker, I yield myself 3 minutes.

Madam Speaker, I have here a book that I prepared in anticipation of this

discussion. I have in this book the 20 fallacies that are argued in opposition to the provision of these scholarship opportunities for these children.

Let me begin by extending my compliments to the opposition. Already, before the debate is over, I believe you have covered all 20. There are a few in particular that I want to call attention to for just a moment.

One, I can predicate my remarks by the observation that there is an old adage in psychology that says, ''You always get more of what it is you really don't want.'' Generally that is a sort of a self-inflicted unintentional consequence that just comes from our neurosis.

In this case we have the most fascinating case. There is a test of constitutionality that does in fact also cover civil rights law that was established by the Supreme Court. It is called the lemon test. This bill was carefully written so that it meets the lemon test. That came as a big, big disappointment to the opposition of the bill that were counting on being able to attack the bill on the lemon test, on constitutionality.

The lemon test is three-part. It says if the choice where to use assistance is made by the parents of the students, then it passes the test if that choice is made by the parents of the students, not the government. We pass the test if the program does not create a financial incentive to choose private schools. And we pass the test if it does not involve the government in the school's affairs.

There is a specific provision in the bill on page 25 that says Not School Aid: ''A scholarship under this Act shall be considered assistance to the student and shall not be considered assistance to an eligible institution.'' The gentleman from Virginia (Mr. SCOTT) appeared before the Committee on Rules yesterday and asked for a rule that would allow him to amend the bill to drop that. When queried by the gentleman from Massachusetts (Mr. MOAKLEY) as to why he would want to do such a thing, which would of course make it subject to unconstitutionality under the test, his response was, and I quote, that his provision would offer an additional attack on the constitutionality because it would be essentially funding parochial schools.

□ 1345

I appreciate the dedication of the opposition, and I appreciate the Committee on Rules that quite wisely did not allow the amendment to be put in order for no reason other than to afford the opportunity to realize their worst dreams so they could kill the opportunity for the children.

As my colleagues know, I do not mind being dedicated, but I do think they ought to be more creative and a little less transparent in that we passed the constitutionality test.

Madam Speaker, I reserve the balance of my time.

Ms. NORTON. Madam Speaker, I would like to refer the gentleman from Texas to the Wisconsin decision and to the Ohio decision. In both of those decisions the court said they were applying the lemon test, and in both of those decisions the court said the publicly funded vouchers of the precise kind at issue here did not meet the lemon test.

Madam Speaker, I yield 2 minutes to the distinguished gentleman from New York City (Mr. MEEKS) specifically from Queens, New York.

Mr. MEEKS of New York. Madam Speaker, I thank the gentlewoman from the District of Columbia for yielding this time to me.

As indicated, I represent the Sixth Congressional District in Queens, New York, and I succeeded a man who I respect, who is my friend, who I think has done a great deal, the Reverend Floyd Flake. However, on this issue he was incorrect. On this issue dealing with school vouchers, the individuals that I represent in the Sixth Congressional District overwhelmingly believe in public education and are against school vouchers.

Madam Speaker, I think the reason that that occurs is, I can testify to, because of the fact that I am a product of public education, I have two daughters who are now attending public schools, that, in fact, all children can learn. And I think from the debate that I have heard here today I have not heard anyone say that only a few children can learn, but they are talking about children and their ability to learn so that we can have a better tomorrow. And if, in fact, we concede that all children can learn, then it seems to me it should be our responsibility to make sure that they all have that opportunity, and in order to do that the answer is very easy.

We must make sure that public schools are there to educate all and that those, whether it is religious purposes or et cetera, want their kids to go to a different school, they are going to a different school not because they do not have the ability to learn in a public school but because they choose to go to a religious or private school.

So, therefore, I think it is our task and our mission and our jobs to make sure that everybody in public education has an opportunity to learn, not just a few. We should not have just a few good public high schools or a few good public junior high schools or a few good public elementary schools; every one should be. We should set a standard so we can make sure that all of the public schools reach that standard, and that standard is this.

It seems simple that we found that where there are smaller class sizes, where we have educated teachers, where we made sure that there is opportunities for the young people to enhance their environment, for example, junior varsity sports and all, math and science courses and all, we then improve the educations of our children.

Madam Speaker, I am against and I oppose this bill, S. 1502; and I thank the gentlewoman for having yielded me the time.

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

Madam Speaker, one quick note, again, on this constitutionality issue that is very intriguing. Of course, when this bill is signed into law, if it is tested in the courts it will be in the Federal courts and go under the jurisdiction of the Supreme Court. And the good news is their bad news. It will not be tested before the Wisconsin State Supreme Court.

Madam Speaker, I yield 3 minutes to the distinguished gentleman from Connecticut (Mr. SHAYS) my good friend.

Mr. SHAYS. Madam Speaker, I have only one reluctance in speaking, and that is to disagree with the gentlewoman from the District of Columbia (Ms. NORTON) who I consider one of the most capable, talented, passionate, intelligent and effective Members in Congress. And so that is my only reluctance because I believe passionately in the D.C. Student Opportunities Scholarship Program. I believe passionately that, as a Member of Congress in charge of and having responsibilities for the District of Columbia, we need to do something to stir it up a little bit to start to see how we can make positive changes.

A few years ago, I opposed school vouchers, and I remember having changed my decision because I began to realize that was a false position. And I came back to my office where the NEA was meeting with my staff, and they were very serious. And my staff was very serious. And I asked, ''What's going on?''

One of the individuals from the NEA and some members from the CEA in Connecticut said, ''Well, we came by to tell your staff member that we can no longer support you for Congress because of your decision to support vouchers.''

My response to that individual was I know that is the case, and that is why it took me 3 years longer than it should have to do the right thing and make up my mind that we need a demonstration voucher program.

I view this more as a scholarship program in D.C. It is only impacting 2,000 students, who are randomly chosen. It is going to give students the opportunity and parents the opportunity to apply for a grant of $3,200 to send their child to another school if they want. We are going to see how parents react and what parents want in D.C. Then we will know how to redesign the public school system and provide the extra resources which D.C. will need in order to improve its system.

So I congratulate the gentleman from Texas (Mr. ARMEY) on this bill. It is a modest bill, which offers a demonstration program. As a pilot program it only goes to a few, but the students are chosen randomly. It is not taking the best and the brightest out of the system.

Madam Speaker, I just hope dearly that this legislation passes. I am happy

the Senate passed it, and I hope the President has the good sense to try this demonstration scholarship program.

Ms. NORTON. Madam Speaker, I yield myself such time as I may consume.

Replying to the distinguished majority leader's view of who would decide this matter and what might be decided, I quote first from the Wisconsin court:

> Nonetheless, we accept the State's premise that, in reviewing the program, we may and perhaps must consult the United States Supreme Court cases applying the primary effect test. This test is the second of three parts of the lemon test.

Quoting also the Ohio court:

> While it is clear that Section 7, Article I of the Ohio Constitution provides a source of protection against State funding of sectarian schools independent of the Establishment Cause, the case law construing this section indicates that its protection against State funding of sectarian institutions is essentially coextensive with that afforded by the Establishment Clause.

Madam Speaker, I yield 1 minute to the distinguished gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Madam Speaker, I thank the gentlewoman from the District of Columbia for her leadership and, hoping that if my time goes over she will yield me an additional 30 seconds, I rise in opposition to this legislation.

I was hoping my good friend from Texas was holding up, rather than the 20 fallacies of the D.C. voucher bill, I was wishing he was holding up the Bible that says, ''Do unto thy neighbors like you would have your neighbor do unto you.'' Or the 23rd Psalm in the book that we read frequently that says, the Lord is my shepherd; I shall not want. He is making the schoolchildren of the District of Columbia want.

This is a misguided proposition dealing with school vouchers. It is to suggest that school vouchers equal excellence in education. If the schoolchildren in Washington, D.C., are really our concern, we should fund math and science and reading programs to provide them with the kinds of tools they need. Vouchers say that private school buildings are better than public school buildings. That is all it is about.

The tomfoolery of thinking that the private voucher is going to educate a child is absolutely wrong. Four years of vouchers in Milwaukee suggests that vouchers do nothing more than public schools. In fact, there is no evidence that vouchers will help educate a child. It takes $12,000 to educate a child in a private school here in Washington, D.C. The vouchers are for $33,200. The number of children that can participate is 2,000. In fact, we have 77,000 children in the District of Columbia, 77,000 children.

Do my colleagues know what that means? Two thousand children are spending $45 million of the American tax dollars.

This is clearly tomfoolery, and I believe that we should go to the heart of the matter, create an atmosphere for all children in America to live and to learn. And if our opposition says that public schools are equal to communism, then we know we are going the wrong direction.

I believe the American public wants good education for their children. The D.C. voucher system is an unfair system pointed at people that cannot help themselves. Let us do the right thing and vote for public school education so that all of the children of America can rise high in the sun.

Madam Speaker, I hope we read the Bible. The Lord is my shepherd; I shall not want.

Mr. ARMEY. Madam Speaker, I yield 1 additional minute to the gentleman from California (Mr. RIGGS) my good friend.

Mr. RIGGS. Madam Speaker, I certainly am not asserting that continuation of our public schools is equivalent to maintaining a Communist authoritarian system of government. I will say that the District of Columbia public schools has too many individuals involved in the operation of those schools who are neglectful, and there is just simply too much malfeasance and even corruption in the District of Columbia government, and every Member serving in this body knows that.

Secondly, with respect to the argument that there is not enough funding here to provide enough scholarships, the fact of the matter is that we now have a lottery conducted yesterday that would grant over a thousand privately funded scholarships. This legislation would fund another 2,000 some odd scholarships a year. So, all of a sudden, we can take that argument and stand it on its ear.

I mean, are they actually arguing that, because we cannot serve all, we should not serve some? Would they support a program that would allow every low-income family in the District of Columbia to have a scholarship for their children?

I also want to bring up special education here in a moment, but I need to confer with the majority leader if I can do that.

Ms. NORTON. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I will not abide reckless charges on the floor, and the thing I want to say is that there is no corruption in the D.C. Public schools or anywhere else. I think there is, and we have asked for investigations. But when the gentleman rises on the floor to allege what everybody knows, I challenge him to cite me an instance, and if he cannot, then I tell him, and he did not yield to me, and so I shall not yield to him, but I tell him this much:

This Member will not accept his reckless charges on this floor or his stereotypes, and until he is willing to turn over to this Member an example of such charges I ask him to keep his charges to himself.

Madam Speaker, I yield 1 minute to the gentlewoman from California (Ms. MILLENDER-MCDONALD).

Ms. MILLENDER-McDONALD. Madam Speaker, I thank the leader of this great debate, the gentlewoman from the District of Columbia (Ms. NORTON) for her leadership on this issue.

I urge my colleagues to oppose S. 1502, the so-called D.C. Opportunities Scholarship. Scholarships are generally awarded to one on the premise of their merits and their deeds. This is not a scholarship bill, it is a voucher; and a voucher is a voucher is a voucher, despite attempts to put a pretty face on a bad bill.

I really do not have to stand and speak for the people of California, my State, because they have already spoken and they have said no to vouchers, and so have many other States. School vouchers drain taxpayers' dollars from public schools into private and religious schools. This hurts the vast majority of children who are left behind in public schools.

Americans oppose transferring taxpayer dollars from public to private education by a 54 to 39 percent margin. We need to provide more resources for options that are making a positive difference in public schools like charter schools which is showing great promise in my State of California.

□ 1400

Democrats believe that we should improve public schools. Vouchers are not the solution to improve public education. This Congress should be passing legislation that affirms that quality public education should be the inalienable right of every child in America. Vote ''no'' on this private voucher; vote ''no'' on this bill.

Madam Speaker, I urge my colleagues to oppose S. 1502, the ''so-called'' D.C. Opportunity Scholarship Act. Scholarships are generally awarded on one's own merits and deeds. This is not a scholarship bill. It's a voucher, AND a voucher IS a voucher, IS a voucher—despite attempts to put a pretty name on a bad bill.

I really don't have to stand and speak for California, MY STATE, because the people of California have already spoken—no to vouchers! And so have many other states.

School vouchers drain taxpayers dollars from public schools into private and religious schools. This hurts the vast majority of children, who are left behind in the public schools.

Americans oppose transferring taxpayer dollars from public into private education by a 54–39% margin.

We need to provide more resources for options that are making a positive difference in public schools, like charter schools—which are showing great promise in my state of California.

Democrats believe that we should be improving public schools. How are we improving public schools when you leave 76,000 students behind.

This DC voucher plan provides only a few DC public school students (2,000) with vouchers—while providing no answers for 76,000 students.

The DC public schools need to be improved—not abandoned.

Yet Republicans now want to use Washington, DC as a laboratory for their ''social experiments'' with a concept that has been resoundingly rejected by voters all over the country.

Vouchers are not the solution to improve public school education. This Congress should be passing legislation that affirms that quality public school education should be the inalienable right of every child in America.

Vote ''no'' on private vouchers—Vote ''no'' on this bill .

Mr. ARMEY. Madam Speaker, it is my great pleasure to yield 1 minute to the gentleman from Arizona (Mr. HAYWORTH).

Mr. HAYWORTH. Madam Speaker, I thank the distinguished majority leader for yielding me this time.

There is a simple realization that confronts us today in this chamber, and that is, despite the very concerted efforts of some very dedicated people, the schools of the District of Columbia, this Nation's seat of government, for which this body bears ultimate constitutional responsibility, those schools are in crisis. And for the parents of the District of Columbia and for their children, this simple notion should reign supreme.

In this land of the free, those parents should have the freedom to choose which school they believe to be best for their children, and this tool of scholarships is something needed in terms of educational triage for a system that sadly has failed the citizens of the District of Columbia, has failed the students of the District of Columbia. That is why we stand here today in the well of this House to reaffirm the notion of freedom and choice.

Imagine if your child had to go to a school daily where there were unsafe conditions, where someone could not learn; and it is for the children we make this pledge and we make this vote, and that is why I am pleased to support the legislation of the gentleman from Texas.

Ms. NORTON. Madam Speaker, I yield 1 minute to the distinguished gentleman from Massachusetts (Mr. TIERNEY), who is also a member of the Committee on Education and the Workforce.

Mr. TIERNEY. Madam Speaker, I thank the gentlewoman for yielding me the time. Madam Speaker, public funds are entrusted basically for the use of the greatest, broadest public good, not for selected use or discrimination or to put forward for 3 percent of the people. That seems to make a second privileged class, those that are already fortunate enough and wealthy enough to be able to afford a private education, and now 3 percent of other formerly public school children are going to have the privilege of going where others are not.

It does not address the issue; it does not address the issue that was just spoken to by our good friend from Arizona, schools that may not be as good as the good public schools that we do have, and we do have good public schools. The answer is to make sure that all of our public schools are as good as they can be, as good as those that are already good; to fix those broken schools to make sure the curriculum works, to make sure that every child that attends public school has good teachers; to make sure that we measure their progress, and to make sure that everybody has the opportunity to move up the economic ladder in this country and have hope and have a good life.

Vouchers do not improve schools. They draw away the source of money that could improve schools. They are not fair. They do not provide an opportunity for every student that wants to move to a private school. They target some and give them an opportunity to move, possibly, but there are not enough private schools to deal with having this be a fair program, and there are not enough dollars being put in to let every child go to the private school that he or she may want to go to.

There is no way that I could foresee the majority appropriating enough money to give $3,200 to each of the 50 million plus public school children to have this be a fair program. If we want to fix the public schools, and that is what the majority wants to do, why do we not see some evidence of that? Every opportunity that we have to fix the public schools, and there is no Federal role in the public school system in the local communities.

Mr. ARMEY. Madam Speaker, it is my great pleasure to yield 1 minute to my good friend, the gentleman from from California (Mr. ROGAN).

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

Madam Speaker, in northern California some time ago, a young boy was sent to a high school, Gompers High School. He was the son of a convicted felon and an alcoholic. On his first day of school he was told by the assistant dean, All you need to do is show up for homeroom. We do not care if you show up the rest of the day. He was confused. He asked at the end of the meeting why that was so important, and he was told, Because at homeroom is where we take attendance, and that is where our money comes from, and as long as we get our money, we do not care if you show up the rest of the day.

I know that story well, Madam Speaker, because that young boy was me.

There are many children who are going into buildings just like Gompers Continuation School. These buildings have the word ''school'' on top of them, but they are not giving an education. We are condemning the poorest people in the poorest neighborhoods to a lifetime of pain instead of the promise of education.

Let us give the children of Washington, D.C. who are least able to afford to have a decent education and have a chance for a real future the opportunity to have what every single child of a Member of Congress has: a good education for a good future.

Ms. NORTON. Madam Speaker, I yield 1 minute to the gentleman from California (Mr. FARR), the State whose voters rejected vouchers twice.

Mr. FARR of California. Madam Speaker, I thank the gentlewoman for yielding me this time.

Madam Speaker, one thing we all have in common in our districts is we all have roads, and we all have schools. If people been watching the debate on the floor, they would know that we committed ourselves to fixing the roads in America. We did that just a couple of weeks ago by passing BESTEA: $219 billion we are going to put into the road system in America. But when it comes to fixing schools, we put zero, zip, none, no money into fixing schools, not a drop of Federal dollars. We have educational programs, but far less spent on that than we do on roads. So if we want to fix schools like we fix roads, we need to spend some more money.

Now, my colleagues do not suggest that in the road problem that we give vouchers for fixing the roads, but that is what my colleagues are suggesting here. It will not fix our educational system without a commitment of funds. If we were to give the same commitment to education that we just gave to roads, we would appropriate this year $219 billion. That is how we fix education.

Mr. ARMEY. Madam Speaker, could I inquire as to how much time is remaining?

The SPEAKER pro tempore (Mrs. EMERSON). The gentleman from Texas (Mr. ARMEY) has 9 minutes remaining. The gentlewoman from the District of Columbia (Ms. NORTON) has 7 minutes remaining.

Mr. ARMEY. Madam Speaker, I wonder if I might inquire of the gentlewoman from the District of Columbia how many speakers she has remaining?

Ms. NORTON. Madam Speaker, at this time it looks like around three.

Mr. ARMEY. Madam Speaker, I believe I have the right to close debate?

The SPEAKER pro tempore. The gentleman is correct.

Mr. ARMEY. That being the case, since I have two speakers, three at the most, perhaps it would be advisable if the gentlewoman from the District of Columbia might want to go ahead and yield to one of her speakers.

Ms. NORTON. Madam Speaker, I am pleased to yield 1 minute to the distinguished gentleman from New Jersey (Mr. PAYNE), a member of the Committee on Education and the Workforce.

Mr. PAYNE. Madam Speaker, the discussion here during this floor debate today may be focused on a proposal of private school vouchers in the District of Columbia, but it has larger ramifications throughout the country.

For example, in my home State of New Jersey, Governor Whitman has proposed implementing a private school voucher program in our State. Of course, this proposal has drawn considerable criticism from both Republicans and Democrats in the New Jersey State Legislature. Therefore, it is not clear if Governor Whitman will go ahead with her plan. But what we do here sends a message to the rest of the country, and we hope that we do not send the wrong message.

On a larger level, it disturbs me that proposals of vouchers have been used as an attempt to gain support in low-income communities. Basically, they have billed vouchers as a way to level the playing field for poor students who cannot afford private school, and they believe that they will win points in urban districts. However, they do not tell parents and students that the funds will be taken out of the public school system, therefore making a bad system even worse. They fail to inform them that students will not be protected by civil rights laws because they do not apply to private schools. While touting these vouchers as a saving grace for urban students, they do not provide the assurance that special education laws are adhered to in the schools.

So I ask that we defeat this proposal, and let us support and strengthen the public school system in this country.

Mr. ARMEY. Madam Speaker, I yield 2 minutes to the distinguished gentleman from California (Mr. COX), the Chairman of the Republican Policy Committee.

Mr. COX of California. Madam Speaker, I thank the majority leader for yielding me this time and thank him for bringing this to the floor for the kids. That is what this is about. It is not about legality, it is not about technicality, it is about whether these kids are going to get a chance.

The truth is, they need a chance. Last year for the first time District students, for which Congress is responsible, we are not responsible as the mayor of any city in the country, but we are responsible for D.C., and the kids for which we are responsible, in this Chamber right here, took the Stanford 9 achievement test for the first time. This test is used across the country, has been since 1923. Millions of kids have taken it, but the District schools never took it before, and here is what we found out.

In reading, 15 percent of the first-graders tested ranked below basic. That means that they did not have even the minimum skills necessary to go to the second grade. That was not all that far off the national average; it was a few points ahead of the national average, but that was for first-graders.

What we found is that the longer these kids stayed in the D.C. system, the worse it got for them, who are just like the other kids around the rest of the country. Forty-one percent of the second-graders tested below basic, compared to 15 percent the year before. By the time they were in tenth grade, 53 percent were below basic. That means they could not go on to the next grade because they could not read. The same thing happened in math. By the tenth grade, 89 percent of D.C. kids are below basic in math.

We already spend over $9,000 per pupil. That is the fourth highest in the Nation. Money is not the problem; the system is the problem. Let us not put the system ahead of the kids, let us put the kids first. This is our chance to do it. If we turn our backs on these kids now, it is their future, but we can do something to help them, and this is our opportunity to help them. I thank the majority leader for giving us this opportunity on the floor. Now, let us just do it.

Madam Speaker, I include the following for the RECORD.

HOW D.C.'S SCHOOLS CAN LEAD THE NATION

(By Rep. Christopher Cox)

Every parent knows that early education is essential to a child's future. But new reading and math achievement tests in the District of Columbia show that D.C.'s public schools are failing an entire generation of students. D.C. students have the same potential as every American child, yet the more time they spend in D.C. schools, the more poorly they do compared to other American children.

Today, just as the District of Columbia is poised to reap the benefits of tremendous economic growth, its young people may not be able to take advantage of unprecedented opportunities. Good jobs are plentiful, and the unemployment rate in the region is one of the lowest in the nation. It is imperative that children growing up in the Nation's capital receive the kind of education that will permit them to take advantage of these opportunities.

Congress is constitutionally responsible for the District of Columbia. If a national education policy is ever to be taken seriously, then Congress must first show it can achieve results in this modestly-sized city by the Potomac.

D.C. IN THE 1990S: AWASH WITH OPPORTUNITY FOR NEW GRADUATES

The District of Columbia is one of the wealthiest regions in the nation. Despite a population of only 500,000, the District has a gross economic product of almost $50 billion, with nearly two-thirds coming from non-governmental sources such as services, finance, insurance and real estate, and transportation and utilities. According to the Bureau of Economic Analysis, District residents' per capita personal income was $34,129 in 1996—higher than any state in the union, and almost $10,000 above the national average. The District also compares favorably to other metropolitan areas. D.C. metropolitan-area average annual pay is ninth in the country, behind such lucrative locales as New York, San Francisco, and the wealthy suburbs of New Jersey. Furthermore, the District is expected to remain wealthy area for the foreseeable future: its gross economic product is projected to increase at least 20% by 2025.

Today's students will benefit from these job opportunities only if they learn the skills employers will need in the years to come. Already, the region suffers from a shortage of skilled workers. The unemployment rate in the D.C. metropolitan area was only 3.9% in 1996, significantly below the so-called ''natural'' unemployment rate of 5.5%. The District itself, however, suffers from unemployment well above the natural rate, indicating that District residents, many of them products of the D.C. schools, are unable to satisfy employers—even in one of the nation's best markets for job seekers.

In the 21st century, the D.C. economy will be even more dependent on knowledge-based workers. Unfortunately, knowledge-based workers will need two basic skills—reading and math—that D.C. schools are failing to provide to their students.

RECENT TEST RESULTS FROM D.C. SCHOOLS

Last year, for the first time, District students took the Stanford 9 math and reading achievement tests—the nation's best-known achievement test. The Stanford 9 is a privately owned and operated test used by school systems across the country. It is the ninth version of the exam, which millions of American schoolchildren have taken since it was created in 1923. Stanford takes great care to ensure that the test is not biased in any way, including having a panel of prominent minority-group educators review the test. The results show that D.C. students' scores, upon entering the D.C. public schools, are roughly comparable to average student scores nationwide. The longer students remain in District public schools, however, the more their scores fall below both their initial levels of achievement and the national average. In fact, in the highest grades tested, the number of D.C. students who lack basic skills was twice the national average in reading, and one and a half times the national average in math.

Reading

Fifteen percent of the first-graders tested ranked ''below basic'' for reading on the Stanford 9 test. This means they had little or no mastery of the skills needed to enter second grade. This figure is roughly comparable to the national average of 12%. But the number of students ''below basic'' grew dramatically as children continued in the D.C. schools: 41% of the second graders tested ranked ''below basic,'' and 53% of tenth graders tested were ''below basic.''

Math

Thirty-seven percent of the third graders tested (the youngest students to take the math test) ranked ''below basic'' in math. The next level tested in math, the sixth grade, showed 55% ''below basic''—an increase of 33% after three years in D.C. public schools. By the tenth grade, a staggering 89% were ''below basic'' in math. Another 8% ranked as ''basic''—possessing only partial mastery of the most rudimentary math skills. Only three percent of District tenth graders were either proficient or advanced in math.

Many of the individual schools are far worse than even these dismal overall scores. At no less than 22 D.C. public schools, over 90% of the students rank ''below basic'' in math. At three of these schools, 100% of the students tested ranked ''below basic.'' Not one student at any of these schools showed any of the math skills needed for their grades.

Worse, as the Washington Post reported on January 8, 1998, these results do not include ''almost 4,000 tests that could not be scored because so few answers were filled out.'' This is 10% of the reading tests that were scored, and a quarter of the math tests that were scored. In other words, 4,000 D.C. students lacked the skills needed to fail the test. They were all below zero.

THE SOLUTION: EDUCATIONAL CHOICE, FOR THE KIDS

The D.C. public schools must change if their graduates are to succeed in life. And Congress—which bears the constitutional responsibility for the governance of the District—must help.

Already, Congress and the American people have been generous with tax dollars: according to the most recent Department of Education figures, the District spends $9,335 per pupil, the fourth highest in the nation. This year, it will cost more than one-half billion dollars to run the District's public education system. Clearly, money alone is not enough.

Instead, both Houses of Congress have separately passed the District of Columbia Student Opportunity Scholarship Act of 1997. This measure, which passed the House as part of the 1997 D.C. appropriations package, has already been introduced as freestanding legislation by Majority Leader Dick Armey (H.R. 1797). The bill will provide tuition scholarships to about 2,000 low-income students in the District of Columbia to enable them to attend the school of their choice, as well as providing extra tutoring assistance for 2,000 public-school students.

D.C. parents clearly want better opportunities for their children than the D.C. public schools provide. The non-profit Washington Scholarship Fund announced that it would provide 1,000 new scholarships to enable low-income District children to attend the private or religious school of their parents' choice. As of the January 31, 1998 application deadline, 7,573 children had applied for the 1,000 scholarships. According to House Majority Leader Dick Armey, ''This response is the strongest evidence yet that parents are frustrated by their lack of access to the best possible education for their children.''[1]

Research from school systems that offer educational choice demonstrates that giving parents the opportunity to choose their children's schools improves learning, and test scores, for children throughout the entire system. Data from Milwaukee, for example, show clear increases in reading and math scores—so much so that, according to a recent study, ''If similar success could be achieved for all minority students nationwide, it could close the gap separating white and minority test scores by somewhere between one-third and one-half.'' And parental choice provides competition that can help reduce costs in public and private schools alike, resulting in better deduction that is also more affordable. New York City's Catholic schools, for example, educate students at approximately one-third the cost of the city's public schools.

According to Samuel Stanley, Vice President for Research of the Buckeye Institute for Public Policy Solutions, ''Several studies of public school competition with other public and private schools have found competition improves public school performance. We need to create similar markets for students within school districts to provide the right incentives for using current resources productively and efficiently.''[2]

Brian Bennett, Director of School Operations for the School Futures Research Foundation, agrees: ''The most striking example of the competitive change that can result is no doubt found in Albany, New York, where a most generous philanthropist, Virginia Gilder, offered a $2,000 scholarship to every child in one of the city's lowest performing schools—and one-sixth of the student body left. Changes then instituted by the local board were dramatic—the principal of the old school was ousted, nine new teachers where brought in, two assistant principals were added, and the school received investments in books, equipment, and teacher training that had been neglected for years. Competition works to improve the education of all children.''[3] As Peter M. Flanigan, the investment banker who founded the Student/Sponsor Partnership in New York, put it, ''The alternative to a crushing monopoly is competition. When a monopoly faces real competition it always reacts by improving itself.''[4]

The D.C. Student Opportunities Scholarship Act will enable D.C. students to succeed in the expanding economy in which they live. While President Clinton promised to veto the Opportunity Scholarship Act, even if it meant killing all funding for the District, these latest D.C. test scores show the status quo is unacceptable. We can no longer trap thousands of students in schools that fail to prepare them for the marvelous opportunities at their very doorstep. Mr. Clinton owes it to the children of America's capital city to sign the D.C. Opportunity Scholarship Act the moment it reaches his desk.

The following are the results of Washington D.C. students' spring 1997 Stanford 9 Achievement Test in reading and math. (Excerpt from The Washington Post, October 30, 1997)

Grade level	DC public schools below basic (percent)	National average (percent)
Reading:		
1	15	12
2	41	25
3	41	25
4	45	24
5	36	22
6	31	21
8	34	22
10	53	26
Math:		
3	37	11
6	55	43
8	72	42
10	89	61
11	53	36

Note: The reading test covers areas such as sounds and letters, word reading, reading vocabulary, sentence reading, and reading comprehension depending on the students' grade level. The mathematics portion of the test focuses on problem solving and math procedures.

The test was given for the first time to D.C. school students in May 1997. It was not administered to children in all grade levels because it was a part of a pilot program administered by the school district. This year, every D.C. student in grades 1–11 will take both the mathematics and reading portions of this exam.

FOOTNOTES

[1] The evidence in other cities is just as stark. In New York City, 23,000 families applied for 1,000 private scholarships for grades 1–5 at private schools of their choice. Peter Flanigan, Founder, Student/Sponsor Partnerships, Testimony before the House Education and the Workplace Oversight and Investigations Subcommittee, Education at a Crossroads Field Hearing, May 5, 1997.

[2] Samuel Staley, Testimony before the House Education and the Workforce Oversight and Investigations Committee, Federal Education Programs Evaluation—Field Hearing on Public School Choice, May 27, 1997.

[3] Brian Bennett, Testimony before the House Education and the Workforce Committee Early Childhood, Youth and Families Subcommittee on School Choice in D.C., March 12, 1998.

[4] Flanigan Testimony.

Ms. NORTON. Madam Speaker, I am pleased to yield 1 minute to the distinguished gentlewoman from New York (Ms. SLAUGHTER).

Ms. SLAUGHTER. Madam Speaker, I thank the gentlewoman for yielding me this time.

I do not think any one of us could say that the public school system in the United States in many areas of the country is not in serious trouble. I do not think many of us would disagree that whatever happens, the public school system in the United States has to be helped and made better.

It is somewhat tragic to me when I hear this debate, because I know that everybody is well-meaning, and I really believe that all of the Members of this Congress want to do the best they can for the children of the United States. But the fact of the matter is that at a cost of a voucher of $3,200, it seems to me that what you are doing is dangling out to poor parents by telling them that their public school is no good is sort of a pie-in-the-sky idea, because I don't know of any private schools, many of them, that would be able to pay the tuition of $3,200.

How much better it would be for every child in the country if the public school system was brought up to standard. We have an obligation for that.

□ 1415

When this country was settled, the first thing the settlers did in every community was to build a church and build a school, understanding that it was their personal obligation to educate their children. We need to dedicate ourselves today not to ways to getting around the public school system, but to dedicating ourselves to making it be what it ought to be.

If we are going to be able to compete in the next century, every child in this country needs the best education it can get. No child should be left behind. Instead of offering out the notion that somehow they are all going to go to some exclusive school for $3,200, let us pledge ourselves to see what we have to do to rebuild these schools, to rededicate ourselves to the idea that the public school system is the backbone of our democracy.

Mr. ARMEY. Madam Speaker, I yield 45 seconds to the gentleman from California (Mr. RIGGS).

Mr. RIGGS. Madam Speaker, I thank the gentleman from Texas (Mr. ARMEY), the majority leader, for yielding me this time.

Madam Speaker, I just want to point out how absurd the arguments are in opposition to this, because the District of Columbia is already relying extensively on private schools. This is the Washington Post, April 28, and I quote, ''The District of Columbia, which is under court order to test and place students with special needs, is spending more than $40,000 a pupil,'' you heard me right, $40,000 a kid in some cases, ''to pay tuition, transportation and other costs of private schools because the city lacks a sound special education program. More and more parents are insisting that their children be classified as having special needs because it is a way out of the District of Columbia public schools.''

Madam Speaker, I would say to the gentlewoman from the District of Columbia (Ms. NORTON) that the ongoing audit of the District of Columbia public schools recently found that the District of Columbia had failed to pay the private schooling costs of thousands of children with learning disabilities and special needs, amounting to hundreds of thousands of dollars in unpaid bills. I submit that that is concrete evidence of neglect, incompetence and mismanagement.

Ms. NORTON. Madam Speaker, I yield myself such time as I may consume.

Footnotes at end of article.

Madam Speaker, I would remind the gentleman that the District of Columbia is under a Control Board because of its dire financial condition, and the Congress of the United States bears a heavy responsibility for that.

May I also indicate to the gentleman that we love our private schools. We love our religious schools. Because of them, many residents who would otherwise move out stay here. If, in fact, the competition from private schools was sufficient to help bring up public schools, then the District of Columbia would be among the most excellent in the world.

Let me be clear, I am not now and never shall be an apologist for the public schools of the District of Columbia, although I attended these same schools and got a good education during the years when the Congress of the United States required that they be segregated under law.

At the same time, I shall not abandon these schools. Nor will I require or expect that any parent or any child remain in the D.C. public schools until they are brought up to par. I renew my challenge to the majority to let us raise private money for private schools together, particularly because most of these schools will necessarily be religious schools that cannot be publicly funded under the Constitution of the United States.

Madam Speaker, Christ said, ''Render under Caesar the things which are Caesar's and unto God the things that are God's.'' Public money belongs in public schools.

Madam Speaker, I reserve the balance of my time.

Mr. ARMEY. Madam Speaker, I yield myself 3 minutes.

Madam Speaker, at the beginning of this debate, I said there were two great beneficiaries of school choice. The first institutional beneficiary is public schools, because it is because of school choice that public schools find the incentive to improve themselves.

We know that works. We saw it work in Albany, New York, when Virginia Gilder, the philanthropist, found the worst school in the city, offered $2,000 scholarships to the parents of each child to move their child to a school of their choice. One-sixth of the parents took that offer up. They moved their children.

It so startled the school district that, as The Washington Post reported, the school board ousted the principal, brought in nine new teachers, added two assistant principals, invested in books, equipment, and teacher training after years of neglect.

Madam Speaker, competition works. We all agreed we should break up AT&T because if there were a monopoly on the block it would not be innovative or responsive, it would not meet the needs of the consumers. Why would Members think a public monopoly is any more benevolent than a private monopoly? We are breaking up the monopoly so they can have the incentive to compete.

But that is not where the heart lies. The heart lies with the children. And let me tell my colleagues, I know these kids, I spend time with these kids. This is not an abstraction with me.

I think of poor little David, 9 years old. His mother is on drugs. His father only shows up once and a while to use the little guy. He found himself with an opportunity to attend one of these schools by a scholarship through the Washington Scholarship Fund, and he gets his own little 9-year-old self up out of bed every day and gets himself to school because at school he is loved and he learns.

David was not the cream of the crop. He tested below grade level, and the school reached out and took him, as they did five children in Anacostia that we know. All tested below grade level. But the schools took them, nurtured them, taught them, and they are all doing just fine now.

We have got little William who is now a freshman who has turned his entire life around. This boy was headed for big trouble. But he got out of the school in which he felt trapped, that expected so little of him that he gave so little to himself, and now he has turned his little life around.

And then there is Kenny. Kenny had a bad start of it. He got an opportunity. Kenny will now go to high school at the best school in D.C. based on the merit of his work.

I said at the beginning we are dedicated to improving the schools. We cannot improve the schools if we keep giving the schools everything they ask for and never make demands on them and never hold them accountable.

City government in D.C. cannot hold these schools accountable. It cannot hold itself accountable. The Federal Government cannot hold it accountable. If the parents hold the schools accountable, the schools will improve for the children. This is about the children. Let me just say: Have a heart.

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

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

Mr. GEPHARDT. Madam Speaker, I deeply appreciate the comments that the gentleman from Texas (Mr. ARMEY), the Majority Leader, just made. I take very seriously the idea that he says that Republican Members of the House are concerned about the children and concerned about education. I accept that completely.

I believe Members, all Members of this House want to improve the education and the upbringing of all of our children. That is a very important beginning agreement. We have a disagreement, obviously, about the role of vouchers and whether or not to take some of the money that we are spending on public education to give to vouchers that can be used in private and other schools. But we ought to build on our agreement rather than suffering from this ongoing disagreement.

All of us want the children of the District of Columbia and every other jurisdiction in the country to succeed, to learn, to have proper values, to be productive, healthy citizens. That must be our number one goal. We believe that vouchers do not advance us toward that goal. Our concern, which is sincere and heartfelt, is that the children that are left behind will do worse, worse as a result of this legislation. Seventy-six thousand youngsters will not have the benefit of the vouchers. The 7,000 who get them may do better; they may not do better. But the 76,000 that are left behind will be hurt.

Madam Speaker, what we should be talking about today are the kinds of things that the gentlewoman from the District of Columbia has brought forward, creative ideas to improve public education. And I take seriously what the majority leader has said about accountability. We should be for accountability.

I put in legislation I call ''Reward for Results.'' It says that Federal aid, at least part of Federal aid, ought to be conditioned upon a school achieving results. We should be able to find out if children can read, write and compute at certain ages. And we should, in my view, be willing to condition part of Federal aid on them being able to achieve those conclusions.

What I would hope we could have here is a discussion between the parties on creative ideas to fix the public schools that do not work; to realize that most of the public schools do work and do a very good job, but the ones that do not, we cannot afford that result.

So, I hope Members will vote against this idea of vouchers. I hope we will meet again and talk about creative ideas to fix the public schools, to make them accountable, to get the results that we need, to make sure that every child is a productive citizen.

I am heartened by what the Majority Leader has said today. I think we can find an agreement. I do not think this is it. I urge Members to vote against this bill. I wish the gentlewoman from the District of Columbia had the ability to bring her motion to recommit today, and I hope that if we could defeat this bill we could come back with a bipartisan agreement on education that would move us in the right direction.

Mr. ARMEY. Madam Speaker, I thank the gentleman from Missouri (Mr. GEPHARDT) for his comments. I always appreciate his participation in the debate.

Madam Speaker, I yield the balance of my time to the distinguished gentleman from Georgia (Mr. GINGRICH), Speaker of the House.

The SPEAKER pro tempore (Ms. EMERSON). The Speaker of the House is recognized for 3½ minutes.

Mr. GINGRICH. Madam Speaker, I thank the gentleman from Texas (Mr.

ARMEY), my friend, for yielding me this time, and I thank the gentleman from Missouri (Mr. GEPHARDT), the minority leader, for his comments.

Let me say first, I would be very excited to help establish a bipartisan task force on reforming public education. I would be very excited to establish a special task force on public education for D.C. I would be very willing to establish a bipartisan task force to look at military dependent schools, which I am a product of. I would be very willing to work on a bipartisan basis to help Indian schools achieve national levels.

Those are the three school systems, by the way, that are specifically Federal: military dependent schools, Indian schools, and the District of Columbia. We have the relationship to D.C. that a State legislature would have to local schools.

Madam Speaker, I am very willing as a product of public schools, as somebody whose children went to public school, I have actually lived my career in a public school. I used to teach in a public high school. I am committed to public education and I will be glad to work on reform.

But that is not what is here today. And it is interesting how whatever is here is not what is right, because what is right is not here, so Members have to vote ''no'' today because today it actually helps somebody; but if they vote ''no'' today, later they can vote ''yes,'' as long as they do not vote ''yes'' today.

What is here today is real simple. And I must say to all of my friends on the left, I do not understand how they can walk the streets, look the children in the eye and cheat them. I do not understand how they can meet with the parents and tell them no.

We met yesterday with Ted Forstmann, who does not live in D.C. Ted Forstmann is a very successful American who loves this country, so he has taken his own personal money and he created a thousand scholarships because he despaired of this Congress. And he offered a thousand children a scholarship out of the goodness of his own heart in D.C. alone.

□ 1430

But he had a condition. These are not free scholarships. You have to come up with $500 for your child to get that scholarship. There are 8,000 applications in the District of Columbia. You can talk about home rule, but the children who are trapped in the failed system spoke with their application; 8,000 children applied.

That meant that welfare mothers and mothers at minimum wage, families in public housing were saying, we love our child so much, and we are so frightened for our child's future that we will scrape together our $500 so that our child has an alternative. Without any effort, 8,000 applied. They believe that, next year, there will be 25,000 applications.

We are seeing the same thing in New York. We are seeing it in Cleveland. But we are not the State Legislature of New York. We are not the State Legislature of Ohio. We are the U.S. Congress, and this is the national capital.

If you have it in your heart to turn to that child, those other 7,000, and say to them, no, I know your parents think your life may be destroyed, I know you may end up not learning how to read, I know you may end up a drug addict, I know you may end up a victim of violence, but, no, I want to take care of the teachers' union, and stay where you are, if you can live with yourself and vote no, fine; but then, later on, when you see one of those children and there is another accidental death, there is another accidental drug overdose, there is another statistic on welfare, do not look to this side of the aisle and say, oh, why does that child not have an education.

Some of you say 7,000 is not enough. Fine. We are prepared to move 70,000. We will move 70,000 vouchers if you want to give every child in this District a chance.

You say to us, well, we are taking money from public education. Every one of you knows that is not true. Every one of you knows that is just plain not accurate. This system actually leaves $4,000 more back behind so that, on a per capita basis, there is actually more money for the children who stay in public schools.

This is designed by Mr. ARMEY so the public school child who stays in public school has more resources because he only offers $3,200 maximum; whereas, the current system pays somewhere between $7,800 and $10,000, depending on whether or not you believe any of the records.

So more money for the current child who stays in public school is a yes vote for the Armey motion. Direct, immediate help for several thousand children is a yes vote. But if you can live with saying no when 7,000 additional children have spoken by applying, when their parents have spoken, when they are crying out to this Congress, save our child from drugs, save our child from violence, save our child from illiteracy, save our child from ignorance, then let the burden of conscience be on those who take care of the teachers' unions but cheat the children. Vote yes for this bill.

Ms. KILPATRICK. Madam Speaker, as a former public school teacher, concerned citizen, parent and Member of Congress, I am fully aware of the value of a quality education. One of the first speeches that I made on the floor of the House emphasized the importance of education in preventing crime and providing a skilled and capable work force. Therefore, it troubles me deeply to discover that there is a real, enthusiastic, and empirical effort to denigrate and erode the federal commitment to the public schools of our nation via school vouchers. I am emphatically opposed to school vouchers based on the fact that vouchers do not work, only benefit those students who receive vouchers, and is often taxpayer support of private or religious institutions.

Initial results from Milwaukee, Wisconsin, the showcase city for the voucher program, has been marginal, at best. In these fiscally conservative times, taxpayers deserve to get the most for their tax dollars as possible. Marginal programs will not suffice. Also, these voucher schools, more often than not, do not accept children with physical challenges or remedial needs, and get to pick and choose among the best and the brightest to attend their institutions. Our public schools accept all children, regardless of previous educational success or failure, financial standing, or physical ability.

I am also distressed by the fact that the D.C. voucher bill provides a select group of students (2,000) with vouchers, while leaving the other 76,000 students in under-funded public schools. No one would argue that there is no room for improvement in D.C. public schools. However, the implementation of vouchers constitutes the abandonment of D.C. schools and abandonment is not the answer. Congress needs to be encouraging efforts all across the city to make schools safer, improve teaching, raise educational standards and provide more teachers in D.C. classrooms.

Finally, I am leery of this legislation's potential to encroach upon our First Amendment freedoms. Our Constitution was forged based on the clear principle providing for the separation of church and state. This legislation, which would allow the use taxpayer funds to support private and religious institutions, is clearly the entanglement of federal funds in religious matters.

Excellence in education begins with our public schools. School vouchers would take vitally-needed funds from our public schools to private and parochial institutions. Of course, our public schools need reform. The price of reform should not be borne on the backs of our poor children and families, who cannot afford the high price of vouchers. We need to get serious about reforming and supporting public schools, not abandoning them in favor of a plan that does not work—school vouchers.

Mrs. CLAYTON. Madam Speaker, I rise in opposition to this poorly conceived proposal for school vouchers. The test of who you are and where you stand is what you do, not what you say.

The Republicans say that they are for public education for all, but what do they do? They propose a plan that will only benefit a few, and the few are not the students. The few are those who would put profits in their pockets through a voucher system for private schools that are not likely to open their doors to all.

A private school by definition is ''exclusive,'' ''inaccessible,'' ''restricted,'' ''off limits'' to most, available only to some. How, then, can we appropriately use public funds to finance the education of some at the expense of most?

They say the plan promotes choice. But, what they do is provide a choice for only 2,000 students, and do nothing for the remaining 76,000 students. Is that choice?

They say they are for competition. They say that this voucher plan will give poor students the same access to good schools that wealthy students have. But, what they do is provide a maximum voucher of a mere $3,200. That won't get any poor student into any private school in Washington, D.C.

They say they want to help the D.C. school system. But, what they are really doing is trying to go through the back door and establish a school voucher program nationwide, something they could not do through the front door. A nationwide voucher program will hurt students from the rural communities I represent.

Draining public funds from rural public schools, expecting those students to go to private schools usually located great distances way is not only a myth, it is a total deception.

Madam Speaker, there are ways to help our public schools, and they do need help.

This week, Democrats unveiled an agenda for ''first class'' public schools. That agenda includes making sure that all of our students have an early start and an even start, achieving the basics by age six. In includes producing well trained teachers and relief from crumbling and overcrowded school, while adequately equipping classrooms.

That agenda includes support for local plans to renew neighborhood, public schools and the adoption of rigorous standards of performance. And, it includes real parental choice for public schools.

Madam Speaker, there is no right to public education. That is what the courts have said. But, the courts have also said, when you provide education to some, you must provide it to all.

In America, for many, many years, we have had, as a national policy, the promise of providing public education, not just for the few, but for the many. This voucher plan does not provide education for all.

Vote no, and send this plan back where it belongs.

Mr. BURTON of Indiana. Madam Speaker, I find it disheartening that President Clinton, and others opposing this legislation, would rather protect a public education system that is failing to educate the District's children, than do what is best for the families of our nation's capitol.

I read Monday in Congressional Quarterly's Daily Monitor that one of the bill's opponents has called the voucher plan, quote, ''an election-year charade'' which is, quote, ''irrelevant * * * to the pressing needs of District schoolkids.''

Let me remind my colleagues that this proposal was introduced in a non-election year (last June) as a bi-partisan, bi-cameral bill. This is not an election year ''charade'', and it is not a Republican or conservative issue. If it were, we would not have the support of leading liberals in the Democratic party such as Senators JOSEPH LIEBERMAN, MARY LANDRIEU, BOB KERREY, and former Representative Floyd Flake.

That this legislation is ''irrelevant'' to the pressing needs of District schoolkids could not be further from reality. It is because the ''pressing'' needs of District schoolkids have continued to go ill-addressed, and the city's children continue to fall behind, that the need for this legislation is so desperately needed now.

Two years ago, in 1996, the Financial Control Board reported that, ''The deplorable record of the District's public schools * * * has left one of the city's most important public responsibilities in a state of crisis, creating an emergency which can no longer be ignored or excused.''

That was two years ago! How many more years must District families wait out this state of ''emergency''? How many more years must children fall behind in school, increasing their risks of failure in adulthood because of a substandard education?

So many District families cannot afford anything but the current poor quality of education in the cities' public school system. Vouchers would give these families a chance to choose a school which can provide a better education—without taking a single dime from the existing public school budget—while reforms in the public school system are being implemented.

Studies show that similar voucher efforts in Cleveland and Milwaukee are having dramatic positive effects on reading and math skills. This legislation could be part of the answer to this week's devastating news about the low reading and math scores of this city's schoolchildren. Again, it is only part of the solution. We must at the same time show leadership and support for efforts to improve the infrastructure and quality of education in the public school system of our nation's capitol.

We all know that there is no magic bullet. Most reform efforts will take time. However, this voucher program could provide some immediate relief to families who do not have a choice with regard to their child's education.

I urge my colleagues on both sides of the aisle—please join me in support of this important legislation. Your vote for this bill is a vote to put DC's parents immediately on the road to providing a better education for their children, thus a better and brighter future for their children.

Mr. COSTELLO. Madam Speaker, I rise today in strong opposition to S. 1502, the District of Columbia Student Opportunity Scholarship Act. The passage of this bill will not correct the problems we have in our education system. Taking money from our public school system will only further hurt our school children.

This legislation is another attempt by the Republican-led Congress to undermine the integrity of our public school system. S. 1502 diverts limited tax dollars to nonpublic education. We already spend too little on our children's future. I cannot in good conscience support a bill that will further erode millions of children's opportunities for a quality education.

Madam Speaker, there are approximately 46 million children in our nation's public schools. By the year 2006, a projected 3 million more students will be enrolled in public schools. In sharp contrast, only 11 percent of children attend private schools. It is bad public policy to abandon our federal commitment to public education. What will happen to students left behind in public schools when their resources are given away?

Is this really the best use of federal dollars? Instead of siphoning money into private and parochial schools, I believe we should focus on fixing the problems in our public schools so that all school children will benefit. We should rebuild our educational foundation to make our public schools a safe haven for learning. It is shameful that today we debate ways to put more children in private schools rather than working on improving our public schools. A free public school education for all Americans is one of the basic tenets of our nation. We must not abandon this principle.

Studies have indicated that the controversial Cleveland voucher program produces no academic gains for voucher students compared to their peers in public schools in any academic subject—reading, math, social studies or science. Moreover, serious accountability problems have been found in many areas including verifying the voucher recipients' income level, residence or eligibility. An independent audit discovered $1.9 million worth of misspent Ohio tax dollars. We don't want these same problems in the District of Columbia and we don't want them in our states.

I urge my colleagues to oppose this legislation.

Mrs. MORELLA. Madam Speaker, I rise in opposition to the District of Columbia Student Opportunity Scholarship Act.

I have always been a staunch believer that matters of education policy should be decided by the local school board and local elected officials. Consequently, on matters regarding school vouchers, Congress should allow the District to make up its own mind, . . . just as every other locality in the country is able to choose for itself. The people of the District of Columbia should be deciding themselves whether or not they want vouchers. Vouchers should not be imposed upon the citizens of D.C. by members who are elected from other jurisdictions throughout the United States.

I am opposed to allowing public funds to be used for private and parochial schools. Such funding has been successfully challenged as violating the Constitutional mandate calling for the separation of Church and State. Moreover, there is little evidence that voucher plans increase student achievement, and the schools that are left behind are weakened by the loss of the most committed parents and students.

On September 30th of last year, a front page Washington Post story found that there are not even 2,000 spaces available in private schools in the local region. In addition, the majority of private schools in the area charge much more than $3,200.

This is a bad bill if we are concerned about high standards for all of the children in the District of Columbia public schools. It's just a ''quick-fix'' solution to address the needs of underserved children in the District. Moreover, official studies of the Milwaukee and Cleveland voucher programs have said that voucher students have not made academic gains. The 1998 study of the Cleveland program, by the Ohio State Department of Education, found no achievement gains for voucher students in the Cleveland public schools.

There are better ways to spend the $7 million Congress would use to allow but a few children in the District to attend public and parochial schools. The D.C. public schools could use $1 million to buy new textbooks for every 3rd, 4th and 5th grader. The District could use $3.5 million for 70 after-school programs based in public schools, to help 7,000 children who would otherwise be ''home alone'' when school ends each day.

Madam Speaker, this bill would divert scarce tax dollars from D.C.'s public schools and shift taxpayer dollars into schools that are not accountable to the community. I am opposed to imposing school vouchers on the citizens of the District of Columbia, and I urge my colleagues to vote ''No'' on the District of Columbia Student Opportunity Scholarship Act.

Mr. MARTINEZ. Madam Speaker, I rise to express my strong and unequivocable opposition to the bill which is before us today. Vouchers are not only bad policy but in this instance have clearly become the political tool

of the Republican leadership to bash the public school system of the District of Columbia and this country to play on the fears of our nation's parents.

Vouchers have received a significant amount of attention over the past few weeks as we have seen a major push by the Republican leadership to politically capitalize on the education of our children. We have heard our Republican colleagues use words like ''scholarships'' instead of vouchers to portray the message which their pollsters have said is so vital. I am pleased to see so much effort being put into ensuring that this message is not being lost.

I have never been one to craft my views or modify my position just because the latest questionable accurate poll has produced certain conclusions. Instead, we should be concentrating on proposals and ideas that will increase the quality of education in this country rather than destroy it.

Regardless, as I am sure it does not come as a surprise to any which have followed this issue, I am adamantly opposed to any use of public tax dollars for any voucher-like proposal, including the provisions included in this bill authorizing vouchers to be used in the District of Columbia. Not only do these provisions raise some very serious constitutional questions, but they will do little to help only a few students while greatly benefiting those whose interests are entrenched in private schools.

In fact, Representative ARMY himself has admitted that this bill will provide vouchers for only 2000 D.C. children. Last time I checked this would not come close to helping the more than 80,000 school age children which reside in the District. We cannot and should not ignore the problems of today's educational system while attempting to capitalize on political rhetoric. We should give time to the District's new chief academic officer, Arlene Ackerman, who has led positive reforms in Seattle, Washington schools, and can and will do the same in the District.

The Republicans have sought to use D.C. vouchers as the answers to our Capital City's problems in its school system. This is wrong. Any proposal which invites the idea of providing private school vouchers dismantles an educational system which guarantees access for all by leaving ''choice'' in the hands of private school admissions officers.

In addition to the destruction of equality in the most basic opportunity—the opportunity to learn—there is not one research study, despite what some of our witnesses may say today, which accurately provides evidence that vouchers improve student learning. Because of this lack of evidence, I see little reason to establish any type of Federal voucher program, including one in the District of Columbia.

We have seen the existing voucher programs in Milwaukee and Cleveland provide no improvement in student achievement levels despite the fact that they have been in operation, at least in the case of Milwaukee, for over six years. In addition to the complete lack of a policy basis for enacting any type of private school voucher proposal, the American people have spoken repeatedly that they have no interest in such programs. Over 20 States, including the District of Columbia, have held referenda on this issue and the citizens of all 20 States have rejected voucher programs.

Our goal as public policy makers should be to construct broad policy which will improve the educational results of all of our children—not a select few. One of the most deeply rooted values in this country has been that all children are guaranteed access to an education. The public school system has been the institution in this country which has provided this opportunity. Yes, there are problems in our public schools, problems which deserve and need our attention. All of us in Congress realize that the District has a great share of problems in its public school system.

However, we should not look for quick fixes to a situation which deserves careful consideration. As I said at a recent hearing in the Education and Workforce Committee on this subject, those who support vouchers want to abandon our public schools and the vast majority of children who would remain in what is already an underfunded system. Those of us in Congress need to show leadership in combating the problems that face us as elected leaders—not run away from them.

Only by working within the public school system, both in the District and throughout the Nation, can we build upon the successes and learn from our failures in our attempts to educate our Nation's children.

In closing, I would urge members not to support this ill-conceived and politically motivated bill. Now is not the time to go back on our educational commitments to our children.

Ms. CHRISTIAN-GREEN. Madam Speaker, I rise today in strong opposition to S. 1502, the District of Columbia School Vouchers Act—yet another attempt by the majority to drain resources from the already needy DC School system in order to pay for an already rejected experiment.

Madam Speaker, there is no question that DC public schools have problems. This isn't some new startling revelation; there isn't a public school system in the country that doesn't have problems. It is true that there are schools in DC which, for whatever reason, are not adequately serving the students attending them. But, my colleagues, the answer to this problem and the problems plaguing public schools in New York, Chicago or Los Angeles is assuredly not vouchers. Providing a $3,200 subsidy to private and parochial schools would do nothing but drain $45 million dollars in federal funds that would otherwise be available for public schools nationwide.

My colleagues on the other side of the aisle say that they are justified in proposing this bill by pointing to the fact that DC parents would welcome this kind of assistance. This also isn't news. What poor family, which have to send their children to an unsafe, run-down, decrepid school, that doesn't have enough teachers or books, wouldn't welcome assistance to send their children to a clean safe well-run private school. But, the cruel political irony of this and other school voucher proposals is that it would provide help to a small number of public school students and do nothing for the majority of students that do not get vouchers and have to remain in their poor run down schools. What does my Republican colleagues propose to help them?

Madam Speaker, we all know that vouchers isn't the answer. We must find solutions that will fix the problems in DC and all public schools. We must build new schools, repair run-down buildings, provide funding for more teachers so that class sizes can be reduced and funds for computers and other needed resources. Allowing only 2,000 out of over 80,000 DC students to get a better education will do more harm than good. Vote no on S. 1502. We must not allow the majority to experiment on the children of DC while doing further harm to an already desperate public school system.

Mr. PELOSI. Madam Speaker, I rise in opposition to the District of Columbia school voucher legislation. This is not the way to improve public education.

Not one of us is going to contest the assertion that the D.C. public schools need help. but the way to do this is through comprehensive school reform, by engaging parents, teachers and the community in creating and maintaining high performance centers of learning with challenging academic standards.

Diverting public money to private schools is not a way to improve education. It is, however, an experiment that is doomed to fail leaving this city's school children as the casualties. This legislation may benefit 2,000 D.C. students but abandon 76,000 others. Quality education for all students, not for a select few, should be our priority.

Creating a voucher system does not solve the problem, it shifts the responsibility elsewhere. It also does not guarantee that students from low-performing schools will meet the admission standards of private institutions, or that the voucher would even cover the expense of many private schools.

Public school choice, magnet schools, charter schools and comprehensive school reform efforts provide effective alternatives to passing our problems off on private schools.

Our federal responsibility in education is to support States and local school districts in their efforts to make better public schools and better learners. It is not an acceptable solution to engage in misguided social engineering in the District by draining funds that would be used to improve the public schools. The Democrats of this House have a plan, a good plan that raises the prospects for all of America's public school children, not just a select few at the expense of all the rest.

The SPEAKER pro tempore (Mrs. EMERSON). All time for debate has expired.

The Senate bill is considered read for amendment.

Pursuant to House Resolution 413, the previous question is ordered.

The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, and was read the third time.

MOTION TO COMMIT OFFERED BY MS. NORTON

Ms. NORTON. Madam Speaker, I offer a motion to commit the Senate bill to the Committee on Government Reform and Oversight.

The SPEAKER pro tempore. Is the gentlewoman opposed to the Senate bill?

Ms. NORTON. Yes, Madam Speaker.

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

The Clerk read as follows:

Ms. NORTON moves to commit the bill S. 1502 to the Committee on Government Reform and Oversight.

The SPEAKER pro tempore. The motion is not debatable.

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

There was no objection.

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

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

RECORDED VOTE

Ms. NORTON. Madam Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule XV, the Chair announces that she will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of passage of the Senate bill.

The vote was taken by electronic device, and there were—ayes 198, noes 224, not voting 11, as follows:

[Roll No. 118]

AYES—198

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

NOES—224

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

NOT VOTING—11

Bateman
Bunning
Dixon
Gonzalez
Kennelly
McHugh
Meek (FL)
Parker
Sandlin
Smith (MI)
Young (AK)

□ 1453

The Clerk announced the following pairs:

On this vote:

Mrs. Kennelly of Connecticut for, with Mr. Young of Arkansas against.

Mr. Meeks of New York for, with Mr. Smith of Michigan against.

Mrs. CHENOWETH changed her vote from ''aye'' to ''no.''

Mr. VENTO and Mr. ANDREWS changed their vote from ''no'' to ''aye.''

So the motion to commit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mrs. EMERSON). The question is on the passage of the Senate bill.

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

RECORDED VOTE

Ms. NORTON. Madam Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 214, noes 206, answered ''present'' 1, not voting 12, as follows:

[Roll No. 119]

AYES—214

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

Weller	Whitfield	Wolf
White	Wicker	Young (FL)

NOES—206

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

ANSWERED ''PRESENT''—1

Paul

NOT VOTING—12

Bateman	Dixon	Meek (FL)
Boehner	Gonzalez	Parker
Brown (CA)	Hall (TX)	Sandlin
Bunning	Kennelly	Smith (MI)

□ 1504

The Clerk announced the following pairs:

On this vote:

Mr. Bunning for, with Mrs. Kennelly of Connecticut against.

Mr. Smith of Michigan for, with Mr. Meeks of New York against.

Mr. YOUNG of Alaska changed his vote from ''aye'' to ''no.''

So the Senate bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BOEHNER. Mr. Speaker, unfortunately, I missed the vote on final passage of S. 1502, The District of Columbia Opportunity Scholarship Act. As a strong supporter of this much-needed legislation to improve the quality of education for thousands of school children in the District of Columbia, I would have voted ''yes'' on final passage.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 3579, 1998 SUPPLEMENTAL APPROPRIATIONS AND RECESSIONS ACT

Mr. MCINNIS, from the Committee on Rules, submitted a privileged report (Rept. No. 105–505) on the resolution (H. Res. 416) waiving points of order against the conference report to accompany the bill (H.R. 3579) making emergency supplemental appropriations for the fiscal year ending September 30, 1998, and for other purposes, which was referred to the House Calendar and ordered to be printed.

WAIVING REQUIREMENT OF CLAUSE 4(b) OF RULE XI WITH RESPECT TO SAME DAY CONSIDERATION OF CERTAIN RESOLUTIONS

Mr. MCINNIS. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 414) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 414

Resolved, That the requirement of clause 4(b) of rule XI for a two-thirds vote to consider a report from the Committee on Rules on the same day it is presented to the House is waived with respect to any resolution reported from that committee before May 1, 1998, providing for consideration or disposition of the bill (H.R. 3579) making emergency supplemental appropriations for the fiscal year ending September 30, 1998, and for other purposes, an amendment thereto, a conference report thereon, or an amendment reported in disagreement from a conference thereon.

The SPEAKER pro tempore. The gentleman from Colorado (Mr. MCINNIS) is recognized for 1 hour.

Mr. MCINNIS. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Ohio (Mr. HALL), pending which I yield myself several such time as I may consume. During the consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 414 is a simple resolution. The proposed rule merely waives the requirement of clause 4(b) of rule XI for a two-thirds vote to consider a report from the Committee on Rules on the same day it is presented to the House for resolutions reported from the Committee before May 1, 1998, under certain circumstances.

This narrow, short-term waiver only applies to special rules providing for the consideration or disposition of H.R. 3579, making emergency supplemental appropriations for the fiscal year ending September 30, 1998, amendments thereto, a conference report thereon, or items in disagreement from a conference for H.R. 3579.

Mr. Speaker, H. Res. 414 is straightforward, and it was reported by the Committee on Rules with a voice vote. The Committee recognizes the need for expedited procedures to bring these emergency supplemental appropriations forward as soon as possible.

Mr. Speaker, the timeliness of some of these emergency appropriations cannot be understated. There are many areas within the country that have been hit by significant natural disasters which need relief as well as critical funding for military operations. Therefore, we must move promptly.

I urge my colleagues to support House Resolution 414.

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

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

I thank my colleague the gentleman from Colorado (Mr. MCINNIS) for yielding me the time. As he has described, this rule will permit the House to consider the conference report on the emergency supplemental appropriation bill the same day the Committee on Rules reports a rule for the bill.

Mr. Speaker, under this procedure, Members will have little or no opportunity to examine the conference report before they vote on it. Generally, important and complex bills should not be taken up in this manner. Moreover, I am opposed to provisions in the bill itself, including cuts in the program which funds housing for poor people and the failure to include funding for the International Monetary Fund.

Though I understand the need for moving quickly to pass the emergency spending bill, because of the reasons I have already mentioned, I oppose this rule.

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

Mr. MCINNIS. Mr. Speaker, I yield myself such time as I may consume to inquire of my good friend the gentleman from Ohio (Mr. HALL) if he has any further testimony or any further discussion on his side?

The SPEAKER pro tempore. Does the gentleman from Ohio have any further speakers?

Mr. HALL of Ohio. Mr. Speaker, it appears that I have nobody here really to speak on this particular rule. Therefore, I yield back the balance of my time.

Mr. MCINNIS. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

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

Mr. HALL of Ohio. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, further proceedings on this question are postponed until later today.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 3 o'clock and 14 minutes p.m.), the House stood in recess subject to the call of the Chair. The bells will be rung 15 minutes prior to reconvening.

□ 1602

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. HULSHOF) at 4 o'clock and 2 minutes p.m.

WAIVING REQUIREMENT OF CLAUSE 4(b) OF RULE XI WITH RESPECT TO SAME DAY CONSIDERATION OF CERTAIN RESOLUTIONS

The SPEAKER pro tempore. The pending business is the question of agreeing to the resolution, House Resolution 414, on which the yeas and nays are ordered.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution.

The vote was taken by electronic device, and there were—yeas 211, nays 196, not voting 25, as follows:

[Roll No. 120]

YEAS—211

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

NAYS—196

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

NOT VOTING—25

Bateman
Bliley
Bunning
Crapo
DeFazio
Dixon
Dunn
Fawell
Gonzalez
Greenwood
Hall (TX)
Johnson, Sam
Kaptur
Kennelly
Meehan
Meek (FL)
Miller (CA)
Parker
Radanovich
Sandlin
Schaefer, Dan
Sensenbrenner
Smith (MI)
Smith (OR)
Weldon (PA)

□ 1624

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

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT REGARDING AMENDMENTS TO H.R. 1872, COMMUNICATIONS SATELLITE COMPETITION AND PRIVATIZATION ACT

Mr. SOLOMON. Mr. Speaker, I want to make a very important statement which will concern airplanes taking off this evening, if we can get some quiet.

Mr. Speaker, I have three announcements to make. The first is, we are about to take up the rule on the supplemental. We realize that Members are trying to catch planes and to leave, and there is not a vote expected on the rule. It is mandatory that there be a vote on the supplemental under the Rules of the House.

If we can shorten the debate on the rule and then go directly, without a vote, to the supplemental, we should be out of here so that most Members will be accommodated.

Mr. Speaker, the Committee on Rules will meet next Tuesday, May 5, to grant a rule which will limit the amendments to be offered to H.R. 1872, the Communications Satellite Competition and Privatization Act.

The rule may include a provision requiring amendments to be preprinted in the amendment section of the CONGRESSIONAL RECORD.

Mr. Speaker, the Committee on Rules is also planning to meet during the week of May 4 to grant a rule for consideration of H.R. 3694, and that is the Intelligence Authorization bill for Fiscal Year 1999.

The Chairman of the Permanent Select Committee on Intelligence has requested a rule which would require that amendments be preprinted in the CONGRESSIONAL RECORD. If this request is granted, amendments to be preprinted would need to be signed by the Member and submitted at the Speaker's table. The amendments would still need to be consistent with

House rules but would be given no special protection by being printed.

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

Mr. SOLOMON. I am glad to yield to the gentleman from Florida, chairman of the Permanent Select Committee on Intelligence.

Mr. GOSS. Mr. Speaker, I thank the distinguished gentleman from New York for yielding. As chairman of the Permanent Select Committee on Intelligence, I would like to advise all Members that we hope that the authorization bill which has now been marked up will be brought forward next week, subject to a rule.

I would like to advise Members that there is a procedure for any Member who would like to look at the material in that legislation to contact the House Permanent Select Committee on Intelligence staff, and arrangements can be made for Members to review classified material.

CONFERENCE REPORT ON HR. 3579, 1998 SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS ACT

Mr. SOLOMON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 416 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 416

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 3579) making emergency supplemental appropriations for the fiscal year ending September 30, 1998, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

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

Mr. SOLOMON. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Ohio (Mr. HALL), my good friend, pending which I yield myself such time as I might consume. During the consideration of this resolution, all time yielded is for the purposes of debate only.

Mr. Speaker, this resolution is a customary rule for the consideration of conference reports. The rule waives all points of order against the conference report to accompany H.R. 3579, which makes emergency supplemental appropriations for fiscal year 1998, and against its consideration. The rule also provides that the conference report would be considered as read.

Mr. Speaker, passage of this rule would provide much-needed funding to thousands of disaster areas around this Nation as well as crucial funding for our Nation's defense. The conference report responsibly provides resources for our military operations in Southwest Asia and in Bosnia to ensure that our men and women in uniform have the best equipment and resources that money can buy.

Furthermore, the conference report also provides for $179 million for the Ballistic Missile Defense Program.

The conference report also includes crucial paid-for funds for the disaster areas in the northeast who were burdened by heavy ice storms earlier this year, for the Southeast and Plains States devastated by tornados, floods, and other natural disasters, and also for the Southwestern and Western States that were hit by El Nino weather disasters.

□ 1630

Mr. Speaker, in my part of the country, up in upper State New York, we were hit hard by an ice storm that literally wiped out power and energy to residents for as long as 2 and even 3 weeks. Passage of this bill today will ensure that all of these areas will receive this much-needed relief.

Finally, Mr. Speaker, this conference report provides much-needed increases for veterans' compensation and pensions to prevent any expected shortfalls in this important account.

Mr. Speaker, I would like to say that the gentleman from Louisiana (Mr. LIVINGSTON), the chairman of the Committee on Appropriations, and the members of the Committee on Appropriations certainly are to be commended for their vigorous defense of the House's position that this supplemental not include funding for the IMF or the United Nations and that the nondefense disaster-related funding be offset. These Members also did yeomen work in protecting our Defense Department from any further cuts.

Our Nation has endured 14 straight years of inflation-adjusted cuts in defense spending. That is a 40 percent real decline in defense dollars, and it is beginning to hurt everywhere in our military.

Mr. Speaker, this is a fiscally responsible and much-needed measure before the House this afternoon; and I would urge all my colleagues to support the conference report and support this rule.

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

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume, and I want to thank the chairman of the Committee on Rules (Mr. SOLOMON) for yielding me this time.

As the gentleman from New York has described, this is a rule that waives all points of order against the conference report on H.R. 3579. The report makes emergency appropriations for U.S. military operations in Bosnia, peacekeeping operations in Iraq, and domestic disaster relief. It also makes nonemergency appropriations.

The conference agreement contains many improvements from the House bill. In particular, I am pleased that the conferees dropped a provision which would have shut down the AmeriCorps program.

However, the bill actually deepens the cuts in the reserves for the Section 8 program, which helps make housing affordable to low-income people and the elderly. Once again, we are reducing aid to the people who can least protect themselves from these cuts.

The bill fails to include funding for the International Monetary Fund. I believe that we should fund the IMF for humanitarian reasons because it will help bolster the economies of nations not as well off as we are. It is also in our Nation's self-interest to support the IMF to maintain international economic stability.

The emergency funding in this bill is desperately needed by our troops abroad. The emergency disaster assistance is also important. However, we do not have to make these cuts in programs to help the poor and needy.

The Committee on Rules reported this bill on a recorded vote with all Democrats opposed.

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

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

Mr. ROHRABACHER. Mr. Speaker, I rise in opposition to this supplemental.

Thanks to the diligent efforts of the appropriators, this bill now includes a provision that continues to throw money at one of this administration's better-known foreign policy fiascoes, our partnership with Russia to build the International Space Station.

I am chairman of the Subcommittee on Space and Aeronautics that oversees this effort, and that provision that we are talking about was not in either House or Senate bill but was inserted over the strong objection of the Subcommittee on Space and Aeronautics and the Committee on Science chairman, the gentleman from Wisconsin (Mr. SENSENBRENNER).

This bill contains and continues to give money to pay for Russia's failures; and by covering up those failures, the President and the Vice President can continue to pretend that everything is fine in this grand partnership with Boris Yeltsin. In other words, this bill spends tens of millions of dollars to hide the administration's mistakes.

The space station is now estimated to be $7 billion over budget and another 2 to 4 years late. NASA's own independent analysts suggest that Russia's defaults are the biggest problem. The Committee on Science has worked on a bipartisan basis to get the administration to focus on this problem. Instead, the administration keeps dancing away from the tough decisions, and now the appropriators are letting them off the hook by giving them this extra money.

Specifically, this supplemental provides $63 million in directed transfer, totaling $90 million in Band-aids for a patient that needs surgery. We need to focus on these problems with Russia or they will continue to drain money and continue to bring the space station down. That is not what this supplemental does.

Secondly, I oppose the supplemental because it again represents the shoveling of money at an enduring quagmire that drains our resources and makes us weaker and does not face the decisions that are necessary to get our country unstuck from this situation. I am, of course, referring to almost a half billion dollars in this bill to keep our troops in Bosnia.

I had strong reservations about the Bosnian mission to begin with. We were told it would last 1 year and cost $2 billion. Now our troops have been there almost 3 years, and it has already cost between $8 and $10 billion. The mission has escalated from a 1-year mission to now what appears to be an open-ended commitment with no end in sight.

The huge financial drain that this represents is coming right out of our taxpayers' hide but also the hides of our defenders who are finding they cannot even maintain their airplanes and ships and ground weaponry because money is being drained away from them for these foolish missions that have nothing to do with our national security, like Bosnia.

By passing supplementals like this, what we are doing is permitting the government and this administration to ignore these fundamental problems and not make the decisions that are necessary to do things like ending the Bosnian situation that goes on and on, or correcting the problem with Russia that is putting us behind the eight ball when it comes to the International Space Station. That is why this supplemental should be defeated.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Mrs. MALONEY).

(Mrs. MALONEY of New York asked and was given permission to revise and extend her remarks.)

Mrs. MALONEY of New York. Mr. Speaker, I rise in opposition to the supplemental appropriations rule for a number of reasons, but for the moment I would like to talk about one special interest rider that was added in conference at the last minute that its supporters should be ashamed of. It is an amendment that allows big oil companies to pay lower royalties for oil extracted from federally-owned, taxpayer-owned land at the expense of our Nation's schoolchildren.

Oil companies should pay royalties to the Federal Government based on the market price, but they are not doing that. They have been paying to the Federal Government based on what they call posted price. Of course, that is a lower price than what they pay each other for this same oil. What they are doing is keeping two sets of books, one to record their profits for what they pay each other and one to profit off the American people and the American taxpayer by paying a lower price for oil extracted from taxpayer-owned land.

Oil royalties help pay for our children's education. Each year, big oil is taking $100 million out of our classrooms and putting it into their own pockets. The Washington Post and Rollcall both report that the companies are putting plenty of money into certain congressional campaigns. I guess it is paying off.

This is poor policy. We should vote against the supplemental. The President should veto it on just this rip-off that was added at the last minute alone.

Mr. HALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. KENNEDY).

Mr. KENNEDY of Massachusetts. Mr. Speaker, I rise in strong opposition to this bill for the simple reason that it cuts over $2.3 billion from the housing budget.

It is remarkable that the leadership would bring forth a bill which slashes housing funding just 2 days after the HUD issued a major study documenting a record number of low-income households with severe housing problems. HUD's worst-case housing report concludes that there are 12.5 million Americans living in low-income households; including 4.5 million children, 1.5 million elderly people, and 1.1 million disabled people who are without affordable housing. They have been untouched by the economic boom.

When the Republicans took over the Congress in 1995, they slashed the housing budget by 25 percent without a hearing. They then took it upon themselves to cut the homeless budget by 26 percent. What this budget does, and I think many people, including many people on the Republican side, will give great credit to some of the reforms that have taken place at HUD over the course of these last couple of years.

I was very delighted to see that the gentleman from Louisiana (Mr. LIVINGSTON) mentioned in his press release today the fact that the money, this $2.3 billion that is being cut, is going to be vitally necessary to fund housing problems that we face in the future. The way the government accounts for housing money requires us every once in a while to put a lump sum figure in the budget authority requirements of the government's budget. That lump sum figure is coming up this coming year. We are cutting this money within the very year that we are going to need the dollars.

The chairman, I hope, will commit himself to making certain that the funding will continue next year, despite the fact that he has had to grab this money this year.

I see the chairman has just walked on to the House floor, and I would very much appreciate it if he would consider making a commitment to funding that housing need into the future.

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

Mr. KENNEDY of Massachusetts. I yield to the gentleman from Louisiana.

Mr. LIVINGSTON. Mr. Speaker, I heard the gentleman's statement, and I would be happy to tell the gentleman that in fiscal year 1999 we are certainly going to address this. Matter of fact, I have made the commitment to the gentleman from California (Mr. LEWIS) that many of these funds are going to have to be replenished. But for the balance of fiscal year 1998, these are excess funds and will not be needed.

Mr. KENNEDY of Massachusetts. Mr. Speaker, reclaiming my time, I very much appreciate the Chairman's commitment, and I hope he means he was not going to be cutting those funds from other parts of the HUD budget. And I very much appreciate his clarification.

Mr. HALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Speaker, I rise in opposition to this rule and opposition to this supplemental appropriation.

This concern is that certainly we need to deal with disaster assistance and the other funds requested here. Of course, we are not dealing with the important money for the International Monetary Fund because of the, I think, the misrepresentations and the lack of responsibility that was demonstrated last week on the floor in discussing or addressing that particular topic.

But with regards to the main issue in terms of what we are voting here for, what we are voting for is to take money with one hand and distribute it to those with the disaster assistance and the other domestic needs, and with the other hand we are taking it away from the communities with regard to the housing assistance that is necessary.

This bill, in and of itself, does not provide the type of help. This action is the wrong action. We ought to be addressing this problem right now. The fact is that commitments had been made, good intentions before, which in fact took $3.6 billion out of this particular fund, this permanent fund for assisted housing in 1997, with commitments that they were going to place that entire money back into the budget. It is still not there. And the fact is that putting this off until tomorrow, with the assurances, does not, in fact, put the money in place.

It is very likely, based on the type of performance that has gone on with regards to assisted housing, is that we have continually rolled these contracts over for 1 year, not making the commitment in the budget process to assure the type of stability that is necessary for low-income persons that live in this housing.

□ 1645

This is nothing more than a pea and shell game that is going on with regards to assisted housing, and the end result is going to be that many elderly, disabled, and low-income persons, families with children, are going to be denied the type of assistance and supports that they need.

The fact is that that $2.3 billion translates into taking support away

from 440,000 to 450,000 families that receive assisted housing support with this particular vote. That is what this vote will do. Yes, it will do some good in terms of the disaster assistance that we need in the Northwest and in the Pacific and with regards to the Northeast types of problems, but it, nevertheless, takes that money away from many communities across this country that need the money in terms of housing.

We are not facing up to it. No budget resolution this year, no issue, no blueprint is in place. And the fact is good intentions are fine to have, but they are not going to meet the tangible needs that we have with regards to housing. The fact is that we should not take this vote on a supplemental appropriation denying the types of funds that are necessary for the permanent assisted housing fund. I urge my colleagues to vote ''no.''

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Speaker, I rise in opposition to the rule and in opposition to the bill, H.R. 3579, the emergency supplemental bill.

I, in particular, want to speak to my concerns about the $2.3 billion in offsets for emergency funding for section 8 housing. There are people across this country who depend on section 8 housing for the roof over their heads; and when they learn that Congress would take action to take money away from that program next year, this will have a destabilizing effect on many households, because people rely on our good sense and our goodwill and our humanity to sustain them.

I also want to express my concern that we would have on one hand the offsets put in there and at the same time put in there the money for Bosnia. It is really giving people a cruel choice. We know the suffering and the inhumanity that has been expressed in Bosnia and how people have heroically tried to come back from it, and at the same time we are being told to make a choice between that, helping them and people who live in section 8 housing in this country.

I, regretfully, am going to have to vote against this bill, but I think that when similar bills come to this House, we ought not use it as a moment to prey on the disadvantaged, to destabilize their household, and to tell them even for a minute that America does not care about their concerns.

Mr. HALL of Ohio. Mr. Speaker, I have no request for time, and I yield back the balance of my time.

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

Mr. Speaker, let me just say that I mentioned early on where I heaped praise on the gentleman from Louisiana (Mr. LIVINGSTON) chairman of the Committee on Appropriations, the gentleman from Wisconsin (Mr. OBEY).

And, incidentally, the gentleman from Louisiana (Mr. LIVINGSTON) is sitting next to me here; and for all my colleagues who may not know, today is his birthday. And I told him earlier that when I grow up, I want to be just like him.

But seriously, this measure before us has disaster in it. I have been here for 20 years, and we in the north country of New York State do not have to ask for aid like this very often. We do not have tornadoes. We do not have hurricanes. We do not have earthquakes. Sometimes we have some floods, we have terrible snowstorms, but we are geared up to handle those.

We have always welcomed the opportunity to help people in other parts of the country. So today they are helping us in the north country; and believe me, our people really appreciate it.

I hope everybody votes on the rule and the bill.

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Sherman Williams, one of his secretaries.

CONFERENCE REPORT ON H.R. 3579, SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS ACT

Mr. LIVINGSTON. Mr. Speaker, pursuant to the rule, I call up the conference report on the bill (H.R. 3579) making emergency supplemental appropriations for the fiscal year ending September 30, 1998, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 416, the conference report is considered as having been read.

(For conference report and statement, see prior proceedings of the House of today.)

The SPEAKER pro tempore. The gentleman from Louisiana (Mr. LIVINGSTON) and the gentleman from Wisconsin (Mr. OBEY) each will control 30 minutes.

The Chair recognizes the gentleman from Louisiana (Mr. LIVINGSTON).

GENERAL LEAVE

Mr. LIVINGSTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report to accompany H.R. 3579 and that I may include tabular and extraneous material.

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

There was no objection.

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

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

Mr. LIVINGSTON. Speaker, I am pleased to bring to the floor the conference report on the Fiscal Year 1998 Emergency Supplemental Appropriations Bill (H.R. 3579). This conference report includes $2.859 billion in emergency defense supplemental appropriations to provide for the peacekeeping missions in Bosnia and Iraq and provide additional support for intelligence activities. It also provides $2.588 billion in emergency supplemental appropriations for recovery from natural disasters that have occurred this winter and spring all over the country. There is also $142 million in non-emergency supplemental appropriations mostly to help in fixing the ''year 2000'' computer problem in some of our agencies. Finally, there is a $550 million appropriation for Veterans Compensation and Pensions in this bill as well.

Mr. Speaker, it is very important that this conference report get passed today. The Secretary of Defense will be forced to issue furlough notices to some DOD employees if this bill does not reach the President's desk tomorrow. The extraordinary number of recent severe weather episodes is causing emergency accounts to be exhausted. Farmers, dairymen, road repairs, park repairs, flood control facility repairs, reforestation, utility repairs, and people who have had their place of residence damaged all are in dire need of these emergency supplemental appropriations.

I would like to point out that the emergency supplemental appropriations for recovery from national disasters and the non-emergency supplemental appropriations are, and I stress, are fully offset. We will hear concern expressed today about one of the rescissions used to pay for this emergency spending. This is the excess section 8 housing reserve rescission, as was mentioned on the floor previously during consideration of the rule.

The excess section 8 housing reserves that will be rescinded are unnecessary, stress ''unnecessary,'' during the remaining portion of the current fiscal year. Currently, there are $3.6 billion in excess section 8 housing reserve funds that will not be needed this year. The General Accounting Office identified excess funds when it reviewed the Department of Housing and Urban Development's various section 8 housing accounts at the request of the Committee on Appropriations.

Since 1997, HUD and GAO have found more than $9.9 billion in excess section 8 housing funds. Of that amount, $2.2 billion is being utilized for contingencies, and Congress has already rescinded $4.2 billion. Subtracting these amounts from $9.9 billion leaves a current balance of $3.6 billion in excess, stress ''excess,'' section 8 housing reserves.

There are sufficient funds available to pay for any section 8 housing contracts that expire during the rest of fiscal year 1998. Rescinding and redirecting these funds to pay for disaster relief will not harm any family that currently depends on section 8 housing assistance.

In fiscal year 1999, section 8 housing renewal needs are $10.8 billion. In the Fiscal Year 1999 Budget, the President proposed using $3.6 billion of excess reserves to offset the total cost of renewals for that year. Clearly, the Committee on Appropriations understands that the section 8 housing renewal account must be fully funded in order to protect the homes of those families who rely on this assistance. We will address that problem at a later date, but it does not impact anyone today. Not a single person will be adversely impacted by taking these rescissions today.

Mr. Speaker, this bill should be supported for what is included in it and not disregarded for what may have been left out. Members will hear concern about the lack of funding for the International Monetary Fund, for crop insurance, for student loans, for United Nations arrearages, and various other activities. I want to assure Members that these issues will get addressed, but it will not be today.

There is no immediate impact on not addressing funding for these issues at this time. This is a ''pure'' emergency supplemental appropriations bill, and it needs to move today. It is paid for except for the defense funding, which would create an unacceptable impact on our national security.

The fact is that we have, in the past, paid for supplemental emergency appropriations in the defense area by rescinding existing defense appropriations, and we have unfortunately, on too frequent occasions, have been taking from the nondeployed forces to keep the forward-deployed forces going. That is a practice we can no longer sustain because our troops all around the world are feeling an adverse impact.

All Members should vote ''yes'' on this conference report and help get it to the President's desk tomorrow. I hope that, if we do, that the President will sign it expeditiously, and our troops in Bosnia and Iraq and in all other corners of the world will know that our Congress is in support of them, and that the victims of disasters around this country will know that their elected representatives have rallied in their defense.

At this point in the RECORD I would like to insert a table reflecting the details of the conference report.

EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT, 1998 (H.R. 3579)

Doc No.		Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
	TITLE I - EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR THE DEPARTMENT OF DEFENSE						
	CHAPTER 1						
	DEPARTMENT OF DEFENSE - MILITARY						
	Military Personnel						
105-220	Military personnel, Army (emergency appropriations)	184,000,000	184,000,000	184,000,000	184,000,000		
105-220	Military personnel, Navy (emergency appropriations)	22,300,000	22,300,000	22,300,000	22,300,000		
105-220	Military personnel, Marine Corps (emergency appropriations)	5,100,000	5,100,000	5,100,000	5,100,000		
105-220	Military personnel, Air Force (emergency appropriations)	10,900,000	10,900,000	10,900,000	10,900,000		
105-220	Reserve personnel, Navy (emergency appropriations)	4,100,000	4,100,000	4,100,000	4,100,000		
	Total, Military personnel	226,400,000	226,400,000	226,400,000	226,400,000		
	Operation and Maintenance						
105-220	Operation and maintenance, Army (emergency appropriations)	1,886,000	1,886,000	1,886,000	1,886,000		
	Contingent emergency appropriations		700,000			-700,000	
105-220	Operation and maintenance, Navy (emergency appropriations)	48,100,000	48,100,000	33,272,000	48,100,000		+14,828,000
	Contingent emergency appropriations		5,700,000			-5,700,000	
	Operation and maintenance, Marine Corps (contingent emergency appropriations)		26,810,000			-26,810,000	
105-220	Operation and maintenance, Air Force (emergency appropriations)	27,400,000	27,400,000	21,509,000	27,400,000		+5,891,000
	Contingent emergency appropriations		21,800,000			-21,800,000	
105-220	Operation and maintenance, Defense-wide (emergency appropriations)	1,390,000	1,390,000	1,390,000	1,390,000		
105-220	Contingent emergency appropriations	50,000,000		44,000,000	125,528,000	+125,528,000	+81,528,000
105-220	Operation and maintenance, Army Reserve (emergency appropriations)	650,000	650,000	650,000	650,000		
105-220	Operation and maintenance, Air Force Reserve (emergency appropriations)	229,000	229,000	229,000	229,000		
105-220	Operation and maintenance, Army National Guard (emergency appropriations)	175,000	175,000	175,000	175,000		
	Contingent emergency appropriations		5,750,000			-5,750,000	
	Operations and maintenance, Air National Guard (contingent emergency appropriations)		975,000			-975,000	
105-220	Overseas contingency operations transfer fund (emergency appropriations)	1,621,900,000	1,829,900,000	1,556,000,000	1,814,100,000	-15,800,000	+258,100,000
	Total, Operation and maintenance	1,751,730,000	1,971,465,000	1,659,111,000	2,019,458,000	+47,993,000	+360,347,000
	Emergency appropriations	(1,701,730,000)	(1,909,730,000)	(1,615,111,000)	(1,893,930,000)	(-15,800,000)	(+278,819,000)
	Contingent emergency appropriations	(50,000,000)	(61,735,000)	(44,000,000)	(125,528,000)	(+63,793,000)	(+81,528,000)
	Revolving and Management Funds						
105-220	Navy working capital fund (emergency appropriations)	23,017,000	23,017,000	23,017,000	23,017,000		
	Contingent emergency appropriations		7,450,000			-7,450,000	
105-220	Defense-wide working capital fund (emergency appropriations)	1,000,000	1,000,000	1,000,000	1,000,000		
	Total, Revolving and management funds	24,017,000	31,467,000	24,017,000	24,017,000	-7,450,000	
	Other Department of Defense Programs						
	Defense Health Program:						
105-220	Operation and maintenance (emergency appropriations)	1,900,000	1,900,000	1,900,000	1,900,000		
	(By transfer) (sec. 5(f))		(5,000,000)		(4,700,000)	(-300,000)	(+4,700,000)
	General Provisions						
	Reserve mobilization income insurance fund (contingent emergency appropriations) (sec. 3)		37,000,000		47,000,000	+10,000,000	+47,000,000
	Overseas humanitarian, disaster and civic aid (contingent emergency appropriations) (sec. 1)			36,500,000	36,500,000	+36,500,000	
	Operation and maintenance, Defense-wide (by transfer)(secs. 6 & 13)			(40,000,000)	(40,300,000)	(+40,300,000)	(+300,000)
	Research, development, test and evaluation, Defense-wide (contingent emergency appropriations)(sec. 9)			151,000,000	179,000,000	+179,000,000	+28,000,000
	Aircraft procurement, Navy (contingent emergency appropriations) (sec. 11)			272,500,000	272,500,000	+272,500,000	

EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT, 1998 (H.R. 3579)— continued

Doc No.		Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
	Nonproliferation, antiterrorism, demining and related programs (contingent emergency appropriations)						
.....	(sec. 16)	.....	.....	35,000,000	28,000,000	+28,000,000	-7,000,000
	Total, Chapter 1:						
	New budget (obligational) authority	2,004,047,000	2,268,232,000	2,406,428,000	2,834,775,000	+566,543,000	+428,347,000
	Emergency appropriations	(1,954,047,000)	(2,162,047,000)	(1,867,428,000)	(2,146,247,000)	(-15,800,000)	(+278,819,000)
	Contingent emergency appropriations	(50,000,000)	(106,185,000)	(539,000,000)	(688,528,000)	(+582,343,000)	(+149,528,000)
	(By transfer)	.....	(5,000,000)	(40,000,000)	(45,000,000)	(+40,000,000)	(+5,000,000)
	CHAPTER 2						
	DEPARTMENT OF DEFENSE - MILITARY						
	Military construction, Navy (contingent emergency						
.....	appropriations)	.....	.....	17,428,000	.....	.....	-17,428,000
	Military construction, Air Force (contingent						
.....	emergency appropriations)	.....	.....	5,891,000	.....	.....	-5,891,000
	Military construction, Army National Guard						
.....	(contingent emergency appropriations)	.....	.....	.....	3,700,000	+3,700,000	+3,700,000
	Total, Military construction	.....	.....	23,319,000	3,700,000	+3,700,000	-19,619,000
	Family Housing						
	Family housing, Navy and Marine Corps (emergency						
105-220	appropriations)	15,600,000	15,600,000	.....	15,600,000	.....	+15,600,000
.....	Contingent emergency appropriations	.....	1,000,000	18,100,000	2,500,000	+1,500,000	-15,600,000
	Family housing, Air Force (emergency						
105-220	appropriations)	1,500,000	1,500,000	.....	1,500,000	.....	+1,500,000
.....	Contingent emergency appropriations	.....	900,000	2,400,000	900,000	.....	-1,500,000
	Total, Family housing	17,100,000	19,000,000	20,500,000	20,500,000	+1,500,000	.....
	Base realignment and closure account, Part III						
.....	(contingent emergency appropriations)	.....	1,020,000	.....	1,020,000	.....	+1,020,000
	Total, Chapter 2:						
	New budget (obligational) authority	17,100,000	20,020,000	43,819,000	25,220,000	+5,200,000	-18,599,000
	Emergency appropriations	(17,100,000)	(17,100,000)	.....	(17,100,000)	.....	(+17,100,000)
	Contingent emergency appropriations	.....	(2,920,000)	(43,819,000)	(8,120,000)	(+5,200,000)	(-35,699,000)
	Total, title I;						
	New budget (obligational) authority	2,021,147,000	2,288,252,000	2,450,247,000	2,859,995,000	+571,743,000	+409,748,000
	Emergency appropriations	(1,971,147,000)	(2,179,147,000)	(1,867,428,000)	(2,163,347,000)	(-15,800,000)	(+295,919,000)
	Contingent emergency appropriations)	(50,000,000)	(109,105,000)	(582,819,000)	(696,648,000)	(+587,543,000)	(+113,829,000)
	(By transfer)	.....	(5,000,000)	(40,000,000)	(45,000,000)	(+40,000,000)	(+5,000,000)
	TITLE II - EMERGENCY SUPPLEMENTAL APPROPRIATIONS						
	CHAPTER 1						
	DEPARTMENT OF AGRICULTURE						
	Farm Service Agency						
	Emergency conservation program (contingent						
105-220	emergency appropriations)	20,000,000	20,000,000	64,480,000	34,000,000	+14,000,000	-30,480,000
	Tree assistance program (contingent emergency						
.....	appropriations)	.....	4,700,000	8,700,000	14,000,000	+9,300,000	+5,300,000
	Agricultural Credit Insurance Fund Program Account:						
	Loan authorizations:						
	Farm operating loans:						
.....	Direct	.....	.....	(48,700,000)	.....	.....	(-48,700,000)
.....	Guaranteed subsidized loans	.....	.....	(56,000,000)	.....	.....	(-56,000,000)
	Subtotal	.....	.....	(104,700,000)	.....	.....	(-104,700,000)
105-220	Emergency insured loans	(87,000,000)	(87,000,000)	(87,400,000)	(87,400,000)	(+400,000)	.....
	Total, loan authorizations	(87,000,000)	(87,000,000)	(192,100,000)	(87,400,000)	(+400,000)	(-104,700,000)
	Loan subsidies:						
	Farm operating loans:						
.....	Direct (contingent emergency appropriations)	.....	.....	3,200,000	.....	.....	-3,200,000
	Guaranteed subsidized loans (contingent						
.....	emergency appropriations)	.....	.....	5,400,000	.....	.....	-5,400,000
	Subtotal	.....	.....	8,600,000	.....	.....	-8,600,000

EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT, 1998 (H.R. 3579) — continued

Doc No.		Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
	Emergency insured loans (emergency						
105-220	appropriations)	6,000,000	.....	.....	.....	.....	.....
105-220	Contingent emergency appropriations	15,000,000	21,000,000	21,000,000	21,000,000	.....	.....
	Total, Agricultural Credit Insurance Fund Program Account	21,000,000	21,000,000	29,600,000	21,000,000	.....	-8,600,000
	Total, Farm Service Agency	41,000,000	45,700,000	102,780,000	69,000,000	+23,300,000	-33,780,000
	Commodity Credit Corporation Fund						
	Dairy and livestock disaster assistance program						
105-220	(emergency appropriations)	4,000,000	.....	.....	.....	.....	.....
.....	Livestock disaster assistance fund (contingent emergency appropriations)	.....	4,000,000	4,000,000	4,000,000	.....	.....
.....	Dairy production indemnity assistance program (contingent emergency appropriations)	.....	6,800,000	10,000,000	6,800,000	.....	-3,200,000
	Total, Commodity Credit Corporation	4,000,000	10,800,000	14,000,000	10,800,000	.....	-3,200,000
	Natural Resources Conservation Service						
	Watershed and flood prevention operations						
105-220	(emergency appropriations)	5,000,000	.....	.....	.....	.....	.....
105-220	Contingent emergency appropriations	35,000,000	65,000,000	100,000,000	80,000,000	+15,000,000	-20,000,000
	Total, Natural Resources Conservation Service	40,000,000	65,000,000	100,000,000	80,000,000	+15,000,000	-20,000,000
	Total, Chapter 1:						
	New budget (obligational) authority	85,000,000	121,500,000	216,780,000	159,800,000	+38,300,000	-56,980,000
	Emergency appropriations	(15,000,000)	.....	.....	.....	.....	.....
	Contingent emergency appropriations	(70,000,000)	(121,500,000)	(216,780,000)	(159,800,000)	(+38,300,000)	(-56,980,000)
	(Loan authorization)	(87,000,000)	(87,000,000)	(192,100,000)	(87,400,000)	(+400,000)	(-104,700,000)
	CHAPTER 2						
	RELATED AGENCY						
	United States Information Agency						
	International broadcasting operations (contingent						
.....	emergency appropriations)	.....	.....	5,000,000	5,000,000	+5,000,000	.....
	CHAPTER 3						
	DEPARTMENT OF DEFENSE - CIVIL						
	DEPARTMENT OF THE ARMY						
	Corps of Engineers - Civil						
	Construction, general (contingent emergency						
.....	appropriations)	.....	.....	38,500,000	.....	.....	-38,500,000
	Operation and maintenance, general (contingent						
105-220	emergency appropriations)	25,000,000	84,457,000	25,000,000	105,185,000	+20,728,000	+80,185,000
	(By transfer) (contingent emergency						
105-220	appropriations)	(5,000,000)	.....	(5,000,000)	.....	.....	(-5,000,000)
	Total, Corps of Engineers - Civil	25,000,000	84,457,000	63,500,000	105,185,000	+20,728,000	+41,685,000
	DEPARTMENT OF THE INTERIOR						
	Bureau of Reclamation						
	Water and related resources (contingent emergency						
105-220	appropriations)	2,340,000	4,520,000	.....	4,520,000	.....	+4,520,000
	Total, Chapter 3:						
	New budget (obligational) authority	27,340,000	88,977,000	63,500,000	109,705,000	+20,728,000	+46,205,000
	(By transfer) (contingent emergency appropriations)	(5,000,000)	.....	(5,000,000)	.....	.....	(-5,000,000)
	CHAPTER 4						
	DEPARTMENT OF THE INTERIOR						
	Bureau of Land Management						
.....	Construction (contingent emergency appropriations)	.....	.....	1,837,000	1,837,000	+1,837,000	.....
	United States Fish and Wildlife Service						
105-216	Construction (emergency appropriations)	3,688,000	3,938,000	.....	3,688,000	-250,000	+3,688,000
105-220	Contingent emergency appropriations	25,000,000	25,000,000	32,818,000	29,130,000	+4,130,000	-3,688,000

EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT, 1998 (H.R. 3579)— continued

Doc No.		Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
	National Park Service						
105-220	Construction (contingent emergency appropriations).	8,500,000	8,500,000	9,506,000	9,506,000	+1,006,000	.....
	United States Geological Service						
105-220	Surveys, investigations, and research (contingent emergency appropriations)	1,000,000	1,000,000	1,198,000	1,198,000	+198,000	.....
	Bureau of Indian Affairs						
.....	Construction (contingent emergency appropriations).	.....	.....	1,065,000	1,065,000	+1,065,000	.....
	Total, Department of the Interior	38,188,000	38,438,000	46,424,000	46,424,000	+7,986,000	.....
	DEPARTMENT OF AGRICULTURE						
	Forest Service						
105-220	State and private forestry (emergency appropriations)	20,000,000	20,000,000	.....	20,000,000	.....	+20,000,000
105-220	Contingent emergency appropriations	28,000,000	28,000,000	48,000,000	28,000,000	.....	-20,000,000
105-220	National forest system (emergency appropriations)	5,000,000	5,000,000	.....	5,000,000	.....	+5,000,000
105-220	Contingent emergency appropriations	5,000,000	5,461,000	10,000,000	5,461,000	.....	-4,539,000
.....	Wildland fire management (contingent emergency appropriations)	.....	.....	2,000,000	2,000,000	+2,000,000	.....
	Total, Forest Service	58,000,000	58,461,000	60,000,000	60,461,000	+2,000,000	+461,000
	DEPARTMENT OF ENERGY						
.....	Strategic petroleum reserve (contingent emergency appropriations)	.....	.....	207,500,000	.....	.....	-207,500,000
.....	Prohibition of sale (contingent emergency appropriations)	.....	.....	208,000,000	208,000,000	+208,000,000	.....
	Total, Chapter 4:						
	New budget (obligational) authority	96,188,000	96,899,000	521,924,000	314,885,000	+217,986,000	-207,039,000
	Emergency appropriations	(28,688,000)	(28,938,000)	.....	(28,688,000)	(-250,000)	(+28,688,000)
	Contingent emergency appropriations	(67,500,000)	(67,961,000)	(521,924,000)	(286,197,000)	(+218,236,000)	(-235,727,000)
	CHAPTER 4A						
	DEPARTMENT OF HEALTH AND HUMAN SERVICES						
	Centers for Disease Control and Prevention						
.....	Disease control, research, and training (contingent emergency appropriations)	.....	.....	9,000,000	.....	.....	-9,000,000
	CHAPTER 5						
	DEPARTMENT OF TRANSPORTATION						
	Federal Highway Administration						
	Federal-aid highways (Highway Trust Fund):						
105-220	Emergency relief program (emergency appropriations)	224,000,000	224,000,000	.....	224,000,000	.....	+224,000,000
105-220	Contingent emergency appropriations	35,000,000	35,000,000	259,000,000	35,000,000	.....	-224,000,000
	Total, Federal Highway Administration	259,000,000	259,000,000	259,000,000	259,000,000	.....	.....
	Federal Railroad Administration						
.....	Emergency railroad rehabilitation and repair (contingent emergency appropriations)	.....	9,000,000	10,600,000	9,800,000	+800,000	-800,000
	Total, Chapter 5:						
	New budget (obligational) authority	259,000,000	268,000,000	269,600,000	268,800,000	+800,000	-800,000
	Emergency appropriations	(224,000,000)	(224,000,000)	.....	(224,000,000)	.....	(+224,000,000)
	Contingent emergency appropriations	(35,000,000)	(44,000,000)	(269,600,000)	(44,800,000)	(+800,000)	(-224,800,000)
	CHAPTER 6						
	DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
	Community Planning and Development						
.....	Community development block grants (contingent emergency appropriations)	.....	20,000,000	260,000,000	130,000,000	+110,000,000	-130,000,000

EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT, 1998 (H.R. 3579) — continued

Doc No.		Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
	INDEPENDENT AGENCY						
	Federal Emergency Management Agency						
105-234	Disaster relief (contingent emergency appropriations)	1,632,189,000	.....	1,600,000,000	1,600,000,000	+1,600,000,000	.....
	Total, Chapter 6:						
	New budget (obligational) authority	1,632,189,000	20,000,000	1,860,000,000	1,730,000,000	+1,710,000,000	-130,000,000
	CHAPTER 7						
	DEPARTMENT OF EDUCATION						
.....	Bilingual and immigrant education (rescission)	.....	-75,000,000	.....	.....	+75,000,000	.....
	DEPARTMENT TRANSPORTATION						
	Federal Aviation Administration						
	Grants-in-aid for airports (Airport and Airway Trust						
.....	Fund): Rescission of contract authorization	.....	-366,400,000	.....	-241,000,000	+125,400,000	-241,000,000
.....	(Limitation on obligations)	.....	(1,668,600,000)	.....	.....	(-1,668,600,000)	.....
	DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
	Public and Indian Housing						
.....	Section 8 reserve preservation account (rescission)	.....	-2,193,600,000	.....	-2,347,190,000	-153,590,000	-2,347,190,000
	INDEPENDENT AGENCY						
	Corporation for National and Community Service						
	National and community service programs operating						
.....	expenses (rescission)	.....	-250,000,000	.....	.....	+250,000,000	.....
	Total, Chapter 7:						
	New budget (obligational) authority	.....	-2,885,000,000	.....	-2,588,190,000	+296,810,000	-2,588,190,000
	Rescissions	.....	(-2,518,600,000)	.....	(-2,347,190,000)	(+171,410,000)	(-2,347,190,000)
	Rescission of contract authorization	.....	(-366,400,000)	.....	(-241,000,000)	(+125,400,000)	(-241,000,000)
	(Limitation on obligations)	.....	(1,668,600,000)	.....	.....	(-1,668,600,000)	.....
	GENERAL PROVISIONS						
	Economic Support fund (contingent emergency						
.....	appropriations) (sec. 10008)	.....	.....	5,000,000	.....	.....	-5,000,000
	Total, title II:						
	New budget (obligational) authority	2,099,717,000	-2,289,624,000	2,950,804,000	.....	+2,289,624,000	-2,950,804,000
	Emergency appropriations	(267,688,000)	(252,938,000)	.....	(252,688,000)	(-250,000)	(+252,688,000)
	Contingent emergency appropriations	(1,832,029,000)	(342,438,000)	(2,950,804,000)	(2,335,502,000)	(+1,993,064,000)	(-615,302,000)
	Rescissions	.....	(-2,518,600,000)	.....	(-2,347,190,000)	(+171,410,000)	(-2,347,190,000)
	Rescission of contract authorization	.....	(-366,400,000)	.....	(-241,000,000)	(+125,400,000)	(-241,000,000)
	(By transfer) (contingent emergency						
	appropriations)	(5,000,000)	.....	(5,000,000)	.....	.....	(-5,000,000)
	(Limitation on obligations)	.....	(1,668,600,000)	.....	.....	(-1,668,600,000)	.....
	(Loan authorization)	(87,000,000)	(87,000,000)	(192,100,000)	(87,400,000)	(+400,000)	(-104,700,000)
	TITLE III - SUPPLEMENTAL APPROPRIATIONS 1/						
	CHAPTER 1						
	DEPARTMENT OF AGRICULTURE						
.....	Office of the Secretary	.....	5,000,000	.....	543,000	-4,457,000	+543,000
105-216	Departmental administration	4,800,000	4,300,000	2,000,000	2,000,000	-2,300,000	.....
105-216	Office of the General Counsel	235,000	235,000	235,000	235,000	.....	.....
	Grain Inspection, Packers and Stockyards						
.....	Administration	.....	.....	.....	1,500,000	+1,500,000	+1,500,000
	Farm Service Agency						
	Agricultural Credit Insurance Fund Program Account:						
	Loan authorizations:						
	Farm ownership loans:						
105-228	Direct	(39,448,000)	(39,448,000)	(20,000,000)	(18,320,000)	(-21,128,000)	(-1,680,000)
105-228	Guaranteed	(25,000,000)	(25,000,000)	(25,000,000)	(25,000,000)	.....	.....
	Subtotal	(64,448,000)	(64,448,000)	(45,000,000)	(43,320,000)	(-21,128,000)	(-1,680,000)
	Farm operating loans:						
105-228	Direct	(9,528,000)	(9,528,000)	(48,100,000)	(70,000,000)	(+60,472,000)	(+21,900,000)
.....	Guaranteed subsidized	.....	(40,000,000)	.....	(35,000,000)	(-5,000,000)	(+35,000,000)
	Subtotal	(9,528,000)	(49,528,000)	(48,100,000)	(105,000,000)	(+55,472,000)	(+56,900,000)
.....	Boll weevil eradication loans	.....	(18,814,000)	(18,800,000)	(18,814,000)	.....	(+14,000)
	Total, Loan authorizations	(73,976,000)	(132,790,000)	(111,900,000)	(167,134,000)	(+34,344,000)	(+55,234,000)

1/ House column for Title III reflects H.R. 3580 as reported by the House.

EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT, 1998 (H.R. 3579)— continued

Doc No.		Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
	Loan subsidies:						
	Farm ownership loans:						
105-228	Direct	5,144,000	5,144,000	2,608,000	2,389,000	-2,755,000	-219,000
105-228	Guaranteed	967,000	967,000	966,197	967,000		+803
	Subtotal	6,111,000	6,111,000	3,574,197	3,356,000	-2,755,000	-218,197
	Farm operating loans:						
105-228	Direct	626,000	626,000	3,162,000	4,599,000	+3,973,000	+1,437,000
	Guaranteed subsidized		3,374,000		3,374,000		+3,374,000
	Subtotal	626,000	4,000,000	3,162,000	7,973,000	+3,973,000	+4,811,000
	Boll weevil eradication loans		222,000	222,000	222,000		
	Total, Farm Service Agency	6,737,000	10,333,000	6,958,197	11,551,000	+1,218,000	+4,592,803
	Total, Department of Agriculture	11,772,000	19,868,000	9,193,197	15,829,000	-4,039,000	+6,635,803
	DEPARTMENT OF HEALTH AND HUMAN SERVICES						
	Food and Drug Administration						
105-177	Prescription drug user fee act	(26,000,000)	(15,596,000)	(25,918,000)	(25,918,000)	(+10,322,000)	
	Total, Chapter 1:						
	New budget (obligational) authority	11,772,000	19,868,000	9,193,197	15,829,000	-4,039,000	+6,635,803
	(Loan authorizations)	(73,976,000)	(132,790,000)	(111,900,000)	(167,134,000)	(+34,344,000)	(+55,234,000)
	CHAPTER 2						
	DEPARTMENT OF ENERGY						
105-216	Departmental administration	5,408,000	5,408,000	5,408,000	5,408,000		
105-216	Miscellaneous revenues	-5,408,000	-5,408,000	-5,408,000	-5,408,000		
	Atomic Energy Defense Activities						
	Weapons activities (by transfer)			(4,000,000)			(-4,000,000)
105-216	Defense environmental restoration and waste management (by transfer)	(12,000,000)					
	CHAPTER 2A						
	MULTILATERAL ECONOMIC ASSISTANCE						
	Funds Appropriated to the President						
	International Monetary Fund						
105-213	United States quota, International Monetary Fund	14,500,000,000		14,500,000,000			-14,500,000,000
105-213	Loans to International Monetary Fund	3,400,000,000		3,400,000,000			-3,400,000,000
	Total, Chapter 2A:						
	New budget (obligational) authority	17,900,000,000		17,900,000,000			-17,900,000,000
	CHAPTER 3						
	DEPARTMENT OF THE INTERIOR						
	National Park Service						
	Operation of the national park system				340,000	+340,000	+340,000
	Minerals Management Service						
105-216	Royalty and offshore minerals management	6,675,000	6,675,000	6,675,000	6,675,000		
	Office of Surface Mining Reclamation and Enforcement						
105-216	Abandoned mine reclamation fund (by transfer)	(3,163,000)	(3,163,000)	(3,163,000)	(3,163,000)		
	Bureau of Indian Affairs						
105-216	Operation of Indian programs	1,050,000	1,050,000	1,050,000	1,050,000		
	Departmental Offices						
105-216	Office of Special Trustee for American Indians	4,650,000	4,650,000	4,650,000	4,650,000		
	Total, Department of the Interior	12,375,000	12,375,000	12,375,000	12,715,000	+340,000	+340,000
	DEPARTMENT OF AGRICULTURE						
	Forest Service						
	National forest system			2,000,000			-2,000,000

EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT, 1998 (H.R. 3579) — continued

Doc No.		Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
	DEPARTMENT OF HEALTH AND HUMAN SERVICES						
	Indian Health Service						
.....	Indian health services	.....	.....	100,000	100,000	+100,000	.....
	Total, Chapter 3:						
	New budget (obligational) authority	12,375,000	12,375,000	14,475,000	12,815,000	+440,000	-1,660,000
	(By transfer)	(3,163,000)	(3,163,000)	(3,163,000)	(3,163,000)	.....	.....
	CHAPTER 4						
	DEPARTMENT OF HEALTH AND HUMAN SERVICES						
	Centers for Disease Control and Prevention						
.....	Disease control, research, and training	.....	.....	.....	9,000,000	+9,000,000	+9,000,000
	Health Care Financing Administration						
105-220	Program management	16,000,000	16,000,000	.....	2,200,000	-13,800,000	+2,200,000
	Total, Chapter 4:						
	New budget (obligational) authority	16,000,000	16,000,000	.....	11,200,000	-4,800,000	+11,200,000
	CHAPTER 5						
	CONGRESSIONAL OPERATIONS						
	HOUSE OF REPRESENTATIVES						
	Payments to Widows and Heirs of Deceased Members of Congress						
.....	Gratuities, deceased Members	.....	270,300	.....	270,300	.....	+270,300
	JOINT ITEMS						
	Capitol Police Board						
	Capitol Police						
.....	General expenses (by transfer)	.....	(4,000,000)	(4,000,000)	(4,000,000)	.....	.....
	ARCHITECT OF THE CAPITOL						
	Capitol Buildings and Grounds						
105-177	Capitol buildings, salaries and expenses 2/	7,500,000	7,500,000	7,500,000	7,500,000	.....	.....
105-177	Capitol grounds 2/	20,000,000	20,000,000	20,000,000	20,000,000	.....	.....
	Total, Architect of the Capitol	27,500,000	27,500,000	27,500,000	27,500,000	.....	.....
	Total, Chapter 5:						
	New budget (obligational) authority	27,500,000	27,770,300	27,500,000	27,770,300	.....	+270,300
	(By transfer)	.....	(4,000,000)	(4,000,000)	(4,000,000)	.....	.....
	CHAPTER 6						
	DEPARTMENT OF TRANSPORTATION						
	Office of the Secretary						
.....	Transportation planning, research, and development.	.....	.....	6,900,000	.....	.....	-6,900,000
.....	Amtrak Reform Council	.....	2,450,000	.....	2,450,000	.....	+2,450,000
	Federal Aviation Administration						
.....	Operations	.....	.....	47,200,000	.....	.....	-47,200,000
.....	Facilities and equipment (Airport and Airway Trust Fund)	.....	.....	108,800,000	25,000,000	+25,000,000	-83,800,000
	Total, Federal Aviation Administration	.....	.....	156,000,000	25,000,000	+25,000,000	-131,000,000
	Research and Special Programs Administration						
	Research and special programs:						
.....	Emergency transportation	.....	.....	.....	1,000,000	+1,000,000	+1,000,000
	Total, Department of Transportation	.....	2,450,000	162,900,000	28,450,000	+26,000,000	-134,450,000
	RELATED AGENCY						
	National Transportation Safety Board						
105-216	Salaries and expenses	5,400,000	5,400,000	5,400,000	5,400,000	.....	.....
	Total, Chapter 6:						
	New budget (obligational) authority	5,400,000	7,850,000	168,300,000	33,850,000	+26,000,000	-134,450,000

2/ FY 1999 request.

EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT, 1998 (H.R. 3579)— continued

Doc No.		Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
	CHAPTER 7						
	DEPARTMENT OF THE TREASURY						
.....	Automation enhancement	.....	28,110,000	39,410,000	35,500,000	+7,390,000	-3,910,000
.....	Treasury building and annex repair and restoration	.....	17,000,000	.....	.....	-17,000,000	.....
.....	Financial Management Service	.....	5,300,000	5,300,000	5,300,000	.....	.....
	United States Customs Service:						
.....	Customs facilities, construction, improvements	.....	.....	5,512,000	.....	.....	-5,512,000
	Total, Department of the Treasury	.....	50,410,000	50,222,000	40,800,000	-9,610,000	-9,422,000
	General Provisions						
105-216	Year 2000 century date change conversion (by transfer)	(250,000,000)	.....	.....	.....	.....	.....
	Total, Chapter 7:						
	New budget (obligational) authority	.....	50,410,000	50,222,000	40,800,000	-9,610,000	-9,422,000
	(By transfer)	(250,000,000)	.....	.....	.....	.....	.....
	CHAPTER 8						
	DEPARTMENT OF VETERANS AFFAIRS						
	Veterans Benefits Administration						
105-177	Compensation and pensions	550,000,000	550,000,000	550,000,000	550,000,000	.....	.....
	INDEPENDENT AGENCY						
	National Aeronautics and Space Administration						
105-216	Human space flight (by transfer)	(173,000,000)	(173,000,000)	.....	(53,000,000)	(-120,000,000)	(+53,000,000)
	CHAPTER 9						
	DEPARTMENT OF AGRICULTURE						
105-215	Agricultural Research Service (rescission)	-223,000	-223,000	.....	-223,000	.....	-223,000
	Animal and Plant Health Inspection Service						
105-215	Salaries and expenses (rescission)	-350,000	-350,000	.....	-350,000	.....	-350,000
	Agricultural Marketing Service						
105-215	Marketing services (rescission)	-25,000	-25,000	.....	-25,000	.....	-25,000
105-215	Grain Inspection, Packers and Stockyards Administration (rescission)	-38,000	-38,000	.....	-38,000	.....	-38,000
105-215	Food Safety and Inspection Service (rescission)	-502,000	-502,000	-502,000	-502,000	.....	.....
	Farm Service Agency						
105-215	Salaries and expenses (rescission)	-1,080,000	-1,080,000	.....	-1,080,000	.....	-1,080,000
	Agricultural Credit Insurance Fund Program Account:						
	Farm operating loans:						
105-228	Guaranteed unsubsidized (rescission)	-6,737,000	-6,737,000	-6,736,197	-8,273,000	-1,536,000	-1,536,803
	Total, Farm Service Agency	-7,817,000	-7,817,000	-6,736,197	-9,353,000	-1,536,000	-2,616,803
	Natural Resources Conservation Service						
105-215	Conservation operations (rescission)	-378,000	-378,000	.....	-378,000	.....	-378,000
	Rural Housing Service						
105-215	Salaries and expenses (rescission)	-846,000	-846,000	-846,000	-846,000	.....	.....
	Food and Nutrition Service						
105-215	Child nutrition programs (rescission)	-114,000	.....	.....	.....	.....	.....
.....	Food program administration (rescission)	.....	-114,000	.....	-114,000	.....	-114,000
	Total, Department of Agriculture	-10,293,000	-10,293,000	-8,084,197	-11,829,000	-1,536,000	-3,744,803
	DEPARTMENT OF TRANSPORTATION						
	Maritime Administration						
105-215	Maritime Guaranteed Loan (Title XI) Program Account: Guaranteed loans subsidy (rescission)	-2,138,000	.....	.....	.....	.....	.....
	DEPARTMENT OF THE INTERIOR						
	Bureau of Reclamation						
105-215	Water and related resources (rescission)	-532,000	.....	.....	.....	.....	.....
	DEPARTMENT OF THE INTERIOR						
	Bureau of Land Management						
105-215	Management of lands and resources (rescission)	-1,188,000	-1,188,000	-1,188,000	-1,188,000	.....	.....
105-215	Oregon and California grant lands (rescission)	-2,500,000	-2,500,000	-2,500,000	-2,500,000	.....	.....
	Total, Bureau of Land Management	-3,688,000	-3,688,000	-3,688,000	-3,688,000	.....	.....

EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT, 1998 (H.R. 3579) — continued

Doc No.		Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
	United States Fish and Wildlife Service						
.....	Resource management (rescission)	.....	-250,000	-250,000	-250,000	.....	.....
105-215	Construction (rescission)	-1,188,000	-1,188,000	-1,188,000	-1,188,000	.....	.....
	Total, United States Fish and Wildlife Service	-1,188,000	-1,438,000	-1,438,000	-1,438,000	.....	.....
	National Park Service						
105-215	Construction (rescission)	-1,638,000	-1,638,000	-1,638,000	-1,638,000	.....	.....
	Minerals Management Service						
105-216	Royalty and offshore minerals management (offset)	-3,675,000	-3,675,000	-3,675,000	-3,675,000	.....	.....
	Bureau of Mines						
105-215	Mines and minerals (rescission)	-1,605,000	-1,605,000	-1,605,000	-1,605,000	.....	.....
	Bureau of Indian Affairs						
105-215	Construction (rescission)	-737,000	-737,000	-837,000	-837,000	-100,000	.....
	Total, Department of the Interior	-12,531,000	-12,781,000	-12,881,000	-12,881,000	-100,000	.....
	DEPARTMENT OF AGRICULTURE						
	Forest Service						
105-215	Forest and rangeland research (rescission)	-148,000	-148,000	.....	-148,000	.....	-148,000
105-215	State and private forestry (rescission)	-59,000	-59,000	.....	-59,000	.....	-59,000
105-215	National forest system (rescission)	-1,094,000	-1,094,000	.....	-1,094,000	.....	-1,094,000
105-215	Wildland fire management (rescission)	-148,000	-148,000	.....	-148,000	.....	-148,000
105-215	Reconstruction and construction (rescission)	-30,000	-30,000	.....	-30,000	.....	-30,000
	Total, Forest Service	-1,479,000	-1,479,000	.....	-1,479,000	.....	-1,479,000
	DEPARTMENT OF HEALTH AND HUMAN SERVICES						
	Health Resources and Services Administration						
.....	Health professions education fund (rescission)	.....	.....	.....	-11,200,000	-11,200,000	-11,200,000
	Health Care Financing Administration						
105-220	Peer review organizations (offset)	-16,000,000	-16,000,000	.....	.....	+16,000,000	.....
	DEPARTMENT OF TRANSPORTATION						
	Office of the Secretary						
105-215	Payments to air carriers (rescission)	-2,499,000	-2,500,000	-2,499,000	-2,500,000	.....	-1,000
105-215	Payments to air carriers (Airport and Airway Trust Fund) (rescission of contract authorization)	-1,000,000	-3,000,000	-3,000,000	-3,000,000	.....	.....
	Total, Office of the Secretary	-3,499,000	-5,500,000	-5,499,000	-5,500,000	.....	-1,000
	Federal Aviation Administration						
.....	Facilities, engineering, and development (rescission)	.....	-500,000	.....	-500,000	.....	-500,000
.....	Grants-in-aid for airports (Airport and Airway Trust Fund) (rescission of contract authorization)	.....	-30,000,000	-185,893,000	-54,000,000	-24,000,000	+131,893,000
	Total, Federal Aviation Administration	.....	-30,500,000	-185,893,000	-54,500,000	-24,000,000	+131,393,000
	Federal Railroad Administration						
.....	Conrail labor protection (rescission)	.....	-508,234	-508,234	-508,234	.....	.....
	Total, Department of Transportation	-3,499,000	-36,508,234	-191,900,234	-60,508,234	-24,000,000	+131,392,000
	DEPARTMENT OF THE TREASURY						
.....	Treasury building and annex repair and restoration (rescission)	.....	-17,000,000	.....	.....	+17,000,000	.....
	United States Customs Service:						
.....	Salaries and expenses (rescission)	.....	-6,000,000	-11,300,000	-6,000,000	.....	+5,300,000
.....	Operations and maintenance, customs P-3 drug interdiction program (rescission)	.....	.....	-5,511,754	-4,470,000	-4,470,000	+1,041,754
	Internal Revenue Service:						
.....	Information technology investments (rescission)	.....	-27,410,000	-33,410,000	-30,330,000	-2,920,000	+3,080,000
	Total, Department of the Treasury	.....	-50,410,000	-50,221,754	-40,800,000	+9,610,000	+9,421,754

EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT, 1998 (H.R. 3579)— continued

Doc No.		Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
	GENERAL PROVISIONS						
.....	Conservation farm option program (offset)	.....	-4,000,000	.....	-4,000,000	.....	-4,000,000
	Total, Chapter 9:						
	New budget (obligational) authority	-46,472,000	-131,471,234	-263,087,185	-142,697,234	-11,226,000	+120,389,951
	Rescissions	(-25,797,000)	(-74,796,234)	(-70,519,185)	(-78,022,234)	(-3,226,000)	(-7,503,049)
	Rescissions of contract authorization	(-1,000,000)	(-33,000,000)	(-188,893,000)	(-57,000,000)	(-24,000,000)	(+131,893,000)
	Offsets	(-19,675,000)	(-23,675,000)	(-3,675,000)	(-7,675,000)	(+16,000,000)	(-4,000,000)
	GENERAL PROVISIONS						
.....	Emergency Trade Deficit Review Commission Act	.....	.....	2,000,000	.....	.....	-2,000,000
	Total, title III:						
	New budget (obligational) authority (net)	18,476,575,000	552,802,066	18,458,603,012	549,567,066	-3,235,000	-17,909,035,946
	Appropriations	(18,523,047,000)	(684,273,300)	(18,721,690,197)	(692,264,300)	(+7,991,000)	(-18,029,425,897)
	Rescissions	(-25,797,000)	(-74,796,234)	(-70,519,185)	(-78,022,234)	(-3,226,000)	(-7,503,049)
	Rescissions of contract authorization	(-1,000,000)	(-33,000,000)	(-188,893,000)	(-57,000,000)	(-24,000,000)	(+131,893,000)
	Offsets	(-19,675,000)	(-23,675,000)	(-3,675,000)	(-7,675,000)	(+16,000,000)	(-4,000,000)
	(By transfer)	(438,163,000)	(180,163,000)	(11,163,000)	(60,163,000)	(-120,000,000)	(+49,000,000)
	(Loan authorizations)	(73,976,000)	(132,790,000)	(111,900,000)	(167,134,000)	(+34,344,000)	(+55,234,000)
	Grand total, all titles:						
	New budget (obligational) authority (net)	22,597,439,000	551,430,066	23,859,654,012	3,409,562,066	+2,858,132,000	-20,450,091,946
	Appropriations	(18,523,047,000)	(684,273,300)	(18,721,690,197)	(692,264,300)	(+7,991,000)	(-18,029,425,897)
	Emergency appropriations	(2,238,835,000)	(2,432,085,000)	(1,867,428,000)	(2,416,035,000)	(-16,050,000)	(+548,607,000)
	Contingent emergency appropriations	(1,882,029,000)	(451,543,000)	(3,533,623,000)	(3,032,150,000)	(+2,580,607,000)	(-501,473,000)
	Rescissions	(-25,797,000)	(-2,593,396,234)	(-70,519,185)	(-2,425,212,234)	(+168,184,000)	(-2,354,693,049)
	Rescissions of contract authorization	(-1,000,000)	(-399,400,000)	(-188,893,000)	(-298,000,000)	(+101,400,000)	(-109,107,000)
	Offsets	(-19,675,000)	(-23,675,000)	(-3,675,000)	(-7,675,000)	(+16,000,000)	(-4,000,000)
	(By transfer)	(438,163,000)	(185,163,000)	(51,163,000)	(105,163,000)	(-80,000,000)	(+54,000,000)
	(By transfer) (contingent emergency appropriations)	(5,000,000)	.....	(5,000,000)	.....	.....	(-5,000,000)
	(Limitation on obligations)	.....	(1,668,600,000)	.....	.....	(-1,668,600,000)	.....
	(Loan authorizations)	(160,976,000)	(219,790,000)	(304,000,000)	(254,534,000)	(+34,744,000)	(-49,466,000)
	DISCRETIONARY SPENDING RECAP						
	Title I:						
	Defense	2,021,147,000	2,288,252,000	2,450,247,000	2,859,995,000	+571,743,000	+409,748,000
	Title II:						
	Emergency	2,099,717,000	595,376,000	2,950,804,000	2,588,190,000	+1,992,814,000	-362,614,000
	Offset	.....	-2,885,000,000	.....	-2,588,190,000	+296,810,000	-2,588,190,000
	Total	2,099,717,000	-2,289,624,000	2,955,804,000	.....	+2,289,624,000	-2,950,804,000
	Title III:						
	Non-emergency	17,973,047,000	134,003,000	18,171,690,197	141,994,000	+7,991,000	-18,029,696,197
	Rescissions	-46,358,000	-131,471,234	-263,087,185	-142,697,234	-11,226,000	+120,389,951
	Total	17,926,689,000	2,531,766	17,908,603,012	-703,234	-3,235,000	-17,909,306,246

1/ House column for Title III reflects H.R. 3580 as reported by the House.

2/ FY 1999 request.

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

Mr. OBEY. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I think, in fairness to Members of the House, they should understand that the White House has apparently decided that the President will sign this bill. And I understand why he feels he has to do that given some of the funding in the bill. But I think there are many problems with the bill that will lead me to vote ''no.'' I will be explaining them at a later moment in the debate.

Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Pennsylvania (Mr. MURTHA), ranking member on the Subcommittee on National Security.

Mr. MURTHA. Mr. Speaker, I want to compliment the chairman of the full committee because I stood here several weeks ago and I told him what might happen, and he took it to heart and he got the bill done, and I know it was not an easy bill to pass. So my compliments to everybody that was involved.

I am delighted to see in defense nothing is offset. And it is so important because we have such a problem with O&M and readiness and defense. I could not have voted for this bill if it were offset even domestically for defense. So the compromise was exactly the right compromise.

I am disappointed that IMF is not in this bill. We have assurances it will be brought up sometime in the near future. I hope it will be. I have a concern about section 8 housing. I hope it is not a ploy where the Committee on Appropriations next year suffers because we have to find the money to pay for it. I hope they do raise the caps, as they said they are going to do.

But I believe this is important that we vote for it because the money has been spent for defense. It takes care of a very important shortfall in defense. And I would urge all the Members to vote for this supplemental, which was worked out so carefully, and so many things that were kept from being put in the bill which would have made it impossible for us to vote for it.

□ 1700

Mr. OBEY. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. FAZIO), the distinguished ranking member of the Subcommittee on Energy and Water Development.

Mr. FAZIO of California. Mr. Speaker, sometimes these bills are known for what they do and sometimes for what they do not do. I think that most of us today are pleased that we are beginning to attend to the problems created by the disasters that have befallen this country over the last number of months. But the sad reality is that this bill will be known for what it does not do, and that is, deal with the U.N. arrearage and with the funding of the International Monetary Fund.

We are on the verge of a potential loss of hundreds of thousands of American jobs because of the sickness in the economies of a number of nations in Southeast Asia, potentially South Korea, exacerbated by problems in Japan of a very different nature, but all of which need to be addressed by an international agency we helped create and we lead called the IMF. Their funding has been held up. While we may have some vague assurances that it will come before us, we do not know when, in what form or whether or not it will be adequate or timely to meet the needs that we as Americans have in the economic sphere.

Yes, we are booming in our country. Our economy is producing at a rate unheard of in post-World War II America. All of the indices are in positive territory. But leadership requires us to look to the future, to see on the horizon the iceberg that could well bring us down.

Our failure to fund the IMF in this bill at this time could well be a monumental mistake that we cannot even fully understand and appreciate at this time. Certainly our efforts to bring the U.N. behind us in Iraq have been deterred by our unwillingness to provide money we agree we owe that international agency.

As a result of our failure to include those funds in this bill because of another separate debate on international family planning which continues year in, year out in this institution, I think we are showing an inability, frankly, to take the leadership role that has been given to this Nation at this point in our history. I regret that despite, I think, the inclination of many Members on both sides of the aisle on this committee and an overwhelming majority of Members of the other body, despite that unanimity of thinking, because of the majority leadership in this institution, we have been prevented from taking up these two most important issues. I hope we do not rue the day. I fear we will.

It is for that reason that I think this bill comes up short of the responsibilities that we should have taken. I think for that reason many Members will vote ''no''.

Mr. OBEY. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Illinois (Mr. DAVIS).

(Mr. DAVIS of Illinois asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Illinois. I want to thank the gentleman for yielding me this time.

Mr. Speaker, I am always pleased when we can reach compromise or when there is any kind of compromise reached. It means that the body is working well. But it frightens me when I hear compromise reached talking about excess Section 8 housing.

It is very difficult to convince the thousands of homeless people throughout America that there is some excess housing. It is difficult to convince the people who live in my congressional district in the City of Chicago that there is excess Section 8 housing. I would hope that this is not a trend. And I would hope that even if we reach a compromise where this legislation is passed, that we do not find ourselves back talking about reducing Section 8 housing because there might have been some resources that were not used at this time.

For this reason, I think it comes up short, and I certainly would hope that there would be Members who feel the same way and would vote against this compromise.

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

Mr. DAVIS of Illinois. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Speaker, I certainly agree with the statement made by the distinguished gentleman from Illinois. My district also will suffer from the lack of Section 8 housing. As the gentleman said so eloquently, there is no shortage in the need for Section 8 housing.

The gentleman from Louisiana, the chairman of the committee, said that these funds that were deleted were excess. The gentleman from Illinois is right. There is no excess. The $2 billion that were taken from the program in this bill are not going to be put back in the next budget because there will be a $7 billion shortfall in Section 8 housing in that budget. And so the $2 billion that are out, I fear are out for the balance.

Mr. OBEY. Mr. Speaker, I yield myself 9 minutes.

Mr. Speaker, I understand why some Members of the House who have had disasters in their area will want to vote for this bill, but I am profoundly disturbed by the way this bill has developed. I will certainly be casting a ''no'' vote, and I think I owe the House an explanation.

Some of the items in this bill were requested by the administration more than a year ago. This bill originally was supposed to do basically five major things and a few minor things. It was supposed to provide disaster relief; it was supposed to provide funding for the cost of the troops' operating in Bosnia and in Kuwait. The administration also asked the Congress to provide replenishment funding for the International Monetary Fund to help them protect the U.S. economy from further currency crunches. It also asked the Congress to provide the arrearages that we have had for many years so that we could more effectively shape the direction of the United Nations. And it had some other items, including a $16 million request to actually make Kennedy–Kassebaum work, providing the Federal assistance necessary to see to it that persons who did lose their health coverage when they changed jobs could actually get the help that they were promised in that legislation.

This bill is very different now. It has a laundry list of items that should not be in the bill. And there are major items which should be in the bill which are sadly missing.

Here is a sampling of some of the riders in the bill: A six-lane highway through the Petroglyph National Monument in New Mexico, a sacred burial ground for the Indian tribes. That is there despite the opposition of the local mayor and many other officials. A second item, a $66 million gift to the oil companies by blocking collection of full royalty payments from oil companies who operate on American lands that are owned by the taxpayer. Third, as I said, the missing $14 million to make Kennedy–Kassebaum a reality.

That bill passed with only two dissenting votes, I believe, in this House last year. There was not a politician in Washington who did not break his or her neck running to a microphone or running to a television interview to brag about how much they were doing to help people who were losing their health insurance when they changed jobs and had preexisting conditions, and so therefore could not get new coverage. The money that was needed in this bill to make that a reality for thousands and thousands of Americans is denied because of a strong lobbying job. I think that is enough to give hypocrisy a bad name.

The offsets provided in the bill. There are no offsets for the defense expenditures in the bill. But as the gentleman from Illinois just indicated, there are $2.3 billion in additional cuts in Section 8 housing to pay for disaster assistance expenses. In plain English, much of that housing goes, one-third of it goes to low-income seniors whose average income is $7,500 a year.

Now, it is said, ''Oh, we don't need that money this year.'' It is true that for technical reasons, that money is not needed in this existing fiscal year. But we will be marking up the bills for the next fiscal year in about a month, and we are told by the General Accounting Office that there is already an existing $4.6 billion gap in that program over a period of time. In other words, we will have to put $4.6 billion of additional resources into that program that are not presently available. This action by the Congress today digs that hole $2.3 billion deeper. So we will have to provide $7 billion in additional money that we do not have.

Now, we are told by some on the majority side, ''Well, don't worry, these cuts will never take place.'' If that is the case, then these are phony cuts, and I would ask, if you do not plan to take it out of here long-term, if this is a one-month shell game, then who are the real people who are going to get socked with that $2.3 billion reduction? The fact is, right now, we do not know.

There are two other major problems with this bill. The United States leadership on a bipartisan basis at the end of World War II created the United Nations so that we would have an instrument, an international instrument to try to deal with international issues in ways that were consistent with the needs of the United States. For almost a generation, that organization has many times driven me and many other Americans nuts because it has been a Tower of Babel, it has been often the center of demagoguery and irresponsibility and cronyism. But the fact is that now that the Soviet Union has collapsed, we have an opportunity to finally reorganize that organization and make it a more effective instrument that will be consistent with American foreign policy.

Yet we are denying our representatives in the U.N. the money that is needed to make our hand more effective in dealing with that reorganization and in shaping their policies on issues ranging from Iraq to you name it in ways which will serve U.S. interests. I think it is a tragedy that that item is being held hostage to an extraneous matter that is not even in this bill.

Then we have the case of the International Monetary Fund. In September, the Speaker of this House sent a letter to the administration indicating that the administration was correct to seek that funding. And then in that same letter the Speaker indicated that IMF funding was going to be held hostage to the same extraneous family planning issue that is not even in this bill.

Last week, the Speaker took this microphone and told the House that there were so many things wrong with the IMF that he was dubious that we should provide any funding for it at all. That was switch number one.

Then today I was amazed to see an article in the Washington Post headlined, Gingrich Threatens White House on IMF. It went on to say the following: ''The Speaker warned that the failure of the White House to cooperate with investigations jeopardized the administration's legislative priorities.'' It then went on to indicate that the Speaker indicated that unless he was happy with the cooperation he was getting from the administration on that front, that they were going to withhold funding for the International Monetary Fund, and then suggested that the President had no moral standing to ask for that money.

□ 1715

Let me simply say that I think that that threat takes us back to the good old days 2 years ago when the Speaker indicated that one of the reasons that he helped to shut down the government was because he got a bad seat on Air Force One.

I would point out that what comments like that do is to turn what we do in this House into an argument about what we do to each other in Washington, and that is not what this House is supposed to be all about. What we do in this House is not supposed to be about what we do to each other. It is supposed to be about what we do together on behalf of the people who sent us here in the first place, and I would urge the Speaker to remember that and all other Members as well.

I would also say that if the Speaker decides to continue to hold the IMF hostage, in the end that is not going to hurt Bill Clinton. This is not Bill Clinton's economy. This is the economy of every single American. If we have another currency crisis, the jobs that will be lost will not be Mr. Clinton's or the gentleman from Georgia's (Mr. GINGRICH) or any of ours, though perhaps they should be. Instead, it will be hard-working U.S. workers or hard-working U.S. farmers who lose export markets and lose their jobs because of it.

I would like to read to my colleagues what another Republican said about this issue in a very different time when I was leading the fight for his request for IMF funding. Ronald Reagan said the following in 1983: ''My administration is committed to do what is legitimately needed to help ensure that the IMF continues as the cornerstone of the international financial system.''

''Let me make something very plain.'' Mr. Reagan said, ''I have an unbreakable commitment to increase funding for the IMF, but the U.S. Congress so far has failed to act to pass the enabling legislation. I urge the Congress to be mindful of its responsibility and to meet the pledge of our government.''

Leonard Silk in the New York Times wrote about Mr. Reagan in September of that same year, saying: ''Mr. Reagan went about as far in his speech yesterday as he could to end the dispute by scolding members of his own party as well as the Democrats for playing politics. He said he did not appreciate the partisan wrangling and political posturing over the issue and urged members of both parties to lay aside their differences, to abandon harsh rhetoric and unreasonable demands and to get on with the task in the spirit of true bipartisanship.''

I would say those words were true then, and they are most certainly true now.

So I would simply say I intend to vote no on this bill today for the reasons that I have listed. I believe that this House is engaging in irresponsible and needlessly reckless conduct which is putting at risk the national interests of the United States and is in the process of bringing the actions of this House into considerable disrepute.

I thought last year we had gotten over the partisanship and we were going to be able to deal together on appropriation bills in a constructive way, the way I thought we did for most of last year. I regret that we seem to be regressing into an ''election year, anything goes'' mode. That may suit the needs of some people in this body, it does not suit the needs of the people who sent us here. And if this House continues to withhold these items, it should be ashamed of the political way in which it is acting.

Mr. LIVINGSTON. Mr. Speaker, I yield such time as he may consume to the very distinguished gentleman from Florida (Mr. SCARBOROUGH), a member

of the Committee on National Security, for purposes of a colloquy only.

Mr. SCARBOROUGH. Mr. Speaker, first of all, I want to thank the gentleman from Louisiana (Mr. LIVINGSTON) and the other conferees for inserting language into the conference report addressing a serious situation with respect to implementation in section 220 of Public Law 104–333.

As the gentleman is aware, the gentlewoman from Florida (Mrs. FOWLER), Senators MACK and GRAMM and the entire Florida delegation and I have been fighting this battle to implement this law that Congress passed and President Clinton signed over 2 years ago. While I am certain it was not the intention of the conferees, the actual report language may mistake the situation with regard to the problem.

While the report language states that the maps were not received by the Fish and Wildlife Service in a timely manner and that these maps were lost in the mail, those facts are in dispute, and that portion of the report language is a cause for concern. In fact, the Committee on Resources will hold hearings on this issue in the near future.

Therefore, is it the gentleman's understanding that the conferees did not intend to state as a matter of fact whether or not Fish and Wildlife received the maps in a timely manner or whether or not the maps were lost in the mail?

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

Mr. SCARBOROUGH. I yield to the gentleman from Louisiana.

Mr. LIVINGSTON. Mr. Speaker, the gentleman is fundamentally correct. It was not the intent of the committee to interpret the facts of the situation but rather to highlight the problem for future action.

Mr. SCARBOROUGH. I thank the gentleman. I appreciate his willingness to work with the gentlewoman from Florida (Mrs. FOWLER) and myself and the entire Florida delegation to address this lingering serious problem with the fiscal year 1999 Interior appropriations bill, another legislative vehicle as soon as possible, and we all certainly look forward to working with the gentleman and the gentleman from Ohio (Mr. REGULA).

Mr. LIVINGSTON. Mr. Speaker, I thank the gentleman for his concern and compliment him on trying to solve a very serious problem that affects the people of his State.

Mr. Speaker, I yield such time as he might consume to the very distinguished gentleman from Florida (Mr. YOUNG) the chairman of the Subcommittee on National Security.

Mr. YOUNG of Florida. Mr. Speaker, first, I would like to compliment the gentleman from Louisiana (Mr. LIVINGSTON) and the gentleman from Wisconsin (Mr. OBEY) the ranking member on the Committee on Appropriations for having, in a very short time, conferenced this bill that, as we have noticed from debate, did have some very strong difference of opinions. But the Members on both sides worked hard together to come up with a solution, and I think we have come up with a pretty good conference report.

Is it exactly the way I wanted it? No, there were a few things I wanted in this bill that we were not able to do, and there was some other things put in the bill that I would prefer we had not. But that is the way that a conference works, and I compliment all the Members who played a role there.

As we discuss the defense part of this bill, I would like to say that the gentleman from Pennsylvania (Mr. MURTHA) who was the ranking member and the former chairman and I have worked together, extremely close and extremely hard, determined to keep anything relative to the security of our Nation free of partisan politics; and I compliment Mr. MURTHA for that and all the members of our subcommittee. And we have done that.

There are no partisan politics in the defense part of this bill. There may be some different opinions, but that is not unusual when there is a body of 435 independently elected men and women and a hundred in the other body.

I would like to talk just a few minutes about the defense part of this bill and mention that most of the defense funding in this bill goes to pay for deployments that have already been made and that are already under way. We have soldiers and sailors, marines and airmen scattered all over the world in numerous deployments, some of which are essential, some of which are very questionable, which some of us support, which some of us did not support.

But, nonetheless, they are there, and it is up to us to guarantee that they have whatever it is they need to accomplish their mission and to give themselves some protection at the same time they are doing this.

Now while they are doing this they are performing a lot of missions for the United Nations, a lot of missions that we do not get credit for on the accounting ledger at the U.N., and I think we ought to get credit for that. For those who want to talk about us being in arrears, let us get some real accounting and get credit for the moneys that we spend on those United Nations type deployments.

But let me say this, that since I have been chairman of this subcommittee and we have been the majority party, we have offset every penny for these deployments in that 3½ year period. Over $12 billion we have offset, which means we took it from the already appropriated accounts for the Army, the Navy, the Marine Corps and the United States Air Force. We took it out of moneys they were planning for training, for readiness, for quality of life, $12 billion we had already offset.

Now we cannot afford to continue to do that. If my colleagues had been able to be at a meeting with me at the Pentagon on Monday that the gentleman from Missouri (Mr. SKELTON) and I attended, they would have heard some very sad stories from the Secretary of Defense and the chairmen of the Joint Chiefs, and I think it is a shame to hear the stories that they are telling about what is happening to the military while the deployed forces were working hard to keep them ready and keep them well-equipped. The non-deployed forces back home are running out of equipment, running out of training money.

Let us pass this bill. Let us avoid the political implications. Let us remember that we are talking about providing funding for our American troops in uniform who have been sent around the world, and that is what this bill does.

Ms. PELOSI. Mr. Speaker, as a conferee, I rise today in opposition to the Emergency Supplemental Appropriations bill and to express serious concerns about this bill before us today. The conference report on H.R. 3579 is a flawed product, calling non-emergency spending and riders emergencies, while ignoring real emergencies. It is flawed both because of what is in it, and because of what is not in it.

I understand the real needs of people in this country who have suffered from natural disasters and believe that we must provide funding for this disaster assistance. We all support pitching in to help families and communities rebuild after forces beyond their control have wreaked havoc on their lives. I also join many of my colleagues in supporting the needed funding to maintain our troops in Bosnia and the Persian Gulf.

I object, however, to the unfair and capricious way in which decisions about what spending to off-set were made. It is no small mystery how the majority could decide that defense spending in this bill, including over $200 million in non-emergency projects, would not be offset, but that domestic disaster assistance would be. This means that important social or domestic programs are cut, but defense programs are not.

I am particularly troubled by the actions of this Congress to ransack the Section 8 housing reserves once again, in order to provide the off-set funding. This bill rescinds $2.347 billion in Section 8 reserves, placing 450,000 households in serious jeopardy of losing their homes. For my colleagues who may not be fully aware of the Section 8 program, they should know that almost one-third of Section 8-assisted households are elderly, another twelve percent are disabled, and most of the rest are families with children. The median income of Section 8-assisted households is just over $7,500. In order to prevent these people from becoming homeless, Congress will have to come up with the funding which we are now using for other purposes. We are essentially robbing Peter to pay Paul and the bill will come due soon.

The inequity in funding issues is not the only troubling aspect of this supplemental appropriations bill. The bill contains several controversial legislative riders which are opposed by many in this Congress. They represent the majority's bad habit of putting anti-environmental, special interest and anti-consumer legislation on appropriations bills in order to get them signed into law by the President.

My colleagues should be aware that the supplemental appropriations bill before us provides an on-going windfall for major oil companies by prohibiting the Department of the Interior from publishing a final rule to ensure that the American taxpayer receives market value for oil resources on national lands. Each year, these major oil companies underpay royalties to the Federal Treasury by $100 million for oil they produce on federal public lands. Much of this money goes directly for funding public schools, so, because of a non-emergency legislative provision included in this bill, we are feeding oil companies vast profits at the expense of our children. In addition, delaying the implementation of this rule could jeopardize a legal case brought by the Department of Justice against the very same oil companies which are pushing for the delay. The companies have been charged with shortchanging the government on oil revenues—in other words, cheating the taxpayer out of billions of dollars in royalties. This legislative rider is not right—and it certainly does not belong in an emergency supplemental appropriations bill—unless you buy the argument that the emergency is one experienced by the oil companies and that Congress should be helping them out.

I am also opposed to the legislative provision in this spending bill which would allow for the construction of a six-lane highway through Petroglyph National Monument in New Mexico. The purpose of National Monuments is to preserve for future generations sites of national significance and interest. In this particular case, Petroglyph National Monument is not only important for its historical significance, preserving important examples of Native American rock art, but also for its religious and cultural significance for Indian communities in the Southwest. The controversy over Petroglyph Park has been on-going in the Albuquerque area, where the Mayor does not want the road, and Congress should not intrude. It certainly does not rise to the level of an emergency which Congress must include in this bill.

I join my colleagues, too, in expressing my concern that this bill does not address several real emergencies—the need for funding for the International Monetary Fund (IMF) and for our unpaid debt to the United Nations. Both of these matters have reached the urgent stage and Congressional inaction on them in hindering the Administration's ability to conduct the nation's foreign policy.

We are undermining our own economic stability by not providing needed funding for the IMF. I would be one of the first to argue that the IMF needs reforms. The House Banking Committee passed, by a vote of 40 to 9, a framework for those reforms. Unfortunately, the bill before us today does not include that framework or the funding, taking real risks with our economic future and undermining the Administration's ability to negotiate much-needed reforms.

Our national security interests are also undermined by the continuing dead-beat status of the U.S. at the United Nations. Congressional inaction on funding U.N. arrears—what we owe to the U.N.—is undermining the very reforms which some in this body advocate so vociferously. It is ironic that while we are considering emergency spending legislation today, we are not considering funding for two very real emergencies with consequences for all Americans—IMF funding and U.N. arrears.

This Congress can and must do better. We should be able to work together to develop legislation to meet true emergencies—including alleviating the suffering of Americans who have been the victims of natural disasters—without harming the most vulnerable in our society. I urge my colleagues to oppose this conference report.

Mr. MILLER of California. Mr. Speaker, I rise against this misnamed emergency supplemental bill. Many Members will debate provisions in this bill that are very troublesome and that have been well publicized. I want to take a few moments to alert Members to a few provisions that certainly do not qualify as ''emergency'', and that have no reason to be in this legislation except to shower additional taxpayer dollars on special interests.

Just yesterday, during the Conference meeting on this bill, the conferees added language at the behest of the Senator from Texas, Mrs. HUTCHISON, that will allow oil companies to avoid paying taxpayers a fair royalty for oil and gas produced from public lands. Now, this provision was not in the House bill. It was not in the Senate bill. But we all know what happened: the oil industry saw an opportunity to make millions of dollars off the taxpayers, who own the oil and gas, by getting a rider in an emergency spending bill.

So the oil industry went to a friendly Senator and suddenly, a multi-million dollar gift falls into the industry's lap, and the taxpayers once again are left shortchanged. I am told that the lead lobbyist from the American Petroleum Institute, which was advocating this maneuver, was actually seen sitting at the Conference table, presumably helping the proponents craft the rider in just the right way to maximize profits for the oil industry at the expense of the taxpayer. How convenient.

Members should understand that we are now aware that the taxpayers have been shortchanged hundreds of millions of dollars by energy companies operating on the public lands. That is well documented. And the Administration rightly has taken legal action to recover those millions of dollars for the taxpayers. But this amendment—drafted by the oil industry—would stop the Interior Department from doing what it is legally charged with doing: assuring a fair return to the public from the production of its own oil and gas!

But the conferees didn't stop there. No, they have lots more expensive gifts for the oil industry—paid for by the unwitting taxpayer.

A few years ago, Congress very unwisely created a ''royalty holiday'' for the oil industry in the supposed deep water of the Gulf of Mexico. Companies willing to drill in these supposedly perilous depths were given leases that included millions of barrels of oil on which they would not have to pay the standard 12.5% royalty; in fact, they wouldn't have to pay any royalty on tens of millions of barrels of oil.

Of course, we knew oil companies would pay more for these royalty-free leases; why not, since they knew they wouldn't have to pay out royalties. But Congress still insisted that the Secretary of the Interior should have the flexibility to modify royalty rates (when they finally do kick in) to assure that taxpayers receive fair market value. That was the deal the oil companies signed off on when they endorsed the royalty ''holiday'' bill.

Now, everyone knows oil exploration and production in the Gulf is at fever pitch. In fact, deep water development was proceeding at an unprecedented rate even before we unwisely enacted the ''royalty holiday.'' But apparently the incentives weren't high enough, because stuck in the Statement of Managers for this so-called ''emergency'' bill is a provision that prevents the Interior Department from using authority granted in the ''holiday'' law to increase future royalty rates if, as we predicted, it might be needed to compensate for the excessive ''holiday'' giveaway.

The oil industry, which so happily embraced the royalty ''holiday'' in 1995 now wants even more; having benefitted from the ''holiday'' law for the past two years, now it wants more profits at taxpayer expense. And the conferees are going along with the deception.

Mr. Speaker, the oil industry does not need these provisions in this so-called ''emergency'' bill. Well completions were up in 1997; production in the lower 48 was up for the first time in 6 years in 1997. If restricting the authority of federal officials to ensure that the taxpayers are properly compensated is so important, then let the Resources Committee bring legislation to the floor of the House, not sneak it into legislation intended to provide urgent assistance to our citizens.

Mr. LIVINGSTON. Mr. Speaker, I have no further requests for time, and if the gentleman is prepared to yield back the balance of his time, so am I.

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

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

The SPEAKER pro tempore (Mr. GOODLATTE). Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

Pursuant to clause 7 of rule XV, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 242, nays 163, answered ''present'' 2, not voting 25, as follows:

[Roll No. 121]

YEAS—242

Aderholt	Christensen	Fawell
Allen	Clement	Foley
Archer	Coburn	Forbes
Armey	Collins	Fossella
Bachus	Combest	Fowler
Baldacci	Condit	Fox
Ballenger	Cook	Franks (NJ)
Barr	Cooksey	Frelinghuysen
Barrett (NE)	Cox	Frost
Bartlett	Cramer	Gallegly
Barton	Crane	Ganske
Bass	Cubin	Gekas
Bereuter	Cunningham	Gibbons
Bilirakis	Davis (FL)	Gilchrest
Bishop	Davis (VA)	Gillmor
Blunt	Deal	Gilman
Boehlert	DeLay	Goodlatte
Boehner	Diaz-Balart	Goodling
Bonilla	Dickey	Gordon
Borski	Dicks	Goss
Boyd	Dooley	Graham
Brady	Doolittle	Granger
Bryant	Doyle	Gutknecht
Burr	Dreier	Hansen
Burton	Edwards	Harman
Buyer	Ehrlich	Hastert
Callahan	Emerson	Hastings (WA)
Calvert	English	Hayworth
Canady	Ensign	Hefley
Cannon	Etheridge	Herger
Chabot	Evans	Hill
Chambliss	Everett	Hilleary
Chenoweth	Ewing	Hobson

Holden
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Istook
Jefferson
Jenkins
John
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lucas
Manton
Manzullo
Mascara
McCarthy (NY)
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
Mica
Miller (FL)
Minge
Mollohan
Moran (KS)
Moran (VA)
Murtha
Myrick
Nethercutt
Ney
Northup
Norwood
Ortiz
Oxley
Packard
Pappas
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Redmond
Regula
Reyes
Riggs
Riley
Rodriguez
Rogan
Rogers
Ros-Lehtinen
Roukema
Ryun
Salmon
Sanchez
Saxton
Scarborough
Schaffer, Bob
Sessions
Shadegg
Shaw
Shimkus
Shuster
Sisisky
Skeen
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Spence
Stearns
Stenholm
Strickland
Stump
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Thurman
Tiahrt
Towns
Traficant
Turner
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Woolsey
Young (AK)
Young (FL)

NAYS—163

Abercrombie
Ackerman
Andrews
Baesler
Barcia
Barrett (WI)
Becerra
Bentsen
Berry
Bilbray
Blagojevich
Blumenauer
Bonior
Boswell
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Camp
Campbell
Cardin
Carson
Castle
Clay
Clayton
Clyburn
Coble
Conyers
Costello
Coyne
Crapo
Cummings
Danner
Davis (IL)
DeGette
Delahunt
DeLauro
Deutsch
Dingell
Doggett
Duncan
Ehlers
Engel
Eshoo
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Furse
Gejdenson
Gephardt
Goode
Gutierrez
Hall (OH)
Hamilton
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Hoekstra
Hooley
Hoyer
Inglis
Jackson (IL)
Jackson-Lee (TX)
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Klug
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Markey
Martinez
Matsui
McCarthy (MO)
McDermott
McGovern
McNulty
Meeks (NY)
Menendez
Millender-McDonald
Mink
Moakley
Morella
Nadler
Neal
Neumann
Nussle
Oberstar
Obey
Olver
Owens
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Poshard
Price (NC)
Rahall
Rangel
Rivers
Roemer
Rohrabacher
Rothman
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sanford
Sawyer
Schumer
Scott
Serrano
Shays
Sherman
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Souder
Spratt
Stabenow
Stark
Stokes
Stupak
Tierney
Torres
Upton
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Wynn
Yates

ANSWERED ''PRESENT''—2

Bono
Capps

NOT VOTING—25

Baker
Bateman
Berman
Bliley
Bunning
DeFazio
Dixon
Dunn
Gonzalez
Green
Greenwood
Hall (TX)
Kennelly
Maloney (NY)
Meehan
Meek (FL)
Metcalf
Miller (CA)
Parker
Paxon
Sandlin
Schaefer, Dan
Sensenbrenner
Smith (MI)
Thompson

□ 1750

The Clerk announced the following pairs:

On this vote:

Mr. Bunning for, with Mr. Green against.
Mr. Bliley for, with Mr. DeFazio against.

Mr. INGLIS of South Carolina and Mr. EHLERS changed their vote from ''yea'' to ''nay.''

Mr. TOWNS, Mr. EDWARDS and Ms. MCKINNEY changed their vote from ''nay'' to ''yea.''

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY CHAIRMAN OF COMMITTEE ON RULES REGARDING CONSIDERATION OF AMENDMENTS TO H.R. 10, FINANCIAL SERVICES MODERNIZATION ACT OF 1998

Mr. SOLOMON. Mr. Speaker, the Committee on Rules is expected to meet during the week of May 4 to grant a rule which may restrict amendments to be offered to H.R. 10. H.R. 10 is the Financial Services Modernization Act.

Any Member who wishes to offer an amendment should submit 55 copies and a brief explanation of the amendment by Tuesday, May 5 at 5 p.m. to the Committee on Rules in room H–312 upstairs.

Amendments should be drafted to the text of the amendment in the nature of a substitute submitted by the chairman of the Committee on Banking and Financial Services and the Committee on Commerce and printed in the CONGRESSIONAL RECORD today, April 30.

This amendment in the nature of a substitute consists of the base text which was made in order by the Committee on Rules on March 30, which is contained in House report 105–474, except the credit union title, title V, which passed the House April 1 under suspension of the rules. That is removed from the bill.

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

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE RESOLUTION 375

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that my name be removed as cosponsor of House Resolution 375.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION FOR PERMANENT SELECT COMMITTEE ON INTELLIGENCE TO HAVE UNTIL MIDNIGHT, MAY 4, 1998, TO FILE REPORT ON H.R. 3694, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1999

Mr. GOSS. Mr. Speaker, I ask unanimous consent that the Permanent Select Committee on Intelligence have until midnight, May 4, 1998, to file its report on the bill, H.R. 3694.

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

There was no objection.

INTELLIGENCE AUTHORIZATION ACT OF FISCAL YEAR 1999

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

Mr. GOSS. Mr. Speaker, as I indicated earlier today, I wish to announce to all Members of the House that the Permanent Select Committee on Intelligence ordered H.R. 3694, which is the ''Intelligence Authorization Act for Fiscal Year 1999,'' reported favorably to the House. That report will be filed on Monday, May 4, pursuant to the unanimous consent request just granted.

I would also like to announce that the classified annex and the classified schedule of authorizations accompanying H.R. 3694 will be available for review by Members at the offices of the Permanent Select Committee on Intelligence in room H–405 of the Capitol beginning after the bill is filed on Monday.

The committee office will be open during regular business hours for the convenience of any Member who wishes to review this material prior to its consideration by the House. I anticipate that H.R. 3694 will be considered on the floor next week, possibly Friday, May 8, or perhaps sooner.

I would recommend that Members wishing to review the classified annex contact the committee's chief of security to arrange a time and a date for that viewing. This will assure the availability of committee staff to assist Members who desire that assistance during their review of these classified materials.

Mr. Speaker, I urge Members to take some time to review these classified documents before the bill is brought to

the floor in order to better understand the recommendations of the committee. The classified annex to the committee's report contains the Permanent Select Committee on Intelligence's recommendations on the intelligence budget for fiscal year 1999 and related classified information that may not be publicly disclosed.

It is important that Members keep in mind the requirements of clause 13 of rule 43 of the House adopted at beginning of the 104th Congress. That rule, as Members will recall, only permits access to the classified information by those Members of the House who have signed the oath set out in Rule 43.

Obviously, the committee will assist any Member who wishes to sign such an oath, and there are other details of the procedure that Members can find out by calling the committee.

I very much encourage Members to take advantage of this, because obviously there are some things we cannot discuss publicly here and I want to make sure all Members are comfortable with all aspects of what we are doing in our committee.

JOURNAL

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, the pending business is the question of agreeing to the Speaker's approval of the Journal of the last day's proceedings.

The question is on the Speaker's approval of the Journal.

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

LEGISLATIVE PROGRAM

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

Mr. FAZIO of California. Mr. Speaker, I take this time so that so I may yield to the majority whip to outline the schedule for next week.

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

Mr. FAZIO of California. I yield to the gentleman from Texas.

Mr. DELAY. Mr. Speaker, I thank the distinguished gentleman from California (Mr. FAZIO), chairman of the Democratic Caucus, for yielding.

Mr. Speaker, I am pleased to announce that we have concluded legislative business for the week and that the House will next meet on Monday, May 4, at 2 p.m. for pro forma session. There will be no legislative business and no votes that day.

On Tuesday, May 5, the House will meet at 12:30 p.m. for morning hour and at 2 p.m. for legislative business.

On Tuesday we will consider a number of bills under suspension of the rules, a list of which will be distributed to the Members' offices. But Members should know that we do not expect any recorded votes before 5 o'clock on May 5.

On Wednesday, May 6, and the balance of the week, the House will meet at 10 a.m. for legislative business.

On Tuesday evening we could resume H.R. 6, or we could pick it up again on Wednesday, but we do hope to continue consideration of H.R. 6, the Higher Education Amendments of 1998.

Also on Wednesday and throughout the balance of the week the House will consider the following legislation: H.R. 1872, the Communications Satellite Competition and Privatization Act of 1997; H.R. 10, the Financial Services Competition Act of 1997; and H.R. 3694, the Intelligence Authorization Act for Fiscal Year 1999.

Mr. Speaker, we hope to conclude legislative business for the week by 2 p.m. on Friday, May 8.

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

Mr. FAZIO of California. Mr. Speaker, reclaiming my time, I have a few questions I would like to pose to the majority whip. First of all, does the gentleman really anticipate any late nights next week? I am happy to yield for a response.

Mr. DELAY. Mr. Speaker, Wednesday and Thursday could be late nights. But we do not like late nights, so we are going to discourage them as much as we can.

Mr. FAZIO of California. Mr. Speaker, again reclaiming my time and then I will yield further, in reference to the Higher Education bill, can we anticipate that the Riggs amendment, which has been so hotly debated, will take place on Wednesday so Members who wish to participate and vote on that can be assured that it will not occur on Tuesday night?

Mr. DELAY. Mr. Speaker, I appreciate the gentleman again yielding, I just want to say that we are trying to work that out with the gentleman's side of the aisle. Certainly, we will come to some sort of agreement before we move on the Riggs amendment. We want to cooperate with everyone and make sure that everyone has an opportunity to debate that bill.

As soon as we know what the gentleman's side wants and what we agree to, then we will announce it to the membership.

Mr. FAZIO of California. Mr. Speaker, I think it does appear at end of the bill so it would be very likely to be the last debate prior to final passage, I would assume.

Mr. DELAY. I hope we can work it out.

Mr. FAZIO of California. Mr. Speaker, I thank the gentleman for that assurance. Let me also ask, given the fact that we have Mother's Day weekend coming, I know that the gentleman from Texas would be sensitive to the issue of Friday votes. Is it possible that votes on Friday may not occur, or is this just simply a reservation to assure that we would accomplish the main goals of the week?

Mr. DELAY. Mr. Speaker, I appreciate the gentleman yielding again and would say that if we have the kind of cooperation we got today from his side, we possibly may not have votes on Friday. But I think Members should anticipate that we could have votes on Friday. We are going to work as hard as we can to avoid that, but we cannot guarantee that that will not happen.

Right now we are telling Members that we will have votes on Friday up until about 2 p.m.

Mr. FAZIO of California. Mr. Speaker, I appreciate that. Let me ask one further question, Mr. Speaker, and I would be happy to yield to the gentleman for an answer.

Where are we on working out the details under which we will take up campaign finance reform on the floor? How close are we, and what kind of a rule are we going to be dealing with? Obviously, there is a great deal of interest on our side in this regard.

□ 1800

Mr. DELAY. We want to make sure that this is an open and honest process, an honest debate. So your side will be consulted, even before we go to rules.

The Committee on Rules chairman has been charged by the Speaker to write an open rule so that every Member, both Democrat and Republican, will have an opportunity to address the issues that are important to them. We want to make sure that the gentleman's side is as happy with the rule as we are, and that we have an open rule.

Mr. FAZIO of California. I appreciate that. And I see the gentleman from upstate New York (Mr. SOLOMON), my friend, shaking his head. He is committed, and we look forward to working that out with the majority.

ADJOURNMENT TO MONDAY, MAY 4, 1998

Mr. DELAY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 2 p.m. on Monday next.

The SPEAKER pro tempore. Is there objection to the gentleman from Texas?

There was no objection.

HOUR OF MEETING ON TUESDAY, MAY 5, 1998

Mr. DELAY. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, May 4, 1998, it adjourn to meet at 12:30 p.m. on Tuesday, May 5, for morning hour debates.

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

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. DELAY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

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

There was no objection.

CERTIFICATION IN CONNECTION WITH EFFECTIVENESS OF AUSTRALIAN GROUP REGARDING EXPORT OF CHEMICAL AND BIOLOGICAL WEAPONS-RELATED MATERIALS AND TECHNOLOGY (H. DOC. NO. 105–246)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

In accordance with the resolution of advice and consent to ratification of the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction, adopted by the Senate of the United States on April 24, 1997, I hereby certify in connection with Condition (7)(C)(i), Effectiveness of Australia Group, that;

Australia Group members continue to maintain an equally effective or more comprehensive control over the export of toxic chemicals and their precursors, dual-use processing equipment, human, animal and plant pathogens and toxins with potential biological weapons application, and dual-use biological equipment, as that afforded by the Australia Group as of April 25, 1997; and

The Australia Group remains a viable mechanism for limiting the spread of chemical and biological weapons-related materials and technology, and that the effectiveness of the Australia Group has not been undermined by changes in membership, lack of compliance with common export controls and nonproliferation measures, or the weakening of common controls and nonproliferation measures, in force as of April 25, 1997.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *April 29, 1998.*

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. PEASE). Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

HIGHER EDUCATION ACT REAUTHORIZATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. PRICE) is recognized for 5 minutes.

Mr. PRICE of North Carolina. Mr. Speaker, it is important that the House move quickly next week to reauthorize the Higher Education Act. As an educator for nearly 20 years, I know the importance of ensuring that a college education is within reach for all of our people.

I represent a district that has a tremendous stake in the Higher Education Act. That was made clear in an all-day forum that I convened in Raleigh on September 22 of last year. We received recommendations from the presidents of our institutions of higher education, from a number of students and financial aid administrators and business leaders. I am pleased that the bill reported by the Committee on Education and the Workforce reflects many of these concerns.

For example, the committee saw fit to include the highly successful State Student Incentive Grant program in this year's reauthorization. This is the only student aid program that maintains the Federal partnership with the States and encourages them to do their part to help needy students attend college.

The cornerstone of the higher education is the Pell Grant program. But more funds are desperately needed to be authorized, and I am extremely pleased that the Higher Education Act included a dramatic increase to a maximum grant level of $4,500.

As an original cosponsor of the Campus-Based Child Care bill of the gentlewoman from Maryland (Mrs. MORELLA), I was pleased to see its inclusion in the Higher Education Act.

More and more young mothers are pursuing college degrees. For some, it is a matter of making the transition from welfare to work. The Campus-Based Child Care provision is one of the most forward-thinking aspects of this bill.

I am also pleased that adjustments were made that would allow historically black colleges and universities more flexibility in funding and expanding graduate programs. Title 3 funding must remain a high priority as we implement the Higher Education Act.

Mr. Speaker, this is not a perfect bill, and I particularly regret that this year's reauthorization does not more effectively target money to train teachers in the use of new technology. That is a need that I have heard repeatedly about in my district. I am hopeful that education leaders in the States will give this need high priority as they allocate the bill's block grant funds.

Mr. Speaker, the Higher Education Act is landmark legislation critical to the needs of students and their families and to our Nation's commitment to educational opportunity and excellence.

We face new challenges ranging from accommodating growing numbers of nontraditional and mid-career students, to training students for an increasingly sophisticated workplace, to orienting education to the international marketplace.

The Higher Education Act will be of great importance as we meet these challenges, and I urge my colleagues to pass it enthusiastically with a large bipartisan majority next week.

EXCHANGE OF SPECIAL ORDER TIME

Mr. DELAY. Mr. Speaker, I ask unanimous consent to trade my 5-minute Special Order time with the gentleman from Texas (Mr. SESSIONS).

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

There was no objection.

RESPONSE TO ATTACK BY MINORITY LEADER ON SPEAKER GINGRICH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. DELAY) is recognized for 5 minutes.

Mr. DELAY. Mr. Speaker, I rise today to respond to a partisan attack launched by the minority leader on the Speaker of the House this morning. Once again, instead of focusing on the issues at hand, the minority leader has sought to change the subject.

The Speaker has made two very important points regarding the White House and its continued ethics problems. First, the Speaker has stressed that no man is above the law. Second, he has pointed out that the American people deserve to know the truth about the activities in the White House.

The minority leader has decided to divert attention from those very basic points. It is the hope of the White House and of the minority that this diversion will keep attention away from the very real ethical problems of this administration. I tell you, Mr. Speaker, the truth will come out. It may be sooner, and it may be later, but, someday, the truth will come out.

I urge the President to preserve the dignity of the office that he holds by coming forward about the facts. The longer that these allegations fester, the more damage is done to the presidency.

Unfortunately, the White House has rejected that advice. Rather than being candid with the American people, the White House hides behind executive privilege. In fact, the Clinton/Gore administration has invoked executive privilege 12 times. They have used executive privilege almost as often as they have used the veto pen.

Throughout their administration, they have vetoed only 20 bills. They have employed executive privilege for campaign scandals, for travel office scandals, for memos regarding drug policy, for Filegate, and for other scandals.

That is a very troubling precedent, a precedent that should trouble the Democrat Party. But an eerie silence has emanated from the Democrat minority.

When it comes to the President's use of executive privilege, the Democrats hear no evil, see no evil, and speak no evil. I have yet to hear one member of the minority leadership admit that they are troubled by the White House scandals. Where is the outrage from the Democrats about these allegations?

The one time that the minority leader has spoken out on this issue has been to condemn the Speaker of the House, the one time. The Nation has been preoccupied by White House scandals all year, and the minority leader's only response has been to blame the Speaker. That fits in very nicely with the White House strategy of spin, the whole spin, and nothing but the spin.

Clearly, they are testing the proposition that you cannot fool all the people all the time. Mr. Speaker, you cannot fool all the people all the time. And the American people have grown very weary of this White House's efforts to distract them from the truth.

We are all damaged by the White House efforts to delay this investigation, to destroy the investigator, and to deny everything to the media.

The minority leader said in his speech today, and I quote, ''Ideally, we are able to put aside our partisan interests and consider 'the people's business,' if not with a blank slate, at least with an open mind.''

Can the leader really believe that he has approached these issues with an open mind when the only person he blames in the very White House scandals is the Speaker of the House?

I urge the minority leader to join us in finding out the truth. He should be calling for the truth. Let us put this partisanship aside and look soberly at the very serious allegations that have beset this White House. No man is above the law, and the American people deserve to know the truth.

ORDER OF BUSINESS

Mr. STUPAK. Mr. Speaker, I ask unanimous consent to proceed out of order with my 5-minute Special Order.

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

There was no objection.

PARTIES BECOME LIGHTNING ROD OF PARTISANSHIP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. STUPAK) is recognized for 5 minutes.

Mr. STUPAK. Mr. Speaker, I thank the gentleman for letting me proceed at this time, because I did want to address what the gentleman from Texas (Mr. DELAY) was speaking of, because, earlier today, I came down to the House floor and I spoke of the Speaker, the gentleman from Georgia (Mr. GINGRICH), and his remarks before GOPAC, and I hope to do it in a way that does not bring any disservice to the House or any personal malice toward anyone.

Look at what is going on here because of comments on both sides. We have all become a lightning rod of partisanship around here. It seems to me, about a week ago, it was the gentleman from Georgia (Mr. GINGRICH) who began the personal attacks on the President. While I am a Democrat, a member of on the minority party, I think every member of this country should be outraged. You have an ongoing investigation. So let us let the investigation proceed.

It seems to me the Speaker some time ago said we should all hold our breath and step backward and let this thing play out. But when we got before a GOPAC dinner, the cash cow of the Republican Party, we just could not seem to leave it go. The claim was that the President is obstructing justice.

We can get up here all night and say all kinds of things about the President and this administration, but let us put forth the evidence; and, by evidence, I mean credible evidence.

By stating or by starting attacks on the President in a partisan manner before a partisan group like GOPAC, I am afraid the Speaker has shown that he cannot lead the House in a fair and impartial review of any inquiry that may take place.

I do not know what the President's guilt or innocence is or whatever it may be in this matter, but what I do know is that, if we stick to the facts and let it properly proceed, and if we rely on, as our constitutional oath requires us to do, credible evidence, credibly submitted to a trier of fact, then maybe we can get to the bottom of this.

Unfortunately, it appears that the Speaker has already reviewed the alleged facts. If he has reviewed the alleged facts, he obviously has made a prejudgment, and he has made himself a judge and jury.

So then I must ask, where is this evidence? Where are these alleged facts? Bring them forth. If he has a report, if the report has been filed with the Speaker's office, bring them forth so all of us in the House have an opportunity to see it. Make it available to at least the Committee on the Judiciary who, by law, has a right to review any inquiry.

Mr. Speaker, I wish we would just stick to the facts of the case and not what GOPAC wants to hear but to the facts of the case. But, instead, the Speaker and, as even Roll Call, I mean it is supposed to be a nonpartisan paper, even Roll Call says, ''Shame in the Making.''

That is exactly what we have when we have investigations and Members coming up here and, if I can use the majority leader's words, put spin on what is going on. Let us not bring shame to the House, but let us have the responsibility to lead and not mislead the House or this country.

The Speaker of the House should be a statesman without prejudging any type of inquiry which may or may not even occur. Instead, I am afraid we have become a lightning rod.

I hate to remind the House, but just over a year ago we had to reprimand the Speaker and fine him approximately $300,000 for bringing shame and disrespect to this House. Five out of eight ethics charges he was found responsible for by our own Committee on Ethics. Do we really want to go down this shameful road once again?

I ask that we not bring shame and disrespect to the House by personal attacks. I would hope the Speaker would recuse himself from any participation in any House inquiry.

I have been there. I have done investigation of political people. But you have to do it in an objective manner and not necessarily before the press. You can, and we should, do an investigation, and let the investigation proceed.

But, I mean, even, where have we gone with this whole thing? Even the Committee on Government Reform and Oversight underneath the leadership of the majority party, we have a Privacy Act in this country that the Members of Congress are exempt from. Yet, when given tapes of a personal conversation of a witness who refused to appear, the Privacy Act suddenly did not apply, and the tapes were leaked to the news media, and the personal conversations of this individual were released to the news media.

Is that not abuse of office? Have we not used that office, at least that chairman did, to release tapes of private conversations? Maybe not in violation of the Privacy Act because he was a Member of Congress, but certainly in violation of the spirit and intent of the law. That is what we are doing here with these investigations certainly.

Then when the tapes were given to the oversight committee, they were warned in a letter not to release the tapes. There was sensitive private information. Yet, we still do that, and we hide behind the office of which we hold, a great honor given to us by the American people but, yet, we use it for our benefit.

I would hope that any investigations proceed in a professional manner and stick to the facts.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. SAXTON) is recognized for 5 minutes.

(Mr. SAXTON addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. MILLENDER-MCDONALD) is recognized for 5 minutes.

(Ms. MILLENDER-MCDONALD addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. RIGGS) is recognized for 5 minutes.

(Mr. RIGGS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. SNYDER) is recognized for 5 minutes.

(Mr. SNYDER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

CAMPAIGN FINANCE REFORM INVESTIGATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. SESSIONS) is recognized for 5 minutes.

Mr. SESSIONS. Mr. Speaker, I came here tonight to speak about what we had accomplished today over in the Cannon Building where we were talking to the American public about how we, the Republican majority, are going to talk about and have a discussion with the American public on drugs. But I am compelled now to change that topic and to speak on the comments that were just made by Members of the Democratic Party.

I want you to know I serve on the Committee on Government Reform and Oversight, and for the last 15 months we have seen a charade that is taking place where Members of the Democratic Party have not only ignored every opportunity to be bipartisan in their attempts to work with us in the majority on dealing with the abuses of the White House in campaign finance, but we have also seen that what they will do is not only not tell the truth but what they will do is to obstruct justice.

□ 1815

Just last week we had a vote whereby we were going to have four people who we were attempting to grant immunity to. These four people are individuals who are involved in the campaign finance scandal of foreign money influence upon the White House.

And what happened is that we very carefully laid out a case by which these four people, they are not high level and they are not involved in a big way, but to where we wanted to talk to these four people and to grant them full immunity from prosecution. We had worked directly with the Department of Justice, and they had indicated that they had no problem with us issuing this immunity.

Yet on a 19-to-nothing vote we were not able to grant these four people immunity because it requires a two-thirds vote of the committee. Not one Democrat wanted to issue immunity because they did not want these four people to tell the truth and to tell their story.

This White House, and I can tell my colleagues that this Democrat Congress and the Members of the Democrat Congress who are Members of the Committee on Government Reform and Oversight repeatedly have attempted to block every single request that we have made that is reasonable and normal.

And I tell my colleagues that back in 1974, when Richard Nixon was involved in not only illegalities but constitutional questions, it was the Republican Party that stood up with Senator Howard Baker and asked the tough questions. It was Senator Howard Baker who made sure that not only were the tough questions asked but that he made sure that this President did not escape telling the truth and the whole truth.

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

Mr. SESSIONS. I will be happy to yield.

(Mr. SUNUNU asked and was given permission to revise and extend his remarks and to include extraneous material.)

Mr. SUNUNU. I think it is interesting that the gentleman mentioned the circumstances in 1974, because the previous speaker made the point that somehow the call for the President to be forthcoming, the emphasis that no one is above the law, seemed to be unprecedented. Not only were the speaker's comments fair, I think they stand in stark contrast to the comments of the Speaker of the House in January of 1974, when the Speaker of this body called for the resignation of President Nixon months in advance of any bipartisan investigation.

So at that time there was not only a willingness to move forward without any thought of a bipartisan discussion of the issues but the Speaker of the House was calling for a resignation before that impartial investigation could even move forward.

I would finally like to note that in the gentleman's discussion of the obstruction that the committee has run into, not only were those four immunity requests, that had been approved by the Justice Department, voted down by all 19 Democrat members of the committee, there have been, to date, 92 individuals that have either taken the fifth amendment or fled the country or refused to talk to authorities that have obstructed the progress of the committee's investigation.

And, Mr. Speaker, I include for the RECORD a list of all 92 individuals that have obstructed the investigation in that way.

WITNESSES WHO HAVE FLED OR PLEAD THE 5TH

(Full Committee Hearing—December 9, 1997)

Mr. BURTON. Have you ever experienced so many unavailable witnesses in any matter in which you have prosecuted or on which you have been involved?

FBI Director FREEH. I spent about 16 years doing organized crime cases in New York City, and many people were frequently unavailable.

53 HOUSE & SENATE WITNESSES ASSERTING FIFTH AMENDMENT

John Huang, Gene Lum, Gin F. J. Chen, Mark Middleton, Nolanda Hill, Jane Huang, Duangnet Kronenberg, Maria L. Hsia, Webster Hubbell, Yogesh Ghandi, Steven Hwang, Gilbert Colon, Irene Wu, Mike Lin, Zie Pan Huang,* Michael Brown, Simon Chen, Kent La, Johnny Chung, David Wang,* Siuw Moi Lian,* Seow Fong Ooi, Bin Yueh Jeng, Hsiu Chu Lin, Jen Chin Hsueh, Chi Rung Wang, Jou Sheng, Judy Hsu, Jane Dewi Tahir, Maria Mapili, Jie Su Hsiao, Hsiu Luan Tseng, Mark Jimenez, Woody Hwang, Sioeng Fei Man, Terri Bradley, Man Ya Shih,* Keshi Zhan,* Yi Chu,* Joseph Landon,* Nora Lum, Larry Wong, Na-chi ''Nancy'' Lee, Hueutsan Huang,* Yue Chu,* Man Ho,* Manlin Foung,* Yumei Yang, Arapaho/Cheyenne Indians, Hsin Chen Shih, Shu Jen Wu,* Charles Intriago, and Jessica Elinitiarta.

21 WITNESSES HAVE LEFT THE COUNTRY

Charlie Trie (has returned to United States), Antonio Pan, Arief Wiriandinata, Subandi Tanuwidjaja, Susanto Tanuwidjaja, Yanti Ardi, Laureen Elnitiarta, Pauline Kanchanalak, John H.K. Lee, Ted Sioeng, Soraya Wiriadinata, Suryanti Tanuwidjaja, Nanny Nitiarta, Sandra Elnitiarta, Ming Chen, Agus Setiawan, Dewi Tirto, Felix Ma, Subandi Tanuwidjaja, Yopie Elnitiarta, and Sundari Elnitiarta.

18 FOREIGN WITNESSES HAVE REFUSED TO BE INTERVIEWED BY INVESTIGATIVE BODIES

Ng Lap Seng, Ken Hsui, Eugene Wu, Suma Ching Hai, Ambrose Hsuing, Bruce Cheung, Stephen Riady, John Muncy, Mochtar Riady, James Riady, Lay Kweek Wie, Wang Jun, Roy Tirtadji, James Lin, Stanley Ho, Daniel Wu, Li Kwai Fai, and Hogen Fukunaga.

*Granted Immunity after plead 5th Amendment.

Mr. SESSIONS. Reclaiming my time, Mr. Speaker, the facts speak for themselves. We are attempting to run a fair and open bipartisan investigation of the wrongdoings of the Clinton White House. It will require a minimum of one Democrat asking to seek to have the truth.

The bottom line is, in 1974, Senator Howard Baker stepped forth and insisted. We ask for that same resolve today.

CONGRATULATIONS TO ISRAEL ON ITS 50TH ANNIVERSARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. SHERMAN) is recognized for 5 minutes.

Mr. SHERMAN. Mr. Speaker, we have heard some contentious discussion of our partisan divisions. I rise for a task that I think is far more joyful and one as to which this entire body is united, and that is I rise to congratulate the people of Israel on the 50th anniversary of their rebirth and independence.

Today represents the 50th anniversary of Israel, as determined by the Jewish lunar calendar. And it is with great joy that I point out that House Joint Resolution 102 was adopted by this House 2 days ago by a vote of 402 to nothing, demonstrating the united and bipartisan support that the State of Israel and the close U.S.-Israel relationship enjoyed in this House.

We should reflect that in August of 1897, a century ago, the first Zionist Congress affirmed its aspiration to form a Jewish homeland in the historic State of Israel. After the horrors of the Holocaust, in which one-third of the Jewish population of the world lost their lives, the Jewish people returned to their ancient homeland and established the State of Israel.

Since the Nation's founding, over a million Jews from throughout the world have sought refuge in Israel. Israel has, over the last 50 years, rebuilt a nation, maintained a pluralist democracy, the only one in the Middle East, and based that democracy on freedoms and the rule of law. It has developed a thriving economy and a society, transforming the desert into a land of milk and honey.

On this 50th anniversary we have a chance to reflect on the courage and leadership of President Harry Truman who, against the advice of experts in the State Department, et cetera, stood with the people of Israel and recognized their declaration of independence.

Over the last 50 years, governments of the United States, both Democrat and Republican, have supported the people and the State of Israel. Likewise, governments of Israel, Likud and Labor, have supported the people and the government of the United States. We have a friendship that transcends party; and whichever policies may rule the day in Jerusalem or here in the United States, that bond stands.

We should note that Jerusalem has been the eternal and indivisible capital of Israel, both 3,000 years ago and for the last 50 years. The United States Congress passed the Jerusalem Embassy Act calling for the American Embassy to Israel to be moved to Jerusalem in 1999. What better way for us to celebrate the rebirth of the State of Israel than for the State Department to announce today that they will abide by, rather than seek waivers from, the Jerusalem Embassy Act.

But because the State Department may decide to try to waive that act, I will be introducing, hopefully with substantial support, a bill that states to the Department of State that, before they open a new embassy in another formerly divided city, Berlin, they must open at least a temporary embassy, and, hopefully, a permanent embassy, in the indivisible and eternal capital of Israel: Jerusalem.

I rise today to congratulate the people of Israel on their 50th anniversary of the new State, and I rise today to say that when it comes to America's embassy to Israel: next year in Jerusalem.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

(Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.

MAIL FRAUD AND TELEMARKETING SCAMS TARGETING SENIOR CITIZENS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Hawaii (Mr. ABERCROMBIE) is recognized for 5 minutes.

Mr. ABERCROMBIE. Mr. Speaker, I rise today to call my colleagues' attention to a serious crime being perpetrated against some of our most vulnerable citizens: mail fraud and telemarketing scams targeting senior citizens. In my own district, one gentleman pleaded with me, ''The mail is still coming. I don't have the money to send.''

Some companies peddling questionable products or promoting unwinnable contests make a living out of targeting senior citizens. It is estimated that telemarketing fraud robs Americans of at least $40 billion a year.

The actual number may be much higher, as telemarketing fraud has always been a part of our Nation's underground economy. Not all losses have been clearly documented. Some consumers are too embarrassed to report that they have been defrauded or they do not recognize the extent of the fraud that has been perpetrated upon them.

Mr. Speaker, I held a meeting on this issue in my district recently; and I was appalled at the number of people in the audience who came up to me after a discussion led by members of the FBI, led by members of the Post Office, the Postal Inspector Section, after the recitation of statistics and perspective by myself, and yet asked me afterwards if I could give them my personal assistance in contacting some of the fraudulent companies to see if it was not possible for them to perhaps receive their prizes or be acknowledged for the funds that they had been sending.

□ 1830

Mr. Speaker, I can assure my colleagues that this is a heart-wrenching situation. It is taking place all over the country, and it prompts me to rise today to extend these remarks to my colleague and to the other Members.

Older Americans, Mr. Speaker, are the target of many fraudulent telemarketers because they are generally at home more often than younger persons, they may be more trusting. That is certainly the case with those that I spoke with recently in Honolulu, Mr. Speaker, and may look upon a smooth-talking telemarketer as a trusted friend rather than someone preying upon their life savings. These fraudulent activities are a disgrace, and we should do all we can to stop them.

On April 8, 1998, as I indicated, I sponsored a mail and telemarketing fraud briefing for senior citizens in my district in Honolulu, Hawaii. This education national briefing was designed to give vulnerable senior citizens a fighting chance against an industry designed to victimize them.

John Gillis, a supervisory special agent for the Federal Bureau of Investigation in Honolulu, and Byron Dare, a postal inspector for the United States Postal Service in Honolulu, presented testimony on their agencies' efforts to combat mail and telemarketing fraud and educated seniors on how to avoid becoming victims of such schemes.

Mr. Speaker, I most sincerely urge my colleague and other Members to take advantage of FBI offices in our districts, as well as postal service inspectors in our district, to hold similar briefings for senior citizens in our areas. Senior citizens need to be protected from these scam artists, and one of the best ways to do this is educate them on how fraudulent information is presented.

I am preparing legislation on this issue. I am already a cosponsor of the Protection against Scams on Seniors Act, H.R. 3134. This bill authorizes the Administration on Aging to conduct an outreach program to educate seniors on telemarketing fraud. I plan to continue my outreach efforts to reach Hawaii's elderly population from falling prey to these unscrupulous mail and telemarketers.

I also support the efforts of Federal agencies and private organizations who have been actively involved in this issue. The American Association of Retired Persons, the AARP, has created a profile of telemarketing and mail fraud victims. The profile shows the average victim is not only an older American, but relatively affluent, well-educated, well-informed, and socially active in his or her community.

AARP's research indicates that the critical difference between victims and nonvictims is their ability to recognize that telemarketing fraud is a crime. Mr. Speaker, I want to emphasize that. The key here, the critical difference between being a victim and a nonvictim is their ability to recognize that telemarketing fraud is a crime.

Many people find themselves the victim of fraud and do not recognize that it is, in fact, criminal activity, and there is something they can do about it. AARP has produced educational materials in English and Spanish. If seniors would contact the AARP in their area, they will be happy to provide them with materials, telephone numbers, et cetera, which will aid them.

The AARP has produced educational materials in English and Spanish that inform recipients of telemarketing calls about ways to distinguish between legitimate and fraudulent calls; how to respond safely to calls without becoming a victim; and how to report suspicious calls. I am making sure this material is available in all the senior centers in Honolulu.

In Hawaii, state laws on telemarketing require specific disclosures by the telemarketer regarding prize and gift promotions. Our state law also provides consumers with a right to sue for damages and obtain relief on his or her own initiative, aside from any state action. Maximum penalties for a violation of Hawaii's telemarketing laws are set at $10,000.

Uncovering these schemes, returning money owed to its victims, and educating seniors are worthwhile efforts I will continue to pursue. I am happy to have the support and knowledge of many organizations who also promote these goals. I will continue to educate senior citizens in my district of this $40 billion rip-off. I hope my fellow Members of Congress will do the same. With a concerted effort, we can protect our senior citizens and put mail and telemarketing con-artists out of business.

The SPEAKER pro tempore (Mr. PEASE). Under a previous order of the House, the gentleman from California (Mr. HORN) is recognized for 5 minutes.

(Mr. HORN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maine (Mr. ALLEN) is recognized for 5 minutes.

(Mr. ALLEN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

BANKRUPTCY REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. GEKAS) is recognized for 5 minutes.

Mr. GEKAS. Mr. Speaker, very soon now the Chamber will be witnessing the great debate possibly of this year, namely, that which will be conducted on proposals for bankruptcy reform. Everyone in the country knows that a strange thing is occurring out in the economic world. While all the figures and all the reports as to the economy seem to be favorable with an expanding economy, more jobs, inflation kept under wraps, interest rates being held constant, all these excellent factors are occurring, while at the same time, Mr. Speaker, an astounding number of bankruptcies have been filed.

In 1997 alone, 1,400,000 new bankruptcies were filed. That is a monumental increase from the year before and even a greater disparity from that which has occurred in the last several years. What does it mean? If indeed the economy is improving and yet we have these bankruptcies, something is wrong.

We have witnessed now efforts to meet that crisis head on. And the bankruptcy reform bill which we have created and which is making its way through the Committee on the Judiciary even now and will reach the floor, as I said, shortly for our full debate on the floor carries two vital principles with it, which principles are at this core of what we are attempting to do.

One is that we will make certain that every individual American who becomes so overwhelmed with debt that he and his family cannot survive if he has to meet those obligations that he has incurred, we want to accommodate that individual and make sure that the family will have a fresh start. That is one principle, the fresh start.

On the other hand, the other principle is that in those cases where an ability to repay some of the debt is demonstrated, we must make every effort to produce a plan and to accommodate that individual in a way that some of that debt can be repaid.

Those are the two principles: A fresh start for those who need it and an accommodation for repayment of some of the debt where the possibility of repayment is sound.

What has happened, though, is that we hear rumors and innuendos about what we are attempting to do. But I must tell my colleagues that the cost of individual bankruptcies to the American public is something that has to be laid on the record. We are not simply talking about the loss to the lenders or the creditors who will not be repaid when someone goes bankrupt. That in itself is a loss. But when we interpolate that as to what it means to the consumers, we will recognize that when someone does not pay his debts, and the supermarket with which we are so familiar has bad debt on its books and is not repaid, what happens? The prices for consumer goods have to increase, so the rest of us are picking up the cost by increased prices of what has happened in that bankruptcy.

Number 2, the interest rates that are so correlated with the lending and the credit establishment of our country are hurt when people file bankruptcy, especially in these record numbers. And so, we will see that those of us who require credit and want to seek a bona fide lender for a mortgage or an automobile will find that the interest rates are hurt by the fact that they were not able to retrieve bad debt in previous bankruptcies.

Moreover, we lose as taxpayers. We learned during the testimony that we have conducted in several hearings in the last month that when taxing authorities like States and municipalities are themselves named in a bankruptcy and do not have the ability to recover, then they have a shortfall in the revenues in their municipality, in their neighborhood, in the county courthouse, and in the State coffers, meaning that the rest of us have to make up the difference with increased tax payments and revenues. So we pay all the way around.

But what I want to emphasize in our plans for our reform measure is that we are going to do everything we can to help small businesses, to help the family, to make sure that support payments that are forthcoming from a breadwinner are not dischargeable in bankruptcy. That is, we want to make sure that the families that receiving support payments will continue to receive those support payments whether or not the individual goes bankrupt. And the entire country will be better off once we reform the bankruptcy system.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

(Ms. JACKSON-LEE of Texas addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. HUTCHINSON) is recognized for 5 minutes.

(Mr. HUTCHINSON addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

THE LOUDEST VOICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. WOLF) is recognized for 5 minutes.

Mr. WOLF. Mr. Speaker, I want to begin by talking and taking a moment to talk about two groups that are not widely discussed on the floor. The first is Mother Jones, and the second is USA Engage.

Mother Jones, or ''MoJo,'' is a national magazine of investigative journalism focusing on political reporting. Ken Silverstein wrote an article in the June 1998 issue of Mother Jones detailing the creation of USA Engage. This group hired Washington lobbyist Anne Wexler to try to make sure nothing gets in the way of promoting international trade with countries around the world whose governments are renown for brutal fear-biased repression of their own people. The human rights records of those countries are made more dismal by widespread torture, terror, imprisonment, persecution and killing of those that do not walk the line.

According to MoJo, some of America's largest businesses have given their proxy to USA Engage to deal with these countries having a history of repressing their own people. I know these companies are run by good and decent people who are probably not aware of the range of activities in which the Wexler Group is intensely involved on behalf of USA Engage. I am sure that their stockholders and customers are not aware of them and would be shocked and angered if they were.

According to the magazine, Anne Wexler has assembled a daunting army for her assault on Washington that includes a former U.S. Trade Representative, former Members of Congress, a former close staffer of the President, the former law firm of the State Department official who heads up the committee charged with reviewing proposed sanctions, and others. And look at what they have accomplished: Instant access to Congress and the ear of the State Department officials charged with assessing human rights violations; pro-trade studies from pricey and prestigious think tanks; the matching-up and contact of religious groups and leaders interested in human rights around the world by business reps thought to have special influence or sway.

MoJo quotes human rights advocate Simon Billenness, talking about the important role economic sanctions played in ending South Africa's apartheid regime. ''If USA Engage had succeeded with these tactics during these apartheid years, Nelson Mandela might still be in prison.'' I recognize these companies can hire whomever they choose, but there are consequences.

Look at what they are doing. Look at the real issue. We are talking about companies that are committing the very worst atrocities on their own people simply by believing in God. In Sudan, starvation is the weapon of choice, spiced with high-altitude bombing, mass murder, and selling their own people into slavery. In Sudan, over the past decade, about 1.1 million people have been killed or allowed to starve, and I have been in the south and I have seen it.

In China, Catholic bishops and priests and Protestant lay ministers and Buddhist monks and nuns as well as many Muslims are jailed for years and years. And their jails are not patterned after those in this country. Starvation, torture, filth, and darkness are the steady diet. The fate of the prisoner is up to the whim of the guard. Brutal working conditions and brutal hours are the norm. Sometimes death is the only friend they can hope for.

Tibet is in danger of losing its religion, its culture, its language, even its identity. It has already lost thousands of Buddhist monasteries and too many monks and nuns. And I have been to Tibet and have seen this.

In Iraq, the Kurds have been used for target practice and guinea pigs for toxic killing. And MoJo talks about the track record of Burma and Nigeria. The victims of these outrages and more are Anne Wexler's targets. When they and her other well-connected friends are successful in changing a legislative clause here and writing the Dear Colleague letter, do they think about the Catholic bishop starting his third decade in a brutal Chinese prison? Do they think of the young boys on the slave block in southern Sudan?

I know these are harsh thoughts, but we are dealing with harsh dictators and regimes. What we do here matters. And the content of legislation has real impact around the world. Please think about this. Did these companies mean to give Anne Wexler this much power? If one is a government official working on these matters, does he think what his actions mean to those who have no one looking out for them? And if one is a Member of Congress, does he remember when Anne Wexler and company stops by that no one is speaking for those on the other end, those in Sudan, those in prison, those in slavery, those in Iraq, those Catholic bishops in prison, those evangelical pastors in prison in China, and the monks and Buddhist nuns in prison in Tibet?

Mother Jones or "MoJo" is a national magazine of investigative journalism focusing on political reporting. It is named after and in the spirit of the legendary Mary Harris (Mother) Jones who was one of the most effective organizers of her time. Before passing on at the ripe old age of 100, this spirited mother of four effectively led fights against child labor, and on behalf of coal miners and other labor groups during the early years of this century.

Perhaps the worst thing they have done with their access is to deliberately misstate the moderate nature of the Freedom from Religious Persecution bill. At its root it calls for withdrawal of non-humanitarian taxpayer subsidies to hardcore persecuting countries and gives the president total discretion to maintain the subsidies.

In the end, however, Members will read bill and understand its moderate character and people in the pews will hear that this bipartisan effort gives the persecuted people of the world a voice.

□ 1845

Anne Wexler is the only voice. But she should not be the loudest voice.

Perhaps the worst thing they have done with their access is to deliberately misstate the moderate nature of the Freedom from Religious Persecution bill. At its root, it calls for the withdrawal of all nonhumanitarian taxpayer subsidies to hard core persecuting countries and gives the President total discretion to maintain these subsidies.

ILLEGAL DRUGS

The SPEAKER pro tempore (Mr. PEASE). Under a previous order of the House, the gentleman from Florida (Mr. MICA) is recognized for 5 minutes.

Mr. MICA. Mr. Speaker, this is probably one of the biggest signs in the history of the House to be used in a special order, but I think it addresses one of the biggest problems that we as a Nation and we as a Congress face today. The theme of this sign that we have here today is Drugs Destroy Lives.

This particular sign is actually part of a billboard and a message that we developed in my central Florida area. We have 20 of these billboards up right now in central Florida. We have more going up, to let our young people know that indeed drugs destroy lives, to let our citizens know that drug abuse will affect their lives and destroy their lives.

We have a tremendous problem in not only my district but throughout the United States. That is why we are trying to create public awareness again among all of our population, particularly our young, to do something about that. That is why we in Congress today, and many Members from our side of the aisle and some from the other side of the aisle have joined together under the leadership of our Speaker to make drug abuse and illegal narcotics a number one priority of this Congress and of this Nation and our communities.

You may say, why? Let me just tell you a little bit of why I am here with this message and why we are here with this billboard and we are going to spread this message across our land.

Since 1992, and these are incredible statistics, drug use among teens has skyrocketed by 70 percent. I heard the Speaker of the House say today as we launched our major congressional initiative that in the 1980s under President Reagan and then under President Bush, drug abuse and misuse dropped and dropped and dropped because we had a public awareness, we had a Just Say No, we had a commitment and a leadership from Washington and from every level, a focus on doing away with the narcotics problem and illegal drugs in our society, and it worked.

But since 1992, 1993, and some of the actions of this administration, we have seen that trend turn around and now skyrocket with drug use among teens increasing by some 70 percent. The latest statistics show that half of the high school seniors think it is easy to obtain cocaine and LSD. These are the most recent statistics. Eighth grade use of drugs has increased 150 percent since 1992. Again a dramatic figure. Today the latest figures are that 25 percent of our high school seniors are current users of illegal drugs.

This is a scourge across our whole land. We have a tremendous problem. Some of it is a result, quite frankly, of policy of this administration. I do not want to get into all the details of what took place in the past, but one of President Clinton's first actions on taking office was to gut the Office of National Drug Control Policy, our Drug Czar's office. The statistics and the facts are these. He cut the staff from 146 individuals, staff positions, to 25.

In his first year, President Clinton cut $200 million from drug interdiction efforts in the Caribbean and another $200 million from alternative crop production and crop eradication. That means he took the bulk of money out of the programs that were the most cost-effective in stopping drugs at their source, in stopping drugs where they only cost a few cents, a few dollars.

I serve on a committee that overviews this national drug policy, and we have seen that the most effective dollars can be spent where drugs are produced and grown in their source countries. We know that all of the cocaine and the heroin and some of these other products are coming both through Colombia, the cocaine, 100 percent of it is coming from Peru, Bolivia and Colombia, so why not target the source?

We here in Congress are launching a program this week and today to stop drugs at their source. We are also launching a program that we think will help everyone by again bringing attention to this problem; not only bringing Federal resources such as we have done in central Florida, creating a high intensity drug traffic area, bringing every law enforcement mechanism together in central Florida and other communities, but across this whole land we are going to ask for accountability, responsibility, tough enforcement.

We have started in my local community with this theme. We have a high intensity drug traffic area from Daytona Beach all the way through Orlando and over to Tampa. We have organized State, local and Federal forces. We are going to today launch a real

war on drugs. We are sending this message that in fact drugs can destroy lives.

CHINA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from California (Mr. ROHRABACHER) is recognized for 60 minutes as the designee of the majority leader.

Mr. ROHRABACHER. Mr. Speaker, I would like to commend the gentleman from Florida for his presentation. I just came back from Southeast Asia where heroin is being grown, actually it is opium and turned into heroin, especially in Burma and in Afghanistan, and I was informed by the DEA agents there that we know exactly where the fields are that produce about 90 percent of the heroin, and with leadership from the White House we could attack those fields without hurting anybody before they ever got beyond those countries.

But like the gentleman stated, since 1992 we have not had leadership from the White House in the area, in that type of interdiction, plus we have not had the moral leadership that Ronald Reagan provided during the 1980s which made the use of illegal drugs something that was socially unacceptable. It was just something that people did not find it acceptable to have that in their presence because it was something that was regarded as insulting and degrading and immoral.

Instead, that attitude has now unfortunately changed again without that type of rejection from the leadership in the White House. Unfortunately, we see the trends in heroin use by young people is up. It is just a terrible trend.

Mr. MICA. If the gentleman will yield, I want to thank him for his leadership on this issue, in trying to call to the attention of the American people this drug problem and other problems relating to our national security that he has so eloquently presented on the floor.

He also mentioned the heroin production out of Asia. I serve on the national security subcommittee. We have found now 50 percent of the heroin, and heroin was not even really coming in any quantities out of Colombia, is now coming out of Colombia, mostly because of the policy of this administration.

We asked that waivers be granted because Colombia was decertified as not cooperating. Time and time again over the past 2½ years we have asked for equipment, resources, materials to fight the war on drugs in that country and to stop the production of heroin. This is all new just in the course of this administration that heroin is being grown in incredible quantities, poppy fields.

That is coming into Florida, it is coming into California, the gentleman's State, it is coming into the Nation. We see the results. The results are, I have heroin deaths in central Florida that equal our largest metropolitan areas in the United States. Not only the poor children in Detroit and New York and Los Angeles, but in Orlando and other suburbs across this country, are dying in the streets, in our community, now reaching 20,000 deaths, more than any war.

I thank the gentleman again for his great leadership, and also for his taking time with a special order to bring this and other matters to the attention of the Congress and the American people.

Mr. ROHRABACHER. This does fit into my special order which is focused on China because one of the things this administration is totally ignoring is the Chinese relationship to the drug lords in Burma. China has become a major distributer of heroin as it takes the heroin from Burma by providing weapons to the Burmese dictatorship, then takes the heroin or the opium out of Burma and takes it down through Vietnam and Cambodia and then out to distribution points in the United States and elsewhere.

Tonight I would like to discuss China policy. But before I do, I would like to say that I understand why the American people probably are a little bit frustrated right now when they turn on their TV, as I have over these last few months, and heard more about the sex life of our President than any of us want to know.

Yes, there may be a situation where a person was told to lie on a legal deposition, which is somewhat of a serious matter. But I for one, however, have been disappointed with the zeal of our news media in digging ever deeper into the lurid details of this ongoing circus, not to shed light on legal issues but instead to sell newspapers and to boost ratings. Accomplishing this, boosting their ratings or selling newspapers, has meant appealing not to the public sense of justice or even offering a better understanding of the legal issues that underlie this spectacle. No, the exhaustive attention paid to the Monica Lewinsky-Paula Jones maneuverings has nothing to do with the public interest and has everything to do with appealing to the public's purient interest.

For those who claim there is nothing else to cover of such a magnitude, of something that could attract the attention of the people, I rise tonight to say nay. We are living in times where decisions are being made that will determine the fundamental safety and prosperity of our people for decades to come. In a way, our President should be grateful that the media has focused on the trivial yet nevertheless inexcusable decisions that he has made in his personal conduct, rather than on some of the horrendous decisions he has made that have mind-boggling implications for our future.

Tonight I would like to discuss for the record an issue that has yet to fully make itself present to the American people. It is not now part of the public consciousness but will, I predict, once the public is aware of what is going on, result in widespread rage and ultimately an equally widespread sense of betrayal by our people. Whether purposely or as a result of well intentioned but unforgivably wrong policies, our country has been put in serious jeopardy.

First let me say that in my first 10 years that I have been here in the House of Representatives, I have suffered great frustration over our country's China policy, both Republicans and Democrats in charge of the White House. When Clinton was elected in 1992, in fact, I expected at least I would be able to work with our new President from Arkansas on the issues concerning China. After all, candidate Clinton attacked President Bush for kowtowing to the Chinese despots, and when asked in an interview a few weeks before the election, candidate Clinton pledged that he would not support most-favored-nation status for China and that he was appalled by the human rights abuses of the Communist regime in Beijing.

But once elected and sworn in as President, Bill Clinton's tune changed. He was different from President Bush, all right. Instead of not being tough enough on the Communist Chinese regime, he decided not to be tough at all. Instead of revoking most-favored-nation status for Communist China as he pledged during his campaign, President Clinton waited till Congress was out of town on a break and then announced that his administration was decoupling Chinese trade issues from any discussion of human rights. In one single stroke, Bill Clinton earned an infamous place in history.

□ 1900

In the years since he has done nothing to rectify or correct this horrendous violation of our trust. This act was the worst setback for the cause of human rights at least since the time that I have served in Congress.

Not only did we step off the high ground in our relations with the Communist Chinese regime, but we have been wading in the muck with them ever since. The tough guys in Beijing now know darn well that anything this administration says or does about human rights is meant for internal consumption in the United States only. In other words, we are being played for suckers.

Every time a pronouncement is made by Bill Clinton's White House about Tibet or the savagery against religious people in China, the regime in Beijing laughs. I mean, Madeleine Albright is over there now, and it was reported that she said something really tough on human rights, and you know she was taken very seriously by, you know, the gangsters in Beijing.

Any talk of liberty or justice by the President of the United States or any member of this administration is seen as a joke by Third World despots and Chinese dictators. This has been a tremendous disservice to our country as

well as to the oppressed peoples of the world to whom the United States is their only real hope of ever living in freedom and in dignity.

So why is this situation? Well, first and foremost, the gangsters who run China cannot help but notice that, while leaders may make noises like Madeleine Albright has just done, little noises, they are still raking in the $50 billion annually from their trade surplus with the United States, and we are not doing anything to stop that. So they are going to listen to our noises while we are giving them a situation where they get $50 billion out of our pockets.

Give me a break. We still let them get away with charging 30 to 40 percent tariffs on our goods that are being exported to China, even while we let their products that flood into the United States come here with only 3 or 4 percent tariffs. How can we possibly treat our people, let our people be treated in such an unfair way and just not even go after it, not even try?

The trade relationship is so skewed that we let them get away with outrageous demands. For example, when we want to sell some of our products to China, like airplanes, for example, we must build airplane manufacturing parts over there in China. That means that after 10 years from now they will have technology for a modern aerospace industry in order to put our people out of work in order to sell our airplanes today, and we let them get away with those kind of demands, and we even finance the airplane deals.

We even use, as I say, taxpayer dollars to subsidize or guarantee the building of manufacturing operations in China and elsewhere in the Third World where dictators reign.

I can understand the sale that, you know, subsidizing or in some way trying to subsidize and help along a sale of a product that is just a transfer of a good made here so that they can afford the credit or something over there, but, by and large, that is not what is happening. What is happening is that Most Favored Nation status is really about not the selling of our products but what it is really about is the Federal Government taxing you and me. Then through the Export-Import Bank and other financial institutions supported by our tax dollars they use those dollars to facilitate the building of factories in China and other dictatorships that will be used not just to supply goods for the Chinese market but then it will be turned around and used to provide goods and manufacture goods that will be exported to the United States to put our people out of work who are the ones paying for the taxes that subsidized the deal in the first place.

This is the worst violation, the worst violation of trust that I have seen, and this body continually refuses to come to grips with it. Whenever there is a debate on this issue, the issue is skirted, and they talk about selling our goods over there when the real complaint is we are building factories over there that will put our people out of work. And the people on the other side, the Export-Import Bank and these other issues, continually refuse to come to grips with that answer.

Then we signed international agreements like the Global Warming Treaty which exempts China from the strict controls we put on ourselves and knowing full well that that will mean that more and more investment into machinery and technology, and plants will go into China, and they will build manufacturing units in China that will outpace our own production in the United States. In other words, we are laying the groundwork for a huge transfer of wealth from the United States to China and other Third World countries.

And what are the Communist Chinese bosses doing with this technology? Well, number one, they are not paying any attention to our words that we are concerned that they do not believe in human rights, but what they are doing with it is they are taking that and building a modern military force, a modern Army, Navy, Air Force and missile force to threaten anyone who gets in their way.

Has there been any liberalization in the meantime? Any change of thinking? Are there any nicer guys up there in Beijing? Well, to think well of Bill Clinton and the corporate power brokers who are groveling to these Chinese Communist thugs and downplaying their overflow, I might add, we must believe that this strategy of engagement will result in a modification of the behavior by Communist Chinese.

These are the same Communist Chinese who now hold their fellow countrymen in a grip of repression and terror. In fact, they are the world's largest and most grandiose human rights abusers.

This coddle-a-Nazi-and-he-will-become-a-liberal strategy is as wrongheaded an attitude as the American industrials and bankers had towards Hitler's Germany and Hirohito's Japan in the 1930s. It did not work with those thugs, and it is not going to work with these thugs. As we know, that did not foster peace then but led to war and unfathomable suffering and death in the 1940s.

If we do not use our heads and act in strength and insure that we have the strength, we could, with all the best of intentions, stumble into this same type of murderous conflagration as happened in the third and fourth decade of this century; and things will not get better, they will get worse.

Well, 10 years ago there was, you know, has it gotten better since we have really been bending over backwards for this last decade to try to work with these people, to engage the Chinese regime? Well, 10 years ago there was an active populist reform movement in China, and now there is none.

Although some internal debate is tolerated among the party elite who seek a means of laying out public steam without endangering the party's monopoly of power, by and large the good guys, meaning the non-Communist opposition, have either fled or been murdered or sentenced to prison. So instead of evolving into a freer society, China is going in the opposite direction.

Yes, it is more prosperous, but those buildings and those cars and that technology does not mean they are any less dictatorial or repressive or immoral.

When you blur the distinctions between right and wrong, between good and evil, which is what our administration and those people who want to deal with the Chinese on an equal basis do, do not be surprised if you find yourself going in the wrong direction.

Bill Clinton and the corporate elite who are pushing this Chinese policy on America are, if we trust their words, trying to gradually turn China from a militaristic dictatorship to a hard-driving yet benevolent player in the world economy. They claim to believe that China will evolve. Of course, they are making a lot of money, a lot of money in the process; and, as I pointed out, these people making a lot of money are doing so by being subsidized and protected by the American taxpayer.

Let me say that those businessmen who go into China without a government subsidy, without a guarantee, without political insurance provided by the American taxpayer, that is okay, good luck. Good luck, you were taking the risks, and I am not talking about you tonight because you will be paying for the consequences if you were wrong just as you will reap the rewards if China does become the vast market that drives the dreams of so many, and the China dream is what it is all about.

You know they said that China is the great market of the future, and it always will be. Well, China has its own national interests and its totalitarian leaders have their own unchallenged personal power that holds western concepts of democracy and the rules of law and equitable political and business relationships in contempt.

Tonight I feel compelled to express my skepticism about those who loudly advocate the evolutionary engagement theory of the 50 or so American business leaders who have sat in my office and told me about doing business on the mainland of China and how it is going to make these people more liberal and how they will get some values from us.

Not one has ever spoken to a Chinese official near or around his place of business in China about human rights, not one. Many of them have even admitted that they would permit Communist officials to arrest their own employees if that employee belonged to an unrecognized Christian church.

This is a pitiful reality. It is a disgrace that any American, it is a total

disgrace that any American would stand by as a Christian or a person of any religious faith was dragged out of their offices kicking and screaming by some Gestapo, whether it was a Communist, Nazi or Fascist or whatever type of Gestapo it was.

I guess it comes down to this. Just because you are free to do business in a dictatorship like China does not mean you are free from the responsibility of being an American and standing up for our ideals of freedom, and at the very least you are not expected to participate in activities that threaten the security of our country just because you are making money.

Tonight I wanted to discuss the inane policies of our government and the activities of some of our corporate citizens that are both deplorable and alarming. Tonight I want to discuss for the record for the first time the possibility that this administration and some powerful high-technology companies may well have put our country in grave danger, perhaps putting in harm's way millions of our citizens. If accurate, the information I have been examining describes one of the worst betrayals of America's security interests since the Rosenbergs.

I will go right to the heart of the issue. It appears that several high-tech corporations doing business with the Communist Chinese may have gone not only over the line of propriety but over the line of loyalty to the security interests of our country. These aerospace and technology companies, many have provided the Communist Chinese regime with the technology and know-how to perfect rockets and intercontinental missiles.

Because of this assistance from American citizens, the Chinese now have the capability of delivering nuclear weapons to the United States. This puts millions of Americans in danger of nuclear incineration should we ever again confront the Chinese Communists about their belligerent actions or aggressive behavior.

Making matters worse, the Clinton administration appears to have been a willing accomplice to this crime against our people; and the President himself may have been involved in actions aimed at preventing legal action by the Justice Department from being taken against the perpetrators of these outrageous impossible crimes.

What I am saying is as serious as anything that I have ever said in the 10 years that I have been a Member of Congress. As chairman of the House Space and Aeronautics Subcommittee, it is my responsibility to oversee NASA and America's space effort. Because of this, I have a certain degree of knowledge about missiles and rockets. This expertise allowed me to understand the horrific implications of the cooperation between American companies and the Chinese in the improvement of the Chinese aerospace launch systems which I first heard about several months ago.

The story probably began several years ago when I was asked to support an effort then being made by Hughes Electronics to assist in their sales of communication satellites to China. Some countries like China were insisting on launching purchased satellites, satellites that had been purchased from Hughes on their own rockets.

It made sense to me that setting up a telecommunication system for China was a good idea. Launching these satellites up there, putting the satellites up so they could have a telephone system and they make long distance calls and such, that was a good idea, would connect them to the rest of the world. It would link them to the world, and our folks would make a profit in doing it, so why not give them permission? It was a good idea.

Was it a good idea for our U.S. firms to launch satellites on foreign rockets? Well, yes, they could do so if they were willing to do it at their own risk.

I supported the request. But at no time did I or anyone else in Congress support the idea that any American company or any American citizen should be upgrading Chinese rockets to launch those satellites; and that, my friends, looks like what has happened. Americans and American companies using their skill and their technology, some of it developed by American tax dollars during the Cold War, being used to upgrade the capabilities of Chinese rockets and missiles.

The Chinese Communist regime who was unable to hit us with rockets and missiles 5 years ago, I am very sad to say, now has the capability of landing nuclear weapons transported by rockets landing those nuclear weapons in the United States, and we are the ones who perfected their rockets.

□ 1915

In a nutshell, until last year, the Chinese Long March Rocket had a shaky history of misfires, explosions and unreliability. It took three or four Long March Rocket launches to complete one successful mission. That is why it was a shock to learn a few months ago that the Long March now is more reliable. It has, it seems, been perfected.

This became evident when I heard that two satellites from Motorola's iridium project were launched into orbit, and it only took two Long March Rockets to do it. Two out of two successful shots. How could this be, I asked myself? And then I got a sinking feeling in my stomach that I knew the answer.

I will tell my colleagues how it could be. After the blow-up of a Long March Rocket, a team of American engineers working for an American firm sat down and rolled up their sleeves in what they treated as nothing more than an engineering project. They thought that what they were doing was just engineering. And when it was all over, the Red Chinese had the ability to reliably put into orbit commercial satellites. That alone was a betrayal of American aerospace workers who built competitive launch systems like the Delta Rocket. And by the way, the Delta Rocket just happens to be built in my congressional district. So for us to upgrade their rocket capability using our technology, that was a betrayal in and of itself of the economic responsibility we have to watch out for our own people.

But putting their fellow American aerospace workers out of jobs is not all these companies did by helping the Chinese upgrade their missiles. They put all of us in the crosshairs of a Communist Government, which, thanks to this assistance, now has the ability not just to put satellites into space, but to deliver nuclear weapons to a majority of American cities.

When this realization first hit me, it knocked the wind right out of my lungs. I could hardly breathe. And when I queried an executive from one of the corporations who were involved in upgrading this Chinese missile capability, he quickly stated that I should not worry, because he understood that his company was operating with a national security waiver signed by the President of the United States. He did not say that he had seen this waiver personally.

The engineering achievement this gentleman talked about was Rocket Stage Separation technology and Multiple Independent Reentry Vehicle technology. If my colleagues cannot understand it, the first one is the stage technology that permits the stages of the rockets to separate; the last one I talked about is called MIRV technology.

But before these technologies were given to the Chinese, the Long March would often blow up, and they would blow up when the stages tried to separate, and if it survived the stages' separation and made it into space, there was often a problem with the satellite dispenser. That is where the MIRV technology comes in.

So the American companies proceeded to provide stage separation technology as well as technology that enabled the rocket to spit out satellites, or nuclear warheads, whichever the Communist Chinese might want to use on any particular day.

About the same time, and perhaps as part of the same team, even perhaps as part of the same effort, two other aerospace firms were involved in a project to upgrade and perfect the Long March Rocket's flight control and guidance systems. Apparently an electrical flaw had caused a malfunction which blew up a Long March Rocket attempting to launch a satellite by Loral Space and Communications of Manhattan. Again, the American technological cavalry came to the rescue.

Engineers from Loral, assisted by engineers from Hughes Electronics, and at the direction of their superiors, charged forward to correct the problems in the Long March. It seems what

happened was a sterile, coldly calculated decision to fix these problems with no consideration of the national security implications to the United States.

One must hope that no consideration was given to our security, because if there was consideration given to our security, it means these company officials said to themselves, to hell with the safety of every man, woman and child in the United States; this is a lucrative contract and we are not going to lose it. Well, where the hell do they think they are going to go home to once the contract is over?

A few years ago it was unlikely that the Chinese Communists could threaten us with a nuclear strike. Confronting their misdeeds then could be accomplished with limited risk. Our leaders have tremendous leverage to prevent aggression and to keep the lid on volatile situations. Now, all of that has changed, much of it due perhaps to the assistance to the Chinese Communists by American citizens and American companies.

In a recent report by the U.S. National Air Force Intelligence Center, that report indicates that China now has a new three-stage intercontinental ballistic missile that can reach every State in our country, except southern Florida. The report states that these missiles carry only a single warhead. But the Communists are close to producing a new system with multiple independent reentry vehicles, MIRVs. The security of our country will never be the same.

The young people who are watching on their televisions or are here with us tonight, their lives will be far less secure than it ever would have been had we not permitted this to happen. The security that people expected that we would take into consideration was not part of the equation. Unfortunately, the young people of our country now will have to live under a cloud that they could be pulverized by nuclear weapons sent from mainland China on a rocket that American technology helped build for our adversaries.

In May 1997, the Pentagon produced a classified report on missile expertise transferred to China which concluded that the United States national security was probably damaged by the Loral-Hughes technology transfers I have just described. This was followed by an investigation into the deal by the U.S. Justice Department. Then, only a few weeks ago it was revealed by the press that a Federal grand jury was investigating Loral and Hughes for possible violations of law in this outrageous transfer of weapons know-how to the Communist Chinese.

Now comes the kicker of this story. President Clinton and his administration have been doing everything they can to quash the investigation of this possible violation of law, this betrayal of our country. According to press accounts, Justice Department officials claim that 2 months ago, their investigation was seriously undermined when President Clinton quietly approved the export to China of similar rocketry expertise by Loral. Our President cut the legs out right from under the law enforcement agencies trying to investigate this matter, a matter which is obviously of great importance to our national security.

This move reflects a horrifyingly cavalier attitude toward the safety of our people from the nuclear weapons capabilities of the Communist Chinese, or it could be even worse. Worse? Yes, worse than a cavalier attitude about the Chinese Communists being able to hit us with nuclear weapons. What is worse than that? An attitude that is not cavalier, but it was a conscious decision.

The CEO of Loral is Bernard Schwartz. This gentleman also has the distinction of being one of the largest single contributors to President Clinton's reelection campaign; and unlike other aerospace companies, would strive to have a balanced portfolio of campaign contributions. This company obviously had its man, and his name was Bill Clinton.

Mr. Schwartz was the largest individual contributor to the Democratic Party in 1997, and in 1996, together with Loral and Hughes Companies, contributed $2.5 million to the Democratic Party that we know about, almost triple their contributions that they gave to the Republican Party.

We are also aware of the likelihood that the Communist Chinese had contributions of their own that made their way into President Clinton's campaign coffers. The total dollar figure is unknown because, it is unknown because those who have that information are currently on the lam. They are hiding so they will not have to testify as to Chinese Communist money going into President Clinton's campaign. Many of them have left the country, and those who have come back are looking for immunity to testify before Congress, but they are now in the process of having their immunity denied by Democrat Members of this body who are part of the investigating committee. They will not grant them immunity, because they do not want that information coming out.

What, if any, have these Chinese Communist donations purchased? Direct evidence is sketchy, but we do know that since President Clinton was elected in November 1992, China has violated its nonproliferation commitments no less than 20 times according to the Congressional Research Service.

In response, the administration has only twice imposed sanctions in accordance with U.S. law, and in one of these cases, the sanctions were waived in one of these cases after only 1 year. In addition, China has repeatedly transferred or discussed transferring weapons of mass destruction to rogue nations such as Iran and Libya, after assuring our country that all such actions had ceased.

Today, it is Israel's 50th anniversary. Fifty years, Israel has been in conflict for 50 years. One of the greatest threats to Israel is what? Rockets that can hit their targets fired at them from extremist countries and terrorist countries like Iran. And yet, President Clinton seems to have undercut the investigations and greased the skids for providing the Communist Chinese technology that, even after the Chinese have repeatedly provided technology to people like the Iranians and others who are enemies not only of the United States, but enemies of Israel.

In giving the Iranians guidance system technology for rockets, this is quite a birthday present for Israel, and quite a birthday present for anybody in the Western world who sides with the United States and sides with the Western democracies.

And of course now, the administration claims, we are going to reach out again and accept the Chinese Communist word again that they will not do it anymore, they will not give any more information, and in exchange for that agreement not to give any more information, we are going to give them all the rest of our technological secrets. We are going to extend the cooperation with the Communist Chinese to a greater extent than it has ever been. That is a proposal right now going on that the President is preparing to offer when he goes to China next month. This is a travesty, it is a travesty.

In this atmosphere, President Clinton will go to China next month, and the papers suggest that he is going to offer the Communist Chinese to share with them our space technology if they just agree not to transfer it to others. This, of course, is nonsense on the face of it. We are going to share our technology with someone who has already given it to our enemies, somebody who themselves are a Communist dictatorship and one of the worst violators of human rights on this planet? People who are torturing Christians and other believers, we are going to give our space technology to them?

Well, I suggest that this is nonsense on the face of it, and that is not what this is all about. This proposal by the President, I believe, is trying to do something that he did before when he undercut the investigation into Loral and Hughes. What this is is trying to offer a mask, this new policy the administration is offering, is doing nothing more than trying to give a mask to deeds that have already been done, just as the move in granting Loral approval to transfer rocket technology undercut the investigation into the wrongdoing that they have already done.

So in other words, this grandiose plan that we have read about in the newspapers may well be nothing more than a cover for misdeeds that have already taken place because the President knows that this information is going to come out about American technology being used by Chinese Communists to build their rockets which

are aimed in our direction. The President knows how volatile that is, and the story has been coming out slowly but surely, and this speech tonight I think will even accelerate the information about this terrible betrayal of America's interests.

□ 1930

What seems to have happened is that instead of civilizing the communist Chinese, our engagement with that government has corrupted our democracy. Instead of providing us wealth, it has undercut our domestic production and has transferred our technology to our adversaries. Instead of promoting peace, it has massively extended the raw destructive power of a regime that remains one of this world's worst human rights offenders and a country that threatens the peace and stability of the planet.

A recent confirmation of that expanded destructive power comes from General Haber, a commander of the U.S. Strategic Command. General Haber recently stated, and I quote, ''The Chinese do have the deployment of an intercontinental missile that can reach most of the United States, except for southern Florida.''

Because of this new threat from communist China, because it is so overwhelming, this speech is going to be only the first of many I will make on the subject. But let me add one point here.

Here we have a President and an administration that is willing to undercut investigations into these companies and he may well, for all we know, by his own attitude have fostered an idea among these companies that they could get away with this type of betrayal of America's interests. Perhaps they saw the President and his dealings with China and how he makes a joke out of human rights, and they thought why should they consider America's national security interests.

But this is the same group of people, the President of the United States and his administration, who because of what they have done, now that the communist Chinese have the ability to hit our country with nuclear weapons, this is the same President that has gone out of his way to prevent us from developing a defense system that would defend us against an attack, a missile attack. This is the same administration that has done everything they can to prevent the Republicans from developing a missile defense system for the United States of America and for our allies. The standard is incredible. It is overwhelming. It still almost takes the air out of my lungs when I think about this.

I mean, just where is the interest of the American people? Who is concerned about it? Who is protecting us? It certainly is not people who would permit the technology that was developed during the Cold War for our own weapons systems to be handed over to the communist Chinese even before they have had any liberalization of their system.

Once the American people realize what has happened, I predict a wave of outrage will sweep across our country, even to Florida, even though they are the only ones who have not been made vulnerable by this. Though the Floridians cannot be hit by land-based missiles, the folks down there understand that being an American is more important that the almighty dollar and they understand that being an American is something special and they would never betray the interests of their country.

It seems like some of our citizens, including some prominent individuals, may have forgotten that and may be operating at a much lower level of value than that.

Perhaps President Clinton really was converted to the theory and convinced that these gangsters who now control the mainland of China could be civilized by luring them into economic dependency and technological dependency. If we make them economically dependent and so technologically dependent by giving them technology and building their economy up, that that will make things better. Maybe he really believes that.

Maybe he believes that once that happens and they have prosperity, that their iron fist can be unclenched because we will have proven to them our sincere desire for peace and, therefore, the insecurity and the vulnerability that the Chinese have, that will be satisfied and they can disarm and they will longer be this monstrous totalitarian regime that they are.

Let us give the President the benefit of the doubt. Maybe that is what he believes. That is the most foolish thing that I have ever heard, but I have heard it expressed so many times that we are going to have to give people good motives. But whether they have good motives or not, let us look at what is happening here. These are the same type of assurances and feeling that Neville Chamberlain gave the people of England about the Nazi regime shortly before the bombings of London that caused World War II. World War II was brought on by people trying to prove their sincerity to Hitler. Let him take the Rhineland back. Let us prove to him that he can take these territories. Where there is any question at all, always give him the benefit of the doubt. And our businessmen did business with Hitler and Hirohito up until the day that World War II started.

Mr. Speaker, these things did not make Hitler and the dictators in Japan and Italy any less aggressive or less likely to cause war. These things actually are foolishness and nonsense, and trying to prove that we were not a threat did just the opposite to these bosses.

We must never forget that the real reason for the communist Chinese and their monstrously bad human rights record, and for their continued military buildup, and for the unrelenting repression in China of Christians and Muslims and Buddhists, and for the continued genocide that is going on in Tibet, the main reason this is happening is the fundamental nature of the communist regime, the vile nature of their own political system. It is meant to be a communist dictatorship. They have never stepped back one inch from the idea that they will control their society with an iron fist.

Just the other day we read about what? It came out in the paper, I guess it was today in fact, a rock and roll singer was arrested in Hong Kong. And why? The rock and roll figure was arrested and put into prison because he is a threat to that country's national security. A rock and roll singer. Yes.

And Christians, and Muslims, and Buddhists, and the Dalai Lama's followers and anyone else who would speak up against this system. Any artist who would dare to show their work without permission. Anyone who would say anything against the regime outside of the communist party structure.

The solution that we need to have is not to try to prove our sincerity to the communist Chinese. We need to work with the people of China to overthrow and eliminate this corrupt, this vile, this tyrannical system and kick out these people who oppress them. The younger people in China do not believe in this, just like the younger people in Russia did not. Our goal should not be trying to give legitimacy and trying to make them not feel threatened by giving them our technology. That will only result in America being placed in jeopardy. It will only result in our people living less prosperous lives and now our people living under a cloud, under a threat of nuclear attack when five years ago they were not.

The solution, of course, is ending their system and bringing them in and demanding, demanding, yes demanding that there be real changes for us to have any closer relationships with them.

Finally, let me just summarize what we have talked about tonight, what I have talked about tonight. Tonight, we have opened a discussion which I believe will continue and intensify in the weeks ahead. I have given details about a transfer of American technology by American companies to the communist Chinese. This transfer of American technology has perfected communist Chinese rocket systems which now enables these communist Chinese rockets to reach targets in the United States of America.

When Bill Clinton was elected President of the United States, the communist Chinese could not launch with a rocket from the mainland of China on a nuclear attack of the United States. They are now capable of that. The MIRV technology which our companies transferred to them also permits these same rockets not to carry a single warhead but to have several warheads. The same technology that spits out a satellite can be used to spit out nuclear warheads.

There was an investigation into this transfer of technology, an investigation by government officials who were convinced that America's national security had been put in jeopardy and that the law had been violated. President Clinton took actions that undermined and undercut that investigation.

At least one of the heads of the U.S. companies that were providing this technology to the communist Chinese is one of President Clinton's biggest campaign contributors and indeed the biggest campaign contributor to the Democratic Party in 1996. We do not know about the campaign contributions from the communist Chinese to President Clinton's campaign in the last presidential reelection campaign because the witnesses are on the lam, and the Democratic Party Members in the investigating committee are refusing to grant them immunity so that they can tell their story to the American people.

I do not like to come to the floor of the House to talk about something so horrendous as this. This has implications about the safety of every one of our families. I hope that everyone who is reading this in the CONGRESSIONAL RECORD and I hope that everyone who is seeing this on C–SPAN will make sure they contact their Member of Congress and make it clear that we should get to the bottom of this. And I assure my colleagues that this is one Member of Congress that will not stop until we get all of the information about this horrendous transfer of weapons and technology that has put us in jeopardy.

Speaker GINGRICH and others now are in the process of requesting the information, and if this administration does not cooperate there will be hearings on this subject.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BLILEY of Virginia (at the request of Mr. ARMEY) for today after 3 p.m. on account of personal reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

The following Members (at the request of Mr. STUPAK) to revise and extend their remarks and include extraneous material:

Mr. PRICE of North Carolina, today, for 5 minutes.

Mr. SHERMAN, today, for 5 minutes.

Ms. MILLENDER-MCDONALD, today, for 5 minutes.

Mr. SNYDER, today, for 5 minutes.

Mr. ALLEN, today, for 5 minutes.

Mr. ABERCROMBIE, today, for 5 minutes.

Mr. STUPAK, today, for 5 minutes.

Ms. JACKSON-LEE of Texas, today, for 5 minutes.

The following Members (at the request of Mr. SESSIONS) to revise and extend their remarks and include extraneous material:

Mr. DELAY, today, for 5 minutes.

Mr. BURTON of Indiana, today, for 5 minutes.

Mr. GEKAS, today, for 5 minutes.

Mr. HUTCHINSON, today, for 5 minutes.

Mr. WOLF, today, for 5 minutes.

Mr. MICA, today, for 5 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

The following Members (at the request of Mr. STUPAK) and to include extraneous matter:

Mr. KIND.
Mr. MENENDEZ.
Mr. DOYLE.
Mr. FRANK of Massachusetts.
Mr. VENTO.
Mrs. MEEK of Florida.
Mr. KLECZKA.
Mr. KLINK.
Ms. SANCHEZ.
Mr. SKELTON.
Mr. GEJDENSON.
Mr. COSTELLO.
Mr. DEUTSCH.
Mr. SHERMAN.
Mr. KUCINICH.
Ms. DELAURO.
Mr. SCHUMER.
Mrs. MALONEY of New York.
Mr. KILDEE.
Mr. FORD.
Mr. NEAL.
Mr. BERMAN.
Mr. ALLEN.
Mr. DINGELL.
Mr. PASCRELL.
Mr. CARDIN.
Mr. KANJORSKI.
Mr. GORDON.
Ms. CHRISTIAN-GREEN.
Mr. ACKERMAN.
Ms. CARSON.
Mr. HINOJOSA.

The following Members (at the request of Mr. SESSIONS) and to include extraneous matter:

Mr. BALLENGER.
Mr. BEREUTER.
Mr. PETERSON of Pennsylvania.
Mr. MANZULLO.
Mr. HORN.
Mr. WALSH.
Ms. GRANGER.

The following Members (at the request of Mr. Rohrabacher) and to include extraneous matter:

Mr. GINGRICH.
Mr. HORN.
Mr. BLUNT.
Mr. SMITH of Oregon.
Mr. LARGENT.
Mr. PACKARD.
Mr. PAPPAS.
Ms. HARMAN.
Ms. SANCHEZ.
Mr. FRANK of Massachusetts.

ENROLLED JOINT RESOLUTION SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 102. Joint resolution expressing the sense of the Congress on the occasion of the 50th anniversary of the founding of the modern State of Israel and reaffirming the bonds of friendship and cooperation between the United States and Israel.

ADJOURNMENT

Mr. ROHRABACHER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 42 minutes p.m.), under its previous order, the House adjourned until Monday, May 4, 1998, at 2 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

8831. A letter from the Under Secretary for Acquisition and Technology, Department of Defense, transmitting a report on the Commercial Operations and Support Savings Initiative (COSSI), pursuant to Public Law 105—85; to the Committee on National Security.

8832. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting the semiannual report on the activities of the Affordable Housing Disposition Program covering the period from July 1, 1997 through December 31, 1997, pursuant to Public Law 102—233, section 616 (105 Stat. 1787); to the Committee on Banking and Financial Services.

8833. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's annual report on international terrorism entitled ''Patterns of Global Terrorism: 1997,'' pursuant to 22 U.S.C. 2656f; to the Committee on International Relations.

8834. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification that the Republic of Armenia, the Azerbaijani Republic, the Republic of Georgia, the Republic of Kazakhstan, the Kyrgyz Republic, the Republic of Moldova, the Russian Federation, Turkmenistan, Ukraine and the Republic of Uzbekistan are committed to the courses of action described in Section 1203(d) of the Cooperative Threat Reduction Act of 1993, Section 1412(d) of the Former Soviet Union Demilitarization Act of 1992, and Section 502 of the FREEDOM Support Act; to the Committee on International Relations.

8835. A letter from the Director, National Oceanic and Atmospheric Administration, transmitting a report detailing the previous 10-year period the catches and exports to the United States of highly migratory species from Nations fishing on Atlantic stocks of such species that are subject to management by the International Commission for the Conservation of Atlantic Tunas, pursuant to Public Law 94—70, 16 U.S.C. 971; to the Committee on Resources.

8836. A letter from the the Board of Trustees, Federal Hospital Insurance Trust Fund, transmitting the 1998 Annual Report of the Board of Trustees of the Federal Hospital Insurance Trust Fund, pursuant to 42 U.S.C. 401(c)(2), 1395i(b)(2), and 1395t(b)(2); (H. Doc. No. 105—245); to the Committee on Ways and Means and ordered to be printed.

8837. A letter from the the Board of Trustees, Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, transmitting the 1998 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and the Federal Disability Insurance Trust Funds, pursuant to 42 U.S.C. 401(c)(2), 1395i(b)(2), and 1395t(b)(2); (H. Doc. No. 105—243); to the Committee on Ways and Means and ordered to be printed.

8838. A letter from the the Board of Trustees, Federal Supplementary Medical Insurance Trust Fund, transmitting the 1998 Annual Report of the Board of Trustees of the Federal Supplementary Medical Insurance Trust Fund, pursuant to 42 U.S.C. 401(c)(2), 1395i(b)(2), and 1395t(b)(2); (H. Doc. No. 105—244); jointly to the Committees on Ways and Means and Commerce, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LIVINGSTON: Committee of Conference. Conference report on H.R. 3579. A bill making emergency supplemental appropriations for the fiscal year ending September 30, 1998, and for other purposes (Rept. 105–504). Ordered to be printed.

Mr. SOLOMON: Committee on Rules. House Resolution 416. Resolution waiving points of order against the conference report on accompany the bill (H.R. 3579) making emergency supplemental appropriations for the fiscal year ending September 30, 1998, and for other purposes (Rept. 105–505). Referred to the House Calendar.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 1704. Referral to the Committees on Government Reform and Oversight and House Oversight extended for a period ending not later than May 15, 1998.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of Rule X and clause 4 of Rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. WELDON of Pennsylvania (for himself, Mr. HOYER, Mr. ANDREWS, Mr. PAPPAS, Mrs. CAPPS, Mr. REYES, Mr. PITTS, Mr. ENGLISH of Pennsylvania, Mr. MCNULTY, Mr. FOX of Pennsylvania, and Mr. CASTLE):

H.R. 3764. A bill to establish a Commission to assess weapons of mass destruction domestic response capabilities; to the Committee on Transportation and Infrastructure.

By Mr. SMITH of Oregon:

H.R. 3765. A bill to gradually increase the fees paid by current holders of Forest Service special use permits that authorize the construction and occupancy of private recreation houses or cabins; to the Committee on Agriculture.

By Mr. CANADY of Florida:

H.R. 3766. A bill to streamline, modernize, and enhance the authority of the Secretary of Agriculture relating to plant protection and quarantine, and for other purposes; to the Committee on Agriculture, and in addition to the Committees on the Judiciary, Resources, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BARRETT of Wisconsin (for himself and Mr. KLECZKA):

H.R. 3767. A bill to nullify a certain regulation regarding the operation of the Organ Procurement and Transplantation Network; to the Committee on Commerce.

By Mr. ALLEN (for himself and Mr. SNYDER):

H.R. 3768. A bill to increase the availability, affordability, and quality of school-based child care programs for children aged 0 through 6 years; to the Committee on Ways and Means, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BAESLER (for himself and Ms. SLAUGHTER):

H.R. 3769. A bill to amend the Fair Labor Standards Act of 1938 to allow compensatory and punitive damages for violations of the anti-discrimination provision of such Act and to provide additional resources to the Secretary of Labor to do studies and outreach on pay disparities; to the Committee on Education and the Workforce.

By Mr. BROWN of California (for himself and Mr. LEWIS of California):

H.R. 3770. A bill to amend the Act of June 15, 1938, to extend the authority of the Secretary of Agriculture to purchase lands within the boundaries of certain National Forests in the State of California to include the Angeles National Forest and to expand the purposes for which such purchases may be made; to the Committee on Resources.

By Mr. DEUTSCH (for himself and Mr. FOLEY):

H.R. 3771. A bill to prohibit the Secretary of Agriculture from implementing a rule that would allow the importation of papayas that are the product of Brazil into the continental United States, Alaska, Puerto Rico, or the Virgin Islands of the United States until certain conditions are met, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ENGLISH of Pennsylvania (for himself, Mr. HOUGHTON, and Mrs. THURMAN):

H.R. 3772. A bill to amend the Internal Revenue Code of 1986 to allow the work opportunity credit against the alternative minimum tax; to the Committee on Ways and Means.

By Mr. ENGLISH of Pennsylvania (for himself, Mr. COYNE, and Mr. HOUGHTON):

H.R. 3773. A bill to make permanent certain authority relating to self-employment assistance programs; to the Committee on Ways and Means.

By Mr. HAYWORTH (for himself, Mr. KILDEE, Mr. MCDERMOTT, Ms. FURSE, Mr. TOWNS, Mr. FALEOMAVAEGA, Mr. KENNEDY of Rhode Island, and Mr. BROWN of California):

H.R. 3774. A bill to amend the Internal Revenue Code of 1986 to provide that housing assistance provided under the Native American Housing Assistance and Self-Determination Act of 1996 shall be treated for purposes of the low-income housing credit in the same manner as comparable assistance; to the Committee on Ways and Means.

By Mr. HOBSON (for himself, Mr. YOUNG of Florida, Mr. MURTHA, Mr. MCDADE, Mr. DICKS, Mr. SKEEN, Mr. HEFNER, Mr. BONILLA, Mr. SABO, Mr. NETHERCUTT, Mr. DIXON, and Mr. VISCLOSKY):

H.R. 3775. A bill to amend title 10, United States Code, to require that military physicians possess unrestricted licenses, and to require the establishment of a system for monitoring completion by military physicians of applicable Continuing Medical Education requirements; to the Committee on National Security.

By Mr. HOEKSTRA (for himself, Mr. SESSIONS, Mr. CUNNINGHAM, Mr. PETRI, Mr. KOLBE, and Mr. SANFORD):

H.R. 3776. A bill to require the Federal government to disclose to Federal employees on each paycheck the government's share of taxes for old-age, survivors, and disability insurance and for hospital insurance of the employee, and the government's total payroll allocation for the employee; to the Committee on Government Reform and Oversight.

By Mr. HOEKSTRA (for himself, Mr. GINGRICH, Mr. SESSIONS, Mr. CUNNINGHAM, Mr. KOLBE, Mr. SANFORD, and Mr. COBURN):

H.R. 3777. A bill to amend the Internal Revenue Code of 1986 to require that each employer show on the W–2 form of each employee the employer's share of taxes for old-age, survivors, and disability insurance and for hospital insurance for the employee as well as the total amount of such taxes for such employee; to the Committee on Ways and Means.

By Ms. KAPTUR (for herself and Mr. MEEHAN):

H.R. 3778. A bill to amend the Public Health Service Act to revise the filing deadline for certain claims under the National Vaccine Injury Compensation Program; to the Committee on Commerce.

By Mr. LAZIO of New York (for himself and Mrs. KENNELLY of Connecticut):

H.R. 3779. A bill to amend title XIX of the Social Security Act to provide medical assistance for breast and cervical cancer-related treatment services to certain women screened and found to have breast or cervical cancer under a Federally funded screening program; to the Committee on Commerce.

By Mr. MCCRERY (for himself and Mr. CARDIN):

H.R. 3780. A bill to amend title XVIII of the Social Security Act to provide for a prospective payment system for services furnished by psychiatric hospitals under the Medicare Program; to the Committee on Ways and Means.

By Mr. MCDADE:

H.R. 3781. A bill to establish the Lackawanna Valley Heritage Area; to the Committee on Resources.

By Mr. MILLER of California (by request):

H.R. 3782. A bill to compensate certain Indian tribes for known errors in their tribal trust fund accounts, to establish a process for settling other disputes regarding tribal trust fund accounts, and for other purposes; to the Committee on Resources.

By Mr. OXLEY (for himself, Mr. GREENWOOD, Mr. MANTON, Mr. GILLMOR, Mr. DEAL of Georgia, Mr. WHITFIELD, Mr. NORWOOD, Mrs. CUBIN, Mr. BURR of North Carolina, and Mr. UPTON):

H.R. 3783. A bill to amend section 223 of the Communications Act of 1934 to require persons who are engaged in the business of selling or transferring, by means of the World Wide Web, material that is harmful to minors to restrict access to such material by minors, and for other purposes; to the Committee on Commerce.

By Mr. PALLONE:

H.R. 3784. A bill to provide health benefits for workers and their families; to the Committee on Education and the Workforce, and in addition to the Committees on Commerce, Ways and Means, Government Reform and Oversight, and National Security, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ROYCE (for himself, Mr. ARMEY, Mr. PAXON, Mr. CAMPBELL, Mr. METCALF, Mr. HERGER, Mr. SESSIONS, Mr. NETHERCUTT, Mr. ROGAN, and Mr. SANFORD):

H.R. 3785. A bill to amend the Bretton Woods Agreements Act to direct the Secretary of the Treasury to instruct the United States Director of the International Monetary Fund to present to the Fund's Executive Board a proposal to amend the Fund's bylaws to eliminate the Fund's policy of providing de facto tax-free salaries to certain Fund employees; to the Committee on Banking and Financial Services.

By Mr. SHERMAN (for himself, Mrs. MALONEY of New York, and Ms. SLAUGHTER):

H.R. 3786. A bill to restrict the sale of cigarettes in packages of less than 15 cigarettes; to the Committee on Commerce.

By Mr. MCCOLLUM (for himself, Mr. HASTERT, Mr. PORTMAN, Mr. COBLE, Mr. BUYER, Mr. CHABOT, Mr. BARR of Georgia, Mr. HUTCHINSON, and Mr. GEKAS):

H.J. Res. 117. A joint resolution expressing the sense of Congress that marijuana is a dangerous and addictive drug and should not be legalized for medicinal use; to the Committee on the Judiciary, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. HARMAN:

H. Con. Res. 268. Concurrent resolution honoring the international corps of volunteers, known as Machal, who served Israel in its War of Independence; to the Committee on International Relations.

By Ms. SANCHEZ:

H. Con. Res. 269. Concurrent resolution expressing the sense of the Congress regarding the heroism, sacrifice, and service of former South Vietnamese commandos in connection with United States armed forces during the Vietnam conflict; to the Committee on National Security.

By Mr. SOLOMON (for himself, Mr. ROHRABACHER, and Mr. COX of California):

H. Con. Res. 270. Concurrent resolution acknowledging the positive role of Taiwan in the current Asian financial crisis and affirming the support of the American people for peace and stability on the Taiwan Strait and security for Taiwan's democracy; to the Committee on International Relations.

By Mr. PITTS (for himself, Mr. TURNER, Mr. ROGAN, Mr. MCINTYRE, Mr. GINGRICH, Mr. ARMEY, Mr. DELAY, Mr. BOEHNER, Mr. GEPHARDT, and Mr. BONIOR):

H. Res. 417. A resolution regarding the importance of fathers in the raising and development of their children; to the Committee on Education and the Workforce.

By Mr. STUPAK (for himself, Mr. DINGELL, Mr. BARRETT of Wisconsin, Mr. BROWN of Ohio, Mr. JOHNSON of Wisconsin, Mr. STRICKLAND, Mr. OBERSTAR, Mr. KUCINICH, Ms. RIVERS, and Mr. QUINN):

H. Res. 418. A resolution expressing the sense of House of Representatives that the President and the Senate should take the necessary actions to prohibit the sale or diversion of Great Lakes water to foreign countries, businesses, corporations, and individuals; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

301. The SPEAKER presented a memorial of the House of Representatives of the State of Oklahoma, relative to House Concurrent Resolution No. 1066 memorializing Congress to enact federal laws and regulations to ensure that contract swine and poultry growers are given freedom to form cooperative associations and organizations, and that protection is given to those growers who join growers associations from the hardships caused by unfair, deceptive, and unethical bargaining and trade practices; to the Committee on Agriculture.

302. Also, a memorial of the Legislature of the State of Oklahoma, relative to Senate Concurrent Resolution No. 50 memorializing the United States Congress to prepare and submit to the several states an amendment to the United States Constitution providing that no court shall have the power to levy or increase taxes; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mrs. JOHNSON of Connecticut:

H.R. 3761. A bill to provide for the liquidation or reliquidation of certain customs entries of nuclear fuel assemblies; to the Committee on Ways and Means.

By Mrs. JOHNSON of Connecticut:

H.R. 3762. A bill to provide for the liquidation or reliquidation of a customs entry of nuclear fuel assemblies; to the Committee on Ways and Means.

By Mrs. KENNELLY of Connecticut:

H.R. 3763. A bill to provide for the liquidation or reliquidation of certain customs entries of nuclear fuel assemblies; to the Committee on Ways and Means.

By Mr. KING of New York:

H.R. 3787. A bill for the relief of Rear Admiral THOMAS T. Matteson, United States Maritime Service, of Kings Point, New York; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 22: Mr. COOK.

H.R. 165: Mr. SMITH of New Jersey and Mr. WATTS of Oklahoma.

H.R. 453: Ms. WOOLSEY and Mr. JACKSON.

H.R. 586: Mr. MEEKS of New York.

H.R. 611: Mr. JOHNSON of Wisconsin and Mr. HILLIARD.

H.R. 754: Ms. ROS-LEHTINEN and Mr. PASCRELL.

H.R. 790: Mr. TOWNS.

H.R. 815: Ms. DEGETTE, Mr. MOLLOHAN, and Mr. JEFFERSON.

H.R. 902: Ms. ROS-LEHTINEN.

H.R. 934: Mr. GOODE.

H.R. 979: Mr. ACKERMAN, Mr. BECERRA, and Mr. WALSH.

H.R. 1054: Mr. THOMAS and Mr. KENNEDY of Rhode Island.

H.R. 1126: Mr. WELDON of Pennsylvania, Mr. SANDERS, and Mr. ORTIZ.

H.R. 1215: Mr. SHERMAN and Mr. DIXON.

H.R. 1241: Mr. DIXON and Mr. SMITH of Oregon.

H.R. 1356: Ms. MILLENDER-MCDONALD and Ms. DANNER.

H.R. 1401: Mr. KLECZKA and Mrs. MEEK of Florida.

H.R. 1531: Mrs. MINK of Hawaii and Mr. DIXON.

H.R. 1573: Mr. LUTHER.

H.R. 1766: Mrs. CHENOWETH, Mr. DIAZ-BALART, Mr. HULSHOF, Mr. KOLBE, Mr. NEAL of Massachusetts, Mr. PETRI, Mr. REDMOND, Mr. ROGAN, Ms. ROS-LEHTINEN, Mr. BOB SCHAFFER, Mr. SHADEGG, Mr. SMITH of Oregon, Mr. STRICKLAND, Mr. SUNUNU, Ms. VELAZQUEZ, and Mr. WATKINS.

H.R. 1788: Mr. PASCRELL.

H.R. 1951: Mr. MINGE, Mr. STUPAK, Mr. CRAMER, Mr. CONDIT, and Mr. TAYLOR of Mississippi.

H.R. 2019: Mr. JOHN, Mr. WATTS of Oklahoma, and Mr. ENGLISH of Pennsylvania.

H.R. 2020: Mr. CAMPBELL, Mr. MCNULTY, Mr. PRICE of North Carolina, and Mr. BACHUS.

H.R. 2023: Mr. BAESLER.

H.R. 2090: Mr. WEXLER.

H.R. 2094: Mr. PAPPAS.

H.R. 2183: Mr. GRAHAM.

H.R. 2224: Mrs. LOWEY.

H.R. 2250: Mr. LARGENT and Mr. EVERETT.

H.R. 2263: Mr. FRELINGHUYSEN.

H.R. 2408: Mr. BAESLER.

H.R. 2409: Mr. JOHNSON of Wisconsin, Mr. FOLEY, and Mr. TORRES.

H.R. 2523: Mr. TOWNS.

H.R. 2526: Ms. LOFGREN, Mr. NADLER, and Mr. GORDON.

H.R. 2568: Mr. HOSTETTLER.

H.R. 2593: Mr. LINDER and Ms. GRANGER.

H.R. 2670: Mr. EHLERS.

H.R. 2701: Mr. HOLDEN, Mr. DOYLE, and Mr. MCGOVERN.

H.R. 2714: Ms. Furse.

H.R. 2752: Mr. GALLEGLY, Mr. MCKEON, Mr. DOOLITTLE, Mr. HERGER, MRS. BONO, Mr. COX of California, Mr. ROHRABACHER, Mr. ROGAN, and Mr. ROYCE.

H.R. 2801: Mr. MCGOVERN, Mr. CAMPBELL, and Ms. STABENOW.

H.R. 2819: Mr. FATTAH and Mr. BECERRA.

H.R. 2828: Mr. MCINTYRE.

H.R. 2849: Mr. DAVIS of Illinois, Mrs. CAPPS, Mr. ALLEN, Mr. MORAN of Kansas, Mr. COOK, Mr. FROST, Ms. WOOLSEY, Mr. LEWIS of Georgia, Mr. CLYBURN, Mr. BARTLETT of Maryland, Mr. THOMPSON, and Mr. ENGEL.

H.R. 2854: Mr. ALLEN and Mr. GORDON.

H.R. 2888: Mr. GOODE, Ms. STABENOW, Mrs. JOHNSON of Connecticut, and Mr. PAPPAS.

H.R. 2923: Mr. LEWIS of Georgia, Mr. MCNULTY, and Mr. BERMAN.

H.R. 2942: Mr. CANADY of Florida, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. STUMP, Mr. KLUG, Mr. RAMSTAD, Mr. TRAFICANT, Mr. SESSIONS, Mr. NEY, Mr. TURNER, Mr. SISISKY, Mr. BURTON of Indiana, Mr. GIBBONS, Mr. SANFORD, Mr. UPTON, Mr. OXLEY, Mr. HILL, Mr. SMITH of Oregon, Mr. TAYLOR of North Carolina, Mr. HOEKSTRA, Mr. CUNNINGHAM, Mr. SKELTON, and Mr. COLLINS.

H.R. 2955: Mr. KNOLLENBERG and Mr. HILL.

H.R. 2973: Mrs. CLAYTON.

H.R. 3052: Mr. PASCRELL.

H.R. 3054: Mr. PAYNE and Mr. PASTOR.

H.R. 3055: Mr. FOLEY and Mr. SCARBOROUGH.

H.R. 3099: Ms. SLAUGHTER.

H.R. 3107: Mr. PICKETT.

H.R. 3140: Mr. CRAMER, Mr. JEFFERSON, Mr. HUNTER, Mr. BARR of Georgia, Mr. WATKINS, and Mr. CLEMENT.

H.R. 3156: Mr. CHAMBLISS.

H.R. 3181: Ms. ROYBAL-ALLARD.
H.R. 3205: Ms. SLAUGHTER.
H.R. 3217: Mr. SAM JOHNSON, Mr. COYNE, Mr. JEFFERSON, and Ms. CHRISTIAN-GREEN.
H.R. 3240: Mrs. CLAYTON.
H.R. 3279: Mr. METCALF and Mr. ACKERMAN.
H.R. 3281: Mr. HYDE and Mr. EVANS.
H.R. 3284: Mr. LEWIS of Georgia and Mr. DEFAZIO.
H.R. 3290: Ms. DUNN of Washington, Mr. BECERRA, Mr. HINCHEY, Ms. ROYBAL-ALLARD, Mr. BALLENGER, and Mr. SCOTT.
H.R. 3292: Mr. MILLER of California, Mr. TORRES, and Mr. LEVIN.
H.R. 3318: Mr. DAVIS of Illinois, Mr. BONIOR, Mr. SMITH of Oregon, Mr. PETERSON of Pennsylvania, and Mr. MANTON.
H.R. 3331: Mr. HUNTER, Mr. BILBRAY, and Mr. HERGER.
H.R. 3382: Mr. HASTINGS of Washington and Mr. STENHOLM.
H.R. 3396: Mr. DAVIS of Illinois, Mr. WICKER, Mr. PACKARD, Mr. BILBRAY, Mr. DICKS, Mr. STUMP, Mr. BONILLA, Mr. GILMAN, Mr. PITTS, Mr. LAHOOD, Mr. LIPINSKI, Mr. COBURN, and Mr. MORAN of Virginia.
H.R. 3400: Mr. FILNER.
H.R. 3435: Mr. CALVERT, Mr. CUNNINGHAM, Mr. DAVIS of Illinois, and Mr. COOK.
H.R. 3438: Mr. WELLER.
H.R. 3456: Mr. DOOLITTLE.
H.R. 3469: Mr. JEFFERSON.
H.R. 3494: Mr. NETHERCUTT.
H.R. 3497: Mr. JEFFERSON.
H.R. 3503: Mr. GOODE, Mrs. LOWEY, and Mr. BENTSEN.
H.R. 3506: Ms. GRANGER, Mr. RANGEL, Mr. FORD, Mr. GINGRICH, Mr. BOSWELL, Mr. PORTER, Mr. THOMAS, Mr. SHAYS, Mr. WELDON of Pennsylvania, Mr. CRANE, Mr. FOSSELLA, Mr. MANZULLO, Mr. WHITE, Mr. CARDIN, and Mr. REYES.
H.R. 3510: Ms. LEE.
H.R. 3514: Mr. ROMERO-BARCELO.
H.R. 3523: Mr. DOYLE, Mr. BAESLER, Mr. HASTINGS of Washington, Mr. TORRES, Mrs. MINK of Hawaii, Ms. HOOLEY of Oregon, and Mr. PETERSON of Pennsylvania.
H.R. 3534: Mr. KASICH, Mr. DUNCAN, Mr. HOEKSTRA, and Mr. BACHUS.
H.R. 3538: Mr. GONZALEZ.
H.R. 3551: Mr. GUTIERREZ, Mr. MARTINEZ, and Mr. GONZALEZ.
H.R. 3553: Mr. THOMPSON, Mr. DAVIS of Illinois, and Mr. MILLER of California.
H.R. 3555: Mr. CASTLE.
H.R. 3567: Mr. MENENDEZ, Mr. ADAM SMITH of Washington, Mr. MASCARA, and Mr. BALDACCI.
H.R. 3571: Mr. UNDERWOOD, Mr. MALONEY of Connecticut, and Ms. RIVERS.
H.R. 3584: Mr. GREEN and Mrs. THURMAN.
H.R. 3605: Mr. MCNULTY, Mr. FALEOMAVAEGA, Mr. MURTHA, Mr. KUCINICH, and Mr. BONIOR.
H.R. 3610: Mr. BURR of North Carolina and Mr. MENENDEZ.
H.R. 3613: Mr. GRAHAM.
H.R. 3636: Ms. RIVERS, Mr. METCALF, and Mr. DIXON.
H.R. 3641: Mr. NEAL of Massachusetts.
H.R. 3648: Mr. PAXON.
H.R. 3650: Mr. MCINTOSH, Mr. SESSIONS, and Mr. FROST.
H.R. 3651: Mr. MCNULTY, Mr. HASTINGS of Florida, Ms. SLAUGHTER, Mr. ADAM SMITH of Washington, Mr. MCDERMOTT, and Mr. MANTON.
H.R. 3667: Ms. CHRISTIAN-GREEN, Mr. WATKINS, and Mr. LEWIS of Georgia.
H.R. 3682: Mr. LOBIONDO and Mr. LATOURETTE.
H.R. 3696: Mr. ROGAN.
H.R. 3702: Mr. BONIOR.
H.R. 3734: Mr. BILBRAY, Mrs. ROUKEMA, and Mr. DAVIS of Virginia.
H.R. 3743: Mr. PALLONE, Mr. BURTON of Indiana, Mr. SAXTON, Mrs. TAUSCHER, and Mr. GUTIERREZ.
H.R. 3747: Ms. ESHOO and Mr. LOBIONDO.
H. Con. Res. 13: Mr. JENKINS.
H. Con. Res. 114: Mr. POSHARD.
H. Con. Res. 126: Mr. TALENT and Mr. HALL of Texas.
H. Con. Res. 211: Mr. PAPPAS.
H. Con. Res. 220: Mr. SAXTON.
H. Con. Res. 224: Ms. ROS-LEHTINEN, Mr. ETHERIDGE, and Mr. CALVERT.
H. Con. Res. 246: Mr. SABO, Mr. WYNN, and Mr. RUSH.
H. Con. Res. 252: Ms. WOOLSEY, Mr. LAZIO of New York, and Mr. ROTHMAN.
H. Con. Res. 264: Mr. ENSIGN, Mr. TURNER, Mr. MORAN of Virginia, and Mr. WELDON of Florida.
H. Res. 392: Mr. PAXON and Mr. DOOLITTLE.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 3584: Mr. FROST.
H. Res. 375: Mr. GILMAN.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the clerk's desk and referred as follows:

60. The SPEAKER presented a petition of the Legislature of Rockland County, New York, relative to Resolution No. 73 petitioning the United States Congress to re-authorize the Intermodal Surface Transportation Efficiency Act; to the Committee on Transportation and Infrastructure.

61. Also, a petition of the Legislature of Rockland County, New York, relative to Resolution No. 71 petitioning the Congress of the United States and New York State to enact legislation to hold Health Maintenance Organizations and Health Care Organizations liable and responsible for their decisions regarding the provision or denial of health care services to patients or the provision or denial of payment for said services; jointly to the Committees on Commerce, Ways and Means, and Education and the Workforce.

DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

The following Members' names were withdrawn from the following discharge petition:

Petition 3 by Mr. BAESLER on House Resolution 259: Virgil H. Goode and Collin C. Peterson.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6

OFFERED BY: MR. CAMPBELL OF CALIFORNIA

AMENDMENT NO. 76: At the end of the bill add the following new title:

TITLE XI—NONDISCRIMINATION PROVISION

SEC. 1101. SCIENCE AND ENGINEERING PROGRAM NONDISCRIMINATION.

(a) PROHIBITION.—No individual shall be excluded from, or have a diminished chance of acceptance to, any program authorized by part D of title III of the Higher Education Act of 1965, as added by section 303 of this Act, because of that applicant's race, color, religion, or national origin.

(b) RULE OF CONSTRUCTION.—Nothing in subsection (a) shall be construed to preclude or discourage any of the following factors from being taken into account in admitting students to participation in the program described in subsection (a): the applicants income; parental education and income; need to master a second language; and instances of discrimination actually experienced by that student.

H.R. 6

OFFERED BY: MRS. MEEK OF FLORIDA

AMENDMENT NO. 77: Page 349, after line 9, insert the following:

TITLE XI—EQUAL OPPORTUNITY FOR INDIVIDUALS WITH LEARNING DISABILITIES

SEC. 1101. DEMONSTRATION PROJECTS ENSURING EQUAL OPPORTUNITY FOR INDIVIDUALS WITH LEARNING DISABILITIES.

Subpart 2 of part A of title IV, as amended by section 405, is further amended by adding at the end the following:

"CHAPTER 6—DEMONSTRATION PROJECTS ENSURING EQUAL OPPORTUNITY FOR INDIVIDUALS WITH LEARNING DISABILITIES

"SEC. 412A. PROGRAM AUTHORITY.

"(a) IN GENERAL.—The Secretary may award grants to, and enter into contracts and cooperative agreements with, not more than 5 institutions of higher education that are described in section 412B for demonstration projects to develop, test, and disseminate, in accordance with section 412C, methods, techniques, and procedures for ensuring equal educational opportunity for individuals with learning disabilities in postsecondary education.

"(b) AWARD BASIS.—Grants, contracts, and cooperative agreements shall be awarded on a competitive basis.

"(c) AWARD PERIOD.—Grants, contracts, and cooperative agreements shall be awarded for a period of 3 years.

"SEC. 412B. ELIGIBLE ENTITIES.

"Entities eligible to apply for a grant, contract, or cooperative agreement under this chapter are institutions of higher education with demonstrated prior experience in meeting the postsecondary educational needs of individuals with learning disabilities.

"SEC. 412C. REQUIRED ACTIVITIES.

"A recipient of a grant, contract, or cooperative agreement under this chapter shall use the funds received under this chapter to carry out each of the following activities:

"(1) Developing or identifying innovative, effective, and efficient approaches, strategies, supports, modifications, adaptations, and accommodations that enable individuals with learning disabilities to fully participate in postsecondary education.

"(2) Synthesizing research and other information related to the provision of services to individuals with learning disabilities in postsecondary education.

"(3) Conducting training sessions for personnel from other institutions of higher education to enable them to meet the special needs of postsecondary students with learning disabilities.

"(4) Preparing and disseminating products based upon the activities described in paragraphs (1) through (3).

"(5) Coordinating findings and products from the activities described in paragraphs (1) through (4) with other similar products and findings through participation in conferences, groups, and professional networks involved in the dissemination of technical assistance and information on postsecondary education.

"SEC. 412D. PRIORITY.

''The Secretary shall ensure that, to the extent feasible, there is a national geographic distribution of grants, contracts, and cooperative agreements awarded under this chapter throughout the States, except that the Secretary may give priority, with respect to one of the grants to be awarded, to a historically Black college or university that satisfies the requirements of section 412B.

"SEC. 412E. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this chapter $10,000,000 for each of the fiscal years 1999 through 2001.''.

H.R. 10

OFFERED BY: MR. LEACH

(Amendment in the Nature of a Substitute to H.R. 10)

AMENDMENT NO. 3: Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; PURPOSES; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Financial Services Act of 1998''.

(b) PURPOSES.—The purposes of this Act are as follows:

(1) To enhance competition in the financial services industry, in order to foster innovation and efficiency.

(2) To ensure the continued safety and soundness of depository institutions.

(3) To provide necessary and appropriate protections for investors and ensure fair and honest markets in the delivery of financial services.

(4) To provide for appropriate functional regulation of insurance activities.

(5) To reduce and, to the maximum extent practicable, to eliminate the legal barriers preventing affiliation among depository institutions, securities firms, insurance companies, and other financial service providers and to provide a prudential framework for achieving that result.

(6) To enhance the availability of financial services to citizens of all economic circumstances and in all geographic areas.

(7) To enhance the competitiveness of United States financial service providers internationally.

(8) To ensure compliance by depository institutions with the provisions of the Community Reinvestment Act of 1977 and enhance the ability of depository institutions to meet the capital and credit needs of all citizens and communities, including underserved communities and populations.

(c) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; purposes; table of contents.

TITLE I—FACILITATING AFFILIATION AMONG SECURITIES FIRMS, INSURANCE COMPANIES, AND DEPOSITORY INSTITUTIONS

Subtitle A—Affiliations

Sec. 101. Glass-Steagall Act reformed.
Sec. 102. Activity restrictions applicable to bank holding companies which are not financial holding companies.
Sec. 103. Financial holding companies.
Sec. 104. Certain State laws preempted.
Sec. 105. Mutual bank holding companies authorized.
Sec. 106. Prohibition on deposit production offices.
Sec. 107. Clarification of branch closure requirements.
Sec. 108. Amendments relating to limited purpose banks.

Subtitle B—Streamlining Supervision of Financial Holding Companies

Sec. 111. Streamlining financial holding company supervision.
Sec. 112. Elimination of application requirement for financial holding companies.
Sec. 113. Authority of State insurance regulator and Securities and Exchange Commission.
Sec. 114. Prudential safeguards.
Sec. 115. Examination of investment companies.
Sec. 116. Limitation on rulemaking, prudential, supervisory, and enforcement authority of the Board.

Subtitle C—Subsidiaries of National Banks

Sec. 121. Permissible activities for subsidiaries of national banks.
Sec. 122. Misrepresentations regarding depository institution liability for obligations of affiliates.
Sec. 123. Repeal of stock loan limit in Federal reserve act.

Subtitle D—Wholesale Financial Holding Companies; Wholesale Financial Institutions

CHAPTER 1—WHOLESALE FINANCIAL HOLDING COMPANIES

Sec. 131. Wholesale financial holding companies established.
Sec. 132. Authorization to release reports.
Sec. 133. Conforming amendments.

CHAPTER 2—WHOLESALE FINANCIAL INSTITUTIONS

Sec. 136. Wholesale financial institutions.

Subtitle E—Streamlining Antitrust Review of Bank Acquisitions and Mergers

Sec. 141. Amendments to the Bank Holding Company Act of 1956.
Sec. 142. Amendments to the Federal Deposit Insurance Act to vest in the Attorney General sole responsibility for antitrust review of depository institution mergers.
Sec. 143. Information filed by depository institutions; interagency data sharing.
Sec. 144. Applicability of antitrust laws.
Sec. 145. Clarification of status of subsidiaries and affiliates.
Sec. 146. Effective date.

Subtitle F—Applying the Principles of National Treatment and Equality of Competitive Opportunity to Foreign Banks and Foreign Financial Institutions

Sec. 151. Applying the principles of national treatment and equality of competitive opportunity to foreign banks that are financial holding companies.
Sec. 152. Applying the principles of national treatment and equality of competitive opportunity to foreign banks and foreign financial institutions that are wholesale financial institutions.

Subtitle G—Federal Home Loan Bank System

Sec. 161. Federal home loan banks–
Sec. 162. Membership and collateral.
Sec. 163. The Office of Finance.
Sec. 164. Management of banks.
Sec. 165. Advances to nonmember borrowers.
Sec. 166. Powers and duties of banks.
Sec. 167. Mergers and consolidations of Federal home loan banks.
Sec. 168. Technical amendments.
Sec. 169. Definitions.
Sec. 170. Resolution funding corporation
Sec. 171. Capital structure of the Federal home loan banks.
Sec. 172. Investments.
Sec. 173. Federal Housing Finance Board.

Subtitle H—Direct Activities of Banks

Sec. 181. Authority of national banks to underwrite certain municipal bonds

Subtitle I—Effective Date of Title

Sec. 191. Effective date.

TITLE II—FUNCTIONAL REGULATION

Subtitle A—Brokers and Dealers

Sec. 201. Definition of broker.
Sec. 202. Definition of dealer.
Sec. 203. Registration for sales of private securities offerings.
Sec. 204. Sales practices and complaint procedures.
Sec. 205. Information sharing.
Sec. 206. Definition and treatment of banking products.
Sec. 207. Derivative instrument and qualified investor defined.
Sec. 208. Government securities defined.
Sec. 209. Effective date.

Subtitle B—Bank Investment Company Activities

Sec. 211. Custody of investment company assets by affiliated bank.
Sec. 212. Lending to an affiliated investment company.
Sec. 213. Independent directors.
Sec. 214. Additional SEC disclosure authority.
Sec. 215. Definition of broker under the Investment Company Act of 1940.
Sec. 216. Definition of dealer under the Investment Company Act of 1940.
Sec. 217. Removal of the exclusion from the definition of investment adviser for banks that advise investment companies.
Sec. 218. Definition of broker under the Investment Advisers Act of 1940.
Sec. 219. Definition of dealer under the Investment Advisers Act of 1940.
Sec. 220. Interagency consultation.
Sec. 221. Treatment of bank common trust funds.
Sec. 222. Investment advisers prohibited from having controlling interest in registered investment company.
Sec. 223. Conforming change in definition.
Sec. 224. Conforming amendment.
Sec. 225. Effective date.

Subtitle C—Securities and Exchange Commission Supervision of Investment Bank Holding Companies

Sec. 231. Supervision of investment bank holding companies by the Securities and Exchange Commission.

Subtitle D—Study

Sec. 241. Study of methods to inform investors and consumers of uninsured products.

TITLE III—INSURANCE

Subtitle A—State Regulation of Insurance

Sec. 301. State regulation of the business of insurance.
Sec. 302. Mandatory insurance licensing requirements.
Sec. 303. Functional regulation of insurance.
Sec. 304. Insurance underwriting in national banks.
Sec. 305. New bank agency activities only through acquisition of existing licensed agents.
Sec. 306. Title insurance activities of national banks and their affiliates.
Sec. 307. Expedited and equalized dispute resolution for financial regulators.
Sec. 308. Consumer protection regulations.
Sec. 45. Consumer protection regulations.
Sec. 309. Certain State affiliation laws preempted for insurance companies and affiliates.

Subtitle B—Redomestication of Mutual Insurers

Sec. 311. General application.

Sec. 312. Redomestication of mutual insurers.
Sec. 313. Effect on State laws restricting redomestication.
Sec. 314. Other provisions.
Sec. 315. Definitions.
Sec. 316. Effective date.
Subtitle C—National Association of Registered Agents and Brokers
Sec. 321. State flexibility in multistate licensing reforms.
Sec. 322. National Association of Registered Agents and Brokers.
Sec. 323. Purpose.
Sec. 324. Relationship to the Federal Government.
Sec. 325. Membership.
Sec. 326. Board of directors.
Sec. 327. Officers.
Sec. 328. Bylaws, rules, and disciplinary action.
Sec. 329. Assessments.
Sec. 330. Functions of the NAIC.
Sec. 331. Liability of the Association and the directors, officers, and employees of the Association.
Sec. 332. Elimination of NAIC oversight.
Sec. 333. Relationship to State law.
Sec. 334. Coordination with other regulators.
Sec. 335. Judicial review.
Sec. 336. Definitions.
TITLE IV—UNITARY SAVINGS AND LOAN HOLDING COMPANIES
Sec. 401. Termination of expanded powers for new unitary S&L holding companies.

TITLE I—FACILITATING AFFILIATION AMONG SECURITIES FIRMS, INSURANCE COMPANIES, AND DEPOSITORY INSTITUTIONS

Subtitle A—Affiliations

SEC. 101. GLASS-STEAGALL ACT REFORMED.

(a) SECTION 20 REPEALED.—Section 20 (12 U.S.C. 377) of the Banking Act of 1933 (commonly referred to as the ''Glass-Steagall Act'') is repealed.

(b) SECTION 32 REPEALED.—Section 32 (12 U.S.C. 78) of the Banking Act of 1933 is repealed.

SEC. 102. ACTIVITY RESTRICTIONS APPLICABLE TO BANK HOLDING COMPANIES WHICH ARE NOT FINANCIAL HOLDING COMPANIES.

(a) IN GENERAL.—Section 4(c)(8) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(8)) is amended to read as follows:

''(8) shares of any company the activities of which had been determined by the Board by regulation under this paragraph as of the day before the date of the enactment of the Financial Services Act of 1998, to be so closely related to banking as to be a proper incident thereto (subject to such terms and conditions contained in such regulation, unless modified by the Board);''.

(b) CONFORMING CHANGES TO OTHER STATUTES.—

(1) AMENDMENT TO THE BANK HOLDING COMPANY ACT AMENDMENTS OF 1970.—Section 105 of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1850) is amended by striking '', to engage directly or indirectly in a nonbanking activity pursuant to section 4 of such Act,''.

(2) AMENDMENT TO THE BANK SERVICE COMPANY ACT.—Section 4(f) of the Bank Service Company Act (12 U.S.C. 1864(f)) is amended by striking the period and adding at the end the following:

''as of the day before the date of enactment of the Financial Services Act of 1998.''.

SEC. 103. FINANCIAL HOLDING COMPANIES.

(a) IN GENERAL.—The Bank Holding Company Act of 1956 is amended by inserting after section 5 (12 U.S.C. 1844) the following new section:

''SEC. 6. FINANCIAL HOLDING COMPANIES.

''(a) FINANCIAL HOLDING COMPANY DEFINED.—For purposes of this section, the term 'financial holding company' means a bank holding company which meets the requirements of subsection (b).

''(b) ELIGIBILITY REQUIREMENTS FOR FINANCIAL HOLDING COMPANIES.—

''(1) IN GENERAL.—No bank holding company may engage in any activity or directly or indirectly acquire or retain shares of any company under this section unless the bank holding company meets the following requirements:

''(A) All of the subsidiary depository institutions of the bank holding company are well capitalized.

''(B) All of the subsidiary depository institutions of the bank holding company are well managed.

''(C) All of the subsidiary depository institutions of the bank holding company have achieved a rating of 'satisfactory record of meeting community credit needs', or better, at the most recent examination of each such institution under the Community Reinvestment Act of 1977.

''(D) All of the subsidiary insured depository institutions of the bank holding company (other than any such depository institution which does not, in the ordinary course of the business of the depository institution, offer consumer transaction accounts to the general public) offer and maintain low-cost basic banking accounts.

''(E) The company has filed with the Board a declaration that the company elects to be a financial holding company and certifying that the company meets the requirements of subparagraphs (A) through (D).

''(2) FOREIGN BANKS AND COMPANIES.—For purposes of paragraph (1), the Board shall establish and apply comparable capital standards to a foreign bank that operates a branch or agency or owns or controls a bank or commercial lending company in the United States, and any company that owns or controls such foreign bank, giving due regard to the principle of national treatment and equality of competitive opportunity.

''(3) LIMITED EXCLUSIONS FROM COMMUNITY NEEDS REQUIREMENTS FOR NEWLY ACQUIRED DEPOSITORY INSTITUTIONS.—

''(A) IN GENERAL.—If the requirements of subparagraph (B) are met, any depository institution acquired by a bank holding company during the 24-month period preceding the submission of a declaration under paragraph (1)(E) and any depository institution acquired after the submission of such declaration may be excluded for purposes of paragraph (1)(C) until the later of—

''(i) the end of the 24-month period beginning on the date the acquisition of the depository institution by such company is consummated; or

''(ii) the date of completion of the 1st examination of such depository institution under the Community Reinvestment Act of 1977 which is conducted after the date of the acquisition of the depository institution.

''(B) REQUIREMENTS.—The requirements of this subparagraph are met with respect to any bank holding company referred to in subparagraph (A) if—

''(i) the bank holding company has submitted an affirmative plan to the appropriate Federal banking agency to take such action as may be necessary in order for such institution to achieve a rating of 'satisfactory record of meeting community credit needs', or better, at the next examination of the institution under the Community Reinvestment Act of 1977; and

''(ii) the plan has been approved by such agency.

''(c) ENGAGING IN ACTIVITIES FINANCIAL IN NATURE.—

''(1) IN GENERAL.—Notwithstanding section 4(a), a financial holding company and a wholesale financial holding company may engage in any activity, and acquire and retain the shares of any company engaged in any activity, which the Board has determined (by regulation or order) to be financial in nature or incidental to such financial activities.

''(2) FACTORS TO BE CONSIDERED.—In determining whether an activity is financial in nature or incidental to financial activities, the Board shall take into account—

''(A) the purposes of this Act and the Financial Services Act of 1998;

''(B) changes or reasonably expected changes in the marketplace in which bank holding companies compete;

''(C) changes or reasonably expected changes in the technology for delivering financial services; and

''(D) whether such activity is necessary or appropriate to allow a bank holding company and the affiliates of a bank holding company to—

''(i) compete effectively with any company seeking to provide financial services in the United States;

''(ii) use any available or emerging technological means, including any application necessary to protect the security or efficacy of systems for the transmission of data or financial transactions, in providing financial services; and

''(iii) offer customers any available or emerging technological means for using financial services.

''(3) ACTIVITIES THAT ARE FINANCIAL IN NATURE.—The following activities shall be considered to be financial in nature:

''(A) Lending, exchanging, transferring, investing for others, or safeguarding money or securities.

''(B) Insuring, guaranteeing, or indemnifying against loss, harm, damage, illness, disability, or death, or providing and issuing annuities, and acting as principal, agent, or broker for purposes of the foregoing.

''(C) Providing financial, investment, or economic advisory services, including advising an investment company (as defined in section 3 of the Investment Company Act of 1940).

''(D) Issuing or selling instruments representing interests in pools of assets permissible for a bank to hold directly.

''(E) Underwriting, dealing in, or making a market in securities.

''(F) Engaging in any activity that the Board has determined, by order or regulation that is in effect on the date of enactment of the Financial Services Act of 1998, to be so closely related to banking or managing or controlling banks as to be a proper incident thereto (subject to the same terms and conditions contained in such order or regulation, unless modified by the Board).

''(G) Engaging, in the United States, in any activity that—

''(i) a bank holding company may engage in outside the United States; and

''(ii) the Board has determined, under regulations issued pursuant to section 4(c)(13) of this Act (as in effect on the day before the date of enactment of the Financial Services Act of 1998) to be usual in connection with the transaction of banking or other financial operations abroad.

''(H) Directly or indirectly acquiring or controlling, whether as principal, on behalf of 1 or more entities (including entities, other than a depository institution or subsidiary of a depository institution, that the bank holding company controls) or otherwise, shares, assets, or ownership interests (including without limitation debt or equity securities, partnership interests, trust certificates or other instruments representing

ownership) of a company or other entity, whether or not constituting control of such company or entity, engaged in any activity not authorized pursuant to this section if—

''(i) the shares, assets, or ownership interests are not acquired or held by a depository institution or subsidiary of a depository institution;

''(ii) such shares, assets, or ownership interests are acquired and held by a securities affiliate or an affiliate thereof as part of a bona fide underwriting or merchant banking activity, including investment activities engaged in for the purpose of appreciation and ultimate resale or disposition of the investment;

''(iii) such shares, assets, or ownership interests, are held only for such a period of time as will permit the sale or disposition thereof on a reasonable basis consistent with the nature of the activities described in clause (ii); and

''(iv) during the period such shares, assets, or ownership interests are held, the bank holding company does not actively participate in the day to day management or operation of such company or entity, except insofar as necessary to achieve the objectives of clause (ii).

''(I) Directly or indirectly acquiring or controlling, whether as principal, on behalf of 1 or more entities (including entities, other than a depository institution or subsidiary of a depository institution, that the bank holding company controls) or otherwise, shares, assets, or ownership interests (including without limitation debt or equity securities, partnership interests, trust certificates or other instruments representing ownership) of a company or other entity, whether or not constituting control of such company or entity, engaged in any activity not authorized pursuant to this section if—

''(i) the shares, assets, or ownership interests are not acquired or held by a depository institution or a subsidiary of a depository institution;

''(ii) such shares, assets, or ownership interests are acquired and held by an insurance company that is predominantly engaged in underwriting life, accident and health, or property and casualty insurance (other than credit-related insurance);

''(iii) such shares, assets, or ownership interests represent an investment made in the ordinary course of business of such insurance company in accordance with relevant State law governing such investments; and

''(iv) during the period such shares, assets, or ownership interests are held, the bank holding company does not directly or indirectly participate in the day-to-day management or operation of the company or entity except insofar as necessary to achieve the objectives of clauses (ii) and (iii).

''(4) ACTIONS REQUIRED.—The Board shall, by regulation or order, define, consistent with the purposes of this Act, the following activities as, and the extent to which such activities are, financial in nature or incidental to activities which are financial in nature:

''(A) Lending, exchanging, transferring, investing for others, or safeguarding financial assets other than money or securities.

''(B) Providing any device or other instrumentality for transferring money or other financial assets;

''(C) Arranging, effecting, or facilitating financial transactions for the account of third parties.

''(5) POST CONSUMMATION NOTIFICATION.—

''(A) IN GENERAL.—A financial holding company and a wholesale financial holding company that acquires any company, or commences any activity, pursuant to this subsection shall provide written notice to the Board describing the activity commenced or conducted by the company acquired no later than 30 calendar days after commencing the activity or consummating the acquisition.

''(B) APPROVAL NOT REQUIRED FOR CERTAIN FINANCIAL ACTIVITIES.—Except as provided in section 4(j) with regard to the acquisition of a savings association, a financial holding company and a wholesale financial holding company may commence any activity, or acquire any company, pursuant to paragraph (3) or any regulation prescribed or order issued under paragraph (4), without prior approval of the Board.

''(d) PROVISIONS APPLICABLE TO FINANCIAL HOLDING COMPANIES THAT FAIL TO MEET REQUIREMENTS.—

''(1) IN GENERAL.—If the Board finds that a financial holding company is not in compliance with the requirements of subparagraph (A), (B), or (C) of subsection (b)(1), the Board shall give notice of such finding to the company.

''(2) AGREEMENT TO CORRECT CONDITIONS REQUIRED.—Within 45 days of receipt by a financial holding company of a notice given under paragraph (1) (or such additional period as the Board may permit), the company shall execute an agreement acceptable to the Board to comply with the requirements applicable to a financial holding company.

''(3) BOARD MAY IMPOSE LIMITATIONS.—Until the conditions described in a notice to a financial holding company under paragraph (1) are corrected, the Board may impose such limitations on the conduct or activities of the company or any affiliate of the company as the Board determines to be appropriate under the circumstances.

''(4) FAILURE TO CORRECT.—If, after receiving a notice under paragraph (1), a financial holding company does not—

''(A) execute and implement an agreement in accordance with paragraph (2);

''(B) comply with any limitations imposed under paragraph (3);

''(C) in the case of a notice of failure to comply with subsection (b)(1)(A), restore each depository institution subsidiary to well capitalized status before the end of the 180-day period beginning on the date such notice is received by the company (or such other period permitted by the Board); or

''(D) in the case of a notice of failure to comply with subparagraph (B) or (C) of subsection (b)(1), restore compliance with any such subparagraph by the date the next examination of the depository institution subsidiary is completed or by the end of such other period as the Board determines to be appropriate,

the Board may require such company, under such terms and conditions as may be imposed by the Board and subject to such extension of time as may be granted in the Board's discretion, to divest control of any depository institution subsidiary or, at the election of the financial holding company, instead to cease to engage in any activity conducted by such company or its subsidiaries pursuant to this section.

''(5) CONSULTATION.—In taking any action under this subsection, the Board shall consult with all relevant Federal and State regulatory agencies.

''(e) SAFEGUARDS FOR BANK SUBSIDIARIES.—A financial holding company shall assure that—

''(1) the procedures of the holding company for identifying and managing financial and operational risks within the company, and the subsidiaries of such company, adequately protect the subsidiaries of such company which are insured depository institutions from such risks;

''(2) the holding company has reasonable policies and procedures to preserve the separate corporate identity and limited liability of such company and the subsidiaries of such company, for the protection of the company's subsidiary insured depository institutions; and

''(3) the holding company complies with this section.

''(f) NONFINANCIAL ACTIVITIES.—

''(1) IN GENERAL.—Notwithstanding section 4(a), a financial holding company may engage in activities which are not (or have not been determined to be) financial in nature or incidental to activities which are financial in nature, or acquire and retain ownership and control of the shares of a company engaged in such activities, if—

''(A) the aggregate annual gross revenues derived from all such activities and all such companies does not exceed the lesser of—

''(i) 5 percent of the consolidated annual gross revenues of the financial holding company; or

''(ii) $500,000,000;

''(B) the consolidated total assets of any company the shares of which are acquired by the financial holding company pursuant to this paragraph are less than $750,000,000 at the time the shares are acquired by the holding company; and

''(C) the holding company provides notice to the Board within 30 days of commencing the activity or acquiring the ownership or control.

''(2) INCLUSION OF GRANDFATHERED ACTIVITIES.—For purposes of determining the limits contained in paragraph (1)(A), the gross revenues derived from all activities conducted, and companies the shares of which are held, under subsection (g) shall be considered to be derived or held under this subsection.

''(3) FOREIGN BANKS.—In lieu of the limitation contained in paragraph (1)(A) in the case of a foreign bank or a company that owns or controls a foreign bank which engages in any activity or acquires or retains ownership or control of shares of any company pursuant to paragraph (1), the aggregate annual gross revenues derived from all such activities and all such companies in the United States shall not exceed the lesser of—

''(A) 5 percent of the consolidated annual gross revenues of the foreign bank or company in the United States derived from any branch, agency, commercial lending company, or depository institution controlled by the foreign bank or company and any subsidiary engaged in the United States in activities permissible under section 4 or 6; or

''(B) $500,000,000.

''(4) INDEXING REVENUE TEST.—After December 31, 1998, the Board shall annually adjust the dollar amount contained in paragraphs (1)(A) and (3) by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Bureau of Labor Statistics.

''(5) NONAPPLICABILITY OF OTHER EXEMPTION.—Any foreign bank or company that owns or controls a foreign bank which engages in any activity or acquires or retains ownership or control of shares of any company pursuant to this subsection shall not be eligible for any exception described in section 2(h).

''(g) AUTHORITY TO RETAIN LIMITED NONFINANCIAL ACTIVITIES AND AFFILIATIONS.—

''(1) IN GENERAL.—Notwithstanding subsection (f)(1) and section 4(a), a company that is not a bank holding company or a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978) and becomes a financial holding company after the date of the enactment of the Financial Services Act of 1998 may continue to engage in any activity and retain direct or indirect ownership or control of shares of a company engaged in any activity if—

''(A) the holding company lawfully was engaged in the activity or held the shares of such company on September 30, 1997;

''(B) the holding company is predominantly engaged in financial activities as defined in paragraph (2); and

''(C) the company engaged in such activity continues to engage only in the same activities that such company conducted on September 30, 1997, and other activities permissible under this Act.

''(2) PREDOMINANTLY FINANCIAL.—For purposes of this subsection, a company is predominantly engaged in financial activities if, as of the day before the company becomes a financial holding company, the annual gross revenues derived by the holding company and all subsidiaries of the holding company, on a consolidated basis, from engaging in activities that are financial in nature or are incidental to activities that are financial in nature under subsection (c) represent at least 85 percent of the consolidated annual gross revenues of the company.

''(3) NO EXPANSION OF GRANDFATHERED COMMERCIAL ACTIVITIES THROUGH MERGER OR CONSOLIDATION.—A financial holding company that engages in activities or holds shares pursuant to this subsection, or a subsidiary of such financial holding company, may not acquire, in any merger, consolidation, or other type of business combination, assets of any other company which is engaged in any activity which the Board has not determined to be financial in nature or incidental to activities that are financial in nature under subsection (c).

''(4) CONTINUING REVENUE LIMITATION ON GRANDFATHERED COMMERCIAL ACTIVITIES.—Notwithstanding any other provision of this subsection, a financial holding company may continue to engage in activities or hold shares in companies pursuant to this subsection only to the extent that the aggregate annual gross revenues derived from all such activities and all such companies does not exceed 15 percent of the consolidated annual gross revenues of the financial holding company.

''(5) CROSS MARKETING RESTRICTIONS APPLICABLE TO COMMERCIAL ACTIVITIES.—A depository institution controlled by a financial holding company shall not—

''(A) offer or market, directly or through any arrangement, any product or service of a company whose activities are conducted or whose shares are owned or controlled by the financial holding company pursuant to this subsection, subsection (f), or subparagraph (H) or (I) of subsection (c)(3); or

''(B) permit any of its products or services to be offered or marketed, directly or through any arrangement, by or through any company described in subparagraph (A).

''(6) TRANSACTIONS WITH NONFINANCIAL AFFILIATES.—An insured depository institution controlled by a financial holding company may not engage in a covered transaction (as defined by section 23A(b)(7) of the Federal Reserve Act) with any affiliate controlled by the company pursuant to this subsection, subsection (f), or subparagraph (H) or (I) of subsection (c)(3).

''(h) DEVELOPING ACTIVITIES.—A financial holding company and a wholesale financial holding company may engage directly or indirectly, or acquire shares of any company engaged, in any activity that the Board has not determined to be financial in nature or incidental to financial activities under subsection (c) if—

''(1) the holding company reasonably concludes that the activity is financial in nature or incidental to financial activities;

''(2) the gross revenues from all activities conducted under this subsection represent less than 5 percent of the consolidated gross revenues of the holding company;

''(3) the aggregate total assets of all companies the shares of which are held under this subsection do not exceed 5 percent of the holding company's consolidated total assets;

''(4) the total capital invested in activities conducted under this subsection represents less than 5 percent of the consolidated total capital of the holding company;

''(5) the Board has not determined that the activity is not financial in nature or incidental to financial activities under subsection (c); and

''(6) the holding company provides written notification to the Board describing the activity commenced or conducted by the company acquired no later than 10 business days after commencing the activity or consummating the acquisition.''.

SEC. 104. CERTAIN STATE LAWS PREEMPTED.

(a) AFFILIATIONS.—No State may by statute, regulation, order, interpretation, or otherwise, prevent or restrict an insured depository institution or a wholesale financial institution from being affiliated with an entity (including an entity engaged in insurance activities) as authorized by this Act or any other provision of Federal law.

(b) ACTIVITIES.

(1) Except as provided in paragraphs (2) and (3) and subject to section 18(c) of the Securities Act of 1933, no State may by statute, regulation, order, interpretation, or otherwise, prevent or restrict an insured depository institution or a wholesale financial institution from engaging, directly or indirectly or in conjunction with an affiliate, in any activity authorized under this Act or any other provision of Federal law.

(2) As stated by the United States Supreme Court in *Barnett Bank of Marion County, N.A.* v. *Nelson*, 116 S.Ct. 1103 (1996), no State may, by statute, regulation, order, interpretation, or otherwise, prevent or significantly interfere with the ability of an insured depository institution or wholesale financial institution to engage, directly or indirectly, or in conjunction with an affiliate, in any insurance sales or solicitation activity, except that—

(A) State statutes and regulations governing insurance sales and solicitations which are no more restrictive than provisions in the Illinois ''Act Authorizing and Regulating the Sale of Insurance by Financial Institutions, Public Act 90–41'' (215 ILCS 5/1400–1416), as in effect on October 1, 1997, shall not be deemed to prevent or significantly interfere with the ability of an insured depository institution or wholesale financial institution to engage, directly or indirectly, or in conjunction with an affiliate, in any insurance sales or solicitation activity; and

(B) subparagraph (A) shall not create any inference regarding State statutes, and regulations governing insurance sales and solicitations which are more restrictive than any provision in the Illinois ''Act Authorizing and Regulating the Sale of Insurance by Financial Institutions'', (Public Act 90–41; 215 ILCS 5/1400–1416), as in effect on October 1, 1997.

(3) State statutes, regulations, orders, and interpretations which are applicable to and are applied in the same manner with respect to insurance underwriting activities of an affiliate of an insured depository institution or a wholesale financial institution as they are applicable to and are applied to an insurance underwriter which is not affiliated with an insured depository institution or a wholesale financial institution shall not be preempted under paragraph (1).

SEC. 105. MUTUAL BANK HOLDING COMPANIES AUTHORIZED.

(a) IN GENERAL.—Section 3(g)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(g)(2)) is amended to read as follows:

''(2) REGULATIONS.—A bank holding company organized as a mutual holding company shall be regulated on terms, and shall be subject to limitations, comparable to those applicable to any other bank holding company.''.

SEC. 106. PROHIBITION ON DEPOSIT PRODUCTION OFFICES.

(a) IN GENERAL.—Section 109(d) of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (12 U.S.C. 1835a(d)) is amended—

(1) by inserting '', the Financial Services Act of 1998,'' after ''pursuant to this title''; and

(2) by inserting ''or such Act'' after ''made by this title''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 109(e)(4) of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (12 U.S.C. 1835a(e)(4)) is amended by inserting ''and any branch of a bank controlled by an out-of-State bank holding company (as defined in section 2(o)(7) of the Bank Holding Company Act of 1956)'' before the period.

SEC. 107. CLARIFICATION OF BRANCH CLOSURE REQUIREMENTS.

Section 42(d)(4)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1831r–1(d)(4)(A)) is amended by inserting ''and any bank controlled by an out-of-State bank holding company (as defined in section 2(o)(7) of the Bank Holding Company Act of 1956)'' before the period.

SEC. 108. AMENDMENTS RELATING TO LIMITED PURPOSE BANKS.

Section 4(f) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(f)) is amended—

(1) in paragraph (2)(A)(ii)—

(A) by striking ''and'' at the end of subclause (IX);

(B) by inserting ''and'' after the semicolon at the end of subclause (X); and

(C) by inserting after subclause (X) the following new subclause:

''(XI) assets that are derived from, or are incidental to, activities in which institutions described in section 2(c)(2)(F) are permitted to engage,'';

(2) in paragraph (2), by striking subparagraph (B) and inserting the following new subparagraphs:

''(B) any bank subsidiary of such company engages in any activity in which the bank was not lawfully engaged as of March 5, 1987, unless the bank is well managed and well capitalized;

''(C) any bank subsidiary of such company both—

''(i) accepts demand deposits or deposits that the depositor may withdraw by check or similar means for payment to third parties; and

''(ii) engages in the business of making commercial loans (and, for purposes of this clause, loans made in the ordinary course of a credit card operation shall not be treated as commercial loans); or

''(D) after the date of the enactment of the Competitive Equality Amendments of 1987, any bank subsidiary of such company permits any overdraft (including any intraday overdraft), or incurs any such overdraft in such bank's account at a Federal reserve bank, on behalf of an affiliate, other than an overdraft described in paragraph (3).''; and

(3) by striking paragraphs (3) and (4) and inserting the following new paragraphs:

''(3) PERMISSIBLE OVERDRAFTS DESCRIBED.—For purposes of paragraph (2)(D), an overdraft is described in this paragraph if—

''(A) such overdraft results from an inadvertent computer or accounting error that is beyond the control of both the bank and the affiliate; or

''(B) such overdraft—

''(i) is permitted or incurred on behalf of an affiliate which is monitored by, reports

to, and is recognized as a primary dealer by the Federal Reserve Bank of New York; and

''(ii) is fully secured, as required by the Board, by bonds, notes, or other obligations which are direct obligations of the United States or on which the principal and interest are fully guaranteed by the United States or by securities and obligations eligible for settlement on the Federal Reserve book entry system.

''(4) DIVESTITURE IN CASE OF LOSS OF EXEMPTION.—If any company described in paragraph (1) fails to qualify for the exemption provided under such paragraph by operation of paragraph (2), such exemption shall cease to apply to such company and such company shall divest control of each bank it controls before the end of the 180-day period beginning on the date that the company receives notice from the Board that the company has failed to continue to qualify for such exemption, unless before the end of such 180-day period, the company has—

''(A) corrected the condition or ceased the activity that caused the company to fail to continue to qualify for the exemption; and

''(B) implemented procedures that are reasonably adapted to avoid the reoccurrence of such condition or activity.''.

Subtitle B—Streamlining Supervision of Financial Holding Companies

SEC. 111. STREAMLINING FINANCIAL HOLDING COMPANY SUPERVISION.

Section 5(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1844(c)) is amended to read as follows:

''(c) REPORTS AND EXAMINATIONS.—

''(1) REPORTS.—

''(A) IN GENERAL.—The Board from time to time may require any bank holding company and any subsidiary of such company to submit reports under oath to keep the Board informed as to—

''(i) its financial condition, systems for monitoring and controlling financial and operating risks, and transactions with depository institution subsidiaries of the holding company; and

''(ii) compliance by the company or subsidiary with applicable provisions of this Act.

''(B) USE OF EXISTING REPORTS.—

''(i) IN GENERAL.—The Board shall, to the fullest extent possible, accept reports in fulfillment of the Board's reporting requirements under this paragraph that a bank holding company or any subsidiary of such company has provided or been required to provide to other Federal and State supervisors or to appropriate self-regulatory organizations.

''(ii) AVAILABILITY.—A bank holding company or a subsidiary of such company shall provide to the Board, at the request of the Board, a report referred to in clause (i).

''(iii) REQUIRED USE OF PUBLICLY REPORTED INFORMATION.—The Board shall, to the fullest extent possible, accept in fulfillment of any reporting or recordkeeping requirements under this Act information that is otherwise required to be reported publicly and externally audited financial statements.

''(iv) REPORTS FILED WITH OTHER AGENCIES.—In the event the Board requires a report from a functionally regulated nondepository institution subsidiary of a bank holding company of a kind that is not required by another Federal or State regulator or appropriate self-regulatory organization, the Board shall request that the appropriate regulator or self-regulatory organization obtain such report. If the report is not made available to the Board, and the report is necessary to assess a material risk to the bank holding company or its subsidiary depository institution or compliance with this Act, the Board may require such subsidiary to provide such a report to the Board.

''(C) DEFINITION.—For purposes of this subsection, the term 'functionally regulated nondepository institution' means—

''(i) a broker or dealer registered under the Securities Exchange Act of 1934;

''(ii) an investment adviser registered under the Investment Advisers Act of 1940, with respect to the investment advisory activities of such investment adviser and activities incidental to such investment advisory activities;

''(iii) an insurance company subject to supervision by a State insurance commission, agency, or similar authority; and

''(iv) an entity subject to regulation by the Commodity Futures Trading Commission, with respect to the commodities activities of such entity and activities incidental to such commodities activities.

''(2) EXAMINATIONS.—

''(A) EXAMINATION AUTHORITY.—

''(i) IN GENERAL.—The Board may make examinations of each bank holding company and each subsidiary of a bank holding company.

''(ii) FUNCTIONALLY REGULATED NONDEPOSITORY INSTITUTION SUBSIDIARIES.—Notwithstanding clause (i), the Board may make examinations of a functionally regulated nondepository institution subsidiary of a bank holding company only if—

''(I) the Board has reasonable cause to believe that such subsidiary is engaged in activities that pose a material risk to an affiliated depository institution, or

''(II) based on reports and other available information, the Board has reasonable cause to believe that a subsidiary is not in compliance with this Act or with provisions relating to transactions with an affiliated depository institution and the Board cannot make such determination through examination of the affiliated depository institution or bank holding company.

''(B) LIMITATIONS ON EXAMINATION AUTHORITY FOR BANK HOLDING COMPANIES AND SUBSIDIARIES.—Subject to subparagraph (A)(ii), the Board may make examinations under subparagraph (A)(i) of each bank holding company and each subsidiary of such holding company in order to—

''(i) inform the Board of the nature of the operations and financial condition of the holding company and such subsidiaries;

''(ii) inform the Board of—

''(I) the financial and operational risks within the holding company system that may pose a threat to the safety and soundness of any subsidiary depository institution of such holding company; and

''(II) the systems for monitoring and controlling such risks; and

''(iii) monitor compliance with the provisions of this Act and those governing transactions and relationships between any subsidiary depository institution and its affiliates.

''(C) RESTRICTED FOCUS OF EXAMINATIONS.—The Board shall, to the fullest extent possible, limit the focus and scope of any examination of a bank holding company to—

''(i) the bank holding company; and

''(ii) any subsidiary of the holding company that, because of—

''(I) the size, condition, or activities of the subsidiary;

''(II) the nature or size of transactions between such subsidiary and any depository institution which is also a subsidiary of such holding company; or

''(III) the centralization of functions within the holding company system,

could have a materially adverse effect on the safety and soundness of any depository institution affiliate of the holding company.

''(D) DEFERENCE TO BANK EXAMINATIONS.—The Board shall, to the fullest extent possible, use, for the purposes of this paragraph, the reports of examinations of depository institutions made by the appropriate Federal and State depository institution supervisory authority.

''(E) DEFERENCE TO OTHER EXAMINATIONS.—The Board shall, to the fullest extent possible, address the circumstances which might otherwise permit or require an examination by the Board by forgoing an examination and instead reviewing the reports of examination made of—

''(i) any registered broker or dealer or registered investment adviser by or on behalf of the Securities and Exchange Commission;

''(ii) any licensed insurance company by or on behalf of any state regulatory authority responsible for the supervision of insurance companies; and

''(iii) any other subsidiary that the Board finds to be comprehensively supervised by a Federal or State authority.

''(3) CAPITAL.—

''(A) IN GENERAL.—The Board shall not, by regulation, guideline, order or otherwise, prescribe or impose any capital or capital adequacy rules, guidelines, standards, or requirements on any subsidiary of a financial holding company that is not a depository institution and—

''(i) is in compliance with applicable capital requirements of another Federal regulatory authority (including the Securities and Exchange Commission) or State insurance authority; or

''(ii) is registered as an investment adviser under the Investment Advisers Act of 1940.

''(B) RULE OF CONSTRUCTION.—Subparagraph (A) shall not be construed as preventing the Board from imposing capital or capital adequacy rules, guidelines, standards, or requirements with respect to activities of a registered investment adviser other than investment advisory activities or activities incidental to investment advisory activities.

''(4) TRANSFER OF BOARD AUTHORITY TO APPROPRIATE FEDERAL BANKING AGENCY.—

''(A) IN GENERAL.—In the case of any bank holding company which is not significantly engaged in nonbanking activities, the Board, in consultation with the appropriate Federal banking agency, may designate the appropriate Federal banking agency of the lead insured depository institution subsidiary of such holding company as the appropriate Federal banking agency for the bank holding company.

''(B) AUTHORITY TRANSFERRED.—An agency designated by the Board under subparagraph (A) shall have the same authority as the Board under this Act to—

''(i) examine and require reports from the bank holding company and any affiliate of such company (other than a depository institution) under section 5;

''(ii) approve or disapprove applications or transactions under section 3;

''(iii) take actions and impose penalties under subsections (e) and (f) of section 5 and section 8; and

''(iv) take actions regarding the holding company, any affiliate of the holding company (other than a depository institution), or any institution-affiliated party of such company or affiliate under the Federal Deposit Insurance Act and any other statute which the Board may designate.

''(C) AGENCY ORDERS.—Section 9 (of this Act) and section 105 of the Bank Holding Company Act Amendments of 1970 shall apply to orders issued by an agency designated under subparagraph (A) in the same manner such sections apply to orders issued by the Board.

''(5) FUNCTIONAL REGULATION OF SECURITIES AND INSURANCE ACTIVITIES.—The Board shall defer to—

''(A) the Securities and Exchange Commission with regard to all interpretations of, and the enforcement of, applicable Federal securities laws relating to the activities, conduct, and operations of registered brokers, dealers, investment advisers, and investment companies; and

''(B) the relevant State insurance authorities with regard to all interpretations of, and the enforcement of, applicable State insurance laws relating to the activities, conduct, and operations of insurance companies and insurance agents.''.

SEC. 112. ELIMINATION OF APPLICATION REQUIREMENT FOR FINANCIAL HOLDING COMPANIES.

(a) PREVENTION OF DUPLICATIVE FILINGS.—Section 5(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1844(a)) is amended by adding the following new sentence at the end: ''A declaration filed in accordance with section 6(b)(1)(E) shall satisfy the requirements of this subsection with regard to the registration of a bank holding company but not any requirement to file an application to acquire a bank pursuant to section 3.''.

(b) DIVESTITURE PROCEDURES.—Section 5(e)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1844(e)(1)) is amended—

(1) by striking ''Financial Institutions Supervisory Act of 1966, order'' and inserting ''Financial Institutions Supervisory Act of 1966, at the election of the bank holding company—

''(A) order''; and

(2) by striking ''shareholders of the bank holding company. Such distribution'' and inserting ''shareholders of the bank holding company; or

''(B) order the bank holding company, after due notice and opportunity for hearing, and after consultation with the bank's primary supervisor, which shall be the Comptroller of the Currency in the case of a national bank, and the Federal Deposit Insurance Corporation and the appropriate State supervisor in the case of an insured nonmember bank, to terminate (within 120 days or such longer period as the Board may direct) the ownership or control of any such bank by such company.

''The distribution referred to in subparagraph (A)''.

SEC. 113. AUTHORITY OF STATE INSURANCE REGULATOR AND SECURITIES AND EXCHANGE COMMISSION.

Section 5 of the Bank Holding Company Act of 1956 (12 U.S.C. 1844) is amended by adding at the end the following new subsection:

''(g) AUTHORITY OF STATE INSURANCE REGULATOR AND THE SECURITIES AND EXCHANGE COMMISSION.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, any regulation, order, or other action of the Board which requires a bank holding company to provide funds or other assets to a subsidiary insured depository institution shall not be effective nor enforceable if—

''(A) such funds or assets are to be provided by—

''(i) a bank holding company that is an insurance company or is a broker or dealer registered under the Securities Exchange Act of 1934; or

''(ii) an affiliate of the depository institution which is an insurance company or a broker or dealer registered under such Act; and

''(B) the State insurance authority for the insurance company or the Securities and Exchange Commission for the registered broker or dealer, as the case may be, determines in writing sent to the holding company and the Board that the holding company shall not provide such funds or assets because such action would have a material adverse effect on the financial condition of the insurance company or the broker or dealer, as the case may be.

''(2) NOTICE TO STATE INSURANCE AUTHORITY OR SEC REQUIRED.—If the Board requires a bank holding company, or an affiliate of a bank holding company, which is an insurance company or a broker or dealer described in paragraph (1)(A) to provide funds or assets to an insured depository institution subsidiary of the holding company pursuant to any regulation, order, or other action of the Board referred to in paragraph (1), the Board shall promptly notify the State insurance authority for the insurance company or the Securities and Exchange Commission, as the case may be, of such requirement.

''(3) DIVESTITURE IN LIEU OF OTHER ACTION.—If the Board receives a notice described in paragraph (1)(B) from a State insurance authority or the Securities and Exchange Commission with regard to a bank holding company or affiliate referred to in such paragraph, the Board may order the bank holding company to divest the insured depository institution within 180 days of receiving notice or such longer period as the Board determines consistent with the safe and sound operation of the insured depository institution.

''(4) CONDITIONS BEFORE DIVESTITURE.—During the period beginning on the date an order to divest is issued by the Board under paragraph (3) to a bank holding company and ending on the date the divestiture is completed, the Board may impose any conditions or restrictions on the holding company's ownership or operation of the insured depository institution, including restricting or prohibiting transactions between the insured depository institution and any affiliate of the institution, as are appropriate under the circumstances.''.

SEC. 114. PRUDENTIAL SAFEGUARDS.

Section 5 of the Bank Holding Company Act of 1956 (12 U.S.C. 1844) is amended by inserting after subsection (g) (as added by section 113 of this subtitle) the following new subsection:

''(h) PRUDENTIAL SAFEGUARDS.—

''(1) IN GENERAL.—The Board may, by regulation or order, impose restrictions or requirements on relationships or transactions between a depository institution subsidiary of a bank holding company and any affiliate of such depository institution (other than a subsidiary of such institution) which the Board finds is consistent with the public interest, the purposes of this Act, the Financial Services Act of 1998, the Federal Reserve Act, and other Federal law applicable to depository institution subsidiaries of bank holding companies and the standards in paragraph (2).

''(2) STANDARDS.—The Board may exercise authority under paragraph (1) if the Board finds that such action will have any of the following effects:

''(A) Avoid any significant risk to the safety and soundness of depository institutions or any Federal deposit insurance fund.

''(B) Enhance the financial stability of bank holding companies.

''(C) Avoid conflicts of interest or other abuses.

''(D) Enhance the privacy of customers of depository institutions.

''(E) Promote the application of national treatment and equality of competitive opportunity between nonbank affiliates owned or controlled by domestic bank holding companies and nonbank affiliates owned or controlled by foreign banks operating in the United States.

''(3) REVIEW.—The Board shall regularly—

''(A) review all restrictions or requirements established pursuant to paragraph (1) to determine whether there is a continuing need for any such restriction or requirement to carry out the purposes of the Act, including any purpose described in paragraph (2); and

''(B) modify or eliminate any restriction or requirement the Board finds is no longer required for such purposes.''.

SEC. 115. EXAMINATION OF INVESTMENT COMPANIES.

(a) EXCLUSIVE COMMISSION AUTHORITY.—

(1) IN GENERAL.—The Commission shall be the sole Federal agency with authority to inspect and examine any registered investment company that is not a bank holding company.

(2) PROHIBITION ON BANKING AGENCIES.—A Federal banking agency may not inspect or examine any registered investment company that is not a bank holding company.

(b) EXAMINATION RESULTS AND OTHER INFORMATION.—The Commission shall provide to any Federal banking agency, upon request, the results of any examination, reports, records, or other information with respect to any registered investment company to the extent necessary for the agency to carry out its statutory responsibilities.

(c) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) BANK HOLDING COMPANY.—The term ''bank holding company'' has the meaning given to such term in section 2 of the Bank Holding Company Act of 1956.

(2) COMMISSION.—The term ''Commission'' means the Securities and Exchange Commission.

(3) FEDERAL BANKING AGENCY.—The term ''Federal banking agency'' has the meaning given to such term in section 3(z) of the Federal Deposit Insurance Act.

(4) REGISTERED INVESTMENT COMPANY.—The term ''registered investment company'' means an investment company which is registered with the Commission under the Investment Company Act of 1940.

SEC. 116. LIMITATION ON RULEMAKING, PRUDENTIAL, SUPERVISORY, AND ENFORCEMENT AUTHORITY OF THE BOARD.

The Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.) is amended by inserting after section 10 the following new section:

''SEC. 10A. LIMITATION ON RULEMAKING, PRUDENTIAL, SUPERVISORY, AND ENFORCEMENT AUTHORITY OF THE BOARD.

''(a) LIMITATION ON DIRECT ACTION.—

''(1) IN GENERAL.—The Board may not prescribe regulations, issue or seek entry of orders, impose restraints, restrictions, guidelines, requirements, safeguards, or standards, or otherwise take any action under or pursuant to any provision of this Act or section 8 of the Federal Deposit Insurance Act against or with respect to a regulated subsidiary of a bank holding company unless the action is necessary to prevent or redress an unsafe or unsound practice or breach of fiduciary duty by such subsidiary that poses a material risk to—

''(A) the financial safety, soundness, or stability of an affiliated depository institution; or

''(B) the domestic or international payment system.

''(2) CRITERIA FOR BOARD ACTION.—The Board shall not take action otherwise permitted under paragraph (1) unless the Board finds that it is not reasonably possible to effectively protect against the material risk at issue through action directed at or against the affiliated depository institution or against depository institutions generally.

''(b) LIMITATION ON INDIRECT ACTION.—The Board may not prescribe regulations, issue or seek entry of orders, impose restraints, restrictions, guidelines, requirements, safeguards, or standards, or otherwise take any

action under or pursuant to any provision of this Act or section 8 of the Federal Deposit Insurance Act against or with respect to a financial holding company or a wholesale financial holding company where the purpose or effect of doing so would be to take action indirectly against or with respect to a regulated subsidiary that may not be taken directly against or with respect to such subsidiary in accordance with subsection (a).

''(c) ACTIONS SPECIFICALLY AUTHORIZED.—Notwithstanding subsection (a), the Board may take action under this Act or section 8 of the Federal Deposit Insurance Act to enforce compliance by a regulated subsidiary with Federal law that the Board has specific jurisdiction to enforce against such subsidiary.

''(d) REGULATED SUBSIDIARY DEFINED.—For purposes of this section, the term 'regulated subsidiary' means any company that is not a bank holding company and is—

''(1) a broker or dealer registered under the Securities Exchange Act of 1934;

''(2) an investment adviser registered under the Investment Advisers Act of 1940, with respect to the investment advisory activities of such investment adviser and activities incidental to such investment advisory activities;

''(3) an investment company registered under the Investment Company Act of 1940;

''(4) an insurance company or an insurance agency subject to supervision by a State insurance commission, agency, or similar authority; or

''(5) an entity subject to regulation by the Commodity Futures Trading Commission, with respect to the commodities activities of such entity and activities incidental to such commodities activities.''.

Subtitle C—Subsidiaries of National Banks

SEC. 121. PERMISSIBLE ACTIVITIES FOR SUBSIDIARIES OF NATIONAL BANKS.

(a) FINANCIAL SUBSIDIARIES OF NATIONAL BANKS.—Chapter one of title LXII of the Revised Statutes of United States (12 U.S.C. 21 et seq.) is amended—

(1) by redesignating section 5136A as section 5136C; and

(2) by inserting after section 5136 (12 U.S.C. 24) the following new section:

''SEC. 5136A. SUBSIDIARIES OF NATIONAL BANKS.

''(a) SUBSIDIARIES OF NATIONAL BANKS AUTHORIZED TO ENGAGE IN FINANCIAL ACTIVITIES.—

''(1) EXCLUSIVE AUTHORITY.—No provision of section 5136 or any other provision of this title LXII of the Revised Statutes shall be construed as authorizing a subsidiary of a national bank to engage in, or own any share of or any other interest in any company engaged in, any activity that—

''(A) is not permissible for a national bank to engage in directly; or

''(B) is conducted under terms or conditions other than those that would govern the conduct of such activity by a national bank,

unless a national bank is specifically authorized by the express terms of a Federal statute and not by implication or interpretation to acquire shares of or an interest in, or to control, such subsidiary, such as by paragraph (2) of this subsection and section 25A of the Federal Reserve Act.

''(2) SPECIFIC AUTHORIZATION TO CONDUCT AGENCY ACTIVITIES WHICH ARE FINANCIAL IN NATURE.—A national bank may control a company that engages in agency activities that have been determined to be financial in nature or incidental to such financial activities pursuant to and in accordance with section 6(c) of the Bank Holding Company Act of 1956 if—

''(A) the company engages in such activities solely as agent and not directly or indirectly as principal,

''(B) the national bank is well capitalized and well managed, and has achieved a rating of satisfactory or better at the most recent examination of the bank under the Community Reinvestment Act of 1977;

''(C) all depository institution affiliates of the national bank are well capitalized and well managed, and have achieved a rating of satisfactory or better at the most recent examination of each such depository institution under the Community Reinvestment Act of 1977; and

''(D) the bank has received the approval of the Comptroller of the Currency.

''(3) DEFINITIONS.—

''(A) COMPANY; CONTROL; SUBSIDIARY.—The terms 'company', 'control', and 'subsidiary' have the meanings given to such terms in section 2 of the Bank Holding Company Act of 1956.

''(B) WELL CAPITALIZED.—The term 'well capitalized' has the same meaning as in section 38 of the Federal Deposit Insurance Act and, for purposes of this section, the Comptroller shall have exclusive jurisdiction to determine whether a national bank is well capitalized.

''(C) WELL MANAGED.—The term 'well managed' means—

''(i) in the case of a bank that has been examined, unless otherwise determined in writing by the Comptroller—

''(I) the achievement of a composite rating of 1 or 2 under the Uniform Financial Institutions Rating System (or an equivalent rating under an equivalent rating system) in connection with the most recent examination or subsequent review of the bank; and

''(II) at least a rating of 2 for management, if that rating is given; or

''(ii) in the case of any national bank that has not been examined, the existence and use of managerial resources that the Comptroller determines are satisfactory.

''(b) LIMITED EXCLUSIONS FROM COMMUNITY NEEDS REQUIREMENTS FOR NEWLY ACQUIRED DEPOSITORY INSTITUTIONS.—Any depository institution which becomes affiliated with a national bank during the 24-month period preceding the submission of an application to acquire a subsidiary under subsection (a)(2), and any depository institution which becomes so affiliated after the approval of such application, may be excluded for purposes of subsection (a)(2)(B) during the 24-month period beginning on the date of such acquisition if—

''(1) the depository institution has submitted an affirmative plan to the appropriate Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act) to take such action as may be necessary in order for such institution to achieve a 'satisfactory record of meeting community credit needs', or better, at the next examination of the institution under the Community Reinvestment Act of 1977; and

''(2) the plan has been approved by the appropriate Federal banking agency.''.

(b) LIMITATION ON CERTAIN ACTIVITIES IN SUBSIDIARIES.—Section 21(a)(1) of the Banking Act of 1933 (12 U.S.C. 378(a)(1)) is amended—

(1) by inserting '', or to be a subsidiary of any person, firm, corporation, association, business trust, or similar organization engaged (unless such subsidiary (A) was engaged in such securities activities as of September 15, 1997, or (B) is a nondepository subsidiary of a foreign bank and is not also a subsidiary of a domestic depository institution),'' after ''to engage at the same time''; and

(2) by inserting ''or any subsidiary of such bank, company, or institution'' after ''or private bankers''.

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) ANTITYING.—Section 106(a) of the Bank Holding Company Act Amendments of 1970 is amended by adding at the end the following new sentence: ''For purposes of this section, a subsidiary of a national bank which engages in activities as an agent pursuant to section 5136A(a)(2) shall be deemed to be a subsidiary of a bank holding company, and not a subsidiary of a bank.''.

(2) SECTION 23B.—Section 23B(a) of the Federal Reserve Act (12 U.S.C. 371c–1(a)) is amended by adding at the end the following new paragraph:

''(4) SUBSIDIARY OF NATIONAL BANK.—For purposes of this section, a subsidiary of a national bank which engages in activities as an agent pursuant to section 5136A(a)(2) shall be deemed to be an affiliate of the national bank and not a subsidiary of the bank.''

(d) CLERICAL AMENDMENT.—The table of sections for chapter one of title LXII of the Revised Statutes of the United States is amended—

(1) by redesignating the item relating to section 5136A as section 5136C; and

(2) by inserting after the item relating to section 5136 the following new item:

''5136A. Financial subsidiaries of national banks.''.

SEC. 122. MISREPRESENTATIONS REGARDING DEPOSITORY INSTITUTION LIABILITY FOR OBLIGATIONS OF AFFILIATES.

(a) IN GENERAL.—Chapter 47 of title 18, United States Code, is amended by inserting after section 1007 the following new section:

''§ 1008. Misrepresentations regarding financial institution liability for obligations of affiliates

''(a) IN GENERAL.—No institution-affiliated party of an insured depository institution or institution-affiliated party of a subsidiary or affiliate of an insured depository institution shall fraudulently represent that the institution is or will be liable for any obligation of a subsidiary or other affiliate of the institution.

''(b) CRIMINAL PENALTY.—Whoever violates subsection (a) shall be fined under this title, imprisoned for not more than 1 year, or both.

''(c) INSTITUTION-AFFILIATED PARTY DEFINED.—For purposes of this section, the term 'institution-affiliated party' with respect to a subsidiary or affiliate has the same meaning as in section 3 except references to an insured depository institution shall be deemed to be references to a subsidiary or affiliate of an insured depository institution.

''(d) OTHER DEFINITIONS.—For purposes of this section, the terms 'affiliate', 'insured depository institution', and 'subsidiary' have same meanings as in section 3 of the Federal Deposit Insurance Act.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 47 of title 18, United States Code, is amended by inserting after the item relating to section 1007 the following new item:

''1008. Misrepresentations regarding financial institution liability for obligations of affiliates.''.

SEC. 123. REPEAL OF STOCK LOAN LIMIT IN FEDERAL RESERVE ACT.

Section 11 of the Federal Reserve Act (12 U.S.C. 248) is amended by striking the paragraph designated as ''(m)'' and inserting ''(m) [Repealed]''.

Subtitle D—Wholesale Financial Holding Companies; Wholesale Financial Institutions

CHAPTER 1—WHOLESALE FINANCIAL HOLDING COMPANIES

SEC. 131. WHOLESALE FINANCIAL HOLDING COMPANIES ESTABLISHED.

(a) DEFINITION AND SUPERVISION.—Section 10 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.) is amended to read as follows:

"SEC. 10. WHOLESALE FINANCIAL HOLDING COMPANIES.

''(a) COMPANIES THAT CONTROL WHOLESALE FINANCIAL INSTITUTIONS.—

''(1) WHOLESALE FINANCIAL HOLDING COMPANY DEFINED.—The term 'wholesale financial holding company' means any company that—

''(A) is registered as a bank holding company;

''(B) is predominantly engaged in financial activities as defined in section 6(g)(2);

''(C) controls 1 or more wholesale financial institutions;

''(D) does not control—

''(i) a bank other than a wholesale financial institution;

''(ii) an insured bank other than an institution permitted under subparagraph (D), (F), or (G) of section 2(c)(2); or

''(iii) a savings association; and

''(E) is not a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978).

''(2) SAVINGS ASSOCIATION TRANSITION PERIOD.—Notwithstanding paragraph (1)(C)(iii), the Board may permit a company that controls a savings association and that otherwise meets the requirements of paragraph (1) to become supervised under paragraph (1), if the company divests control of any such savings association within such period not to exceed 5 years after becoming supervised under paragraph (1) as permitted by the Board.

''(b) SUPERVISION BY THE BOARD.—

''(1) IN GENERAL.—The provisions of this section shall govern the reporting, examination, and capital requirements of wholesale financial holding companies.

''(2) REPORTS.—

''(A) IN GENERAL.—The Board from time to time may require any wholesale financial holding company and any subsidiary of such company to submit reports under oath to keep the Board informed as to—

''(i) the company's or subsidiary's activities, financial condition, policies, systems for monitoring and controlling financial and operational risks, and transactions with depository institution subsidiaries of the holding company; and

''(ii) the extent to which the company or subsidiary has complied with the provisions of this Act and regulations prescribed and orders issued under this Act.

''(B) USE OF EXISTING REPORTS.—

''(i) IN GENERAL.—The Board shall, to the fullest extent possible, accept reports in fulfillment of the Board's reporting requirements under this paragraph that the wholesale financial holding company or any subsidiary of such company has provided or been required to provide to other Federal and State supervisors or to appropriate self-regulatory organizations.

''(ii) AVAILABILITY.—A wholesale financial holding company or a subsidiary of such company shall provide to the Board, at the request of the Board, a report referred to in clause (i).

''(C) EXEMPTIONS FROM REPORTING REQUIREMENTS.—

''(i) IN GENERAL.—The Board may, by regulation or order, exempt any company or class of companies, under such terms and conditions and for such periods as the Board shall provide in such regulation or order, from the provisions of this paragraph and any regulation prescribed under this paragraph.

''(ii) CRITERIA FOR CONSIDERATION.—In making any determination under clause (i) with regard to any exemption under such clause, the Board shall consider, among such other factors as the Board may determine to be appropriate, the following factors:

''(I) Whether information of the type required under this paragraph is available from a supervisory agency (as defined in section 1101(7) of the Right to Financial Privacy Act of 1978) or a foreign regulatory authority of a similar type.

''(II) The primary business of the company.

''(III) The nature and extent of the domestic and foreign regulation of the activities of the company.

''(3) EXAMINATIONS.—

''(A) LIMITED USE OF EXAMINATION AUTHORITY.—The Board may make examinations of each wholesale financial holding company and each subsidiary of such company in order to—

''(i) inform the Board regarding the nature of the operations and financial condition of the wholesale financial holding company and its subsidiaries;

''(ii) inform the Board regarding—

''(I) the financial and operational risks within the wholesale financial holding company system that may affect any depository institution owned by such holding company; and

''(II) the systems of the holding company and its subsidiaries for monitoring and controlling those risks; and

''(iii) monitor compliance with the provisions of this Act and those governing transactions and relationships between any depository institution controlled by the wholesale financial holding company and any of the company's other subsidiaries.

''(B) RESTRICTED FOCUS OF EXAMINATIONS.—The Board shall, to the fullest extent possible, limit the focus and scope of any examination of a wholesale financial holding company under this paragraph to—

''(i) the holding company; and

''(ii) any subsidiary (other than an insured depository institution subsidiary) of the holding company that, because of the size, condition, or activities of the subsidiary, the nature or size of transactions between such subsidiary and any affiliated depository institution, or the centralization of functions within the holding company system, could have a materially adverse effect on the safety and soundness of any depository institution affiliate of the holding company.

''(C) DEFERENCE TO BANK EXAMINATIONS.—The Board shall, to the fullest extent possible, use the reports of examination of depository institutions made by the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Director of the Office of Thrift Supervision or the appropriate State depository institution supervisory authority for the purposes of this section.

''(D) DEFERENCE TO OTHER EXAMINATIONS.—The Board shall, to the fullest extent possible, address the circumstances which might otherwise permit or require an examination by the Board by forgoing an examination and by instead reviewing the reports of examination made of—

''(i) any registered broker or dealer or any registered investment adviser by or on behalf of the Commission; and

''(ii) any licensed insurance company by or on behalf of any State government insurance agency responsible for the supervision of the insurance company.

''(E) CONFIDENTIALITY OF REPORTED INFORMATION.—

''(i) IN GENERAL.—Notwithstanding any other provision of law, the Board shall not be compelled to disclose any nonpublic information required to be reported under this paragraph, or any information supplied to the Board by any domestic or foreign regulatory agency, that relates to the financial or operational condition of any wholesale financial holding company or any subsidiary of such company.

''(ii) COMPLIANCE WITH REQUESTS FOR INFORMATION.—No provision of this subparagraph shall be construed as authorizing the Board to withhold information from the Congress, or preventing the Board from complying with a request for information from any other Federal department or agency for purposes within the scope of such department's or agency's jurisdiction, or from complying with any order of a court of competent jurisdiction in an action brought by the United States or the Board.

''(iii) COORDINATION WITH OTHER LAW.—For purposes of section 552 of title 5, United States Code, this subparagraph shall be considered to be a statute described in subsection (b)(3)(B) of such section.

''(iv) DESIGNATION OF CONFIDENTIAL INFORMATION.—In prescribing regulations to carry out the requirements of this subsection, the Board shall designate information described in or obtained pursuant to this paragraph as confidential information.

''(F) COSTS.—The cost of any examination conducted by the Board under this section may be assessed against, and made payable by, the wholesale financial holding company.

''(4) CAPITAL ADEQUACY GUIDELINES.—

''(A) CAPITAL ADEQUACY PROVISIONS.—Subject to the requirements of, and solely in accordance with, the terms of this paragraph, the Board may adopt capital adequacy rules or guidelines for wholesale financial holding companies.

''(B) METHOD OF CALCULATION.—In developing rules or guidelines under this paragraph, the following provisions shall apply:

''(i) FOCUS ON DOUBLE LEVERAGE.—The Board shall focus on the use by wholesale financial holding companies of debt and other liabilities to fund capital investments in subsidiaries.

''(ii) NO UNWEIGHTED CAPITAL RATIO.—The Board shall not, by regulation, guideline, order, or otherwise, impose under this section a capital ratio that is not based on appropriate risk-weighting considerations.

''(iii) NO CAPITAL REQUIREMENT ON REGULATED ENTITIES.—The Board shall not, by regulation, guideline, order or otherwise, prescribe or impose any capital or capital adequacy rules, standards, guidelines, or requirements upon any subsidiary that—

''(I) is not a depository institution; and

''(II) is in compliance with applicable capital requirements of another Federal regulatory authority (including the Securities and Exchange Commission) or State insurance authority.

''(iv) LIMITATION.—The Board shall not, by regulation, guideline, order or otherwise, prescribe or impose any capital or capital adequacy rules, standards, guidelines, or requirements upon any subsidiary that is not a depository institution and that is registered as an investment adviser under the Investment Advisers Act of 1940, except that this clause shall not be construed as preventing the Board from imposing capital or capital adequacy rules, guidelines, standards, or requirements with respect to activities of a registered investment adviser other than investment advisory activities or activities incidental to investment advisory activities.

''(v) APPROPRIATE EXCLUSIONS.—The Board shall take full account of—

''(I) the capital requirements made applicable to any subsidiary that is not a depository institution by another Federal regulatory authority or State insurance authority; and

''(II) industry norms for capitalization of a company's unregulated subsidiaries and activities.

''(vi) INTERNAL RISK MANAGEMENT MODELS.—The Board may incorporate internal risk management models of wholesale financial holding companies into its capital adequacy guidelines or rules and may take account of the extent to which resources of a subsidiary depository institution may be

used to service the debt or other liabilities of the wholesale financial holding company.

''(c) NONFINANCIAL ACTIVITIES AND INVESTMENTS.—

''(1) AUTHORITY FOR LIMITED AMOUNTS OF NEW ACTIVITIES AND INVESTMENTS.—

''(A) IN GENERAL.—Notwithstanding section 4(a), a wholesale financial holding company may engage in activities which are not (or have not been determined to be) financial in nature or incidental to activities which are financial in nature, or acquire and retain ownership and control of the shares of a company engaged in such activities if—

''(i) the aggregate annual gross revenues derived from all such activities and of all such companies does not exceed 5 percent of the consolidated annual gross revenues of the wholesale financial holding company or, in the case of a foreign bank or any company that owns or controls a foreign bank, the aggregate annual gross revenues derived from any such activities in the United States does not exceed 5 percent of the consolidated annual gross revenues of the foreign bank or company in the United States derived from any branch, agency, commercial lending company, or depository institution controlled by the foreign bank or company and any subsidiary engaged in the United States in activities permissible under section 4 or 6 or this subsection;

''(ii) the consolidated total assets of any company the shares of which are acquired pursuant to this subsection are less than $750,000,000 at the time the shares are acquired by the wholesale financial holding company; and

''(iii) such company provides notice to the Board within 30 days of commencing the activity or acquiring the ownership or control.

''(B) INCLUSION OF GRANDFATHERED ACTIVITIES.—For purposes of determining compliance with the limits contained in subparagraph (A), the gross revenues derived from all activities conducted and companies the shares of which are held under paragraph (2) shall be considered to be derived or held under this paragraph.

''(C) REPORT.—No later than 5 years after the date of enactment of the Financial Services Act of 1998, the Board shall submit to the Congress a report regarding the activities conducted and companies held pursuant to this paragraph and the effect, if any, that affiliations permitted under this paragraph have had on affiliated depository institutions. The report shall include recommendations regarding the appropriateness of retaining, increasing, or decreasing the limits contained in those provisions.

''(2) GRANDFATHERED ACTIVITIES.—

''(A) IN GENERAL.—Notwithstanding paragraph (1)(A) and section 4(a), a company that becomes a wholesale financial holding company may continue to engage, directly or indirectly, in any activity and may retain ownership and control of shares of a company engaged in any activity if—

''(i) on the date of the enactment of the Financial Services Act of 1998, such wholesale financial holding company was lawfully engaged in that nonfinancial activity, held the shares of such company, or had entered into a contract to acquire shares of any company engaged in such activity; and

''(ii) the company engaged in such activity continues to engage only in the same activities that such company conducted on the date of the enactment of the Financial Services Act of 1998, and other activities permissible under this Act.

''(B) NO EXPANSION OF GRANDFATHERED COMMERCIAL ACTIVITIES THROUGH MERGER OR CONSOLIDATION.—A wholesale financial holding company that engages in activities or holds shares pursuant to this paragraph, or a subsidiary of such wholesale financial holding company, may not acquire, in any merger, consolidation, or other type of business combination, assets of any other company which is engaged in any activity which the Board has not determined to be financial in nature or incidental to activities that are financial in nature under section 6(c).

''(C) LIMITATION TO SINGLE EXEMPTION.—No company that engages in any activity or controls any shares under subsection (f) or (g) of section 6 may engage in any activity or own any shares pursuant to this paragraph or paragraph (1).

''(3) COMMODITIES.—

''(A) IN GENERAL.—Notwithstanding section 4(a), a wholesale financial holding company which was predominately engaged as of January 1, 1997, in financial activities in the United States (or any successor to any such company) may engage in, or directly or indirectly own or control shares of a company engaged in, activities related to the trading, sale, or investment in commodities and underlying physical properties that were not permissible for bank holding companies to conduct in the United States as of January 1, 1997, if such wholesale financial holding company, or any subsidiary of such holding company, was engaged directly, indirectly, or through any such company in any of such activities as of January 1, 1997, in the United States.

''(B) LIMITATION.—Notwithstanding paragraph (1)(A)(i), the attributed aggregate consolidated assets of a wholesale financial holding company held under the authority granted under this paragraph and not otherwise permitted to be held by all wholesale financial holding companies under this section may not exceed 5 percent of the total consolidated assets of the wholesale financial holding company, except that the Board may increase such percentage of total consolidated assets by such amounts and under such circumstances as the Board considers appropriate, consistent with the purposes of this Act.

''(4) CROSS MARKETING RESTRICTIONS.—A wholesale financial holding company shall not permit—

''(A) any company whose shares it owns or controls pursuant to paragraph (1), (2), or (3) to offer or market any product or service of an affiliated wholesale financial institution; or

''(B) any affiliated wholesale financial institution to offer or market any product or service of any company whose shares are owned or controlled by such wholesale financial holding company pursuant to such paragraphs.

''(d) QUALIFICATION OF FOREIGN BANK AS WHOLESALE FINANCIAL HOLDING COMPANY.—

''(1) IN GENERAL.—Any foreign bank, or any company that owns or controls a foreign bank, that—

''(A) operates a branch, agency, or commercial lending company in the United States, including a foreign bank or company that owns or controls a wholesale financial institution; and

''(B) owns, controls, or is affiliated with a security affiliate that engages in underwriting corporate equity securities,

may request a determination from the Board that such bank or company be treated as a wholesale financial holding company for purposes of subsection (c).

''(2) CONDITIONS FOR TREATMENT AS A WHOLESALE FINANCIAL HOLDING COMPANY.—A foreign bank and a company that owns or controls a foreign bank may not be treated as a wholesale financial holding company unless the bank and company meet and continue to meet the following criteria:

''(A) NO INSURED DEPOSITS.—No deposits held directly by a foreign bank or through an affiliate (other than an institution described in subparagraph (D) or (F) of section 2(c)(2)) are insured under the Federal Deposit Insurance Act.

''(B) CAPITAL STANDARDS.—The foreign bank meets risk-based capital standards comparable to the capital standards required for a wholesale financial institution, giving due regard to the principle of national treatment and equality of competitive opportunity.

''(C) TRANSACTION WITH AFFILIATES.—Transactions between a branch, agency, or commercial lending company subsidiary of the foreign bank in the United States, and any securities affiliate or company in which the foreign bank (or any company that owns or controls such foreign bank) has invested pursuant to subsection (d) comply with the provisions of sections 23A and 23B of the Federal Reserve Act in the same manner and to the same extent as such transactions would be required to comply with such sections if the bank were a member bank.

''(3) TREATMENT AS A WHOLESALE FINANCIAL INSTITUTION.—Any foreign bank which is, or is affiliated with a company which is, treated as a wholesale financial holding company under this subsection shall be treated as a wholesale financial institution for purposes of subsection (c)(4) of this section and subsections (c)(1)(C) and (c)(3) of section 9B of the Federal Reserve Act, and any such foreign bank or company shall be subject to paragraphs (3), (4), and (5) of section 9B(d) of the Federal Reserve Act, except that the Board may adopt such modifications, conditions, or exemptions as the Board deems appropriate, giving due regard to the principle of national treatment and equality of competitive opportunity.

''(4) NONAPPLICABILITY OF OTHER EXEMPTION.—Any foreign bank or company which is treated as a wholesale financial holding company under this subsection shall not be eligible for any exception described in section 2(h).

''(5) SUPERVISION OF FOREIGN BANK WHICH MAINTAINS NO BANKING PRESENCE OTHER THAN CONTROL OF A WHOLESALE FINANCIAL INSTITUTION.—A foreign bank that owns or controls a wholesale financial institution but does not operate a branch, agency, or commercial lending company in the United States (and any company that owns or controls such foreign bank) may request a determination from the Board that such bank or company be treated as a wholesale financial holding company for purposes of subsection (c), except that such bank or company shall be subject to the restrictions of paragraphs (2)(A), (3), and (4) of this subsection.

''(6) NO EFFECT ON OTHER PROVISIONS.—This section shall not be construed as limiting the authority of the Board under the International Banking Act of 1978 with respect to the regulation, supervision, or examination of foreign banks and their offices and affiliates in the United States.

''(7) APPLICABILITY OF COMMUNITY REINVESTMENT ACT OF 1977.—The branches in the United States of a foreign bank that is, or is affiliated with a company that is, treated as a wholesale financial holding company shall be subject to section 9B(b)(11) of the Federal Reserve Act as if the foreign bank were a wholesale financial institution under such section. The Board and the Comptroller of the Currency shall apply the provisions of sections 803(2), 804, and 807(1) of the Community Reinvestment Act of 1977 to branches of foreign banks which receive only such deposits as are permissible for receipt by a corporation organized under section 25A of the Federal Reserve Act, in the same manner and to the same extent such sections apply to such a corporation.''.

(b) UNINSURED STATE BANKS.—Section 9 of the Federal Reserve Act (U.S.C. 321 et seq.) is amended by adding at the end the following new paragraph:

''(24) ENFORCEMENT AUTHORITY OVER UNINSURED STATE MEMBER BANKS.—Section 3(u) of the Federal Deposit Insurance Act, subsections (j) and (k) of section 7 of such Act, and subsections (b) through (n), (s), (u), and (v) of section 8 of such Act shall apply to an uninsured State member bank in the same manner and to the same extent such provisions apply to an insured State member bank and any reference in any such provision to 'insured depository institution' shall be deemed to be a reference to 'uninsured State member bank' for purposes of this paragraph.''.

SEC. 132. AUTHORIZATION TO RELEASE REPORTS.

(a) FEDERAL RESERVE ACT.—The last sentence of the 8th undesignated paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 326) is amended to read as follows: ''The Board of Governors of the Federal Reserve System, at its discretion, may furnish reports of examination or other confidential supervisory information concerning State member banks or any other entities examined under any other authority of the Board to any Federal or State authorities with supervisory or regulatory authority over the examined entity, to officers, directors, or receivers of the examined entity, and to any other person that the Board determines to be proper.''.

(b) COMMODITY FUTURES TRADING COMMISSION.—

(1) Section 1101(7) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401(7)) is amended—

(A) by redesignating subparagraphs (G) and (H) as subparagraphs (H) and (I), respectively; and

(B) by inserting after subparagraph (F) the following new subparagraph:

''(G) the Commodity Futures Trading Commission; or'' and

(2) Section 1112(e) of the Right to Financial Privacy Act (12 U.S.C. 3412(e)) is amended by striking ''and the Securities and Exchange Commission'' and inserting '', the Securities and Exchange Commission, and the Commodity Futures Trading Commission''.

SEC. 133. CONFORMING AMENDMENTS.

(a) BANK HOLDING COMPANY ACT OF 1956.—

(1) DEFINITIONS.—Section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842) is amended by adding at the end the following new subsections:

''(p) WHOLESALE FINANCIAL INSTITUTION.—The term 'wholesale financial institution' means a wholesale financial institution subject to section 9B of the Federal Reserve Act.

''(q) COMMISSION.—The term 'Commission' means the Securities and Exchange Commission.

''(r) DEPOSITORY INSTITUTION.—The term 'depository institution'—

''(1) has the meaning given to such term in section 3 of the Federal Deposit Insurance Act; and

''(2) includes a wholesale financial institution.''.

(2) DEFINITION OF BANK INCLUDES WHOLESALE FINANCIAL INSTITUTION.—Section 2(c)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(c)(1)) is amended by adding at the end the following new subparagraph:

''(C) A wholesale financial institution.''.

(3) INCORPORATED DEFINITIONS.—Section 2(n) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(n)) is amended by inserting '''insured bank','' after '''in danger of default',''.

(4) EXCEPTION TO DEPOSIT INSURANCE REQUIREMENT.—Section 3(e) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(e)) is amended by adding at the end the following: ''This subsection shall not apply to a wholesale financial institution.''

(b) FEDERAL DEPOSIT INSURANCE ACT.—Section 3(q)(2)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)(2)(A)) is amended to read as follows:

''(A) any State member insured bank (except a District bank) and any wholesale financial institution as authorized pursuant to section 9B of the Federal Reserve Act;''.

CHAPTER 2—WHOLESALE FINANCIAL INSTITUTIONS

SEC. 136. WHOLESALE FINANCIAL INSTITUTIONS.

(a) NATIONAL WHOLESALE FINANCIAL INSTITUTIONS.—

(1) IN GENERAL.—Chapter one of title LXII of the Revised Statutes of the United States (12 U.S.C. 21 et seq.) is amended by inserting after section 5136A (as added by section 121(a) of this title) the following new section:

''SEC. 5136B. NATIONAL WHOLESALE FINANCIAL INSTITUTIONS.

''(a) AUTHORIZATION OF THE COMPTROLLER REQUIRED.—A national bank may apply to the Comptroller on such forms and in accordance with such regulations as the Comptroller may prescribe, for permission to operate as a national wholesale financial institution.

''(b) REGULATION.—A national wholesale financial institution may exercise, in accordance with such institution's articles of incorporation and regulations issued by the Comptroller, all the powers and privileges of a national bank formed in accordance with section 5133 of the Revised Statutes of the United States, subject to section 9B of the Federal Reserve Act and the limitations and restrictions contained therein.

''(c) COMMUNITY REINVESTMENT ACT OF 1977.—A national wholesale financial institution shall be subject to the Community Reinvestment Act of 1977.

''(d) EXAMINATION REPORTS.—The Comptroller of the Currency shall, to the fullest extent possible, use the report of examinations made by the Board of Governors of the Federal Reserve System of a wholesale financial institution.''.

(2) CLERICAL AMENDMENT.—The table of sections for chapter one of title LXII of the Revised Statutes of the United States is amended by inserting after the item relating to section 5136A (as added by section 121(d) of this title) the following new item:

''5136B. National wholesale financial institutions.''.

(b) STATE WHOLESALE FINANCIAL INSTITUTIONS.—The Federal Reserve Act (12 U.S.C. 221 et seq.) is amended by inserting after section 9A the following new section:

''SEC. 9B. WHOLESALE FINANCIAL INSTITUTIONS.

''(a) APPLICATION FOR MEMBERSHIP AS WHOLESALE FINANCIAL INSTITUTION.—

''(1) APPLICATION REQUIRED.—

''(A) IN GENERAL.—Any bank may apply to the Board of Governors of the Federal Reserve System to become a wholesale financial institution and, as a wholesale financial institution, to subscribe to the stock of the Federal reserve bank organized within the district where the applying bank is located.

''(B) TREATMENT AS MEMBER BANK.—Any application under subparagraph (A) shall be treated as an application under, and shall be subject to the provisions of, section 9.

''(2) INSURANCE TERMINATION.—No bank the deposits of which are insured under the Federal Deposit Insurance Act may become a wholesale financial institution unless it has met all requirements under that Act for voluntary termination of deposit insurance.

''(b) GENERAL REQUIREMENTS APPLICABLE TO WHOLESALE FINANCIAL INSTITUTIONS.—

''(1) FEDERAL RESERVE ACT.—Except as otherwise provided in this section, wholesale financial institutions shall be member banks and shall be subject to the provisions of this Act that apply to member banks to the same extent and in the same manner as State member insured banks, except that a wholesale financial institution may terminate membership under this Act only with the prior written approval of the Board and on terms and conditions that the Board determines are appropriate to carry out the purposes of this Act.

''(2) PROMPT CORRECTIVE ACTION.—A wholesale financial institution shall be deemed to be an insured depository institution for purposes of section 38 of the Federal Deposit Insurance Act except that—

''(A) the relevant capital levels and capital measures for each capital category shall be the levels specified by the Board for wholesale financial institutions; and

''(B) all references to the appropriate Federal banking agency or to the Corporation in that section shall be deemed to be references to the Board.

''(3) ENFORCEMENT AUTHORITY.—Subsections (j) and (k) of section 7, subsections (b) through (n), (s), and (v) of section 8, and section 19 of the Federal Deposit Insurance Act shall apply to a wholesale financial institution in the same manner and to the same extent as such provisions apply to State member insured banks and any reference in such sections to an insured depository institution shall be deemed to include a reference to a wholesale financial institution.

''(4) CERTAIN OTHER STATUTES APPLICABLE.—A wholesale financial institution shall be deemed to be a banking institution, and the Board shall be the appropriate Federal banking agency for such bank and all such bank's affiliates, for purposes of the International Lending Supervision Act.

''(5) BANK MERGER ACT.—A wholesale financial institution shall be subject to sections 18(c) and 44 of the Federal Deposit Insurance Act in the same manner and to the same extent the wholesale financial institution would be subject to such sections if the institution were a State member insured bank.

''(6) BRANCHING.—Notwithstanding any other provision of law, a wholesale financial institution may establish and operate a branch at any location on such terms and conditions as established by the Board and, in the case of a State-chartered wholesale financial institution, with the approval of the Board, and, in the case of a national bank wholesale financial institution, with the approval of the Comptroller of the Currency.

''(7) ACTIVITIES OF OUT-OF-STATE BRANCHES OF WHOLESALE FINANCIAL INSTITUTIONS.—

''(A) GENERAL.—A State-chartered wholesale financial institution shall be deemed a State bank and an insured State bank and a national wholesale financial institution shall be deemed a national bank for purposes of paragraphs (1), (2), and (3) of section 24(j) of the Federal Deposit Insurance Act.

''(B) DEFINITIONS.—The following definitions shall apply solely for purposes of applying paragraph (1):

''(i) HOME STATE.—The term 'home State' means—

''(I) with respect to a national wholesale financial institution, the State in which the main office of the institution is located; and

''(II) with respect to a State-chartered wholesale financial institution, the State by which the institution is chartered.

''(ii) HOST STATE.—The term 'host State' means a State, other than the home State of the wholesale financial institution, in which the institution maintains, or seeks to establish and maintain, a branch.

''(iii) OUT-OF-STATE BANK.—The term 'out-of-State bank' means, with respect to any

State, a wholesale financial institution whose home State is another State.

''(8) DISCRIMINATION REGARDING INTEREST RATES.—Section 27 of the Federal Deposit Insurance Act shall apply to State-chartered wholesale financial institutions in the same manner and to the same extent as such provisions apply to State member insured banks and any reference in such section to a State-chartered insured depository institution shall be deemed to include a reference to a State-chartered wholesale financial institution.

''(9) PREEMPTION OF STATE LAWS REQUIRING DEPOSIT INSURANCE FOR WHOLESALE FINANCIAL INSTITUTIONS.—The appropriate State banking authority may grant a charter to a wholesale financial institution notwithstanding any State constitution or statute requiring that the institution obtain insurance of its deposits and any such State constitution or statute is hereby preempted solely for purposes of this paragraph.

''(10) PARITY FOR WHOLESALE FINANCIAL INSTITUTIONS.—A State bank that is a wholesale financial institution under this section shall have all of the rights, powers, privileges, and immunities (including those derived from status as a federally chartered institution) of and as if it were a national bank, subject to such terms and conditions as established by the Board.

''(11) COMMUNITY REINVESTMENT ACT OF 1977.—A State wholesale financial institution shall be subject to the Community Reinvestment Act of 1977.

''(c) SPECIFIC REQUIREMENTS APPLICABLE TO WHOLESALE FINANCIAL INSTITUTIONS.—

''(1) LIMITATIONS ON DEPOSITS.—

''(A) MINIMUM AMOUNT.—

''(i) IN GENERAL.—No wholesale financial institution may receive initial deposits of $100,000 or less, other than on an incidental and occasional basis.

''(ii) LIMITATION ON DEPOSITS OF LESS THAN $100,000.—No wholesale financial institution may receive initial deposits of $100,000 or less if such deposits constitute more than 5 percent of the institution's total deposits.

''(B) NO DEPOSIT INSURANCE.—No deposits held by a wholesale financial institution shall be insured deposits under the Federal Deposit Insurance Act.

''(C) ADVERTISING AND DISCLOSURE.—The Board shall prescribe regulations pertaining to advertising and disclosure by wholesale financial institutions to ensure that each depositor is notified that deposits at the wholesale financial institution are not federally insured or otherwise guaranteed by the United States Government.

''(2) MINIMUM CAPITAL LEVELS APPLICABLE TO WHOLESALE FINANCIAL INSTITUTIONS.—The Board shall, by regulation, adopt capital requirements for wholesale financial institutions—

''(A) to account for the status of wholesale financial institutions as institutions that accept deposits that are not insured under the Federal Deposit Insurance Act; and

''(B) to provide for the safe and sound operation of the wholesale financial institution without undue risk to creditors or other persons, including Federal reserve banks, engaged in transactions with the bank.

''(3) ADDITIONAL REQUIREMENTS APPLICABLE TO WHOLESALE FINANCIAL INSTITUTIONS.—In addition to any requirement otherwise applicable to State member insured banks or applicable, under this section, to wholesale financial institutions, the Board may impose, by regulation or order, upon wholesale financial institutions—

''(A) limitations on transactions, direct or indirect, with affiliates to prevent—

''(i) the transfer of risk to the deposit insurance funds; or

''(ii) an affiliate from gaining access to, or the benefits of, credit from a Federal reserve bank, including overdrafts at a Federal reserve bank;

''(B) special clearing balance requirements; and

''(C) any additional requirements that the Board determines to be appropriate or necessary to—

''(i) promote the safety and soundness of the wholesale financial institution or any insured depository institution affiliate of the wholesale financial institution;

''(ii) prevent the transfer of risk to the deposit insurance funds; or

''(iii) protect creditors and other persons, including Federal reserve banks, engaged in transactions with the wholesale financial institution.

''(4) EXEMPTIONS FOR WHOLESALE FINANCIAL INSTITUTIONS.—The Board may, by regulation or order, exempt any wholesale financial institution from any provision applicable to a member bank that is not a wholesale financial institution, if the Board finds that such exemption is not inconsistent with—

''(A) the promotion of the safety and soundness of the wholesale financial institution or any insured depository institution affiliate of the wholesale financial institution;

''(B) the protection of the deposit insurance funds; and

''(C) the protection of creditors and other persons, including Federal reserve banks, engaged in transactions with the wholesale financial institution.

''(5) LIMITATION ON TRANSACTIONS BETWEEN A WHOLESALE FINANCIAL INSTITUTION AND AN INSURED BANK.—For purposes of section 23A(d)(1) of the Federal Reserve Act, a wholesale financial institution that is affiliated with an insured bank shall not be a bank.

''(6) NO EFFECT ON OTHER PROVISIONS.—This section shall not be construed as limiting the Board's authority over member banks under any other provision of law, or to create any obligation for any Federal reserve bank to make, increase, renew, or extend any advance or discount under this Act to any member bank or other depository institution.

''(d) CAPITAL AND MANAGERIAL REQUIREMENTS.—

''(1) IN GENERAL.—A wholesale financial institution shall be well capitalized and well managed.

''(2) NOTICE TO COMPANY.—The Board shall promptly provide notice to a company that controls a wholesale financial institution whenever such wholesale financial institution is not well capitalized or well managed.

''(3) AGREEMENT TO RESTORE INSTITUTION.—Within 45 days of receipt of a notice under paragraph (2) (or such additional period not to exceed 90 days as the Board may permit), the company shall execute an agreement acceptable to the Board to restore the wholesale financial institution to compliance with all of the requirements of paragraph (1).

''(4) LIMITATIONS UNTIL INSTITUTION RESTORED.—Until the wholesale financial institution is restored to compliance with all of the requirements of paragraph (1), the Board may impose such limitations on the conduct or activities of the company or any affiliate of the company as the Board determines to be appropriate under the circumstances.

''(5) FAILURE TO RESTORE.—If the company does not execute and implement an agreement in accordance with paragraph (3), comply with any limitation imposed under paragraph (4), restore the wholesale financial institution to well capitalized status within 180 days after receipt by the company of the notice described in paragraph (2), or restore the wholesale financial institution to well managed status within such period as the Board may permit, the company shall, under such terms and conditions as may be imposed by the Board and subject to such extension of time as may be granted in the Board's discretion, divest control of its subsidiary depository institutions.

''(6) WELL MANAGED DEFINED.—For purposes of this subsection, the term 'well managed' has the same meaning as in section 2 of the Bank Holding Company Act of 1956.

''(e) CONSERVATORSHIP AUTHORITY.—

''(1) IN GENERAL.—The Board may appoint a conservator to take possession and control of a wholesale financial institution to the same extent and in the same manner as the Comptroller of the Currency may appoint a conservator for a national bank under section 203 of the Bank Conservation Act, and the conservator shall exercise the same powers, functions, and duties, subject to the same limitations, as are provided under such Act for conservators of national banks.

''(2) BOARD AUTHORITY.—The Board shall have the same authority with respect to any conservator appointed under paragraph (1) and the wholesale financial institution for which such conservator has been appointed as the Comptroller of the Currency has under the Bank Conservation Act with respect to a conservator appointed under such Act and a national bank for which the conservator has been appointed.

''(f) EXCLUSIVE JURISDICTION.—Subsections (c) and (e) of section 43 of the Federal Deposit Insurance Act shall not apply to any wholesale financial institution.''.

(c) VOLUNTARY TERMINATION OF INSURED STATUS BY CERTAIN INSTITUTIONS.—

(1) SECTION 8 DESIGNATIONS.—Section 8(a) of the Federal Deposit Insurance Act (12 U.S.C. 1818(a)) is amended—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) through (10) as paragraphs (1) through (9), respectively.

(2) VOLUNTARY TERMINATION OF INSURED STATUS.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by inserting after section 8 the following new section:

''SEC. 8A. VOLUNTARY TERMINATION OF STATUS AS INSURED DEPOSITORY INSTITUTION.

''(a) IN GENERAL.—Except as provided in subsection (b), an insured State bank or a national bank may voluntarily terminate such bank's status as an insured depository institution in accordance with regulations of the Corporation if—

''(1) the bank provides written notice of the bank's intent to terminate such insured status—

''(A) to the Corporation and the Board of Governors of the Federal Reserve System not less than 6 months before the effective date of such termination; and

''(B) to all depositors at such bank, not less than 6 months before the effective date of the termination of such status; and

''(2) either—

''(A) the deposit insurance fund of which such bank is a member equals or exceeds the fund's designated reserve ratio as of the date the bank provides a written notice under paragraph (1) and the Corporation determines that the fund will equal or exceed the applicable designated reserve ratio for the 2 semiannual assessment periods immediately following such date; or

''(B) the Corporation and the Board of Governors of the Federal Reserve System approved the termination of the bank's insured status and the bank pays an exit fee in accordance with subsection (e).

''(b) EXCEPTION.—Subsection (a) shall not apply with respect to—

''(1) an insured savings association; or

''(2) an insured branch that is required to be insured under subsection (a) or (b) of section 6 of the International Banking Act of 1978.

''(c) ELIGIBILITY FOR INSURANCE TERMINATED.—Any bank that voluntarily elects to terminate the bank's insured status under subsection (a) shall not be eligible for insurance on any deposits or any assistance authorized under this Act after the period specified in subsection (f)(1).

''(d) INSTITUTION MUST BECOME WHOLESALE FINANCIAL INSTITUTION OR TERMINATE DEPOSIT-TAKING ACTIVITIES.—Any depository institution which voluntarily terminates such institution's status as an insured depository institution under this section may not, upon termination of insurance, accept any deposits unless the institution is a wholesale financial institution subject to section 9B of the Federal Reserve Act.

''(e) EXIT FEES.—

''(1) IN GENERAL.—Any bank that voluntarily terminates such bank's status as an insured depository institution under this section shall pay an exit fee in an amount that the Corporation determines is sufficient to account for the institution's pro rata share of the amount (if any) which would be required to restore the relevant deposit insurance fund to the fund's designated reserve ratio as of the date the bank provides a written notice under subsection (a)(1).

''(2) PROCEDURES.—The Corporation shall prescribe, by regulation, procedures for assessing any exit fee under this subsection.

''(f) TEMPORARY INSURANCE OF DEPOSITS INSURED AS OF TERMINATION.—

''(1) TRANSITION PERIOD.—The insured deposits of each depositor in a State bank or a national bank on the effective date of the voluntary termination of the bank's insured status, less all subsequent withdrawals from any deposits of such depositor, shall continue to be insured for a period of not less than 6 months and not more than 2 years, as determined by the Corporation. During such period, no additions to any such deposits, and no new deposits in the depository institution made after the effective date of such termination shall be insured by the Corporation.

''(2) TEMPORARY ASSESSMENTS; OBLIGATIONS AND DUTIES.—During the period specified in paragraph (1) with respect to any bank, the bank shall continue to pay assessments under section 7 as if the bank were an insured depository institution. The bank shall, in all other respects, be subject to the authority of the Corporation and the duties and obligations of an insured depository institution under this Act during such period, and in the event that the bank is closed due to an inability to meet the demands of the bank's depositors during such period, the Corporation shall have the same powers and rights with respect to such bank as in the case of an insured depository institution.

''(g) ADVERTISEMENTS.—

''(1) IN GENERAL.—A bank that voluntarily terminates the bank's insured status under this section shall not advertise or hold itself out as having insured deposits, except that the bank may advertise the temporary insurance of deposits under subsection (f) if, in connection with any such advertisement, the advertisement also states with equal prominence that additions to deposits and new deposits made after the effective date of the termination are not insured.

''(2) CERTIFICATES OF DEPOSIT, OBLIGATIONS, AND SECURITIES.—Any certificate of deposit or other obligation or security issued by a State bank or a national bank after the effective date of the voluntary termination of the bank's insured status under this section shall be accompanied by a conspicuous, prominently displayed notice that such certificate of deposit or other obligation or security is not insured under this Act.

''(h) NOTICE REQUIREMENTS.—

''(1) NOTICE TO THE CORPORATION.—The notice required under subsection (a)(1)(A) shall be in such form as the Corporation may require.

''(2) NOTICE TO DEPOSITORS.—The notice required under subsection (a)(1)(B) shall be—

''(A) sent to each depositor's last address of record with the bank; and

''(B) in such manner and form as the Corporation finds to be necessary and appropriate for the protection of depositors.''.

(3) DEFINITION.—Section 19(b)(1)(A)(i) of the Federal Reserve Act (12 U.S.C. 461(b)(1)(A)(i)) is amended by inserting '', or any wholesale financial institution subject to section 9B of this Act'' after ''such Act''.

Subtitle E—Streamlining Antitrust Review of Bank Acquisitions and Mergers

SEC. 141. AMENDMENTS TO THE BANK HOLDING COMPANY ACT OF 1956.

(a) AMENDMENTS TO SECTION 3 TO REQUIRE FILING OF APPLICATION COPIES WITH ANTITRUST AGENCIES.—Section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842) is amended—

(1) in subsection (b) by inserting after paragraph (2) the following new paragraph:

''(3) REQUIREMENT TO FILE INFORMATION WITH ANTITRUST AGENCIES.—Any applicant seeking prior approval of the Board to engage in an acquisition transaction under this section must file simultaneously with the Attorney General and, if the transaction also involves an acquisition under section 4 or 6, the Federal Trade Commission copies of any documents regarding the proposed transaction required by the Board.''; and

(2) in subsection (c)—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) through (5) as paragraphs (1) through (4), respectively.

(b) AMENDMENTS TO SECTION 11 TO MODIFY JUSTICE DEPARTMENT NOTIFICATION AND POST-APPROVAL WAITING PERIOD FOR SECTION 3 TRANSACTIONS.—Section 11 of the Bank Holding Company Act of 1956 (12 U.S.C. 1849) is amended—

(1) in subsection (b)(1)—

(A) by striking '', if the Board has not received any adverse comment from the Attorney General of the United States relating to competitive factors,'';

(B) by striking ''as may be prescribed by the Board with the concurrence of the Attorney General, but in no event less than 15 calendar days after the date of approval.'' and inserting ''as may be prescribed by the appropriate antitrust agency.''; and

(C) by striking the 3d to last sentence and the penultimate sentence; and

(2) by striking subsections (c) and (e) and redesignating subsections (d) and (f) as subsections (c) and (d), respectively.

(c) DEFINITIONS.—Section 2(o) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(o)) is amended by adding at the end the following new paragraphs:

''(8) ANTITRUST AGENCIES.—The term 'antitrust agencies' means the Attorney General and the Federal Trade Commission.

''(9) APPROPRIATE ANTITRUST AGENCY.—With respect to a particular transaction, the term 'appropriate antitrust agency' means the antitrust agency engaged in reviewing the competitive effects of such transaction.''.

SEC. 142. AMENDMENTS TO THE FEDERAL DEPOSIT INSURANCE ACT TO VEST IN THE ATTORNEY GENERAL SOLE RESPONSIBILITY FOR ANTITRUST REVIEW OF DEPOSITORY INSTITUTION MERGERS.

Section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. 1828) is amended—

(1) in paragraph (3)(C) by striking ''during a period at least as long as the period allowed for furnishing reports under paragraph (4) of this subsection'';

(2) by striking paragraph (4) and inserting the following new paragraph:

''(4) FACTORS TO BE CONSIDERED.—In determining whether to approve a transaction, the responsible agency shall in every case take into consideration the financial and managerial resources and future prospects of the existing and proposed institutions, and the convenience and needs of the community to be served.'';

(3) by striking paragraph (5) and inserting the following new paragraph:

''(5) NOTICE TO ATTORNEY GENERAL.—The responsible agency shall immediately notify the Attorney General of any approval by it pursuant to this subsection of a proposed merger transaction. If the responsible agency has found that it must act immediately in order to prevent the probable failure of one of the banks involved, the transaction may be consummated immediately upon approval by the agency. If the responsible agency has notified the other Federal banking agencies referred to in this section of the existence of an emergency requiring expeditious action and has required the submission of views and recommendations within 10 days, the transaction may not be consummated before the 5th calendar day after the date of approval of the responsible agency. In all other cases, the transaction may not be consummated before the 30th calendar day after the date of approval by the agency, or such shorter period of time as may be prescribed by the Attorney General.'';

(4) by striking paragraph (6) and redesignating paragraphs (7) through (11) as paragraphs (6) through (10), respectively;

(5) in subparagraph (A) of paragraph (6) (as so redesignated by paragraph (4) of this section)—

(A) by striking ''(5)'' and inserting ''(4)''; and

(B) by striking ''(6)'' and inserting ''(5)'';

(C) by striking ''In any such action, the court shall review de novo the issues presented.'';

(6) in paragraph (6) (as so redesignated by paragraph (4) of this section)—

(A) by striking subparagraphs (B) and (D); and

(B) by redesignating subparagraph (C) as subparagraph (B);

(7) in paragraph (8) (as so redesignated by paragraph (4) of this section)—

(A) by inserting ''and'' after the semicolon at the end of subparagraph (A):

(B) by striking subparagraph (B); and

(C) by redesignating subparagraph (C) as subparagraph (B); and

(8) by inserting after paragraph (10) (as so redesignated by paragraph (4) of this section) the following new paragraph:

''(11) REQUIREMENT TO FILE INFORMATION WITH ATTORNEY GENERAL.—Any applicant seeking prior written approval of the responsible Federal banking agency to engage in a merger transaction under this subsection shall file simultaneously with the Attorney General copies of any documents regarding the proposed transaction required by the Federal banking agency.''.

SEC. 143. INFORMATION FILED BY DEPOSITORY INSTITUTIONS; INTERAGENCY DATA SHARING.

(a) FORMAT OF NOTICE.—

(1) IN GENERAL.—Notice of any proposed transaction for which approval is required under section 3 of the Bank Holding Company Act of 1956 or section 18(c) of the Federal Deposit Insurance Act shall be in a format designated and required by the appropriate Federal banking agency (as defined in section 3 of the Federal Deposit Insurance

Act) and shall contain a section on the likely competitive effects of the proposed transaction.

(2) DESIGNATION BY AGENCY.—The appropriate Federal banking agency, with the concurrence of the antitrust agencies, shall designate and require the form and content of the competitive effects section.

(3) NOTICE OF SUSPENSION.—Upon notification by the appropriate antitrust agency that the competitive effects section of an application is incomplete, the appropriate Federal banking agency shall notify the applicant that the agency will suspend processing of the application until the appropriate antitrust agency notifies the agency that the application is complete.

(4) EMERGENCY ACTION.—This provision shall not affect the appropriate Federal banking agency's authority to act immediately—

(A) to prevent the probable failure of 1 of the banks involved; or

(B) to reduce or eliminate a post approval waiting period in case of an emergency requiring expeditious action.

(5) EXEMPTION FOR CERTAIN FILINGS.—With the concurrence of the antitrust agencies, the appropriate Federal banking agency may exempt classes of persons, acquisitions, or transactions that are not likely to violate the antitrust laws from the requirement that applicants file a competitive effects section.

(b) INTERAGENCY DATA SHARING REQUIREMENT.—

(1) IN GENERAL.—To the extent not prohibited by other law, the Federal banking agencies shall make available to the antitrust agencies any data in their possession that the antitrust agencies deem necessary for antitrust reviews of transactions requiring approval under section 3 of the Bank Holding Company Act of 1956 or section 18(c) of the Federal Deposit Insurance Act.

(2) CONTINUATION OF DATA COLLECTION AND ANALYSIS.—The Federal banking agencies shall continue to provide market analysis, deposit share information, and other relevant information for determining market competition as needed by the Attorney General in the same manner such agencies provided analysis and information under section 18(c) of the Federal Deposit Insurance Act and 3(c) of the Bank Holding Company Act of 1956 (as such sections were in effect on the day before the date of the enactment of this Act) and shall continue to collect information necessary or useful for such analysis.

(c) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) ANTITRUST AGENCIES.—The term ''antitrust agencies'' means the Attorney General and the Federal Trade Commission.

(2) APPROPRIATE ANTITRUST AGENCY.—With respect to a particular transaction, the term ''appropriate antitrust agency'' means the antitrust agency engaged in reviewing the competitive effects of such transaction.

SEC. 144. APPLICABILITY OF ANTITRUST LAWS.

No provision of this subtitle shall be construed as affecting—

(1) the applicability of antitrust laws (as defined in section 11(d) of the Bank Holding Company Act of 1956; as so redesignated pursuant to this subtitle); or

(2) the applicability, if any, of any State law which is similar to the antitrust laws.

SEC. 145. CLARIFICATION OF STATUS OF SUBSIDIARIES AND AFFILIATES.

(a) CLARIFICATION OF FEDERAL TRADE COMMISSION JURISDICTION.—Any person which directly or indirectly controls, is controlled directly or indirectly by, or is directly or indirectly under common control with, any bank or savings association (as such terms are defined in section 3 of the Federal Deposit Insurance Act) and is not itself a bank or savings association shall not be deemed to be a bank or savings association for purposes of the Federal Trade Commission Act or any other law enforced by the Federal Trade Commission.

(b) SAVINGS PROVISION.—No provision of this section shall be construed as restricting the authority of any Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act) under any Federal banking law, including section 8 of the Federal Deposit Insurance Act.

SEC. 146. EFFECTIVE DATE.

This subtitle shall take effect 6 months after the date of enactment of this Act.

Subtitle F—Applying the Principles of National Treatment and Equality of Competitive Opportunity to Foreign Banks and Foreign Financial Institutions

SEC. 151. APPLYING THE PRINCIPLES OF NATIONAL TREATMENT AND EQUALITY OF COMPETITIVE OPPORTUNITY TO FOREIGN BANKS THAT ARE FINANCIAL HOLDING COMPANIES.

Section 8(c) of the International Banking Act of 1978 (12 U.S.C. 3106(c)) is amended by adding at the end the following new paragraph:

''(3) TERMINATION OF GRANDFATHERED RIGHTS.—

''(A) IN GENERAL.—If any foreign bank or foreign company files a declaration under section 6(b)(1)(E) or which receives a determination under section 10(d)(1) of the Bank Holding Company Act of 1956, any authority conferred by this subsection on any foreign bank or company to engage in any activity which the Board has determined to be permissible for financial holding companies under section 6 of such Act shall terminate immediately.

''(B) RESTRICTIONS AND REQUIREMENTS AUTHORIZED.—If a foreign bank or company that engages, directly or through an affiliate pursuant to paragraph (1), in an activity which the Board has determined to be permissible for financial holding companies under section 6 of the Bank Holding Company Act of 1956 has not filed a declaration with the Board of its status as a financial holding company under such section or received a determination under section 10(d)(1) by the end of the 2-year period beginning on the date of enactment of the Financial Services Act of 1998, the Board, giving due regard to the principle of national treatment and equality of competitive opportunity, may impose such restrictions and requirements on the conduct of such activities by such foreign bank or company as are comparable to those imposed on a financial holding company organized under the laws of the United States, including a requirement to conduct such activities in compliance with any prudential safeguards established under section 5(h) of the Bank Holding Company Act of 1956.''.

SEC. 152. APPLYING THE PRINCIPLES OF NATIONAL TREATMENT AND EQUALITY OF COMPETITIVE OPPORTUNITY TO FOREIGN BANKS AND FOREIGN FINANCIAL INSTITUTIONS THAT ARE WHOLESALE FINANCIAL INSTITUTIONS.

Section 8A of the Federal Deposit Insurance Act (as added by section 136(c)(2) of this Act) is amended by adding at the end the following new subsection:

''(i) VOLUNTARY TERMINATION OF DEPOSIT INSURANCE.—The provisions on voluntary termination of insurance in this section shall apply to an insured branch of a foreign bank (including a Federal branch) in the same manner and to the same extent as they apply to an insured State bank or a national bank.''.

Subtitle G—Federal Home Loan Bank System

SEC. 161. FEDERAL HOME LOAN BANKS–

The 1st sentence of section 3 of the Federal Home Loan Bank Act (12 U.S.C. 1423) is amended—

(1) by striking ''the continental United States'' and all that follows through the ''eight''; and

(2) by inserting ''the States into not less than 1'' before ''nor''.

SEC. 162. MEMBERSHIP AND COLLATERAL.

(a) Subsection (f) of section 5 of the Home Owners' Loan Act (12 U.S.C. 1464) is amended to read as follows:

''(f) FEDERAL HOME LOAN BANK MEMBERSHIP.—A Federal savings association may become a member, of the Federal Home Loan Bank System, and shall qualify for such membership in the manner provided by the Federal Home Loan Bank Act, beginning January 1, 1999.''.

(b) Section 10(a)(5) of the Federal Home Loan Bank Act (12 U.S.C. 1430(a)(5)) is amended—

(1) in the 2d sentence, by striking ''and the Board''; and

(2) in the 3d sentence, by striking ''Board'' and inserting ''Bank''.

(c) Section 10(a) of the Federal Home Loan Bank Act (12 U.S.C. 1430(a)) is amended—

(1) in the 2d sentence, by striking ''All long-term advances'' and inserting ''Except as provided in the succeeding sentence, all long-term advances'';

(2) by inserting after the 2d sentence, the following sentence: ''Notwithstanding the preceding sentence, long-term advances may be made to members insured by the Federal Deposit Insurance Corporation which have less than $500,000,000 in total assets for the purpose of funding small businesses, agriculture, rural development, or low-income community development (as defined by the Board).''; and

(3) by redesignating paragraph (5) as paragraph (6) and inserting after paragraph (4) the following new paragraph:

''(5) In the case of any member insured by the Federal Deposit Insurance Corporation which has total assets of less than $500,000,000, secured loans for small business, agriculture, rural development, or low-income community development, or securities representing a whole interest in such secured loans.''.

(d) Section 4(a) of the Federal Home Loan Bank Act (12 U.S.C. 1424(a)) is amended by adding at the end the following new paragraph:

''(3) ELIGIBILITY REQUIREMENTS FOR COMMUNITY FINANCIAL INSTITUTIONS.—The requirements of paragraph (2) (other than subparagraph (B) of such paragraph) shall not apply to any insured depository institution which has total assets of less than $500,000,000.

(e) Section 10 of the Federal Home Loan Bank Act (12 U.S.C. 1430) is amended by striking the 1st of the 2 subsections designated as subsection (e) (relating to qualified thrift lender status).

SEC. 163. THE OFFICE OF FINANCE.

The Federal Home Loan Bank Act (12 U.S.C. 1421) is amended by inserting after section 4 the following new section:

''SEC. 5. THE OFFICE OF FINANCE.

''(a) OPERATION.—The Federal home loan banks shall operate jointly an office of finance (hereafter in this section referred to as the 'Office') to issue the notes, bonds, and debentures of the Federal home loan banks in accordance with this Act.

''(b) POWERS.—Subject to the other provisions of this Act and such safety and soundness regulations as the Finance Board may prescribe, the Office shall be authorized by the Federal home loan banks to act as the agent of such banks to issue Federal home

loan bank notes, bonds and debentures pursuant to section 11 of this Act on behalf of the banks.

''(c) CENTRAL BOARD OF DIRECTORS.—

''(1) ESTABLISHMENT.—The Federal home loan banks shall establish a central board of directors of the Office to administer the affairs of the Office in accordance with the provisions of this Act.

''(2) COMPOSITION OF BOARD.—Each Federal home loan bank shall annually select 1 individual who, as of the time of the election, is an officer or director of such bank to serve as a member of the central board of directors of the Office.

''(d) STATUS.—Except to the extent expressly provided in this Act, the Office shall be treated as a Federal home loan bank for purposes of any law.''.

SEC. 164. MANAGEMENT OF BANKS.

(a) Subsections (a) and (b) of section 7 of the Federal Home Loan Bank Act (12 U.S.C. 1427(a) and (b)) are amended to read as follows:

''(a) The management of each Federal home loan bank shall be vested in a board of 15 directors, 9 of whom shall be elected by the members in accordance with this section, 6 of whom shall be appointed by the Board referred to in section 2A, and all of whom shall be citizens of the United States and bona fide residents of the district in which such bank is located. At least 2 of the Federal home loan bank directors who are appointed by the Board shall be representatives chosen from organizations with more than a 2-year history of representing consumer or community interests on banking services, credit needs, housing, or financial consumer protections. No Federal home loan bank director who is appointed pursuant to this subsection may, during such bank director's term of office, serve as an officer of any Federal home loan bank or a director or officer of any member of a bank, or hold shares, or any other financial interest in, any member of a bank.

''(b) The elective directors shall be divided into three classes, designated as classes A, B, and C, as nearly equal in number as possible. Each directorship shall be filled by a person who is an officer or director of a member located in that bank's district. Each class shall represent members of similar asset size, and the Board shall, to the maximum extent possible, seek to achieve geographic diversity. The Finance Board shall establish the minimum and maximum asset size for each class. Any member shall be entitled to nominate and elect eligible persons for its class of directorship; such offices shall be filled from such nominees by a plurality of the votes which members of each class may cast for nominees in their corresponding class of directors in an election held for the purpose of filling such offices. Each member shall be permitted to cast one vote for each share of Federal home loan bank stock owned by that member. No person who is an officer or director of a member that fails to meet any applicable capital requirement is eligible to hold the office of Federal Home Loan Bank director. As used in this subsection, the term ''member'' means a member of a Federal home loan bank which was a member of such Bank as of a record date established by the Bank.''.

(b) Section 7 of the Federal Home Loan Bank Act (12 U.S.C. 1427) is amended—

(1) by striking subsections (c) and (h); and

(2) by redesignating subsections (d), (e), (f), (g), (i), (j), and (k) as subsections (c), (d), (e), (f), (g), (h), and (i), respectively.

(c) Subsection (c) of section 7 of the Federal Home Loan Bank Act (12 U.S.C. 1427(d)) (as so redesignated by subsection (b) of this section) is amended by striking the 1st and 2d sentences and inserting the following 2 new sentences: ''The term of each position of director shall be 3 years. No director serving for 3 consecutive terms, nor any other officer, director or that member or any affiliated depository institution, shall be eligible for another term earlier than 3 years after the expiration of the last expiring of said 3-year terms. 3 elected directors of different classes as specified by the Finance Board shall be elected by ballot annually.''.

(d) Subsection (d) of section 7 of the Federal Home Loan Bank Act (12 U.S.C. 1427(e)) (as so redesignated by subsection (b) of this section) is amended to read as follows:

''(d) TRANSITION PROVISION.—In the 1st election after the date of the enactment of the Financial Services Act of 1998, 3 directors shall be elected in each of the 3 classes of elective directorship. The Finance Board may, in the 1st election after such date of enactment, designate the terms of each elected director in each class, not to exceed 3 years, to assure that, in each subsequent election, 3 directors from different classes of elective directorships are elected each year.''.

(e) Subsection (g) of section 7 of the Federal Home Loan Bank Act (12 U.S.C. 1427(i)) (as so redesignated by subsection (b) of this section) is amended by striking ''subject to the approval of the board''.

SEC. 165. ADVANCES TO NONMEMBER BORROWERS.

Section 10b of the Federal Home Loan Bank Act (12 U.S.C. 1430b) is amended—

(1) in subsection (a), by striking ''(a) IN GENERAL.—'';

(2) by striking the 4th sentence of subsection (a), and inserting ''Notwithstanding the preceding sentence, if an advance is made for the purpose of facilitating mortgage lending that benefits individuals and families that meet the income requirements set forth in section 142(d) or 143(f) of the Internal Revenue Code of 1986, the advance may be collateralized as provided in section 10(a) of this Act.''; and

(3) by striking subsection (b).

SEC. 166. POWERS AND DUTIES OF BANKS.

(a) Subsection (a) of section 11 of the Federal Home Loan Bank Act (12 U.S.C. 1431(a)) is amended—

(1) by inserting ''through the Office of Finance'' after ''to issue'';

(2) by striking ''Board'' after ''upon such terms and conditions as the'' and inserting ''board of directors of the bank''.

(b) Subsection (b) of section 11 of the Federal Home Loan Bank Act (12 U.S.C. 1431(b)) is amended to read as follows:

''(b) ISSUANCE OF FEDERAL HOME LOAN BANK CONSOLIDATED BONDS.—

''(1) IN GENERAL.— The Office of Finance may issue consolidated Federal home loan bank bonds and other consolidated obligations on behalf of the banks.

''(2) JOINT AND SEVERAL OBLIGATION; TERMS AND CONDITIONS.—Consolidated obligations issued by the Office of Finance under paragraph (1) shall—

''(A) be the joint and several obligations of all the Federal home loan banks; and

''(B) shall be issued upon such terms and conditions as shall be established by the Office of Finance subject to such rules and regulations as the Finance Board may prescribe.''.

(c) Section 11(f) of the Federal Home Loan Bank Act (12 U.S.C. 1430(f) (as designated before the redesignation by subsection (e) of this section) is amended by striking both commas immediately following ''permit'' and inserting ''or''.

(d) Subsection (i) of section 11 of the Federal Home Loan Bank Act (12 U.S.C. 1431(i)) is amended by striking the 2d undesignated paragraph.

(e) Section 11 of the Federal Home Loan Bank Act (12 U.S.C. 1431) is amended—

(1) by striking subsection (c); and

(2) by redesignating subsections (d) through (k) as subsections (c) through (j), respectively.

SEC. 167. MERGERS AND CONSOLIDATIONS OF FEDERAL HOME LOAN BANKS.

Section 26 of the Federal Home Loan Bank Act (12 U.S.C. 1446) is amended by designating the current paragraph as ''(a)'' and adding the following new sections:

''(b) Nothing in this section shall preclude voluntary mergers, combinations or consolidation by or among the Federal home loan banks pursuant to such regulations as the Finance Board may prescribe.

''(c) NUMBER OF ELECTED DIRECTORS OF RESULTING BANK.— Subject to section 7 of this Act, any bank resulting from a merger, combination, or consolidation pursuant to this section may have a number of elected directors equal to or less than the total number of elected directors of all the banks which participated in such transaction (as determined immediately before such transaction).

''(d) NUMBER OF APPOINTED DIRECTORS OF RESULTING BANK.—The number of appointed directors of any bank resulting from a merger, combination, or consolidation pursuant to this section shall be a number that is three less than the number of elected directors.

''(e) ADJUSTMENT OF DISTRICT BOUNDARIES.—After consummation of any merger, combination, or consolidation of 2 or more Federal home loan banks, the Finance Board shall adjust the districts established in section 3 of this Act to reflect such merger, combination, or consolidation.''.

SEC. 168. TECHNICAL AMENDMENTS.

(a) REPEAL OF SECTIONS 22A AND 27.—The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amended by striking sections 22A (12 U.S.C. 1442a) and 27 (12 U.S.C. 1447).

(b) SECTION 12.—

(1) Section 12(a) of the Federal Home Loan Bank Act (12 U.S.C. 1432(a)) is amended—

(A) by striking ''subject to the approval of the Board'' immediately following ''transaction of its business''; and

(B) by striking ''and, by its Board of directors, to prescribe, amend, and repeal by-laws, rules, and regulations governing the manner in which its affairs may be administered; and the powers granted to it by law may be exercised and enjoyed subject to the approval of the Board. The president of a Federal Home Loan Bank may also be a member of the Board of directors thereof, but no other officer, employee, attorney, or agent of such bank,'' and inserting ''and, by the board of directors of the bank, to prescribe, amend, and repeal by-laws governing the manner in which its affairs may be administered, consistent with applicable statute and regulation, as administered by the Finance Board. No officer, employee, attorney, or agent of a Federal home loan bank''.

(2) Section 12 of the Federal Home Loan Bank Act (12 U.S.C. 1432) is amended by inserting after subsection (b) the following new subsection:

''(c) PROHIBITION ON EXCESSIVE COMPENSATION.—

''(1) IN GENERAL.—The Finance Board shall prohibit the Federal home loan banks from providing compensation to any officer, director, or employee that is not reasonable and comparable with the compensation for employment in other similar businesses involving similar duties and responsibilities. However, the Finance Board may not prescribe or set a specific level or range of compensation for any officer, director, or employee.

''(2) REGULATIONS.—The Finance Board, by regulation, may provide for the requirements

of paragraph (1) to be phased-in over a period not to exceed 3 years.

''(3) EXCEPTION FOR EXISTING CONTRACTS.—Paragraph (1) shall not apply to any contract entered into before June 1, 1997.''.

(c) POWERS AND DUTIES OF FEDERAL HOUSING FINANCE BOARD.—

(1) Subsection (a)(1) of section 2B of the Federal Home Loan Bank Act (12 U.S.C. 1422b(a)(1)) is amended by striking the period at the end of the sentence and inserting ''; and to have the same powers, rights, and duties to enforce this Act with respect to the Federal home loan banks and the senior officers and directors of such banks as the Office of Federal Housing Enterprise Oversight has over the Federal housing enterprises and the senior officers and directors of such enterprises under the Federal Housing Enterprises Financial Safety and Soundness Act of 1992.''.

(2) Subsection (b) of section 2B of the Federal Home Loan Bank Act (12 U.S.C. 1422b(b)) is amended—

(A) by striking ''(1) BOARD STAFF.—'';

(B) by striking ''function to any employee, administrative unit'' and inserting ''function to any employee or administrative unit'';

(C) by striking the 2d sentence in paragraph (1); and

(D) by striking paragraph (2).

(3) Section 111 of Public Law 93–495 (12 U.S.C. 250) is amended by striking ''Federal Home Loan Bank Board'' and inserting ''Federal Housing Finance Board''.

(d) ELIGIBILITY TO SECURE ADVANCES.—

(1) SECTION 9.—Section 9 of the Federal Home Loan Bank Act (12 U.S.C. 1429) is amended—

(A) in the second sentence, by striking ''with the approval of the Board''; and

(B) in the third sentence, by striking '', subject to the approval of the Board,''.

(2) SECTION 10.—

(A) Subsection (a) of section 10 of the Federal Home Loan Bank Act (12 U.S.C. 1430(a)) is amended in paragraph (3), by striking ''Deposits'' and inserting ''Cash or deposits''.

(B) Subsection (c) of section 10 of the Federal Home Loan Bank Act (12 U.S.C. 1430(c)) is amended—

(i) in the 1st sentence by striking ''Board'' and inserting ''Federal home loan bank''; and

(ii) by striking the 2d sentence.

(C) Subsection (d) of section 10 of the Federal Home Loan Bank Act (12 U.S.C. 1430(d)) is amended—

(i) in the 1st sentence, by striking ''and the approval of the Board'';

(ii) in the last sentence, by striking ''Subject to the approval of the Board, any'' and inserting ''Any''.

(D) Section 10(j) of the Federal Home Loan Bank Act (12 U.S.C. 1430(j)) is amended—

(i) in the 1st sentence of paragraph (1) by striking ''to subsidize the interest rate on advances'' and inserting ''to provide subsidies, including subsidized interest rates on advances'';

(ii) in paragraphs (2), (3), (4), (5), (9), (11), and (12) by striking ''advances'' and ''subsidized advances'' each place such terms appear and inserting ''subsidies, including subsidized advances'';

(iii) in paragraph (1), by inserting ''(A)'' before the 1st sentence, and inserting the following at the end of the paragraph:

''(B) Subject to such regulations as the Finance Board may prescribe, the board of directors of each Federal home loan bank may approve or disapprove requests from members for Affordable Housing Program subsidies, and may not delegate such authority.'';

(iv) in paragraph (2), by striking subparagraph (B) and inserting the following new subparagraph:

''(B) finance the purchase, construction or rehabilitation of rental housing if, for a period of at least 15 years, either 20 percent or more of the units in such housing are occupied by and affordable for households whose income is 50 percent or less of area median income (as determined by the Secretary of Housing and Urban Development, and as adjusted for family size); or 40 percent or more of the units in such housing are occupied by and affordable for households whose income is 60 percent or less of area median income (as determined by the Secretary of Housing and Urban Development, and as adjusted for family size).'';

(v) in paragraph (5)—

(I) by striking the colon after ''Affordable Housing Program'';

(II) by striking subparagraphs (A) and (B); and

(III) by striking ''(C) In 1995, and subsequent years,'';

(vi) in paragraph (11)—

(I) by inserting '', pursuant to a nomination process that is as broad and as participatory as possible, and giving consideration to the size of the District and the diversity of low- and moderate-income housing needs and activities within the District,'' after ''Advisory Council of 7 to 15 persons'';

(II) by inserting ''a diverse range of'' before ''community and nonprofit organizations''; and

(III) by inserting after the 1st sentence, the following new sentence: ''Representatives of no one group shall constitute an undue proportion of the membership of the Advisory Council.''; and

(vii) in paragraph (13), by striking subparagraph (D) and inserting the following new subparagraph:

''(D) AFFORDABLE.—For purposes of paragraph (2)(B), the term ''affordable'' means that the rent with respect to a unit shall not exceed 30 percent of the income limitation under paragraph (2)(B) applicable to occupants of such unit.''.

(e) SECTION 16.—Subsection (a) of section 16 of the Federal Home Loan Bank Act (12 U.S.C. 1436) is amended in the 3d sentence by striking ''net earnings'' and inserting ''previously retained earnings or current net earnings''; by striking '', and then only with the approval of the Federal Housing Finance Board''; and by striking the 4th sentence.

(f) SECTION 18.—Subsection (b) of section 18 of the Federal Home Loan Bank Act (12 U.S.C. 1438) is amended by striking paragraph (4).

(g) SECTION 11.—Section 11 of the Federal Home Loan Bank Act (12 U.S.C. 1431) is amended by inserting after subsection (j) (as so redesignated by section 166(e) of this subtitle) the following subsection:

''(k) PROHIBITION ON OTHER ACTIVITIES.—

''(1) A Federal home loan bank may not engage in any activity other than the activities authorized under this Act and activities incidental to such authorized activities.

''(2) All activities specified in paragraph (1) are subject to Finance Board approval.''.

SEC. 169. DEFINITIONS.

Paragraph (3) of section 2 of the Federal Home Loan Bank Act (12 U.S.C. 1422(3)) is amended to read as follows:

''(3) The term ''State'' in addition to the states of the United States, includes the District of Columbia, Guam, Puerto Rico, the United States Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.''

SEC. 170. RESOLUTION FUNDING CORPORATION

(a) IN GENERAL.—Section 21B(f)(2)(C) of the Federal Home Loan Bank Act (12 U.S.C. 1441b(f)(2)(C)) is amended to read as follows:

''(C) PAYMENTS BY FEDERAL HOME LOAN BANKS.—To the extent the amounts available pursuant to subparagraphs (A) and (B) are insufficient to cover the amount of interest payments, each Federal home loan bank shall pay to the Funding Corporation each calendar year 20.75 percent of the net earnings of such bank (after deducting expenses relating to subsection (j) of section 10 and operating expenses).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 1999.

SEC. 171. CAPITAL STRUCTURE OF THE FEDERAL HOME LOAN BANKS.

(a) IN GENERAL.—Section 6 of the Federal Home Loan Bank Act (12 U.S.C. 1426) is amended to read as follows:

''SEC. 6. CAPITAL STRUCTURE OF FEDERAL HOME LOAN BANKS.

''(a) CAPITAL STRUCTURE PLAN.—On or before January 1, 1999, the board of directors of each Federal home loan bank shall submit for Finance Board approval a plan establishing and implementing a capital structure for such bank which—

''(1) the board of directors determines is the best suited for the condition and operation of the bank and the interests of the shareholders of the bank;

''(2) meets the requirements of subsection (b); and

''(3) meets the minimum capital standards and requirements established under subsection (c) and any regulations prescribed by the Finance Board pursuant to such subsection.

''(b) CONTENTS OF PLAN.—The capital structure plan of each Federal home loan bank shall meet the following requirements:

''(1) STOCK PURCHASE REQUIREMENTS.—

''(A) IN GENERAL.—Each capital structure plan of a Federal home loan bank shall require the shareholders of the bank to maintain an investment in the stock of the bank in amount not less than—

''(i) a minimum percentage of the total assets of the shareholder; and

''(ii) a minimum percentage of the outstanding advances from the bank to the shareholder.

''(B) MINIMUM PERCENTAGE LEVELS.—The minimum percentages established pursuant to subparagraph (A) shall be set at levels sufficient to meet the bank's minimum capital requirements established by the Finance Board under subsection (c).

''(C) MAXIMUM ASSET BASED CAPITAL REQUIREMENT.—The asset-based capital requirement applicable to any shareholder of a Federal home loan bank in any year shall not exceed the lesser of—

''(i) 0.6 percent of a shareholder's total assets at the close of the preceding year; or

''(ii) $300,000,000.

''(D) MAXIMUM ADVANCE-BASED REQUIREMENT.—The advance-based capital requirement applicable to any shareholder of a Federal home loan bank shall not exceed 6 percent of the total outstanding advances from the bank to the shareholder.

''(E) MINIMUM STOCK PURCHASE REQUIREMENT AUTHORIZED.—A capital structure plan may establish a minimum dollar amount of stock of a Federal home loan bank in which a shareholder shall be required to invest.

''(2) ADJUSTMENTS TO STOCK PURCHASE REQUIREMENTS.—The capital structure plan adopted by each Federal home loan bank shall impose a continuing obligation on the board of directors of the bank to review and adjust as necessary member stock purchase requirements in order to ensure that the bank remains in compliance with applicable minimum capital levels established by the Finance Board.

''(3) TRANSITION RULE FOR STOCK PURCHASE REQUIREMENTS.—

''(A) IN GENERAL.—A capital structure plan may allow shareholders who were members

of a Federal home loan bank on the date of the enactment of the Financial Services Act of 1998 to come into compliance with the asset-based stock purchase requirement established under paragraph (1) during a transition period established under the plan of not more than 3 years, if such requirement exceeds the asset-based stock purchase requirement in effect on such date of enactment.

''(B) INTERIM PURCHASE REQUIREMENTS.—A capital structure plan may establish interim asset-based stock purchase requirements applicable to members referred to in subparagraph (A) during a transition period established under subparagraph (A).

''(4) CLASSES OF STOCK.—

''(A) IN GENERAL.—Each capital structure plan shall afford each shareholder of a Federal home loan bank the option of meeting the shareholder's stock purchase requirements through the purchase of any combination of Class A or Class B stock.

''(B) CLASS A STOCK.—Class A stock shall be stock of a Federal home loan bank that shall be redeemed in cash and at par by the bank no later than 12 months following submission of a written notice by a shareholder of the shareholder's intention to divest all shares of stock in the bank.

''(C) CLASS B STOCK.—Class B stock shall be stock of a Federal home loan bank that shall be redeemed in cash and at par by the bank no later than 5 years following submission of a written notice by a shareholder of the shareholder's intention to divest all shares of stock in the bank.

''(D) RIGHTS REQUIREMENT.—The Class B stock of a Federal home loan bank may receive a dividend premium over that paid on Class A stock, and may have preferential voting rights in the election of Federal home loan bank directors.

''(E) LOWER STOCK PURCHASE REQUIREMENTS FOR CLASS B STOCK.—A capital structure plan may provide for lower stock purchase requirements with respect to those shareholder's that elect to purchase Class B stock in a manner that is consistent with meeting the bank's own minimum capital requirements as established by the Finance Board.

''(F) NO OTHER CLASSES OF STOCK PERMITTED.—No class of stock other than the Class A and Class B stock described in subparagraphs (B) and (C) may be issued by a Federal home loan bank.

''(5) LIMITED TRANSFERABILITY OF STOCK.—Each capital structure plan shall provide that any equity securities issued by the bank shall be available only to, held only by, and tradable only among shareholders of the bank.

''(c) CAPITAL STANDARDS.—

''(1) IN GENERAL.—The Finance Board shall prescribe, by regulation, uniform capital standards applicable to each Federal home loan bank which shall include—

''(A) a leverage limit in accordance with paragraph (2); and

''(B) a risk-based capital requirement in accordance with paragraph (3).

''(2) MINIMUM LEVERAGE LIMIT.—The leverage limit established by the Finance Board shall require each Federal home loan bank to maintain total capital in an amount not less than 5 percent of the total assets of the bank. In determining compliance with the minimum leverage ratio, the amount of retained earnings and the paid-in value of Class B stock, if any, shall be multiplied by 1.5 and such higher amount shall be deemed to be capital for purposes of meeting the 5 percent minimum leverage ratio.

''(3) RISK-BASED CAPITAL STANDARD.—The risk-based capital requirement shall be composed of the following components:

''(A) Capital sufficient to meet the credit risk to which a Federal home loan bank is subject, based on an amount which is not less than the amount of tier 1, risk-based capital required by regulations prescribed, or guidelines issued under section 38 of the Federal Deposit Insurance Act for a well capitalized insured depository institution.

''(B) Capital sufficient to meet the interest rate risk to which a Federal home loan bank is subject, based on an interest rate stress test applied by the Finance Board that rigorously tests for changes in interest rates, rate volatility, and changes in the shape of the yield curve.

''(d) REDEMPTION OF CAPITAL.—

''(1) IN GENERAL.—Any shareholder of a Federal home loan bank shall have the right to withdraw the shareholder's membership from a Federal home loan bank and to redeem the shareholder's stock in accordance with the redemption rights associated with the class of stock the shareholder holds, if—

''(A) such shareholder has filed a written notice of an intention to redeem all such shares; and

''(B) the shareholder has no outstanding advances from any Federal home loan bank at the time of such redemption.

''(2) PARTIAL REDEMPTION.—A shareholder who files notice of intention to redeem all shares of stock in a Federal home loan bank may redeem not more than 1/2 of all such shares, in cash and at par, 6 months before the date by which the bank is required to redeem such stock pursuant to subparagraph (B) or (C) of subsection (b)(4).

''(3) DIVESTITURE.—The board of directors of any Federal home loan bank may, after a hearing, order the divestiture by any shareholder of all ownership interests of such shareholder in the bank, if—

''(A) in the opinion of the board of directors, such shareholder has failed to comply with a provision of this Act or any regulation prescribed under this Act; or

''(B) the shareholder has been determined to be insolvent, or otherwise subject to the appointment of a conservator, receiver, or other legal custodian, by a State or Federal authority with regulatory and supervisory responsibility for such shareholder.

''(4) RETIREMENT OF EXCESS STOCK.—Any shareholder may—

''(A) retire shares of Class A stock or, at the option of the shareholder, shares of Class B stock, or any combination of Class A and Class B stock, that are excess to the minimum stock purchase requirements applicable to the shareholder; and

''(B) receive from the Federal home loan bank a prompt payment in cash equal to the par value of such stock.

''(5) IMPAIRMENT OF CAPITAL.—If the Finance Board or the board of directors of a Federal home loan bank determines that the paid-in capital of the bank is, or is likely to be, impaired as a result of losses in or depreciation of the assets of the bank, the Federal home loan bank shall withhold that portion of the amount due any shareholder with respect to any redemption or retirement of any class of stock which bears the same ratio to the total of such amount as the amount of the impaired capital bears to the total amount of capital allocable to such class of stock.

''(6) POLICIES.—Subject to the requirements of this section, the board of directors of each Federal home loan bank shall promptly establish policies, consistent with this Act, governing the capital stock of such bank and other provisions of this section.''.

SEC. 172. INVESTMENTS.

Subsection (j) of section 11 of the Federal Home Loan Bank Act (12 U.S.C. 1431) (as so redesignated by section 166(e) of this subtitle) is amended to read as follows:

''(j) INVESTMENTS.—Each bank shall reduce its investments to those necessary for liquidity purposes, for safe and sound operation of the banks, or for housing finance, as administered by the Finance Board.''.

SEC. 173. FEDERAL HOUSING FINANCE BOARD.

Section 2A(b)(1) of the Federal Home Loan Bank Act (12 U.S.C. 1422(b)(1)) is amended—

(1) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively;

(2) by inserting before subparagraph (B) (as so redesignated by paragraph (1) of this section) the following new subparagraph:

''(A) The Secretary of the Treasury (or the Secretary of the Treasury's designee), who shall serve without additional compensation.''; and

(3) in subparagraph (C) (as so redesignated by paragraph (1) of this section) by striking ''Four'' and inserting ''3''.

Subtitle H—Direct Activities of Banks

SEC. 181. AUTHORITY OF NATIONAL BANKS TO UNDERWRITE CERTAIN MUNICIPAL BONDS

The paragraph designated the Seventh of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24(7)) is amended by adding at the end the following new sentence: ''In addition to the provisions in this paragraph for dealing in, underwriting or purchasing securities, the limitations and restrictions contained in this paragraph as to dealing in, underwriting, and purchasing investment securities for the national bank's own account shall not apply to obligations (including limited obligation bonds, revenue bonds, and obligations that satisfy the requirements of section 142(b)(1) of the Internal Revenue Code of 1986) issued by or on behalf of any state or political subdivision of a state, including any municipal corporate instrumentality of 1 or more states, or any public agency or authority of any state or political subdivision of a state, if the national banking association is well capitalized (as defined in section 38 of the Federal Deposit Insurance Act).''.

Subtitle I—Effective Date of Title

SEC. 191. EFFECTIVE DATE.

Except with regard to any subtitle or other provision of this title for which a specific effective date is provided, this title and the amendments made by this title shall take effect at the end of the 270-day period beginning on the date of the enactment of this Act.

TITLE II—FUNCTIONAL REGULATION

Subtitle A—Brokers and Dealers

SEC. 201. DEFINITION OF BROKER.

Section 3(a)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(4)) is amended to read as follows:

''(4) BROKER.—

''(A) IN GENERAL.—The term 'broker' means any person engaged in the business of effecting transactions in securities for the account of others.

''(B) EXCEPTION FOR CERTAIN BANK ACTIVITIES.—A bank shall not be considered to be a broker because the bank engages in any of the following activities under the conditions described:

''(i) THIRD PARTY BROKERAGE ARRANGEMENTS.—The bank enters into a contractual or other arrangement with a broker or dealer registered under this title under which the broker or dealer offers brokerage services on or off the premises of the bank if—

''(I) such broker or dealer is clearly identified as the person performing the brokerage services;

''(II) the broker or dealer performs brokerage services in an area that is clearly marked and, to the extent practicable, physically separate from the routine deposit-taking activities of the bank;

''(III) any materials used by the bank to advertise or promote generally the availability of brokerage services under the contractual or other arrangement clearly indicate that the brokerage services are being provided by the broker or dealer and not by the bank;

''(IV) any materials used by the bank to advertise or promote generally the availability of brokerage services under the contractual or other arrangement are in compliance with the Federal securities laws before distribution;

''(V) bank employees (other than associated persons of a broker or dealer who are qualified pursuant to the rules of a self-regulatory organization) perform only clerical or ministerial functions in connection with brokerage transactions including scheduling appointments with the associated persons of a broker or dealer, except that bank employees may forward customer funds or securities and may describe in general terms the range of investment vehicles available from the bank and the broker or dealer under the contractual or other arrangement;

''(VI) bank employees do not directly receive incentive compensation for any brokerage transaction unless such employees are associated persons of a broker or dealer and are qualified pursuant to the rules of a self-regulatory organization, except that the bank employees may receive compensation for the referral of any customer if the compensation is a nominal one-time cash fee of a fixed dollar amount and the payment of the fee is not contingent on whether the referral results in a transaction;

''(VII) such services are provided by the broker or dealer on a basis in which all customers which receive any services are fully disclosed to the broker or dealer;

''(VIII) the bank does not carry a securities account of the customer except in a customary custodian or trustee capacity; and

''(IX) the bank, broker, or dealer informs each customer that the brokerage services are provided by the broker or dealer and not by the bank and that the securities are not deposits or other obligations of the bank, are not guaranteed by the bank, and are not insured by the Federal Deposit Insurance Corporation.

''(ii) TRUST ACTIVITIES.—The bank—

''(I) effects transactions in a trustee capacity and is primarily compensated based on an annual fee (payable on a monthly, quarterly, or other basis) or percentage of assets under management, or both; or

''(II) effects transactions in a fiduciary capacity in its trust department or other department that is regularly examined by bank examiners for compliance with fiduciary principles and standards and—

''(aa) is primarily compensated on the basis of either an annual fee (payable on a monthly, quarterly, or other basis), a percentage of assets under management, or both, and does not receive brokerage commissions or other similar remuneration based on effecting transactions in securities, other than the cost incurred by the bank in connection with executing securities transactions for fiduciary customers; and

''(bb) does not publicly solicit brokerage business, other than by advertising that it effects transactions in securities in conjunction with advertising its other trust activities.

''(iii) PERMISSIBLE SECURITIES TRANSACTIONS.—The bank effects transactions in—

''(I) commercial paper, bankers acceptances, or commercial bills;

''(II) exempted securities;

''(III) qualified Canadian government obligations as defined in section 5136 of the Revised Statutes, in conformity with section 15C of this title and the rules and regulations thereunder, or obligations of the North American Development Bank; or

''(IV) any standardized, credit enhanced debt security issued by a foreign government pursuant to the March 1989 plan of then Secretary of the Treasury Brady, used by such foreign government to retire outstanding commercial bank loans.

''(iv) CERTAIN STOCK PURCHASE PLANS.—

''(I) IN GENERAL.—The bank effects transactions, as part of its transfer agency activities, in—

''(aa) the securities of an issuer as part of any pension, retirement, profit-sharing, bonus, thrift, savings, incentive, or other similar benefit plan for the employees of that issuer or its subsidiaries, if the bank does not solicit transactions or provide investment advice with respect to the purchase or sale of securities in connection with the plan;

''(bb) the securities of an issuer as part of that issuer's dividend reinvestment plan, if the bank does not—

''(AA) solicit transactions or provide investment advice with respect to the purchase or sale of securities in connection with the plan;

''(BB) net shareholders' buy and sell orders, other than for programs for odd-lot holders or plans registered with the Commission; or

''(cc) the securities of an issuer as part of a plan or program for the purchase or sale of that issuer's shares, if—

''(AA) the bank does not solicit transactions or provide investment advice with respect to the purchase or sale of securities in connection with the plan or program;

''(BB) the bank does not net shareholders' buy and sell orders, other than for programs for odd-lot holders or plans registered with the Commission; and

''(CC) the bank's compensation for such plan or program consists of administration fees, or flat or capped per order processing fees, or both, plus the cost incurred by the bank in connection with executing securities transactions resulting from such plan or program.

''(II) PERMISSIBLE DELIVERY OF MATERIALS.—The exception to being considered a broker for a bank engaged in activities described in subclause (I) will not be affected by a bank's delivery of written or electronic plan materials to employees of the issuer, shareholders of the issuer, or members of affinity groups of the issuer, so long as such materials are—

''(aa) comparable in scope or nature to that permitted by the Commission as of the date of the enactment of the Financial Services Act of 1998; or

''(bb) otherwise permitted by the Commission.

''(v) SWEEP ACCOUNTS.—The bank effects transactions as part of a program for the investment or reinvestment of bank deposit funds into any no-load, open-end management investment company registered under the Investment Company Act of 1940 that holds itself out as a money market fund.

''(vi) AFFILIATE TRANSACTIONS.—The bank effects transactions for the account of any affiliate of the bank (as defined in section 2 of the Bank Holding Company Act of 1956) other than—

''(I) a registered broker or dealer; or

''(II) an affiliate that is engaged in merchant banking, as described in section 6(c)(3)(H) of the Bank Holding company Act of 1956.

''(vii) PRIVATE SECURITIES OFFERINGS.—The bank—

''(I) effects sales as part of a primary offering of securities not involving a public offering, pursuant to section 3(b), 4(2), or 4(6) of the Securities Act of 1933 or the rules and regulations issued thereunder;

''(II) at any time after one year after the date of enactment of the Financial Services Act of 1998, is not affiliated with a broker or dealer that has been registered for more than one year; and

''(III) effects transactions exclusively with qualified investors.

''(viii) SAFEKEEPING AND CUSTODY ACTIVITIES.—

''(I) IN GENERAL.—The bank, as part of customary banking activities—

''(aa) provides safekeeping or custody services with respect to securities, including the exercise of warrants and other rights on behalf of customers;

''(bb) facilitates the transfer of funds or securities, as a custodian or a clearing agency, in connection with the clearance and settlement of its customers' transactions in securities;

''(cc) effects securities lending or borrowing transactions with or on behalf of customers as part of services provided to customers pursuant to division (aa) or (bb) or invests cash collateral pledged in connection with such transactions; or

''(dd) holds securities pledged by a customer to another person or securities subject to purchase or resale agreements involving a customer, or facilitates the pledging or transfer of such securities by book entry or as otherwise provided under applicable law.

''(II) EXCEPTION FOR CARRYING BROKER ACTIVITIES.—The exception to being considered a broker for a bank engaged in activities described in subclause (I) shall not apply if the bank, in connection with such activities, acts in the United States as a carrying broker (as such term, and different formulations thereof, are used in section 15(c)(3) and the rules and regulations thereunder) for any broker or dealer, unless such carrying broker activities are engaged in with respect to government securities (as defined in paragraph (42) of this subsection).

''(ix) BANKING PRODUCTS.—The bank effects transactions in traditional banking products, as defined in section 206(a) of the Financial Services Act of 1998.

''(x) DE MINIMIS EXCEPTION.—The bank effects, other than in transactions referred to in clauses (i) through (ix), not more than 500 transactions in securities in any calendar year, and such transactions are not effected by an employee of the bank who is also an employee of a broker or dealer.

''(C) BROKER DEALER EXECUTION.—The exception to being considered a broker for a bank engaged in activities described in clauses (ii), (iv), and (viii) of subparagraph (B) shall not apply if the activities described in such provisions result in the trade in the United States of any security that is a publicly traded security in the United States, unless—

''(i) the bank directs such trade to a registered or broker dealer for execution;

''(ii) the trade is a cross trade or other substantially similar trade of a security that—

''(I) is made by the bank or between the bank and an affiliated fiduciary; and

''(II) is not in contravention of fiduciary principles established under applicable Federal or State law; or

''(iii) the trade is conducted in some other manner permitted under rules, regulations, or orders as the Commission may prescribe or issue.

''(D) NO EFFECT OF BANK EXEMPTIONS ON OTHER COMMISSION AUTHORITY.—The exception to being considered a broker for a bank engaged in activities described in subparagraphs (B) and (C) shall not affect the commission's authority under any other provision of this Act or any other securities law.

''(E) FIDUCIARY CAPACITY.—For purposes of subparagraph (B)(ii), the term 'fiduciary capacity' means—

''(i) in the capacity as trustee, executor, administrator, registrar of stocks and bonds, transfer agent, guardian, assignee, receiver, or custodian under a uniform gift to minor act, or as an investment adviser if the bank receives a fee for its investment advice;

''(ii) in any capacity in which the bank possesses investment discretion on behalf of another; or

''(iii) in any other similar capacity.

''(F) EXCEPTION FOR ENTITIES SUBJECT TO SECTION 15(e).—The term 'broker' does not include a bank that—

''(i) was, immediately prior to the enactment of the Financial Services Act of 1998, subject to section 15(e); and

''(ii) is subject to such restrictions and requirements as the Commission considers appropriate.''.

SEC. 202. DEFINITION OF DEALER.

Section 3(a)(5) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(5)) is amended to read as follows:

''(5) DEALER.—

''(A) IN GENERAL.—The term 'dealer' means any person engaged in the business of buying and selling securities for such person's own account through a broker or otherwise.

''(B) EXCEPTION FOR PERSON NOT ENGAGED IN THE BUSINESS OF DEALING.—The term 'dealer' does not include a person that buys or sells securities for such person's own account, either individually or in a fiduciary capacity, but not as a part of a regular business.

''(C) EXCEPTION FOR CERTAIN BANK ACTIVITIES.—A bank shall not be considered to be a dealer because the bank engages in any of the following activities under the conditions described:

''(i) PERMISSIBLE SECURITIES TRANSACTIONS.—The bank buys or sells—

''(I) commercial paper, bankers acceptances, or commercial bills;

''(II) exempted securities;

''(III) qualified Canadian government obligations as defined in section 5136 of the Revised Statutes of the United States, in conformity with section 15C of this title and the rules and regulations thereunder, or obligations of the North American Development Bank; or

''(IV) any standardized, credit enhanced debt security issued by a foreign government pursuant to the March 1989 plan of then Secretary of the Treasury Brady, used by such foreign government to retire outstanding commercial bank loans.

''(ii) INVESTMENT, TRUSTEE, AND FIDUCIARY TRANSACTIONS.—The bank buys or sells securities for investment purposes—

''(I) for the bank; or

''(II) for accounts for which the bank acts as a trustee or fiduciary.

''(iii) ASSET-BACKED TRANSACTIONS.—The bank engages in the issuance or sale to qualified investors, through a grantor trust or otherwise, of securities backed by or representing an interest in notes, drafts, acceptances, loans, leases, receivables, other obligations, or pools of any such obligations predominantly originated by the bank, or a syndicate of banks of which the bank is a member, or an affiliate of any such bank other than a broker or dealer.

''(iv) BANKING PRODUCTS.—The bank buys or sells traditional banking products, as defined in section 206(a) of the Financial Services Act of 1998.

''(v) DERIVATIVE INSTRUMENTS.—The bank issues, buys, or sells any derivative instrument to which the bank is a party—

''(I) to or from a corporation, limited liability company, or partnership that owns and invests on a discretionary basis, not less than $10,000,000 in investments, or to or from a qualified investor, except that if the instrument provides for the delivery of one or more securities (other than a derivative instrument or government security), the transaction shall be effected with or through a registered broker or dealer; or

''(II) to or from other persons, except that if the derivative instrument provides for the delivery of one or more securities (other than a derivative instrument or government security), or is a security (other than a government security), the transaction shall be effected with or through a registered broker or dealer; or

''(III) to or from any person if the instrument is neither a security nor provides for the delivery of one or more securities (other than a derivative instrument).''.

SEC. 203. REGISTRATION FOR SALES OF PRIVATE SECURITIES OFFERINGS.

Section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78*o*–3) is amended by inserting after subsection (i) the following new subsection:

''(j) REGISTRATION FOR SALES OF PRIVATE SECURITIES OFFERINGS.—A registered securities association shall create a limited qualification category for any associated person of a member who effects sales as part of a primary offering of securities not involving a public offering, pursuant to section 3(b), 4(2), or 4(6) of the Securities Act of 1933 and the rules and regulations thereunder, and shall deem qualified in such limited qualification category, without testing, any bank employee who, in the six month period preceding the date of enactment of this Act, engaged in effecting such sales.''.

SEC. 204. SALES PRACTICES AND COMPLAINT PROCEDURES.

Section 18 of the Federal Deposit Insurance Act is amended by adding at the end the following new subsection:

''(s) SALES PRACTICES AND COMPLAINT PROCEDURES WITH RESPECT TO BANK SECURITIES ACTIVITIES.—

''(1) REGULATIONS REQUIRED.—Each Federal banking agency shall prescribe and publish in final form, not later than 6 months after the date of enactment of the Financial Services Act of 1998, regulations which apply to retail transactions, solicitations, advertising, or offers of any security by any insured depository institution or any affiliate thereof other than a registered broker or dealer or an individual acting on behalf of such a broker or dealer who is an associated person of such broker or dealer. Such regulations shall include—

''(A) requirements that sales practices comply with just and equitable principles of trade that are substantially similar to the Rules of Fair Practice of the National Association of Securities Dealers; and

''(B) requirements prohibiting (i) conditioning an extension of credit on the purchase or sale of a security; and (ii) any conduct leading a customer to believe that an extension of credit is conditioned upon the purchase or sale of a security.

''(2) PROCEDURES REQUIRED.—The appropriate Federal banking agencies shall jointly establish procedures and facilities for receiving and expeditiously processing complaints against any bank or employee of a bank arising in connection with the purchase or sale of a security by a customer, including a complaint alleging a violation of the regulations prescribed under paragraph (1), but excluding a complaint involving an individual acting on behalf of such a broker or dealer who is an associated person of such broker or dealer. The use of any such procedures and facilities by such a customer shall be at the election of the customer. Such procedures shall include provisions to refer a complaint alleging fraud to the Securities and Exchange Commission and appropriate State securities commissions.

''(3) REQUIRED ACTIONS.—The actions required by the Federal banking agencies under paragraph (2) shall include the following:

''(A) establishing a group, unit, or bureau within each such agency to receive such complaints;

''(B) developing and establishing procedures for investigating, and permitting customers to investigate, such complaints;

''(C) developing and establishing procedures for informing customers of the rights they may have in connection with such complaints;

''(D) developing and establishing procedures that allow customers a period of at least 6 years to make complaints and that do not require customers to pay the costs of the proceeding; and

''(E) developing and establishing procedures for resolving such complaints, including procedures for the recovery of losses to the extent appropriate.

''(4) CONSULTATION AND JOINT REGULATIONS.—The Federal banking agencies shall consult with each other and prescribe joint regulations pursuant to paragraphs (1) and (2), after consultation with the Securities and Exchange Commission.

''(5) PROCEDURES IN ADDITION TO OTHER REMEDIES.—The procedures and remedies provided under this subsection shall be in addition to, and not in lieu of, any other remedies available under law.

''(6) DEFINITION.—As used in this subsection—

''(A) the term 'security' has the meaning provided in section 3(a)(10) of the Securities Exchange Act of 1934;

''(B) the term 'registered broker or dealer' has the meaning provided in section 3(a)(48) of such Act; and

''(C) the term 'associated person' has the meaning provided in section 3(a)(18) of such Act.''.

SEC. 205. INFORMATION SHARING.

Section 18 of the Federal Deposit Insurance Act is amended by adding at the end the following new subsection:

''(t) RECORDKEEPING REQUIREMENTS.—

''(1) REQUIREMENTS.—Each appropriate Federal banking agency, after consultation with and consideration of the views of the Commission, shall establish recordkeeping requirements for banks relying on exceptions contained in paragraphs (4) and (5) of section 3(a) of the Securities Exchange Act of 1934. Such recordkeeping requirements shall be sufficient to demonstrate compliance with the terms of such exceptions and be designed to facilitate compliance with such exceptions. Each appropriate Federal banking agency shall make any such information available to the Commission upon request.

''(2) DEFINITIONS.—As used in this subsection the term 'Commission' means the Securities and Exchange Commission.''.

SEC. 206. DEFINITION AND TREATMENT OF BANKING PRODUCTS.

(a) DEFINITION OF TRADITIONAL BANKING PRODUCT.—

(1) IN GENERAL.—For purposes of paragraphs (4) and (5) of section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(4), (5)), the term 'traditional banking product' means—

(A) a deposit account, savings account, certificate of deposit, or other deposit instrument issued by a bank;

(B) a banker's acceptance;

(C) a letter of credit issued or loan made by a bank;

(D) a debit account at a bank arising from a credit card or similar arrangement;

(E) a participation in a loan which the bank or an affiliate of the bank (other than a broker or dealer) funds, participates in, or owns that is sold—

(i) to qualified investors; or

(ii) to other persons that—

''(I) have the opportunity to review and assess any material information, including information regarding the borrower's creditworthiness; and

''(II) based on such factors as financial sophistication, net worth, and knowledge and experience in financial matters, have the capability to evaluate the information available, as determined under generally applicable banking standards or guidelines; or

(F) any derivative instrument, whether or not individually negotiated, involving or relating to—

(i) foreign currencies, except options on foreign currencies that trade on a national securities exchange;

(ii) interest rates, except interest rate derivative instruments (I) that are based on a security; or (II) that provide for the delivery of one or more securities; or

(iii) commodities, other rates, indices, or other assets, except derivative instruments that are securities or that provide for the delivery of one or more securities.

(2) CLASSIFICATION LIMITED.—Classification of a particular product as a traditional banking product pursuant to this subsection shall not be construed as finding or implying that such product is oris not a security for any purpose under the securities laws, or is or is not an account, agreement, contract, or transaction for any purpose under the Commodity Exchange Act.

(3) DEFINITIONS.—For purposes of this subsection—

(A) the term ''bank'' has the meaning provided in section 3(a)(6) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(6);

(B) the term ''qualified investor'' has the meaning provided in section 3(a)(55) of such Act; and

(C) the term ''Federal banking agency'' has the meaning provided in section 3(z) of the Federal Deposit Insurance Act (12 U.S.C. 1813(z)).

(b) TREATMENT OF NEW BANKING PRODUCTS FOR PURPOSES OF BROKER/DEALER REQUIREMENTS.—Section 15 of the Securities Exchange Act of 1934 (15 U.S.C. 78o) is amended by adding at the end the following new subsection:

''(i) RULEMAKING TO EXTEND REQUIREMENTS TO NEW BANKING PRODUCTS.—

''(1) LIMITATION.—The Commission shall not—

''(A) require a bank to register as a broker or dealer under this section because the bank engages in any transaction in, or buys or sells, a new banking product; or

''(B) bring an action against a bank for a failure to comply with a requirement described in subparagraph (A);

unless the Commission has imposed such requirement by rule or regulation issued in accordance with this section.

''(2) CRITERIA FOR RULEMAKING.—The Commission shall not impose a requirement under paragraph (1) of this subsection with respect to any new banking product unless the Commission determines that—

''(A) the new banking product is a security; and

''(B) imposing such requirement is necessary or appropriate in the public interest and for the protection of investors, consistent with the requirements of section 3(f).

''(3) NEW BANKING PRODUCT.—For purposes of this subsection, the term 'new banking product' means a product that—

''(A) was not subjected to regulation by the Commission as a security prior to the date of enactment of this subsection; and

''(B) is not a traditional banking product, as such term is defined in section 206(a) of the Financial Services Act of 1998.

''(4) CONSULTATION.—In promulgating rules under this subsection, the Commission shall consult with and consider the views of the appropriate regulatory agencies concerning the proposed rule and the impact on the banking industry.''.

SEC. 207. DERIVATIVE INSTRUMENT AND QUALIFIED INVESTOR DEFINED.

Section 3(a) of the Securities Exchange Act of 1934 is amended by adding at the end the following new paragraphs:

''(54) DERIVATIVE INSTRUMENT.—

''(A) DEFINITION.—The term 'derivative instrument' means any individually negotiated contract, agreement, warrant, note, or option that is based, in whole or in part, on the value of, any interest in, or any quantitative measure or the occurrence of any event relating to, one or more commodities, securities, currencies, interest or other rates, indices, or other assets, but does not include a traditional banking product, as defined in section 206(a) of the Financial Services Act of 1998.

''(B) CLASSIFICATION LIMITED.— Classification of a particular contract as a derivative instrument pursuant to this paragraph shall not be construed as finding or implying that such instrument is or is not a security for any purpose under the securities laws, or is or is not an account, agreement, contract, or transaction for any purpose under the Commodity Exchange Act.

''(55) QUALIFIED INVESTOR.—

''(A) DEFINITION.—For purposes of this title and section 206(a)(1)(E) of the Financial Services Act of 1998, the term 'qualified investor' means—

''(i) any investment company registered with the Commission under section 8 of the Investment Company Act of 1940;

''(ii) any issuer eligible for an exclusion from the definition of investment company pursuant to section 3(c)(7) of the Investment Company Act of 1940;

''(iii) any bank (as defined in paragraph (6) of this subsection), savings and loan association (as defined in section 3(b) of the Federal Deposit Insurance Act), broker, dealer, insurance company (as defined in section 2(a)(13) of the Securities Act of 1933), or business development company (as defined in section 2(a)(48) of the Investment Company Act of 1940);

''(iv) any small business investment company licensed by the United States Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958;

''(v) any State sponsored employee benefit plan, or any other employee benefit plan, within the meaning of the Employee Retirement Income Security Act of 1974, other than an individual retirement account, if the investment decisions are made by a plan fiduciary, as defined in section 3(21) of that Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser;

''(vi) any trust whose purchases of securities are directed by a person described in clauses (i) through (v) of this subparagraph;

''(vii) any market intermediary exempt under section 3(c)(2) of the Investment Company Act of 1940;

''(viii) any associated person of a broker or dealer other than a natural person; or

''(ix) any foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978).

''(B) ADDITIONAL QUALIFICATIONS DEFINED.—For purposes of paragraphs (4)(B)(vii) and (5)(C)(iii) of this subsection, and section 206(a)(1)(E) of the Financial Services Act of 1998, the term 'qualified investor' also means—

''(i) any corporation, company, or partnership that owns and invests on a discretionary basis, not less than $10,000,000 in investments;

''(ii) any natural person who owns and invests on a discretionary basis, not less than $10,000,000 in investments;

''(iii) any government or political subdivision, agency, or instrumentality of a government who owns and invests on a discretionary basis not less than $50,000,000 in investments; or

''(iv) any multinational or supranational entity or any agency or instrumentality thereof.

''(C) ADDITIONAL AUTHORITY.—The Commission may, by rule or order, define a 'qualified investor' as any other person, other than a natural person, taking into consideration such factors as the person's financial sophistication, net worth, and knowledge and experience in financial matters.''.

SEC. 208. GOVERNMENT SECURITIES DEFINED.

Section 3(a)(42) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(42)) is amended—

(1) by striking ''or'' at the end of subparagraph (C);

(2) by striking the period at the end of subparagraph (D) and inserting ''; or''; and

(3) by adding at the end the following new subparagraph:

''(E) for purposes of section 15C as applied to a bank, a qualified Canadian government obligation as defined in section 5136 of the Revised Statutes.''.

SEC. 209. EFFECTIVE DATE.

This subtitle shall take effect at the end of the 270-day period beginning on the date of the enactment of this Act.

Subtitle B—Bank Investment Company Activities

SEC. 211. CUSTODY OF INVESTMENT COMPANY ASSETS BY AFFILIATED BANK.

(a) MANAGEMENT COMPANIES.—Section 17(f) of the Investment Company Act of 1940 (15 U.S.C. 80a–17(f)) is amended—

(1) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(2) by striking ''(f) Every registered'' and inserting the following:

''(f) CUSTODY OF SECURITIES.—

''(1) Every registered'';

(3) by redesignating the 2d, 3d, 4th, and 5th sentences of such subsection as paragraphs (2) through (5), respectively, and indenting the left margin of such paragraphs appropriately; and

(4) by adding at the end the following new paragraph:

''(6) The Commission may adopt rules and regulations, and issue orders, consistent with the protection of investors, prescribing the conditions under which a bank, or an affiliated person of a bank, either of which is an affiliated person, promoter, organizer, or sponsor of, or principal underwriter for, a registered management company may serve as custodian of that registered management company.''.

(b) UNIT INVESTMENT TRUSTS.—Section 26 of the Investment Company Act of 1940 (15 U.S.C. 80a–26) is amended—

(1) by redesignating subsections (b) through (e) as subsections (c) through (f), respectively; and

(2) by inserting after subsection (a) the following new subsection:

''(b) The Commission may adopt rules and regulations, and issue orders, consistent with the protection of investors, prescribing the conditions under which a bank, or an affiliated person of a bank, either of which is an affiliated person of a principal underwriter for, or depositor of, a registered unit

investment trust, may serve as trustee or custodian under subsection (a)(1).''.

(c) FIDUCIARY DUTY OF CUSTODIAN.—Section 36(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–35(a)) is amended—

(1) in paragraph (1), by striking ''or'' at the end;

(2) in paragraph (2), by striking the period at the end and inserting ''; or''; and

(3) by inserting after paragraph (2) the following:

''(3) as custodian.''.

SEC. 212. LENDING TO AN AFFILIATED INVESTMENT COMPANY.

Section 17(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–17(a)) is amended—

(1) by striking ''or'' at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting ''; or''; and

(3) by adding at the end the following new paragraph:

''(4) to loan money or other property to such registered company, or to any company controlled by such registered company, in contravention of such rules, regulations, or orders as the Commission may prescribe or issue consistent with the protection of investors.''.

SEC. 213. INDEPENDENT DIRECTORS.

(a) IN GENERAL.—Section 2(a)(19)(A) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a)(19)(A)) is amended—

(1) by striking clause (v) and inserting the following new clause:

''(v) any person or any affiliated person of a person (other than a registered investment company) that, at any time during the 6-month period preceding the date of the determination of whether that person or affiliated person is an interested person, has executed any portfolio transactions for, engaged in any principal transactions with, or distributed shares for—

''(I) the investment company,

''(II) any other investment company having the same investment adviser as such investment company or holding itself out to investors as a related company for purposes of investment or investor services, or

''(III) any account over which the investment company's investment adviser has brokerage placement discretion,'';

(2) by redesignating clause (vi) as clause (vii); and

(3) by inserting after clause (v) the following new clause:

''(vi) any person or any affiliated person of a person (other than a registered investment company) that, at any time during the 6-month period preceding the date of the determination of whether that person or affiliated person is an interested person, has loaned money or other property to—

''(I) the investment company,

''(II) any other investment company having the same investment adviser as such investment company or holding itself out to investors as a related company for purposes of investment or investor services, or

''(III) any account for which the investment company's investment adviser has borrowing authority,''.

(b) CONFORMING AMENDMENT.—Section 2(a)(19)(B) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a)(19)(B)) is amended—

(1) by striking clause (v) and inserting the following new clause:

''(v) any person or any affiliated person of a person (other than a registered investment company) that, at any time during the 6-month period preceding the date of the determination of whether that person or affiliated person is an interested person, has executed any portfolio transactions for, engaged in any principal transactions with, or distributed shares for—

''(I) any investment company for which the investment adviser or principal underwriter serves as such,

''(II) any investment company holding itself out to investors, for purposes of investment or investor services, as a company related to any investment company for which the investment adviser or principal underwriter serves as such, or

''(III) any account over which the investment adviser has brokerage placement discretion,'';

(2) by redesignating clause (vi) as clause (vii); and

(3) by inserting after clause (v) the following new clause:

''(vi) any person or any affiliated person of a person (other than a registered investment company) that, at any time during the 6-month period preceding the date of the determination of whether that person or affiliated person is an interested person, has loaned money or other property to—

''(I) any investment company for which the investment adviser or principal underwriter serves as such,

''(II) any investment company holding itself out to investors, for purposes of investment or investor services, as a company related to any investment company for which the investment adviser or principal underwriter serves as such, or

''(III) any account for which the investment adviser has borrowing authority,''.

(c) AFFILIATION OF DIRECTORS.—Section 10(c) of the Investment Company Act of 1940 (15 U.S.C. 80a–10(c)) is amended by striking ''bank, except'' and inserting ''bank (together with its affiliates and subsidiaries) or any one bank holding company (together with its affiliates and subsidiaries) (as such terms are defined in section 2 of the Bank Holding Company Act of 1956), except''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect at the end of the 1-year period beginning on the date of enactment of this subtitle.

SEC. 214. ADDITIONAL SEC DISCLOSURE AUTHORITY.

Section 35(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–34(a)) is amended to read as follows:

''(a) MISREPRESENTATION OF GUARANTEES.—

''(1) IN GENERAL.—It shall be unlawful for any person, issuing or selling any security of which a registered investment company is the issuer, to represent or imply in any manner whatsoever that such security or company—

''(A) has been guaranteed, sponsored, recommended, or approved by the United States, or any agency, instrumentality or officer of the United States;

''(B) has been insured by the Federal Deposit Insurance Corporation; or

''(C) is guaranteed by or is otherwise an obligation of any bank or insured depository institution.

''(2) DISCLOSURES.—Any person issuing or selling the securities of a registered investment company that is advised by, or sold through, a bank shall prominently disclose that an investment in the company is not insured by the Federal Deposit Insurance Corporation or any other government agency. The Commission may adopt rules and regulations, and issue orders, consistent with the protection of investors, prescribing the manner in which the disclosure under this paragraph shall be provided.

''(3) DEFINITIONS.—The terms 'insured depository institution' and 'appropriate Federal banking agency' have the meaning given to such terms in section 3 of the Federal Deposit Insurance Act.''.

SEC. 215. DEFINITION OF BROKER UNDER THE INVESTMENT COMPANY ACT OF 1940.

Section 2(a)(6) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a)(6)) is amended to read as follows:

''(6) The term 'broker' has the same meaning as in the Securities Exchange Act of 1934, except that such term does not include any person solely by reason of the fact that such person is an underwriter for one or more investment companies.''.

SEC. 216. DEFINITION OF DEALER UNDER THE INVESTMENT COMPANY ACT OF 1940.

Section 2(a)(11) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a)(11)) is amended to read as follows:

''(11) The term 'dealer' has the same meaning as in the Securities Exchange Act of 1934, but does not include an insurance company or investment company.''.

SEC. 217. REMOVAL OF THE EXCLUSION FROM THE DEFINITION OF INVESTMENT ADVISER FOR BANKS THAT ADVISE INVESTMENT COMPANIES.

(a) INVESTMENT ADVISER.—Section 202(a)(11) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(a)(11)) is amended in subparagraph (A), by striking ''investment company'' and inserting ''investment company, except that the term 'investment adviser' includes any bank or bank holding company to the extent that such bank or bank holding company serves or acts as an investment adviser to a registered investment company, but if, in the case of a bank, such services or actions are performed through a separately identifiable department or division, the department or division, and not the bank itself, shall be deemed to be the investment adviser''.

(b) SEPARATELY IDENTIFIABLE DEPARTMENT OR DIVISION.—Section 202(a) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(a)) is amended by adding at the end the following:

''(26) The term 'separately identifiable department or division' of a bank means a unit—

''(A) that is under the direct supervision of an officer or officers designated by the board of directors of the bank as responsible for the day-to-day conduct of the bank's investment adviser activities for one or more investment companies, including the supervision of all bank employees engaged in the performance of such activities; and

''(B) for which all of the records relating to its investment adviser activities are separately maintained in or extractable from such unit's own facilities or the facilities of the bank, and such records are so maintained or otherwise accessible as to permit independent examination and enforcement by the Commission of this Act or the Investment Company Act of 1940 and rules and regulations promulgated under this Act or the Investment Company Act of 1940.''.

SEC. 218. DEFINITION OF BROKER UNDER THE INVESTMENT ADVISERS ACT OF 1940.

Section 202(a)(3) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(a)(3)) is amended to read as follows:

''(3) The term 'broker' has the same meaning as in the Securities Exchange Act of 1934.''.

SEC. 219. DEFINITION OF DEALER UNDER THE INVESTMENT ADVISERS ACT OF 1940.

Section 202(a)(7) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(a)(7)) is amended to read as follows:

''(7) The term 'dealer' has the same meaning as in the Securities Exchange Act of 1934, but does not include an insurance company or investment company.''.

SEC. 220. INTERAGENCY CONSULTATION.

The Investment Advisers Act of 1940 (15 U.S.C. 80b–1 et seq.) is amended by inserting after section 210 the following new section:

"SEC. 210A. CONSULTATION.

''(a) EXAMINATION RESULTS AND OTHER INFORMATION.—

''(1) The appropriate Federal banking agency shall provide the Commission upon request the results of any examination, reports, records, or other information to which such agency may have access with respect to the investment advisory activities—

''(A) of any—

''(i) bank holding company,

''(ii) bank, or

''(iii) separately identifiable department or division of a bank,

that is registered under section 203 of this title; and

''(B) in the case of a bank holding company or bank that has a subsidiary or a separately identifiable department or division registered under that section, of such bank or bank holding company.

''(2) The Commission shall provide to the appropriate Federal banking agency upon request the results of any examination, reports, records, or other information with respect to the investment advisory activities of any bank holding company, bank, or separately identifiable department or division of a bank, any of which is registered under section 203 of this title.

''(b) EFFECT ON OTHER AUTHORITY.—Nothing in this section shall limit in any respect the authority of the appropriate Federal banking agency with respect to such bank holding company, bank, or department or division under any provision of law.

''(c) DEFINITION.—For purposes of this section, the term 'appropriate Federal banking agency' shall have the same meaning as in section 3 of the Federal Deposit Insurance Act.''.

SEC. 221. TREATMENT OF BANK COMMON TRUST FUNDS.

(a) SECURITIES ACT OF 1933.—Section 3(a)(2) of the Securities Act of 1933 (15 U.S.C. 77c(a)(2)) is amended by striking ''or any interest or participation in any common trust fund or similar fund maintained by a bank exclusively for the collective investment and reinvestment of assets contributed thereto by such bank in its capacity as trustee, executor, administrator, or guardian'' and inserting ''or any interest or participation in any common trust fund or similar fund that is excluded from the definition of the term 'investment company' under section 3(c)(3) of the Investment Company Act of 1940''.

(b) SECURITIES EXCHANGE ACT OF 1934.—Section 3(a)(12)(A)(iii) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(12)(A)(iii)) is amended to read as follows:

''(iii) any interest or participation in any common trust fund or similar fund that is excluded from the definition of the term 'investment company' under section 3(c)(3) of the Investment Company Act of 1940;''.

(c) INVESTMENT COMPANY ACT OF 1940.—Section 3(c)(3) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(c)(3)) is amended by inserting before the period the following: '', if—

''(A) such fund is employed by the bank solely as an aid to the administration of trusts, estates, or other accounts created and maintained for a fiduciary purpose;

''(B) except in connection with the ordinary advertising of the bank's fiduciary services, interests in such fund are not—

''(i) advertised; or

''(ii) offered for sale to the general public; and

''(C) fees and expenses charged by such fund are not in contravention of fiduciary principles established under applicable Federal or State law''.

SEC. 222. INVESTMENT ADVISERS PROHIBITED FROM HAVING CONTROLLING INTEREST IN REGISTERED INVESTMENT COMPANY.

Section 15 of the Investment Company Act of 1940 (15 U.S.C. 80a–15) is amended by adding at the end the following new subsection:

''(g) CONTROLLING INTEREST IN INVESTMENT COMPANY PROHIBITED.—

''(1) IN GENERAL.—If an investment adviser to a registered investment company, or an affiliated person of that investment adviser, holds a controlling interest in that registered investment company in a trustee or fiduciary capacity, such person shall—

''(A) if it holds the shares in a trustee or fiduciary capacity with respect to any employee benefit plan subject to the Employee Retirement Income Security Act of 1974, transfer the power to vote the shares of the investment company through to another person acting in a fiduciary capacity with respect to the plan who is not an affiliated person of that investment adviser or any affiliated person thereof; or

''(B) if it holds the shares in a trustee or fiduciary capacity with respect to any person or entity other than an employee benefit plan subject to the Employee Retirement Income Security Act of 1974—

''(i) transfer the power to vote the shares of the investment company through to—

''(I) the beneficial owners of the shares;

''(II) another person acting in a fiduciary capacity who is not an affiliated person of that investment adviser or any affiliated person thereof; or

''(III) any person authorized to receive statements and information with respect to the trust who is not an affiliated person of that investment adviser or any affiliated person thereof;

''(ii) vote the shares of the investment company held by it in the same proportion as shares held by all other shareholders of the investment company; or

''(iii) vote the shares of the investment company as otherwise permitted under such rules, regulations, or orders as the Commission may prescribe or issue consistent with the protection of investors.

''(2) EXEMPTION.—Paragraph (1) shall not apply to any investment adviser to a registered investment company, or any affiliated person of that investment adviser, that holds shares of the investment company in a trustee or fiduciary capacity if that registered investment company consists solely of assets held in such capacities.

''(3) SAFE HARBOR.—No investment adviser to a registered investment company or any affiliated person of such investment adviser shall be deemed to have acted unlawfully or to have breached a fiduciary duty under State or Federal law solely by reason of acting in accordance with clause (i), (ii), or (iii) of paragraph (1)(B).''.

SEC. 223. CONFORMING CHANGE IN DEFINITION.

Section 2(a)(5) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a)(5)) is amended by striking ''(A) a banking institution organized under the laws of the United States'' and inserting ''(A) a depository institution (as defined in section 3 of the Federal Deposit Insurance Act) or a branch or agency of a foreign bank (as such terms are defined in section 1(b) of the International Banking Act of 1978)''.

SEC. 224. CONFORMING AMENDMENT.

Section 202 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2) is amended by adding at the end the following new subsection:

''(c) CONSIDERATION OF PROMOTION OF EFFICIENCY, COMPETITION, AND CAPITAL FORMATION.—Whenever pursuant to this title the Commission is engaged in rulemaking and is required to consider or determine whether an action is necessary or appropriate in the public interest, the Commission shall also consider, in addition to the protection of investors, whether the action will promote efficiency, competition, and capital formation.''.

SEC. 225. EFFECTIVE DATE.

This subtitle shall take effect 90 days after the date of the enactment of this Act.

Subtitle C—Securities and Exchange Commission Supervision of Investment Bank Holding Companies

SEC. 231. SUPERVISION OF INVESTMENT BANK HOLDING COMPANIES BY THE SECURITIES AND EXCHANGE COMMISSION.

(a) AMENDMENT.—Section 17 of the Securities Exchange Act of 1934 (15 U.S.C. 78q) is amended—

(1) by redesignating subsection (i) as subsection (l); and

(2) by inserting after subsection (h) the following new subsections:

''(i) INVESTMENT BANK HOLDING COMPANIES.—

''(1) ELECTIVE SUPERVISION OF AN INVESTMENT BANK HOLDING COMPANY NOT HAVING A BANK OR SAVINGS ASSOCIATION AFFILIATE.—

''(A) IN GENERAL.—An investment bank holding company that is not—

''(i) an affiliate of a wholesale financial institution, an insured bank (other than an institution described in subparagraph (D), (F), or (G) of section 2(c)(2), or held under section 4(f), of the Bank Holding Company Act of 1956), or a savings association,

''(ii) a foreign bank, foreign company, or company that is described in section 8(a) of the International Banking Act of 1978, or

''(iii) a foreign bank that controls, directly or indirectly, a corporation chartered under section 25A of the Federal Reserve Act,

may elect to become supervised by filing with the Commission a notice of intention to become supervised, pursuant to subparagraph (B) of this paragraph. Any investment bank holding company filing such a notice shall be supervised in accordance with this section and comply with the rules promulgated by the Commission applicable to supervised investment bank holding companies.

''(B) NOTIFICATION OF STATUS AS A SUPERVISED INVESTMENT BANK HOLDING COMPANY.—An investment bank holding company that elects under subparagraph (A) to become supervised by the Commission shall file with the Commission a written notice of intention to become supervised by the Commission in such form and containing such information and documents concerning such investment bank holding company as the Commission, by rule, may prescribe as necessary or appropriate in furtherance of the purposes of this section. Unless the Commission finds that such supervision is not necessary or appropriate in furtherance of the purposes of this section, such supervision shall become effective 45 days after receipt of such written notice by the Commission or within such shorter time period as the Commission, by rule or order, may determine.

''(2) ELECTION NOT TO BE SUPERVISED BY THE COMMISSION AS AN INVESTMENT BANK HOLDING COMPANY.—

''(A) VOLUNTARY WITHDRAWAL.—A supervised investment bank holding company that is supervised pursuant to paragraph (1) may, upon such terms and conditions as the Commission deems necessary or appropriate, elect not to be supervised by the Commission by filing a written notice of withdrawal from Commission supervision. Such notice shall not become effective until one year after receipt by the Commission, or such shorter or longer period as the Commission deems necessary or appropriate to ensure effective supervision of the material risks to the supervised investment bank holding company and

to the affiliated broker or dealer, or to prevent evasion of the purposes of this section.

''(B) DISCONTINUATION OF COMMISSION SUPERVISION.—If the Commission finds that any supervised investment bank holding company that is supervised pursuant to paragraph (1) is no longer in existence or has ceased to be an investment bank holding company, or if the Commission finds that continued supervision of such a supervised investment bank holding company is not consistent with the purposes of this section, the Commission may discontinue the supervision pursuant to a rule or order, if any, promulgated by the Commission under this section.

''(3) SUPERVISION OF INVESTMENT BANK HOLDING COMPANIES.—

''(A) RECORDKEEPING AND REPORTING.—

''(i) IN GENERAL.—Every supervised investment bank holding company and each affiliate thereof shall make and keep for prescribed periods such records, furnish copies thereof, and make such reports, as the Commission may require by rule, in order to keep the Commission informed as to—

''(I) the company's or affiliate's activities, financial condition, policies, systems for monitoring and controlling financial and operational risks, and transactions and relationships between any broker or dealer affiliate of the supervised investment bank holding company; and

''(II) the extent to which the company or affiliate has complied with the provisions of this Act and regulations prescribed and orders issued under this Act.

''(ii) FORM AND CONTENTS.—Such records and reports shall be prepared in such form and according to such specifications (including certification by an independent public accountant), as the Commission may require and shall be provided promptly at any time upon request by the Commission. Such records and reports may include—

''(I) a balance sheet and income statement;

''(II) an assessment of the consolidated capital of the supervised investment bank holding company;

''(III) an independent auditor's report attesting to the supervised investment bank holding company's compliance with its internal risk management and internal control objectives; and

''(IV) reports concerning the extent to which the company or affiliate has complied with the provisions of this title and any regulations prescribed and orders issued under this title.

''(B) USE OF EXISTING REPORTS.—

''(i) IN GENERAL.—The Commission shall, to the fullest extent possible, accept reports in fulfillment of the requirements under this paragraph that the supervised investment bank holding company or its affiliates have been required to provide to another appropriate regulatory agency or self-regulatory organization.

''(ii) AVAILABILITY.—A supervised investment bank holding company or an affiliate of such company shall provide to the Commission, at the request of the Commission, any report referred to in clause (i).

''(C) EXAMINATION AUTHORITY.—

''(i) FOCUS OF EXAMINATION AUTHORITY.—The Commission may make examinations of any supervised investment bank holding company and any affiliate of such company in order to—

''(I) inform the Commission regarding—

''(aa) the nature of the operations and financial condition of the supervised investment bank holding company and its affiliates;

''(bb) the financial and operational risks within the supervised investment bank holding company that may affect any broker or dealer controlled by such supervised investment bank holding company; and

''(cc) the systems of the supervised investment bank holding company and its affiliates for monitoring and controlling those risks; and

''(II) monitor compliance with the provisions of this subsection, provisions governing transactions and relationships between any broker or dealer affiliated with the supervised investment bank holding company and any of the company's other affiliates, and applicable provisions of subchapter II of chapter 53, title 31, United States Code (commonly referred to as the 'Bank Secrecy Act') and regulations thereunder.

''(ii) RESTRICTED FOCUS OF EXAMINATIONS.—The Commission shall limit the focus and scope of any examination of a supervised investment bank holding company to—

''(I) the company; and

''(II) any affiliate of the company that, because of its size, condition, or activities, the nature or size of the transactions between such affiliate and any affiliated broker or dealer, or the centralization of functions within the holding company system, could, in the discretion of the Commission, have a materially adverse effect on the operational or financial condition of the broker or dealer.

''(iii) DEFERENCE TO OTHER EXAMINATIONS.—For purposes of this subparagraph, the Commission shall, to the fullest extent possible, use the reports of examination of an institution described in subparagraph (D), (F), or (G) of section 2(c)(2), or held under section 4(f), of the Bank Holding Company Act of 1956 made by the appropriate regulatory agency, or of a licensed insurance company made by the appropriate State insurance regulator.

''(4) HOLDING COMPANY CAPITAL.—

''(A) AUTHORITY.—If the Commission finds that it is necessary to adequately supervise investment bank holding companies and their broker or dealer affiliates consistent with the purposes of this subsection, the Commission may adopt capital adequacy rules for supervised investment bank holding companies.

''(B) METHOD OF CALCULATION.—In developing rules under this paragraph:

''(i) DOUBLE LEVERAGE.—The Commission shall consider the use by the supervised investment bank holding company of debt and other liabilities to fund capital investments in affiliates.

''(ii) NO UNWEIGHTED CAPITAL RATIO.—The Commission shall not impose under this section a capital ratio that is not based on appropriate risk-weighting considerations.

''(iii) NO CAPITAL REQUIREMENT ON REGULATED ENTITIES.—The Commission shall not, by rule, regulation, guideline, order or otherwise, impose any capital adequacy provision on a nonbanking affiliate (other than a broker or dealer) that is in compliance with applicable capital requirements of another Federal regulatory authority or State insurance authority.

''(iv) APPROPRIATE EXCLUSIONS.—The Commission shall take full account of the applicable capital requirements of another Federal regulatory authority or State insurance regulator.

''(C) INTERNAL RISK MANAGEMENT MODELS.—The Commission may incorporate internal risk management models into its capital adequacy rules for supervised investment bank holding companies.

''(5) FUNCTIONAL REGULATION OF BANKING AND INSURANCE ACTIVITIES OF SUPERVISED INVESTMENT BANK HOLDING COMPANIES.—The Commission shall defer to—

''(A) the appropriate regulatory agency with regard to all interpretations of, and the enforcement of, applicable banking laws relating to the activities, conduct, ownership, and operations of banks, and institutions described in subparagraph (D), (F), and (G) of section 2(c)(2), or held under section 4(f), of the Bank Holding Company Act of 1956; and

''(B) the appropriate State insurance regulators with regard to all interpretations of, and the enforcement of, applicable State insurance laws relating to the activities, conduct, and operations of insurance companies and insurance agents.

''(6) DEFINITIONS.—For purposes of this subsection—

''(A) The term 'investment bank holding company' means—

''(i) any person other than a natural person that owns or controls one or more brokers or dealers; and

''(ii) the associated persons of the investment bank holding company.

''(B) The term 'supervised investment bank holding company' means any investment bank holding company that is supervised by the Commission pursuant to this subsection.

''(C) The terms 'affiliate', 'bank', 'bank holding company', 'company', 'control', and 'savings association' have the meanings given to those terms in section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841).

''(D) The term 'insured bank' has the meaning given to that term in section 3 of the Federal Deposit Insurance Act.

''(E) The term 'foreign bank' has the meaning given to that term in section 1(b)(7) of the International Banking Act of 1978.

''(F) The terms ''person associated with an investment bank holding company' and ''associated person of an investment bank holding company' means any person directly or indirectly controlling, controlled by, or under common control with, an investment bank holding company.

''(j) AUTHORITY TO LIMIT DISCLOSURE OF INFORMATION.—Notwithstanding any other provision of law, the Commission shall not be compelled to disclose any information required to be reported under subsection (h) or (i) or any information supplied to the Commission by any domestic or foreign regulatory agency that relates to the financial or operational condition of any associated person of a broker or dealer, investment bank holding company, or any affiliate of an investment bank holding company. Nothing in this subsection shall authorize the Commission to withhold information from Congress, or prevent the Commission from complying with a request for information from any other Federal department or agency or any self-regulatory organization requesting the information for purposes within the scope of its jurisdiction, or complying with an order of a court of the United States in an action brought by the United States or the Commission. For purposes of section 552 of title 5, United States Code, this subsection shall be considered a statute described in subsection (b)(3)(B) of such section 552. In prescribing regulations to carry out the requirements of this subsection, the Commission shall designate information described in or obtained pursuant to subparagraphs (A), (B), and (C) of subsection (i)(5) as confidential information for purposes of section 24(b)(2) of this title.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 3(a)(34) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(34)) is amended by adding at the end the following new subparagraphs:

''(H) When used with respect to an institution described in subparagraph (D), (F), or (G) of section 2(c)(2), or held under section 4(f), of the Bank Holding Company Act of 1956—

''(i) the Comptroller of the Currency, in the case of a national bank or a bank in the

District of Columbia examined by the Comptroller of the Currency;

''(ii) the Board of Governors of the Federal Reserve System, in the case of a State member bank of the Federal Reserve System or any corporation chartered under section 25A of the Federal Reserve Act;

''(iii) the Federal Deposit Insurance Corporation, in the case of any other bank the deposits of which are insured in accordance with the Federal Deposit Insurance Act; or

''(iv) the Commission in the case of all other such institutions.''.

(2) Section 1112(e) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3412(e)) is amended—

(A) by striking ''this title'' and inserting ''law''; and

(B) by inserting '', examination reports'' after ''financial records''.

Subtitle D—Study

SEC. 241. STUDY OF METHODS TO INFORM INVESTORS AND CONSUMERS OF UNINSURED PRODUCTS.

Within one year after the date of enactment of this Act, the Comptroller General of the United States shall submit a report to the Congress regarding the efficacy, costs, and benefits of requiring that any depository institution that accepts federally insured deposits and that, directly or through a contractual or other arrangement with a broker, dealer, or agent, buys from, sells to, or effects transactions for retail investors in securities or consumers of insurance to inform such investors and consumers through the use of a logo or seal that the security or insurance is not insured by the Federal Deposit Insurance Corporation.

TITLE III—INSURANCE

Subtitle A—State Regulation of Insurance

SEC. 301. STATE REGULATION OF THE BUSINESS OF INSURANCE.

The Act entitled ''An Act to express the intent of the Congress with reference to the regulation of the business of insurance'' and approved March 9, 1945 (15 U.S.C. 1011 et seq.), commonly referred to as the ''McCarran—Ferguson Act'') remains the law of the United States.

SEC. 302. MANDATORY INSURANCE LICENSING REQUIREMENTS.

No person or entity shall provide insurance in a State as principal or agent unless such person or entity is licensed as required by the appropriate insurance regulator of such State in accordance with the relevant State insurance law, subject to section 104 of this Act.

SEC. 303. FUNCTIONAL REGULATION OF INSURANCE.

The insurance sales activity of any person or entity shall be functionally regulated by the States, subject to section 104 of this Act.

SEC. 304. INSURANCE UNDERWRITING IN NATIONAL BANKS.

(a) IN GENERAL.—Except as provided in section 306, a national bank and the subsidiaries of a national bank may not provide insurance in a State as principal except that this prohibition shall not apply to authorized products.

(b) AUTHORIZED PRODUCTS.—For the purposes of this section, a product is authorized if—

(1) as of January 1, 1997, the Comptroller of the Currency had determined in writing that national banks may provide such product as principal, or national banks were in fact lawfully providing such product as principal;

(2) no court of relevant jurisdiction had, by final judgment, overturned a determination of the Comptroller of the Currency that national banks may provide such product as principal; and

(3) the product is not title insurance, or an annuity contract the income of which is subject to tax treatment under section 72 of the Internal Revenue Code of 1986.

(c) DEFINITION.—For purposes of this section, the term ''insurance'' means—

(1) any product regulated as insurance as of January 1, 1997, in accordance with the relevant State insurance law, in the State in which the product is provided;

(2) any product first offered after January 1, 1997, which—

(A) a State insurance regulator determines shall be regulated as insurance in the State in which the product is provided because the product insures, guarantees, or indemnifies against liability, loss of life, loss of health, or loss through damage to or destruction of property, including, but not limited to, surety bonds, life insurance, health insurance, title insurance, and property and casualty insurance (such as private passenger or commercial automobile, homeowners, mortgage, commercial multiperil, general liability, professional liability, workers' compensation, fire and allied lines, farm owners multiperil, aircraft, fidelity, surety, medical malpractice, ocean marine, inland marine, and boiler and machinery insurance); and

(B) is not a product or service of a bank that is—

(i) a deposit product;

(ii) a loan, discount, letter of credit, or other extension of credit;

(iii) a trust or other fiduciary service;

(iv) a qualified financial contract (as defined in or determined pursuant to section 11(e)(8)(D)(i) of the Federal Deposit Insurance Act); or

(v) a financial guaranty, except that this subparagraph (B) shall not apply to a product that includes an insurance component such that if the product is offered or proposed to be offered by the bank as principal—

(I) it would be treated as a life insurance contract under section 7702 of the Internal Revenue Code of 1986, as amended; or

(II) in the event that the product is not a letter of credit or other similar extension of credit, a qualified financial contract, or a financial guaranty, it would qualify for treatment for losses incurred with respect to such product under section 832(b)(5) of the Internal Revenue Code of 1986, as amended, if the bank were subject to tax as an insurance company under section 831 of such Code; or

(3) any annuity contract the income on which is subject to tax treatment under section 72 of the Internal Revenue Code of 1986, as amended.

SEC. 305. NEW BANK AGENCY ACTIVITIES ONLY THROUGH ACQUISITION OF EXISTING LICENSED AGENTS.

If a national bank or a subsidiary of a national bank is not providing insurance as agent in a State as of the date of the enactment of this Act, the national bank and the subsidiary of the national bank may provide insurance (which such bank or subsidiary is otherwise authorized to provide) as agent in such State after such date only by acquiring a company which has been licensed by the appropriate State regulator to provide insurance as agent in such State for not less than 2 years before such acquisition.

SEC. 306. TITLE INSURANCE ACTIVITIES OF NATIONAL BANKS AND THEIR AFFILIATES.

(a) AUTHORITY.—

(1) IN GENERAL.—Notwithstanding any other provision of this Act or any other law, no national bank, and no subsidiary of a national bank, may engage in any activity involving the underwriting or sale of title insurance other than title insurance activities in which such national bank or subsidiary was actively and lawfully engaged before the date of the enactment of this Act.

(2) INSURANCE AFFILIATE.—In the case of a national bank which has an affiliate which provides insurance as principal and is not a subsidiary of the bank, the national bank and any subsidiary of the national bank may not engage in any activity involving the underwriting or sale of title insurance pursuant to paragraph (1).

(3) INSURANCE SUBSIDIARY.—In the case of a national bank which has a subsidiary which provides insurance as principal and has no affiliate which provides insurance as principal and is not a subsidiary, the national bank may not engage in any activity involving the underwriting or sale of title insurance pursuant to paragraph (1).

(4) AFFILIATE AND SUBSIDIARY DEFINED.—For purposes of this section, the terms ''affiliate'' and ''subsidiary'' have the meaning given such terms in section 2 of the Bank Holding Company Act of 1956.

(b) PARITY EXCEPTION.—Notwithstanding subsection (a), in the case of any State in which banks organized under the laws of such State were authorized to sell title insurance as agent as of January 1, 1997, a national bank and a subsidiary of a national bank may sell title insurance as agent in such State in the same manner and to the same extent such State banks are authorized to sell title insurance as agent in such State.

SEC. 307. EXPEDITED AND EQUALIZED DISPUTE RESOLUTION FOR FINANCIAL REGULATORS.

(a) FILING IN COURT OF APPEAL.—In the case of a regulatory conflict between a State insurance regulator and a Federal regulator as to whether any product is or is not insurance as defined in section 304(c) of this Act, or whether a State statute, regulation, order, or interpretation regarding any insurance sales or solicitation activity is properly treated as preempted under Federal law, either regulator may seek expedited judicial review of such determination by the United States Court of Appeals for the circuit in which the State is located or in the United States Court of Appeals for the District of Columbia Circuit by filing a petition for review in such court.

(b) EXPEDITED REVIEW.—The United States court of appeals in which a petition for review is filed in accordance with paragraph (1) shall complete all action on such petition, including rendering a judgment, before the end of the 60-day period beginning on the date such petition is filed, unless all parties to such proceeding agree to any extension of such period.

(c) SUPREME COURT REVIEW.—Any request for certiori to the Supreme Court of the United States of any judgment of a United States court of appeals with respect to a petition for review under this section shall be filed with the United States Supreme Court as soon as practicable after such judgment is issued.

(d) STATUTE OF LIMITATION.—No action may be filed under this section challenging an order, ruling, determination, or other action of a Federal financial regulator or State insurance regulator after the later of—

(1) the end of the 12-month period beginning on the date the first public notice is made of such order, ruling, or determination in its final form; or

(2) the end of the 6-month period beginning on the date such order, ruling, or determination takes effect.

(e) STANDARD OF REVIEW.—The court shall decide an action filed under this section based on its review on the merits of all questions presented under State and Federal law, including the nature of the product or activity and the history and purpose of its regulation under State and Federal law, without unequal deference.

SEC. 308. CONSUMER PROTECTION REGULATIONS.

(a) REGULATIONS REQUIRED.—

(1) IN GENERAL.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end the following new section:

SEC. 45. CONSUMER PROTECTION REGULATIONS.

''(a) REGULATIONS REQUIRED.—

''(1) IN GENERAL.—The Federal banking agencies shall prescribe and publish in final form, before the end of the 1-year period beginning on the date of the enactment of this Act, consumer protection regulations (which the agencies jointly determine to be appropriate) that—

''(A) apply to retail sales, solicitations, advertising, or offers of any insurance product by any insured depository institution or wholesale financial institution or any person who is engaged in such activities at an office of the institution or on behalf of the institution; and

''(B) are consistent with the requirements of this Act and provide such additional protections for consumers to whom such sales, solicitations, advertising, or offers are directed as the agency determines to be appropriate.

''(2) APPLICABILITY TO SUBSIDIARIES.—The regulations prescribed pursuant to paragraph (1) shall extend such protections to any subsidiaries of an insured depository institution, as deemed appropriate by the regulators referred to in paragraph (3), where such extension is determined to be necessary to ensure the consumer protections provided by this section.

''(3) CONSULTATION AND JOINT REGULATIONS.—The Federal banking agencies shall consult with each other and prescribe joint regulations pursuant to paragraph (1), after consultation with the State insurance regulators, as appropriate.

''(b) SALES PRACTICES.—The regulations prescribed pursuant to subsection (a) shall include anticoercion rules applicable to the sale of insurance products which prohibit an insured depository institution from engaging in any practice that would lead a consumer to believe an extension of credit, in violation of section 106(b) of the Bank Holding Company Act Amendments of 1970, is conditional upon—

''(1) the purchase of an insurance product from the institution or any of its affiliates or subsidiaries; or

''(2) an agreement by the consumer not to obtain, or a prohibition on the consumer from obtaining, an insurance product from an unaffiliated entity.

''(c) DISCLOSURES AND ADVERTISING.—The regulations prescribed pursuant to subsection (a) shall include the following provisions relating to disclosures and advertising in connection with the initial purchase of an insurance product:

''(1) DISCLOSURES.—

''(A) IN GENERAL.—Requirements that the following disclosures be made orally and in writing before the completion of the initial sale and, in the case of clause (iv), at the time of application for an extension of credit:

''(i) UNINSURED STATUS.—As appropriate, the product is not insured by the Federal Deposit Insurance Corporation, the United States Government, or the insured depository institution.

''(ii) INVESTMENT RISK.—In the case of a variable annuity or other insurance product which involves an investment risk, that there is an investment risk associated with the product, including possible loss of value.

''(iv) COERCION.—The approval of an extension of credit may not be conditioned on—

''(I) the purchase of an insurance product from the institution in which the application for credit is pending or any of its affiliates or subsidiaries; or

''(II) an agreement by the consumer not to obtain, or a prohibition on the consumer from obtaining, an insurance product from an unaffiliated entity.

''(B) MAKING DISCLOSURE READILY UNDERSTANDABLE.—Regulations prescribed under subparagraph (A) shall encourage the use of disclosure that is conspicuous, simple, direct, and readily understandable, such as the following:

''(i) 'NOT FDIC–INSURED'.

''(ii) 'NOT GUARANTEED BY THE BANK'.

''(iii) 'MAY GO DOWN IN VALUE'.

''(C) ADJUSTMENTS FOR ALTERNATIVE METHODS OF PURCHASE.—In prescribing the requirements under subparagraphs (A) and (D), necessary adjustments shall be made for purchase in person, by telephone, or by electronic media to provide for the most appropriate and complete form of disclosure and acknowledgments.

''(D) CONSUMER ACKNOWLEDGMENT.—A requirement that an insured depository institution shall require any person selling an insurance product at any office of, or on behalf of, the institution to obtain, at the time a consumer receives the disclosures required under this paragraph or at the time of the initial purchase by the consumer of such product, an acknowledgment by such consumer of the receipt of the disclosure required under this subsection with respect to such product.

''(2) PROHIBITION ON MISREPRESENTATIONS.—A prohibition on any practice, or any advertising, at any office of, or on behalf of, the insured depository institution, or any subsidiary as appropriate, which could mislead any person or otherwise cause a reasonable person to reach an erroneous belief with respect to—

''(A) the uninsured nature of any insurance product sold, or offered for sale, by the institution or any subsidiary of the institution; or

''(B) in the case of a variable annuity or other insurance product that involves an investment risk, the investment risk associated with any such product.

''(d) SEPARATION OF BANKING AND NONBANKING ACTIVITIES.—

''(1) REGULATIONS REQUIRED.—The regulations prescribed pursuant to subsection (a) shall include such provisions as the Federal banking agencies consider appropriate to ensure that the routine acceptance of deposits and the making of loans is kept, to the extent practicable, physically segregated from insurance product activity.

''(2) REQUIREMENTS.—Regulations prescribed pursuant to paragraph (1) shall include the following requirements:

''(A) SEPARATE SETTING.—A clear delineation of the setting in which, and the circumstances under which, transactions involving insurance products should be conducted in a location physically segregated from an area where retail deposits are routinely accepted.

''(B) REFERRALS.—Standards which permit any person accepting deposits from, or making loans to, the public in an area where such transactions are routinely conducted in an insured depository institution to refer a customer who seeks to purchase any insurance product to a qualified person who sells such product, only if the person making the referral receives no more than a one-time nominal fee of a fixed dollar amount for each referral that does not depend on whether the referral results in a transaction.

''(C) QUALIFICATION AND LICENSING REQUIREMENTS.—Standards prohibiting any insured depository institution from permitting any person to sell or offer for sale any insurance product in any part of any office of the institution, or on behalf of the institution, unless such person is appropriately qualified and licensed.

''(e) DOMESTIC VIOLENCE DISCRIMINATION PROHIBITION.—

''(1) IN GENERAL.—In the case of an applicant for, or an insured under, any insurance product described in paragraph (2), the status of the applicant or insured as a victim of domestic violence, or as a provider of services to victims of domestic violence, shall not be considered as a criterion in any decision with regard to insurance underwriting, pricing, renewal, or scope of coverage of insurance policies, or payment of insurance claims, except as required or expressly permitted under State law.

''(2) SCOPE OF APPLICATION.—The prohibition contained in paragraph (1) shall apply to any insurance product which is sold or offered for sale, as principal, agent, or broker, by any insured depository institution or any person who is engaged in such activities at an office of the institution or on behalf of the institution.

''(3) SENSE OF THE CONGRESS.—It is the sense of the Congress that, by the end of the 30-month period beginning on the date of the enactment of this Act, the States should enact prohibitions against discrimination with respect to insurance products that are at least as strict as the prohibitions contained in paragraph (1).

''(4) DOMESTIC VIOLENCE DEFINED.—For purposes of this subsection, the term 'domestic violence' means the occurrence of 1 or more of the following acts by a current or former family member, household member, intimate partner, or caretaker:

''(A) Attempting to cause or causing or threatening another person physical harm, severe emotional distress, psychological trauma, rape, or sexual assault.

''(B) Engaging in a course of conduct or repeatedly committing acts toward another person, including following the person without proper authority, under circumstances that place the person in reasonable fear of bodily injury or physical harm.

''(C) Subjecting another person to false imprisonment.

''(D) Attempting to cause or cause damage to property so as to intimidate or attempt to control the behavior of another person.

''(f) CONSUMER GRIEVANCE PROCESS.—The Federal banking agencies shall jointly establish a consumer complaint mechanism, for receiving and expeditiously addressing consumer complaints alleging a violation of regulations issued under the section, which shall—

''(1) establish a group within each regulatory agency to receive such complaints;

''(2) develop procedures for investigating such complaints;

''(3) develop procedures for informing consumers of rights they may have in connection with such complaints; and

''(4) develop procedures for addressing concerns raised by such complaints, as appropriate, including procedures for the recovery of losses to the extent appropriate.

''(g) EFFECT ON OTHER AUTHORITY.—

''(1) No provision of this section shall be construed as granting, limiting, or otherwise affecting—

''(A) any authority of the Securities and Exchange Commission, any self-regulatory organization, the Municipal Securities Rulemaking Board, or the Secretary of the Treasury under any Federal securities law; or

''(B) any authority of any State insurance commissioner or other State authority under any State law.

''(2) Regulations prescribed by a Federal banking agency under this section shall not apply to retail sales, solicitations, advertising, or offers of any insurance product by

any insured depository institution or wholesale financial institution or to any person who is engaged in such activities at an office of such institution or on behalf of the institution, in a State where the State has in effect statutes, regulations, orders, or interpretations, that are inconsistent with or contrary to the regulations prescribed by the Federal banking agencies.

''(h) INSURANCE PRODUCT DEFINED.—For purposes of this section, the term 'insurance product' includes an annuity contract the income of which is subject to tax treatment under section 72 of the Internal Revenue Code of 1986.''.

SEC. 309. CERTAIN STATE AFFILIATION LAWS PREEMPTED FOR INSURANCE COMPANIES AND AFFILIATES.

No State may, by law, regulation, order, interpretation, or otherwise—

(1) prevent or restrict any insurer, or any affiliate of an insurer (whether such affiliate is organized as a stock company, mutual holding company, or otherwise), from becoming a financial holding company or acquiring control of an insured depository institution;

(2) limit the amount of an insurer's assets that may be invested in the voting securities of an insured depository institution (or any company which controls such institution), except that the laws of an insurer's State of domicile may limit the amount of such investment to an amount that is not less than 5 percent of the insurer's admitted assets; or

(3) prevent, restrict, or have the authority to review, approve, or disapprove a plan of reorganization by which an insurer proposes to reorganize from mutual form to become a stock insurer (whether as a direct or indirect subsidiary of a mutual holding company or otherwise) unless such State is the State of domicile of the insurer.

Subtitle B—Redomestication of Mutual Insurers

SEC. 311. GENERAL APPLICATION.

This subtitle shall only apply to a mutual insurance company in a State which has not enacted a law which expressly establishes reasonable terms and conditions for a mutual insurance company domiciled in such State to reorganize into a mutual holding company.

SEC. 312. REDOMESTICATION OF MUTUAL INSURERS.

(a) REDOMESTICATION.—A mutual insurer organized under the laws of any State may transfer its domicile to a transferee domicile as a step in a reorganization in which, pursuant to the laws of the transferee domicile and consistent with the standards in subsection (f), the mutual insurer becomes a stock insurer that is a direct or indirect subsidiary of a mutual holding company.

(b) RESULTING DOMICILE.—Upon complying with the applicable law of the transferee domicile governing transfers of domicile and completion of a transfer pursuant to this section, the mutual insurer shall cease to be a domestic insurer in the transferor domicile and, as a continuation of its corporate existence, shall be a domestic insurer of the transferee domicile.

(c) LICENSES PRESERVED.—The certificate of authority, agents' appointments and licenses, rates, approvals and other items that a licensed State allows and that are in existence immediately prior to the date that a redomesticating insurer transfers its domicile pursuant to this subtitle shall continue in full force and effect upon transfer, if the insurer remains duly qualified to transact the business of insurance in such licensed State.

(d) EFFECTIVENESS OF OUTSTANDING POLICIES AND CONTRACTS.—

(1) IN GENERAL.—All outstanding insurance policies and annuities contracts of a redomesticating insurer shall remain in full force and effect and need not be endorsed as to the new domicile of the insurer, unless so ordered by the State insurance regulator of a licensed State, and then only in the case of outstanding policies and contracts whose owners reside in such licensed State.

(2) FORMS.—

(A) Applicable State law may require a redomesticating insurer to file new policy forms with the State insurance regulator of a licensed State on or before the effective date of the transfer.

(B) Notwithstanding subparagraph (A), a redomesticating insurer may use existing policy forms with appropriate endorsements to reflect the new domicile of the redomesticating insurer until the new policy forms are approved for use by the State insurance regulator of such licensed State.

(e) NOTICE.—A redomesticating insurer shall give notice of the proposed transfer to the State insurance regulator of each licensed State and shall file promptly any resulting amendments to corporate documents required to be filed by a foreign licensed mutual insurer with the insurance regulator of each such licensed State.

(f) PROCEDURAL REQUIREMENTS.—No mutual insurer may redomesticate to another State and reorganize into a mutual holding company pursuant to this section unless the State insurance regulator of the transferee domicile determines that the plan of reorganization of the insurer includes the following requirements:

(1) APPROVAL BY BOARD OF DIRECTORS AND POLICYHOLDERS.—The reorganization is approved by at least a majority of the board of directors of the mutual insurer and at least a majority of the policyholders who vote after notice, disclosure of the reorganization and the effects of the transaction on policyholder contractual rights, and reasonable opportunity to vote, in accordance with such notice, disclosure, and voting procedures as are approved by the State insurance regulator of the transferee domicile.

(2) CONTINUED VOTING CONTROL BY POLICYHOLDERS; REVIEW OF PUBLIC STOCK OFFERING.—After the consummation of a reorganization, the policyholders of the reorganized insurer shall have the same voting rights with respect to the mutual holding company as they had before the reorganization with respect to the mutual insurer. With respect to an initial public offering of stock, the offering shall be conducted in compliance with applicable securities laws and in a manner approved by the State insurance regulator of the transferee domicile.

(3) AWARD OF STOCK OR GRANT OF OPTIONS TO OFFICERS AND DIRECTORS.—For a period of 6 months after completion of an initial public offering, neither a stock holding company nor the converted insurer shall award any stock options or stock grants to persons who are elected officers or directors of the mutual holding company, the stock holding company, or the converted insurer, except with respect to any such awards or options to which a person is entitled as a policyholder and as approved by the State insurance regulator of the transferee domicile.

(4) CONTRACTUAL RIGHTS.—Upon reorganization into a mutual holding company, the contractual rights of the policyholders are preserved.

(5) FAIR AND EQUITABLE TREATMENT OF POLICYHOLDERS.—The reorganization is approved as fair and equitable to the policyholders by the insurance regulator of the transferee domicile.

SEC. 313. EFFECT ON STATE LAWS RESTRICTING REDOMESTICATION.

(a) IN GENERAL.—Unless otherwise permitted by this subtitle, State laws of any transferor domicile that conflict with the purposes and intent of this subtitle are preempted, including but not limited to—

(1) any law that has the purpose or effect of impeding the activities of, taking any action against, or applying any provision of law or regulation to, any insurer or an affiliate of such insurer because that insurer or any affiliate plans to redomesticate, or has redomesticated, pursuant to this subtitle;

(2) any law that has the purpose or effect of impeding the activities of, taking action against, or applying any provision of law or regulation to, any insured or any insurance licensee or other intermediary because such person or entity has procured insurance from or placed insurance with any insurer or affiliate of such insurer that plans to redomesticate, or has redomesticated, pursuant to this subtitle, but only to the extent that such law would treat such insured licensee or other intermediary differently than if the person or entity procured insurance from, or placed insurance with, an insured licensee or other intermediary which had not redomesticated;

(3) any law that has the purpose or effect of terminating, because of the redomestication of a mutual insurer pursuant to this subtitle, any certificate of authority, agent appointment or license, rate approval, or other approval, of any State insurance regulator or other State authority in existence immediately prior to the redomestication in any State other than the transferee domicile.

(b) DIFFERENTIAL TREATMENT PROHIBITED.—No State law, regulation, interpretation, or functional equivalent thereof, of a State other than a transferee domicile may treat a redomesticating or redomesticated insurer or any affiliate thereof any differently than an insurer operating in that State that is not a redomesticating or redomesticated insurer.

(c) LAWS PROHIBITING OPERATIONS.—If any licensed State fails to issue, delays the issuance of, or seeks to revoke an original or renewal certificate of authority of a redomesticated insurer immediately following redomestication, except on grounds and in a manner consistent with its past practices regarding the issuance of certificates of authority to foreign insurers that are not redomesticating, then the redomesticating insurer shall be exempt from any State law of the licensed State to the extent that such State law or the operation of such State law would make unlawful, or regulate, directly or indirectly, the operation of the redomesticated insurer, except that such licensed State may require the redomesticated insurer to—

(1) comply with the unfair claim settlement practices law of the licensed State;

(2) pay, on a nondiscriminatory basis, applicable premium and other taxes which are levied on licensed insurers or policyholders under the laws of the licensed State;

(3) register with and designate the State insurance regulator as its agent solely for the purpose of receiving service of legal documents or process;

(4) submit to an examination by the State insurance regulator in any licensed state in which the redomesticated insurer is doing business to determine the insurer's financial condition, if—

(A) the State insurance regulator of the transferee domicile has not begun an examination of the redomesticated insurer and has not scheduled such an examination to begin before the end of the 1-year period beginning on the date of the redomestication; and

(B) any such examination is coordinated to avoid unjustified duplication and repetition;

(5) comply with a lawful order issued in—

(A) a delinquency proceeding commenced by the State insurance regulator of any licensed State if there has been a judicial finding of financial impairment under paragraph (7); or

(B) a voluntary dissolution proceeding;

(6) comply with any State law regarding deceptive, false, or fraudulent acts or practices, except that if the licensed State seeks an injunction regarding the conduct described in this paragraph, such injunction must be obtained from a court of competent jurisdiction as provided in section 314(a);

(7) comply with an injunction issued by a court of competent jurisdiction, upon a petition by the State insurance regulator alleging that the redomesticating insurer is in hazardous financial condition or is financially impaired;

(8) participate in any insurance insolvency guaranty association on the same basis as any other insurer licensed in the licensed State; and

(9) require a person acting, or offering to act, as an insurance licensee for a redomesticated insurer in the licensed State to obtain a license from that State, except that such State may not impose any qualification or requirement that discriminates against a nonresident insurance licensee.

SEC. 314. OTHER PROVISIONS.

(a) JUDICIAL REVIEW.—The appropriate United States district court shall have exclusive jurisdiction over litigation arising under this section involving any redomesticating or redomesticated insurer.

(b) SEVERABILITY.—If any provision of this section, or the application thereof to any person or circumstances, is held invalid, the remainder of the section, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 315. DEFINITIONS.

For purposes of this subtitle, the following definitions shall apply:

(1) COURT OF COMPETENT JURISDICTION.—The term ''court of competent jurisdiction'' means a court authorized pursuant to section 314(a) to adjudicate litigation arising under this subtitle.

(2) DOMICILE.—The term ''domicile'' means the State in which an insurer is incorporated, chartered, or organized.

(3) INSURANCE LICENSEE.—The term ''insurance licensee'' means any person holding a license under State law to act as insurance agent, subagent, broker, or consultant.

(4) INSTITUTION.—The term ''institution'' means a corporation, joint stock company, limited liability company, limited liability partnership, association, trust, partnership, or any similar entity.

(5) LICENSED STATE.—The term ''licensed State'' means any State, the District of Columbia, American Samoa, Guam, Puerto Rico, or the United States Virgin Islands in which the redomesticating insurer has a certificate of authority in effect immediately prior to the redomestication.

(6) MUTUAL INSURER.—The term ''mutual insurer'' means a mutual insurer organized under the laws of any State.

(7) PERSON.—The term ''person'' means an individual, institution, government or governmental agency, State or political subdivision of a State, public corporation, board, association, estate, trustee, or fiduciary, or other similar entity.

(8) POLICYHOLDER.—The term ''policyholder'' means the owner of a policy issued by a mutual insurer, except that, with respect to voting rights, the term means a member of a mutual insurer or mutual holding company granted the right to vote, as determined under applicable State law.

(9) REDOMESTICATED INSURER.—The term ''redomesticated insurer'' means a mutual insurer that has redomesticated pursuant to this subtitle.

(10) REDOMESTICATING INSURER.—The term ''redomesticating insurer'' means a mutual insurer that is redomesticating pursuant to this subtitle.

(11) REDOMESTICATION OR TRANSFER.—The terms ''redomestication'' and ''transfer'' mean the transfer of the domicile of a mutual insurer from one State to another State pursuant to this subtitle.

(12) STATE INSURANCE REGULATOR.—The term ''State insurance regulator'' means the principal insurance regulatory authority of a State, the District of Columbia, American Samoa, Guam, Puerto Rico, or the United States Virgin Islands.

(13) STATE LAW.—The term ''State law'' means the statutes of any State, the District of Columbia, American Samoa, Guam, Puerto Rico, or the United States Virgin Islands and any regulation, order, or requirement prescribed pursuant to any such statute.

(14) TRANSFEREE DOMICILE.—The term ''transferee domicile'' means the State to which a mutual insurer is redomesticating pursuant to this subtitle.

(15) TRANSFEROR DOMICILE.—The term ''transferor domicile'' means the State from which a mutual insurer is redomesticating pursuant to this subtitle.

SEC. 316. EFFECTIVE DATE.

This subtitle shall take effect on the date of enactment of this Act.

Subtitle C—National Association of Registered Agents and Brokers

SEC. 321. STATE FLEXIBILITY IN MULTISTATE LICENSING REFORMS.

(a) IN GENERAL.—The provisions of this subtitle shall take effect unless by the end of the 3-year period beginning on the date of the enactment of this Act at least a majority of the States—

(1) have enacted uniform laws and regulations governing the licensure of individuals and entities authorized to sell and solicit the purchase of insurance within the State; or

(2) have enacted reciprocity laws and regulations governing the licensure of nonresident individuals and entities authorized to sell and solicit insurance within those States.

(b) UNIFORMITY REQUIRED.—States shall be deemed to have established the uniformity necessary to satisfy subsection (a)(1) if the States—

(1) establish uniform criteria regarding the integrity, personal qualifications, education, training, and experience of licensed insurance producers, including the qualification and training of sales personnel in ascertaining the appropriateness of a particular insurance product for a prospective customer;

(2) establish uniform continuing education requirements for licensed insurance producers;

(3) establish uniform ethics course requirements for licensed insurance producers in conjunction with the continuing education requirements under paragraph (2);

(4) establish uniform criteria to ensure that an insurance product, including any annuity contract, sold to a consumer is suitable and appropriate for the consumer based on financial information disclosed by the consumer; and

(5) do not impose any requirement upon any insurance producer to be licensed or otherwise qualified to do business as a nonresident that has the effect of limiting or conditioning that producer's activities because of its residence or place of operations, except that counter-signature requirements imposed on nonresident producers shall not be deemed to have the effect of limiting or conditioning a producer's activities because of its residence or place of operations under this section.

(c) RECIPROCITY REQUIRED.—States shall be deemed to have established the reciprocity required to satisfy subsection (a)(2) if the following conditions are met:

(1) ADMINISTRATIVE LICENSING PROCEDURES.—At least a majority of the States permit a producer that has a resident license for selling or soliciting the purchase of insurance in its home State to receive a license to sell or solicit the purchase of insurance in such majority of States as a nonresident to the same extent such producer is permitted to sell or solicit the purchase of insurance in its State, without satisfying any additional requirements other than submitting—

(A) a request for licensure;

(B) the application for licensure that the producer submitted to its home State;

(C) proof that the producer is licensed and in good standing in its home State; and

(D) the payment of any requisite fee to the appropriate authority,

if the producer's home State also awards such licenses on such a reciprocal basis.

(2) CONTINUING EDUCATION REQUIREMENTS.—A majority of the States accept an insurance producer's satisfaction of its home State's continuing education requirements for licensed insurance producers to satisfy the States' own continuing education requirements if the producer's home State also recognizes the satisfaction of continuing education requirements on such a reciprocal basis.

(3) NO LIMITING NONRESIDENT REQUIREMENTS.—A majority of the States do not impose any requirement upon any insurance producer to be licensed or otherwise qualified to do business as a nonresident that has the effect of limiting or conditioning that producer's activities because of its residence or place of operations, except that countersignature requirements imposed on nonresident producers shall not be deemed to have the effect of limiting or conditioning a producer's activities because of its residence or place of operations under this section.

(4) RECIPROCAL RECIPROCITY.—Each of the States that satisfies paragraphs (1), (2), and (3) grants reciprocity to residents of all of the other States that satisfy such paragraphs.

(d) DETERMINATION.—

(1) NAIC DETERMINATION.—At the end of the 3-year period beginning on the date of the enactment of this Act, the National Association of Insurance Commissioners shall determine, in consultation with the insurance commissioners or chief insurance regulatory officials of the States, whether the uniformity or reciprocity required by subsections (b) and (c) has been achieved.

(2) JUDICIAL REVIEW.—The appropriate United States district court shall have exclusive jurisdiction over any challenge to the National Association of Insurance Commissioners' determination under this section and such court shall apply the standards set forth in section 706 of title 5, United States Code, when reviewing any such challenge.

(e) CONTINUED APPLICATION.—If, at any time, the uniformity or reciprocity required by subsections (b) and (c) no longer exists, the provisions of this subtitle shall take effect within 2 years, unless the uniformity or reciprocity required by those provisions is satisfied before the expiration of that 2-year period.

(f) SAVINGS PROVISION.—No provision of this section shall be construed as requiring that any law, regulation, provision, or action of any State which purports to regulate insurance producers, including any such law,

regulation, provision, or action which purports to regulate unfair trade practices or establish consumer protections, including countersignature laws, be altered or amended in order to satisfy the uniformity or reciprocity required by subsections (b) and (c), unless any such law, regulation, provision, or action is inconsistent with a specific requirement of any such subsection and then only to the extent of such inconsistency.

SEC. 322. NATIONAL ASSOCIATION OF REGISTERED AGENTS AND BROKERS.

(a) ESTABLISHMENT.—There is established the National Association of Registered Agents and Brokers (hereafter in this subtitle referred to as the ''Association'')

(b) STATUS.—The Association shall—

(1) be a nonprofit corporation and be presumed to have the status of an organization described in section 501(c)(6) of the Internal Revenue Code of 1986 unless the Secretary of the Treasury determines that the Association does not meet the requirements of such section;

(2) have succession until dissolved by an Act of Congress;

(3) not be an agency or establishment of the United States Government; and

(4) except as otherwise provided in this Act, be subject to, and have all the powers conferred upon a nonprofit corporation by the District of Columbia Nonprofit Corporation Act (D.C. Code, sec. 29y–1001 et seq.).

SEC. 323. PURPOSE.

The purpose of the Association shall be to provide a mechanism through which uniform licensing, appointment, continuing education, and other insurance producer sales qualification requirements and conditions can be adopted and applied on a multistate basis, while preserving the right of States to license, supervise, and discipline insurance producers and to prescribe and enforce laws and regulations with regard to insurance-related consumer protection and unfair trade practices.

SEC. 324. RELATIONSHIP TO THE FEDERAL GOVERNMENT.

The Association shall be subject to the supervision and oversight of the National Association of Insurance Commissioners (hereafter in this subtitle referred to as the ''NAIC'') and shall not be an agency or an instrumentality of the United States Government.

SEC. 325. MEMBERSHIP.

(a) ELIGIBILITY.—

(1) IN GENERAL.—Any State-licensed insurance producer shall be eligible to become a member in the Association.

(2) INELIGIBILITY FOR SUSPENSION OR REVOCATION OF LICENSE.—Notwithstanding paragraph (1), a State-licensed insurance producer shall not be eligible to become a member if a State insurance regulator has suspended or revoked such producer's license in that State during the 3-year preceding the date such producer applies for membership.

(3) RESUMPTION OF ELIGIBILITY.—Paragraph (2) shall cease to apply to any insurance producer if—

(A) the State insurance regulator renews the license of such producer in the State in which the license was suspended or revoked; or

(B) the suspension or revocation is subsequently overturned.

(b) AUTHORITY TO ESTABLISH MEMBERSHIP CRITERIA.—The Association shall have the authority to establish membership criteria that—

(1) bear a reasonable relationship to the purposes for which the Association was established; and

(2) do not unfairly limit the access of smaller agencies to the Association membership.

(c) ESTABLISHMENT OF CLASSES AND CATEGORIES.—

(1) CLASSES OF MEMBERSHIP.—The Association may establish separate classes of membership, with separate criteria, if the Association reasonably determines that performance of different duties requires different levels of education, training, or experience.

(2) CATEGORIES.—The Association may establish separate categories of membership for individuals and for other persons. The establishment of any such categories of membership shall be based either on the types of licensing categories that exist under State laws or on the aggregate amount of business handled by an insurance producer. No special categories of membership, and no distinct membership criteria, shall be established for members which are insured depository institutions or wholesale financial institutions or for their employees, agents, or affiliates.

(d) MEMBERSHIP CRITERIA.—

(1) IN GENERAL.—The Association may establish criteria for membership which shall include standards for integrity, personal qualifications, education, training, and experience.

(2) MINIMUM STANDARD.—In establishing criteria under paragraph (1), the Association shall consider the highest levels of insurance producer qualifications established under the licensing laws of the States.

(e) EFFECT OF MEMBERSHIP.—Membership in the Association shall entitle the member to licensure in each State for which the member pays the requisite fees, including licensing fees and, where applicable, bonding requirements, set by such State.

(f) ANNUAL RENEWAL.—Membership in the Association shall be renewed on an annual basis.

(g) CONTINUING EDUCATION.—The Association shall establish, as a condition of membership, continuing education requirements which shall be comparable to or greater than the continuing education requirements under the licensing laws of a majority of the States.

(h) SUSPENSION AND REVOCATION.—The Association may—

(1) inspect and examine the records and offices of the members of the Association to determine compliance with the criteria for membership established by the Association; and

(2) suspend or revoke the membership of an insurance producer if—

(A) the producer fails to meet the applicable membership criteria of the Association: or

(B) the producer has been subject to disciplinary action pursuant to a final adjudicatory proceeding under the jurisdiction of a State insurance regulator, and the Association concludes that retention of membership in the Association would not be in the public interest.

(i) OFFICE OF CONSUMER COMPLAINTS.—

(1) IN GENERAL.—The Association shall establish an office of consumer complaints that shall—

(A) receive and investigate complaints from both consumers and State insurance regulators related to members of the Association; and

(B) recommend to the Association any disciplinary actions that the office considers appropriate, to the extent that any such recommendation is not inconsistent with State law.

(2) RECORDS AND REFERRALS.—The office of consumer complaints of the Association shall—

(A) maintain records of all complaints received in accordance with paragraph (1) and make such records available to the NAIC and to each State insurance regulator for the State of residence of the consumer who filed the complaint; and

(B) refer, when appropriate, any such complaint to any appropriate State insurance regulator.

(3) TELEPHONE AND OTHER ACCESS.—The office of consumer complaints shall maintain a toll-free telephone number for the purpose of this subsection and, as practicable, other alternative means of communication with consumers, such as an Internet home page.

SEC. 326. BOARD OF DIRECTORS.

(a) ESTABLISHMENT.—There is established the board of directors of the Association (hereafter in this subtitle referred to as the ''Board'') for the purpose of governing and supervising the activities of the Association and the members of the Association.

(b) POWERS.—The Board shall have such powers and authority as may be specified in the bylaws of the Association.

(c) COMPOSITION.—

(1) MEMBERS.—The Board shall be composed of 7 members appointed by the NAIC.

(2) REQUIREMENT.—At least 4 of the members of the Board shall have significant experience with the regulation of commercial lines of insurance in at least 1 of the 20 States in which the greatest total dollar amount of commercial-lines insurance is placed in the United States.

(3) INITIAL BOARD MEMBERSHIP.—

(A) IN GENERAL.—If, by the end of the 2-year period beginning on the date of the enactment of this Act, the NAIC has not appointed the initial 7 members of the Board of the Association, the initial Board shall consist of the 7 State insurance regulators of the 7 States with the greatest total dollar amount of commercial-lines insurance in place as of the end of such period.

(B) ALTERNATE COMPOSITION.—If any of the State insurance regulators described in subparagraph (A) declines to serve on the Board, the State insurance regulator with the next greatest total dollar amount of commercial-lines insurance in place, as determined by the NAIC as of the end of such period, shall serve as a member of the Board.

(C) INOPERABILITY.—If fewer than 7 State insurance regulators accept appointment to the Board, the Association shall be established without NAIC oversight pursuant to section 332.

(d) TERMS.—The term of each director shall, after the initial appointment of the members of the Board, be for 3 years, with ⅓ of the directors to be appointed each year.

(e) BOARD VACANCIES.—A vacancy on the Board shall be filled in the same manner as the original appointment of the initial Board for the remainder of the term of the vacating member.

(f) MEETINGS.—The Board shall meet at the call of the chairperson, or as otherwise provided by the bylaws of the Association.

SEC. 327. OFFICERS.

(a) IN GENERAL.—

(1) POSITIONS.—The officers of the Association shall consist of a chairperson and a vice chairperson of the Board, a president, secretary, and treasurer of the Association, and such other officers and assistant officers as may be deemed necessary.

(2) MANNER OF SELECTION.—Each officer of the Board and the Association shall be elected or appointed at such time and in such manner and for such terms not exceeding 3 years as may be prescribed in the bylaws of the Association.

(b) CRITERIA FOR CHAIRPERSON.— Only individuals who are members of the National Association of Insurance Commissioners shall be eligible to serve as the chairperson of the board of directors.

SEC. 328. BYLAWS, RULES, AND DISCIPLINARY ACTION.

(a) ADOPTION AND AMENDMENT OF BYLAWS.—

(1) COPY REQUIRED TO BE FILED WITH THE NAIC.—The board of directors of the Association shall file with the NAIC a copy of the proposed bylaws or any proposed amendment to the bylaws, accompanied by a concise general statement of the basis and purpose of such proposal.

(2) EFFECTIVE DATE.—Except as provided in paragraph (3), any proposed bylaw or proposed amendment shall take effect—

(A) 30 days after the date of the filing of a copy with the NAIC;

(B) upon such later date as the Association may designate; or

(C) such earlier date as the NAIC may determine.

(3) DISAPPROVAL BY THE NAIC.—Notwithstanding paragraph (2), a proposed bylaw or amendment shall not take effect if, after public notice and opportunity to participate in a public hearing—

(A) the NAIC disapproves such proposal as being contrary to the public interest or contrary to the purposes of this subtitle and provides notice to the Association setting forth the reasons for such disapproval; or

(B) the NAIC finds that such proposal involves a matter of such significant public interest that public comment should be obtained, in which case it may, after notifying the Association in writing of such finding, require that the procedures set forth in subsection (b) be followed with respect to such proposal, in the same manner as if such proposed bylaw change were a proposed rule change within the meaning of such paragraph.

(b) ADOPTION AND AMENDMENT OF RULES.—

(1) FILING PROPOSED REGULATIONS WITH THE NAIC.—

(A) IN GENERAL.—The board of directors of the Association shall file with the NAIC a copy of any proposed rule or any proposed amendment to a rule of the Association which shall be accompanied by a concise general statement of the basis and purpose of such proposal.

(B) OTHER RULES AND AMENDMENTS INEFFECTIVE.—No proposed rule or amendment shall take effect unless approved by the NAIC or otherwise permitted in accordance with this paragraph.

(2) INITIAL CONSIDERATION BY THE NAIC.—Within 35 days after the date of publication of notice of filing of a proposal, or before the end of such longer period not to exceed 90 days as the NAIC may designate after such date if the NAIC finds such longer period to be appropriate and sets forth its reasons for so finding, or as to which the Association consents, the NAIC shall—

(A) by order approve such proposed rule or amendment; or

(B) institute proceedings to determine whether such proposed rule or amendment should be modified or disapproved.

(3) NAIC PROCEEDINGS.—

(A) IN GENERAL.—Proceedings instituted by the NAIC with respect to a proposed rule or amendment pursuant to paragraph (2) shall—

(i) include notice of the grounds for disapproval under consideration;

(ii) provide opportunity for hearing; and

(iii) be concluded within 180 days after the date of the Association's filing of such proposed rule or amendment.

(B) DISPOSITION OF PROPOSAL.—At the conclusion of any proceeding under subparagraph (A), the NAIC shall, by order, approve or disapprove the proposed rule or amendment.

(C) EXTENSION OF TIME FOR CONSIDERATION.—The NAIC may extend the time for concluding any proceeding under subparagraph (A) for—

(i) not more than 60 days if the NAIC finds good cause for such extension and sets forth its reasons for so finding; or

(ii) for such longer period as to which the Association consents.

(4) STANDARDS FOR REVIEW.—

(A) GROUNDS FOR APPROVAL.—The NAIC shall approve a proposed rule or amendment if the NAIC finds that the rule or amendment is in the public interest and is consistent with the purposes of this Act.

(B) APPROVAL BEFORE END OF NOTICE PERIOD.—The NAIC shall not approve any proposed rule before the end of the 30-day period beginning on the date the Association files proposed rules or amendments in accordance with paragraph (1) unless the NAIC finds good cause for so doing and sets forth the reasons for so finding.

(5) ALTERNATE PROCEDURE.—

(A) IN GENERAL.—Notwithstanding any provision of this subsection other than subparagraph (B), a proposed rule or amendment relating to the administration or organization of the Association may take effect—

(i) upon the date of filing with the NAIC, if such proposed rule or amendment is designated by the Association as relating solely to matters which the NAIC, consistent with the public interest and the purposes of this subsection, determines by rule do not require the procedures set forth in this paragraph; or

(ii) upon such date as the NAIC shall for good cause determine.

(B) ABROGATION BY THE NAIC.—

(i) IN GENERAL.—At any time within 60 days after the date of filing of any proposed rule or amendment under subparagraph (A)(i) or (B)(ii), the NAIC may repeal such rule or amendment and require that the rule or amendment be refiled and reviewed in accordance with this paragraph, if the NAIC finds that such action is necessary or appropriate in the public interest, for the protection of insurance producers or policyholders, or otherwise in furtherance of the purposes of this subtitle.

(ii) EFFECT OF RECONSIDERATION BY THE NAIC.—Any action of the NAIC pursuant to clause (i) shall—

(I) not affect the validity or force of a rule change during the period such rule or amendment was in effect; and

(II) not be considered to be final action.

(c) ACTION REQUIRED BY THE NAIC.—The NAIC may, in accordance with such rules as the NAIC determines to be necessary or appropriate to the public interest or to carry out the purposes of this subtitle, require the Association to adopt, amend, or repeal any bylaw, rule or amendment of the Association, whenever adopted.

(d) DISCIPLINARY ACTION BY THE ASSOCIATION.—

(1) SPECIFICATION OF CHARGES.—In any proceeding to determine whether membership shall be denied, suspended, revoked, and not renewed (hereafter in this section referred to as a ''disciplinary action''), the Association shall bring specific charges, notify such member of such charges and give the member an opportunity to defend against the charges, and keep a record.

(2) SUPPORTING STATEMENT.—A determination to take disciplinary action shall be supported by a statement setting forth—

(A) any act or practice in which such member has been found to have been engaged;

(B) the specific provision of this subtitle, the rules or regulations under this subtitle, or the rules of the Association which any such act or practice is deemed to violate; and

(C) the sanction imposed and the reason for such sanction.

(e) NAIC REVIEW OF DISCIPLINARY ACTION.—

(1) NOTICE TO THE NAIC.—If the Association orders any disciplinary action, the Association shall promptly notify the NAIC of such action.

(2) REVIEW BY THE NAIC.—Any disciplinary action taken by the Association shall be subject to review by the NAIC—

(A) on the NAIC's own motion; or

(B) upon application by any person aggrieved by such action if such application is filed with the NAIC not more than 30 days after the later of—

(i) the date the notice was filed with the NAIC pursuant to paragraph (1); or

(ii) the date the notice of the disciplinary action was received by such aggrieved person.

(f) EFFECT OF REVIEW.—The filing of an application to the NAIC for review of a disciplinary action, or the institution of review by the NAIC on the NAIC's own motion, shall not operate as a stay of disciplinary action unless the NAIC otherwise orders.

(g) SCOPE OF REVIEW.—

(A) IN GENERAL.—In any proceeding to review such action, after notice and the opportunity for hearing, the NAIC shall—

(i) determine whether the action should be taken;

(ii) affirm, modify, or rescind the disciplinary sanction; or

(iii) remand to the Association for further proceedings.

(B) DISMISSAL OF REVIEW.—The NAIC may dismiss a proceeding to review disciplinary action if the NAIC finds that—

(i) the specific grounds on which the action is based exist in fact;

(ii) the action is in accordance with applicable rules and regulations; and

(iii) such rules and regulations are, and were, applied in a manner consistent with the purposes of this Act.

SEC. 329. ASSESSMENTS.

(a) INSURANCE PRODUCERS SUBJECT TO ASSESSMENT.—The Association may establish such application and membership fees as the Association finds necessary to cover the costs of its operations, including fees made reimbursable to the NAIC under subsection (b), except that, in setting such fees, the Association may not discriminate against smaller insurance producers.

(b) NAIC ASSESSMENTS.—The NAIC may assess the Association for any costs it incurs under this subtitle.

SEC. 330. FUNCTIONS OF THE NAIC.

(a) ADMINISTRATIVE PROCEDURE.—Determinations of the NAIC, for purposes of making rules pursuant to section 328, shall be made after appropriate notice and opportunity for a hearing and for submission of views of interested persons.

(b) EXAMINATIONS AND REPORTS.—

(1) The NAIC may make such examinations and inspections of the Association and require the Association to furnish it with such reports and records or copies thereof as the NAIC may consider necessary or appropriate in the public interest or to effectuate the purposes of this subtitle.

(2) As soon as practicable after the close of each fiscal year, the Association shall submit to the NAIC a written report regarding the conduct of its business, and the exercise of the other rights and powers granted by this subtitle, during such fiscal year. Such report shall include financial statements setting forth the financial position of the Association at the end of such fiscal year and the results of its operations (including the source and application of its funds) for such fiscal year. The NAIC shall transmit such report to the President and the Congress with such comment thereon as the NAIC determines to be appropriate.

SEC. 331. LIABILITY OF THE ASSOCIATION AND THE DIRECTORS, OFFICERS, AND EMPLOYEES OF THE ASSOCIATION.

(a) IN GENERAL.—The Association shall not be deemed to be an insurer or insurance producer within the meaning of any State law,

rule, regulation, or order regulating or taxing insurers, insurance producers, or other entities engaged in the business of insurance, including provisions imposing premium taxes, regulating insurer solvency or financial condition, establishing guaranty funds and levying assessments, or requiring claims settlement practices.

(b) LIABILITY OF THE ASSOCIATION, ITS DIRECTORS, OFFICERS, AND EMPLOYEES.—Neither the Association nor any of its directors, officers, or employees shall have any liability to any person for any action taken or omitted in good faith under or in connection with any matter subject to this subtitle.

SEC. 332. ELIMINATION OF NAIC OVERSIGHT.

(a) IN GENERAL.—The Association shall be established without NAIC oversight and the provisions set forth in section 324, subsections (a), (b), (c), and (e) of section 328, and sections 329(b) and 330 of this subtitle shall cease to be effective if, at the end of the 2-year period after the date on which the provisions of this subtitle take effect pursuant to section 321—

(1) at least a majority of the States representing at least 50 percent of the total United States commercial-lines insurance premiums have not satisfied the uniformity or reciprocity requirements of subsections (a) and (b) of section 321; and

(2) the NAIC has not approved the Association's bylaws as required by section 328, the NAIC is unable to operate or supervise the Association, or the Association is not conducting its activities as required under this Act.

(b) BOARD APPOINTMENTS.—If the repeals required by subsection (a) are implemented—

(1) GENERAL APPOINTMENT POWER.—The President, with the advice and consent of the United States Senate, shall appoint the members of the Association's Board established under section 326 from lists of candidates recommended to the President by the National Association of Insurance Commissioners.

(2) PROCEDURES FOR OBTAINING NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS APPOINTMENT RECOMMENDATIONS.—

(A) INITIAL DETERMINATION AND RECOMMENDATIONS.—After the date on which the provisions of part a of this section take effect, then the National Association of Insurance Commissioners shall have 60 days to provide a list of recommended candidates to the President. If the National Association of Insurance Commissioners fails to provide a list by that date, or if any list that is provided does not include at least 14 recommended candidates or comply with the requirements of section 326(c), the President shall, with the advice and consent of the United States Senate, make the requisite appointments without considering the views of the NAIC.

(B) SUBSEQUENT APPOINTMENTS.—After the initial appointments, the National Association of Insurance Commissioners shall provide a list of at least 6 recommended candidates for the Board to the President by January 15 of each subsequent year. If the National Association of Insurance Commissioners fails to provide a list by that date, or if any list that is provided does not include at least 6 recommended candidates or comply with the requirements of section 326(c), the President, with the advice and consent of the Senate, shall make the requisite appointments without considering the views of the NAIC.

(C) PRESIDENTIAL OVERSIGHT.—

(i) REMOVAL.—If the President determines that the Association is not acting in the interests of the public, the President may remove the entire existing Board for the remainder of the term to which the members of the Board were appointed and appoint, with the advice and consent of the Senate, new members to fill the vacancies on the Board for the remainder of such terms.

(ii) SUSPENSION OF RULES OR ACTIONS.—The President, or a person designated by the President for such purpose, may suspend the effectiveness of any rule, or prohibit any action, of the Association which the President or the designee determines is contrary to the public interest.

(d) ANNUAL REPORT.—As soon as practicable after the close of each fiscal year, the Association shall submit to the President and to Congress a written report relative to the conduct of its business, and the exercise of the other rights and powers granted by this subtitle, during such fiscal year. Such report shall include financial statements setting forth the financial position of the Association at the end of such fiscal year and the results of its operations (including the source and application of its funds) for such fiscal year.

SEC. 333. RELATIONSHIP TO STATE LAW.

(a) PREEMPTION OF STATE LAWS.—State laws, regulations, provisions, or actions purporting to regulate insurance producers shall be preempted in the following instances:

(1) No State shall impede the activities of, take any action against, or apply any provision of law or regulation to, any insurance producer because that insurance producer or any affiliate plans to become, has applied to become, or is a member of the Association.

(2) No State shall impose any requirement upon a member of the Association that it pay different fees to be licensed or otherwise qualified to do business in that State, including bonding requirements, based on its residency.

(3) No State shall impose any licensing, appointment, integrity, personal or corporate qualifications, education, training, experience, residency, or continuing education requirement upon a member of the Association that is different than the criteria for membership in the Association or renewal of such membership, except that counter-signature requirements imposed on nonresident producers shall not be deemed to have the effect of limiting or conditioning a producer's activities because of its residence or place of operations under this section.

(4) No State shall implement the procedures of such State's system of licensing or renewing the licenses of insurance producers in a manner different from the authority of the Association under section 325.

(b) SAVINGS PROVISION.—Except as provided in subsection (a), no provision of this section shall be construed as altering or affecting the continuing effectiveness of any law, regulation, provision, or action of any State which purports to regulate insurance producers, including any such law, regulation, provision, or action which purports to regulate unfair trade practices or establish consumer protections, including, but not limited to, countersignature laws.

SEC. 334. COORDINATION WITH OTHER REGULATORS.

(a) COORDINATION WITH STATE INSURANCE REGULATORS.—The Association shall have the authority to—

(1) issue uniform insurance producer applications and renewal applications that may be used to apply for the issuance or removal of State licenses, while preserving the ability of each State to impose such conditions on the issuance or renewal of a license as are consistent with section 333;

(2) establish a central clearinghouse through which members of the Association may apply for the issuance or renewal of licenses in multiple States; and

(3) establish or utilize a national database for the collection of regulatory information concerning the activities of insurance producers.

(b) COORDINATION WITH THE NATIONAL ASSOCIATION OF SECURITIES DEALERS.—The Association shall coordinate with the National Association of Securities Dealers in order to ease any administrative burdens that fall on persons that are members of both associations, consistent with the purposes of this subtitle and the Federal securities laws.

SEC. 335. JUDICIAL REVIEW.

(a) JURISDICTION.—The appropriate United States district court shall have exclusive jurisdiction over litigation involving the Association, including disputes between the Association and its members that arise under this subtitle. Suits brought in State court involving the Association shall be deemed to have arisen under Federal law and therefore be subject to jurisdiction in the appropriate United States district court.

(b) EXHAUSTION OF REMEDIES.—An aggrieved person must exhaust all available administrative remedies before the Association and the NAIC before it may seek judicial review of an Association decision.

(c) STANDARDS OF REVIEW.—The standards set forth in section 553 of title 5, United States Code, shall be applied whenever a rule or bylaw of the Association is under judicial review, and the standards set forth in section 554 of title 5, United States Code, shall be applied whenever a disciplinary action of the Association is judicially reviewed.

SEC. 336. DEFINITIONS.

For purposes of this subtitle, the following definitions shall apply:

(1) INSURANCE.—The term ''insurance'' means any product defined or regulated as insurance by the appropriate State insurance regulatory authority.

(2) INSURANCE PRODUCER.—The term ''insurance producer'' means any insurance agent or broker, surplus lines broker, insurance consultant, limited insurance representative, and any other person that solicits, negotiates, effects, procures, delivers, renews, continues or binds policies of insurance or offers advice, counsel, opinions or services related to insurance.

(3) STATE LAW.—The term ''State law'' includes all laws, decisions, rules, regulations, or other State action having the effect of law, of any State. A law of the United States applicable only to the District of Columbia shall be treated as a State law rather than a law of the United States.

(4) STATE.—The term ''State'' includes any State, the District of Columbia, American Samoa, Guam, Puerto Rico, and the United States Virgin Islands.

(5) HOME STATE.—The term ''home State'' means the State in which the insurance producer maintains its principal place of residence and is licensed to act as an insurance producer.

TITLE IV—UNITARY SAVINGS AND LOAN HOLDING COMPANIES

SEC. 401. TERMINATION OF EXPANDED POWERS FOR NEW UNITARY S&L HOLDING COMPANIES.

(a) IN GENERAL.—Section 10(c) of the Home Owners' Loan Act (12 U.S.C. 1467a(c)) is amended by adding at the end the following new paragraph:

''(9) TERMINATION OF EXPANDED POWERS FOR NEW UNITARY S&L HOLDING COMPANY.—

''(A) IN GENERAL.—Subject to subparagraph (B), paragraph (3) shall not apply with respect to any company that becomes a savings and loan holding company pursuant to an application filed after March 31, 1998.

''(B) EXISTING UNITARY S&L HOLDING COMPANIES AND THE SUCCESSORS TO SUCH COMPANIES.—Subparagraph (A) shall not apply, and paragraph (3) shall continue to apply, to a company (or any subsidiary of such company) that—

''(i) either—

''(I) acquired 1 or more savings associations described in paragraph (3) pursuant to applications at least 1 of which was filed before April 1, 1998; or

''(II) became a savings and loan holding company by acquiring ownership or control of the company described in subclause (I); and

''(ii) continues to control the savings associations referred to in clause (i)(I) or the successor to any such savings association.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 10(c)(3) of the Home Owners' Loan Act (12 U.S.C. 1467a(c)(3)) is amended by striking ''Notwithstanding'' and inserting ''Except as provided in paragraph (9) and notwithstanding''.

H.R. 1872

OFFERED BY: MR. DAN SCHAEFER OF COLORADO

Amendment No. 1: Page 6, line 6, after ''take into consideration'' insert the following: ''and act in a manner consistent with''.

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 105th CONGRESS, SECOND SESSION

Vol. 144 WASHINGTON, THURSDAY, APRIL 30, 1998 No. 51

Senate

The Senate met at 11 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The guest Chaplain, Dr. G. Gil Watson, of Northside United Methodist Church, Atlanta, GA, offered the following prayer:

O God you are the Author of action. You breathed into Your creation, and life resulted. You spoke, and the world came into being. You have led Your children from bondage into freedom over and over again. We praise Your name for this great Nation and for the men and women of action who have paid the last full measure to devotion so that we might live in a free land.

We long for a time when Your promises come true and You fulfill Your dreams of justice and mercy for all humankind. Break down the walls that divide us; trample the prejudices that separate us; and part the seas of doubt that confuse us. Help us to move toward a wealth not dependent on possessions, toward a wisdom not based on books, toward a strength not bolstered by might.

Move across this Senate with the breath of Your Spirit so that the women and men of this Senate will find inspiration in servanthood. You endowed each one of them with the unique abilities they possess and a desire to serve. Protect them with Your might. Surround them with Your peace, and send the wind of Your Spirit into this Senate Chamber so that they will be wise in Your ways.

Breathe on us, breath of God. Fill us with life anew that we may love as You love and do what You would do. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDING OFFICER. The able majority leader, Senator LOTT of Mississippi, is recognized.

Mr. LOTT. Thank you, Mr. President. We want to extend our thanks this morning for the guest Chaplain's prayer, and we are delighted to have him as our guest in the Chamber this morning.

SCHEDULE

Mr. LOTT. Mr. President, the Senate will resume now the consideration of the Craig amendment, numbered 2316, pending to the NATO enlargement treaty. Under the previous order, the time until 12 o'clock noon will be equally divided for debate on the Craig amendment. At 12:00 noon, Senator MOYNIHAN will offer an amendment regarding the European Union under a 1-hour time agreement. Following that debate, Senator WARNER will be recognized to offer an amendment relating to a 3-year pause under a 2-hour time agreement.

At the hour of 3 o'clock this afternoon, the Senate will proceed to three consecutive stacked rollcall votes. The first vote will be on or in relation to the Moynihan amendment, to be followed by a vote on Senator WARNER's amendment, to be followed by a vote on Senator CRAIG's amendment. These are three very important and very critical amendments. I hope the Senators will be able to listen to the debate and be here for the votes at 3 p.m. I hope all three amendments will be defeated. I will speak on that briefly in a moment.

I remind my colleagues that last night we reached a unanimous consent agreement which limits amendments to the treaty. I know the chairman and the ranking member have been working hard to see that many of these amendments can be accepted or worked out in a way they can be accepted without a rollcall vote. As for those amendments that cannot be accepted by voice vote, I urge those Senators to work with the managers on the treaty to consider their amendments this afternoon under short time agreements. I think there are only two or three that are still sort of in that category. I hope that Senators will be reasonable.

We have had a good debate, I think a high level of debate, on this important treaty issue. Senators have been able to make their case. Amendments have been considered, and others are being considered today. I think it is time we vote. We know the substance. We have had many, many hearings. We know the arguments. Let's bring it to a conclusion.

I hope that no Senator will be dilatory in bringing up his or her amendment this afternoon. Bring amendments up quickly with a short time agreement so we can complete that vote tonight. It is time to vote. There are a number of Senators who would like to see this completed at a reasonable hour so they can attend to other very important matters, including a bipartisan delegation that is going overseas to see if some of our allies will not be more helpful to us in covering the costs of our Persian Gulf efforts with regard to Iraq. This is a very, very important trip. It has been encouraged by the joint leadership. I hope they can get away at a reasonable hour so they can maximize their time over the weekend.

In the remainder of the week, the Senate may consider the supplemental appropriations conference report. I spoke to the chairman this morning. He believes we will have that ready to be acted on by the Senate this afternoon. In addition, there is an agreement for consideration of S. 1186, long in the process of being developed and agreed to. That is the Work Force Development Partnership Act. We have a time agreement with some amendments in order in that time agreement.

I thank my colleagues for their cooperation in getting the lineup for the amendments this afternoon.

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

Printed on recycled paper.

BOSNIA AMENDMENT

Mr. LOTT. Mr. President, I would like to comment briefly on one of the amendments that will be considered this morning, an amendment by Senator CRAIG of Idaho.

Senator CRAIG is an outstanding Member of this body and one of my closest friends, but I reluctantly will oppose the amendment he offered. I think he knows that I opposed the President's decision to deploy U.S. Armed Forces to Bosnia in 1995. I continue to have major problems with the situation there and questions about what the end game is. But I don't look at Bosnia in a theoretical sense only or without considering the history of that part of the world.

I have traveled to Brussels to meet with all of our NATO allies and discuss the situation in Bosnia. I spent the last 4th of July in Bosnia, Sarajevo, and Tuzla. I have looked at the situation firsthand. I spent many hours with administration officials and outside experts discussing the situation in Bosnia. I have grave concerns about the administration's completely open-ended commitment to remain in Bosnia. We were solemnly given dates and unequivocal assurances that U.S. troops would be out by December 1996. They weren't. Then it was July 1998. The President intends not to meet that date. The assurances we were given were wrong.

The fact that the administration has been so often wrong raises questions about their overall policy. Do we want peace there? Yes. Have we been willing to make a commitment? Yes. But the question is, How much, how long, and for what? Is the situation under control there? What is happening in Kosovo? Did the administration turn a blind eye and ignore that problem and only now realize the ramifications, the implications, that Kosovo has in the region?

There has been some progress in Bosnia. Many time lines and the agreements that were supposed to have been met, however, have not been met. We do need to continue to move forward and to encourage peace, democracy and freedom—not fighting and killing—in that part of the world.

But the U.S. taxpayers have already spent some $8 billion in Bosnia since December of 1995. Our European allies have been reluctant to shoulder more of the burden. There are even credible reports that a French military officer tipped off the most notorious war criminal and helped him avoid apprehension. Basically, they say, You are the world leader; without you, it won't be done. We assume a very serious responsibility and maybe a certain degree of pride in that. But I think more needs to be done by our European allies and there needs to be a plan, some way of dealing with this problem, just like there should be a long-term plan in dealing with Saddam Hussein. There is no plan there, no plan to find a way to remove Saddam Hussein so the people in Iraq can be free.

The pattern begins to be clear. I have been very careful as majority leader to try to rise above politics or partisan politics. I have taken a pounding from some sources for that. I did support the Chemical Weapons Treaty and I do support NATO. But there is a limit to how far I will go. I will not support the administration unconditionally—particularly if there is no policy, no clear plan. I think that is the case in Iraq, where the policy of containment is not working. So what is next? Quite frankly, it falls to the Congress to try to say: How about this? Would you consider that? Develop a plan to do something, anything. We are prepared to do that if we have to because of the absence of action by the Administration.

For all those reasons, I am concerned about the administration's policy in Bosnia. This issue should be addressed by the Senate on merits later on this year in the appropriations process. But we should not use it as a way to delay the decision to enlarge NATO.

NATO enlargement is the right thing to do. But it should rise and fall on its own merits. We should not allow it to tangle up our decision into issues like Bosnia. I agree with Senator CRAIG's concerns, but I don't think this is the place to have the debate or action based on what may or may not be the future in Bosnia to determine what would happen in NATO. We should not make the legitimate aspirations of Poland, Hungary and the Czech Republic subject to our differences with the executive branch on Bosnia policy. I hope the Senate will defeat this amendment and move to conclusion and pass NATO enlargement.

I yield the floor, Mr. President.

RESERVATION OF LEADER TIME

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

EXECUTIVE SESSION

PROTOCOLS TO THE NORTH ATLANTIC TREATY OF 1949 ON ACCESSION OF POLAND, HUNGARY, AND THE CZECH REPUBLIC

The PRESIDING OFFICER. Under the previous order, the Senate will now go into executive session and resume consideration of Executive Calendar No. 16, which the clerk will report.

The assistant legislative clerk read as follows:

Treaty Document No. 105–36, Protocols to the North Atlantic Treaty of 1949 on the Accession of Poland, Hungary and the Czech Republic.

Pending:

Craig amendment No. 2316, to condition United States ratification of the protocols on specific statutory authorization for the continued deployment of United States Armed Forces in Bosnia and Herzegovina as part of the NATO mission.

Ashcroft amendment No. 2318, to require a Presidential certification that NATO is and will remain a defensive military alliance.

Conrad/Bingaman amendment No. 2320, to express the sense of the Senate regarding discussions with Russia on tactical nuclear weapons, increased transparency about tactical nuclear weapons, data exchange, increased warhead security, and facilitation of weapons dismantlement.

EXECUTIVE AMENDMENT NO. 2316

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the Craig amendment, No. 2316, with the time until 12 noon to be equally divided.

Mr. CRAIG. Mr. President, yesterday I put before the Senate a very straightforward amendment to our resolution of ratification that speaks to the responsibility of the President as it relates to getting authorization for the continued mission of our U.S. military in Bosnia. I say that in the context of us debating NATO expansion because I think it is appropriate. It is appropriate because of the way this President has characterized the need to expand NATO from his perspective. He speaks about it no longer as just a defense mechanism for Europe; he speaks of it as a mechanism for the purpose of peacekeeping.

We have heard several of our colleagues come to the floor in the last good number of days as we have debated this issue, frustrated by what will be the role of a new NATO, and how should we define that—at least from our understanding—as we move for the purpose of ratification, upholding our constitutional responsibilities, which are paramount on this issue.

I am one of those Senators who has said very openly that I don't believe we ought to be expanding NATO at this time. We ought to be encouraging the European Community to reach out to those nations that have now emerged from behind the fallen Iron Curtain—reach out to them in an economic way, bringing them into the economic union, creating greater economic stability rather than, if you will, offering them the olive branch of inclusion into NATO as some coming of age process, and turning to the United States and, in essence, saying, now you have to pay for it or you have to play a greater role—especially when I don't think any of us sense the dramatic urgency of an expanded defensive mission for the whole of a freer Europe. That strength would come through the economic growth of those countries and the greater strength of their democracies because of the economic growth. Some of us have also expressed concern about, of course, Russia and how it feels as we tend to expand a defensive peacekeeping mechanism toward them, and not being willing to focus as much as we should on assisting, ensuring the democratic processes in Russia itself.

As a result of that, I think it is tremendously important that we cause this administration to define what its intent is. As you know, Mr. President, we are now in a period of time in Bosnia where we are operating without authorization from Congress. Costs are mounting in a tremendous way, and as

a result of that, we have no end game in mind, no mission intent at this moment.

My amendment is clearly straightforward. It is something the President should have done some time ago. But, of course, when he seeks authorization, then he can't keep diverting money out from under the defense system itself to fund an unending operation in Bosnia, or at least unending by his current definition.

So what I am saying is really very straightforward: Mr. President, as you move forward with your commitment to an expanded NATO, come to us and ask for an authorization and ask for a definition, if you will, in cooperation with us on the role in Bosnia. I think this becomes increasingly important. Colleagues from the other side of this issue have said I am amending the treaty. Well, we all know that is not true. What we are talking about today is a resolution of ratification. I am putting within that resolution—if my amendment were to become part of it by this process—a condition which the President would have to respond to prior to being able to move forward with the blessings of Congress in a confirmation of the resolution of ratification. That is the intent of my amendment. It is very straightforward, clear, and it is quite simple. I don't believe it is convoluted or confusing in any sense of the words. Maybe there are those who don't want the President to seek authorization. But I can't imagine any of us who are willing to fund and participate in putting the men and women of the U.S. armed services in harm's way—that we don't, for some reason, define how that all ought to be. It is with that intent that we bring forward this amendment.

I reserve the balance of my time.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. LEVIN. Mr. President, I oppose this amendment. It would throw real doubt and uncertainty into the NATO ratification process by linking the completion of that process to a subsequent action of Congress, specifically authorizing continued deployment of our forces in Bosnia. It is that doubt, that uncertainty, that complication, that ambiguity, creating an additional step before the ratification process is completed, that this amendment would create.

We simply should not do that, no matter how we feel on the Bosnia issue. I must tell my good friend from Idaho that I have been one who has been very cautious about our continuing to be in Bosnia. I have indeed offered and have had amendments accepted on this floor reflecting that caution. We can stop, should we choose, our presence in Bosnia at any time we want through the power of the purse. We are not lacking in tools to control our participation in the NATO operation in Bosnia. We have those tools. We have used those tools. We may not have used them to the extent that my good friend or I would have liked, but we have used them. We used them in the authorization bill last year. We used them in the appropriations bill last year. We have a supplemental appropriation right now that we have recently passed for our troops in Bosnia. People who opposed that continuance or wanted to attach additional conditions to that continuation could have attached those conditions, or sought to attach those conditions, in the supplemental appropriations bill. I offered an amendment that was accepted on the supplemental appropriation bill, which required certain milestones that we say are our goals for Bosnia, requiring that those milestones be presented to NATO so that we could have NATO consideration of milestones which would lead us to exit Bosnia which would allow us to remove our combat forces from Bosnia. We have the tools.

I understand linking things where it is necessary in order to gain for us a power we might not have otherwise. I could understand that. But where we have the power of the purse and could exercise that power to control the presence of combat forces in Bosnia, it seems to me that we are creating a needless ambiguity, a needless uncertainty, that we are throwing a monkey wrench into the ratification process by creating a subsequent step after the Senate votes on ratification. It is creating that doubt. It is the uncertainty. If we voted to ratify now, the instruments of ratification will not be deposited until the Congress takes an additional step. Again, if that were the only way of obtaining a power, then it would seem to me that there might be some argument for it despite the confusion. But where we have the power of the purse, we know how to exercise it. We have exercised it relative to Bosnia, not only in the supplemental but in the prior authorization and appropriations bills of defense. One other element is that another defense authorization will be coming to the floor hopefully in the next few weeks. We have another opportunity to exercise the power of the purse within the next month relative to our forces in Bosnia.

So this is not only confusing and I think harmful in that regard, introducing really a monkey wrench into a process where we already have plenty of tools to exercise our will, it is needlessly being done. The power of the purse is one of the most important powers this Congress has, and this Congress has, when it has chosen, exercised that power. We can exercise it again.

Just one final comment about this. In the supplemental appropriations bill, the amendment which I offered required that the President take to NATO the so-called benchmarks that were detailed in the President's presentation to the Congress. Last year we told the President in our appropriations bill that we want an exit strategy; we want to phase out American presence in Bosnia; we want to put more responsibility on the Europeans. By the way, I share those sentiments. I think the Europeans should take more responsibility and should take over that operation much more fully, and we should find a way to exit promptly in a reasonable period of time, removing our combat forces and instead supporting the operations with logistics and intelligence and certain other support. But that we should try to find a path for the removal of our combat forces from Bosnia. We have stretched our forces too many places around the world.

My amendment on the supplemental bill, which is presently in conference, tells the President to enter into an agreement with NATO on the benchmarks which he detailed in the exit strategy and which he presented to us as required by the authorization and appropriations.

I hope this amendment will be defeated because of the confusion that it would create relative to ratification, the uncertainty that it would create, the additional step, the roadblock that would be placed in the way of this process being completed and mainly, though, because it does all that, it does that damage unnecessarily. We have the power of the purse. We will have the opportunity to exercise that again within the next month relative to Bosnia should this body choose to do so.

For those reasons, I hope my friend's amendment is defeated and that we ratify this treaty, or not, but that we not say with our right hand we are going to ratify it and then with the left hand say but that process cannot be completed until Congress takes an additional step relative to Bosnia.

Mr. President, how much time is left to the opponents of this amendment?

The PRESIDING OFFICER. Sixteen minutes 5 seconds.

Mr. LEVIN. I wonder how much time the Senator from Idaho has remaining.

The PRESIDING OFFICER. Eighteen minutes 44 seconds.

Mr. LEVIN. The floor manager is not here. I would like to begin, and yield myself on the general issue of NATO, 5 minutes. I want to consult for one moment before I do that.

Mr. President, unless my friend from Idaho wants to give himself time at this point, I yield myself an additional 5 minutes on the underlying NATO ratification.

Mr. President, I want to speak today about three aspects of NATO enlargement. First, I want to focus on the stabilizing effect that NATO has had and that an enlarged NATO will continue to have on Europe; second I want to discuss the impact that NATO enlargement would have on Russia; and finally, I want to examine the common values that lie at the heart of the question before us.

It will come as no surprise, based upon my floor speech on NATO enlargement that I gave on March 19, that I favor NATO enlargement. I am satisfied that it will help to enhance

stability on the European continent, that it will not isolate Russia, and that the common values that undergird the Alliance are treasured in Poland, Hungary and the Czech Republic.

EUROPEAN STABILITY

Mr. President, Europe has experienced military conflict down through the ages. Indeed, it has been a constant spawning ground for war. The security of the United States is inextricably linked to that of Europe by a common heritage and shared values. Because of those links, twice this century, America has shed blood and treasure in major wars in Europe.

In my view, one of the two major accomplishments of NATO, the first being deterring the former Soviet Union, has been its serving as a balance wheel to keep the peace in Western Europe. The NATO Alliance has enabled Europe to experience peace for almost fifty years.

One of my home-town newspapers, the Detroit Free Press put it well when it said:

> It (NATO) has been a vital means of maintaining a stable balance between Germany and its neighbors. That was a major unavowed purpose of NATO in the years after World War II. To manage Germany's role in Europe may have been a secondary purpose, but it was important in providing stability while Europe evolved toward unity and reconciliation. Preventing a recurrence of Europe's chronic civil wars is an important NATO function.

NATO has helped keep the peace in many ways.

As a defensive Alliance, one of NATO's major strengths is that member nations are able to pool their complementary military assets rather than developing totally separate and redundant military capabilities.

This pooling of assets allowed the Alliance to present a strong and united front to deter aggression from the Soviet Union. This pooling of assets precluded the need for any one European NATO nation to build up its own military arsenal of a type that would threaten its neighbors and destabilize the continent.

The Alliance has also had a moderating influence on its member nations and has served to prevent the inevitable frictions that arise among nation states from erupting into armed conflict. When Representatives and military officers of different nations meet and work together on a daily basis in Brussels and elsewhere, disagreements among those nations are more likely to be subordinated to common defense requirements. For instance, Europe is more secure with Greece and Turkey as members of the NATO Alliance than if one or both of them were not members.

The prospect of NATO membership has already had a moderating influence on events in Poland, Hungary and the Czech Republic. They are all downsizing and reorganizing their militaries, thus avoiding the expenditure of scarce resources that are needed for economic development. If rejected for NATO membership, they will almost surely renationalize their approach to defense, with potentially destabilizing impacts on their neighbors and on their neighborhood.

The Alliance contributes to European stability in a number of other ways.

NATO's military might has the potential for application in so-called ''out-of-area'' conflicts, but which affect stability in Europe. For example, NATO's air bombing of Bosnian Serb targets served to bring the warring parties to the negotiating table and led to the Dayton Peace accords. NATO then led a military mission to implement the military aspects of the Dayton accords and to provide a secure environment for implementation of the civilian aspects of the accords.

This action by the Alliance ended a conflict that posed a real threat to European stability and demonstrated a willingness of Alliance members to take action before its members were drawn into the conflict. Poland, Hungary and the Czech Republic have all provided military forces to the NATO-led Stabilization Force in Bosnia, and Hungary has provided facilities for logistic support and training for United States and allied forces in support of that same effort in Bosnia.

The Bosnian conflict demonstrates that NATO provides the multinational mechanism that we and our European allies need to deal with small conflicts that threaten to spread and involve all of Europe. The addition of these three new members will strengthen NATO's capability to deal with such threats.

NATO's action in Bosnia could pave the way for Alliance action if the world's energy supplies were threatened in the future as they were in 1991 in the Persian Gulf. Poland, Hungary and the Czech Republic have promised military support in the event that the United States has to use force to ensure the destruction or rendering harmless of Iraq's weapons of mass destruction. This leads me to believe that enlargement of the Alliance will increase support for our actions in pursuit of our national interests in other regions either in the form of formal Alliance action or coalitions of the willing.

This type of cooperation and common action is already taking place in situations that, while not representing direct aggression against a NATO member nation, are examples of the new threats we face. In the area of counterproliferation, at NATO's January 1994 Summit, Heads of State and Government formally acknowledged the security threat posed by the proliferation of weapons of mass destruction and associated delivery means. NATO noted that this threat was not confined to nations or non-state actors, such as terrorists, on the periphery of the Alliance and specifically cited the cases of Iraq and North Korea. Poland, Hungary and the Czech Republic can contribute to NATO action in this matter by political and diplomatic means and, in the defense area, by the sharing of intelligence and detection technology.

Finally, with respect to European stability, the very prospect of NATO membership has also produced significant positive results in Poland, Hungary and the Czech Republic in terms of resolution of border disputes and relations with their neighbors, civilian control of their militaries, and protection of minority rights and advancement of the rule of law. The September 1995 NATO Study on Enlargement, while noting the there was no rigid criteria for inviting new members to join the Alliance, did state that possible new member states would be expected to take these positive actions.

Poland has signed friendship agreements with all seven of its neighbors—Russia, Ukraine, Belarus, Lithuania, Slovakia, the Czech Republic and Germany. Poland has reached out to its neighbors and has created one joint peacekeeping battalion with Lithuania and another with Ukraine. Poland's laws now subordinates the Chief of General Staff to the Minister of Defense and shifts control of the budget, planning and military intelligence from the General Staff to the Defense Ministry. Poland's press is free and the government maintains a strong record in support of basic human rights. It has held six fully free and fair elections at various levels since the fall of communism in 1989.

Hungary concluded Basic Treaties on Understanding, Cooperation, and Good-Neighborliness with Slovakia and Romania in 1996. Hungary has entered into a Bilateral Defense Cooperation Agreement with Slovenia in 1996 and has signed bilateral cooperation agreements with Ukraine dealing with organized crime, terrorism, and drug trafficking. It has good relations with all its neighbors. Hungary has legislative and constitutional mechanisms in place to guarantee extensive oversight of the military by the Defense Ministry and by the parliament. Hungary upholds Western standards on human rights, freedom of expression, the rule of law, checks and balances among branches of government, and an independent judiciary.

The Czech Republic now enjoys very good relations with all of its neighbors and has no border dispute with any country. The Czech Republic signed a formal reconciliation pact with Germany in January 1997. Under the Czech Constitution, the President is Commander-in-Chief and governmental authority is exercised through a civilian Minister of Defense. The Czech people enjoy free speech, free assembly and a free press. The Czech Constitution guarantees human rights and provides for an independent judiciary.

In sum, NATO and its enlargement enhance the stability of Europe in many ways: it fosters good relations among its members; avoids the nationalization of members' defense; prevents frictions among its members from erupting into conflict; provides a mechanism to deal with small conflicts in Europe before they spread; provides

a mechanism to address threats outside of Europe but which could affect Europe and the United States, including new threats, such as the proliferation of weapons of mass destruction; and, indeed, just the prospect of membership has served as a moderating influence in Poland, Hungary and the Czech Republic to encourage settlement of border disputes, civilian control of their militaries, and the advancement of the rule of law.

IMPACT ON RUSSIA

But what about the impact on Russia?

Mr. President, how we enlarge NATO is critically important, along with whether we enlarge NATO, since we do not want to isolate Russia and contribute thereby to the very instability that NATO enlargement is aimed at deterring.

At the Armed Services Committee's first hearing on NATO enlargement on April 23, 1997, more than a year ago, at which Secretary of State Madeleine Albright and Secretary of Defense William Cohen testified, I stated, with specific reference to Russia, that I believe that we must do everything we reasonably can to enlarge NATO in a way that contributes to greater, rather than less, stability in Europe.

The Administration has worked hard and worked successfully to do just that. On May 27, 1997, subsequent to NATO's decision to expand, Russian President Boris Yeltsin, President Clinton and leaders of the other NATO countries signed the ''Founding Act on Mutual Relations, Cooperation and Security between NATO and the Russian Federation.'' The second paragraph of the Founding Act succinctly states the relationship between NATO and Russia and the goal of the Act. It reads as follows:

> NATO and Russia do not consider each other as adversaries. They share the goal of overcoming the vestiges of earlier confrontation and competition and of strengthening mutual trust and cooperation. The present Act reaffirms their determination to give concrete substance to our shared commitment to a stable, peaceful and undivided Europe, whole and free, to the benefit of all its peoples. By making this commitment at the highest political level, we mark the beginning of a fundamentally new relationship between NATO and Russia. They intend to develop, on the basis of common interest, reciprocity and transparency a strong, stable and enduring partnership.

As part of the Founding Act, the NATO member nations reiterated that ''they have no intention, no plan and no reason to deploy nuclear weapons on the territory of new members.'' NATO also reiterated that ''in the current and foreseeable security environment, the Alliance will carry out its collective defense and other missions by ensuring the necessary interoperability, integration, and capability for reinforcement rather than by additional permanent stationing of substantial combat forces.''

The Founding Act sets up a NATO-Russia Permanent Joint Council to ''provide a mechanism for consultations, coordination, and to the maximum extent possible, where appropriate, for joint decisions and joint action with respect to security issues of common concern.''

It is surely noteworthy that the NATO-Russia Founding Act and the Permanent Joint Council it created were adopted after NATO's decision to enlarge. The Act represents both NATO's acknowledgment of Russia's important position and Russia's acceptance of NATO's enlargement.

Mr. President, subsequent to NATO's decision to invite Poland, Hungary and the Czech Republic to join the Alliance, Marshal Igor Sergeyev, the Minister of Defense of the Russian Federation, wrote an article entitled ''We are not adversaries, we are partners,'' for the Spring 1998 edition of the NATO Review. It is significant that he even wrote an article for the NATO publication. Even more importantly, in that article, Marshal Sergeyev wrote the following:

> It is my profound conviction that, in spite of the problems that exist, the NATO-Russia Founding Act provides extensive opportunities for creating an atmosphere of trust. This can facilitate settling existing differences in our relations as well as establishing efficient and productive machinery for cooperation between the military establishments of Russia and NATO member states. Only in this way can we complete the common task of creating a community of free and democratic states from Vancouver to Vladivostok.

Again, the signal from Russian Defense Minister Sergeyev is acceptance and cooperation with NATO, not hostility and withdrawal.

Mr. President, President Clinton and the other NATO leaders are to be commended for the manner in which they have sought to carry out NATO enlargement in a way that minimizes any possible negative reaction in Russia.

Some of the strongest evidence of the success of their efforts is that Russia ratified the Chemical Weapons Convention in November 1997, four months after NATO invited Poland, Hungary and the Czech Republic to join the Alliance. Some of the most recent evidence of the success of their efforts is that just two weeks ago Russian President Boris Yeltsin resubmitted the START II Treaty to the Russian parliament for ratification. In other words, on the eve of Senate action on the Resolution of ratification of NATO enlargement, President Yeltsin took a critical step towards continuing the mutual reduction of nuclear arms by the United States and Russia.

The clear message was—''we know NATO is about to enlarge and we are prepared to ratify START II anyway.'' The message wasn't—''we will withhold acting on START II until we see what you do about NATO enlargement,'' or that—''we won't proceed to ratify START II in this environment.''

Beyond the clear evidence of the acceptance of NATO enlargement by the Russian leadership, there is some evidence of support among the Russian people. A Gallup poll conducted in Moscow and released in March revealed that 57 percent of Muscovites supported the Czech Republic's bid to join NATO, 54 percent supported Hungary's admission, and 53 percent said Poland should be allowed to join NATO. More than a quarter of those polled had no views on the subject.

Finally, I would note that United States and Russian troops are serving side-by-side in Bosnia, are conducting joint patrols, and, based upon my personal conversations and observations, have developed an appreciation for each other's soldierly skills and a comraderie that benefits both our nations. On March 18, Russian Foreign Minister Primakov stated that if the U.N. Security Council passes the appropriate resolution, ''Russia will be ready to take part in this operation.'' There hasn't been even the slightest hint by any official in the Russian government or parliament that ratification of NATO enlargement by the United States Senate or the parliaments of our NATO allies would threaten the continued participation of Russian troops in the NATO-led peace operation in Bosnia.

Mr. President, we should care about our relationship with Russia and we do. Other countries also have a great interest in their relationship with Russia. That why it is so important to note that thus far all the Parliaments of our NATO European allies that have taken up the issue have overwhelming ratified NATO enlargement. The three countries—Denmark, Norway, and Germany—are much closer geographically to Russia than we are. As a result, they are more likely to feel the impact of a reversal of democratization in Russia, and they are very likely to pay great attention to Russian sensitivities. Based upon the voting margins in those countries—the Danish Parliament voted 97 to 17; the German Bundestag voted 553 to 37 and the vote in the Bundesrat was unanimous; and Norway's Storting voted 151 to 9—it appears that the parliaments in those countries are satisfied that NATO enlargement will not play into the hands of anti-Western forces in Russia or otherwise negatively impact relations with Russia.

SHARED VALUES

Mr. President, that brings me to the last subject I want to discuss briefly today—shared values.

The Preamble to the NATO Treaty expresses the reasons why the United States and its partner nations decided to create NATO. It states in part that ''They are determined to safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of law.''

Mr. President, those are words that resonate very well with all Senators, indeed with all Americans. How much those words—democracy, individual liberty and the rule of law—must mean to the people of Poland, Hungary and the Czech Republic! During the twentieth century, those countries have faced

first Nazi aggression and then communist oppression. How much it means to their peoples to be joining an organization that is dedicated to safeguarding their freedom, common heritage and civilizations.

Mr. President, I and those of my generation remember when the Red Army moved in and crushed the Hungarian freedom fighters in 1956. Many Hungarian refugees fled to my home state and were present when we greeted Cardinal Mindszenty in Detroit after his release from the United States Embassy in Budapest in 1971, where he had spent more than 15 years. More recently, we watched with admiration as the Solidarity-led movement of Lech Walesa guided Poland to democracy. Many Polish-American families and indeed all of us took great pride in Solidarity's success in helping to bring down the Soviet Empire. In Czechoslovakia, former dissident playwright Vaclav Havel, who was named President in December 1989, guided first Czechoslovakia and then, after the split, the Czech Republic with a steady hand ever since. My wife Barbara and I were visiting Prague after Vaclav Havel had been elected but before he assumed the office of the presidency. We recall with admiration and draw inspiration from the memory of the people of Prague massing to ensure that the election results were upheld and how they escorted Vaclav Havel to the castle where he would assume his office. Some of the most powerful blows that eventually demolished the Berlin wall were struck by the brave people of these three nations. They laid their lives on the line to bring down the Soviet empire and to promote democratic values. I am confident that they, having experienced tyranny first hand, can be counted on to do what is necessary to protect freedom recently regained.

Mr. President, President Havel put it this way:

> Our wish to become a NATO member grows out of a desire to shoulder some responsibility for the general state of affairs on our continent. We don't want to take without giving. We want an active role in the defense of European peace and democracy. Too often, we have had direct experience of where indifference to the fate of others can lead, and we are determined not to succumb to that kind of indifference ourselves.

Mr. President, if we reject the accession of Poland, Hungary and the Czech Republic to the NATO Alliance, we will be effectively dimming the flame of liberty that sustained these courageous peoples through decades of first Nazi and then communist darkness.

CONCLUSION

Mr. President, I intend to vote for the accession of the Czech Republic, Hungary and Poland to NATO membership.

The enlargement of NATO does not violate any treaty between the United States or any NATO country and Russia, does not pose a threat to Russia and will not contribute to a reversal of Russia's course towards democratization and a market economy.

The accession to NATO of Poland, Hungary and the Czech Republic does contribute to European stability, and does promote the spread of democratic values and will fulfill the democratic yearnings of their peoples.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I am going to note the absence of a quorum for the purpose of the Presiding Officer having an opportunity to speak to this issue.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SMITH of Oregon. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CRAIG). Without objection, it is so ordered.

Mr. SMITH of Oregon. Mr. President, the situation in Bosnia and the continued participation of U.S. soldiers in the NATO operations is an issue about which many Senators have very strong opinions.

I agree with my colleague from Idaho that the decision to keep U.S. troops there is one that the administration did not adequately discuss with the Congress. The past actions of the administration on this question, promising twice that American soldiers would come home by a date certain and twice breaking that promise, rightly gives the Senate reason to wonder if the administration is serious about its commitment to withdraw U.S. soldiers from Bosnia.

However, I want to be clear about what this amendment does. Simply, it punishes Poland, Hungary, and the Czech Republic. These are three countries that have all met the criteria for NATO membership and have chosen the path of democracy and freedom after 50 years of Communist domination. I remind my colleagues that the troops from Poland, Hungary, and the Czech Republic are, as we speak, standing side by side with American soldiers serving in Bosnia. Earlier this year, all three countries publicly stated that they were willing to commit troops if the U.S. showdown with Iraq led to military action. I am convinced that Poland, Hungary, and the Czech Republic will be among our strongest allies in NATO, and preventing them now from fulfilling this role simply does not serve American interests.

I support a vigorous debate on the merits of U.S. participation in the NATO force which is keeping peace in Bosnia, but I do not believe that the resolution of ratification to enlarge NATO is the appropriate place for this debate.

I think Senator CRAIG's concern that NATO should not be reformulated into a peacekeeping organization is right on target. NATO is the most effective collective defense alliance in history, and to maintain its critical article V capabilities we cannot allow the NATO mission to drift towards peacekeeping and nation building. The amendment offered by Senator KYL, however, on Tuesday, approved by a 90 to 9 vote, clearly states the U.S. view of what the mission of NATO should be and what it should not be. However, I cannot support delaying action on NATO enlargement until Congress has authorized the U.S. troop presence in Bosnia.

My colleagues well know, in December of 1995, the Senate approved the Dole-McCain resolution on the deployment of U.S. forces to Bosnia by a vote of 69 to 30. Since then, the Senate has, on at least two occasions, approved appropriations to support U.S. troops in Bosnia. I understand that many Senators do not want U.S. forces in Bosnia, but the Senate has had the opportunity to speak on this issue and we will again in the future. Now is simply not the time, and the expansion of NATO ought not to be the vehicle. So I urge my colleagues to vote against the amendment of my friend from Idaho.

I yield the floor.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, I just turned to my staff and I said, ''I'm going to wait to deliver my statement until Senator CRAIG is on the floor,'' not realizing Senator CRAIG was presiding. I am delighted he is here.

(Mr. SMITH of Oregon assumed the Chair.)

Mr. BIDEN. Let me state my opposition and why I oppose the Craig amendment.

I find this debate over the last several weeks to be, in a sense, fascinating—fascinating in this regard. The Members of the Senate who express the greatest concern about the ability of Russia to veto any action NATO takes, the Senators who—with the exception of the Presiding Officer now, who expressed that concern himself—the Senators who have been most vocal about a NATO-Russian accord are now on the floor being the most vocal about their concern about how Russia is going to greet our expanding NATO or voting to expand NATO. So that is one thing I find somewhat anomalous.

Yesterday, I found it somewhat strange that those who did not want us entangled in border wars in Europe, as they phrased it, or ethnic conflicts in Europe, were the very people who wanted to give up our veto power to be involved in those. That is, right now, under the organizational structure of NATO, if all 15 NATO nations say we should go in and settle this dispute here in Europe and we say no, that is it, we don't go. I found it somewhat anomalous that they were, yesterday, prepared to say: Look, let's have this new dispute resolution mechanism which forced us, whatever iteration it would have come out in, to give up our veto power over that.

Now, today, Senator CRAIG, who has been one of the most outspoken opponents, to his credit, to the former Soviet Union, concerned about Russian interference in American affairs—I may be mistaken, but I think he has a very healthy skepticism about any aid to Russia—is now on the floor. He, I think—I know unintentionally, at least in my view—is on the floor unintentionally giving Russia another veto power.

Mr. President, to reiterate, the amendment of Senator CRAIG would delay U.S. approval of the accession of Hungary, Poland, and the Czech Republic to NATO until Congress passes specific authorization for the continued deployment of U.S. forces in Bosnia. This amendment should be rejected because it mixes two vital questions of national security that deserve to be debated and decided, each on its own merits.

On Bosnia, the U.S. has led successful IFOR and SFOR missions there composed primarily, but by no means exclusively, of NATO forces. The Senate will continue to address the question of whether and how we should continue our participation in the Bosnia mission just as we did during the emergency supplemental budget appropriation adopted prior to the Spring Recess.

Today, we face an entirely different question: should we vote to bring three worthy countries into NATO as new allies?

If we are using contributions to the Bosnia mission as a criterion for NATO membership, then all three of the applicants before us are highly qualified.

Hungary provided a 400–500 troop engineer battalion to IFOR, and a 200–250 troop group to SFOR, as well as a staging area for some 80,000 American troops on rotation through Bosnia at one of its air bases.

The Czech Republic has been one of the largest per capita contributors with an 870-person mechanized battalion for IFOR, and a 620-person battalion for SFOR.

Poland, with troops already deployed in half a dozen U.N. peacekeeping missions, contributed a 400-troop airborne infantry battalion to SFOR.

All three nations provided these assets well before they were formally invited to accede to the North Atlantic Treaty, demonstrating early their willingness to share this burden with us.

The Senate should reject this amendment. Let us decide these two important questions as they should be—separately, with due consideration for the merits of each case.

Mr. FEINGOLD. Mr. President, I will vote in favor of the Craig amendment that would require specific congressional authorization for the deployment of troops to Bosnia.

However, I would like to make clear that I am supporting this amendment for reasons that I think differ slightly from the intentions of its author, the distinguished Senator from Idaho.

As my colleagues in this Chamber know well, I have always had serious questions about U.S. involvement in this mission. I was the only Democrat to vote against the deployment of U.S. troops back in 1995, in large part because I did not believe the United States would be able to complete the mission in the time projected and for the price tag that was originally estimated.

Now—more than two years later—I think I have been proven right, and I take no pleasure in it.

But, regardless of my objections to the mission, I have always felt it is vitally important that when large-scale deployment of U.S. troops is involved, it is necessary to have specific congressional authorization for it. And I have tried on several occasions to move the Congress to enact such authorization. In that light, I view the Craig amendment as another such attempt.

Unlike Senator CRAIG, however, I support the expansion of NATO and do not feel this amendment is inconsistent with that support.

Unlike Senator CRAIG, I am not necessarily opposed to the involvement of NATO in peacekeeping missions.

There may be times in the future when it would be appropriate for NATO to become involved in peacekeeping missions when conflicts threaten the security of NATO members.

But I do agree with Senator CRAIG that if and when these situations arise, if the deployment of U.S. troops is proposed, it will be necessary to get specific Congressional authorization for such deployment.

It is for this reason that I support Senator CRAIG's amendment.

The PRESIDING OFFICER. All the time available to the opponents of the amendment has expired. The proponent, the Senator from Idaho, has 7 more minutes.

The Senator from Idaho.

Mr. CRAIG. Mr. President, I yield 5 minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. INHOFE. Mr. President, I thank the Senator for yielding.

Mr. President, I would just like to make a couple of comments, a couple of observations, one along the line of connections. Some people have said there should not be a connection between what is happening in Bosnia and the proposal to expand NATO to the three countries; and, second, as chairman of the Readiness Subcommittee, how this impacts—how Bosnia has impacted our state of readiness.

I think in the first case, as we stood on this floor in November of 1995 and we talked about where we were going to go and how we were going to stop the deployment of troops into Bosnia, where we had no security interests, I was somewhat in the leadership of that losing battle—but we only lost it by three votes.

I think if you could single out one thing that had a major impact that persuaded those three more people or four more Senators to vote in favor of allowing our troops to be sent to Bosnia, it would be our commitment and our obligation to NATO. There was not a discussion on this floor where NATO wasn't brought out and it was said, we have to do this to protect the credibility of NATO; to protect our status with NATO and our leadership in that part of the world, it is going to be necessary to send our troops into Bosnia.

We know what happened after that. We know they went over with the idea they were going to be back in 12 months. We were told the total cost would be $1.2 billion. Now our troops, 2½ years later, are still over there, with no end in sight. Our direct costs have exceeded $9 billion, and I suggest that it is actually more than double that, because if you take the cost of the operations in the 21 TACCOM in Germany, take the cost of the 86th Airlift in Ramstein—all of them dedicating almost their entire operation to supporting the operation in Bosnia—then the cost is much, much greater. So there is a relationship between NATO and our troops in Bosnia.

I see this as something that is very critical, because so long as we are supporting the Bosnia operation, we are not in a position to be able to logistically support any type of a ground operation anyplace else in that theater.

Let's keep in mind that theater area does include the Middle East. It was not long ago when it was pretty well publicized that we might have to do surgical airstrikes on Iraq. They are talking about that again today. While the general public is deceived into thinking that we can do this without sending in ground troops, they are wrong. There is not anyone that I know of, who has a background in the military, who would tell you that you can go in and accomplish something from the air without ultimately sending in ground troops. We are not in a position, as a result of Bosnia, to support ground troops anywhere else in that theater.

If there is any doubt in anyone's mind, all they have to do is call the commanding officer of 21 TACCOM in Germany, and they will tell them there is not the capacity to send one truck to logistically support an operation anywhere else in the theater. It is not that they are 100 percent occupied by Bosnia, they are 115 percent occupied with their support of Bosnia. So that has had a dramatic effect on our state of readiness.

Second, we are using our troops at such a high OPTEMPO and PERSTEMPO that we are not in a position to retain these people. And the cost of this is incredible. Mr. President, it costs $6 million to put a guy in the cockpit of an F–16. These people are leaving. Our retention rate has now dropped below 28 percent. That is unprecedented, and that is exactly what has been happening.

So I do applaud the Senator from Idaho for bringing this up and making

an issue out of this, because there is a definite connection. I think it is perfectly reasonable for us to have to give some type of approval, on an annual basis, for our troops being someplace where there are no national security risks at stake.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SMITH of New Hampshire. Mr. President, I rise in support, strong support, of the Craig amendment and commend the Senator for offering it. It is a very reasonable amendment that simply says, prior to the deposit of the U.S. instrument of ratification, that there must be enacted a law containing specific authorization for the continued deployment of troops in Bosnia. I don't know how—if Congress wants to exercise its responsibility—I don't know how anyone could object to the amendment. Surely, if the comments that I have heard on and off the floor over the past couple of years regarding the issue of troops in Bosnia are any indication, this vote ought to be overwhelming in support of the Craig amendment. I certainly don't think anyone has any right to complain ever again if they are not going to vote to at least have the opportunity to say that we ought to have a vote here in the Senate to put forces in Bosnia.

I hope those who have been doing all of this complaining over the past couple of years will vote for the Craig amendment so that we can get a vote by the Congress to authorize the extension of having troops in Bosnia as part of the ratification process.

When the Congress first considered the President's plan to send troops to Bosnia in 1995, the administration placed clear limits on the duration of that commitment. On every single occasion that I can think of, that I know of, administration officials stated that U.S. troops would remain in Bosnia for 1 year—1 year. That was 3 years ago. They are still there.

Secretary Perry said on December 1, 1995:

> We believe the mission can be accomplished in 1 year. So we have based our plan on that time line. This schedule is realistic, because the specific military tasks in the agreement can be completed in the first 6 months and, therefore, its role will be to maintain the climate of stability that will permit civil work to go forward. We expect these civil functions will be successfully initiated in 1 year. But even if some of them are not, we must not be drawn into a posture of indefinite garrison.

That is what Secretary Perry said on December 1, 1995. He used the term ''indefinite garrison.'' And 3½ years later, we are still in Bosnia with no end in sight, no plan to get out, and here is the opportunity for Congress, certainly the U.S. Senate in this case, to speak up.

I hope the Senate will speak responsibly here and agree with the Craig amendment.

Let me give you some more testimony. Secretary of State Holbrooke on December 6, 1995:

> The military tasks in Bosnia are doable within 12 months. There isn't any question.

That is a quote—

> The deeper question is whether the nonmilitary functions can be done in 12 months. That's the real question. But it's not NATO or U.S. force responsibility to do that. It's us on the civilian side working with the Europeans. It's going to be very tough. Should the military stick around until every refugee has gone home, until everything else in the civilian annexes has been done? No. That is not their mission.

That was Secretary Holbrooke on December 6, 1995, and yet troops remain. There are still troops there sitting in the middle of a war zone between warring factions. Yes, holding the peace, but the commitment that was made to the American people and to this Congress by this administration in 1995 was that we were not going to keep them there beyond 12 months, and he said there isn't any question about that, we don't need to keep them there.

Nothing has changed. There is nothing different today than there was 3 years ago regarding that kind of comment. He says the deeper question is whether nonmilitary functions can be done in 12 months. That is the question. But the military is still there, and they are using the military to try to accomplish nonmilitary functions, which in and of itself is a real problem.

Many of us who closely studied the conflict in Bosnia saw this, frankly, as an unrealistic comment. We didn't believe—I certainly didn't believe and I know many of my colleagues didn't believe—that this made sense. There was no way that you could make that kind of a military commitment and allow this whole situation to become resolved in less than 12 months. But, what choice did the American people have but to take the President and the Secretary of State and others at their word? That is what we did, we took them at their word. What do we have for it?

I was disappointed, but not surprised, when right after the 1996 elections, the President said that we are going to continue this military commitment for an additional 18 months, until June of 1998. I happen to be a veteran of the Vietnam war. This has a familiar ring to it, a very familiar ring to it. I can remember the McNamara charts and the one more battle and, ''In just another year or two, we'll wrap this up.'' Mr. President, 58,000 lives and about 13 years later, we got out of Vietnam.

That could happen here. This is an extremely sensitive area that has a lot of problems that could escalate in a hurry.

Last December, the President said that he acknowledged that our commitment to Bosnia is open-ended, but he is still talking about clear and achievable goals. If you have an open-ended policy, you don't have clear and achievable goals. They are two direct opposites. There is no clear and achievable goal. There is an open-ended policy, and as long as it is open-ended, we are just going to give a blank check to the administration to stay in Bosnia and do what? To nation build, is that what our troops are there for?

This policy must come to a vote in this Congress. We have to act responsibly, otherwise, another Vietnam could occur. After people are killed or injured or maimed, it is too late to debate it. It is too late for those people. We need to be debating it now, and the Craig amendment is simply asking for a vote in the affirmative if we are going to continue the policy and continue to keep troops in Bosnia. I don't know what the policy is. The policy to me is just open-ended. Just keep them there, keep them there, keep them there; make another promise, another promise, another promise.

The administration has had a free ride in Bosnia now for 2 years. It is wrong, to put it very bluntly, for this Government to conduct its foreign policy without the participation of Congress and the public. For the life of me, I don't understand how anyone could oppose the Craig amendment.

The American people need to understand what is at stake and either agree to the commitment or not. We represent the American people, supposedly. The President has stated what he wants to do and he said why. He said, ''I want an open-ended policy in Bosnia, and I want to do it because I feel like I have a clear and achievable goal.'' He hasn't said what it is, just to keep the peace.

War has been going on in Bosnia for a thousand years. I am not sure just how long we have to hold American military forces there. Under this open-ended policy, maybe it is another thousand years. I don't know. But Congress has to act. The President gave his reasons, and now the American people ought to hear Congress' debate on this proposal, and that is what this amendment is about. This is no longer a Presidential use of force based on his judgment of an immediate threat. It is nation building in Bosnia. That is what we are talking about. It is now a deliberate foreign policy, and it must be approved and funded by Congress or not.

Mr. President, how much time is remaining in the debate?

The PRESIDING OFFICER. Time has expired.

Mr. SMITH of New Hampshire. Mr. President, I ask unanimous consent to have printed in the RECORD a letter to me from President Clinton dated April 20, 1998, in which he said:

> To ensure that NATO functions as effectively in the next century as it has in this one, we must preserve its ability to respond quickly, flexibly and decisively to whatever threats may arise.

It is the ''whatever threats may arise'' that bothers me in this debate, Mr. President.

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

THE WHITE HOUSE,
Washington, April 20, 1998.

Hon. ROBERT C. SMITH,
Chairman, Select Committee on Ethics,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter on United States and NATO involvement in Bosnia. You raise important questions about our mission and the impact of our military operations in Bosnia on U.S. security interests around the world.

Since you wrote your letter, I have forwarded to Congress my certification and report regarding our mission in Bosnia. This document includes detailed answers to the range of issues you raise in your letter and I am enclosing a copy for your review.

I strongly believe that our mission in Bosnia is critically important to the security of Europe. We are making increasing progress in implementing the Dayton agreement and establishing conditions under which Bosnians can live together in peace. In the past six months, we have seen rising returns of refugees, reform and restructuring of police and media, emerging anti-corruption efforts, capture or surrender of more than a dozen war criminals and improved cooperation among the parties. Most significant is the recent installation of a pro-Dayton government in Republika Srpska. SFOR's support for civilian implementation was essential to achieving this result.

We must succeed in Bosnia if we are to prevent instability from spreading to other volatile parts of the region such as Kosovo and Macedonia. Broader instability could threaten the vital interests of NATO allies Greece and Turkey, and endanger the overall security and stability of Southeast Europe. Success in Bosnia also reinforces the credibility of American leadership in Europe and demonstrates the capability of NATO to respond with its Partnership for Peace partners to the security challenges of the twenty-first century.

The Bosnia mission also underscores NATO's value in protecting the security and interests of its members, but it does not signal a departure from the Alliance's enduring purposes, as described by the Washington Treaty of 1949. Its primary mission is, and will remain, the collective defense of Alliance territory. However, as we have seen in Bosnia, it is sometimes necessary for NATO to act beyond its immediate borders in order to safeguard its members. To ensure that NATO functions as effectively in the next century as it has in this one, we must preserve its ability to respond quickly, flexibly and decisively to whatever threats may arise.

Again, thank you for your letter. I am pleased that we have had the opportunity for an extensive dialogue with members of Congress on the continuation of our mission in Bosnia. We will continue to work with you and other members of Congress in the cause of peace in this important mission.

Sincerely,

BILL CLINTON.

The PRESIDING OFFICER (Ms. SNOWE). The Craig amendment will now be temporarily laid aside.

Under the previous order, the hour of 12 noon having arrived, the Senator from New York, Mr. MOYNIHAN, is recognized to offer an amendment on which there shall be 1 hour of debate.

The Senator from New York.

Mr. MOYNIHAN. I thank the Chair.

EXECUTIVE AMENDMENT NO. 2321

(Purpose: To express a condition regarding the relationship between NATO membership and European Union membership)

Mr. MOYNIHAN. Madam President, I send to the desk an amendment for myself and Mr. WARNER and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN] for himself and Mr. WARNER, proposes an executive amendment numbered 2321.

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

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

The amendment is as follows:

At the end of section 3 of the resolution (relating to conditions), add the following:

( ) DEFERRAL OF RATIFICATION OF NATO ENLARGEMENT UNTIL ADMISSION OF POLAND, HUNGARY, AND CZECH REPUBLIC TO THE EUROPEAN UNION.—

(A) CERTIFICATION REQUIRED.—Prior to the deposit of the United States instrument of ratification, the President shall certify to the Senate that Poland, Hungary, and the Czech Republic have each acceded to membership in the European Union and have each engaged in initial voting participation in an official action of the European Union.

(B) RULE OF CONSTRUCTION.—Nothing in this paragraph may be construed as an expression by the Senate of an intent to accept as a new NATO member any country other than Poland, Hungary, or the Czech Republic if that country becomes a member of the European Union after the date of adoption of this resolution.

Mr. MOYNIHAN. In the brief period that I will be speaking, I would like to concentrate on the central issue: the dangers of nuclear war in the years ahead.

Earlier, in an address to the 150th anniversary gathering of the Associated Press, I cited a comment made last autumn by Richard Holbrooke, the American diplomat, now temporarily in private life.

Richard Holbrooke, who negotiated the Dayton agreement regarding the former Yugoslavia, commented that ''almost a decade has gone by since the Berlin Wall fell and, instead of reaching out to Central Europe, the European Union turned toward a bizarre search for a common currency. So NATO enlargement had to fill the void.'' As if this were an accidental policy that derives from the unwillingness of our European friends—some of them our NATO allies—to engage in the more serious work of bringing the once more independent republics of the Czech Republic, Hungary, and Poland into the European Union, a common market from which their economic development can grow, that being clearly the single most pressing concern they have in the aftermath of the half century of a Stalinist economy imposed upon them with the same results for them—not quite so bad, but bad enough—that Russia itself experienced.

The disaster of this era for the Russians cannot be exaggerated. I say to my dear friend from Delaware, who has been so generous in letting us speak on these matters, Murray Feshbach has recently established that the life expectancy of Russian men dropped from 62 years in 1989 to 57 years in 1996. There is no historical equivalent. A century ago, a 16-year-old Russian male had a 54 percent chance of surviving to age 60. Two percent less than had he been born a century ago. Such has been the implosion of Soviet society—in every respect, including the nuclear one.

Now, earlier on in a statement, I remarked, and I will take the liberty of remarking once again, that the origins of NATO seem very distant to most Members of the Senate. That age seems like another era. And in a sense it was another era. But there are a few witnesses from that era who are still active and who still speak.

George Kennan, who conceived the whole idea of containment, of which NATO was an expression and perhaps the most important one, George Kennan has said NATO expansion, in the aftermath of the defeat of the Soviet Union, he says, would be ''the most fateful error of American policy in the entire post-cold war era.'' ''The most fateful error.''

Paul Nitze, who was the principal author of NSC–68, the national security directive written in 1950, which established the American policy of containment, recently wrote to me to say, ''In the present security environment, NATO expansion is not only unnecessary, it is gratuitous. If we want a Europe whole and free, we are not likely to get it by making NATO fat and feeble.''

In my remarks to the Associated Press, I simply said that expanding NATO at this time, and particularly should we move up to include the Baltic States, which we are pledged to support, would put us at risk of getting into a nuclear war with Russia: wholly unanticipated, for which we are not prepared, about which we are not thinking.

Professor Michael Mandelbaum, at the Johns Hopkins School of Advanced International Studies, said ''that is not hyperbole.'' That is what we are dealing with here. And the reason, NATO expansion is viewed throughout elements of the Russian political system as a hostile act. Some think of it as a hostile act they could live with; some think it is a hostile act they will have to defend against; and they have said if they have to defend their territory, they will do so with nuclear weapons; it is all they have left.

Their Army has all been disintegrated—not entirely, but they remark in a December 17 National Security memorandum signed by Mr. Yeltsin, that stretches of their borders are undefended. Their Navy is rusting in a seaport, nominally part of the Ukraine.

They have nuclear weapons. After all we have gone through to achieve rational nuclear postures: a no-first-use policy, graduated response to threats, only resorting to strategic nuclear weapons at the very last moment when no other options are available—that is gone. We are back to the hair trigger that we knew when I was a young person in this Government, in this city,

when we could imagine having use air-raid shelters. We could imagine it, because we could remember the Second World War.

I was called back into the Navy in 1951, briefly, as it turned out, but found myself in Bremerhaven, in the submarine pens there that the Nazis had built. The British finally got a bomb through one, but never did during the war. We were sent on an expedition to Berlin. We had the practice of sending American officers on trains through Soviet-occupied Germany to establish the fact that we had the right to do so. I arrived in Berlin, and it wasn't there. Just ruined rubble; early in the morning, a few men stumbling out of a few bars, lost to the world.

We knew what war meant, and we can imagine what nuclear war means. We just had dropped two bombs on Japan. From the time of President Eisenhower, we have been negotiating ways to control atomic weapons—and we had success. Those early arms control agreements, apart from the agreement President KENNEDY reached on atmospheric nuclear testing, those early agreements typically just ratified the increases in nuclear weapons that each side wanted, but we got the START agreement and we reduced our nuclear arsenals.

The START Treaty, negotiated with the Soviet Union, was signed by four entirely different countries, because by the time it was finished the Soviet Union had disappeared. Russia has not yet ratified START II. The idea of START III, to reduced deployed nuclear weapons ever further, hasn't even begun. They haven't ratified START II, not least because of NATO expansion. I don't claim to know what the actual decisions in the Duma are, but that is what one hears, and one can imagine it.

Tomorrow there will be a report by the Physicians for Social Responsibility, an American group, principally, that has won a Nobel Prize on the issue of preventing nuclear warfare. They will publish a report in the New England Journal of Medicine which says that the danger of nuclear attack continues and may even be thought to escalate. The New York Times reports this in the terms we have been speaking about on this floor, the exact same terms, with no idea that was coming.

It says, ''Russia's Disarray Brings a Nuclear Risk to the U.S., Study Says.'' The Physicians write, ''Although many people believe that the threat of a nuclear attack largely disappeared with the end of the cold war there is considerable evidence to the contrary. Each side routinely maintains thousands of nuclear warheads on high alert. Furthermore, to compensate for its weakened conventional forces, Russia has abandoned its no-first use policy.''

Madam President, that is all I and my friend from Virginia has said on this floor this week of debate and when the expansion of NATO was debated a month ago. Suddenly we have it in an article in the New England Journal of Medicine, saying to those who think this threat is behind us. Indeed, it is ahead of us, and we must be very careful, so careful, about what we do. That is why so many of us, starting with the great men—Kennan and Nitze—who conceived the strategy for the cold war, which we won, are saying, ''Don't do this.''

I ask unanimous consent to have printed in the RECORD the article from the New England Journal of Medicine and the New York Times.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 30, 1998]

RUSSIA'S DISARRAY BRINGS A NUCLEAR RISK TO THE U.S., STUDY SAYS

(By Tim Weiner)

WASHINGTON, April 29.—Russia's deteriorating control of its nuclear weapons is increasing the danger of an accidental or unauthorized attack on the United States, a Nobel Peace Prize-winning group warned today.

A dozen missiles fired from a Russian nuclear submarine would kill nearly seven million Americans instantly, and millions more would die from radiation, according to a study conducted under the auspices of Physicians for Social Responsibility, which won the Nobel Peace Prize for its work in nuclear weapons in 1985. The study is to be published tomorrow in The New England Journal of Medicine.

Thousands of Russian and American nuclear weapons remain on hair-trigger alerts, despite the end of the cold war, and Russia formally abandoned its longstanding policy that it would never be the first nation to use those weapons four years ago, the study noted.

Repeated assurances from President Clinton that the two nations are no longer aiming their nuclear weapons at one another are ''a gross misrepresentation of reality,'' said Bruce Blair, an author of the study and a former Strategic Air Command nuclear weapons officer. In fact, the study said, Russian missiles launched without specific targets would automatically aim themselves at their cold war targets: American cities and military installations like the Pentagon.

Nor are these weapons necessarily in safe hands. Russia's once-elite nuclear weapons commands are suffering housing and food shortages, low pay, budget cuts, deteriorating discipline, desertions and suicides. Such problems are not unique. The study says that about 40,000 American military personnel were removed from nuclear-weapons responsibilities from 1975 to 1990 for alcohol, drug or psychiatric problems.

Neither nation has abandoned its cold war doctrine of launching its missiles after receiving warning that the other side is attacking. Each nation gives itself 15 minutes to decide that the attack is real; both nations have experienced major false alarms over the last two decades.

The study considered what would happen if the captain and crew of a Russian submarine decided to carry out an attack without authorization, or went mad and fired off their arsenal. This, Mr. Blair said, would require ''a conspiracy of some magnitude'' between a captain and three or four officers.

The missiles could also be fired after a false alarm or an unauthorized order from a political or military leader in Moscow. Once launched, they would reach their targets across the United States in 15 to 30 minutes.

The blast and shock of the fireball from each of the exploding warheads would kill nearly everyone within three miles instantly; people living in a swath up to 40 miles long and 3 miles wide would receive a lethal dose of radiation within hours, the study said. It assumed that one-quarter of the missiles would malfunction, and that 12 missiles would reach their targets in eight American cities in the middle of the night.

In New York City, more than three million people would die immediately; in San Francisco, 739,000; in Washington, 728,000—in all, some 6,838,000 deaths within hours of the attack, the study said, which would ''dwarf all prior accidents in history.'' A near-complete breakdown of systems delivering food, water, electricity and medicine would follow and millions more Americans would die as a consequence, the study said.

[From the New England Journal of Medicine, Apr. 30, 1998]

ACCIDENTAL NUCLEAR WAR—A POST-COLD WAR ASSESSMENT

(By Lachlan Forrow, M.D., Bruce G. Blair, Ph.D., Ira Helfand, M.D., George Lewis, Ph.D., Theodore Postol, Ph.D., Victor Sibel, M.D., Barry S. Levy, M.D., Herbert Abrams, M.D., and Christine Cassel, M.D.)

ABSTRACT

Background.—In the 1980s, many medical organizations identified the prevention of nuclear war as one of the medical profession's most important goals. An assessment of the current danger is warranted given the radically changed context of the post-Cold War era.

Methods.—We reviewed the recent literature on the status of nuclear arsenals and the risk of nuclear war. We then estimated the likely medical effects of a scenario identified by leading experts as posing a serious danger: an accidental launch of nuclear weapons. We assessed possible measures to reduce the risk of such an event.

Results.—U.S. and Russian nuclear-weapons systems remain on high alert. This fact, combined with the aging of Russian technical systems, has recently increased the risk of an accidental nuclear attack. As a conservative estimate, an accidental intermediate-sized launch of weapons from a single Russian submarine would result in the deaths of 6,838,000 persons from firestorms in eight U.S. cities. Millions of other people would probably be exposed to potentially lethal radiation from fallout. An agreement to remove all nuclear missiles from high-level alert status and eliminate the capability of a rapid launch would put an end to this threat.

Conclusions.—The risk of an accidental nuclear attack has increased in recent years, threatening a public health disaster of unprecedented scale. Physicians and medical organizations should work actively to help build support for the policy changes that would prevent such a disaster. (N Engl J Med 1998; 338:1326—31.)

During the Cold War, physicians and others described the potential medical consequences of thermonuclear war and concluded that health care personnel and facilities would be unable to provide effective care to the vast number of victims of a nuclear attack. In 1987, a report by the World Health Organization concluded, ''The only approach to the treatment of health effects of nuclear warfare is primary prevention, that is, the prevention of nuclear war.'' Many physicians and medical organizations have argued that the prevention of nuclear war should be one of the medical profession's most important goals.

CONTINUED DANGER OF A NUCLEAR ATTACK

Although many people believe that the threat of a nuclear attack largely disappeared with the end of the Cold War, there

is considerable evidence to the contrary. The United States and Russia no longer confront the daily danger of a deliberate, massive nuclear attack, but both nations continue to operate nuclear forces as though this danger still existed. Each side routinely maintains thousands of nuclear warheads on high alert. Furthermore, to compensate for its weakened conventional armed forces, Russia has abandoned its ''no first use'' policy.

Even though both countries declared in 1994 that they would not aim strategic missiles at each other, not even one second has been added to the time required to launch a nuclear attack: providing actual targeting (or retargeting) instructions is simply a component of normal launch procedures. The default targets of U.S. land-based missiles are now the oceans, but Russian missiles launched without specific targeting commands automatically revert to previously programmed military targets.

There have been numerous ''broken arrows'' (major nuclear-weapons accidents) in the past, including at least five instances of U.S. missiles that are capable of carrying nuclear devices flying over or crashing in or near the territories of other nations. From 1975 to 1990, 66,000 military personnel involved in the operational aspects of U.S. nuclear forces were removed from their positions. Of these 66,000, 41 percent were removed because of alcohol or other drug abuse and 20 percent because of psychiatric problems. General George Lee Butler, who as commander of the U.S. Strategic Command from 1991 to 1994 was responsible for all U.S. strategic nuclear forces, recently reported that he had ''investigated a dismaying array of accidents and incidents involving strategic weapons and forces.''

Any nuclear arsenal is susceptible to accidental, inadvertent, or unauthorized use. This is true both in countries declared to possess nuclear weapons (the United States, Russia, France, the United Kingdom, and China) and in other countries widely believed to possess nuclear weapons (Israel, India, and Pakistan). The combination of the massive size of the Russian nuclear arsenal (almost 6000 strategic warheads) and growing problems in Russian control systems makes Russia the focus of greatest current concern.

Since the end of the Cold War, Russia's nuclear command system has steadily deteriorated. Aging nuclear communications and computer networks are malfunctioning more frequently, and deficient early-warning satellites and ground radar are more prone to reporting false alarms. The saga of the Mir space station bears witness to the problems of aging Russian technical systems. In addition, budget cuts have reduced the training of nuclear commanders and thus their proficiency in operating nuclear weapons safely. Elite nuclear units suffer pay arrears and housing and food shortages, which contribute to low morale and disaffection. New offices have recently been established at Strategic Rocket Forces bases to address the problem of suicide (and unpublished data).

Safeguards against a nuclear attack will be further degraded if the Russian government implements its current plan to distribute both the unlock codes and conditional launch authority down the chain of command. Indeed, a recent report by the Central Intelligence Agency, which was leaked to the press, warned that some Russian submarine crews may already be capable of authorizing a launch. As then Russian Defense Minister Igor Rodionov warned last year, ''No one today can guarantee the reliability of our control systems. . . . Russia might soon reach the threshold beyond which its rockets and nuclear systems cannot be controlled.''

A particular danger stems from the reliance by both Russia and the United States on the strategy of ''launch on warning''—the launching of strategic missiles after a missile attack by the enemy has been detected but before the missiles actually arrive. Each country's procedures allow a total response time of only 15 minutes: a few minutes for detecting an enemy attack, another several minutes for top-level decision making, and a couple of minutes to disseminate the authorization to launch a response.

Possible scenarios of an accidental or otherwise unauthorized nuclear attack range from the launch of a single missile due to a technical malfunction to the launch of a massive salvo due to a false warning. A strictly mechanical or electrical event as the cause of an accidental launch, such as a stray spark during missile maintenance, ranks low on the scale of plausibility. Analysts also worry about whether computer defects in the year 2000 may compromise the control of strategic missiles in Russia, but the extent of this danger is not known.

Several authorities consider a launch based on a false warning to be the most plausible scenario of an accidental attack. This danger is not merely theoretical. Serious false alarms occurred in the U.S. system in 1979 and 1980, when human error and computer-chip failures resulted in indications of a massive Soviet missile strike. On January 25, 1995, a warning related to a U.S. scientific rocket launched from Norway led to the activation, for the first time in the nuclear era, of the ''nuclear suitcases'' carried by the top Russian leaders and initiated an emergency nuclear-decision-making conference involving the leaders and their top nuclear advisors. It took about eight minutes to conclude that the launch was not part of a surprise nuclear strike by Western submarines—less than four minutes before the deadline for ordering a nuclear response under standard Russian launch-on-warning protocols.

A missile launch activated by false warning is thus possible in both U.S. and Russian arsenals. For the reasons noted above, an accidental Russian launch is currently considered the greater risk. Several specific scenarios have been considered by the Ballistic Missile Defense Organization of the Department of Defense. We have chosen to analyze a scenario that falls in the middle range of the danger posed by an accidental attack: the launch against the United States of the weapons on board a single Russian Delta-IV ballistic-missile submarine, for two reasons. First the safeguards against the unauthorized launch of Russian submarine-based missiles are weaker than those against either silo-based or mobile land-based rockets, because the Russian general staff cannot continuously monitor the status of the crew and missiles or use electronic links to override unauthorized launches by the crews. Second, the Delta-IV is and will remain the mainstay of the Russian strategic submarine fleet.

Delta-IV submarine carry 16 missiles. Each missile is armed with four 100-kt warheads and has a range of 8300 km, which is sufficient to reach almost any part of the continental United States from typical launch stations in the Barents Sea. These missiles are believed to be aimed at ''soft'' targets, usually in or near American cities, whereas the more accurate silo-based missiles would attack U.S. military installations. Although a number of targeting strategies are possible for any particular Delta-IV, it is plausible that two of its missiles are assigned to attack war-supporting targets in each of eight U.S. urban areas. If 4 of the 16 missiles failed to reach their destinations because of malfunctions before or after the launch, then 12 missiles carrying a total of 48 warheads would reach their targets.

POTENTIAL CONSEQUENCES OF A NUCLEAR ACCIDENT

We assume that eight U.S. urban areas are hit: four with four warheads and four with eight warheads. We also assume that the targets have been selected according to standard military priorities: industrial, financial, and transportation sites and other components of the infrastructure that are essential for supporting or recovering from war. Since low-altitude bursts are required to ensure the destruction of structures such as docks, concrete runways, steel-reinforced buildings, and underground facilities, most if not all detonations will cause substantial early fallout.

Physical Effects

Under our model, the numbers of immediate deaths are determined primarily by the area of the ''superfires'' that would result from a thermonuclear explosion over a city. Fires would ignite across the exposed area to roughly 10 or more calories of radiant heat per square centimeter, coalescing into a giant firestorm with hurricane-force winds and average air temperatures above the boiling point of water. Within this area, the combined effects of superheated wind, toxic smoke, and combustion gases would result in a death rate approaching 100 percent.

For each 100-kt warhead, the radius of the circle of nearly 100 percent short-term lethality would be 4.3 km (2.7 miles), the range within which 10 cal per square centimeter is delivered to the earth's surface from the hot fireball under weather conditions in which the visibility is 8 km (5 miles), which is low for almost all weather conditions. We used Census CD to calculate the residential population within these areas according to 1990 U.S. Census data, adjusting for areas where circles from different warheads overlapped. In many urban areas, the daytime population, and therefore the casualties, would be much higher.

Fallout

The cloud of radioactive dust produced by low-altitude bursts would be deposited as fallout downwind of the target area. The exact areas of fallout would not be predictable, because they would depend on wind direction and speed, but there would be large zones of potentially lethal radiation exposure. With average wind speeds of 24 to 48 km per hour (15 to 30 miles per hour), a 100-kt low-altitude detonation would result in a radiation zone 30 to 60 km (20 to 40 miles) long and 3 to 5 km (2 to 3 miles) wide in which exposed and unprotected persons would receive a lethal total dose of 600 rad within six hours. With radioactive contamination of food and water supplies, the breakdown of refrigeration and sanitation systems, radiation-induced immune suppression, and crowding in relief facilities, epidemics of infectious diseases would be likely.

Deaths

Table 1 shows the estimates of early deaths for each cluster of targets in or near the eight major urban areas, with a total of 6,838,000 initial deaths. Given the many indeterminate variables (e.g., the altitude of each warhead's detonation, the direction of the wind, the population density in the fallout zone, the effectiveness of evacuation procedures, and the availability of shelter and relief supplies), a reliable estimate of the total number of subsequent deaths from fallout and other sequelae of the attack is not possible. With 48 explosions probably resulting in thousands of square miles of lethal fallout around urban areas where there are thousands of persons per square mile, it is plausible that these secondary deaths would outnumber the immediate deaths caused by the firestorms.

Medical Care in the Aftermath

Earlier assessments have documented in detail the problems of caring for the injured survivors of a nuclear attack: the need for care would completely overwhelm the available health care resources. Most of the major medical centers in each urban area lie within the zone of total destruction. The number of patients with severe burns and other critical injuries would far exceed the available resources of all critical care facilities nationwide, including the country's 1708 beds in burn-care units (most of which are already occupied). The danger of intense radiation exposure would make it very difficult for emergency personnel even to enter the affected areas. The nearly complete destruction of local and regional transportation, communications, and energy networks would make it almost impossible to transport the severely injured to medical facilities outside the affected area. After the 1995 earthquake in Kobe, Japan, which resulted in a much lower number of casualties (6500 people died and 34,900 were injured) and which had few of the complicating factors that would accompany a nuclear attack, there were long delays before outside medical assistance arrived.

FROM DANGER TO PREVENTION

Public health professionals now recognize that many, if not most, injuries and deaths from violence and accidents result from a predictable series of events that are, at least in principle, preventable. The direct toll that would result from an accidental nuclear attack of the type described above would dwarf all prior accidents in history. Furthermore, such an attack, even if accidental, might prompt a retaliatory response resulting in an all-out nuclear exchange. The World Health Organization has estimated that this would result in billions of direct and indirect casualties worldwide.

TABLE 1. PREDICTED IMMEDIATE DEATHS FROM FIRESTORMS AFTER NUCLEAR DETONATIONS IN EIGHT U.S. CITIES.

City[1]	No. of Warheads	No. of Deaths
Atlanta	8	428,000
Boston	4	609,000
Chicago	4	425,000
New York	8	3,193,000
Pittsburgh	4	375,000
San Francisco Bay area	8	739,000
Seattle	4	341,000
Washington, D.C.	8	728,000
Total	48	6,838,000

[1] The specific targets are as follows: Atlanta—Peachtree Airport, Dobbins Air Force Base, Fort Gillem, Fort McPherson, Fulton County Airport, Georgia Institute of Technology, Hartsfield Airport, and the state capitol; Boston—Logan Airport, Commonwealth Pier, Massachusetts Institute of Technology, and Harvard University; Chicago—Argonne National Laboratory, City Hall, Midway Airport, and O'Hare Airport; New York—Columbia University, the George Washington Bridge, Kennedy Airport, LaGuardia Airport, the Merchant Marine Academy, Newark Airport, the Queensboro Bridge, and Wall Street; Pittsburgh—Carnegie Mellon University, Fort Duquesne Bridge, Fort Pitt Bridge, Pittsburgh Airport, and the U.S. Steel plant; San Francisco Bay area—Alameda Naval Air Station, the Bay Bridge, Golden Gate Bridge, Moffet Field, Oakland Airport, San Francisco Airport, San Jose Airport, and Stanford University; Seattle—Boeing Field, Seattle Center, Seattle–Tacoma Airport, and the University of Washington; and Washington, D.C.—the White House, The Capitol Building, the Pentagon, Ronald Reagan National Airport, College Park Airport, Andrews Air Force Base, the Defense Mapping Agency, and Central Intelligence Agency headquarters.

Limitations of Ballistic-Missile Defense

There are two broad categories of efforts to avert the massive devastation that would follow the accidental launch of nuclear weapons: interception of the launched missile in a way that prevents detonation over a populated area and prevention of the launch itself. Intercepting a launched ballistic missile might appear to be an attractive option, since it could be implemented unilaterally by a country. To this end, construction of a U.S. ballistic-missile defense system has been suggested. Unfortunately, the technology for ballistic-missile defense is unproved, and even its most optimistic advocates predict that it cannot be fully protective. Furthermore, the estimated costs would range from $4 billion to $13 billion for a single-site system to $31 billion to $60 billion for a multiple-site system. In either case, the system would not be operational for many years.

A Bilateral Agreement to Eliminate High-Level Alert Status

Since ballistic-missile defense offers no solution at all in the short term and at best an expensive and incomplete solution in the long term, what can the United States as well as other nations do to reduce the risk of an accidental nuclear attack substantially and quickly? The United States should make it the most urgent national public health priority to seek a permanent, verified agreement with Russia to take all nuclear missiles off high alert and remove the capability of a rapid launch. This approach is much less expensive and more reliable than ballistic-missile defense and can be implemented in short order. In various forms, such an agreement has been urged by the National Academy of Sciences, the Canberra Commission, General Butler and his military colleagues throughout the world, and other experts, such as Sam Nunn, former chairman of the U.S. Senate Armed Services Committee, and Stansfield Turner, former director of the Central Intelligence Agency. The Joint Chiefs of Staff and an interagency working group are completing a detailed study of dealerting options that will be presented to Defense Secretary William Cohen.

Major improvements in nuclear stability can be achieved rapidly. In the wake of the 1991 attempted coup in Moscow, Presidents George Bush and Mikhail Gorbachev moved quickly to enhance nuclear safety and stability by taking thousands of strategic weapons off high alert almost overnight. Today, there are specific steps that the United States can take almost immediately, since they require only the authority of a presidential directive. These steps include putting in storage the warheads of the MX missiles, which will be retired under Strategic Arms Reduction Treaty (START) II in any case, and the warheads of the four Trident submarines that will be retired under START III; placing the remaining U.S. ballistic-missile submarines on low alert so that it would take at least 24 hours to prepare them to launch their missiles; disabling all Minuteman III missiles by pinning their safety switches open (as was done with the Minuteman II missiles under President Bush's 1991 directive); and allowing Russia to verity these actions with the on-site inspections allowed under START I. Similar measures should be taken by the Russians. These steps—all readily reversible if warranted by future developments or if a permanent bilateral agreement is not reached—would eliminate today's dangerous launch-on-warning systems, making the U.S. and Russian populations immediately safer. Both nations should then energetically promote a universal norm against maintaining nuclear weapons on high alert.

The Role of Physicians

In awarding the 1985 Nobel Peace Prize to International Physicians for the Prevention of Nuclear War, the Nobel Committee underscored the ''considerable service to mankind'' that physicians have performed by ''spreading authoritative information and by creating an awareness of the catastrophic consequences of atomic warfare. This in turn contributes to an increase in the pressure of public opposition to the proliferation of nuclear weapons and to a redefining of priorities. . . .'' No group is as well situated as physicians to help policy makers and the public fully appreciate the magnitude of the disaster that can ensue if changes in the alert status of all nuclear weapons are not instituted.

The only way to make certain that an accidental (or any other) nuclear attack never occurs is through the elimination of all nuclear weapons and the air-tight international control of all fissile materials that can be used in nuclear weapons. In 1995, the World Court stated that the abolition of nuclear weapons is a binding legal obligation of the United States, Russia, and all signatories to the Nuclear Nonproliferation Treaty, under Article 6. Preferring the term ''prohibition'' to ''abolition,'' the Committee on International Security and Arms Control of the U.S. National Academy of Sciences concluded in its 1997 report, ''The potential benefits of comprehensive nuclear disarmament are so attractive relative to the attendant risks—and the opportunities presented by the end of the Cold War . . . are so compelling—that . . . increased attention is now warranted to studying and fostering the conditions that would have to be met to make prohibition desirable and feasible.''

Leading U.S. medical organizations, including the American College of Physicians and the American Public Health Association, have already joined Physicians for Social Responsibility, International Physicians for the Prevention of Nuclear War, and over 1000 other nongovernmental organizations in 75 nations to support Abolition 2000, which calls for a signed agreement by the year 2000 committing all countries to the permanent elimination of nuclear weapons within a specified time frame. The American Medical Association has recently endorsed the abolition of nuclear weapons, as have the Canberra Commission, military leaders throughout the world, major religious organizations, and over 100 current and recent heads of state and other senior political leaders. Some supporters of the abolition of nuclear weapons have specifically called for immediate steps to eliminate the high-level alert status of such weapons, as urgent interim measures. All parties should cooperate to ensure that these measures are implemented rapidly.

CONCLUSIONS

The time, place, and circumstances of a specific accident are no more predictable for nuclear weapons than for other accidents. Nonetheless, as long as there is a finite, nonzero, annual probability that an accidental launch will occur, then given sufficient time, the probability of such a launch approaches certainty. Until the abolition of nuclear weapons reduces the annual probability to zero, our immediate goal must be to reduce the probability of a nuclear accident to as low a level as possible. Given the massive casualties that would result from such an accident, achieving this must be among the most urgent of all global public health priorities.

Mr. MOYNIHAN. I conclude by saying, I just happened 20 minutes ago to be speaking to our revered former majority leader, Howard Baker, who was in the Capitol to testify before the Finance Committee. I said I was coming over to offer this amendment. He and Sam Nunn, Brent Scowcroft, and Alton Frye have said, ''Don't do this.'' He said with respect to Russian nuclear weapons; they have them, but they don't know how many they have and they don't know who controls them. The whole situation of command and control is very limited and weak and uncertain.

Not many years ago, after the end of the cold war, Norway put up a rocket

for purposes of research which put the Russian on nuclear alert. They had 15 minutes to decide whether to go to launch on warning. It was that close. We were that close to nuclear war. We will be closer in the aftermath of NATO expansion.

Mr. BIDEN. Will the Senator yield?

Mr. MOYNIHAN. I yield the floor.

Mr. BIDEN. I will yield to my colleague, who has somewhere to go, but I want to ask the Senator from New York a question. Is he aware that the point he is making about a hair trigger—that is, that the Russians have moved to a doctrine of not eschewing the doctrine of first use, that they are now saying they may have to rely on the first use of nuclear weapons? Is he aware that that doctrine which was changed in 1992 had nothing to do with the expansion of NATO?

In 1992, when the Russian military realized that they, in fact, had imploded when they were incapable of defending their borders, they did exactly what NATO did when we concluded we did not have the conventional force capacity to stop an all-out attack in Europe and indicated that we would use nuclear weapons if, in fact, we were attacked.

I ask my friend—I am fascinated by his rendition, and I share his concern about the hair trigger. But is he suggesting the decision in 1992 where Russia declared that it would not any longer abide by its previous policy of no first use of nuclear weapons—is he aware that was long before the contemplation of expansion of NATO?

Mr. MOYNIHAN. Is the Senator aware of how little time I have to respond? He put that question on his time?

Mr. BIDEN. I put that question on my time, and then I will yield.

Mr. MOYNIHAN. Yes, I do. I am very much aware of that. But I am also aware, on December 17, in the context of NATO expansion, a formal document was put out saying, ''we may not have much else but we do have nuclear weapons.''

Mr. BIDEN. On my own time, if I might say, that is a little bit like my wife deciding that she is no longer going to cook dinner because she is receiving her Ph.D. and is taking too much time in class, and then 6 months later, after having made that decision, when I, in fact, do something she does not like, she says to me, ''I want to formally tell you I haven't been cooking dinner, but I want you to know the reason I am not cooking dinner now is because you were late coming home tonight because you didn't call me from Washington and we missed going to that play.''

That is what it is like. It has nothing to do—she didn't cook me dinner before for reasons unrelated to me coming home late, but if she wants to make a point that I missed a play, she may very well reiterate, bring out of an old bag something that is already being used.

That is what the Russians have done, and Mr. Kennan, a revered figure we both know—you know him better than I—believes this is dangerous. Paul Nitze thinks it is dangerous for totally different reasons. Kennan thinks it is dangerous because he thinks it will exacerbate the prospects of any democracy occurring in Russia. Nitze thinks it is dangerous because he is worried that NATO will get fat and flabby now and not be available as a significant military force, were things to go back in Russia.

I think it is comparing—with all due respect to my learned friend—apples and oranges.

Mr. WARNER. Mr. President, if I might, on the time of the Senator from New York——

The PRESIDING OFFICER. Does the Senator from Oregon yield time?

Mr. WARNER. Madam President, I will take the time jointly of my colleague from New York. I am privileged to be a cosponsor of this amendment. Of course, I will grant the Senator the opportunity to speak, and then I will follow the Senator from Oregon.

The point is, to Senator BIDEN's comment on the issue of the nuclear weapons. The Senator from New York and I are not rattling the nuclear saber and trying to utilize fear as a point. There is a very logical argument as it relates just to the Baltics, that that is part of the equation if indeed they are admitted, and indeed NATO has to become a part of the defense system. But let's put that to one side. What the Senator from New York was trying to say, and did say very eloquently, is that since 1992 the Russian military, across the board, with the exception of their nuclear arsenals, has suffered severe degradation. How well we all know, their officer corps has no housing, their military enlisted no pay, and they haven't put a surface ship of any significant numbers to sea in a long time. The one system that threatens the United States, and always will, is the strategic nuclear system.

Mr. BIDEN. Madam President, as the Senator knows, they are routinely dismantling that system under Nunn-Lugar, in the face of expansion of NATO. I find that fascinating, and I also find it fascinating that they overwhelmingly ratified the CWC in the Duma. And as recently as two weeks ago, the number two man in the Kremlin is here telling us—excuse me, the foreign minister is here in the United States saying, by the way, by the end of the summer we are going to ratify START II. I don't fail to share the concerns of my friends about the nuclear hair trigger.

My point is, as we are talking about expanding NATO, what they have been doing is exactly the opposite of what is being implied here. They have continued to move forward on arms control agreement, they have continued to destroy their nuclear arsenal, they have continued to go along with the CFE arms agreement and other treaties and destroyed their conventional weapons, saying they will no longer abide by the doctrine of no first use, which occurred in 1992 when they realized that all they had left was their nuclear arsenal. That is my point.

It is non sequitur to suggest that the reason why we should be concerned is we are expanding NATO. That has nothing to do with it. There is not a shred of evidence of that. Now, there may very well be a hardening of positions in the domestic political situation in Russia. It may very well be that the browns and the reds get a little more muscle and the nationalists gain some. I don't think so, but I acknowledge that it may be. But their nuclear doctrine is unrelated, put in place 5 years before NATO was a glint in the eye of President Clinton.

I yield the floor.

Mr. WARNER. Madam President, I say to my good friend that he is quite right in his recitation. There has been an active number of steps taken by Russia. We are still in question as to whether the Duma is going to move and approve the pending arms control. I do not yield that point. In an hour or so, I will be addressing the moratorium of 3 years. Russia has more or less accepted the fact that, in all likelihood, these 3 nations will come in. But I say to my colleague, they may draw the line with those 3. That is why I am going to ask this body to consider very carefully a time period in which to assess the impact of the 3 before we move forward with further consideration. We will wait an hour or so to address that.

I take strong disagreement with the fact that the Russians are going along with everything we are doing.

Mr. BIDEN. That is why the Senator should vote against his first amendment and for the second amendment.

Mr. SMITH of Oregon addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. SMITH of Oregon. Madam President, I find it very humbling to be among these giants as a newcomer to this body. I feel something like the student questioning the wisdom of his professor because when it comes to names like PAT MOYNIHAN, JOHN WARNER, and Sam Nunn, these are men whom I admire and whom I have read about for years in history books.

Yet, I rise to oppose this amendment for reasons that I think are very, very important. I wonder as we consider the feelings of the Russians—and I am not saying those considerations are illegitimate, but what are the feelings of the Pols, the Czechs, and the Hungarians? Do they have no right to qualify to self-determination to be a part of the western alliance? I have had officials from all of those countries tell me that if they had to choose between the EU or NATO membership, they would take membership in NATO; whether right or wrong, they are afraid of Russia. I believe they have a right to qualify to be a part of the west. And, yes, strong

economies are so important; but, frankly, they recognize that security precedes strong economic growth.

Madam President, the European Union may be many things, but it is certainly not a substitute for U.S. leadership in Europe. The EU has proved time and again that it is incapable of acting together on matters of foreign and security policy. Its military arm, the Western European Union, refuses to take action when European interests are threatened and, instead, turns to NATO or individual member states to address problems on the continent of Europe.

The political vision of the European Union extends no further than its trade interests, shown most recently by its rush to reengage the regime in Iran and its refusal to jeopardize commercial contacts by even mentioning the civil rights record of the Chinese government.

In contrast, for 50 years, NATO has been the defender of freedom and democracy and has shown that it is willing to make the necessary sacrifices to assure the success of these valued principles. In its membership, NATO includes two countries that will apparently never be in the European Union—the United States and Canada. It includes Norway, which rejected EU membership in a public referendum, and it includes Turkey, whose application to the EU has been repeatedly rebuffed.

How ironic it would be if we pass an amendment here that says before these countries can be in NATO, they must be in the EU, but, by the way, Turkey, which is a member of NATO, apparently will never be a member of the EU. Austria, Finland, and Sweden are all members of the EU, with continued neutrality policies. It is not just the different missions of NATO and the EU that made denying NATO enlargement to EU membership untenable, but the different membership of the two organizations lead it to take varying positions on issues of importance to both.

Further, the economies of Poland, Hungary and the Czech Republic are growing faster than almost all of the countries of the European Union. Consider some recent statistics that demonstrate the disparity between these 3 countries and the current EU members. In 1997, Italy's estimated economic growth rate was 1.5 percent, Germany's was 2.2 percent, France's was 2.4 percent. Meanwhile, Poland's growth rate was an astounding 7 percent. Hungary's economy grew by a healthy 4 percent. Growth in the Czech Republic was less impressive in 1997, due to severe flooding in that country, but their economy is expected to rebound in 1998. The European Union's regulation, taxes, subsidies, and labor laws could very well hurt the economic development and growth potential of Poland, Hungary, and the Czech Republic. The pursuit of membership in the EU should be a careful decision made by countries in Central and Eastern Europe and should not be a requirement for NATO membership. Even if these countries elect to seek EU membership, the European Union has made it clear that it will take years for them to conform their legislation to the multitude of EU laws and regulations.

In short, the amendment of my friend from New York is a delaying tactic that runs counter to U.S. security interests. Therefore, I oppose any effort to link NATO enlargement to membership in the European Union, and urge my colleagues to do the same.

Madam President, I yield the floor.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Madam President, I want to follow along. The Senator from Oregon touched on the historical context of how nations are admitted into NATO, and there was some thought that Turkey—regrettably they are not a member of the EU, but we must remember that at the time Turkey was admitted it was really at the height of the cold war. NATO made the decision that it was imperative. In 1952, Europe was facing the pinnacle of that tragic period, and Turkey brought with them an enormous military strength which was proven.

Mr. MOYNIHAN. On the southern flank.

Mr. WARNER. Madam President, the Senator is absolutely right. On the southern flank. It was in NATO's interest at that time to admit Turkey. Turkey, of course, throughout their participation in NATO, has been in the forefront of strength on the southern flank as it is today. It is my hope—indeed, my expectation—that someday the EU will have a realization of that contribution and consider their membership. But I don't think this argument that NATO has admitted nations without EU membership carries any weight in the face of the historical context in which Turkey was admitted.

I wish to engage my colleague from New York. I am privileged to be a cosponsor.

The struggle today of the three nations that we are considering for membership is not a military one. There is no threat. The administration candidly admits that. I think the Senator from Delaware would admit that there is no significant military threat. Russia today, in terms of its land forces, engaged them in the battle of Chechnya. That dragged on for an almost interminable period. It really ended by virtually exhaustion of both sides militarily as opposed to a military victory. Certainly they don't have the forces to mount any aggression in the context of a land attack on the three nations the subject of which we are discussing today. The military put it aside. It is an economic struggle all through the former Warsaw Pact to have their democracies, to have their participation in a free market system.

Along comes the conferring of NATO membership, presumably, on these three nations. Immediately, in my judgment, that gives them a very significant advantage over the others who are waiting for admission into NATO and the world market. It is not unlike the Federal Deposit Insurance Corporation. You put your money in our bank. It is guaranteed by the Federal Government. They can advertise in the world market. We are now a member of NATO. You build your plant here. Invest your dollars in our countries. It is a lot safer than it would be in, say, Romania, Slovenia, Bulgaria, or other areas of the world. It is going to give them an enormous advantage economically over those nations patiently waiting in line. I think it will breed friction. That friction could, indeed, involve confrontation, hopefully not with the use of arms.

But I ask my distinguished colleague if he agrees with that thought.

Mr. MOYNIHAN. Madam President, with a measure of trepidation I hear the former Secretary of the Navy refer to me as a distinguished colleague, I certainly am honored to be with him in this debate, I say that I completely agree. Just the fact of NATO's guarantee of the borders of these three countries gives them an advantage over the rest of Eastern Europe. That is formidable, among other things.

Could I just take a moment to agree that the idea that Turkey can't get into the EU is appalling. When we were fighting in Korea in the first real war of the cold war, the Turks were there.

Mr. WARNER. Madam President, I remember it well because their units were alongside the Marines.

Mr. MOYNIHAN. That the Senator from Virginia was in.

Mr. WARNER. I was in the air part. I went up to the division, and I remember the Turkish units, and they were superb fighters.

Mr. MOYNIHAN. I couldn't agree more. The EU should be extending membership to Turkey, in my view. Why not? When Europe was in ruins we went to rescue them by creating NATO. Now, by God, it would be not too much to hope that their precious Common Agricultural Policy might be adjusted to include Poland, if it costs them a little. It would cost them a great deal more if instability returns to Europe.

Mr. BIDEN. Will the Senator yield for a question on my time?

Mr. WARNER. Yes. Of course.

Mr. BIDEN. Does this mean that Turkey has to get out of NATO now?

Mr. MOYNIHAN. No.

Mr. BIDEN. Good. I thank you.

Mr. WARNER. We thank the distinguished Senator from Delaware for bringing up that point.

But, if I may further engage my friend and colleague, if I had to list my concerns in this debate on this amendment and the others today, cost always comes back and rings in my ear, as well as the security of the men and women of the Armed Forces of the United States, who in years forward

will be a part of our NATO force. But let's go to cost.

I have said it before. The distinguished Senator from Iowa has said it. There is a blank check involved in these votes today. EU membership would be a way to evaluate the economic ability of these three countries to meet their financial obligations to NATO. Should those financial obligations fall short, Madam President, guess who is going to pick it up. The United States of America, in participation with nations and other countries, by virtue of the EU giving their imprimatur on these countries will be further assurance that they will have economic productivity and the like to generate the dollars to meet their requirements to pay the bill to upgrade their militaries, militaries which today are largely equipped with old Soviet equipment, which has to be replaced if you are to have interoperability with the NATO forces. All of that is going to be a very, very hefty bill. I would like to see the EU pronounce their economic viability as nations, which gives us a certain amount of assurance in return that the American taxpayer will not be picking up a greater and greater portion of their obligation to modernize their forces.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Madam President, it must be that I am a little slow on the uptake here, because it seems to me that my friends are making my case. Let me explain what I mean by that, and they can correct me.

First of all, in the Foreign Relations Committee, I recall when we had this vote—and I say it again—in Europe, farm—f-a-r-m—policy always trumps foreign policy. Both have made my point. They acknowledge that. There is no possibility that Europe is going to do the right thing. They have not thus far. The reason, in my view, we must stay as a European power is that they have continued to demonstrate their immaturity over the past, and not much has changed in 50 years in terms of the willingness of anyone to lead.

If we acknowledge that farm—f-a-r-m—policy always trumps foreign policy in Europe—I challenge anyone to give me an example where it has not—then I ask you: Is this not a red herring? Join EU first before you can get into NATO.

The second point I will make: No one knows the history of this nation and Europe on this floor better than my friend from New York. As I said before, and I mean this sincerely, I am always uncomfortable when I am on the opposite side of an argument with my friend from New York.

Let me review very, very briefly the history of NATO and its founding, and the relationship between the economic health of a nation being invited in, and the ability or the willingness of the United States and other NATO members to invite that nation in.

From a policy perspective, NATO membership and EU membership—that is what this amendment is about, EU membership first before NATO—it is supposed to, and has been suggested by my two friends who are the sponsors of this amendment, somehow put the cart before the horse, that is, military alliance before economic unity, economic growth, economic security.

I quote from the Senate Foreign Relations Committee report of 1949, the document that was brought to the floor of the Senate urging us to sign the Washington treaty. It said:

> This treaty is designed to contribute toward the further development of peaceful and friendly international relationships, to strengthen free institutions of the parties, and promote better understanding of the principles upon which they are founded, to promote the conditions of stability and well-being, and to encourage economic collaboration. It should facilitate long-term economic recovery through replacing the sense of insecurity by one of confidence in the future.

That was the original purpose. The original purpose was to promote economic stability. Nobody said then nor has—and I will quote Acheson and a few others in a moment. Nobody has said then or at any moment in our history since that time that, by the way, a condition of joining NATO must be economic integration first, should be economic integration first, must be a demonstration of a strong economy first. No one has ever said that, including George Kennan. George Kennan argued and thought this would promote economic stability as well as military security.

Mr. MOYNIHAN. Will my friend yield for a quick question?

Mr. BIDEN. I would be delighted to yield.

Mr. MOYNIHAN. Does it occur to him that that passage in the Foreign Relations report referred to economic cooperation between France and Germany, the Schuman Plan?

Mr. BIDEN. Yes, it clearly did.

Mr. MOYNIHAN. That finally led to the iron and steel community.

Mr. BIDEN. It clearly did.

Mr. MOYNIHAN. In time to be the European Union?

Mr. BIDEN. It clearly did. But they needed military security——

Mr. MOYNIHAN. Oh, yes.

Mr. BIDEN. To be able to ensure their economic stability. There is no question it referred to that. And there is no question that Acheson, referring to the relationship in 1952, said so in his testimony before the Foreign Relations Committee when he urged Greek and Turkish membership by first recalling that the two nations already joined us in an associate status with NATO, as do the countries we are talking about now, and Acheson emphasized that ''the positive action rested not on their military contributions to the alliance but on their advances in democracy, rule of law, western orientation and the likelihood that NATO membership would deepen this.''

The only point I am trying to make is the obvious one we keep forgetting. My colleagues who oppose expansion and wish to slow it or change it or alter it come to the floor and argue that this was uniquely a military alliance; its soul purpose was to make sure the Fulda Gap was not wide open for Warsaw Pact units to come pouring through.

That was its essential purpose. It is still its essential purpose. But it was not its only purpose in the beginning, in the middle, in the end. And so I would suggest that we tend to intentionally confuse our colleagues and the public when we say that we raise all these questions about the economic stability. The economic stability of the countries in question coming in is relevant in terms of whether they can pay their freight. That is an important question.

But this notion of winners and losers, now, I would ask the rhetorical question, if in fact by bringing the Czech Republic, Poland and Hungary into NATO, that would in fact seriously disadvantage Romania, Slovenia, and all the other countries in question, does anyone ever stop to ask themselves the question, why is Romania ardently for Hungary's membership? Is it because they like being put at an economic disadvantage? Is it because they think this is a good idea; it will spur the competitive juices of our people? Is that why? If this is going to be so debilitating because there is going to be losers, that this is a zero sum game, why are they all for it? Not for it tepidly, not for it on the margins, but for it with an enthusiasm to the degree they send their Foreign Ministers to this country to importune me and many others. Please.

Now, obviously, they want to get in. They want to get in in the future. They have no promise of getting in. They have the hope of getting in. But the idea that we are going to debilitate, we are going to worsen, we are going to put at a serious disadvantage the economy of our other friends seems either to suggest that our other friends are too stupid to know what their own economic interests are—and they clearly are not, in my view—or it is not debilitating to their economies.

Madam President, it seems to me if you want to take a further look at this, in 1955, the Foreign Relations Committee report welcomed West Germany as ''not only a major step toward the elimination of intra-European strife but in a broader sense these agreements provide the foundation for close cooperation and integration among European allies. The committee was impressed with particularly Secretary Dulles' statement on the psychological impact of this association, the increased effectiveness of the sense of duty, and the cohesion which will be brought about in Western Europe by Germany's participation in the Western European Union as well as NATO.''

Again, to make the point. Spain, in 1982, bears the closest resemblance to the current applicants. Spain, having

returned to democracy only 5 years earlier, believed NATO membership would consolidate Spanish democracy and assist at a lesser cost, as the Poles believe, the process of military modernization it had to undertake regardless of membership. And aside from geography, Spain was judged to offer little in the way of military assets useful to the alliance in 1982 prior to the completion of its modernization. Spain did not enter the EU until 1986, 4 years after, 4 years after NATO.

Madam President, historically, the economic component of the impact on the relationship with NATO of a new member state has been considered from 1949 on, and every time since, and it has been viewed consistently as better for the economies of the countries that have been unable to gain these larger economic relationships to join NATO first. That has been a stated purpose of bringing them in as well as the military component. Historically, membership in NATO has preceded membership in the European Common Market, or any economic grouping, in every instance.

Reserving the remainder of my time by saying this—when I finish this one comment. Why in the Lord's name would we, unless we just were simply flat against expanding NATO—which I understand. If this is designed as a killer amendment, it is a good strategy, but the logic of it I am lost in trying to comprehend. I find no logic to it, other than it being a killer amendment. You might as well attach an antiabortion amendment to the treaty. That would kill it. I don't want to give anybody any ideas. In this place, it may generate some ideas, but not by any of the Members on the floor.

Mr. MOYNIHAN. Hyperbole. Hyperbole.

Mr. BIDEN. But—it is hyperbole that I am engaging in now, it was just pointed out by my friend from New York. But let me tell you what is not hyperbole. There is no historical precedent for this. There is no logical rationale as to why this would, in fact, facilitate NATO membership down the road, because we all know farm policy will prevail over foreign policy.

And lastly, I respectfully suggest that it bears no relationship, no relationship whatsoever, to anything anyone in the past has thought was necessary to strengthen NATO—none, zero, none, historically, politically, economically, socially, in any way. It may be a good idea, and I have been battling the Europeans, in my capacity as the chairman of or the ranking member of the European Affairs Subcommittee, for years, to ''do the right thing. Do the right thing. Let your brothers in.''

Let me point out, if tomorrow you went to the Russians and said, ''I have a deal for you; here is what we are going to do: All those European countries or former satellite states will become part of the EU and you will never be a member of the EU; or they will not be members of the EU, but they will be members of NATO, which you may be able to do; you choose''—there is not an economist, there is not a democrat, in Russia who would choose the former over the latter, in my humble opinion, not a one.

So the fear—if you are worried about Russia being isolated, then isolate Russia economically from the rest of Europe as a condition before they can enter, anyone can enter, NATO.

The Europeans may grow beyond that and show their largess and bring in Russian farmers and all that wheat—all that wheat, as we give them the technological capability and the transportation infrastructure to be able to transport it to Europe. You watch. You watch. I am willing to bet any of you anything you would like, the likelihood of the EU being economically generous, extending any largess to the East, is zero, as distinguished from this defensive military alliance that provides political security for Russia on her border and diminishes the realistic prospect that any demagoguing nationalist will be able to inflame people enough to think that they could, in fact, realize any dead dreams.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Madam President, first I ask the Parliamentarian to advise the Senate with regard to the balance of the remaining time, if the Chair would address that issue, please?

The PRESIDING OFFICER. The opposition has 2 minutes remaining, and the Senator has 3 minutes 44 seconds.

Mr. WARNER. Of course, I urge the proponent of the pending amendment to proceed with the remainder of his time. Then we have the distinguished Senator from New Jersey, who has been patiently waiting. At the appropriate moment, if the Chair will advise the Senator from Virginia, I will introduce my amendment, which then begins a 2-hour time equally divided. I am certain the leadership entrusted to us the management of these two amendments in such a way that we stay on schedule, because the Senate has a very heavy load with regard to this treaty for the remainder of the day. I personally said to the leadership—and I will stand by it—we will do everything we can to see that this vote, final vote on this treaty, is cast tonight in a timely way, hopefully earlier than later, to accommodate a number of Members.

I yield the floor at the moment. The distinguished Senator from New York is seeking recognition.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Madam President, may I express my gratitude to the Senator from Delaware for his thoughtful comments. Might I simply respond that the behavior of the Western Europeans and the European Union has been self-interested. But perhaps, after half a century of our defending them, having in the first instance liberated them, we might hope for a more open view.

For half a century, half the defense expenditure of the United States has gone to NATO. I believe that is correct—half. We have had American troops on the Rhine since 1944. That, Madam President, is the stuff of Roman Legions. But out of that commitment which we have made—an unparalleled act of generosity and self-interest, but informed self-interest and extraordinary generosity—has grown a vibrant and wealthy European community. On Saturday, many of its members will form a common currency. It is not too much to ask them to do themselves and Europe the favor of extending membership to these newly independent nations. I can imagine that they will if we make the effort. We are the ones who first came along with the proposal to expand NATO and therefore expand American force. Isn't a half-century enough? I would have thought it was. I would not give up hope that we might see some enlightened self-interest in Brussels. There is really reason to hope for that.

When the Senator from Delaware mentioned the economic divisions of the Washington treaty as reported by the Foreign Relations Committee, they were talking about the Schuman Plan, an unheard of plan to have France and Germany unite in a common market—common production of iron and steel and the coal that goes with it. The disputes over Alsace-Lorraine, which they fought over for all those years, might come to an end. It did. And it could happen again.

I thank the Chair. I very much appreciate the courtesy that has been shown to Senator WARNER and myself. I see Senator TORRICELLI is on the floor.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. I yield myself 30 seconds.

Madam President, the Treaty of Rome wasn't until the mid-1950s, and it was unheard of in 1949, as the Schuman Plan was. The only point I am making is, any cooperation in Europe was one of the purposes of NATO; it was to encourage that cooperation. But what they had in mind in May of 1949 may have been only the Schuman Plan and/or something else. The EU wasn't even around until the mid-1950s. That wasn't even thought of either.

So the whole notion was that economic cooperation in Europe produced stability, enhanced democracy, and, in turn, allowed for military security. It is still the case.

I reserve the remainder of my time.

The PRESIDING OFFICER. The 30 seconds of the time has expired. The Senator has all the remaining time.

Mr. BIDEN. I beg your pardon?

The PRESIDING OFFICER. The Senator has 1 minute 20 seconds.

Mr. BIDEN. I yield to my friend from Texas the remainder of time on this amendment, if I may yield him a total of 5 minutes, whatever that takes off of

the WARNER amendment—if I am able to do that?

The PRESIDING OFFICER (Mr. SMITH of New Hampshire). Without objection, it is so ordered. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, whenever the Senator from New York and the Senator from Virginia offer an amendment, we know it is well reasoned and we know it is well intended and so I think, as a result, we are always correct in being cautious in opposing such an amendment.

But I am opposed to this amendment because, while I think their argument is well reasoned as far as it goes—it is certainly well intended—I think it is an amendment which does not belong in this legislation and which is fundamentally destructive.

If our colleagues want to encourage the European Union to expand and to grant membership to Poland, Hungary, and the Czech Republic, I am for that. I think that EU membership expansion to Poland, Hungary, and the Czech Republic should occur, I strongly support it, and if we were voting on that issue, and that issue alone, I would vote for this amendment.

I remind my colleagues that NATO membership today is not made up of countries that are solely members of the European economic community. Iceland, Norway, Turkey, Canada and the United States are not members of the European Union. I, for one, would support American membership in the European Union, but I don't think they are going to let us join.

Might I say that while we are encouraging the European Union to expand its membership, we ought to start with Turkey. It is absolutely outrageous that the opposition of one country is preventing Turkey from having an opportunity to be part of the European economic community when Turkey has been an anchor of NATO for 46 years, when Turkey did as much as any other country to keep Ivan back from the gate, when Turkey provides the largest land army of any European NATO nation. These contributions ultimately helped check the Soviet expansion and through the power of ideas and freedom tore down the Berlin Wall, liberated Eastern Europe, and freed more people than any victory in any war in the history of mankind.

If our objective is to start urging the European Union to expand its membership as a precondition for membership in NATO, let's begin by urging them to expand their membership to nations which are already part of NATO and which contributed greatly to winning the cold war.

I think this is an arbitrary distinction that does not belong in this bill. If we want to do something to encourage the European Union to expand, I am in favor of that. I would certainly vote for a resolution urging them to expand, to take in Poland and Hungary and the Czech Republic, but I think we ought to begin with Turkey.

But that is not what is before us today. What is before us today is a fundamental decision as to whether we are going to let an arbitrarily drawn line, a line drawn by Stalin in Europe through the Iron Curtain at the end of World War II, stand as a permanent division of Europe in terms of military alliance.

I am not oblivious to concerns that have been raised about the cost of expanding NATO. I am not oblivious to other concerns with regard to Russia and to its response, but in the end, I am sway by the argument that we should not allow communism, which is now on the ash heap of history, to determine the composition of our military alliance in Europe. Therefore, I intend to vote to expand NATO, but I do not believe that that expansion should be conditioned on membership in the European Union.

Let me also remind my colleagues that Austria, Finland, Ireland, and Sweden are members of the European Union, but they are not members of NATO.

This is a clear-cut choice. I think this amendment is the wrong thing to do, and I urge my colleagues to oppose it.

I yield back the remainder of my time.

Mr. ROTH. Mr. President, it would be a great mistake to condition the future of the NATO, a transatlantic military alliance of unparalleled success led by the United States, to actions and decisions of the European Union. The EU is a strictly European political-economic organization of which the United States is not a member and has no say. For this reason, it is with great regret that I stand in opposition to my good friend, the Senator from New York, and urge my colleagues to vote against this amendment.

EU enlargement is highly desirable on its own merits. Indeed, the Resolution of Ratification specifically states it is the policy of the United States to encourage EU enlargement.

However, as worthy as EU enlargement is, it should not be formally linked to NATO enlargement. Nor should EU membership serve as a condition for NATO aspirants. Let me emphasize three basic reasons:

First, this amendment is inconsistent with the Washington Treaty. Article 10 of the Treaty states that membership in NATO is open to, and I quote, ''any European State in a position to further the principles of this treaty and to contribute to the security of the North Atlantic area.''

The North Atlantic Treaty makes no mention of the European Union. Moreover, several NATO member states are not EU members, including the United States, Canada, Turkey, Iceland and Norway. Are they any less effective members of the Alliance because they are not part of the EU? The answer is unambiguously NO.

And what if Poland, Hungary, and the Czech Republic decide, as Norway has—a founding member of NATO—that membership in the European Union in not in their interests? I point this out to highlight that this amendment establishes an arbitrary standard that is not necessarily a reflection of a NATO aspirant's state of economic and political well-being.

Second, Mr President, by conditioning NATO membership on attainment of EU membership, this amendment would strip the Alliance of control over its own future—specifically its decisions over future membership—and transfer it over the European Union. The EU is not a transatlantic organization. It has no effective security or defense capability or policy for that matter. Let us not forget, it was a complete failure in the effort to end to the conflict in Bosnia. Do we really want the EU to have such significant influence over NATO?

And, let us not over look the fact that this amendment could well suspend NATO enlargement indefinitely. EU enlargement is far from certain. It is far from clear when the EU will extend its membership to Poland, the Czech Republic and Hungary. It could be a decade, if not more for all we know. There are still significant political forces and economic interests within the EU deeply opposed to EU enlargement.

Third, this amendment would undercut U.S. leadership of NATO by relegating the United States—and the United States Senate for that matter—to a second class tier of Alliance members. Why? because NATO members who are not in the European Union would be denied the same voice and authority over the future of the Alliance that this amendment would reserve for those NATO countries that are members of the European Union.

In one fell swoop, this amendment would: impose an unprecedented restriction upon the Washington Treaty; transfer key decisions over NATO's future to the EU, an European institution that lacks an effective security policy; demote the United States to a new second-class tier of Alliance members; and, thereby weaken U.S. leadership of NATO.

I am sure that these are not the intentions behind this amendment, but they would clearly be the consequences. My colleagues, we have no choice but to vote this amendment down.

Mr. BIDEN. Mr. President, from a strictly American foreign policy viewpoint, requiring EU membership first is sheer folly. Why would we want to place such a key element of our national security decisionmaking in the hands of the European Union—an organization to which we do not belong?

Already we are seeing the EU members disagreeing over how quickly those invited should be allowed in.

To give the EU, in effect, a veto over NATO membership, might encourage the creation of an EU caucus within NATO, limiting the United States'

ability to advance our diplomatic and military goals in the committees of the Alliance.

Moreover, advocates of this amendment have misunderstood the importance of NATO membership prior to EU membership, both from a policy and historical context.

From a policy perspective, NATO membership in advance of EU membership will provide the security these countries need to continue their economic reforms and help to ensure a climate of confidence essential for continued foreign investment and economic integration.

From a historical perspective, in all its reports on all three rounds of NATO enlargements that took place from 1952 to 1982, the Senate Foreign Relations Committee cited European economic development and integration as one key benefit of expanding NATO's zone of stability.

I would like to briefly quote from these Senate Foreign Relations Committee reports:

1949 Report establishing NATO:

The treaty is designed to contribute toward the further development of peaceful and friendly international relations, to strengthen the free institutions of the parties and promote better understanding of the principles upon which they are founded, to promote conditions of stability and well-being, and to encourage economic collaboration. It should facilitate long-term economic recovery through replacing the sense of insecurity by one of confidence in the future.

The Committee believes that the [1949] North Atlantic Pact, by providing the means for cooperation in matters of common security and national defense, creates a favorable climate for further steps toward progressively closer European integration * * *

In 1952, Secretary of State Acheson, in his testimony before the Foreign Relations Committee, urged NATO membership for Greece and Turkey first by recalling that these two nations already enjoyed an associate status with NATO's activities in the Eastern Mediterranean. It was in response to Athens' and Ankara's formal request—their belief that associate status was inadequate to their national defense needs—that they were favorably considered for NATO membership. Acheson emphasized that positive action rested not only on their military contributions to the Alliance, but on their advances in democracy, rule of law, and Western orientation, and the likelihood that NATO membership would deepen this.

It should be noted that Greece did not enter the European Union until nearly twenty years after its accession to NATO. Turkish membership in the EU remains a contentious, unresolved issue. Are we supposed to kick Turkey out of NATO because it doesn't belong to the EU?

The 1955 Foreign Relations Committee report welcomed West German accession:

* * * not only as a major step toward the elimination of intra-European strife but in a broader sense, these agreements provide the foundation for close cooperation and integration among European allies . . . The Committee was impressed in particular with Secretary Dulles' statement on the psychological impact of this association—the increased effectiveness and the sense of unity and cohesion which will be brought about in Western Europe by German participation in NATO and the Western European Union.

Of all the examples, the last one—Spanish accession to NATO in 1982—bears the closest resemblance to that of the current applicants.

Spain, having returned to democracy only five years earlier, believed that NATO membership would help consolidate Spanish democracy and assist, at lesser cost, a process of military modernization it had to undertake regardless of membership.

Aside from its geography, Spain was judged to offer little in the way of military assets useful to the Alliance in 1982 prior to the completion of its modernization.

Nevertheless, in favorably reporting Spanish accession to NATO to the full Senate, the Foreign Relations Committee recorded a brief exchange between then-Chairman Charles Percy and then-State Department European Bureau Chief Larry Eagleburger explaining why Spanish accession to NATO was so important to broad U.S. national security interests. Because this exchange is so similar to our situation today, I would like to quote from it. Chairman Percy noted:

At a time when NATO's cohesiveness and viability is being critically questioned in the press, I find Spain's NATO membership application a reaffirmation of the fundamental principles of the North Atlantic Treaty Organization, a group of sovereign nations sharing common values and aspirations and committed to working together despite differences to guarantee the security, prosperity, and defense of Western democracy.

Assistant Secretary Eagleburger replied:

* * * in terms of that question of Spanish democracy, it is terribly important that we do everything we can to tie Spain to Western institutions, to have those people be able to deal with Western parliamentarians who also have a commitment to democracy * * * Every tie we can create between Spain and Western Europe and the United States, institutional tie, in fact, I think, strengthens the whole process of democracy in Spain.

Spain did not enter the EU until 1986, four years after accession to NATO.

Historically, membership in NATO has preceded membership in European common market or economic integration groupings.

It is much easier to develop habits of cooperation in common defense as a precursor to the much more complex negotiations leading to economic integration.

If we wait for the EU to act, we may be waiting for a long time. For example according to recent polls, the Austrian public opposes EU membership for four of the five recent EU invitees.

Finally, recent history has shown that, in European capitals, when presented with a choice between farm policy and foreign policy, farm policy always wins.

For all these reasons, Mr. President, I oppose the Moynihan amendment and urge my colleagues to do so.

The PRESIDING OFFICER. The Senator from Virginia is recognized to offer an amendment if he chooses to do so.

Mr. WARNER. I thank the Chair.

EXECUTIVE AMENDMENT NO. 2322

(Purpose: To express a condition regarding the further enlargement of NATO)

Mr. WARNER. Mr. President, I send to the desk an amendment on behalf of myself and the distinguished senior Senator from New York, Mr. MOYNIHAN. We are joined by Mr. BINGAMAN, Mrs. HUTCHISON and Mr. DORGAN.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Virginia [Mr. WARNER], for himself, Mr. MOYNIHAN, Mr. BINGAMAN, Mrs. HUTCHISON and Mr. DORGAN, proposes an executive amendment numbered 2322.

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

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

The amendment is as follows:

At the appropriate place in section 2 of the resolution, insert the following:

( ) UNITED STATES POLICY REGARDING FURTHER ENLARGEMENT OF NATO.—Prior to the date of deposit of the United States instrument of ratification, the President shall certify to the Senate that it is the policy of the United States not to encourage, participate in, or agree to any further enlargement of NATO for a period of at least three years beginning on the earliest date by which Poland, Hungary, and the Czech Republic have all acceded to the North Atlantic Treaty.

Mr. WARNER. Mr. President, I ask for the yeas and nays on the amendment by the senior Senator from New York and myself and on my amendment in which I am joined by the senior Senator from New York, the two amendments which are before the Senate at this time.

The PRESIDING OFFICER. Is there objection to the request on both amendments? Without objection, it is so ordered.

Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. WARNER. Mr. President, I point out in the beginning that this amendment does not affect the decision with respect to Poland, Hungary and the Czech Republic, nor does this amendment concede what I believe is the right thing to do in voting against the admission of those countries. But this amendment is sent to the desk simply because, in recognition of the reality, through conversations personally between myself and many, many Members of this Chamber, indeed, with the President and the Secretary of State and many others, the likelihood that the resolution of ratification will be approved.

Given that reality, I think it is imperative that this body have before it an amendment, which has just been

sent to the desk, which indicates there will be a pause, so to speak, a strategic pause of 3 years only before our country, our President, whoever will be President at that point in time, can agree to accession of additional countries.

Mr. President, I established in my opening statement my strong allegiance to NATO in the past, and now and forevermore that I am privileged to be a Member of this body. I said the importance of America to have a voice, and how this treaty for 49 years has surpassed the expectations of all and remains the most important military document apart from our own Constitution in many ways, and that is why I ask for these 3 years. I will recite the reasons, one, two and three.

Should not another President duly elected by the people of the United States have a voice in further modifications by virtue of further accession of additional nations to this alliance?

If the Good Lord gives me the strength and the breath in the consideration of that next Presidential election, I will do everything within my power to make sure that is an issue that is debated among those candidates seeking that high office. Regrettably, in the last election very little attention was given to national security policy. But the world is rapidly changing. The world is becoming a more dangerous place. Indeed, in the next election I will do my part, as I am sure others will likewise, to see that the security policy of our Nation and the free nations of the world will be a subject of discussion in that election.

I think the next President should be given the opportunity to assess the merits and such disadvantages as may arise by virtue of the accession of three more nations before we leap forward under pressure, which will be unrelenting. That pressure will begin the day 1 year from now when these three nations will be accessed. That pressure will begin the day after. The bugles will sound. The march will begin to bring in other nations perhaps numbering as many as nine.

I say to my colleagues, should not the next President be given the opportunity to study the record, make an assessment, and then give his advice or her advice, as the case may be, to the people of the United States?

That is my first reason for asking for reasonable delay of but 3 years. This amendment will avoid that stampede. This amendment in fairness will say to the other nations it is not only to the advantage of the NATO countries but, indeed, it is to the advantage of the other nations to let this experiment ferment for a period to determine the purity, or the lack thereof, of the decision.

Then I turn to a second reason. That is the cost. Whether it is $1.5 billion over the next 2 years or $125 billion, there will be no piece of evidence before this body which has sound credibility as to the cost associated with accession of these three nations.

This afternoon we will have further amendments on the question of cost. But we are dealing from an unknown. NATO is studying the question of cost, and is studying the question of the degree to which these nations must rebuild and modernize their military. But those studies will not be available until later this summer. Yet our vote will be taken before the sun falls on this day on two very vital pieces of information, totally lacking. We have, therefore, a blank check. We do not know the cost now. We will not know for months even the opinion of the NATO Council, which is really the organization that can best evaluate these costs. But there is credible evidence on both sides. The range of costs go from $1.5 billion over 2 years to $125 billion.

I want to touch a sensitive nerve among my distinguished colleagues. Those listening and those advising Members might just take their pencil and put a little asterisk by this point.

America is in its 14th year of decline of funding to the U.S. Armed Forces of the United States, a collective decision by a series of Presidents. This is not a political argument. We have irrefutable evidence that our Armed Forces today are behind in their modernization program. They are stretched too thin. They are over committed worldwide. We see that in the retention rates. There is all sorts of mounting evidence that we are asking our military to do the same as they have boldly and bravely for years with less and less—less in dollars, less time at home with their families, and with fewer and fewer pieces of equipment.

Shipbuilding: A handful of combat ships every year in the budget. We are rapidly approaching a Navy that could be well below the 300-plus, a few ships of today, in the year 2000. We, a maritime nation faced with that small Navy. Dollars from the American taxpayer profits have been, are being, and will be committed to these three nations.

We have been contributing money regularly to the establishment and refurbishment of their military at the same time we are denying to our military what, in my opinion, are the necessary dollars to perform their mission. We will be taking those dollars and putting them through NATO into other nations, the three that are our subject, for their military, to help them come up so that they have the capability to take on a full partnership commensurate with their size in the NATO alliance. Think about it. You are taking from your military and giving to another military.

Now, as a part of the consideration of this year's military authorization bill, there will be discussion, indeed, there could be legislation, about a future base closure. That should ring a bell—a future round of base closures in the United States. That should get the attention of some Members.

Secretary of Defense Cohen has made an admirable and, in my judgment, a credible appeal to the Congress of the United States to address that question and address it now. If we do not, he has little alternative but to literally starve a base, turn off the current, transfer the people, and leave the buildings standing unattended because he is properly exercising his judgment that the dollars are needed for modernization, the dollars are needed for the ever-rising number of commitments beyond our shores rather than keeping in place a base that no longer contributes to our overall national security.

Tough decision. What do you say, colleagues, when you go home to defend a base closing in your State, as you will do and as you are duty bound to, and at the same time we are contributing money to build new bases in these three countries, and unless my amendment passes I daresay in other countries in a very short period of time.

They have to modernize more so than the United States. They have to take their old infrastructure which was designed for Soviet military tactics, take their old tanks and artillery pieces which are, by and large, old Soviet weaponry and modernize so they have interoperability as a nation with NATO.

That is a further drain on the American taxpayer at the very time when in your State the next round of base closures may have a potential impact. And you will be fairly asked by your constituents: do you mean to tell me they are closing our beloved hometown base that has been here defending America all these years and you are helping to build bases abroad? Do you not have a conflict?

Those are questions that are fairly to be asked in the not too distant future if we allow a stampede of three now and three in the next 18 months and three thereafter, up to as many as 28 nations potentially to join NATO.

We are also asked to approve this measure without full knowledge as to the strategic concept of what NATO is and is not going to do in the years to come. We are operating under a 1991 doctrine today. Listen to the Secretary of State, as the distinguished Senator from Missouri pointed out yesterday, who desires to expand the missions of NATO far beyond the borders of their nations, to be involved in the proliferation of weapons of mass destruction. There may be some merit. But should we not fully have in mind before we begin to add country after country what is to be the mission of NATO?

Ironically, it is not until 1 year from this month, April, at the summit at which these three nations will be admitted when NATO will finalize the doctrine for the future. Yet, we are asked to vote today to change the bases of this treaty by virtue of new membership not knowing the risks that will face the men and women of the U.S. Armed Forces as well as the other NATO nations. I ask you, is that the way to do business? Not in my

judgment. And that is why I say if three are a reality, then we should stop and study a reasonable period of time. Let another President, let the American people in the context of the next election, let the American people at that time have a careful examination of what NATO brings forth a year from today as to the new mission and adoption. Those are just reasonable requests. And time, and time alone, can establish the record on which those important decisions can be made. Three years, in my judgment, is not an unreasonable period of time.

Lastly, I refer to Russia, not in the sense that I fear Russia, not in the sense that Russia—and I have said this consistently—should have any veto power as to any decision which is in the security interests of the United States of America. The Founding Act was established, I think, as a quid pro quo for the accession of these three nations. Russia signed on. But there is mounting evidence that you cross over and begin another three, and particularly when you get to the Balkans, all the arguments which we have heard in favor of voting yea tonight will fall. I believe this Chamber will resonate with deep concern as reflected by the instabilities in Russia that could exist in the year 2000 when they are moving on possibly to another political structure, another President. There is a great deal of uncertainty in Russia today—economically, politically, and militarily—in their struggle to survive as a fledgling democracy, as they struggle to survive in a free-market world, and I think the next President should be given the opportunity to make an assessment as to the measure of threat posed by Russia in the context of any further accession of new nations to this most valuable of all treaties. Time and time alone can achieve that purpose.

So they should not have a veto. We do not act out of fear. But we act out of reality, that that is the only nation that possesses weaponry which poses a direct threat to the United States of America; namely, their strategic forces. You cannot be unmindful of that fact.

Therefore, I think a period of 3 years is appropriate to allow another President, to allow the studies to be performed, to allow the American people to better understand the value of this NATO alliance and what should be done for the future, and, therefore, I respectfully ask my colleagues to consider to vote in favor of the Warner-Moynihan amendment for a 3-year moratorium.

Mr. President, other Senators have been waiting patiently. I wish to continue my remarks and will do so momentarily. I know the distinguished Senator from New Jersey has been here for some time. Therefore, I yield him 10 minutes off the time under the control of the Senator from Virginia.

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

Mr. TORRICELLI. Mr. President, I join the Senator from Virginia and, indeed, the Senator from New York, Mr. MOYNIHAN, in each of their amendments and speak to them today.

It is, I think, worth noting that the decision before this Senate is neither new nor without the apprehension that should come with historic experience.

On March 31, 1939, Neville Chamberlain rose in the British Parliament and announced unambiguously, unequivocally, the British will defend the Polish frontier with the threat of war. To be certain, it was a war that inevitably was going to be fought and should have been fought. But what is instructive about the experience, as Winston Churchill later noted, ''Here was a decision at last taken at the worst possible moment and on the least satisfactory ground.''

More than a generation later, the Senate has a chance to ask all the questions that were not asked in the British Parliament on that day, because before this Senate is the most solemn question that the representatives of any free people can ever ask.

We are pledging the good name of this country to go to war, to consume the lives of our sons and our daughters for the defense of another people. That does not mean it is a pledge that sometimes should not be made. Maybe it should be made in this instance. But there are questions that should be raised that are the foundation of the amendments offered by the Senator from Virginia, Senator WARNER, and the Senator from New York, Mr. MOYNIHAN.

Those questions are, in my judgment, whether or not, having made this pledge, the United States and our NATO allies genuinely have the military capability, in our resources, to fulfill the obligation, whether or not the United States and our NATO allies have the political will to lend credibility to this pledge, and whether or not this promise of defense enhances or detracts from the general security of the United States and the NATO alliance.

Let me begin, Mr. President, by addressing the question of the military feasibility of this most expansive American pledge to defend other nations since the NATO alliance itself and the Japanese-American security agreement. Indeed, this expansion of our security guarantee is based on an unspoken but a very real sense of a change in historic realities in this Chamber. It is based on the belief that Russia is weakened, an historic opportunity has arisen, and that the views of Russia are either no longer relevant or that she is without choice in this question.

Mr. President, the current state of affairs with regard to the military and economic power of Russia is an aberration. Russia has been a great power for more than 1,000 years; and it will be a great power again. Its affairs are part of the calculus of American security and cannot be discounted.

It is a nation of nearly 150 million people with over 6.5 million square miles of territory. It possesses 40 percent of the world's natural gas reserves and rivals any power on Earth as a source of natural resources, including petroleum. Russia is a technological leader. It is a major industrial power. And it continues, in spite of its current economic difficulties, as the only source of military technology, production and power that potentially rivals the United States.

So, Mr. President, there may be many things uncertain about the future, but this much is certain: Russia will continue in the future to be a great power. And yet while it may not be spoken on this floor, this calculation of immediately extending the American security umbrella to Poland, the Czech Republic and Hungary is based on the calculation that at some point Russia might be a threat to their frontiers, and we will provide for its defense.

Mr. President, I know us as Americans to be an ambitious people and a confident people. But this is an extraordinary guarantee the people of the United States are extending to these three new democracies in Eastern Europe.

No nation in history has been able to defend against the territorial ambitions of Russia when she was an imperial or in an imperialistic mode. It is worth noting, from Napoleon to the Third Reich, people have miscalculated on their abilities to deal with Russian ambitions in Eastern Europe.

Russia was challenged in the borders of Poland by the Third Reich and 162 divisions of the Wehrmacht. We are an ambitious people, Mr. President. The U.S. Army today, 4,000 miles from our borders, has three divisions.

What military means is it by which we are going to give credibility to this pledge? Not next year, not 10 years, not at some point in the future, but the day this treaty is signed. Three divisions, half a world away on the borders of Russia herself?

There is, Mr. President, another irony to this military pledge related to the comments of the Senator from Texas, Mr. GRAMM, in noting that in some ways the current borders of NATO are a relic of the Iron Curtain of Josef Stalin. Well, now, Mr. President, we are to draw a new line. And it may have its benefactors and its beneficiaries. But what of those nations not inside this new line? The great lesson of Yalta was that those nations that fell on the other side of the line were lost to a Stalinist equation and calculation that they were now in a new sphere of influence.

This Senate is faced with a question of tomorrow, next month, this year, drawing a new line in Europe that may bring Poland and the Czech Republic and Hungary in, but leaves the Baltics and Romania and the Ukraine out. How would a future adversary, not in a democratic Russia but in a possible

successor Government, interpret this new sphere of influence? Not as a check on ambitions but as an invitation to ambitions?

Equally important, I believe, Mr. President, from my first, and in this instance, military review of this instance, is that we are entering ourselves again into a military calculation that for 50 years we have wanted to escape. Because if we are to make this pledge of defending these three new democracies, and we do so with three divisions of the U.S. Army and no indigenous military capability whatsoever, we are entering into, again, something which we feared and have so fought to escape. The only means of defending these governments is through atomic weapons. We are pledging unmistakably a nuclear exchange to defend the Polish frontier from possible future invasion. It is where we were during the cold war with New York for Berlin, Chicago for Paris, San Francisco for Rome.

It is easy to make the pledge, Mr. President. The question is whether to do so without military resources is responsible. It is not simply that our own resources are insufficient. My friend, the Senator from Delaware, has drawn a parallel between this expansion and the initial NATO treaty or expansions in other instances. In this instance, we are not joining in mutual defense with the British army or the Germans or the French; we are pledging to defend Poland, whose armed forces consist of 1,700 Soviet tanks designed for the 1950s and 1960s, a Hungarian air force which will contribute to its own security 50 aging Soviet MIG fighters, and the Czech air force whose pilots fly an average of 40 hours a year in training for their own self-defense.

The Senate can make this judgment. You can decide to extend the American security umbrella all over Eastern Europe, even though there are insufficient American forces to contribute to their defense, and rely on indigenous forces. But at least make the decision based on the reality that there are no indigenous forces. It is a military pledge without military capability.

Second is the issue of whether or not there is the political will in the United States and in Western Europe to give this promise meaning. The NATO treaty is the most successful military alliance in history. At a time when the Soviet Union had overwhelming military means, it was the foundation of the defense of Western Europe, but it was not based on the fact that the United States signed a treaty. It was based on historic and economic realities. Through two world wars the American people had demonstrated they were prepared to defend one Europe because they believed that the security of Western Europe and the United States were inseparable. Our quality of life, our security, our economic future could not be distinguished from Great Britain, France, in the first instance, Italy and Germany and other member states at other times.

In a free society, the President of the United States may sign a treaty pledging to defend Hungary, the Czech Republic and Poland, but if the economic realities are not such that the American people believe that our futures are indistinguishable, it is a dangerous promise because it is a hollow pledge.

The reality is today that there may be a time when each of these republics have sufficient economic intercourse with the United States and Western Europe that we believe they are part of the Western alliance by economic and cultural and historic definition and this pledge has meaning. But no one can argue—indeed, this is the foundation of the rationale of the amendment by Senators MOYNIHAN and WARNER—no one can argue that that reality is true today.

Total economic intercourse with the Czech Republic today is .09 percent of American exports.

The PRESIDING OFFICER. The Senator's 10 minutes has expired.

Mr. TORRICELLI. Will the Senator yield 10 additional minutes?

Mr. WARNER. I grant another minute and a half.

Mr. TORRICELLI. Is that all the time the Senator has?

Mr. WARNER. The Senator has other time under his control, but there are a number of Senators who wish to speak. Perhaps, if there is more time in the course of this debate, I am certain both sides would be happy to have the contribution of the Senator.

Mr. TORRICELLI. I thank the Senator from Virginia.

Mr. President, no one can argue that we have reached that state of economic dependency at the moment. That is the rationale of the delay, to allow these bonds to form and to give this pledge meaning.

Finally, the foundation of American security in this generation and as far as the eye can see is the Russian-American relationship. Any judgment we make which enhances Russian democracy enhances American security. Most fundamental to this debate is the fact that Eastern Europe and the NATO alliance's first line of defense is the Russian ballot box. If Russia is democratic and capitalistic and free, Eastern Europe is secure. If it is not, no force on Earth is going to defend the Ukraine, the Baltics, or even these republics.

I believe strongly this pledge and this NATO expansion will be enhanced by both of these amendments. I accept the reality that NATO is going to be expanded, but I believe it is a more responsible judgment if we address these questions, allow for this delay. I believe it would lead to a better expansion of NATO, and we would be pleased and proud that we made these exceptions.

I yield the floor.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Before the Senator from New Jersey leaves the floor, I want to briefly make two points. I find his argument absolutely fascinating that economic dependence or integration with the United States is a prerequisite for NATO membership. I wonder if he could explain to me what that dependence was we had with Norway or that dependence we have with Denmark or Portugal or Spain?

As each came in, as each of these nations came in, if there is a notion that there is a prerequisite of an economic dependency—we have more invested in Poland, more in Poland now than we did at the time of these countries coming in.

Mr. TORRICELLI. If the Senator will yield, I would be glad to address each of those.

Mr. BIDEN. Let me make a second point.

Mr. WARNER. Could the time be allocated?

Mr. BIDEN. I make a point, I have the floor.

Mr. TORRICELLI. I appreciate that, but the Senator asked a question that deserves to be answered.

Mr. BIDEN. I also find this notion, and it is repeated in different ways but never in a more articulate fashion than just done by my friend from New Jersey, no force on Earth will be able to defend Poland or the Baltics, and he may have mentioned another country, Ukraine, if Russia is not a democracy.

One of the secondary reasons why people want to expand NATO is because we fundamentally reject that notion, but fundamentally reject the notion that if things ''go south,'' to use the colloquial expression, in Russia, that someone will be there to never let it happen to Poland again, just like we defended Germany, just like we defended Turkey, just like we defended Norway.

Now, I am going to, at a later point, speak at length about this iron ring notion my friend from Virginia and my friend from New York talk about and point out that there has been a border shared between Norway and Russia that is one of the most heavily fortified places in the world, and during the period when the Soviet Union was at its zenith, we made a judgment as a people that we would defend Norway.

Now, I know my friend is not suggesting this, but is anyone implying that peace and stability in Europe is any less at issue if Poland, after having received their independence, were now or again to be invaded as compared to Norway? What are we saying here? And the notion, will we use nuclear weapons to defend Warsaw, do you think anybody in our respective constituency is going to say, yes, let's use them to defend Turkey, Ankara?

I respectfully suggest that we can use rhetorical devices to make a point, but that they are able to be used in more than one instance. Maybe you are not going to get a consensus to use the requirement, the nuclear protection in NATO, the consultation provision where we are required to go to the mutual defense, I believe article V—and

we always used to hear, when the Soviet Union existed, how many Americans are prepared to trade Bonn for Washington, Bonn for New York City. Well, now to say how many people will be prepared to defend Warsaw, I suggest you might get more people to say they are prepared to defend Warsaw than they are prepared to defend Ankara or Oslo. That is my guess, because there are a heck of a lot more Polish Americans than there are Turkish Americans. I don't think it is a useful, in terms of what our national policy should be, particularly useful point to make because it could be made about every capital in Europe, I suspect, if it were put to the American people today.

But the real question to be put to the American people is—I think they answer affirmatively on it—is peace and stability in Europe in our national interest, and it is one of those things that we either pay now or pay later, because Americans have good memories. They understand that every time chaos has reigned in Europe, we have been dragged in this century. And so I suggest further that to denigrate the forces of Poland, the Czech Republic and Hungary, who were equally, or better situated than Spain and Portugal were when they came in, in terms of forces, or to suggest the only way to defend Poland, Hungary and the Czech Republic is nuclear weapons is simply militarily not accurate. And so I think what we are really debating here—and I will say it again—and I don't think people really want to speak to it directly—and what this is really about is whether we should have NATO, period—not whether we should expand it, but whether we should have it now. Because if a test as to whether or not we are going to admit Poland is whether or not we are going to use nuclear weapons—and it is not an option because there is no serious problem about conventional forces overrunning Poland today—none—you could scramble enough jets, bombers, fighters out of Germany to get to the Polish border without having to have them in Poland at all, to withstand any reasonable conventional capability that is available to the Russians or anyone else right now. But the question is: Would we defend Warsaw? If we don't believe that resoundingly the American people would say that, then we should not let Poland in.

I think really what you are saying is that you have to ask the honest question to the folks in Salem, New Jersey, across the river from Delaware, and up in Trenton, and further up in Newark: Are you willing to go to war to save Oslo? I would be willing to make my friend a bet, and let my vote depend on it, that if he got more people to say, yes, we are willing to go to war to defend Oslo, then I will vote against admitting Poland. But my guess is, if you ask any capital in any city in any European country—say possibly London—are you willing to go to war to defend Oslo, I am not sure you would get much of a different answer, no matter where you asked. So if that is the question—and the Presiding Officer knows this issue well—aren't we really asking: Do we want NATO, period? If that is the case, why doesn't someone introduce an amendment, straight up, and stop all this foolishness—I take that back. I withdraw that statement. I don't mean that. Stop all the tangential attacks on expansion and get right to what this is about—introduce an amendment saying that we no longer need NATO. We can save a lot of money. We spend well over $120 billion a year on the deal—nothing to do with expansion.

I yield the floor.

Mr. WARNER. Mr. President, in the course of working out with the distinguished majority and minority leaders, and others, a time agreement for the amendment of the Senator from Virginia, it had been my hope to have an up-or-down vote. Last night, in the course of deliberations on time agreement, that was stated, but there may be some feeling—if I could get the attention of the Senator from Delaware, I hope that we can have an up-or-down vote on my amendment. That would be my hope.

Mr. BIDEN. That was my assumption all along, to have an up-or-down vote.

Mr. WARNER. I thank the Senator. I say to my distinguished colleague from Delaware, believe me, there has been no stronger supporter of NATO, I say with humility, than the Senator from Virginia throughout my 19th year in the Senate. I am sure that colleagues' comments were serious, but with a note of jest.

NATO is so vital to the United States of America. It gives us the legitimate presence with our military in Europe. It gives us the legitimacy of a strong voice in Europe. Indeed, this country has responded, with others, in two major wars to preserve the integrity of Europe.

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

Mr. WARNER. Just one sentence and I will yield. There has been a historical—over a 100 years—inability of the major nations of Europe to live in peace with one another. Indeed that is the principal purpose of NATO—the U.S. presence, both with military there, with a strong voice so as to ensure the tranquility this treaty has preserved for 49 years. It has exceeded every expectation of the drafters of the treaty and those who promoted and supported it in these 49 years. It is a magnificent document. I have fought hard with others to preserve the integrity of that document. Does the Senator wish to say a word?

Mr. BIDEN. If I can ask a question on my time. Does the Senator think—and he is a strong supporter of NATO, and if he thought I was implying that he wasn't, I was not. There are others who believe very strongly that it is no longer as relevant. You and I think it is.

Let me ask you, do you think this is a relevant question, a threshold question? Would the American people defend Warsaw? Do you think if that question were not answered in the affirmative, that that should be the test as to whether a nation should come in or not, or whether one should stay in, or we should stay in NATO or not?

Mr. WARNER. Mr. President, on my time, the very short answer to that is that the American people will defend, under article V, the integrity of all the existing members. Should it be the wisdom of this body that if three additional members are admitted, article V becomes the very heart of the action that will be taken by this distinguished body before the close of this day.

Mr. BIDEN. Mr. President, I thank the Senator for his answer. The Senator from New Jersey raised a point with me. I raised three questions and several rhetorical questions about his comments. He pointed out that because I didn't want to use my time, I did not yield to him, and he did not think he had an opportunity to respond, and he wishes to respond. I am delighted to yield him a couple of minutes on my time at the appropriate time. I don't want to interfere with my friend's comments to respond to the issues I raised.

Mr. BIDEN. Mr. President, I yield 3 minutes to the Senator from New Jersey.

Mr. TORRICELLI. Mr. President, like the Senator from Virginia, my remarks are not based on a belief that the cause and reasons for NATO have expired. Quite the contrary. My concern is that whatever we do in the expansion of NATO has real credibility. I raise the military question of whether or not the Polish frontier is defendable with this pledge, simply because of this: It never has been.

There is not a historical basis by which the ambitions of an imperial Russia has ever been checked, nor will we. I, too, believe that Poland should be defended.

I will vote for NATO expansion, but under the amendment offered by the Senator from Virginia and the Senator from New York, they are suggesting a strategy whereby the political and economic bounds be given meaning, or there be time. It is not an honest assessment of the situation of the people of Poland to tell them that three American divisions with no indigenous forces are going to be positioned to defend them against a revitalized, or ambitious future Russia. It is not an accurate situation.

If this is worth doing, it is worth doing with real resources based on a real assessment of costs, based on bonds that have meaning, not over a period of time. It is based on that realistic military situation that I join with the Senator from Virginia. I, too, like the Senator from Delaware and the Senator from Virginia, believe the United States will stand by its credibility and its pledges in each of these instances. But it is one thing to do it; it

is another thing to do it contrary to historic experience, or military reality.

I thank the Senator from Delaware for yielding me the time so I could clarify my views.

Mr. BIDEN. Mr. President, I will make a geographic point. The Polish border, I am guessing, is about 200 miles from the Russian border, if you do not count Kaliningrad where there are not Russian divisions, et cetera. If you were to take a look—my friend says that if in fact this threat, any threat, to Poland from Russia, a NATO commitment to defend would not be credible because of three American divisions. The fact of the matter is Poland is on the Russian border. From the Russian border to the far border of Poland to Belarus is essentially the same distance from the main body of Russia to Poland. The number of American NATO and other divisions that sit in Germany are by a factor of 25 more credible than any force Russia now or in the near term could use to threaten Poland. So the idea we do not have the physical capability, which I understand is the point being made, the physical capability of defending Poland once the pledge is made is in fact, I think, inaccurate.

I yield the floor.

I reserve the remainder of my time.

Mr. LIEBERMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. LIEBERMAN. Mr. President, I yield myself 10 minutes from the time controlled by the Senator from Delaware.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes.

Mr. LIEBERMAN. I thank the Chair.

If I may, I would like to take the liberty of speaking both on the previous amendment, which would have required these three nations to obtain membership in the European Union before ultimately becoming members of NATO, and this amendment as well. I think they both spring from a common core, certainly have a common effect, and the effect would be to move the goalposts, to change the rules of the NATO accession game as defined in article X of the NATO treaty, to frustrate the hopes of the people of these three nations and the other nations of Central and Eastern Europe who lived for four decades under the tyranny of Soviet communism, to say to them now that they want to voluntarily assume their place in the NATO community and more broadly in the community of free nations that we are not ready. OK, there was plenty of time in the late forties after the Second World War for Stalin and others to carve up Europe and take you in involuntarily, but now that the cold war is over, no, we didn't learn the lesson. We are going to snatch defeat from the jaws of victory. We are going to snatch the defeat of principle and security, freedom and democracy from the jaws of our victory in the cold war.

The first amendment says to Poland, Hungary, and the Czech Republic, you have come this far, we have a whole procedure that we have developed. You have democratized your country. Go back a little bit. You had the courage to rise up against a powerful central government which subjugated you, which did not give you political freedom or religious freedom or economic opportunity, and you have achieved your independence and your freedom. You are developing a market economy and democracy and have met all the standards that have traditionally been associated with access to NATO under article X—oh, no, now you have to go to the European Union and be accepted there.

As I said the other day, on the first day of this debate, to ask these nations to now obtain membership in the European Union before they do in NATO is not only unfair—in the sense that it moves the goalposts, it changes the rules of the game, it applies to them a standard not applied to other NATO members, four of whom are not now members of the European Union—but it puts them in a very, very difficult position. It says to them that all the effort they made is not going to be justified, and it has an effect that is extremely unfair and inequitable. It puts the cart before the horse. It says that commerce should precede the principles of freedom and security, when those principles are what the cold war was all about. It puts the cart of commerce before the sturdy horses of democracy and security. It puts the cart of the European Union before the horses of NATO. And that is not the order that is appropriate. That is why I oppose that first amendment and hope my colleagues will as well.

Of course, both of these amendments, including this one now that asks for a 3-year moratorium, I think spring—as some of the proponents of the amendment have said—from a concern about the effect on Russia. Our Secretary of State printed an op-ed piece in the New York Times Wednesday, April 29, yesterday—Madeleine Albright. It is a brilliant piece, eloquent, right to the point. Headline: ''Stop Worrying About Russia.''

The most fundamental argument the critics have put forward is that the admission of even a single new ally from Central Europe will harm our relations with Russia.

Secretary Albright says:

My first response is to wonder why some people cannot discuss the future of Central Europe without immediately changing the subject to Russia. Central Europe has more than 20 countries, and 200 million people, with its own history, its own problems and its own contributions to make to our alliance. Most of these countries do not even border Russia. But their security is and always has been vital to the future of Europe as a whole.

Mr. President, I heard my friend and colleague from New Jersey say something I find very unsettling, arguing for the pause, arguing for the earlier amendment about European Union membership first; wondering whether we were true to our pledge, as part of NATO accession under article V, to defend member states. We wouldn't make the pledge if we were not sincere about it. Of course we are prepared to defend these nations if necessary.

I found the references to Chamberlain in the 1930s particularly—I say this respectfully—inappropriate. If there was any sincerity behind the pledge that Chamberlain made in 1939 to defend Poland from the Nazis, as was stated, the history of the 1940s might well have been different. The lessons are clear. The best way to secure peace is to remain strong. And that is what this is all about, access to NATO, a military alliance in defense of a principle.

The Senator from New Jersey said imperial Russia has never been defeated. Who is talking about imperial Russia? We, who are supporting the extension of NATO, believe there is a new Russia. We don't see an imperial Russia. We believe that these new countries, adding 200,000 troops to NATO forces, will help us meet common threats from ethnic division, international conflict, in some of the emerging democracies. We have seen it in Bosnia. We see it in Kosovo today. And it will help us meet the common threats of terrorism, weapons of mass destruction, ballistic missiles, coming particularly from the south of the NATO region but perhaps from elsewhere.

Let me go to this amendment requiring a pause, a 3-year pause. The Senator from Virginia says we ought to let some future President decide this. There is a process under article X. There is nothing inevitable about it. We are not on automatic pilot. No other nation is automatically going to be admitted to NATO. There is a process. NATO members will consider it, presidents—administrations will decide, and then always the Senate will have the option of ratifying or not ratifying accession of anyone else to this great treaty in defense of a principle. So why the pause? Presumably to reassure Russia again. But what are the effects of that? The effects of that are destructive in three regards.

First, on the other nations of Central Europe who may dream of membership in NATO, and, on the basis of which dreams, they are acting in exactly the way we would have them act to develop their democracies and market economies. Again, I refer to the New York Times, this time Sunday, April 26.

Mr. President, I ask unanimous consent that there be printed in the RECORD after my remarks an article by Jane Perlez.

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

(See Exhibit 1.)

Mr. LIEBERMAN. That article makes very clear that the goal of access to NATO, in this case of the article in particular regard to the three countries we are considering today—

Poland, Hungary, and the Czech Republic—has moved those countries. The promise of inclusion in NATO has helped the cause of moderate government, the reporter says, during a tough period of economic and political transition. I quote Marek Matraszek, Warsaw director of the CEC Government Relations, a political consulting firm, who says:

The promise of NATO has defused destabilizing forces from the left and right.* * * If NATO had not been offered, Poland could have been in a disastrous situation, externally and internally.

If we now slam the door closed on the dreams of every other nation in Central and Eastern Europe to join this family of freedom, this military alliance, I fear that we will set back the onward march of freedom and a market economy for which we fought the cold war.

Second, it will reduce the ability of NATO and the dream and goal of NATO membership to resolve conflicts that now exist among various nations in Central and Eastern Europe. The Hungarians and the Romanians, because of their desire to join NATO, settled age-old problems. Poland and Lithuania began talks about concerns they had for the same reason, to put themselves in the same position. The nations in that region have not lost sight of the reaction of NATO to the movement within Slovakia toward a less open, less free government—which is to say that Slovakia has dropped down in the chain of those who are being considered for NATO membership.

Finally, a third consequence of imposing this pause.

Mr. President, I note you moving toward the gavel, and I ask simply for an additional minute, if I may, from the time of the Senator from Delaware.

The PRESIDING OFFICER. The Senator is recognized for 1 minute.

Mr. LIEBERMAN. I thank the Chair.

The final loss from imposing an arbitrary 3-year pause where none is necessary because no action is required will be on us, on the United States, on our credibility, on what we stand for, on the principles that the rest of the world now, most of it, want to emulate and aspire to.

If we say to these other nations of Central and Eastern Europe, ''Forget about it, we are more worried about Russia, we are more worried about a renaissance of imperialist Russia, we are more worried about affecting the feelings of people who may be aggressive than we are about honoring your dream and effort to achieve freedom and democracy and security,'' then we will have abandoned our principles, our first principles as a country. When we do that, we lose our strength, because ultimately those principles underlie the power of America in the world community.

Mr. President, I urge my colleagues to defeat these two amendments and to put ourselves on the right side of history.

I thank the Chair, and I yield the floor.

EXHIBIT 1

[From the New York Times, April 26, 1998]

WITH PROMISES, PROMISES, NATO MOVES THE EAST

(By Jane Perlez)

In the United States, the question of whether to expand NATO eastward has been debated only in fits and starts, and then most passionately on the issues of how the Russians feel about it and whether it might cost too much.

But another question figures in the debate too: What effect has the lure of NATO membership had on the way the proposed new members—Poland, Hungary and the Czech Republic—govern themselves and behave toward their neighbors after nearly half a century under Communism?

No one of these questions alone will decide the debate, which the Senate is scheduled to resume on Monday. Opponents of the Clinton Administration's proposal to expand NATO will doubtless emphasize the questions of money, Russia, and how many other new members this precedent will open the door to.

Still, it is on the question of how the prospective members are behaving that some of the hardest evidence is in, and it adds up to this:

AGREEMENT ON A GOAL

While all three have a way to go on meeting Western standards of democratic rule and stable market economies, no issue has dominated the internal political behavior of the three Central European countries as much as the aspiration to belong to the Western security alliance.

In all three prospective new members, former Communists and anti-Communists alike have agreed on NATO membership as a national goal, and as a result all have tried with varying degrees of sincerity to meet the alliance's broad requirements of democratic rule and free enterprise.

In other words, the promise of inclusion in NATO has helped the cause of moderate government during a tough period of economic and political transition. And there is little doubt, analysts say, that trying to lay the political groundwork to satisfy NATO has left Hungary, Poland and the Czech Republic better positioned for sustained economic growth.

Such growth, in turn, could also help these countries join the European Union—another goal they share, and one they are pursuing in negotiations that opened in Brussels last month and that promise to be tough.

One lesson clearly taken to heart by Poland, the Czech Republic and Hungary was the elimination of Slovakia from the list of potential NATO members after its Prime Minister, Vladimir Meciar, became increasingly authoritarian. Similarly, the European Union has cited Slovakia's lack of democratic progress as a reason for its inclusion from the first round of the economic union's eastward expansion.

The new American Ambassador to Poland, Daniel Fried, who helped formulate the arguments for expanding NATO when he worked at the National Security Council before coming to Warsaw last fall, likes to point to the way the three countries have behaved toward each other. ''When Poland and Hungary became more confident of their NATO membership,'' he said, ''they increased their outreach to their neighbors—Hungary to Romania, and Poland to Lithuania.''

A decade ago, when the Soviet hold on Eastern Europe was evaporating, one worry for NATO was that old national resentments would resurface in the form of border disputes and mistreatment of minorities, creating instability in the region. So when NATO decided it might enlarge, it made it clear that aspirants to membership had to avoid that kind of thing.

Now Hungary and Romania have signed a treaty guaranteeing each other's borders and respecting the right of the large Hungarian minority in Romania. And tense relations between Poland and Lithuania have improved to the point that they have created a joint peacekeeping battalion.

Another benchmark set down by NATO, and in particular by the Pentagon, was that the military in new members had to be subordinate to civilian control. This was a prickly subject in Poland, where former President Lech Walesa wanted to keep broad authority in the hands of his generals. Only since the defeat of Mr. Walesa in elections in 1995 and the adoption of a new Constitution calling for subordination of the general staff to the Minister of Defense has the strong political influence of the Polish military brass diminished.

CHANGES IN THE BRASS

Last year, to the relief of the Pentagon, President Kwasniewski fired Gen. Tadeusz Wilecki, a Walesa appointee, who had shown open contempt for the civilians at the defense ministry.

Now Henry Szumski, a younger general who has United Nations field experience, is at the top, and Janusz Onyszkiewicz, an ardent proponent of civilian control of the military, is defense minister. NATO specialists say they are satisfied that the Polish military is on the right track, but another challenge remains: to clear out many of the Communist-era holdovers in the military intelligence service.

In another example of changing attitudes, the Hungarian Government passed over Soviet-trained generals for the post of chief of the general staff and reached down to the third level of the military hierarchy for Lieut. Gen. Ferenc Vegh, and English-speaking graduate of the United States Army War College. Now 7 of the top 10 generals in Hungary are Western trained.

Last month, the Czechs appointed a new chief of the general staff, Jiri Sedivy, 45, who stands out for his experience as a battalion commander in Bosnia and for his choice of military heroes: Eisenhower, Patton and Schwarzkopf.

Along with elevating military officers who think like those in the West, the three countries have been encouraged by NATO to get serious about parliamentary oversight committees. On this point, they still have a long way to go; the defense committee in the lower house of Poland's Parliament has no staff, and the enthusiastic members of Hungary's parliamentary defense committee have little background in military affairs.

No one would argue that Poland, Hungary and the Czech Republic are mature democracies with classic capitalist economies. Progress toward the rule of law and the protection of minority rights is far from perfect. In all three countries, the judicial systems are fragile and financial corruption widespread. There are still huge disparities in terms of wealth between the European Union and its prospective new eastern members.

But Marek Matraszek, the Warsaw director of CEC Government Relations, a political consulting firm that has worked on NATO related issues, believes that without the prospect of membership in NATO, Poland might easily have fallen under the sway of nationalist and populist politicians. Now it seems reasonable to believe that Poland, a land with 40 million people and a bounding economy growing at six percent a year, may reach its goal of being a middle-size Western European power within the next decade.

''The promise of NATO has defused destabilizing forces from the left and right.'' Mr. Matraszek said. ''If NATO had not been offered, Poland could have been in a disastrous situation, externally and internally.''

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The Senator from Maryland.

Ms. MIKULSKI. Mr. President, I seek recognition.

The PRESIDING OFFICER. Who yields time?

Mr. BIDEN. How much time does the Senator need?

Ms. MIKULSKI. Seven minutes.

Mr. BIDEN. I yield 7 minutes to the Senator from Maryland.

The PRESIDING OFFICER. The Senator has 26 minutes remaining in opposition.

Mr. BIDEN. I am sure all 7 minutes will be worth yielding.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Ms. MIKULSKI. Mr. President, I rise in opposition to the Warner amendment to freeze NATO membership and, if time permits, to also comment on the Moynihan amendment regarding the necessity for EU membership for these countries before being included in NATO.

It is very difficult—like you when you spoke earlier and said you had great admiration for both the Senator from New York and the Senator from Virginia as I do, we have such constructive relationships, and I admire their grasp on policy and their desire to move ahead on constructive foreign policy.

As well-intentioned as the Warner proposal is, its acceptance would be inconsistent with the NATO treaty itself. It would unnecessarily limit U.S. flexibility in pursuing further enlargement should the United States of America determine that such enlargement would be in its national interest. It would also undercut the tremendous gains for peace accomplished over the last decade in Central Europe, including the historic reconciliation now underway between Russia and the West.

Article X of the Washington treaty, which was the alliance's founding charter nearly 50 years ago, states that membership is open to ''any other European state in a position to further the principles of this treaty and to contribute to the security of the North Atlantic area.''

NATO has been an unprecedented success in deterring conflict and promoting peace and stability. Toward these ends, NATO has been expanded three times in the past. To remain relevant and successful in the future, NATO must keep its doors open to those European democracies ready to bear the responsibilities, as well as the burdens, of membership.

NATO enlargement is a policy deeply rooted in this principle, often driven by moral imperatives, but equally important strategic self-interest and objective criteria concerning military readiness and political and economic reform.

It is not easy to become a NATO member. This is not like signing up for an American Express card. New NATO members must meet stringent military base criteria. They must also demonstrate a commitment to resolve ethnic disputes and territorial disputes by peaceful means. In fact, the prospect of NATO membership has led newly free countries in Europe to settle border disputes.

Potential NATO members must also show a commitment to promote stability and well-being by promoting economic liberty, social justice and environmental responsibility. They must establish democratic and civilian control of their military, a transparent military budget and be fit for duty, as well as using diplomacy as its first tool of dispute resolution.

You have to do that in order to even be considered. So, therefore, I oppose the Warner amendment because it would freeze or reduce U.S. flexibility within the alliance and, at the same time, close the door that article X gave as a message of optimism and hope.

The Warner amendment would repudiate article X and its message of optimism and hope, which is what a freeze on enlargement would do. It would be seen by reformist countries of Central Europe as a door being shut. Do we really want to send such a disillusioning message to those other countries that are working for democracy, economic reform and civilian control of their military?

Article X of the Washington treaty was a source of hope to Central Europe during Soviet oppression. The prospect of NATO membership remains an important incentive for democratic and economic reform. It has already motivated the reconciliations between Germany and the Czech Republic, Germany and Poland, Romania and Hungary, Romania and Ukraine, and Italy and Slovenia, among others. The civil and military agreements between these countries have helped to consolidate peace and stability in Central Europe, and these things must be protected and not undercut.

Third, a mandated pause would create a new dividing line in Europe. If Central European countries not invited into NATO conclude that the process of enlargement has not only been stalled but stopped, a key incentive behind their current participation in NATO's Partnership for Peace Program, a military partnership, would be eliminated. A key achievement of this program is the coordination that it now fosters between their defense planning and force structure development. Thus, a freeze on enlargement would impede, if not reverse, this remarkable development of European security around an alliance-determined agenda. This is what NATO is all about.

Fourth, an arbitrary freeze on NATO enlargement would harm Russia's historic reconciliation with NATO and the United States. A freeze would appear to give Moscow a veto over NATO enlargement. It certainly would be interpreted as a victory for the hard-liners by those who still advocate a Russian sphere of influence over its neighbors, those who wish to see that Russia could deny the entry into NATO of these three democracies.

Worse, it could lead others to draw the conclusion that they will never ever have a chance to join NATO and never ever get out of the Russian sphere of influence. A freeze would undercut the basic principles that all of Europe's states have a right to choose their own security arrangements—a principle that must be one of the cornerstones of Russia's relationships with the United States and NATO membership.

Mr. President, the resolution of ratification passed the Senate Committee on Foreign Relations 16 to 2, and on that day that it voted, March 3, 1998, it explicitly addressed the concerns of those accusing the alliance of moving too fast on enlargement. It states:

> The United States will not support the admission of, or the invitation for admission of, any new NATO member, unless . . . (I) the President consults with the Senate consistent with article II, section 2, clause 2 of the Constitution of the United States . . . and (II) the prospective members can fulfill the obligations and responsibilities of membership, and its inclusion would serve the overall political and strategic interests of NATO and the United States.

That is what the committee voted on, that we just would not have an open door but it would be an open door according to article X of the treaty we already adopted.

Mr. President, I encourage my colleagues, no matter how well-intentioned—no matter how well-intentioned the Warner amendment is, I think it would absolutely undercut peace and stability.

Mr. President, also in terms of the Moynihan amendment, I want to associate myself with your remarks in which you said we could not be part of NATO under that, Canada could not, Turkey could not. And if we then would adopt the Moynihan amendment, should we then consider an amendment that would remove from NATO any members that are now part of EU?

What would that mean? It would take us out. It would take Canada out. It would take Turkey out. I do not think it is logical.

I know there are many concerns about Russia. I know my time is limited and others wish to speak on this amendment. Later on this afternoon I will give my thoughts on Russia. I wish to maintain a constructive relationship with Russia, but I do not think this is the time nor the place to then give in to the Russian hard-liners but to focus on the new Russia, which I believe is not an imperial Russia.

Mr. President, I yield the floor.

Mr. SMITH of New Hampshire. Mr. President, on behalf of the Senator from Virginia, I yield 10 minutes to the Senator from North Dakota.

Mr. WARNER. Mr. President, to accommodate the Senate on the schedule that Mr. SMITH and I are working on, from the standpoint of the proponents of my amendment, following Mr. DORGAN, it would be desirable to have the Senator from Minnesota, Mr. WELLSTONE, follow for a period of 5 minutes, and then Mr. SMITH would care for about 3 or 4 minutes. Now, there is time within which the opposition, of course, will want to intervene, and we certainly will go back and forth on this.

We also wish to accommodate the senior Senator from Alaska. He has two amendments, is that correct, I say to the Senator?

Mr. STEVENS. That is correct.

Mr. WARNER. The time that the Senator from Alaska desires under his control would be how much?

Mr. STEVENS. Well, 30 minutes. I am willing to have a time agreement on the amendments. It was my understanding, Mr. President, one of them would be accepted. That may have changed in the last few minutes. But in any event, I do not need more than 20 minutes myself to explain my two amendments.

Mr. WARNER. Fine.

Mr. President, I would suggest that the votes, then, on the two Warner amendments and the one on Senator CRAIG's from last night be deferred until the Senator from Alaska has had an opportunity to address his two amendments, and such time as whatever opposition there may be required, and then we vote on the five amendments in sequence thereafter, with the normal time allocated to the first vote and for 10 minutes allocated to each of the other four votes, with a total of five. I would suggest that request, on my behalf, be considered by the distinguished ranking member of the Foreign Relations Committee and others before it is finalized, but that is a suggestion.

Mr. BIDEN addressed the Chair.

Mr. WARNER. The suggestion I made, I say to my colleague, is that the senior Senator from Alaska wishes perhaps 20 minutes on his two amendments, and such time as you have, the votes scheduled for 3 p.m. be deferred until his amendments are discussed by the senior Senator and yourself, and then we take five consecutive votes, with the normal time allocated to the first vote, and 10 minutes to each vote thereafter.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Let me say that, first of all, I do not know what the Stevens amendment is, so I do not want to agree to a time agreement. He is a very formidable adversary on these issues, and I am not about to agree to a time agreement on what I do not know, No. 1.

Mr. STEVENS. Could I respond to that?

Mr. BIDEN. Surely.

Mr. STEVENS. The amendments have been submitted. It is my understanding that one of them was cleared on both sides. That may have changed within the last 30 minutes. The second one will be modified, as requested by the Secretary of Defense and the vice chairman of the Joint Chiefs of Staff. We have modified that at their request to make the portion dealing with reduction in the U.S. contribution to NATO to be a sense of the Senate rather than mandatory. But there is a mandatory cap in that amendment. And it will be controversial, I do admit.

Why do I need unanimous consent? I will wait my turn.

Mr. BIDEN. No. I am not trying to be an obstructionist at all. No. 1, I am told by my staff—A, I don't know about the amendment, notwithstanding it has been filed. I have been concentrating on other things. No. 2, I am told by my staff—and they may be incorrect; staff as well as Senators often are—the fact is that I am told that Senator HELMS has not signed off on any amendment yet.

Mr. STEVENS. I am not asking for people to sign off on the amendment. I am only asking for time to debate it and have a vote.

Mr. BIDEN. I am delighted to have time to debate it. That is why I think we should just go ahead, have the two amendments, vote. And then the Senator and I and others who wish to debate it from 3 o'clock on, to debate as long as you want. That is fine by me.

Mr. STEVENS. All I am trying to do, Mr. President, is accommodate the Senate. I thought instead of having three votes, have five votes after we are finished. It is all right by me. I will wait. I want to be assured some time—I am leading a delegation, pursuant to the Byrd amendment to the supplemental bill, to Kuwait and Saudi Arabia tonight. I would prefer that we were going to finish this or postpone it until we get back, one or the other.

Mr. WARNER. Mr. President, every effort is being made to accommodate the important mission undertaken by the Senator from Alaska and to have the final votes on this treaty tonight. This Senator has given his commitment to the leadership of the Senate. I suggest that we continue with this debate now and that the colleagues confer on the Stevens amendments and then revisit the possibility of five consecutive votes.

Mr. STEVENS. Mr. President, what is the order of business after the—if I may, with the Senator's permission?

Mr. BIDEN. Yes.

Mr. STEVENS. What is the order of business after the Warner vote, after the three votes scheduled at 3 o'clock? Is there an agreement after that time?

The PRESIDING OFFICER. We have two pending amendments that we would go back to after the vote. They would have to be disposed of and then other amendments offered.

Mr. WARNER. Of course, Mr. President, they could be laid aside to accommodate the Senator from Alaska.

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. I ask unanimous consent I be permitted to lay them aside after the scheduled votes at 3 o'clock and take up my two amendments at that time before I leave.

The PRESIDING OFFICER. Is there objection?

Mr. ABRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. I do not intend to object, but I wonder, before the Senator from Delaware leaves the floor, prior to his arriving, the Senator from Virginia outlined a series of speakers who will speak in support of the amendment, but we did not establish a lineup for speakers who would speak in opposition to Senator WARNER's amendment.

Mr. BIDEN. Mr. President, I am delighted to yield 5 minutes to my friend from Michigan.

Mr. ABRAHAM. I believe we established Senator DORGAN would speak next. And if we could establish as part of that unanimous consent that——

Mr. BIDEN. Mr. President, for the benefit of my colleagues, those wishing to speak in opposition to the amendment, that I have been told of, who have not yet spoken, two of them, who are here, are the Senator from Michigan and the Senator from Virginia, Senator ROBB, with the possibility of the Senator from Indiana, Senator LUGAR, and the Senator from Arizona, Senator MCCAIN, all of whom are against the amendment, I believe all of whom wish to speak against the amendment, two of whom are here. And since I have very limited time left, the two who are here I am very happy to give 5 minutes to, and those who show up next I will give 5 minutes, and then I am out of time. It is my full intention to yield to the Senator from Michigan to speak in opposition.

Mr. ABRAHAM. Fine.

The PRESIDING OFFICER. Is there objection to the request made by the Senator from Alaska?

Hearing none, without objection, it is so ordered.

Mr. STEVENS. One additional request, if I may. I ask that my second amendment be modified. I have that right without unanimous consent. And I send it to the desk so that it can be reproduced so all Senators have a copy of it when I call it up after the 3 o'clock votes.

The PRESIDING OFFICER. Without objection, the Senator can modify a previously submitted amendment.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Although I have no objection—I realize we have gotten unanimous consent already with the Senator from Alaska going next—as soon as I did not object, I was informed by my Cloakroom that Senator CONRAD, whose amendment is one of those listed as next, objected to it being put aside. I wanted Senator CONRAD to know I did not realize he would object to that. I

just want the RECORD to show that I was unaware of that.

Mr. STEVENS. I do not wish to inconvenience Senator CONRAD. I would be perfectly willing to wait if he is the next one in line. So I can get in line and I know what the time is, so I can plan the day. And I can tell the Senator, I will not take longer than 30 minutes on my amendments.

The PRESIDING OFFICER. Who yields time?

Mr. WARNER. Mr. President, at this point I ask the Chair to advise the Senate with regard to the remaining time under the pending amendment, the Warner-Moynihan 3-year moratorium.

The PRESIDING OFFICER. The Senator from Virginia has 16 minutes 18 seconds and 17 minutes 2 seconds to the opposition.

Mr. WARNER. So the time has been consumed by this important colloquy.

The PRESIDING OFFICER. The Senator is correct.

Mr. WARNER. I ask unanimous consent that 10 minutes equally divided be restored, given that this colloquy was essential.

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

Mr. WARNER. I thank the Chair.

The order is that Senator DORGAN will now proceed. If the Senator would limit remarks to 8 minutes in favor of the amendment, the Senator from Minnesota would take 5 minutes, and the Senator from New Hampshire takes 3 minutes, that would enable the Senator from Virginia 2 or 3 minutes in conclusion.

Mr. DORGAN. Mr. President, I am pleased to come to the floor of the Senate to support the amendment offered by Senator WARNER. I have not yet been part of this debate. I have followed it closely and read a great deal and want to speak about the larger issue and then explain why I support the amendment offered by the Senator from Virginia.

The proposal brought to this Senate to expand NATO raises a range of questions that will still be unanswered as we vote on this treaty later this evening. Let me just describe a couple of them.

First of all, the cost. The cost estimates for the enlargement of NATO range from a few billion dollars to $125 billion. Our major European allies have made it clear that they have little intention of spending another lira, another franc, another pound, to pay for the expansion of NATO. The question, then, is: What will be the cost to the American taxpayer? We don't yet know.

Further, will there be a second round to expand NATO? The NATO Secretary-General said that there will be a second round, possibly including Romania, Slovenia, and three Baltic States. If there is a second round, what will that cost be? And if there is a third round, would it include some of the 19 other members of the Partnership for Peace in Central and Eastern Europe? Where does NATO expansion stop? We don't yet know.

The other question is: What is the threat that requires the enlargement of NATO? What is the threat to Poland, Hungary, and the Czech Republic that justifies NATO expansion? I am convinced these countries need economic integration into Europe rather than military integration into NATO.

The Warner amendment says, let us take the time to answer these basic questions. Let's wait for three years before we admit any more nations into NATO. Let's pause and try to understand what all of this will cost, what exactly is the threat, and what our response should be.

But more importantly, a three-year pause also will enable us to work with Russia to ensure our relations with Russia do not suffer as a result of the policy we seem about to endorse this evening.

NATO expansion, make no mistake about it, will play a large role in determining whether we will have a cooperative or a confrontational relationship with Russia in the years to come. I don't say this because I am sensitive to the feelings of Russia. I say it because I am sensitive to our own security interests.

I take a moment of the brief time that I have to describe why our relationship with Russia should play a role in this decision.

I wonder how many of my colleagues are aware of an incident that occurred on December 3, 1997, in the dark hours of the early morning, north of Norway in the Barents Sea. Several Russian ballistic missile submarines surfaced on December 3, last year, and prepared to fire SSN–20 missiles. Each of these missiles can carry 10 nuclear warheads and travel 5,000 miles—far enough to have reached the United States from the Barents Sea. Those submarines surfaced and launched 20 ballistic missiles. Roaring skyward, they rose to 30,000 feet. U.S. satellites tracked their path.

Last December 3, the radar and satellites in our Space Command NORAD complex and elsewhere saw that at 30,000 feet those Russian missiles exploded, they were destroyed. Why? Because this was not a Russian missile attack. In fact, seven American weapons inspectors were watching from a ship a few miles away as the missiles were launched. These self-destruct launches were a quick and cheap way for Russia to destroy submarine-launched missiles, which it is required to do under the START I arms control treaty.

Mr. President, let me present one more piece of evidence about what is really important. This is a hinge, and with the permission of the Presiding Officer, I show it to my colleagues on the Senate floor. This is a hinge that comes from a missile silo in the former Soviet Union. This belonged to a silo that housed an SS–19 with warheads poised at the United States. This piece of a missile silo, with a missile and warhead aimed at the United States, comes from a silo that doesn't any longer exist. This comes from a silo which this picture shows is now gone. Silo removed, gone. The missile is gone. The warhead is gone. And where a silo once stood, sunflowers are planted.

How did that happen, that a Soviet missile was destroyed by taking it out of its silo? This country, with a program called Nunn-Lugar, helped pay for the cost of that. With that program, and under our arms control treaties, we help destroy the weapons of potential adversaries so they can never be used against us.

Now, the question for all of us is, What does enlarging NATO do to our relationship with Russia? There is no one on this floor who can stand and tell you with certainty what it does, but there is plenty of evidence that this is a step backward, not forward, with respect to our relationship with Russia.

One of the great lessons of this century's history is that the United States gains when we respect a former enemy. We have been through the cold war with the Soviet Union. They lost. The Soviet Union no longer exists.

Russia has enough fissile material to make 40,000 nuclear weapons if it wanted to. That's why our relationship with Russia is critically important. That relationship will determine whether we will see more nuclear missile silos planted with sunflowers, whether we will see bombers having their wing cut off —as this picture shows—whether we will see more progress in arms reduction.

The principal threat, in my judgment, to peace in this world is not a threat of a land invasion of Poland, the Czech Republic, or Hungary. The principal threat is the threat of nuclear weapons—loose nuclear weapons falling into the hands of terrorists, or proliferation of nuclear weapons to rogue nations, or a resumption of the nuclear arms race. We are on a path in this country, because of our arms control agreements and cooperative relationship with Russia, where both sides are now destroying nuclear weapons. This is very, very important progress for humankind.

We now are confronted here in the U.S. Senate with a question of enlarging NATO, a security alliance in Western Europe, at the expense of, in my judgment, our relationship with Russia. I don t want to see our relationship with Russia deteriorate into a new cold war confrontation and a resumption of nuclear weapons production. In my judgment, we expand NATO at the potential risk of reigniting a cold war and impeding and retarding progress on arms reduction.

The Senator from Virginia brings an amendment to the floor that says if we go to a first round of NATO enlargement, and if the vote is successful tonight, before we expand further let us at least pause for 3 years to answer the

questions I posed at the start of my presentation. What will this cost? What will this cost, and who will pay the bill? What is the threat, and where does the threat come from? And what does this do to arms control agreements that now, as I speak, are resulting in the destruction of missiles, the retirement of delivery vehicles, the sawing off of wings of Russian bombers?

What does it do to that progress, progress that comes from arms control treaties and a bipartisan initiative here in Congress called Nunn-Lugar to help implement those treaties? In the Nunn-Lugar program we provide money to accommodate arms control agreements, to help the other side destroy their nuclear weapons. These are the weapons that were once housed in a silo that contained this piece of metal, near Pervomaisk, a former Soviet missile base. What does NATO expansion do to the progress that this piece of metal represents?

This piece of metal was in a silo that housed a missile with a nuclear warhead aimed at our country, but it is now just metal, and the ground is now sunflowers. That is substantial progress, in my view, for this world.

The question we need to ask, all of us, is, What does this issue, NATO enlargement, have to do with this progress? Will it impede this progress? Will it retard the progress of arms control? No one here knows the answer for certain. Our Nation's foremost experts on foreign policy are sharply divided. Yet, and I say this regretfully, the Senate seems prepared to vote on NATO expansion without understanding its potential consequences.

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

Mr. DORGAN. I yield the floor and thank the Senator from Virginia for his time.

Mr. ABRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. ABRAHAM. Mr. President, I will speak briefly in opposition to the Warner amendment. I will begin by saying that I think there are clear lessons that can be learned, but I disagree with my distinguished colleague from North Dakota as to what they are.

I think the last half of the 20th century demonstrated that when America did not assert itself adequately and act in its best interests after World War II by embracing the nations of Central and Eastern Europe, we in fact contributed to the development of a cold war; that when we in fact invested in our national security and asserted ourselves effectively—particularly during the 1980s—we brought the cold war to an end successfully. That is why I believe it is in our interests to move forward with expansion of NATO at this time.

In light of these reasons, I think it is ill advised for us to set arbitrary limits or deadlines or pauses in considering NATO expansion. If it is in our best interests to expand NATO quickly, then I want to maintain that possibility. If it is not in our best interests to expand NATO beyond the three countries under consideration today, then the process already established in the North Atlantic Council and our own constitutional advice and consent ratification requirements provide us more than enough protection against rash action.

Let me speak briefly and more specifically as to other reasons I oppose the amendment offered by my colleague from Virginia mandating a ''strategic pause.''

First, I believe such a pause would send exactly the wrong signal at this critical point in history, as it would represent a drastic change in U.S. policy. The United States led the charge at last year's Madrid summit to keep the door open for future NATO expansion. Throughout the general discussion on expanding NATO, we also declared that any possible offer of NATO membership would be dependent upon successful implementation of democratization and market reform programs. Taking away the possibility of NATO membership, even for just 3 years, may also take away the incentive for completion of reform.

Second, I believe the Senate's position during any future membership negotiations will be protected. During Foreign Relations Committee hearings on this issue, both Secretary Cohen and Secretary Albright expressed the administration's understanding of the need for consultation with the Senate prior to any future round of expansion. I believe that commitment is secure, given their scrupulous consultation process with the Senate that has gone on throughout the current expansion phase.

Finally, I think we must look at this round of expansion in its historical context. Article X of the North Atlantic Treaty specifically provides for the expansion of NATO to any European state in a position to further the principles of the treaty and contribute to North Atlantic security. This article has been utilized over the past 50 years for the accession of West Germany, Greece, Turkey, and Spain. This is not a brand new process but one we have always kept open to review.

NATO's Secretary General stated at the Madrid summit:

> In keeping with our pledge to maintain an open door to the admission of additional Alliance members in the future, we also direct that NATO Foreign Ministers keep that process under continual review and report to us. We will review the process at our next meeting in 1999.

This shows that NATO enlargement is an issue regularly reviewed by the North Atlantic Council, just as are the structure and requirements of the NATO armed forces.

In summary, I strongly oppose any measure which will place additional roadblocks in the way of future NATO expansion, roadblocks that are not needed and will only lead to further feelings of abandonment and exclusion by nations wanting to join the West. A decision to enlarge NATO should not be based on a rigid time line; rather, it should be the net result of thoughtful deliberation—a process already well protected by both the North Atlantic Treaty and our Constitution.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. SMITH of New Hampshire. Mr. President, I yield 5 minutes to the Senator from Minnesota.

Mr. WELLSTONE. Mr. President, first of all, let me associate myself with the amendment earlier introduced by Senator MOYNIHAN from New York. I have said before on the floor of the Senate—and I will say it again—the Senator from New York, I think, has said something very important with his amendment, which is that we should be using our prestige as a great country to really insist on membership to the EU for Hungary, the Czech Republic, and Poland. That is what is most important to enable them to reach their goals.

Also, let me associate myself with the amendment of my colleague from Virginia, Senator WARNER. I think what he is saying in this amendment is: Colleagues, Democrats and Republicans alike, please go slowly.

Mr. President, many of us had the opportunity to serve with Senator Nunn. I think more of us should talk about him and his wisdom. Senator Nunn raised three questions about NATO expansion. The first question is: Will this help us in easing or dealing with the whole problem of proliferation of weapons that might go to Third World countries—the kind of cooperation we need with Russia? The answer that Senator Nunn gives to that question is no.

The second question Senator Nunn asked is: What about nuclear threats? Is this going to help us in terms of further arms agreement with Russia? Is this going to move the world away from reliance on nuclear weapons? The answer Senator Nunn gives is no.

The third question that Senator Nunn raised is: What about reform within Russia? What about the forces for democracy? What are the democrats—with a small ''d''—all trying to tell us? The answer, Senator Nunn says, is they are telling us with this NATO expansion, expanding the military alliance against a Soviet Union that no longer exists, against a military threat that no longer exists, is a huge step backward.

Mr. President, I will conclude this way. Other colleagues are on the floor and want to speak. From Senator Sam Nunn to Senator PATRICK MOYNIHAN, to Senator JOHN WARNER, to George Kennan, to scholars like Howard Mendelbaum, to prophetic thinkers like George Kennan, and, more importantly, the forces for democracy in Russia, there has been an eloquent and powerful plea to all of us to understand that this could be a tragic mistake.

Mr. President, I fear it will be a tragic mistake. I hope my colleagues will vote for Senator MOYNIHAN's amendment. I hope they will vote for Senator WARNER's amendments. I want to say one more time that I am in profound disagreement with NATO expansion. I think there will be fateful consequences. If we approve this, I hope and pray that I am wrong, but I have to speak for what I believe is right for my country and the world.

I yield the floor.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, I have 16 minutes remaining in my control. For the benefit of the Senators, so I don't get myself in more trouble in the allocation of time, I am going to yield, in the following order: 5 minutes to the Senator from Virginia, 5 minutes to the Senator from Delaware, and 5 minutes to the Senator from Arizona. That will leave me probably 10 seconds. I now yield 5 minutes to the Senator from Virginia.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. ROBB. Mr. President, it is not my intention today to belabor the points, so eloquently made by the principal proponents of this Resolution of Ratification—including the President, the Secretary of State, the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and by the leadership of this body, and the Chairman and Ranking Members of the Foreign Relations Committee—about why enlarging NATO is in our national strategic interest.

The three national security committees on which I serve have dedicated an extraordinary amount of time to this issue, examining the full ramifications of enlarging NATO in over a dozen hearings, and following that intensive process I remain persuaded, that we ought to move ahead.

I certainly don't discount the concerns, that have been raised, by a number of highly respected opponents of ratification, most of whom I am normally in agreement with on national security matters, but I find the arguments advanced by the advocates more persuasive.

I would like to focus my remarks more narrowly on the implications for American leadership in Europe and beyond. The critical notion in my mind, is not simply that NATO is inviting Poland, Hungary, and the Czech Republic into its ranks, but that through our leadership, we've played a fundamental role in casting the light of freedom across Europe, and are prepared in peacetime or war, to guarantee the security of these new democracies.

Keeping the peace is something NATO has been doing well for 50 years. When an entity works as well as NATO has, in fact, the American people tend to either ignore it or take it for granted. Perhaps that explains the lack of widespread public interest in expanding NATO.

We have come to think of Europe mostly as a market for our goods, no longer as a territory under Soviet threat. Public apathy aside, we forget the lessons of history that made the 20th Century the single bloodiest of all, at our peril.

On two occasions American isolationism has led to world wars. What we thought was benign neglect of Europe turned out to be an abject failure of our leadership. Harry Truman was right when he said that if NATO had existed in 1914 or 1939, we never would have seen the toll in human lives that followed.

Mr. President, it is an undeniable fact that NATO has contributed dramatically to Europe's peace, stability, and democracy the past 50 years, and hence to our own security. The alliance was integral to the dissolution of the Warsaw Pact in the 1980s, to tearing down the Berlin Wall in 1989, and to hastening the overall demise of the Soviet Union and the end of the Cold War.

Now, some wonder, if it is still relevant, and express serious doubts as to whether or not we should expand it.

Mr. President, it will be decades before we know with any certainty whether central Europe establishes itself in toto as a model of democratic rule, or something less. But it is not difficult to conjure up images of exclusive ethnic and latent ultra-nationalism underlying future conflict.

The historical legacy of the region generally is worrisome. World War I started with a mere gunshot in Sarejevo. And even recent history in the region shows that stability can't be treated as a foregone conclusion given the conflagration of the former Yugoslavia after Tito. And now Kosovo threatens to inflame the area all over again.

NATO has performed admirably in restoring a semblance of order in Bosnia. Yet the job is far from finished. We face years of civil and political reconstruction. But NATO and American leadership have made the difference in resuscitating that country.

Mr. President, Bosnia demonstrates that the stakes are far too great to view NATO as some kind of anachronism.

NATO is a vibrant, meaningful, omnipresent military institution that helps preserve a favorable security environment. And let me emphasize that it safeguards American vital interests. We don't lead NATO as a favor to Europe.

Mr. President, perhaps the greatest challenge, or opportunity, in all this lies in developing a partnership between Russia and an expanded NATO. The Permanent Joint Council we've established with the Russians secures an important role for them in the new security architecture of Europe.

We should welcome their input and value their advice in charting a new course for the Continent. Russia, after all, has been a player in Europe for better than 300 years. We can, and should, pursue those mutual security concerns with Russia that contribute toward peace and stability in the Euro-Atlantic area.

At the same time, an expanded NATO will retain the right to act independently, as has been the case for fifty years. Its core purpose will continue to be to ensure its own security through collective defense.

Where there might be disagreements, Russia should not interpret NATO actions as trampling on its national security prerogatives.

Rather, the aim of the alliance, in Vaclav Havel's words, ''is first and foremost an instrument of democracy, intended to defend mutually held and created political and spiritual values * * * [and is] the guarantor of Euro-American civilization.''

NATO's expansion will erase the artificial lines drawn by Stalin, but is not and should not be perceived as a threat to Russia's security.

It is in our interest, and we should provide tangible support to further develop Russia as a peaceful democracy. Expanding NATO helps consolidate the hard fought gains of winning the Cold War, and sets a useful example for Russia among its neighbors to continue with democratic reforms internally.

Mr. President, the working predicate of a number of the amendments before the Senate seem designed to make the accession process more cumbersome and unwieldy. I believe we need to distinguish this particular matter, however, from common appropriations and authorization legislation we amend and consider in the Senate.

I believe, ambiguity regarding the protocol terms of entry, for example, will have a corrosive effect on our ability to lead the organization in the future. Existing and future members begin to focus more on American conditions instead of affirmative American leadership.

Mandating a multi-year pause in expansion, for example, would lead us into the same difficulty we encountered setting deadlines for troop withdrawals from Bosnia. Critical national decisions based on carefully reasoned and supported judgments are subjugated to an artificial time line that could actually end up proving harmful to our military interests.

We need to be flexible rather than arbitrary about future entrants into NATO: If the first round goes well, the Partnership for Peace program will keep the door open for new members. Present and future security considerations will then dictate the pace and scope of enlargement.

Along these same lines conditioning NATO membership on EU membership strikes a discomfiting parallel between two organizations whose core missions are fundamentally different, one being military and the other economic and social.

The amendment would, in effect, allow a group of EU nations veto power over a critical decision affecting U.S.

national security: our choice of military allies in any future contingency.

In all three previous rounds of NATO enlargement—Turkey and Greece in 1952, Germany in 1955, and Spain in 1982—it was clearly understood that expansion presaged European economic development and integration as a key benefit, not the other way around. Now, inclusion in NATO will help establish a climate of confidence for these three countries as they seek foreign direct investment and pursue economic integration.

Mr. President, strengthening NATO by expanding its ranks contributes to a peaceful, democratic, free and unified Europe. As the security landscape of central Europe rapidly changes, we ought to take advantage of this historic moment. A static, cautionary approach misses the opportunity to extend democratic principles across Europe.

Vaclav Havel, perhaps better than anyone, has stripped away the layers of argument on each side, observing that ''if the West does not stabilize the East, the East will destabilize the West.'' Europe looks to the United States for leadership, and it is time for us to act.

I urge my colleagues to support the Resolution of Ratification before us, and oppose burdensome amendments that would weaken an enlarged NATO.

Mr. President, I yield the floor.

Mr. WARNER. The distinguished Senator from New York desires to speak on behalf of the amendment.

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

Mr. MOYNIHAN. Mr. President, in brief, a moment of history about Russia.

On March 20, 1917, one of the most momentous Cabinet meetings in American history took place in which Woodrow Wilson and his Cabinet judged that German submarine warfare had reached a point which left the United States with no choice but to enter the war on behalf of the Allied Powers. In 13 days Wilson would convened Congress and speak to a joint session asking for recognition of the state of war with Germany. At the Cabinet meeting, Robert Lansing, as Secretary of State, spoke in favor of doing this. He captured the meeting in a memorandum in which he wrote: ''I said that the revolution in Russia which appeared to be successful had removed the one objection to affirming that the European war was a war between democracy and absolutism.''

Sir, in 1917, Russia had a democratic revolution. As a schoolchild in New York, I can recall the head of that provisional government, Mr. Kerensky, would come around to our assemblies to tell us about it. That democratic revolution was crushed by Lenin and the Bolsheviks in St. Petersburg. And the country lived a hideous 70 years under that regime. Then the Russians liberated themselves. They did it internally.

They had to face a second coup against Mr. Gorbachev with tanks around the government buildings. The tanks withdrew and the forces of an earlier protodemocratic government prevailed. There are Russians who genuinely believe that they liberated their country. They now once more have the possibilities they had at the beginning of the century before the Bolsheviks took power. Why some of us here hated the Bolsheviks, hated Lenin and Stalin, and their successes, was not just for what they stood for but for what they had crushed.

There is a belief that is growing in Russia—one learns this; one hears this—that they not only freed themselves of the infamous Stalin and Lenin but also the countries around them; and that they should be seen now as a partner, not as the enemy. They were under the rule of the their enemies.

I hope we will see this and not expand in their direction an alliance that was formed against Joseph Stalin and his politburo. Give us a chance to bring Russia into the democratic world in which it almost entered and which will now be put in jeopardy, or so some of us believe. What a historic failure that would be.

Thank you, Mr. President. I yield the floor.

Mr. BIDEN. Mr. President, I yield 5 minutes to my friend from Arizona.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. MCCAIN. Mr. President, I would like to begin by stating my opposition to the Ashcroft amendment which would too narrowly limit NATO's freedom of action by permitting NATO missions only for collective self-defense, or in response to a threat to the territorial integrity, political independence, or security of a NATO member.

I believe that is understandable—the concerns that have led to this amendment being proposed, and some valid points have been made. Clearly, the NATO military forces must not be used frivolously. I do not believe that NATO is an organization that should take on worldwide military missions that have nothing to do with European security.

I think these types of problems, however, should be avoided as NATO makes decisions—not limitations to be placed on NATO's ability to make decisions. When real-world challenges arise, we need the ability to have free and unfettered consultations with our allies on all possible courses of action before a decision is reached. Article IV of the NATO treaty already permits this kind of unrestricted consultation, as it has ever since Dean Acheson first presented it to the Senate 49 years ago.

The Ashcroft amendment would for the first time restrict the scope of such article IV consultation by preventing NATO from considering taking action in many cases—even if we and our allies believed that such action would serve our common security interests. This is an unwarranted restriction on our freedom to consult and take joint action with our allies through NATO.

The fear that NATO might take on missions that the United States opposes is unfounded. We already have all the safeguards we need at NATO because we have a veto. There can be no NATO mission, no military operation, no out-of-area deployment, unless the United States specifically supports that decision. Mr. President, not only do we have a veto but the United States is a leader of NATO. Rather than our getting dragged into missions we do not want, the reality at NATO is the opposite. The United States has always been the country to take a strong leadership position and to seek support from our European allies. We are the ones who seek to spread the burdens of maintaining security to our allies, not the other way around. The Ashcroft amendment would give a powerful tool to those allies who may seek to dodge burden sharing, who may want to prevent an active NATO role, or who would otherwise oppose a strong U.S. leadership role.

I suspect that part of the motivation behind this amendment is a lack of confidence that the current U.S. administration will say no to military operations when it has to. That is a concern I fully understand. But a lack of confidence in the current administration is one thing to be dealt with between the Congress and the White House. Putting a hard and fast limit on NATO, the most successful military alliance in history, and the best tool we have for spreading the burdens of common security, is quite another thing.

Mr. President, this is a serious amendment and one that I think would have serious consequences on our alliance and our relations with our allies, as well as our ability to act in the United States vital national security interests.

Finally, I oppose the Warner amendment because I believe it is an artificial barrier. I don't believe that we want to keep countries out of NATO. We can do that already because we have a veto of NATO. If the administration were to make a bad decision, we in the Senate could still withhold our consent at that time. But if we decide our own national security interests warrant bringing a qualified country into NATO in less than 3 years, this amendment would prevent us from doing so. I don't see why we would want to limit ourselves in this way.

Mr. President, I yield the floor.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. After consultation with the distinguished Senator from Virginia, in light of the fact several more Senators have asked to speak, I would ask unanimous consent, if the Senator is listening, for 10 additional minutes equally divided.

Mr. WARNER. Mr. President, no objection.

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

Mr. BIDEN. My intention in terms of the now 10 minutes total time I control, I will yield 5 to my senior colleague from Delaware, and then I will yield the remaining 5—and I think that will leave me 1 minute to close—to the distinguished Senator from West Virginia, just so people will know the order.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, as well intentioned as the WARNER amendment may be, I urge my colleagues to oppose it. To accept it would be inconsistent with the NATO Treaty. It would unnecessarily limit U.S. flexibility in pursuing further enlargement. It is constitutionally unnecessary. And, above all, it undercuts the tremendous gains for peace accomplished over the last decade in Central Europe and in our relationship with Russia.

What this amendment proposes is an arbitrary freeze—or a pause—in the enlargement process. This, despite the fact that Article 10 of the Washington Treaty, the Alliance's founding charter, states clearly that membership is open to, and I quote, ''any other European state in a position to further the principles of this treaty and to contribute to the security of the North Atlantic area.''

Mr. President, we all agree that NATO is an unprecedented success in deterring conflict and promoting peace and stability. Toward these ends, NATO has been expanded three times in the past. To remain vital, relevant, and successful in the future, NATO must remain consistent with Article 10 and keep its doors open to those European democracies ready to bear the responsibilities and burdens of membership.

NATO enlargement is a policy rooted in this principle and driven by moral imperatives, strategic self-interest, and objective criteria concerning military readiness and political and economic reform. Any proposal to freeze enlargement—whether it be permanent or temporary—subordinates these factors to an arbitrary timeline. And it opens the door to other significantly adverse consequences for the United States and the Alliance:

First, a freeze would reduce U.S. flexibility and leverage within NATO. It would unnecessarily undercut our ability—and the Alliance's ability—to respond to the inherent uncertainty of the future.

Second, it would send an unfortunate, and even dangerous message to the reformist governments of Central Europe. They would suppose—and not incorrectly—that the United States is slamming the door shut concerning their possible accession into the Alliance.

Do we really wish to send such a disillusioning message?

Article 10 of the Washington Treaty was a source of hope to Central Europeans during Soviet oppression. The prospect of NATO membership remains an important incentive for democratic and economic reform. It has motivated the reconciliations between Germany and the Czech Republic, Germany and Poland, Romania and Hungary, Romania and Ukraine, as well as Italy and Slovenia, among others. Their unprecedented efforts to cooperate among themselves and to jointly consolidate peace and security in that region must be strengthened, not undercut.

Third, a mandated pause created by this amendment would prompt a new dividing line in Europe. If Central European countries not invited into NATO conclude that the process of enlargement has not only stalled, but stopped, a key incentive behind the aforementioned regional cooperation, including their current participation in NATO's Partnership for Peace program, will be seriously undercut. Thus, a freeze on enlargement would impede, if not reverse, the remarkable development of European security around an Alliance-determined agenda.

Fourth, Mr. President, an arbitrary freeze on NATO enlargement would harm Russia's historic reconciliation with NATO and the United States. A freeze would appear to give Moscow a veto over enlargement. It certainly would be interpreted as a victory—proof of their own legitimacy—by those who still advocate a Russian sphere of influence over its neighbors. Worse yet, it could lead others to draw the same conclusion. A freeze would undercut the basic principle that all of Europe's states have a right to choose their own security arrangements—a principle that must be one of the cornerstones of Russia's relationships with the United States and NATO.

While I am sure the intentions behind this amendment are admirable, we must recognize that its consequences would be potentially disastrous. It would undercut U.S. leadership and influence within the Alliance. It would contradict the founding document of the Alliance. It would threaten the historic progress we have witnessed in Central Europe—progress from which we all benefit. And It would reject a principle fundamental to establishment of a constructive relationship with a democratic Russia.

I suspect, Mr. President, that one false premise behind this amendment is that NATO enlargement has been a rushed process. Nothing could be farther from the truth. The velvet revolutions that restored democracy and independence to Poland, the Czech Republic, and Hungary took place in 1989. Nearly a decade will have passed before these three countries become NATO members in 1999.

Moreover, the Senate has not rushed, and is not being rushed, into endorsing NATO enlargement. This chamber and its committees have been examining and promoting this initiative since 1993, if not earlier. Anyone concerned about the future enlargement process can be assured that the same careful study, debate, and oversight that has attended this past effort will attend those to come. Read the resolution of ratification carefully. It explicitly requires extensive consultation between the Senate and the President about any such initiative.

It states that the ''United States will not support the admission of, or the invitation for admission of, any new NATO member, unless (I) the President consults with the Senate consistent with Article II, section 2, clause 2 of the Constitution of the United States (relating to the advice and consent of the Senate to the making of treaties); and (II) the prospective members can fulfill the obligations and responsibilities of membership, and its inclusion would serve the overall political and strategic interests of NATO and the United States.''

Before, I yield the floor, Mr. President, let me reiterate a key point to those who fear a rushed process of further NATO enlargement. The bottom line, is that further expansion of the Alliance will always be contingent on careful study, public debate, high-level consultations, political consensus, and the strategic interests of NATO and the United States. Any further expansion will also be contingent on Senate ratification—the difficult hurdle of securing 67 votes.

For these and other reasons, I urge my colleagues to vote against any proposal that undercuts the founding document and basic principles of the NATO Alliance. The ratification of the accession of Poland, the Czech Republic, and Hungary to NATO will erase destabilizing lines, which are relics of the Cold War. This amendment portends only be a step toward new, divisive lines in Europe—and, that is something we should never accept.

Mr. President, I reserve the remainder of my time.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. For purposes of informing the Senate, I ask unanimous consent that the following order take place and time for each vote. The order of votes will be that the Craig amendment which was finished last night would come first, the Moynihan vote second, the Warner vote third, that the normal time be given to the Craig amendment, that the second and third votes be 10 minutes each, and that they be up or down votes on each amendment.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. Is there objection?

Mr. KERRY. I will not object, but I would just like to ask would it be appropriate to include in the unanimous-consent request time for me to speak after the vote?

Mr. WARNER. No objection.

Mr. KERRY. I would so ask.

The PRESIDING OFFICER. Consent has been granted to recognize Senator STEVENS.

Mr. KERRY. I would ask unanimous consent to be recognized following Senator STEVENS.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BIDEN. How much time remains under my control?

The PRESIDING OFFICER. The Senator has 6 minutes.

Mr. BIDEN. Mr. President, I yield 5 minutes to the distinguished Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I thank the distinguished Senator who is ranking member of the committee who is managing this business in the Chamber.

EXECUTIVE AMENDMENT NO. 2316

Mr. BYRD. Mr. President, I speak with reference to the amendment offered by Mr. CRAIG that would, if adopted, require that the United States adopt a specific authorization for the continued deployment of U.S. forces now in Bosnia prior to the deposit of the U.S. instrument of ratification of the protocols for NATO expansion. I have long supported an active Congressional role regarding the ongoing U.S. mission in Bosnia. Congress *does* have a responsibility to carefully oversee that mission, to ensure that it stays on track and that limits are placed on the U.S. role there that will safeguard our troops from being consumed in an ever-expanding nation-building crusade. So, I support what I think is the Senator's intent, which is to apply pressure to the Administration and the Congress to fulfill their oversight responsibilities with respect to Bosnia.

However, that being said, I do not believe that this amendment is necessary. The Fiscal Year 1999 Department of Defense Authorization bill is likely to be considered by the Senate within the next several weeks, and the corresponding appropriations bill will also be taken up before we adjourn. These bills are the appropriate vehicles on which to debate and act to place limits on the U.S. mission in Bosnia. They provide a vehicle for establishing policy and then backing up the will of Congress with the power over the purse. We do not need this amendment today to force us into taking action on Bosnia. We do not need to hold these nations—Poland, Hungary, and the Czech Republic—hostage to any perceived inability or lack of will on our part to act independently on Bosnia.

So I say to my colleagues that this Senator from West Virginia does not lack the will to work to establish a policy and a specific, detailed authorization for the U.S. mission in Bosnia. I do not favor open-ended commitments to deploy forces to Bosnia, and I do not favor giving this administration or any other administration a free rein to involve our men and women in uniform in the kind of policing actions that got us into such trouble in Somalia. I am already working on such an amendment in concert with other Senators, with the intention of offering it to the Department of Defense Authorization bill or perhaps some other vehicle. I welcome the participation of Senator CRAIG and his cosponsors in this debate. But we do not need to act on this amendment at this time. We do not need to leave this protocol bound and gagged in some dark closet until we ransom it with a debate and legislative action that, I assure you, will take place without a hostage on another occasion on another day and on another measure.

Although I will vote against this amendment, I assure my colleague from Idaho, and the other supporters of his amendment, that it is not because I do not wish to have a concrete policy regarding Bosnia. I urge Senators to vote against the amendment offered by Senator CRAIG.

I thank the Chair, and, Mr. President, I yield back the balance of my time.

EXECUTIVE AMENDMENT NO. 2322

The PRESIDING OFFICER. Who yields time?

Mr. WARNER. I yield such time as the senior Senator from New York may desire. Could I inquire of the remainder of time on both sides, Mr. President?

The PRESIDING OFFICER. The Senator from Virginia has 10 minutes. The Senator from Delaware has 2 minutes 8 seconds.

Mr. WARNER. Does the Senator from Delaware wish to let the Senator from Massachusetts proceed? Is that my understanding?

The PRESIDING OFFICER. The Senator from Delaware has 2 minutes remaining.

Mr. BIDEN. I yield 1 minute to my friend from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I thank the Senator from Delaware.

I share the concerns of many Senators with respect to the possibilities of future rapid expansion, and there are serious questions from the Congress about the control of that. But I do think the constitutional issues of restraint of a President before the fact on foreign policy are significant, and equally significant, I believe, that we will have ample opportunity for consultation.

I will ask unanimous consent to have printed in the RECORD a letter from the President that I received on April 23. I call my colleagues' attention to one particular paragraph, which is, the President says:

> I pledge to undertake the same broad pattern of consultation before making any future decisions about invitations of membership to other states, or making any membership commitments.

In other words, no private membership commitments will be made outside of the process of the U.S. Congress consultation.

I might also add that that consultation in the past has taken over several years, with a number of different resolutions of support having been passed previously. So I think in that light I will oppose the WARNER amendment.

I ask unanimous consent the full text of the letter from the President be printed in the RECORD.

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

THE WHITE HOUSE,
Washington, DC, April 23, 1998.

Hon. JOHN F. KERRY,
U.S. Senate, Washington, DC.

DEAR JOHN: In the coming days the Senate will complete consideration of the proposed accession of Poland, Hungary, and the Czech Republic to NATO. NATO's enlargement offers our country an historic opportunity to increase America's security, improve Europe's stability, and erase the vestiges of the Cold War dividing line. For these reasons, I appreciate the support that you and a bipartisan majority of your colleagues on the Foreign Relations Committee gave this initiative on March 3, when the Committee voted 16–2 in favor of a resolution of ratification on NATO enlargement.

I know, however, that you and other senators have certain concerns about the process of NATO enlargement. In particular, I am sensitive to the questions you raised during the Committee's March 3 meeting regarding future rounds in the enlargement process. These same questions underlie Senator Warner's proposal for a mandated pause in the enlargement process after admission of these first new members. Let me take this opportunity to comment on Senator Warner's proposal and the issues it attempts to address.

I have long maintained that, as part of our broader strategy to make Europe more united and stable, NATO should keep its door open for other qualified states that aspire to membership. I was pleased that NATO adopted this position at the Madrid summit last July. The Alliance also declared in Madrid that it would review the process of enlargement at our next summit in Washington. Neither my Administration nor NATO has made any decision about when the next invitations for membership should be extended, or to whom.

Both the United States and or NATO will need to address many complex questions before making decisions about the admission of other new members, but I am convinced that such a mandated pause is the wrong way to address these questions. A mandated pause would reduce our own country's flexibility and leverage in Europe, and it would fracture the open door consensus we helped build within NATO. It would also undermine support for reforms in the Central European countries still aspiring to NATO membership and thereby create a new and potentially destabilizing line across Europe. In contrast, the Open Door policy retains the positive incentives that have reinforced reforms and good neighborly relations throughout the region over the last five years.

For these reasons, I have urged the Senate in the strongest terms to reject any effort to impose an artificial pause in the process of NATO's enlargement, and I hope I will have your support for that position. It is not necessary for the Senate to mandate a moratorium on the enlargement process to ensure that future steps proceed in a careful and deliberate manner. I consulted extensively with members of both chambers and both parties in Congress on the full range of decisions concerning NATO's enlargement, including decisions on how many and which states to support for membership. I pledge to undertake the same broad pattern of consultation before making any future decisions

about invitations of membership to other states, or making any membership commitments. Of course, the admission of any additional new members also would require the advice and consent of the Senate.

The end of the Cold War has given us an unprecedented opportunity to help build an undivided, democratic, and peaceful Europe. There are many elements in our strategy designed to achieve that goal, including our efforts to make further reductions in nuclear arms levels and to adapt the Conventional Armed Forces in Europe Treaty; our bilateral programs to support reform in Russia, Ukraine, and the other new democracies; and our work with other institutions, such as the European Union and the Organization for Security and Cooperation in Europe. A strong NATO remains the foundation of our transatlantic security agenda and I am convinced that continuation of our open door policy will advance our overall interests and enhance NATO's capabilities.

I am grateful for the support and sound advice you and other senators have provided as we pursue that agenda, and I look forward to continuing our work on this and other national security issues in the days to come.

Sincerely,

BILL CLINTON.

Mr. LEVIN. Mr. President, I oppose the Warner amendment that would mandate a pause of three years before the United States would encourage, participate in, or agree to any further enlargement of NATO after the admission of Poland, Hungary and the Czech Republic.

At the outset, I would note that I am unaware of any rationale for choosing three years for a pause—it appears to be an arbitrary number and I think it is inappropriate to legislate on such an important matter on an arbitrary basis.

Article 10 of the NATO Treaty states in pertinent part that ''The Parties may, by unanimous agreement, invite any other European state in a position to further the principles of this Treaty and to contribute to the security of the North Atlantic area to accede to this Treaty.'' NATO's door has been open since the establishment of the Alliance and has resulted in the admission of Greece, Turkey, Germany and Spain over the years. To mandate a three-year pause would be inconsistent with the policy that has guided the Alliance since 1949.

Mr. President, the desire to join the Alliance has been a productive force for candidate nations who have been seeking to establish their credentials for admission by perfecting their laws relating to democracy, individual liberty, the rule of law, and the establishment of market economies and by reaching accommodations with their neighbors. We should not do anything to discourage these developments.

But also importantly, I am concerned that a three-year pause would imply too much—that after three years, the Senate would support more nations joining NATO. Mandating a pause is no more logical than raising expectations as to when the next round of NATO accessions will occur. Further enlargement of the Alliance should be judged by the circumstances that exist at the time. I am not committed to further enlargement of the NATO Alliance after three years and I doubt that most of our colleagues are so committed. I fear that, by passage of this amendment, we would send a false signal to those nations that continue to aspire to NATO membership.

Mr. President, as noted in Foreign Relations Committee Report on NATO enlargement, Secretary of State Albright has committed the Executive Branch to keep the Senate fully informed of significant developments with regard to possible future rounds of NATO enlargement and seek its advice on important decisions before any commitments are made. More recently, in a letter to Senator JOHN KERRY that was released by the Special Advisor to the President and Secretary of State on NATO enlargement, President Clinton wrote in part that ''I pledge to undertake the same broad pattern of consultation before making any future decisions about invitations of membership to other states, or making membership commitments.''

Mr. President, those commitments and the Constitutional requirement for Senate advice and consent to any future amendments to the NATO Treaty that enlarge the Alliance are all that is necessary. I urge my colleagues to oppose the Warner amendment as both arbitrary and misleading.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, I would like to point out, with regard to the military credibility of NATO raised by my friend from New Jersey, in terms of protecting Poland, I remind him, West Berlin was militarily indefensible but the Warsaw Pact never attacked. Why? Because the Soviet Union knew what would happen.

The third point I would make is with regard to the 3-year pause.

The clearest reason this amendment is superfluous is in the Resolution of Ratification itself, Section Two, Paragraph Seven. There it clearly states that the U.S. has not consented to invite any state other than the three before us today, and that many subsequent decision to do so would rest on that state's ability to fulfill the obligations of membership, as well as serve the overall political and strategic interests of NATO and the U.S.

Further, Article X of the North Atlantic Treaty declares, and as the July 1997 Madrid NATO Summit Declaration repeats, that the door to NATO membership is open to other European states able to further principles of the treaty and to contribute the security of the North Atlantic area. Each applicant country will be judged on its merits.

Moreover, in the Resolution of Ratification before us, Section 2, Paragraph 7(A)(iv) requires prior consultation of the Senate by the President before the United States can support the invitation of any new member, and recalls that ratification of any new NATO ally requires the advice and consent of this body.

To mandate a pause would tie NATO's hands should an obviously qualified applicant such as Austria applies for membership. For the moment, it appears that the Austrian government has decided against applying for membership, but that could change after elections next year.

In fact, Austrian public opinion is already changing. Earlier this month when the Austrian public was informed of NATO's Article 5 guarantees, for the first time in a national poll a majority of Austrians said that Austria should abandon its neutrality and join NATO.

So if the Austrian government decides to follow public opinion, would we then want to tell the Austrians, ''Sorry, no applications accepted until the year 2002''?

As you know, many, including myself, believe that Solvenia already meets the criteria for NATO membership. I supported its entry in this first wave. There is every indication that Slovenia will be ready to join the Alliance within the next three years.

To mandate a pause would take the urgency off the reform efforts that nations such as Bulgaria and Romania have stepped up, at great short-term cost to their standard of living, precisely because they want to make themselves NATO-qualified for the next wave.

Even Slovakia, a long-shot applicant because of its poor record on democratization and privatization, may have a dramatic turn-around as a result of national elections this fall.

Such a decision would make NATO look like it can't be trusted to judiciously apply its own criteria; namely, that it cannot tell when and whom to invite to become new allies. This is no policy for a great nation like the United States or a great alliance like NATO.

Secretary of State Albright told the Foreign Relations Committee on February 24 that just the possibility of joining NATO has inspired declared applicants to accelerate reform, to reach out to their neighbors, and to reject the destructive nationalism of their region's past.

As one of many examples of this, Latvia, Lithuania, and Belarus signed in March a border agreement paving the way for a final demarcation of the 500-kilometer Baltic-Belarusian frontier.

Given these accomplishments, Secretary Albright warned:

A mandated pause would be heard from Tallinn to in the north to Sofia in the south as the sound of an open door slamming shut. It would be seen as a vote of no confidence in the reform-minded governments from the Baltics to the Balkans. It would diminish the incentive nations now have to cooperate with their neighbors and with NATO. It would fracture the consensus NATO itself has reached on the open door. It would be dangerous and utterly unnecessary since the Senate would, in any case, have to approve the admission of any new allies.

There are many foreign policy experts who share these views. But let me quote one concerned American who urged me to oppose this amendment.

David Harris, Executive Director of the American Jewish Committee, wrote to me on March third, stating:

> Last June 26, we [the American Jewish Committee] observed that an enlarged NATO will mean greater security and stability and also hasten the political and economic integration of Europe. An expanded NATO means greater stability and security for Central Europe, a region that was the cockpit for the two world wars that brought such horror to the world—and to the Jewish people.
>
> For many of the same reasons we supported NATO expansion we now oppose any effort to mandate a pause in initiating procedures for a second round of its enlargement.
>
> States throughout Central Europe that hope for eventual membership would feel that the open door enunciated at Madrid had been slammed shut in their face.
>
> At a minimum these states would be discouraged, and a pause might lead to instability in the region. Hardliners in the Russian Federation would find vindication.

Supporters of this amendment appear to believe that they are stopping a runaway train of immediate NATO membership for every state from Croatia to Kazakhstan.

They seem to be unaware that not every European state has declared an intent to join NATO. In particular, Ukraine, at its March 26 meeting with NATO officials, restated its view that while it ''does not rule out'' joining the alliance, such a move is currently unrealistic.

Ukraine issued three conditions for joining NATO: (1) decisive public opinion in favor of accession; (2) interoperability of its armed forces with those of NATO members; and (3) a guarantee that its accession would not harm relations with neighboring states, particularly Russia.

Recognizing that we already have all the control we need over the speed and choice of future NATO members, I urge my colleagues to vote down this amendment.

Mr. SMITH of Oregon. Mr. President, article 10 of the North Atlantic Treaty provides that NATO members, by unanimous agreement, may invite the accession to the North Atlantic Treaty of any other European state in a position to further the principles of the North Atlantic Treaty and to contribute to the security of the North Atlantic area. The resolution of ratification notes that only Poland, Hungary, and the Czech Republic have been invited by NATO members to join the Alliance. No other agreement or document, including the July 8, 1997 Madrid Summit declaration of NATO, or the Baltic Charter signed on January 16, 1998, should be construed otherwise.

Much has been said about these documents, but I am not certain that all of my distinguished colleagues have read them carefully. In Madrid, NATO's Secretary General stated ''In keeping with our pledge to maintain an open door to the admission of additional Alliance members in the future, we also direct that NATO Foreign Ministers keep that process under continual review and report to us. We will review the process at our next meeting in 1999.'' This is not a promise, a commitment, or any other guarantee that countries in Central and Eastern Europe will be invited to join NATO—it is merely a statement that enlargement is a process that should be reviewed by NATO regularly.

Further, the Baltic Chapter, signed this past January by the Presidents of the United States, Estonia, Latvia, and Lithuania declares that the U.S. ''welcomes the aspirations and supports the efforts of Estonia, Latvia, and Lithuania to join NATO. It affirms its view that NATO's partners can become members as each aspirant proves itself able and willing to assume the responsibilities and obligations of membership, and as NATO determines that the inclusion of these nations would serve European stability and the strategic interests of the Alliance''. Mr. President, this last statement is important—the Baltic Charter clearly states that including any new members in NATO must serve the strategic interests of the Alliance. All candidate countries will be evaluated on these criteria.

The United States should not support the invitation to NATO membership to any further candidates unless the Senate is first consulted, unless any proposed candidate can fulfill the obligations and responsibilities of membership, and unless their inclusion would serve the overall political and strategic interests of the United States. During Foreign Relations Committee hearings, both Secretary of Defense Cohen and Secretary of State Albright expressed the Administration's understanding of the need for consultation with the Senate prior to any future rounds of expansion.

I strongly oppose, however, mandating a period of time during which the United States is not permitted to pursue a policy of NATO enlargement that very well may be in our national interests. The decision to enlarge NATO should be based not on an arbitrary timeline, but should be the result of a thoughtful process—based on consultations with the Congress—that considers the security interests of NATO and the qualifications of candidate states.

I strongly oppose the Warner Amendment.

The PRESIDING OFFICER. The Senator from Virginia has 9½ minutes.

Mr. WARNER. Mr. President, 19 years ago when I was privileged to come to the U.S. Senate, the leadership had just a year or so before passed from one of our most distinguished Members, the senior Senator from Montana, Mike Mansfield. A few weeks ago in the old Senate Chamber, at age 95, he held forth in a magnificent review of history of the Senate without a flaw, without a quiver in his voice, and with an expression on his face that conveyed the strength and the confidence that that man had.

I missed the opportunity to serve with him. But one of his major goals in the concluding years of his distinguished career was to come to this floor, time and time again, and call for reduction of our commitment in troop size and financial commitment to NATO, saying that the job had been done, it was time to come home and to apply those dollars to the men and women of the Armed Forces of the United States.

That was the majority leader of the U.S. Senate. I see my distinguished colleague from New York. He recalls those speeches very well.

Mr. MOYNIHAN. Will the distinguished Senator yield?

Mr. WARNER. Certainly.

Mr. MOYNIHAN. I remind the Senate that Mike Mansfield was in the Navy at age 14 and the Marines at age 17.

Mr. WARNER. Mr. President, saying that he spoke from some experience—having proudly worn the uniform of all three branches, by the way.

That could recur again in the minds of the American people, that we have spent enough, we have contributed enough, and the time has come for us to reduce our presence in Europe—which I think would be an absolute tragedy. I would fight against it, as I did in my earlier days in the U.S. Senate when, time and time again, Senator Jackson, Senator Stennis, Senator Tower, Senator Goldwater, Senator THURMOND would marshal the forces of those of us who had just joined the Senate on the floor to stop and ask the Senate not to cut NATO's budget. We felt it should be an orderly transition down in size. And that took place.

I just bring up this history to say that once again the taxpayers of this country, when they begin to look at the cost attributed to the accession of these three nations, costs which will be diverted in dollars from our own needs of the Armed Forces today, costs for the refurbishment and building of new bases in these three countries at the very time when we are going to shrink and continue to shrink the base structure in the United States—all of this to say that the magnitude of the decision to access countries to this treaty is just an important one. We are acting without full knowledge as to the future mission of NATO. We are acting without full knowledge of the cost of having these three nations build their military up to where they are a positive—not a negative, a positive—contribution to NATO.

I say with deep humility and respect of my colleagues, why not give America 3 years within which to study? Why not, I say to the leadership of the Senate, allow another President to give his or her wisdom to this question of whether additional countries should come in, preceded by, I hope, an active debate in the next Presidential election on the entire issue of the security interests of the United States using as a focal point NATO and the experience gained, in all probability, by accessing these three nations.

We owe no less to that future President, for he or she will have to incorporate in their budgets the costs of new accessions, will have to incorporate in their budgets the diversion of such funds as may be allocated to additional nations.

Furthermore, the changing face of Europe today from one of cold war to one our military leaders now refer to as instability—instability is the enemy in Europe and elsewhere in the world, largely because of the uncertainty associated with weapons of mass destruction and, in the wake of the new democracies, the instability as it relates to ethnic problems, religious problems and all those associated with these new nations trying to seek strength as democracies politically and strength economically in a one-world free market. But it is the whole range of instabilities and associated conflict with which we have had very little experience, other than Bosnia, possibly Kosovo. Should we not have the opportunity to study what are the requirements associated with these new instabilities? Learn from experience. Add up the costs in Bosnia. There have been many billions of dollars now contributed to bring about peace in that region.

I listened to our distinguished senior Senator from West Virginia talk about the policy in Bosnia. In many ways, I associate myself with his remarks. But we need—we need—that learning curve to make such important decisions as would be involved in adding more nations as members of NATO. Indeed the other——

Mr. MOYNIHAN. Will my friend yield?

Mr. WARNER. I will yield in a moment. The other nations would like, I am sure, to have this period of time. This 3-year moratorium gives a perfectly logical, understandable tool to the current President of the United States, indeed a future President, to withstand the stampede that I predict will occur if this is not put in place. Mr. President, I yield.

Mr. MOYNIHAN. I just ask my friend, and I know he will be aware of this, on January 16 this year, the President and the Presidents of the three Baltic States signed the U.S. Baltic Charter of Partnership, which states that the United States welcomes and supports the efforts of the Baltic States to join NATO, states that could only be defended by nuclear weapons.

Mr. WARNER. Mr. President, I addressed that on the floor of the Senate before. I think it was an unwise movement by the President. We all have great compassion for those three states, the courage of their people, their desire to affiliate more and more with the Western World. But to have held out that hope which, once it is translated from the United States across the ocean into the states and down to the people, almost is equivalent to an absolute commitment to see that it is going to happen.

That is precisely why I am concerned about leaving open the opportunity for new accessions to begin tomorrow unless the 3-year moratorium, which is a reasonable period for study, is put in place.

I close with, once again, do we not have that obligation to the American taxpayers who pay the costs associated, do we not have that obligation to the men and women of our Armed Forces who will proudly wear their uniforms as a part of the NATO force to have clarity with respect to future missions, which we will not have until 1 year hence, April of 1999?

I say to my colleagues, let's just pause and take stock and think about the seriousness of the decisions we are about to make and consider that it is not unreasonable to allow 3 years of experience to transpire to make future decisions regarding other nations. Mr. President, I yield the floor and yield back my time.

VOTE ON EXECUTIVE AMENDMENT NO. 2316

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2316 offered by Mr. CRAIG of Idaho.

Mr. WARNER. Mr. President, I ask for the yeas and nays on that amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2316, offered by the Senator from Idaho, Mr. CRAIG. The yeas and nays have been ordered. The clerk will call the roll.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

PRIVILEGE OF THE FLOOR

Mr. KYL. Mr. President, I ask unanimous consent that for the duration of the vote Sandra Ortland, of my office, be permitted the privilege of the floor.

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

Mr. BIDEN. Parliamentary inquiry. The first vote is on the Craig amendment?

The PRESIDING OFFICER. That is correct.

The clerk will call the roll.

The bill clerk called the roll.

The result was announced—yeas 20, nays 80, as follows:

[Rollcall Vote No. 110 Ex.]

YEAS—20

Allard	Grassley	Nickles
Ashcroft	Hutchinson	Roberts
Burns	Hutchison	Sessions
Craig	Inhofe	Smith (NH)
Faircloth	Jeffords	Specter
Feingold	Kempthorne	Warner
Gramm	Murkowski	

NAYS—80

Abraham	Brownback	Collins
Akaka	Bryan	Conrad
Baucus	Bumpers	Coverdell
Bennett	Byrd	D'Amato
Biden	Campbell	Daschle
Bingaman	Chafee	DeWine
Bond	Cleland	Dodd
Boxer	Coats	Domenici
Breaux	Cochran	Dorgan
Durbin	Kerrey	Reed
Enzi	Kerry	Reid
Feinstein	Kohl	Robb
Ford	Kyl	Rockefeller
Frist	Landrieu	Roth
Glenn	Lautenberg	Santorum
Gorton	Leahy	Sarbanes
Graham	Levin	Shelby
Grams	Lieberman	Smith (OR)
Gregg	Lott	Snowe
Hagel	Lugar	Stevens
Harkin	Mack	Thomas
Hatch	McCain	Thompson
Helms	McConnell	Thurmond
Hollings	Mikulski	Torricelli
Inouye	Moseley-Braun	Wellstone
Johnson	Moynihan	Wyden
Kennedy	Murray	

The amendment (No. 2316) was rejected.

Mr. LOTT. Mr. President, I think this has been a very good debate. There have been significant amendments offered and now voted upon. I see from the list we have before us as many as six or eight additional amendments still pending, several of which we have not been able to work out a time agreement on. I thank all Senators for being cooperative. We have had opponents and proponents who have been cooperative. I encourage that to continue.

I believe maybe a Senator or two indicated that they didn't know we were going to try to finish this bill this week. I think I have said all along that we should have a focused, unobstructed debate, but the intent was to complete it Wednesday or Thursday. Here we are on Thursday at almost 4 o'clock. I talked to Senator DASCHLE, and we are agreed that we are going to finish NATO enlargement either at a reasonable hour this afternoon, or a late hour tonight, or tomorrow, or Saturday, but we are not going to leave this week until we finish NATO enlargement and the supplemental appropriations bill.

Now, we can do both of those in a very responsible way with still some good debate remaining. We need cooperation and time agreements. We need cooperation on the supplemental appropriations. We agree that these two issues must be completed this week so that next week we can move to IRS reform, or the Workplace Development Partnership Act, and perhaps even crop insurance and agriculture insurance. So we don't have the luxury of rolling this over until next week.

Our first vote will not occur until Tuesday at 5 o'clock. Please work with us, and we can complete this bill and have a vote by 6:30 or 7 o'clock if everybody will agree to a reasonable time limit.

I yield the floor.

EXECUTIVE AMENDMENT NO. 2321

The PRESIDING OFFICER. There will now be 2 minutes of debate, equally divided, on amendment No. 2321 offered by Mr. MOYNIHAN of New York.

The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, in the foreseeable future the central strategic object of the United States and the world will be that of controlling the spread of nuclear, chemical, and biological weapons in the Near East, in

South Asia, in East Asia, and the control of them in Russia itself.

If we can have the cooperation, however tacit, of the Russian Government in these affairs, we have great hopes and possibilities. If we were to have their hostility, their opposition, it could be ruinous to the world. We are talking about nuclear war and biological and chemical war. That, in my view, is what is at issue in this decision we are about to make and the amendment I have offered.

I thank the Chair for its courteous attention.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. BIDEN. Mr. President, there is absolutely no evidence today that expanding NATO to include Poland, the Czech Republic, and Hungary would do anything to exacerbate the problem we all are concerned about—the proliferation of nuclear capability.

The truth is, notwithstanding the knowledge on the part of Russia that we are going to expand, they continue to destroy their nuclear weapons under the Nunn-Lugar agreement, they have endorsed and have ratified the CWC agreement, and they have committed to take up the START II agreement. Nothing we have done relative to expansion has any negative impact on the continued cooperation between the United States and Russia to deal with the threat of nuclear warfare.

I respectfully suggest that to vote for this amendment turns over the future of what we think the defense architecture of Europe should be to an organization of which we are not a part, and that is the EU. It says that no one can join NATO unless they are first a member of the EU. Why would we turn our fate over to an organization of which we are not a member? I urge my colleagues to vote no on this amendment.

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

The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 17, nays 83, as follows:

[Rollcall Vote No. 111 Ex.]

YEAS—17

Ashcroft	Jeffords	Specter
Bumpers	Kempthorne	Torricelli
Craig	Leahy	Warner
Harkin	Moynihan	Wellstone
Hutchinson	Murray	Wyden
Inhofe	Smith (NH)	

NAYS—83

Abraham	Byrd	Domenici
Akaka	Campbell	Dorgan
Allard	Chafee	Durbin
Baucus	Cleland	Enzi
Bennett	Coats	Faircloth
Biden	Cochran	Feingold
Bingaman	Collins	Feinstein
Bond	Conrad	Ford
Boxer	Coverdell	Frist
Breaux	D'Amato	Glenn
Brownback	Daschle	Gorton
Bryan	DeWine	Graham
Burns	Dodd	Gramm
Grams	Landrieu	Robb
Grassley	Lautenberg	Roberts
Gregg	Levin	Rockefeller
Hagel	Lieberman	Roth
Hatch	Lott	Santorum
Helms	Lugar	Sarbanes
Hollings	Mack	Sessions
Hutchison	McCain	Shelby
Inouye	McConnell	Smith (OR)
Johnson	Mikulski	Snowe
Kennedy	Moseley-Braun	Stevens
Kerrey	Murkowski	Thomas
Kerry	Nickles	Thompson
Kohl	Reed	Thurmond
Kyl	Reid	

The amendment (No. 2321) was rejected.

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

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

The motion to lay on the table was agreed to.

EXECUTIVE AMENDMENT NO. 2322

The PRESIDING OFFICER. There will now be 2 minutes for debate evenly divided before the vote on amendment No. 2322 offered by the Senator from Virginia, Mr. WARNER.

The Senator from Virginia.

Mr. WARNER. Mr. President, I thank the Chair.

I say to my colleagues, think of the American taxpayer. Think of the parents of the young men and women who will today, tomorrow and in the future wear the uniform of our country as a part of the NATO force. We do not have a firm estimate of the costs and therefore in all probability there will be an expense to the American taxpayer associated with including these three countries. Nothing in this amendment precludes the Senate acting on the three countries, the subject of this principal debate. It simply says let us wait a reasonable period, 3 years, to get an experience curve to make the subsequent decision if it is the judgment of the President at that time that we proceed with further Member negotiations, giving us firmer cost estimates, a clearer definition of the mission to be undertaken and the risk to be assumed by the men and women who wear the uniform of our country.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, several points. One, this is superfluous. In the actual resolution of ratification, we make it clear in paragraph 7 it requires prior consultation by the President before the United States can support even the invitation of any new member, No. 1. No. 2, we have the advise-and-consent requirement. They have to come here and get our votes to begin with. No. 3, this has nothing to do with cost, nothing to do with cost. It doesn't mention cost at all. No. 4, to say now there is an artificial pause is going to put on hold all those actions taking place in other countries to meet the criteria from border disputes to ethnic disputes that exist within those countries that would be necessary to be solved before they could be invited. It is absolutely superfluous, and I would argue it is dangerous in that it will send a signal that there is an artificial pause that really means no one else will be considered.

I urge my colleagues to vote against it. It is totally unnecessary.

The PRESIDING OFFICER. All time has expired. The question is on adoption of the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 41, nays 59, as follows:

[Rollcall Vote No. 112 Ex.]

YEAS—41

Ashcroft	Harkin	Reid
Bingaman	Helms	Roberts
Bond	Hollings	Sessions
Bumpers	Hutchinson	Shelby
Burns	Hutchison	Smith (NH)
Byrd	Inhofe	Snowe
Campbell	Jeffords	Specter
Chafee	Kempthorne	Stevens
Conrad	Kohl	Thurmond
Craig	Leahy	Torricelli
Dorgan	Moynihan	Warner
Enzi	Murray	Wellstone
Faircloth	Nickles	Wyden
Feinstein	Reed	

NAYS—59

Abraham	Durbin	Lautenberg
Akaka	Feingold	Levin
Allard	Ford	Lieberman
Baucus	Frist	Lott
Bennett	Glenn	Lugar
Biden	Gorton	Mack
Boxer	Graham	McCain
Breaux	Gramm	McConnell
Brownback	Grams	Mikulski
Bryan	Grassley	Moseley-Braun
Cleland	Gregg	Murkowski
Coats	Hagel	Robb
Cochran	Hatch	Rockefeller
Collins	Inouye	Roth
Coverdell	Johnson	Santorum
D'Amato	Kennedy	Sarbanes
Daschle	Kerrey	Smith (OR)
DeWine	Kerry	Thomas
Dodd	Kyl	Thompson
Domenici	Landrieu	

The amendment (No. 2322) was rejected.

Several Senators addressed the Chair.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Alaska is recognized.

Mr. WARNER. Mr. President, will the Senator from Alaska allow me to address the Senate for a minute?

Mr. STEVENS. Yes, I yield for that purpose, Mr. President.

Mr. WARNER. Mr. President, I wish to thank all Senators for very, very careful consideration of this amendment. It is a strong vote. It sends a very strong signal. I recognize the conflict that some had in casting their votes, but I think it is important that we take a stand, as we did, with this very significant vote against the strongest of opposition to make that statement on behalf of the American taxpayers and the parents of the young men and women who one day must assume additional missions and additional risks. I thank the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, with the amount included in the emergency supplemental, the United States will have expended over $7.5 billion for operations in and around Bosnia and the former Yugoslavia by the end of this fiscal year 1998. It is estimated that the United States is paying over 50 percent of the cost of maintaining the peace in Bosnia, nearly $200 million a month in 1997 alone, and no end is in sight to the United States presence there, with the current wish of the President to extend our mission there.

Defense overseas funding to NATO countries continues. The cost of maintaining our U.S. forces there averages $10 billion a year. Let me state that again. Defense overseas funding in NATO countries is such that the cost of maintaining our forces there averages nearly $10 billion a year. Security assistance alone to NATO allies since 1950, and that includes military assistance and military education and training, now totals over $19 billion.

No other member of NATO has the global defense role that the United States has, nor the forward-deployed presence in potential flash-point areas such as the Middle East and the Korean peninsula. It is for this reason, Mr. President, that I wish to discuss the two amendments that I proposed. I presented them last month.

The amendments both deal with the challenges of defining and controlling NATO expansion costs. My original intent in proposing these amendments was to bring some greatly needed accountability to the critical issue of recognizing and clarifying all the costs to the United States to enlarge the NATO alliance.

My first amendment is No. 2065, which requires all costs related to either the admission of new NATO members, or their participation in NATO be specifically authorized by law. It is my understanding that the managers of the bill have not accepted this amendment for inclusion in the resolution, and for that reason I will, in a moment, ask for the yeas and nays on that amendment. I will explain it further if anyone wishes me to do so, but I think it is very plain. It just says any further costs must be authorized by law.

The second amendment has evolved since I originally offered it for the Senate's consideration. My original amendment would have restricted the use of funds for payment of NATO costs after September 30 of this year unless the Secretaries of Defense and State certified to the Congress that the total percentage of NATO common costs paid by the United States would not exceed 20 percent during the NATO fiscal year.

After the administration expressed their concern that this would be too difficult to achieve in such a time period, I redrafted this amendment to reduce the total U.S. contribution by only 1 percent each year over a 5-year period. That would have been no more severe a reduction than the Department of Defense has experienced as a whole in real terms since 1995.

However, during the extensive consultation that I have had with the Secretary of Defense, our former colleague, Secretary Cohen, and the Vice Chairman of the Joint Chiefs of Staff, General Joe Ralston, they have requested further changes to this amendment.

Subsequently, I have sent to the desk now a modification of the latest version which is what I will ask the Senate to vote on, and that is a sense of the Senate, that beginning in fiscal year 1999 and over the next 5 years, the President should require the U.S. representative to NATO to propose to NATO a 1-percent reduction in U.S. contributions to the common-funded budgets of NATO. Sixty days after the proposal has been made, the President is requested to submit to Congress a report outlining the action taken by NATO, if any, on this U.S. proposal.

Additionally, this amendment directs the limitation on the total expenditures by the United States for payment to the common-funded budgets of NATO to the fiscal year 1998 levels unless an increase over that is specifically authorized by law.

Mr. President, a soon-to-be-released report of the General Accounting Office that has been conducted confirms—and I have seen the draft—confirms that NATO does not systematically review or renegotiate member cost shares for the common budgets. And it is well past time for this practice to be instituted. As I have stated before, this reassessment is long overdue in light of the United States' global defense responsibilities.

No formal renegotiations have occurred in the military and civil budgets in NATO since 1955. Let me repeat that. There have been no formal renegotiations in the military and civil budgets of NATO since 1955.

When Spain joined NATO in 1982, there was a pro rata adjustment in the civil and military budget shares based upon Spain's contribution. The NSIP, or the NATO infrastructure budget, has been adjusted five times since 1960 because of changes in the way projects were approved or funded, but there was no attempt to reallocate the percentages.

Mr. President, I think that is long overdue. I understand there will be no objection to my amendment, No. 2066. If that is the case, I would urge that it be adopted as soon as the managers have made their statements.

EXECUTIVE AMENDMENT NO. 2065

(Purpose: To require a prior specific authorization of funds before any United States funds may be used to pay NATO enlargement costs)

Mr. STEVENS. In any event, Mr. President, if it is in order for me to do so at this time, I would like to place before the Senate amendment No. 2065 so I may ask for the yeas and nays.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS], for himself, Mr. BYRD, Mr. CAMPBELL, Mr. THURMOND, Mr. WARNER and Mr. ROBERTS, proposes executive amendment numbered 2065.

Mr. STEVENS. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

At the end of section 3(2) of the resolution, add the following:

(C) REQUIREMENT OF PAYMENT OUT OF FUNDS SPECIFICALLY AUTHORIZED.—No cost incurred by the North Atlantic Treaty Organization (NATO) in connection with the admission to membership, or participation, in NATO of any country that was not a member of NATO as of March 1, 1998, may be paid out of funds available to any department, agency, or other entity of the United States unless the funds are specifically authorized by law for that purpose.

Mr. STEVENS. This is the amendment that I believe the Senator from Delaware will discuss.

I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. To me, this is a matter of simple justice. As the surviving superpower of the world, we must take action to limit our international commitments at least to the extent that we have limited our own budgets within the United States for the Department of Defense. Both of my amendments do that. They merely say there is a restriction on the future obligation of funds of the United States to these NATO processes unless they are previously authorized by law.

There is no barrier to going above the 1998 limit, and there is no compulsion to reduce down to 20 percent as far as the total overall commitment to the common budgets. But my amendment will bring about a process by which further expenditures will have to be authorized by law and will give Congress a specific control every year over the additional cost, if any, that may be incurred because of this NATO expansion.

Mr. SMITH of New Hampshire. Would the Senator yield for a unanimous consent request?

Mr. STEVENS. I would be happy to yield, Mr. President.

PRIVILEGE OF THE FLOOR

Mr. SMITH of New Hampshire. I ask unanimous consent that Daniel G. Groeschen of Senator INHOFE's office be extended floor privileges for the remainder of the NATO debate.

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

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

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. I thank the chairman of the committee for yielding to me.

And I say to my friend, the chairman of the Appropriations Committee, I doubt whether, with the exception of two or three other people in this body, there are as many people who know about the defense budget as my friend does. And I want to say at the outset, what I am about to say is—I say this with all sincerity—I am a little bit confused about the two amendments.

Let me be very specific. The first amendment—I should get the numbers correct of the amendments. Amendment No.—I think it is 2066—that is the amendment that speaks to two things, one, a sense of the Senate regarding the common-funded budget or put another way—and I agree with the chairman of the Appropriations Committee that it is—we are instructing the President to negotiate down the percent that we, the United States, contribute to the common budgets of NATO. I think that is appropriate. I think that is necessary.

In 1950, the percent of the common budget that the United States paid was roughly 50 percent. And in the only renegotiation that took place, that was cut in half and went down to approximately 25 percent. The Senator knows better than I do, there are three common budgets. They are slightly different in terms of percentages, but essentially it is 25 percent. And it should be lower, in my view. I thank him for making it a sense of the Senate rather than a condition to passage of the treaty.

The second part of that amendment states—and I have a little difficulty with it, but I am prepared to accept it on our side—it says—and I quote on page 2, line 19:

Annual Limitation On United States Expenditures For NATO. Unless specifically authorized by law, the total amount of expenditures by the United States in any fiscal year beginning on or after October 1, 1998, for payments to the common-funded budgets of NATO shall not exceed the total of all such payments made by the United States in fiscal year 1998.

Now, that means, as I understand it, because a lot of our colleagues who do not spend as much time on these issues because of their committee assignments as the Senator from Alaska, the Senator from North Carolina, the Senator from Delaware—we are on committees that have these responsibilities—are somewhat confused, as I am, when we start talking about HCFA and a whole range of issues relating to the Department of Health and Human Services.

The common budget of NATO are all those expenditures which all 16 NATO members have to pitch in to pay for. Now, above the common budget, we have in the past, and we will continue in the future, I expect, expend dollars on—military dollars, State Department dollars, Defense Department dollars—on NATO member countries that are not part of a common budget.

For example, as the Senator knows better than I do, we have come up with subsidized sales of weapons systems to Greece or to Turkey. We have done the same in terms of cascading down weapons we are no longer using to other NATO countries. They do not fall within the common budget; they are expenditures of American taxpayer dollars on European countries that are members of NATO.

The way this amendment I am referring to would work, as I understand it, if in the year 1998 the United States of America spent $10—I am going to make this easy for me—$10 contributing to the common budget of NATO, that is, it represents 25 percent of all the expenditures, and all of NATO spent $40 on the common budget, we spent $10, in the year 1999 or 2000, we would be limited to spending $10 toward the common budget even if the total common budget went up to $110 because we would only be able to spend $10, which would represent a lower percentage than our 25 percent unless the authorizing committees in question specifically authorized the additional expenditures.

Is that correct?

Mr. STEVENS. That is correct.

Mr. BIDEN. I think it is unnecessary, but I have no objection to that amendment.

Now, the second amendment, the number of which I am not going to even try to guess, because I will mess it up, but the second amendment is more direct—not more direct—is shorter and straightforward. It says—do I have a copy of it here? It says:

Requirement of payment out of funds specifically authorized. No cost incurred by the North Atlantic Treaty Organization (NATO) in connection with the admission to membership, or participation, in NATO of any country that was not a member of NATO as of March 1, 1998, may be paid out of funds available to any department, agency, or other entity of the United States unless the funds are specifically authorized. * * *

Now, the phrase ''no cost incurred by NATO'' by definition, as I understand it, means only one thing, the common budget—the common budget.

Now, if the chairman is concerned that we are going to, out of U.S. taxpayers' dollars, spend money on a new NATO admittee, Poland, let us say, that is not part of the common budget by saying, ''You know, NATO has agreed we're going to extend a runway in Warsaw'' or wherever we are going to do it. That is a common budget requirement. NATO must pay for that. It is not the national defense budget of Poland that pays for that. Since all of NATO is going to use it, we all are going to pay for it.

On the other hand, if you want to buy F–15 aircraft, we, the United States, will sell them to you under a Foreign Military Sales Act which is subsidized. We will be taking taxpayers' dollars, subsidizing the Polish military, if we sell them under the Foreign Military Sales Act. That is not out of the common budget.

Now, if what the chairman is trying to capture is those kinds of expenditures that exceed the common budget, I understand that, and I will support that, requiring a specific authorization. But if he is talking about any common budget expenditures by NATO, I see no distinction, by requiring a specific common budget expenditure that falls under the $10 ceiling, because we will be limited by the first amendment to spending no more than $10 the next year.

If, in fact, we require no specific authorization to extend the runway in Germany, and if it is a common budget investment and a NATO investment to extend a runway on German land for a NATO facility, and we don't have to have a specific authorization to do that as long as it doesn't exceed the cap of $10 total spending, then I don't understand why we would have to have a specific authorization to do the same exact thing with an equal member of NATO—assuming Poland is admitted—in Poland. It is not doing anything other than meeting a NATO obligation we will have had to sign on to.

Secondly, if I am right—and I may not be, because I may not understand the second amendment—when I read the phrase, ''No cost incurred by NATO in connection with admission of new members''——

Mr. STEVENS. Will the Senator yield?

Mr. BIDEN. I am happy to yield to the Senator.

Mr. STEVENS. Mr. President, I am more than happy to put into the second amendment, which is 2065, the phrase, ''other than common funded budgets of NATO.''

Mr. BIDEN. I will be happy to accept the amendment if the Senator does that.

Mr. STEVENS. I have no intention, if the Senator will yield further, to cover the issues—he is talking about the one that puts a cap on the 1998 expenditures—unless authorized by law. The other one is intended to cover those costs where I believe the United States is going to venture out and say we will do this.

We have had that experience with the expenditures before. I think we will have it again in these new areas, and these new areas are the ones that need the most in terms of expenditure. Very frankly, we cannot afford to go it alone anymore. We want to see a requirement that Congress review the expenditures of funds in these areas.

Mr. HELMS. I would like to send a modification to the desk so we can accept that.

Mr. BIDEN. If the chairman will withhold for just a minute, I have no objection to agreeing to what you have stated. I would like to, and we have plenty of time to do this, and you have my commitment we will do it if our staffs can make sure that I am not misunderstanding what is being said.

Mr. HELMS. That is fair.

Mr. BIDEN. But I am 99 percent certain we agree fully, I say to the Senator from Alaska, in what he is attempting to do, and if he just changed

the language ''any NATO expenditure'' and we say ''any U.S. expenditure beyond a common budget affecting any of these three nations requires''—I am not a draftsman—''requires the authorization committee to do it,'' I will accept that.

Mr. STEVENS. I state to my friend from Delaware that I am preparing to change the amendment so that it reads, ''requirement of payments of funds specifically authorized, no cost incurred by the North Atlantic Treaty Organization, NATO, other than the common funded budgets of NATO in connection with the admission of membership participation of any country not a member of NATO as of March 1, 1998, may be paid out of funds from any agency,'' et cetera.

We do not seek to be redundant with the second amendment, but 2065 addresses the voyeurism of our people in Europe to go and do it alone in interoperability, in communications, in the whole series of things that they wish to have these new members of NATO have, without regard to common funded budgets, and to go obligate the United States, and then we get the bills brought to us in Appropriations without any authorization, without any review of Foreign Relations Committee, of Armed Services Committee, and suddenly the Appropriations Committee is faced with making decisions which we shouldn't have to make.

I am told all the time these areas should be authorized by law, and here is the chairman of the Appropriations Committee saying why don't we have a requirement they be authorized by law. It is sort of like a role reversal here of the husband saying, ''I've got a headache tonight, dear.'' It is not quite the normal thing to be hearing from an authorizer that this is wrong for us to say. Make them get the authorization by law before they present the Appropriations Committee a bill to be paid.

Mr. LOTT. If the Senator will yield, we have a unanimous consent we would like to enter, and it would give the Senator a minute to see if they can get an agreement on this point.

Mr. STEVENS. I yield.

UNANIMOUS CONSENT AGREEMENT—CONFERENCE REPORT TO H.R. 3579

Mr. LOTT. Mr. President, I ask unanimous consent, as if in legislative session, that the majority leader, after notification of the Democratic leader, may proceed, after disposition of the NATO treaty, to the conference report to accompany H.R. 3579, the supplemental appropriations bill, and, further, the reading of the conference report be waived.

I further ask there be 1 hour of debate equally divided in the usual form, and following the expiration or yielding back of time, the Senate proceed to a vote on the adoption of the conference report, with no intervening action or debate.

Mr. KERRY. Reserving the right to object—I could not hear—the majority leader intends to proceed to this after what?

Mr. LOTT. After disposition of the NATO treaty, with debate not to exceed 1 hour, and then a final vote.

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

EXECUTIVE AMENDMENT NO. 2065

Mr. BIDEN. Mr. President, I say to my friend from Alaska, I am quite sure I can accept this amendment 2065, but I would like to not do it at the moment. I want to make sure I run the ''traps'' with my counterpart on the Armed Services Committee and to make sure it is right.

Secondly, I must tell him, as a former chairman of an authorizing committee and now a ranking member of an authorizing committee, I am heartened and my soul is soaring to hear a chairman of the Appropriations Committee say, ''First get an authorization.'' That is, all by itself, reason to be excited about this.

Mr. STEVENS. I am glad you don't have a headache tonight, dear.

Let me ask that this amendment 2065 be set aside temporarily until the Senator from Delaware concurs in my revision.

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

EXECUTIVE AMENDMENT NO. 2066, AS MODIFIED

(Purpose: To express the sense of the Senate regarding the United States share of NATO's common-funded budgets, and to require an annual limitation on the amount of United States expenditures for payments to the common-funded budgets of NATO)

Mr. STEVENS. I ask now that amendment 2066 be placed before the Senate. It will be accepted, and I ask that 2066 be voted upon.

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

The clerk will report the next amendment.

The bill clerk read as follows:

The Senator from Alaska [Mr. STEVENS], for himself, Mr. BYRD, Mr. CAMPBELL, Mr. WARNER, and Mr. ROBERTS, proposes an executive amendment numbered 2066, as modified.

Mr. STEVENS. I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of section 3(2) of the resolution, add the following:

(C) UNITED STATES FUTURE PAYMENTS TO THE COMMON-FUNDED BUDGETS OF NATO.—

(i) SENSE OF THE SENATE REGARDING UNITED STATES SHARE OF NATO'S COMMON-FUNDED BUDGETS.—It is the sense of the Senate that, beginning with fiscal year 1999, and for each fiscal year thereafter through the fiscal year 2003, the President should—

(A) propose to NATO a limitation on the United States percentage share of the common-funded budgets of NATO for that fiscal year equal to the United States percentage share of those budgets for the preceding fiscal year, minus one percent; and

(B) not later than 60 days after the date of the United States proposal under subparagraph (A), submit a report to Congress describing the action, if any, taken by NATO to carry out the United States proposal.

(ii) ANNUAL LIMITATION ON UNITED STATES EXPENDITURES FOR NATO.—Unless specifically authorized by law, the total amount of expenditures by the United States in any fiscal year beginning on or after October 1, 1998, for payments to the common-funded budgets of NATO shall not exceed the total of all such payments made by the United States in fiscal year 1998.

(iii) DEFINITIONS.—In this subparagraph:

(I) COMMON-FUNDED BUDGETS OF NATO.—The term ''common-funded budgets of NATO'' means—

(aa) the Military Budget, the Security Investment Program, and the Civil Budget of NATO; and

(bb) any successor or additional account or program of NATO.

(II) UNITED STATES PERCENTAGE SHARE OF THE COMMON-FUNDED BUDGETS OF NATO.—The term ''United States percentage share of the common-funded budgets of NATO'' means the percentage that the total of all United States payments during a fiscal year to the common-funded budgets of NATO represent to the total amounts payable by all NATO members to those budgets during that fiscal year.

Mr. STEVENS. We just discussed this, and both sides have agreed to it.

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

The amendment (No. 2066), as modified, was agreed to.

Mr. STEVENS. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. STEVENS. Parliamentary inquiry. It is my understanding amendment 2065 is temporarily set aside until a later time.

The PRESIDING OFFICER. That is correct.

Mr. KERRY. Mr. President, I want to take a few minutes, if I may, to speak to the issue of the expansion. I have watched closely and participated closely as a member of the Foreign Relations Committee, and I have a number of different thoughts about the place we find ourselves in now with respect to this first Eastern European expansion of new democracies to NATO—first Eastern European, obviously, since 1949.

I think most Americans who follow this kind of topic very closely are somewhat surprised by the level of the debate, the nature of the debate over the past week, sort of interrupted as it was for a period of time, and also by the seeming lack of significant concern in the country about this. There is, obviously, in the past weeks a sense by many of the pundits watching this who have observed it and pointed it out that, given the momentous nature of the transfer that is taking place, there might have been considerably more concern. Obviously, some of that concern has been heightened in the last weeks.

Nevertheless, I think it is fair to say the American public is fundamentally relatively oblivious to the fact that we are extending NATO's geographic range and military commitments. The debate

we now find ourselves in certainly doesn't seem joined like past debates of momentous impact on our foreign policy that many of us took part in and remember when Russia was the Soviet Union and issues of arms control loomed larger on our horizon.

One might ask why that is. Why is there this lack of confrontation or drama? I think it is quite simply because we are fundamentally presented with a fait accompli. It is true that the basic decisions have fundamentally been taken by Europe, by the President, by NATO, and I might point out significantly by Russia. Russia, recognizing some time ago that this was essentially a done deal, took steps to join in the available opportunities for cooperation that were made available. But at the highest levels of government it was very apparent to our leaders in bilateral discussions and otherwise that we were moving down this road. I suppose we have to be careful here, because if they mistakenly believe that somehow if they had offered greater opposition it might have been otherwise, I don't think that is necessarily the case, but clearly the debate would have been different, at least somewhat different.

So here we are in the Senate constitutionally charged with the power of advising and consenting of treaties. But essentially the Senate itself has been packaged and delivered much as the treaty has. I know that some outside of the Senate argued, ''Well, it is never too late. We can always make a different decision.'' But I think everybody understands the reality of where we find ourselves.

I have talked to a great many of my colleagues, each of whom have expressed the notion that perhaps a partnership-of-a-peace approach, or some other approach, might have been more advisable, but finding themselves where they were, they came out of that dilemma and that equation where we are today also.

It must also be pointed out, though, at the same time for those who have been complaining about the process, that the U.S. Senate had ample opportunity to do what it seems to be expressing a desire to do at the next stage, and that is be more a part of the process, impose itself more, know the consultative process, and, frankly, be more vigilant with respect to what the consequences are of some of the resolutions that come to the floor in the meantime, it is clear, however, that one of the reasons of the sense of lack of engagement at this moment is the reality that the Senate has gone on record a number of times in the last few years as being totally supportive of moving forward with enlargement.

So I think that all of this really underscores the dilemma of this ratification process at this stage. It has been very hard for anybody to object also to the notion that reconnecting Europe's east and west, performing modern diplomatic plastic surgery on a historical dividing line, which reminds everyone of Soviet oppression, and that post-World War II allied lassitude is somehow wrong.

In addition, many have found it difficult to say no, even if they thought they had reservations, to the countries of people who have so constructively and plentifully contributed to the life in the United States in which we are so connected historically, culturally, and politically; and many have found it difficult to even say no knowing that those countries at some point in the future in the meantime—depending on what Russia evolves into, depending on what history decides to lay in front of us, what history ultimately will be in the region—might someday ask the question that was on their lips in the not so distant past, which is, Why didn't you help us when you could?

So we are engaged in a debate that is rooted significantly in the emotions and the memories of the cold war, and with only a minimal and late reference to the changes that have already taken place, both in Europe and the rest of the world and in Russia, and to the full ramifications of the process of enlargement once begun.

The truth is that NATO already is no longer the same entity that it was a decade ago, and it no longer faces the same threat. For 40 years, NATO has stood as a bulwhark, preserving European security, and, by extension, our own security for one very simple reason. It was poised against the threat that was posed by the Soviet Union and its Warsaw Pact allies. NATO was the simple wall of deterrence against Soviet expansionism and nuclear Armageddon. It drew its power and its raison d'etre from the geopolitical circumstances of the times. It was there like Everest, and it deterred because of its unwavering presence. It was not because of what NATO did that it drew its power. It was because of what was on paper, and in possibility. But now, with the Soviet Union's empire and the threat that they pose is gone, the truth is that so too is NATO's original mission. Today, democratic elements with varying degrees of success are taking root where communism once held sway even in Russia. To my knowledge, not one military expert or intelligence analyst has suggested that a threat like the old threat could emerge again without at least 10 years of buildup and warning. To be sure, Russia continues to be a nuclear power, but obviously a very different kind of nuclear power than the Soviet Union of yesterday. It is a country trying to make the transition to democracy and to Western institutions and values, both at home and abroad.

So while NATO continues to be a ''collective defense alliance,'' its mission today is not at least, so we state, to defend against the Russian threat, but nevertheless if we are to be honest, it is certainly at least still a principal rationale of it that we maintain it for and enlarge it as a hedge against the potential of future threats against the unknown, including that of the potential of recidivism in Russia.

Now with the fall of the Berlin Wall and the breakup of the Soviet Union, and the change in the nature of the threat, NATO has already begun a kind of transition expanding its mission to include other tasks. For example, peacekeeping, as evidenced by the presence in Bosnia, and the new NATO, if you will, has an expanded vision of the range of potential threats that include not only challenges posed by ethnic and political rivalries within Europe to global threats, such as terrorism or nuclear proliferation, but also a greater willingness to undertake certain kinds of missions to cope with those threats.

I know some of my colleagues find that transformation particularly troubling. Some may believe that what we passed with respect to the language and the scope of the NATO mission doesn't, in fact, change any of that. But I suspect as we go down the road and think about enlargement later on in other countries, the questions about those roles will become even more significant.

Mr. President, in my judgment, notwithstanding some of those cautionary instincts that a lot of us have about this process, and notwithstanding the potential difficulties that we may face down the road, I believe it is clear that the three countries in question—Poland, Hungary, and the Czech Republic—meet the basic requirements for membership in NATO, and that we need to recognize that in less than a decade those nations have successfully transformed themselves from Communist states into vital democracies with emerging market economies.

They have taken steps to establish civilian control over the military, and as participants in NATO's Partnership for Peace programs since 1994, they have already begun the process of integration into the NATO force structure and command. Each of these three nations has made it clear they are prepared to foot the cost of membership, and they have taken the steps to improve relations with their neighbors in an effort to earn that membership.

I believe that the benefits of bringing Poland, Hungary, and the Czech Republic into NATO are real. It will heighten the sense of security within those three countries not only through the extension of NATO's military guarantee but also through the psychological benefits of being a European member and a member of the NATO club, and interactions within the alliance will clearly help to strengthen the new democracies and their abilities to assimilate themselves into Europe both economically and politically, and obviously militarily within NATO's integrated force structure.

Their membership will enhance stability in Central Europe and strengthen NATO itself through the acquisition of additional forces and personnel to cope with future threats and missions.

These benefits notwithstanding—I think they are real—I express the concern that, as a number of colleagues have expressed it, admission of these countries, unless we do our job properly in the Senate, unless the consultation process is thoroughly pursued in the course of the next year, and unless we measure carefully the aftermath of the process of integration, the questions raised by the Senator from Alaska about funding, the questions raised by Senator WARNER and Senator MOYNIHAN, I think, are legitimate questions, not sufficient in and of themselves to stop us from proceeding forward, but questions which will have to be answered and addressed in order to be able to proceed forward.

It is important for us in the Senate not to permit the first tranche of admission to somehow create an automatic dynamic for further expansion to countries whose membership in NATO could conceivably—not definitely, but conceivably—pose serious strategic implications for the security of Europe and of the United States.

Personally, I believe, as others have expressed the fact, that it might have been equally as sensible, perhaps more sensible but equally as feasible, to proceed along the same line of building our relationships, building the democracies, integrating forces while simultaneously achieving the goal of START II and force reduction in Russia and building the democracy of Russia by dealing with the Partnership for Peace.

That was not the choice that was made, so we cannot stand here and debate what might have been. But I am convinced that a longer period of integration of armed forces and economic development over the next months will be critical to making the judgment about the next tranche, and it is critical for all of us not to allow this first vote to somehow create expectations that are unmeetable or create a dynamic that takes control of the process in and of itself.

One of the reasons I think it makes so much sense, obviously, and so much easier to accomplish what we are accomplishing now, which is why I think the vote will be significant in affirming it, is that historically these particular countries were a part of Europe before falling prey to Soviet domination during the cold war and culturally they do regard themselves as European. At the moment, there is no immediate threat to the security of those countries, but perhaps most importantly, the most significant component of Russia's leadership, beginning with President Yeltsin, came to recognize the inevitability of our initial intentions as well as to work out a process with the United States to make that acceptance possible.

The real question that has been asked eloquently by a number of our colleagues and needs to be watched carefully as we go forward from here is, when other countries of greater geographical or strategic significance to Russia push to admission, we have to carefully measure what the ramifications of that acceptance or rejection may be at that time. And I am confident that because of this process in the last weeks, the Senate is more prepared to do that than it may have been previously.

I believe the administration deserves significant credit for the way it has, in fact, managed this process. They have been, I think, particularly adept at focusing on those issues which have been raised in the Chamber with respect to Russia, and in my judgment they have laid the groundwork for our capacity to proceed down a cooperative, not a confrontational, road with Russia as a result. But clearly transitional politics in Russia, future issues about succession, and the politics of that nation have to play into our consideration in subsequent rounds.

We have to distinctly remember, I think, several critical facts. Democracy in Russia is in its earliest stages; Russia is still a nuclear power and the principal potential threat to European and American security; and, third, a good working relationship with Russia is clearly necessary if we are to achieve a whole set of other critical objectives on our foreign policy agenda, particularly that of nuclear proliferation, nuclear weapons reduction, and the containment of Iraq both now and in the future.

The rationale for NATO expansion is rooted in the presumption that the continued existence of NATO is in our interests. It is the world's only established, effective, integrated military force with readiness and training. It benefits both us and Europe by tying us together and anchoring our involvement with the continent. It acts as a stabilizing influence on members that might otherwise come to blows, such as Greece and Turkey. It helps to nourish and strengthen the shared values and interests of its members and, through its security guarantee, it promotes the development of a united and secure Europe.

All of these offer very legitimate reasons for this current step that we take, but, again, one should not assume that that process of expansion or all of those interests will be served in the same way or be risk free as we go down the road.

Russia, as Secretary Albright acknowledged during the Foreign Relations Committee hearings, has always had strong nationalist forces which interpret every move that the West makes as anti-Russian. And while these forces may not have prevailed during this first round of expansion, there is no certainty as to what will happen in the future or that the next time we confront this issue, they may not be dominant within the life of the politics of Russia. In fact, the immediate prospect of NATO extending such an invitation could well propel those forces to dominance, given the transitional and tenuous aspects of the domestic politics of Russia.

So I think the question has to be asked as we go down the road, Will we and Europe be more secure if that were to occur or if Russia decided to enhance its security by increasing its reliance on nuclear weapons, therefore reversing the course that began with the ratification of START I and the signing of START II? Clearly, a country not defined an enemy today is hopefully not going to be made an enemy in the future by our unwillingness to be sensitive to some of those kinds of considerations.

Administration officials have stated thus far that no commitments or promises have been made about other nations' membership, and I placed into the RECORD earlier a letter from the President to the effect that he intends to adhere to a very strict consultative process in the future and that no secret or private commitments regarding membership will be made in the interval.

It seems to me that is the most important fact for us to focus on as we consider the future and the potential of what the Senate may face down the road. Some people may view that the assurances of the President are inadequate, but I disagree. I think when you really examine the full nature of the consultative process that we have had previously—the NAC visits, our visits to Europe, our discussions with NATO, our discussions in Brussels, the various meetings that took place between defense ministers and the Parliament and Congress—there has really been, I think, a much more lengthy consultative process than many Members have been willing to acknowledge.

In my judgment, as I said, Congress in many ways ratified most of that by passing a number of different resolutions along the course of time which stated that we were supportive of that particular enlargement. In light of that examination, of that process of consultation, and the President's commitment to replicate it as well as to avoid any private commitments, I think Congress is going to have ample opportunity, as we go down the road, to make the judgments about which some of our colleagues have expressed some concern.

I agree with the administration and with the Senator from North Carolina and others that we must never give Russia or any country a veto over our foreign policy. We certainly should not give them a veto over the question fundamentally of NATO enlargement. I agree with that. But I also strongly believe we have a fundamental responsibility to consider any country's likely reactions to the steps we take and other kinds of cooperative efforts that may be available to us at any point in time to secure the same interests that we may or may not be seeking to occur from actions that would, in fact, create a counterreaction.

I look forward to that future deliberation, and I also look forward to a greater clarity that will come through

the act of this first expansion with respect to the budgets and the true costs and true interests as they will define themselves as we go down the road. The bottom line is, however, that this expansion of NATO at this point in time under these circumstances will make NATO stronger and will also protect, enhance, and serve the interests of the United States of America. Those are the fundamental reasons for which we should enter into any kind of treaty, and that is why I will vote for this treaty.

I yield the floor.

Mr. HELMS. On behalf of the leader, I ask unanimous consent when the Senate resumes consideration of the Conrad amendment numbered 2320, there be 30 minutes of debate equally divided in the usual form. I further ask that following the expiration of time, the Senate proceed to a vote on or in relation to the Conrad amendment.

Mr. KERRY. This would occur when?

The PRESIDING OFFICER. Upon the resumption of the amendment.

Mr. HELMS. I could not hear.

The PRESIDING OFFICER. Would the Senator from Massachusetts restate his inquiry.

Mr. KERRY. Mr. President, the Senator from Massachusetts was asking when this would occur. I understand it is when it is called up. And it is not being called up at this time; is that correct?

The PRESIDING OFFICER. The amendment has not been called up.

Mr. KERRY. And it would have to be called up before we proceed?

The PRESIDING OFFICER. That is correct.

Mr. KERRY. I thank the Chair.

I do not object.

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

Mr. HELMS. Let me say that I remember the old adage is, ''I like a finished speaker. I really, truly do. I don't mean one who's polished, I just mean one who's through.''

I deliberately stayed away from the podium yesterday because I wanted everybody to have their say on this matter, and I think it is time for us to move along and become finished speakers. But before I do, I want to make a few comments that occurred to me when I listened in my office and on the floor—a combination of the two—to various statements that were being made.

The Conrad amendment—and I have the greatest respect for Senator CONRAD—I must unalterably oppose because the United States has never, never agreed to tactical nuclear weapons reductions with the Russians, or the Soviets, for good reason.

First, these weapons are essential to an equitable sharing of the risk and burden associated with NATO's nuclear mission. Further, they are a visible sign that NATO is prepared to use any and all force necessary to deter an attack. Finally, there is absolutely no way that the United States can verify Russian compliance with an agreement to eliminate tactical nuclear weapons.

Mr. President, I am increasingly fascinated by the wailing, tearing of hair, and gnashing of teeth engaged in by the more liberal of our brethren, the news media, and otherwise, regarding the impact that NATO expansion would have on the United States-Russian relationship. It seems that the only argument against NATO enlargement—aside from the ''cost bugaboo''—is that Senate approval of this treaty will derail Russian ratification of START II, imperil future arms control agreements, and I have heard over and over again that it will turn Russia into a hostile power. I am going to agree to discuss these things as time goes by, but not this afternoon.

Mr. President, there has been a surfeit of bellyaching about the START II treaty. It has been nearly 5½ years since the United States and Russia signed that treaty. Since that time, Russia has used START II ratification as a pretext to hold hostage an ever-changing, ever-growing number of issues. And, of course, the weak-kneed arms controllers and Russia apologists in the United States have, in the past 5 years, been feeding the beast, encouraging the Russians to take one hostage after another. I could walk you through the various Russian threats, such as the Russians have threatened that there would be no START II treaty if the United States deploys a national missile defense.

At a press conference before the March 1997 Helsinki summit, President Yeltsin criticized U.S. discussion of a national missile defense stating, ''Well, you understand, of course, why it is that the state Duma has not yet ratified START II—because ABM was suspended.''

Why does Russia not want the United States to abandon the ABM Treaty? Because with it we are prevented from having a national missile defense and Russia can hold our citizens hostage to its intercontinental ballistic missiles.

Then there is a second threat. The Russians have threatened that there would be no START II unless the United States makes more foreign aid concessions. In 1996, the chairman of the Duma's defense committee, Sergei Yushkov, tied START II ratification not just merely to the ABM Treaty but to ''the provision of adequate funds for the maintenance of Russia's strategic nuclear arsenal.''

Threat No. 3: The Russians declared there would be no START II unless the United States makes other, unspecified concessions. In September of 1997, last year, there was a powerful voice that controls a sizable block of Duma votes who declared that START II should not be ratified until ''a favorable moment'' and that Russia should hold out for more U.S. concessions. According to this man, this leader, ''We have created a powerful missile complex, and we must use it to get certain advantages.''

Threat No. 4: The Russians declared there would be no START II if the U.S. mounts air-strikes against Saddam Hussein. In connection with the U.S. military build-up in the Persian Gulf, the Deputy Speaker of the Duma declared that START II would never be approved if the United States were to use force against Iraq.

In the wake of that particular threat, the Russian diplomats at the United Nations have been working overtime to phase out international inspections of Saddam Hussein's chemical and biological warfare facilities. We already caught the Russians red-handed trying to sell the Iraqis a fermenter specially-designed for biological weapons, and without UNSCOM inspectors poking around, Saddam's cooperation with Russia in developing these horrible weapons will be free and unimpeded.

Threat No. 5: The Russians declared there would be no START II unless the U.S. agrees to allow continued Russian violation of the START Treaty. Most recently, U.S. arms control negotiators were told that their refusal to shelve U.S. concerns over repeated Russian violations of the START Treaty would jeopardize START II ratification.

I was amazed to hear some point to the recent, massive salvo of submarine-launched ballistic missiles (SLBMs) which the Russians launched to their destruction as the kind of cooperation that will cease if NATO is enlarged. Senators should know, as should others in the executive branch, that these SLBM launches were not emblematic of arms control cooperation.

In fact, the Administration has noted that these SLBM launches were violations of the START Treaty because Russia refused to provide telemetry as required. They simply brushed aside our concerns and went on with their plans.

Mr. President, the bottom line is that the Russian threat over NATO Enlargement is just one in a long, tired litany of ever-changing excuses for not ratifying START II. I urge the American people, and my fellow Senators, not to be taken in by this ludicrous argument.

I urge those who are bemoaning the abuse that we are doing to our ''Russian friends'' to listen very carefully:

There is not one arms control treaty signed by Russia that it is not violating! As I have said, Russia stands today in violation of its START Treaty obligations.

Likewise, Russia consistently has engaged in the worst, most abhorrent perversions of bio-chemistry known to man. Russian scientists continue to work overtime at weaponizing biological pathogens in violation of the Biological Weapons Convention. According to key Russian defectors, Russia has placed enough biological agent—for example, small pox and various fever viruses—on its intercontinental ballistic missiles to wipe the human race from the face of the earth.

Similarly, as I warned during the course of debate on the Chemical

Weapons Convention, Russia is violating that treaty by clandestinely producing a series of nerve agents more lethal than any other chemical substance known to man.

And we have all read in recent days about the robust and continuing Russian assistance to Iran's ballistic missile program, in violation of their obligations under the Missile Technology Control Regime.

Mr. President, the list of arms control violations goes on and on. I am amazed that we are wringing our hands about antagonizing a country that is engaging in such abhorrent, reprehensible behavior. I challenge anyone to defend that regime's record of flagrant disregard for its treaty obligations, and its calculated assistance to regimes hostile to the United States. In light of these facts, piling another item onto the arms control agenda seems particularly ill-advised.

Russia is becoming, despite our best efforts to the contrary, a rogue nation bent on challenging the United States at every turn. Neither tactical nuclear weapons nor NATO expansion have anything to do with it.

EXECUTIVE AMENDMENT NO. 2320

Mr. HELMS. I call for the regular order, the Conrad amendment.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

Amendment No. 2320, previously proposed by the Senator from North Dakota, Mr. CONRAD, for himself and Mr. BINGAMAN.

The PRESIDING OFFICER. There is 30 minutes equally divided.

Mr. HELMS. There is a 30-minute time limitation; is that correct?

The PRESIDING OFFICER. The Senator from North Carolina is correct.

If neither side yields time, time will run equally.

Mr. CONRAD. Mr. President, is the pending order the Conrad-Bingaman amendment?

The PRESIDING OFFICER. That is correct. The Senator from North Dakota has 13 minutes.

Mr. CONRAD. I thank the Chair.

Mr. President, the Conrad-Bingaman amendment is designed to address the question of tactical nuclear weapons. Let me just review briefly the circumstance we face, and remind my colleagues that unlike strategic weapons, unlike conventional systems, we have no treaty with respect to tactical nuclear weapons.

This chart shows the record on arms control. The red line is Russian forces; the blue line, U.S. or NATO forces. We can see under the Conventional Forces Treaty we have had steep reductions. In terms of strategic systems under the START accords, the same pattern—deep reductions on both sides on strategic systems. But on tactical nuclear weapons we don't know what has happened on the Russian side, although we have an estimate from our strategic commander, General Habiger, that they have 7,000 to 12,000 tactical nuclear weapons; we have about 1,600.

Russia's tactical nuclear arsenal—we need to know more. In 1991, Russia had 15,000; the United States, 3,500 in Europe. Today, in Europe we have roughly 400; they have between 7,000 and 12,000.

Terrorist use of a tactical nuclear weapons would be devastating. It would make what went off in Oklahoma look like a firecracker. That was a two one-thousandths kiloton equivalent, the bomb that went off in Oklahoma. The bomb that was dropped on Hiroshima was 13 kilotons. The smaller tactical weapons of the day run in the 10-kiloton range. The larger tactical nuclear weapons are 300 kilotons plus.

There is also a strategic breakout danger. Under the strategic limits of START III, both sides would be at about 2,250 systems. Tactical nuclear weapons today: The United States, roughly 1,500 or 1,600; the Russians, 7,000 to 12,000. That becomes a strategic concern, that great differential between the tactical systems of the two sides.

This chart shows the strategic and tactical nuclear weapons. The distinction between the two is disappearing. During the cold-war period, strategic systems ran 500 kilotons to 10 megatons. The tactical systems currently run 10 kilotons up to 400 kilotons. But today's strategic weapons have been dramatically reduced in yield, down to 300 kilotons to 1 megaton. So the difference between tactical nuclear weapons and strategic nuclear weapons is disappearing.

Let's listen to America's nuclear commander, the head of strategic forces. General Habiger said, ''The Russians have anywhere from 7,000 to more than 12,000 of these nonstrategic nuclear weapons and we need to bring them into the equation.''

That is what the Conrad-Bingaman amendment is about. It is not about reducing United States tactical nuclear weapons. It is not about taking United States tactical nuclear weapons out of Europe. It is not about those things.

It is about saying that we ought to engage the Russians in a discussion on reduction of tactical nuclear weapons because of the enormous disparity that they enjoy in these forces. It is about asking for a certification from the administration that they are engaged in that course. It is about a report on what we know about these tactical nuclear weapons.

I yield 3 minutes to my distinguished colleague and cosponsor, Senator BINGAMAN of New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I thank my colleague from North Dakota and compliment him on his leadership in proposing this amendment.

Mr. President, I have expressed grave concern about this whole proposal to expand NATO. One concern that I have expressed is that it diverts our attention from our real national security threats as I see them today. This amendment by the Senator from North Dakota tries to bring us back to those real national security threats by talking about the threat that is posed by these tactical nuclear weapons. For that reason I think it is a very good amendment and one that I am very honored to cosponsor.

Let me point out that we have had various hearings on this issue in the Armed Services Committee. There is no question but what the lack of agreement, the lack of progress, on dealing with tactical nuclear weapons is a serious concern for our military and a serious concern for our planners generally.

This amendment is extremely modest in its language. Let me just call people's attention to specific provisions of it.

First of all, it is a sense of the Senate. It does not have binding language in it. It essentially puts the Senate on record as favoring a certain position.

It says:

> It is the sense of the Senate that . . . Prior to the deposit of instruments of ratification, the Administration shall certify to the Senate that with regard to non-strategic nuclear weapons
>
> (i) it is the policy of the United States to work with the Russian Federation to increase transparency, exchange data, increase warhead security, and facilitate weapon dismantlement. . . .

It is hard for me to understand what kind of argument our colleagues can make against that general proposition.

It is further stated that it is our policy that discussions toward these ends need to be initiated with the Russian Federation.

Mr. President, one of the arguments I have heard people present in opposition to this is that, sure, it may be a decent amendment, but it is not appropriate to consider it in the context of NATO enlargement.

I think just the contrary is the case, because clearly NATO enlargement can only be justified if it adds to our security in the European theater. This amendment will do more to add to our security in the European theater than the expansion of NATO that is now contemplated. For that reason, I think it is appropriate that we move ahead, that we vote for this amendment.

Quite frankly, I have great difficulty understanding why it cannot be accepted by all parties. It clearly states a position I believe the American people strongly believe in, which is that we need to do more to press the Russians to reduce their tactical nuclear weapons arsenal, and I hope very much we will do that in the very near future.

I appreciate the time that has been yielded, and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Thank you, Mr. President.

I urge my colleagues to oppose this amendment. It calls on the administration to initiate arms control negotiations with Russia on tactical nuclear

weapons in Europe. The amendment seeks to push the United States down what I think is an extremely ill-advised path.

First of all, tactical nuclear weapons are essential to NATO. A credible alliance nuclear policy requires widespread participation in nuclear roles by our European allies.

The dual-capable aircraft and the few hundred substrategic nuclear gravity bombs which are deployed in Europe provide an essential political and military link between the European and the North Atlantic members of the alliance. The devices deployed on European soil are essential to an equitable sharing of the risk and burden associated with NATO's nuclear mission.

Second, the presence of U.S. tactical nuclear systems in Europe is an important demonstration of the U.S. commitment to deterring all threats to the territory of the alliance. These weapons are a visible sign that NATO is prepared to use any and all force necessary to deter an attack. For this reason, the defense ministers of the alliance have on multiple occasions expressed their support for the continued stationing of U.S. tactical nuclear weapons in Europe.

I ask my colleagues to ponder for a moment the message that this amendment would send if the United States were to expand NATO while simultaneously abandoning our nuclear commitments. Such a step would mean the hollowing out of the United States article V commitments and would gut the world's most powerful, stable defensive military alliance. NATO is different and vastly superior to other multilateral organizations, such as the United Nations, because the members of the alliance do not merely pay lip service to the principles of collective defense.

Third, the fact that we have tactical nuclear weapons in Europe has nothing to do with the existence of or the number of Russian tactical nuclear weapons. We maintain them in Europe for reasons that I just mentioned. Throwing our tactical nuclear weapons into an arms control agreement with Russian tactical weapons makes no sense.

Finally, in the past, the United States has refused to agree to negotiate these weapons, for good reason. Simply put, it would be impossible to verify that the Russians are, in fact, complying with any agreement. Instead, the United States prudently focused on limiting delivery systems, such as missiles and bombs, which are large and observable and, therefore, verifiable. Given the importance of these weapons to the United States and the NATO alliance, and given the fact we would not be able to match the Russians cheating, as they have done on every arms control treaty we have ever signed with them, this amendment is conceptually flawed.

Again, I urge all of my colleagues to oppose the amendment.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I don't know what amendment the Senator from Arizona is referring to, but it is not my amendment. It is not the amendment that is before us. There is nothing in the Conrad-Bingaman amendment that talks about taking U.S. tactical nuclear weapons out of Europe—nothing.

The point is, the Russians have an enormous edge on us with respect to tactical nuclear weapons. Let's review the facts. Today, the United States has roughly 400 tactical nuclear weapons in Europe; the Russians have between 7,000 and 12,000. How is it not in our interest to push them to reduce their tactical nuclear weapons? It is absolutely in our interest, just as it has been in our interest to get them to reduce conventional forces, as we have done by treaty negotiations, just as it has been in our interest to reduce strategic systems. But it is, I believe, dangerous to allow the Russians to have this kind of edge on us in tactical nuclear weapons in Europe.

Again, I emphasize to my colleagues, there is nothing in my amendment—nothing—that talks about taking U.S. tactical nuclear weapons out of Europe.

The PRESIDING OFFICER. Who yields time?

Mr. BIDEN addressed the Chair.

Mr. KYL. I will take 2 or 3 minutes.

Mr. BIDEN. I am sorry.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I think that the flaw in the argument just stated is obvious. It is true, as Senator CONRAD points out, that there are no words in his amendment that talk about taking American tactical weapons out of Europe. That is not the point I was making. It is also true he could have said that there are no words in here that specifically call for the United States to reduce the number of American missiles.

He then makes the point that it would be desirable, since the Russians have more tactical nuclear weapons than we do, to get them to reduce those numbers. Indeed, it would. But I ask you, Mr. President, how we are going to initiate discussions—which is what this amendment precisely calls for as a condition to moving forward here—without putting at risk some of the American tactical nuclear weapons. I discussed all of the reasons why we need those tactical nuclear weapons. The very point that Senator CONRAD makes, that the Russians have a lot more than we do, makes the point that we can't afford to reduce the number that we have.

So, as a practical matter, while the words about reducing our tactical weapons are not in the amendment, there is no way to get the Russians to reduce their numbers unless we reduce our numbers as well. That is why, as I said, Mr. President, this amendment, which would have the effect, if these negotiations are in any way successful from Senator CONRAD's point of view, of reducing American tactical nuclear weapons. That is why this amendment should be rejected.

Mr. CONRAD. How much time do I have remaining?

The PRESIDING OFFICER. Three minutes 36 seconds.

Mr. CONRAD. Mr. President, I say to my colleague from Arizona, the argument that he advances makes no sense to this Senator.

On conventional forces we, by treaty, have gotten them to dramatically reduce their forces as have we. The same is true of strategic systems. The place where there is an enormous disparity is tactical nuclear weapons. They have the advantage. And we are not engaging them in discussions on reduction?

I will tell you, if we could have a situation in which we take a 50 percent reduction and they take a 50 percent reduction, I would take that deal right now, because we would lose 200 and they would lose between 3,500 and 6,000. For us not to engage in discussions on ''loose nukes,'' which are the very ones that are most subject to terrorists, to being used in ways that are totally against the U.S. interests, makes no sense.

The PRESIDING OFFICER. Who yields time?

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, I have been here 25 years. The chairman of the full committee knows that there may have been, and there are people who have been, more effective people in pursuing arms control than the Senator from Delaware but none more consistently and more fervently than the Senator from Delaware.

This is not the place for this amendment. This is a treaty. This is a treaty. It is a treaty about expanding NATO. One of our colleagues on the Republican side, I was told earlier, had an amendment on the Kyoto environmental treaty saying we could not—I am told; I did not see it; but I am told he had been talked out of it, I believe—that we could not expand NATO unless Kyoto was dealt with.

Another one has an amendment that may come up here tonight dealing with—I believe, the distinguished Senator from Oklahoma, at least he was talking about an amendment relating to a position I know the chairman shares, which I do not share, relating to strategic defense initiatives. This is not the place for that.

Secondly, I find it absolutely fascinating that some of the very Senators who have come to the floor and said, look, what we want to do here is we want to slow down passage, stop passage, or slow down new members coming in, because we are fearful it is going to offend the Russians or the Russians are going to get upset—a legitimate concern. But then they come

along and say, and by the way, before—before—we can deposit these instruments, the Russians have to agree to cut their tactical nuclear weapons, or whatever.

Now, that is giving to Russia a veto power over expansion in NATO.

Mr. CONRAD. Would the Senator yield?

Mr. BIDEN. I am happy to.

Mr. CONRAD. Is there anything in the amendment that is before the Senate now that requires a reduction on anybody's part before there is ratification?

Mr. BIDEN. Maybe the Senator can help me out.

Mr. President, maybe the Senator can help me out. It says, ''Prior to the deposit of the instruments of ratification, the Administration shall certify to the Senate that with regard to [the following],'' and it lists the following nonstrategic nuclear weapons, that ''it is the policy of the United States . . . that discussions toward these ends have been initiated with the Russian Federation.''

All the Russian Federation can say is, ''I'm not going to discuss this with you,'' done, period, over; they have vetoed it. Look, if I am sitting in the Russian Duma, I am going to—and we are all worried about these reactionary nationalists who are the browns and the reds undercutting Yeltsin—I have got a real easy one. I go to Yeltsin and say, I tell you what, you've indicated to us you don't want to expand NATO but there is nothing you can do to stop it. I've got the way to stop it right now. When the President picks up the phone and calls you and says, ''By the way, I want to initiate discussions relative to tactical nuclear weapons,'' tell him, ''No. No.''

Guess what? By definition, no expansion of NATO, because the President cannot deposit these instruments until—until—he can certify to the U.S. Senate that discussions with the Russian Federation have been initiated.

Now, call me paranoid, if you would like, but I know what I would do. I am a pretty good politician. The Senator from North Dakota is even a better politician. We are all politicians in here. They are not any different in the Duma. They are no different in the Russian Federation. So I have a real easy one. And by the way, if they had not figured it out, I just told them.

Mr. BINGAMAN. Mr. President, would the Senator yield?

Mr. BIDEN. On his time I would be delighted to yield, since I have very limited time.

Mr. BINGAMAN. Mr. President, would the Senator refer to the bottom of page 2. It says there, ''Sense of the Senate. It is the sense of the Senate. . . .'' There is no binding language in this amendment. This calls upon the administration to try to initiate discussion with the Russians.

Mr. CONRAD. It would not stop NATO enlargement from going forward. This is not some scheme to stop NATO enlargement. I am opposed to NATO enlargement, but this does not stop enlargement. This does do something about sending a signal we ought to do something about tactical nuclear weapons when they enjoy this incredible edge over us and we seem to not pay much attention.

Mr. BIDEN. I am confused then. I am confused. Why is certification—I have never heard of a certification on the part of the President in a sense of the Senate. Explain that to me. Explain how a sense of the Senate requires a formal certification from a President. Like I said, I have been here a while. That is a new one.

So you mean the President can say, when we pass this, ''You know, BINGAMAN and CONRAD are good guys, they're my buddies and allies, but I'm not going to pay attention to them; I'm not going to certify anything''? Can he just say, ''I'm not going to certify it''?

Mr. BINGAMAN. Mr. President, in response, I would point out that there are many occasions where that has happened, and I am saying, it could happen here. This is a statement by the Senate, if it were to pass, a statement by the Senate, as I see it, that the Senate believes that the President should initiate discussions and should certify to us that he has done so. If he does not do so, he still has legal authority to go ahead and file the articles of ratification.

Mr. BIDEN. Mr. President, I have a question. Is the Senator saying that the President of the United States will fully be within the law if, when this passes tonight, if this were attached, if he is in a press conference and says, ''I want to compliment the Senate on expanding NATO, and I want to tell Senator CONRAD I'm not certifying anything''—would that be OK legally?

Mr. CONRAD. Yes. This is a sense—I mean, I do not know——

Mr. BIDEN. Great. I think that is wonderful.

Mr. CONRAD. This is a sense-of-the-Senate resolution. Nobody knows better than the Senator from Delaware a sense-of-the-Senate resolution and its legal standing. What we are trying to do is direct the attention of this administration and our colleagues to the very real threat that ''loose nukes'' present. And we are trying to take the words of General Habiger, who has said to us they have 7,000 to 12,000 of these tactical nuclear weapons and we ought to address that differential.

Mr. BIDEN. May I ask how much time I have?

The PRESIDING OFFICER. The Senator from Delaware has 1 minute 57 seconds.

Mr. BIDEN. I yield the remainder of my time to the Senator from Arizona.

Mr. KYL. First of all, I appreciate the comments of the Senator from Delaware and certainly support the points he made.

I think it is critical to go directly to the heart of what is behind this amendment. It has been a longstanding objective of the Russians to break our tactical nuclear connection with our NATO allies; make no mistake about that. We should do nothing in the U.S. Senate that assists the Russians in achieving this long-term goal.

Secondly, we need tactical nuclear weapons in the so-called credibility ladder. I would be very concerned if the only weapons we had at our disposal to act as a deterrent were strategic nuclear weapons. Mr. President, sometimes you need a graduated response. And to suggest that we should reduce the number of our weapons and we can do that by cutting out half if the Russians cut out half, that would leave us very few weapons, not enough to pose a credible deterrence. To suggest that we do that and then rely upon strategic weapons I think is something that no one in this Chamber would want to support.

And finally, as our colleague from Delaware said, we should not be tying up NATO expansion with this particular amendment. So I urge my colleagues again to vote against the Conrad amendment.

The PRESIDING OFFICER. Who yields time?

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. I am sorry.

Mr. HELMS. No. Go ahead.

Mr. BIDEN. I just want to make a point. I may be mistaken, but I think if my colleagues will look at this amendment, it is section (B) that is a sense of the Senate. The sense of the Senate controls language; only section B, a completely separate section is section C. If my colleagues wish to make the title of this sense of the Senate, it would be a different deal.

The PRESIDING OFFICER (Mr. BENNETT). The Senator from North Dakota has 25 seconds.

Mr. CONRAD. Mr. President, I want to answer, again, the Senator from Arizona. There is absolutely no intent to require the United States to reduce its tactical nuclear weapons at all. The thrust of this amendment is the concern that a number of us have that Russia has an enormous edge on tactical nuclear weapons, and we ought to engage in discussions with them to get a reduction in those tactical nuclear weapons. That is clearly in the U.S. interest.

I hope our colleagues would support this amendment.

The PRESIDING OFFICER. All time has expired on this amendment.

Mr. HELMS. I was assigned this afternoon to make the train run and to save Senators a lot of time. In that connection, I ask unanimous consent the Conrad amendment 2320 be laid aside, and Senator BINGAMAN be recognized to offer his amendment regarding strategic concept, and there be 30 minutes of debate equally divided in the usual form; I further ask following the expiration time, the amendment be laid aside.

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

Mr. CONRAD. Mr. President might I ask for the yeas and nays on the Conrad amendment.

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

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. I believe there are 15 minutes reserved on my side.

The PRESIDING OFFICER. That is correct.

EXECUTIVE AMENDMENT NO. 2324

(Purpose: To require a certification of United States policy not to support further enlargement of NATO (other than Poland, Hungary, or the Czech Republic) until revision of the Strategic Concept of NATO is completed)

Mr. BINGAMAN. I ask unanimous consent that the Chair advise me when 10 of those minutes have expired and that the remaining 5 minutes be reserved for me to use prior to the vote on my amendment.

Mr. KYL. Mr. President, without yet objecting, I would like to know if there is any time for a response to that prior to the vote.

The PRESIDING OFFICER. The Senator wishing to oppose the amendment will have 15 minutes of time. It has not been allocated as to when that will occur.

Mr. BINGAMAN. I have no concern as to how you allocate that time.

Mr. KYL. I will not object.

Mr. BINGAMAN. Mr. President, let me explain this amendment and use the 10 minutes I have at this point. First, let me send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN], proposes an executive amendment numbered 2324.

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

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

The executive amendment is as follows:

At the appropriate place in section 3 of the resolution, insert the following:

( ) UNITED STATES POLICY LIMITING NATO ENLARGEMENT UNTIL THE STRATEGIC CONCEPT OF NATO IS REVISED.—Prior to the date of deposit of the United States instrument of ratification, the President shall certify to the Senate that, until such time as the North Atlantic Council agrees on a revised Strategic Concept of NATO, it is the policy of the United States not to support the accession to the North Atlantic Treaty of, or the invitation to begin accession talks with, any European state, other than Poland, Hungary, or the Czech Republic.

Mr. BINGAMAN. Mr. President, this amendment relates to what is called the NATO strategic concept. We have had quite a bit of discussion over the last couple of days about the NATO strategic concept and the fact that NATO countries, NATO members, including ourselves, have been engaged in serious discussions over the last year or two in an effort to revise the NATO strategic concept.

I think we are all aware that the current strategic concept for NATO is one that was arrived at back in 1991. It predates the disillusion of the Soviet Union, and the resulting emergence of new independent states. It does not account for the Civil War in Bosnia or NATO's peacekeeping operations there. It does not allow or contemplate the current nuclear or strategic concept, does not contemplate the denuclearization of Belarus, Ukraine and Kazakhstan, and it does not contemplate the special relationships that NATO has established with Russia and separately with the Ukraine. So there is clearly a need to revise and update this strategic concept.

What my amendment says very simply is that the United States will withhold consent to inviting any additional countries other than the three we are talking about here today—Poland, Hungary and the Czech Republic. We will not go forward with inviting any additional countries to join NATO until after NATO has approved this revised strategic concept.

This is simply a matter of understanding what NATO is doing before we agree to take in more members in addition to these three. NATO members need to decide on the alliance's mission before any new candidates or states are asked to join in the future.

I have great difficulty seeing why anyone would object to this. The reality is that the revised concept is expected to be completed even as soon as this summer. At the very latest it would be complete, as I understand it based on the statements by the NATO officials, before their meeting in 1999. So there is no attempt here to delay the invitation to other members in the future.

It simply says let's figure out what NATO is intended to do in this new post-cold-war world before we start inviting more people to join. Now, this doesn't strike me as a radical proposal. It is not radical from our point of view. It is certainly not radical from the point of view of potential new members. If I were representing a country that was considering admission to NATO I would be interested in what NATO's mission is, its new revised strategic concept is, before I would want to sign up. I think that is a reasonable thing for new members to want to know, and it is certainly reasonable for current members to want to settle on before we begin deciding which nations are appropriate new members and which are not. I think the amendment is very straightforward.

Let me make it crystal clear once more. It does not in any way relate to the enlargement of NATO to add Poland, Hungary and the Czech Republic. That is not part of my amendment. My amendment assumes we will go ahead with the enlargement of NATO that is presently proposed by the administration in this treaty. But it says we will not go beyond that. We will not invite others until we settle on what this revised strategic concept is.

I have difficulty understanding, as I said, why this is objectionable. It seems to me imminently reasonable that this would be our position.

Let me make it crystal clear what I am doing. Let me read the one paragraph of the amendment into the record so it is clear what we are saying.

Prior to the date of deposit of the United States instrument of ratification, the President shall certify to the Senate that, until such time as the North Atlantic Council agrees on a revised strategic concept of NATO, it is the policy of the United States not to support the accession to the North Atlantic Treaty of, or the invitation to begin accession talks with any European state, other than Poland, Hungary and the Czech Republic.

Basically, what we would be saying is the President needs to tell us that it is our policy, the U.S. Government policy, not to invite others to join until we get the strategic concept settled.

I hope very much my colleagues will support the amendment. To me, it is an imminently reasonable, common-sense approach and I hope we can add it to the treaty.

I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. I have great respect for the Senator from New Mexico. Much of what he says makes sense, but basically what is happening here is we are having a rerun of the Warner amendment. We are basically saying here that before any new members can come in, what has to happen is there has to be a new strategic concept agreed to.

Now, if I can make an analogy, that would be like saying my friend from Utah, the Presiding Officer, or of my friend from New Mexico, I am not certain what year their States came into the Union. The only claim to fame Delaware has is we are the very first State in the Union. I shouldn't say the only claim, one of the most notable claims. It would have been a little bit like Delaware, in the Thirteen Original Colonies, and the other States east of the Mississippi saying to you all out West, as long as the constitutional amendment for suffrage is under consideration to amend our document that controls our national affairs, no new States can come into the Union. Nobody is allowed in. As long as we are reconsidering—again, I don't know the years, and I apologize, when your States came into the Union. But as long as we are considering the 17th amendment, whether or not Senators are popularly elected, we are going to put on hold any new State becoming a member of the Union.

The 1991—and I don't have it with me—strategic concept was drafted by and agreed to by the 16-member nations after the Berlin Wall came down

and after the Soviet Union had disintegrated. The reason I bother to point that out, Mr. President, as my friend from New Hampshire kept saying yesterday—and appropriately—we have to look at the realities of the new world. This new strategic document took into consideration a new reality that there was no Soviet Union, there was no Warsaw Pact, there was a different world.

Now, what we said with the leadership of Senator KYL of Arizona yesterday, by a vote of 90–9, was the following. We said any new strategic concept that is to be agreed to in the future should accommodate the basic fundamental principles that we have adhered to thus far in NATO; and the Senator, with great skill, laid them out in specific form for all of us to see, incorporating the strategic notions that have underpinned NATO and the new reality.

So even though there is a consideration at the moment in NATO for an updated strategic concept, that could happen in a week, a year, a month, 5 years, or it could never be agreed to. And by an overwhelming vote in the Senate, 90 percent of us said, Mr. President, before you can agree to any new strategic concept, you have to make sure that what we have laid out here as the fundamental principles to guide that are incorporated in that concept. So I fully appreciate and believe that the Senator from New Mexico is concerned about strategic doctrine and is not using this amendment as a killer amendment to accomplish what Senator WARNER was unable to accomplish—that is, a de facto slowdown of any new admissions, an arbitrary judgment made that, without a new doctrine being consummated and another little blue and white book being published, no one can come in.

I further point out that the strategic concept of NATO is always under review, formally as well as informally. I assume the Senator's amendment speaks only to the formal review, the formal reconsideration of what that concept should be. Since 1991, NATO has changed internally with the creation of bodies such as the Partnership for Peace, the Euro-Atlantic Partnership Council, NATO-Russian Founding Act, NATO Ukraine Commission, and a more distinct role for the European pillar of this operation has emerged. The European politico-military situation has also changed. There has been significant reduction in the conventional armed forces. Both Warsaw and the Soviet Union are dissolved. NATO subsequently decided, via the ministerial and summit statements, to invite new members. We are doing all these things that we are concerned about already. We sent out a glidepath and a guide book to the administration as to how they must proceed with the next one, and to say until that is all done, no new members, is another way of trying to do in a 15-minute debate what my friend from Virginia and the Senator from Oregon and myself debated against for days.

So I respectfully suggest that our friend from Arizona has accommodated any concern about strategic doctrine with the amendment we overwhelmingly adopted, thereby clearing the way, and any justification for suggesting that the doctrine might change so radically that it might affect who we would be willing to bring in.

Mr. President, I reserve the remainder of my time.

Mr. BINGAMAN. Mr. President, how much time remains of the 10 minutes that I had?

The PRESIDING OFFICER. Three minutes 36 seconds.

Mr. BINGAMAN. Mr. President, let me just make clear what I intend by this amendment and what I think the language of it says. As much as I like to think that the U.S. Senate is all powerful, we are, in NATO, only one of the members. NATO is an entire organization. The United States and the other members have set about to develop this revised strategic concept.

As I understand the history of this, in July of last year, in Madrid, there was agreed upon—NATO Ministers agreed at that time to develop a revised strategic concept, which would be presented to them in their planned summit of April of 1999.

What my amendment says is that until such time as the North Atlantic Council agrees on a revised strategic concept, whatever it is, for NATO, then we will not go ahead. At least the U.S. position is that we should not go ahead and participate in inviting new members. So I am talking about a very formal procedure here which is well underway. It was agreed to in July of last year in Madrid.

As I understand it, it is a three-stage process for conducting the review of the strategic concept. That three-stage process is well underway. There is no indication that I have seen that these deadlines will not be met. In fact, I have heard from people in the administration that they expect the revised strategic concept to be ready this summer, not in April of next year. So all I am saying is, let's figure out what NATO's purposes are and what its mission is before we take on additional members after we do these three.

So this is not an effort to delay, this is not an effort to postpone for 3 years, or 5 years, or indefinitely. I say, quite frankly, if we don't have agreement among the Council members, the Ministers of NATO, as to what the mission of NATO is, if we can't get agreement in the next period of time, then we should have it come back to us, and we ought to start thinking about how much more enlargement we want to do. That is the purpose of the amendment.

Mr. BIDEN. Mr. President, I will ask my friend a question on my time. What is the relevance of whether or not there is a new strategic concept as it relates to whether or not Austria is a new member of NATO? Are you suggesting that if the 16 NATO members now agree—or 19 when we finish tonight—to a change in the strategic concept, that change might or might not influence whether we should let Austria in if they meet all other criteria?

Mr. BINGAMAN. Mr. President, I assume that part of what is being considered in this review of the strategic concept is the role that nuclear weapons would play in the future of NATO, where those weapons might be stationed, what the policy of NATO would be in the use of weapons. All of these are factors that I think would be very important for new members to know before they apply for membership and would be important for us to know before we agree to expand and expand and expand. Every time a member comes into NATO, we are committing U.S. forces to defend that territory. I understand that. I think it is just appropriate that we have some caution in committing U.S. forces to defend more and more and more territory, and that is the purpose of the amendment—just to understand where we are before we keep moving ahead.

Mr. BIDEN. Mr. President, I appreciate the Senator's answer. The relevance is lost on me as to how that would affect who we would bring in or not. I understand the value of the strategic concept and why it is important that we should know it. These folks have already applied.

Let me point out one last thing. The Bingaman amendment would give sort of a pocket veto to further enlargement of certain countries. The French did not want the Slovenians in this time. But they didn't want to publicly say that they didn't want the Slovenians this time. This is my interpretation. And they said no Slovenians unless Romanians, because it is not very politic in Europe to say you don't want someone in directly. If I were the French or Germans or anyone else, I just don't agree to the new strategic concept. The present one works pretty well—en bloc membership.

I just think, Mr. President, this causal relationship being asserted between the strategic concept and new membership is tenuous. In changing the strategic concept, which we know has to follow the guide path of our friend from Arizona, we already know what it must contain for us to sign on to it. I just think it is totally unnecessary.

If the Senator is willing, and with the permission of the chairman, I am willing to yield back our time if there is any left, and move on, if my friend from New Mexico is willing to yield back his time.

Mr. BINGAMAN. Mr. President, how much of the 10 minutes is still available?

The PRESIDING OFFICER. The Senator from New Mexico has 13 seconds.

Mr. BINGAMAN. Mr. President, I yield the 13 seconds. I still reserve the 5 minutes. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. BIDEN. Mr. President, parliamentary inquiry: My friend has kept 5 minutes prior to the vote. Is there any time in opposition prior to the vote?

The PRESIDING OFFICER. No.

Mr. BIDEN. Mr. President, I ask unanimous consent that there be 5 minutes prior to the vote in opposition, if we choose to use it.

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

Mr. HELMS. Does the Senator want to ask for the yeas and nays?

Mr. BINGAMAN. Mr. President, I will respond. I did not yet. But I at this time ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, I ask that it be in order to propound a unanimous consent request regarding time for the next vote and the vote thereafter.

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

Mr. HELMS. I ask unanimous consent that the first vote to occur on the amendment No. 2320, the Conrad-Bingaman amendment, be a 15-minute vote; that the second vote on this pending amendment, the Bingaman No. 2324, be limited to 10 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. HELMS. Very well.

I suggest the absence of a quorum with the time being charged equally.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. INHOFE. Mr. President, just to give others an indication as to where I am and where some of the others are with amendments, I do have an amendment. It will take some time to get through, and yet I have a very strong feeling I do not want to hold up the emergency supplemental. I just want to make sure to get that on record so everyone knows. I certainly would not object to taking up the emergency supplemental prior to completing the NATO expansion.

Mr. SMITH of New Hampshire. Will the Senator yield for a comment?

Mr. INHOFE. I yield.

Mr. SMITH of New Hampshire. Let me also agree with my colleague. I was somewhat surprised when the unanimous consent was offered, but I just want my colleagues to know I also have an amendment which is going to take a considerable amount of time, and I do not want to hold up Members, who may wish to leave, who need to vote or feel we should vote on the supplemental.

So let me echo the comments of the Senator from Oklahoma and indicate that I am more than happy to agree to another UC to move the supplemental ahead of NATO if, in fact, it comes here in the near future.

Mr. INHOFE. Mr. President, I suggest the absence of a quorum.

I yield the floor.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I have examined the landscape, and it gets more complicated as the returns come in. Now we cannot vote until 7 o'clock, because several Senators are ''far afield.''

Then there is an agreement that was made without my knowledge—and nobody was required to get my knowledge, let alone consent—that the vote on the Bingaman amendment would not occur until the Ashcroft amendment was dealt with. So we are not going to be able to vote at 7 o'clock.

I ask unanimous consent that sharply at 7 o'clock the vote begin on amendment No. 2320, and then we will proceed from there.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HELMS. I thank the Chair.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Ms. MIKULSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded that I may speak on the ratification of NATO enlargement.

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

Ms. MIKULSKI. Mr. President, we shortly will be entering into the closing hours of this debate. I want to take this opportunity to offer some observations about the ratification and also why this is so important.

I would like to take a minute, though, to really congratulate the people of Israel on the 50th anniversary of the founding of that great state, and how special, unique, that we are debating NATO expansion and bringing Poland, Hungary, and the Czech Republic into NATO on the 50th anniversary of the founding of Israel. Forever and a day, I will always remember that we will have taken this vote at the same date of the anniversary of that state.

It will be important because, as we commemorate, soon, the 50th anniversary of NATO and the 50th anniversary of the founding of Israel, just like the 50th anniversary of the United Nations, as this century comes to an end, we will look at what came out of the end of World War II that created the institutions that will take us, hopefully, to a new century and a new millennium, where we will not repeat the despicable and inhumane practices of the old century, or ever again have to fight another war in Europe.

The Senate is about to take a historic vote and we are voting to make Europe more stable and America more secure. We are voting for a safer world. This will be one of the most important votes I will cast. Voting for a treaty is, indeed, a very special obligation, reserved only for the U.S. Senate.

For those who have known me, they have known I have fought long and hard for Poland and other countries of Eastern Europe to become free and independent. I think about the dark days of martial law in Poland, when we worked to support the Solidarity movement in Poland. Since the end of the cold war, when the captive nations of Eastern Europe threw off the yoke of communism, I have yearned for this day. I have supported the aid that the American people so generously provided to help the people of Eastern Europe build free-market democracies. I have introduced legislation with former colleagues, Senator Brown of Colorado and Senator Simon of Illinois, to nudge our Government toward welcoming the newly freed countries into our Western institutions.

My passion for this issue, though, is based partly on my own personal history. Each ethnic group in America brings their own history to this country. My colleagues have heard me speak about Poland's history many times in the past, because I have never believed that America was a melting pot. I always believed that America was a mosaic. We each come with our history and our culture and become part of something bigger than ourselves. So I come with thousands of years of history behind me, in terms of my heritage.

The history of Poland has indeed been a melancholy one, because every king, kaiser, czar or comrade who ever wanted to have a war in Europe starts always, first, by invading Poland. It has been historically true for a thousand years, and it has certainly been true for the last 100 years. At the same time, Poland has always wanted to be part of the West in terms of its values and in terms of its orientation.

It felt so passionate about democracy that when we fought our own revolution it sent two of its finest heroes, Kosciusko and Pulaski, to fight in the war for America's freedom. Pulaski came and was a brilliant soldier and led in the Battle of Savannah. Kosciusko was a brilliant tactician and led in the founding and building of West Point and, at the same time, then, fought for the democracy and became a great friend of Jefferson. He returned to Poland to help the Polish people of that time establish the first constitutional monarchy in Europe.

Poland thought it would be free and have a constitutional monarchy, but that was not to happen. In the 19th century, Poland was divided into three parts, under Russia, Prussia, and the Austro-Hungarian Empire, and it remained that way. That is when my great-grandmother came to this country. She came, not because she just wanted to come and start a new life,

she came on a prearranged marriage, because she wanted to forever escape that kind of occupation.

This evening is not about history lessons, but Poland was occupied, partitioned, invaded in World War I, had a brief stint of democracy between World War I and World War II, only to be invaded by the Nazis in World War II and occupied.

For me, growing up as a Polish American in east Baltimore, I learned about the burning of Warsaw. I knew about the occupation of Poland by the Nazis. I have seen films of the occupation, in which the great cathedral had Nazi storm troopers in there, burning the statues of the Saints and our Dear Lord himself, with their weapons. I learned about the burning of Warsaw at the end of World War II, when the Germans burned it because of the Warsaw uprising. Soviet troops stood on the other side of the Vistula River and watched it burn.

Then we learned about the Katyn massacre, where Russians murdered more than 4,000 military officers and intellectuals in the Katyn Forest at the start of the Second World War, so there would not be an intellectual force in Poland, ever, to lead it to democracy. For 5 years our family hoped and prayed, hoping World War II would end, with my uncle serving in the military. And then, at end of the war only to see Potsdam and Yalta occur, where Poland was sold out. My great-grandmother had on her mantle, three pictures, one of Pius XII, one of my uncle who had become a member of the police force, and the other of Roosevelt, because she believed in the Democratic Party. After Potsdam and Yalta, she took the picture of Roosevelt and turned him face down, until the day she died.

Those were the kinds of stories that I grew up with, looking at Poland as part of the captive nation. Then suddenly, in August of 1980, an obscure electrician, working in the Gdansk Shipyard, jumped over a wall proclaiming the Solidarity movement. And when he jumped over that wall, he took the whole world with him, to continue the push in this part of the century to free Poland. And then the movement, also of dissidents, spread.

These are the kinds of stories. What I wear here today is a picture of the Blessed Mother of Czestochowa. She is the Patron Saint and Protectress of Poland. Members of the Solidarity movement wore exactly this emblem because they were forbidden under martial law to wear any symbol related to Solidarity. So they wore a religious symbol. I wear this symbol today because this, then, is the next step toward what we fought for in World War II, what dissidents in these countries have worked for—to create a democracy and a free-market economy, risking their lives, imprisoned, living under the boot of communism.

So now those are the kinds of things that we must grasp. This is a historic moment, when three countries whose heart, soul, and political orientation is with us. So, I hope for those who worked so long and so hard, within Poland, Hungary and the Czech Republic, that we, then, understand the ratification of NATO enlargement.

Despite the importance of history, my support for NATO is based on the future. My support is based on what is best for our country. NATO enlargement will make Europe more stable and America more secure. It means the future generations of Americans, I believe, will not have to fight or die in Europe. It will make NATO stronger. It will make America stronger. And it will make Western civilization stronger.

Mr. President, I am only sorry my great-grandmother is not alive to see this, because when we vote to ratify this treaty, we will undo the historic tragedy that has often engulfed these nations and forever and ever, in the next century, ensure not only their protection but also ensure that despicable practices like the Holocaust will never again happen. That is what the 21st century is all about. That is why I will enthusiastically vote aye, when my name is called.

I yield the floor.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, for months and weeks and days, we have listened to the intellectual exchange, the foreign policy considerations, the financial impact and what effect what we are about to do will have on bilateral-multilateral relations of the United States with other nations. That gave a context for this debate.

My friend from Maryland showed us the soul of this debate. I am proud to have been on the floor to hear her at this moment make the statement she made. Not only is it historically accurate, but it reflects the wave of emotion that tens of millions of Americans of Polish descent are feeling at this moment.

I would like to say something that is going to make her very angry. I would like our colleagues to consider that when we get to 67—we are going to cast our votes from our seat; I don't know if it is possible; it has never been done before—I think she should have the honor of casting the 67th vote for this treaty. I don't know mechanically how to do that. But you have no idea how much this means to her. You have no idea how much this means to millions of people like my colleague from Maryland.

I don't know how to work this out, but I am going to try, with the Democratic and Republican staff, to figure out whether there is a way we can officially record that my friend from Maryland was the 67th vote cast to take care of a historic inequity that her grandmother brought as a burden to this country and she as a Senator will help end.

Ms. MIKULSKI. Mr. President, I say thank you. I will be happy to vote when my turn comes. Thank you.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, the L's come before the M's. I will be very happy to withhold my vote when it comes time, if that helps to get the Senator from Maryland in that sequence.

Mr. President, the vote on the resolution to admit Poland, Hungary and the Czech Republic to NATO, as we have all said, is as important as any we have cast in many years.

The debate on this resolution has been gaining momentum for over the year. The issues have been discussed, not always in the depth or with the clarity that I would have liked, but I am not among those who feel that we have not had an opportunity to seriously consider this resolution. I only wish that we had had this week's debate a year ago, when the outcome of the vote was not a fait accompli.

I deeply respect many of the people on both sides of the issue. None more than Secretary of State Albright, an ardent proponent of NATO enlargement, with whom I spoke by telephone yesterday while she was in China. I yield to no member of this body in my admiration of her.

I also give great weight to the views of the former Senator from Georgia, Senator Nunn, and to my close friend Senator MOYNIHAN, whose thoughtful speeches on the subject I have read with keen interest. I have also appreciated the views of a number of Vermonters who have expertise in arms control and U.S.-Russian relations. There have been well-qualified and articulate Vermonters on both sides of the debate.

But despite that, I am no more convinced by the positions of either side than I was when the debate began. After everything that has been spoken and written, I remain profoundly troubled by this resolution, as I know many others are. It is not more debate that is needed, it is the ability to predict the future, which of course none of us can.

It is because the future is so unpredictable, and I am still not convinced on an issue of such historic importance, that I will vote against this resolution.

Mr. President, the North Atlantic Treaty Organization has been the world's most powerful and successful military alliance. For half a century, NATO served as a deterrent to a Soviet invasion of Europe. It has helped to keep the peace in a region that has seen countless wars over the centuries, including two world wars in this century. When genocide erupted in Bosnia it was NATO, with, I might add, the help of Russian soldiers, that enforced the Dayton peace accords. The earlier failure of the United Nations in Bosnia is but one example of NATO's relevance today.

So I am not among those who believes that because the cold war is over NATO is no longer needed. Bosnia proved otherwise, and there are other threats to which NATO might be called upon to respond. One, although no one likes to contemplate it, is a Russia in which the democratic reformers are ousted by nationalists whose attitude is overtly hostile and aggressive toward the West. I do not see that happening, but it is possible.

Russia is in the midst of far-reaching changes. Much of what is happening there is encouraging, even remarkable. The old Soviet Union is gone forever, of that I have no doubt. But democracy remains extremely fragile, and some of what is happening in Russia is discouraging, even alarming.

Some things in Russia have not changed. It continues to possess thousands of nuclear weapons, and while we and the Russians are cooperating on a wide range of issues including arms control, no one knows what Russia will look like ten years or even ten months from now. More than anything else, to vote for this resolution one should feel confident that enlarging NATO will lead to a closer and more cooperative relationship between Russia and the West. There is no more important issue for the security of Europe and the United States.

Reaching the decision to oppose this resolution was extremely difficult. Over the past couple of months as the vote approached I have seen that, as in many debates, the issues are far from black and white. I finally settled on four questions. I decided that only if I could confidently answer each of them in the affirmative could I vote for what amounts to a fundamental reshaping of NATO. I discussed these questions with other Senators, with the Secretary of State, and with many others whose judgment and opinions I respect.

I asked myself whether admitting Poland, Hungary and the Czech Republic to NATO result in a more united and secure Europe?

Would it result in a stronger, more effective NATO?

Would it improve our relations with Russia, especially Russia's willingness to vigorously pursue deep reductions in nuclear weapons?

And would it result in benefits that justify substantial additional military costs to the United States and the new NATO members?

These are not novel questions. Any one of them could occupy hours or even days of debate. They have been discussed at length by members of this body, and by some of our most knowledgeable European and Russian scholars and analysts including former Secretaries of State and Defense. What has struck me as I have read and listened to their views is the certainty and conviction with which they express them. Perhaps that is the nature of advocacy, but I find it interesting nonetheless because their conclusions, on a subject of such immense importance to our future security, are based on so much that is uncertain, indeed unknowable.

Mr. President, I began from the perspective that the presumption is against expanding NATO at this time. A rebutable presumption, but NATO has served us well for over fifty years and we should be wary of any attempt to substantially alter its configuration.

That is not to say that NATO can or should remain static. Its mission does need to evolve with the changing times. But what is contemplated here, by voting to admit these three invitees and opening the door to further admissions in the future, amounts to a fundamental reshaping of NATO. Before we take that step I want to be convinced that the benefits of enlargement justify the risks and the cost.

Would enlargement result in a more united and secure Europe? More united, probably yes. But what if expansion does not extend to the republics of the former Soviet Union, or even to certain other Eastern European countries. Then we have simply created a new dividing line in Europe, and new rivalries between those inside NATO and those that are excluded.

Would enlargement result in a stronger, more effective NATO? Frankly, I have been disappointed with the direction and focus of NATO in recent years. At times I have felt it was adrift, and at no time more than when NATO sat on the sidelines as the United Nations floundered in Bosnia. NATO has redeemed itself there but not until many thousands of innocent people had died, including in so- called UN safe-havens. NATO should have acted sooner and with far more decisiveness.

The administration says that Poland, Hungary and the Czech Republic accept the responsibilities of NATO membership and will contribute an additional 300,000 troops. Others argue that by adding new members we dilute NATO's effectiveness with poorly equipped, Soviet-trained forces. As Ambassador Paul Nitze has said, NATO would become ''fat and feeble.''

My own guess, and it is only a guess, is that NATO would probably not suffer, it might benefit from admitting these three invitees, but if additional countries are admitted next year or thereafter as most proponents of expansion anticipate, it would become unwieldy, even less decisive, and weakened.

My third question, and perhaps the most important, is whether enlargement would improve our relations with Russia, especially Russia's willingness to vigorously pursue deep reductions in nuclear weapons.

Mr. President, the administration asserts that NATO expansion will lead to improved relations between the West and Russia because it will result in a more stable and secure Europe, a more prosperous Europe, and a new relationship between Russia and the former Warsaw countries that is based on partnership.

I do not see the evidence to support such a rosy picture. But whether or not it is true, is a military alliance the best or only way to achieve that new relationship? I do not see why. The enlargement of NATO, no matter how benign, can only strengthen the hand of left and right-wing extremists in Russia, while undermining the position of the democrats we support.

On arms control, the administration offers a litany of examples of how Russia is continuing to engage and cooperate on a broad agenda of security issues. There is cooperation, most visibly in Bosnia where Russian and American soldiers are enforcing the Dayton accords side-by-side. There is talk of the Duma ratifying START II in the near future. There are other examples.

But it seems to me that the real question is how can we best take advantage—not of Russia's weakness—but of the opportunity for a fundamentally different relationship, an opportunity that comes rarely in history, and which is fortuitously presented by the transitional stage in which Russia finds itself today.

In World War I, Europe isolated and alienated a defeated Germany, and in so doing sowed the seeds for World War II. After that war, through the leadership of great Americans like General Marshall and President Truman, we embraced our former German enemies and in so doing fostered one of the world's strongest democracies. It would be unforgivable to repeat a mistake of such tragic proportions.

Do we build a closer relationship with Russia by enlarging a military alliance possibly to its very borders, an alliance that has served principally to deter Soviet aggression? The so-called ''iron belt,'' as Senator WARNER has aptly called it? If Russia posed a serious military threat today I would see things differently. But the only serious military threat Russia poses is its arsenal of nuclear missiles, and I would argue that that threat is not diminished by expanding NATO eastward.

There is reason to suspect that NATO enlargement has already delayed DUMA ratification of START II, and that it has set back the cause for arms control in Russia. It has abandoned its ''no-first-use'' policy and, as its security situation deteriorates, Russia is headed toward greater reliance on nuclear weapons.

My point, Mr. President, is that while relations between Russia and the West are obviously far better than they were during the cold war, they are a far cry from what I believe they can and should be.

The Russians can be difficult to deal with. I am aware of that. They are obsessed with being treated as equals even though they are no longer a superpower. Russia in many respects is a poor, backward country. As we have seen in the recent spat with Latvia over Russian immigrants, Moscow is prone to reverting to its threatening, Cold War manner of dealing with its former territories.

But Russia is a big country. Big countries expect to exert a certain amount of power in their sphere of influence, and it will take time for Russia to recognize that those ways of acting are no longer acceptable.

No one knows who will follow President Yeltsin. Russia's future is too unpredictable for us to disband NATO, and in any event there are other important missions for NATO than to defend against Russian aggression. On that point I fully agree with the administration. I have lived most of my life in a world with NATO. I want future generations to benefit from this unmatched military alliance led by democratic nations. It serves us well.

But the United States should be doing everything possible to build a non-threatening, cooperative and stable relationship with Russia. Rather than rush to extend an historically anti-Russia alliance and build up the military capabilities of its neighbors—an approach that has undeniably caused great resentment and uneasiness in Russia, we should be building alliances that do not create new divisions between us.

Mr. President, my fourth question is whether enlargement would result in benefits that justify substantial additional military costs to the United States and the new NATO members.

One of the most troubling issues in this debate has been the cost projections. Estimates range from several hundred million dollars, which I find impossible to take seriously if these countries are to pull their own weight in NATO, to tens of billions of dollars. The administration's estimates have changed so many times that are virtually devoid of credibility.

As best I can tell, we only know that we do not know how much the admission of these three countries would cost, but that it would cost a lot and possibly a lot more than the administration says. When was the last time the Pentagon overestimated the cost of anything? I cannot recall a time.

Nor can I recall a time when we were asked to vote for something when the cost estimates differed so dramatically—from as little as $400 million to as much as $125 billion. That is a difference of over 300 times.

Nor do we know what it would cost to admit additional members after we cross this threshold. The President has said that ''no qualified European democracy is ruled out as a future member.'' There are over twenty. That is a potentially huge investment and a bonanza for the arms manufacturers who are not surprisingly among NATO enlargement's greatest champions.

The last thing we want to encourage is for the newly admitted countries will go on a weapons buying spree when they should be spending their scarce resources on economic development and infrastructure.

What would NATO be with 22 new members? That may sound farfetched, but under the President's scenario it is at least a plausible outcome and one we must consider before we start down the path of enlargement. I am afraid it would be a much weakened alliance, and one that Russia, rightly or wrongly, could quite reasonably regard as a threat.

And what commitments would we be making to those future members? President Clinton has said that NATO ''enlargement requires that we extend to new members our alliance's most solemn security pledge, to treat an attack against one as an attack against all.'' That is what the NATO charter says, but it is far from obvious that the American people are ready to accept that commitment. Others speak vaguely of different types of missions. I have strongly supported international peacekeeping, but I am uneasy about the lack of specificity about what we are committing to here.

Mr. President, I do not doubt that Poland, Hungary and the Czech Republic have every reason to want to be part of NATO. I also recognize that they have made tremendous progress in meeting the criteria set for NATO admission. But we must judge, above all, if enlarging NATO at this time in history is in the best interests of the United States—not Poland, not Hungary, not the Czech Republic, but the United States and NATO itself.

I have considered this resolution carefully, but I have been unable to satisfy myself that it is either necessary, or in our best interest. George Kennan, a man I admire greatly, called NATO expansion ''the most fateful error of American policy in the entire post-cold-war era.'' I do not know if George Kennan is right. But neither am I confident that he is wrong. I am not prepared to gamble on his being wrong.

I hope that I am wrong. It appears that two-thirds of the Senate will vote for this resolution. I sincerely hope that the admission of new countries to NATO produces the desirable outcome the administration forecasts. If that happens I will be the first to admit that I was wrong, and to welcome that outcome.

As I said at the outset of my remarks, this has been a difficult decision for me. I obviously share the administration's goal of a united, secure and prosperous Europe. We all do. But I believe continued progress can be made to achieve that through Partnership for Peace and other means, without the risks and cost involved in enlarging NATO. Nothing, I am convinced, bears more directly on the future security of Europe and the United States than a democratic Russia that does not fear the West.

That should be our priority, that is what is at stake, and so the Senator from Vermont will oppose this resolution.

Mr. President, I yield the floor.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, before we proceed to a vote, may I ask the distinguished Senator from Delaware, Mr. BIDEN, if he is satisfied now with TED STEVENS' amendment?

EXECUTIVE AMENDMENT NO. 2065, AS MODIFIED

Mr. BIDEN. Mr. President, I am satisfied, and I will send to the desk, if I may, with the permission of the chairman, a modification that has been agreed to by Senator STEVENS and myself.

On behalf of Senator STEVENS, I ask that a modification to amendment No. 2065 be sent to the desk. This adds one word to the amendment which I have cleared with Senator STEVENS and with Chairman HELMS. I want to state my understanding about this amendment before we adopt it, which I have also cleared with the Senator from Alaska.

First, this amendment does not affect the Partnership for Peace Program.

Second, I understand this to mean that NATO cannot incur NATO expansion costs for which the United States would be obligated to pay except through NATO's common-funded budgets unless specifically authorized by law. And with those understandings, the amendment, as modified, is perfectly acceptable to me.

The PRESIDING OFFICER. The amendment is so modified.

The amendment, as modified, is as follows:

At the end of section 3(2) of the resolution, add the following:

(C) REQUIREMENT OF PAYMENT OUT OF FUNDS SPECIFICALLY AUTHORIZED.—No cost incurred by the North Atlantic Treaty Organization (NATO), other than through the common-funded budgets of NATO, in connection with the admission to membership, or participation, in NATO of any country that was not a member of NATO as of March 1, 1998, may be paid out of funds available to any department, agency, or other entity of the United States unless the funds are specifically authorized by law for that purpose.

Mr. BIDEN. I urge adoption of the amendment.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. To keep the Record straight, that is No. 2066, as modified?

The PRESIDING OFFICER. Amendment No. 2065, as modified.

Mr. BIDEN. Amendment 2065, as modified.

Mr. HELMS. Amendment 2065, as modified. Very well.

Mr. BIDEN. Mr. President, parliamentary inquiry. Do we need to vitiate the yeas and nays?

I move to vitiate the yeas and nays on the amendment.

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

Mr. BIDEN. I urge its adoption by voice.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The executive amendment (No. 2065), as modified, was agreed to.

Mr. HELMS. I think you have a UC, Mr. President.

EXECUTIVE AMENDMENT NO. 2320

The PRESIDING OFFICER. The question is now on amendment No. 2320. By previous order, the yeas and nays have been ordered to occur at 7 o'clock. The clerk will call the roll.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Parliamentary inquiry, Mr. President. Are we proceeding on the basis of a unanimous consent request that was entered into earlier to vote at 7 o'clock?

The PRESIDING OFFICER. That is correct.

Mr. HARKIN. Further parliamentary inquiry. Will there be a series of votes?

The PRESIDING OFFICER. There are two votes currently stacked——

Mr. HELMS. If the Senator will yield.

The PRESIDING OFFICER. The Chair is mistaken. There is only one vote currently called for under the previous order which was a result of the unanimous consent agreement. It is to occur at 7 o'clock.

Mr. HARKIN. As soon as the vote is over, I assume the floor would be open for further amendments and debate. Is that affirmative?

The PRESIDING OFFICER. There have been amendments set aside. They would recur, if called up.

Mr. BIDEN. Mr. President, parliamentary inquiry. At the conclusion of this vote, the regular order would be to return to the Ashcroft amendment; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. HARKIN. Return to the Ashcroft amendment?

Mr. BIDEN. Ashcroft.

Mr. HARKIN. Is there a limited amount of time on that amendment?

The PRESIDING OFFICER. There is no time limit.

Mr. HARKIN. So the floor would be open at that time. I thank the Chair. Thank you.

Mr. HELMS. Mr. President, if I am not mistaken, we have two votes; the first would be 15, and the second 10?

The PRESIDING OFFICER. The Chair was equally confused. But this is the parliamentary situation. Under a standing unanimous consent agreement, the Senate should now vote on the Conrad amendment No. 2320. By unanimous consent, there is a 10-minute limit on the vote on the Bingaman amendment, but the agreement did not call for the Bingaman amendment to occur immediately after the Conrad amendment. If that is the desire of the Senator from North Carolina, he will have to ask unanimous consent that that happen.

Mr. HELMS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. HELMS. Now, this whole situation is fraught with sideline agreements that nobody recorded. Now, the understanding was that at this point—all right. So we will vote first on the Conrad-Bingaman; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. HELMS. Amendment No. 2320, and then followed by 2324?

The PRESIDING OFFICER. There is no order for 2324.

Mr. HELMS. I suggest we get something done.

I suggest we proceed with the vote.

The PRESIDING OFFICER. Is the Senator from North Carolina asking that we move to 2324 after 2320? That would require a unanimous consent.

Mr. HELMS. We will do that afterwards.

The PRESIDING OFFICER. All right. The question is on agreeing to the executive amendment No. 2320. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

The result was announced—yeas 16, nays 84, as follows:

[Rollcall Vote No. 113 Ex.]

YEAS—16

Bingaman	Jeffords	Leahy
Bryan	Johnson	Murray
Bumpers	Kennedy	Wellstone
Conrad	Kerry	Wyden
Dorgan	Kohl	
Harkin	Lautenberg	

NAYS—84

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

The executive amendment (No. 2320) was rejected.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2318

Mr. BIDEN. Mr. President, I call for the regular order with respect to amendment 2318, the Ashcroft amendment.

The PRESIDING OFFICER. The Senator has that right.

That amendment is now in order.

Mr. ROTH. Mr. President, I wish to express my strong opposition to this amendment and to urge my colleagues to vote this amendment down.

Before I start Mr. President, I ask unanimous consent to have printed in the RECORD an article published today on this amendment in the Washington Times by David Gompert, who served as senior director for Europe and Eurasia on the National Security Council staff under President George Bush. This is a very insightful piece, and I intend to reiterate and elaborate on the sound points raised by David Gompert.

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

A VOTE AGAINST NATO

(By David Gompert)

As the Senate prepares to ratify the enlargement of NATO, the debate has taken a troubling turn. While not questioning the admission of Poland, Hungary and the Czech Republic, Sen. John Ashcroft has offered an amendment to the ratification resolution aimed essentially at limiting NATO's purpose to the Cold War mission of defending the borders of the European allies. Should such a new restriction be imposed, the big loser would be the United States.

Needless to say Sen. Ashcroft has no intention of harming U.S. security interests. His motivation, it seems, is to keep the U.S. from being drawn into peacekeeping operations, like Bosnia, that the Europeans ought to handle on their own. Reasonable people can disagree about the merits of U.S. involvement in Bosnia and other peacekeeping missions. In some cases, the nation will opt to send forces, as in Bosnia; in other cases, it will not, as in last year's crisis in Albania. But let's be clear: The NATO treaty does not and will not require the U.S. to participate in peacekeeping. The Clinton administration has never claimed that the U.S. has a *treaty obligation* to join its allies in Bosnia.

Thus, the Ashcroft amendment is at best unnecessary. Far worse, it could foreclose a potentially crucial strategic option for the United States, namely, to seek NATO's help in confronting future threats to the common security interests of the Atlantic democracies. In this world of rogue states with biological, chemical, and nuclear weapons poised to seize Western oil supplies, why would we want to restrict NATO's purpose to our coming to the defense of European soil? Why would we want to cut off U.S. options in this unpredictable era? Why would we discard our chance to get allied support for U.S. security interests?

Wisely, the drafters of the NATO Treaty 50 years ago provided not only for the defense of the territory of the European allies but also for the possibility of common action to protect other interests. The United States wanted this latter provision—not as an obligation but as an option. When the treaty was signed, Secretary of State Acheson proclaimed that it contained no limitations on alliance missions. As long as the Soviets threatened Europe, the defense of allied territory was NATO's overriding concern. But now, the U.S. has begun to ask the Europeans to contribute more to the protection of other common interests, such as oil and security from weapons of mass destruction. It is time for the U.S. not only to give but also to receive security benefits from NATO.

Accordingly, since the Gulf War, when the U.S. had to send nearly all the forces and run nearly all the risks, the Bush administration and the Clinton administration have urged

the Europeans to move beyond the Cold War mission of border defense and to join the United States in combating the new threats. This work has just begun to bear fruit: The British, French and Germans have, somewhat reluctantly, agreed to build forces that could help out if, for example, another war erupted in the Persian Gulf. The allies are becoming convinced by the United States that NATO is too valuable—and the world is too dangerous—to restrict its options.

The Ashcroft amendment could derail this effort. By stressing that NATO's only business is to defend European borders, it would remove any motivation for the allies to field better forces for post-Cold War missions and give them a perfect excuse to let their military readiness decline. By suggesting that the U.S. will not support any other NATO missions, it would guarantee that the allies will not. By disapproving of the use of NATO to combat today's threats it would signal that the U.S. sees the alliance as having little value in the new era. Those Europeans that prefer to see the U.S. face the new era's dangers alone would welcome the Ashcroft amendment.

Worst of all, those who would threaten U.S. and European common interests, such as Iraq, Libya, Iran and Serbia, might be relieved, if also astounded, to learn that the United States was not going to use NATO to face them with a common U.S.-European front, in peacetime and war. These renegades are already trying to split us from our allies. The only thing that would bother and deter them better than U.S. power is U.S. power backed by NATO. The Ashcroft amendment—unintentionally, of course—could rule that out. Upon admitting the three new democracies as members, thus consolidating security within Europe, NATO will turn its attention to how the U.S. and Europeans can work together to combat common threats wherever they might arise. We will be debating and refining such a concept for years to come, and the Senate will have an important voice. By design, the treaty itself neither requires nor forbids new missions. The Ashcroft amendment would pinch off options that the treaty was meant to provide and that the U.S., above all, can now use to its advantage.

Mr. ROTH. I fully recognize that the sponsors of this amendment are motivated by the desire to preserve the vitality of NATO and the central priority of its collective defense mission. These are goals that I fully endorse. However, the motivations behind this amendment and its real and potential impact upon the Alliance are leagues apart. Mr. President, this amendment would do great damage to the Alliance and to the interests of the United States.

First, it intends to unilaterally impose for the first time in the history of the Alliance new restrictions on NATO's roles and missions. And it would do so, in absence of serious consultations within the Alliance.

Second, such a unilateral move by the Senate runs counter to the spirit and traditions of the Alliance. It would invite other allies to unilaterally impose their own restrictions and definitions on the terms of the Washington Treaty. We must not set the Alliance upon such a slippery and divisive slope.

Third, by imposing such restrictions, this amendment would undercut the ability of the United States to prompt NATO to take actions necessary to protect and defend the interests of the North Atlantic community. Worse yet, the language of this amendment would undermine the ability of the United States to call NATO to action in defense of American security interests.

Fourth, this chamber has repeatedly called upon our Allies to stop the decline of their defense establishments and do more to bear burdens of the Alliance. This amendment directly undercuts those efforts to attain more equitable burden-sharing within the Alliance and the transatlantic community. It would do by granting our European allies yet another excuse to not improve their defense forces.

At its best this amendment in unnecessary to achieve the goals of its sponsors. At its worst, the amendment would undercut the Alliance's will and capability to defend the security interests of the North Atlantic community of democracies.

This amendment is unnecessary to attain the goal of preventing the United States from being drawn into dangerous peace-keeping operations that the countries of Europe should handle on their own. The United States already reserves the right to veto any such initiative within or by the Alliance. Moreover, Article 5 of the Washington Treaty makes U.S. Participation in a NATO mission strictly a national decision. It is not an obligation. That has always been the case and will always remain the case in NATO.

It is quite evident that not everyone in the Senate supports the decision of the United States to have NATO lead the effort to bring peace to the Balkans. Nonetheless, it was a national decision by the United States and the United States Congress to support the NATO mission in Bosnia. And, the fact is that this military operation is completely consistent with the Washington Treaty. We should not allow disagreements with the foreign policy of the executive branch, as serious as they may be, to prompt dangerous revisions or restrictions upon a treaty that has been an unprecedented success for the deterrence of aggression and the preservation of peace. Yet, that is exactly what this amendment would do.

I understand that one key intent of the amendment is to express the opinion that the Alliance must remain first and foremost an institution of collective defense. That goal is already accomplished through the resolution of ratification. Just read it.

Section 3.1.A of the resolution of ratification declares clearly that the ''core purpose of NATO must continue to be the collective defense of the territory of all NATO members.'' The resolution makes crystal clear that the Senate firmly believes that NATO's first priority must be the mission of collective defense.

Unfortunately, this amendment is not only unnecessary, it is dangerous. By attempting to define and restrict the missions that NATO can and should undertake, it risks foreclosing the ability of the United States to seek NATO's assistance in confronting future threats to the transatlantic community of nations.

Ironically, this amendment's current construction would not keep the United States from becoming engaged in any future ''Bosnia-type contingencies''—a core intent of its authors—because such contingencies as Bosnia can be defined as meeting its requirements. Indeed, the U.S. Congress has done just that by supporting our troops in Bosnia. But, this amendment, could serve as an excuse for our allies to avoid sharing the risks and burdens of such contingencies with the United States.

In a world of rogue states with biological, chemical and nuclear weapons increasingly at their disposal, why would we, the United States Senate, want to undercut NATO's willingness and ability to defend the common interests of the North Atlantic community of democracies? Why would we, the United States Senate discard one of the best vehicles through which to prompt allied support for U.S. security interests?

Some fifty years ago, the drafters of the Washington Treaty included provisions not only to provide for the territorial defense of the North Atlantic region, but also for the possibility of common action to protect other interests of the North Atlantic Community. It was the United States that insisted upon this provision—Article 4 of the Charter—and a construction of the Charter that would permit actions beyond the narrow scope of territorial defense. Secretary of State Dean Acheson spoke to this point clearly before the Treaty went into force in 1949, and I ask unanimous consent that an excerpt of a memorandum of his press conferences in which he spoke definitively on this point be printed in the RECORD.

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

EXCERPT OF MEMORANDUM OF THE PRESS AND RADIO NEWS CONFERENCE, FRIDAY, MARCH 18, 1949

* * * * *

A correspondent asked the Secretary to consider a situation which might arise if there was a demonstration of a power, not a member of this group, in the direction of one of the Middle Eastern countries such as Iran or Turkey which was considered by one of the powers in the group to constitute a threat to peace and security. He asked if there was any provision in the Treaty beyond the provision for consultation and Secretary Acheson replied in the negative. Asked if Article 9 did not provide for a recommendation by the council on a situation of this type, the Secretary replied that this was correct. He said that it applied for recommendations for carrying out or implementing the Treaty but said that this did not change what he had said earlier. He declared that there was no provision which looked toward these Parties acting as a unit in regard to some matter not covered by the Treaty and said they might act as a unit or they might not, but that there was nothing in the Treaty which required them to do so.

Asked if there was no provision for anything except consultation, except actual

armed attack on one of the signatories, the Secretary replied that there were Articles one, two, three and four. Asked if there were no limiting clause the Secretary stated that there was no limiting clause. A correspondent asked if the area of the Treaty was specified but was not necessarily limited as to what the Parties might do after they might consult, considering the fact that an attack to security might originate outside of the geographical limits of the Treaty. The Secretary said that, in the first place, there was the very first article of the Treaty which says that the Parties affirm their obligations under the Charter of the United Nations, to settle their disputes peacefully. He added that he didn't know whether this would be called limiting but that it was one of the great obligations of the Charter, and that if it were carried out by all members of the United Nations a great many problems in this world would disappear. In conclusion, he said that he would think that it was quite limiting. A correspondent said that geographical limitations in Europe and the North Atlantic had also been set up in Article 5 and the Secretary said that this was right.

Asked if the Treaty stipulated that if armed attack should originate outside of the area no action might be taken, the Secretary replied in the negative.

* * * * *

Mr. ROTH. The fact is that the policy of the United States and the policy of NATO have always permitted actions by the Alliance that go beyond the narrow scope of territorial defense. Yet, this amendment clearly attempts to constrict the interpretation of the Washington treaty rendered by its founding fathers.

And, let us not underestimate what kind of example passage of this amendment would set for our Allies. It would encourage our European Allies to impose their own unilateral reinterpretations or restrictions upon the Washington treaty. Imagine our reaction, if one of the parliaments or governments of our allies were to attach such conditions to NATO enlargement. How would we react, if for example, one ally were to prohibit the use of NATO-designated units against Saddam Hussein's regime in Iraq? Judging from recent events in the Persian Gulf, I imagine the reaction in this chamber would be one of complete outrage.

Mr. President, we must also be aware of the message this amendment would send to our European Allies should the Senate make the profound mistake of accepting it.

For years, the United States, and especially the United States Congress, has worked arduously to make our European Allies more outward looking in their security policies and to assume a greater share of the risks and burdens in addressing common challenges and threats. We have repeatedly called upon them to stop the decline of their defense establishments and to devote the resources that will enable them to better contribute to the transatlantic security.

Yet this amendment, perhaps inadvertently, would signal that the business of NATO is only territorial defense, and no more. It would thereby eliminate any motivation for the Allies to field the forces necessary for post-Cold War missions. It would serve as an excuse to let the military establishments continue an over decade long decline.

Worse, this amendment would infer that the United States views the Alliance as having limited value in the post-Cold War era. This is an important point made by David Gompert, and I fully agree. Passage of this amendment could be interpreted by our allies and the detractors of the Alliance that the United States no longer regards its vital interests as being best secured through the fabric of the transatlantic community and the NATO alliance. That would be a dangerously counterproductive message—a message that would ignore the lessons of two world wars and the Cold War. I just don't believe that our memory is so short.

Mr. President, the Senate must reject this amendment. As I stated earlier, at its best, this amendment is redundant and unnecessary. At its worst, it is a radical and dangerous departure from the Washington Treaty of 1949 and the way in which the United States has over the years used the Alliance to advance our own national interests.

Mr. BIDEN. Mr. President, I now move to table the Ashcroft amendment, and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

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

The assistant legislative clerk called the roll.

The result was announced—yeas 82, nays 18, as follows:

[Rollcall Vote No. 114 Ex.]

YEAS—82

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

NAYS—18

Ashcroft	Grassley	Nickles
Bond	Helms	Roberts
Brownback	Hutchinson	Sessions
Craig	Hutchison	Smith (NH)
Faircloth	Inhofe	Thurmond
Grams	Kempthorne	Warner

The motion to lay on the table the amendment (No. 2318) was agreed to.

EXECUTIVE AMENDMENT NO. 2324

The PRESIDING OFFICER. The question now occurs on the Bingaman amendment, No. 2324. By previous agreement, this is a 10-minute vote. We have 10 minutes of debate equally divided. Then there is a 10-minute vote. Who yields time?

The Senator from New Mexico will be recognized when the Senate is in order. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, the members of NATO are engaged today in revising and updating the so-called strategic concept of NATO. We are part of this ongoing review. It was agreed to in July of last year in Madrid, by the Council, that this revision of the strategic concept would take place, and they set out a three-stage process to do it. They are well into that process now. The idea behind it was that the new, revised strategic concept will be presented next April at the Ministers meeting.

My amendment says that after the admission of Poland and Hungary and the Czech Republic, it will be the policy of the United States not to invite other members to come into NATO until that revised strategic concept has been agreed to by the Council, by the NATO Council. To my mind, this is not a radical proposal in any respect. It is exactly the process that is intended to take place. It is very important, I believe, for ourselves to know what the new mission is and to have agreement on what the new strategic concept is before we take on new members and commit to defend their territory. Of course, I think it is also very important that the new members who would like to become part of NATO understand precisely what this strategic concept is before they sign on to participate in it.

So that is the amendment. There is no great mystery about it. It is not intended to subvert anything, to delay anything. It has absolutely no effect on the question of whether Poland and the Czech Republic and Hungary should be admitted into NATO at this time. But it does say before we go beyond that, we should get this strategic concept agreed to. It is intended that that happen next year. I have every reason to believe it will happen next year. It is important that it happen before we begin to invite others to join NATO after these three countries.

Mr. President, I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, I will be very, very brief. This is a rerun of the amendment by my distinguished friend from Virginia, Senator WARNER. This is

a means by which to artificially delay any new decision relative to new entrants. We already have the strategic concept that contemplated and reflected the changes that took place in 1991. You all voted 90 to 6 last night on the amendment of the Senator from Arizona, Senator KYL, laying out in detail what must be taken into consideration by the United States of America to sign on any new strategic concept. This is, in fact, not necessary. It is not needed, and it is an unnecessary delay. So I am prepared—if my colleague will yield the remainder of his time, I will yield the remainder of mine and I am ready to vote.

I urge you all to vote no.

Mr. BINGAMAN. I would like to use an additional 1 minute of my time. How much time do I have remaining?

The PRESIDING OFFICER. The Senator from New Mexico has 2 minutes 33 seconds.

Mr. BINGAMAN. Let me just sum up my position. I do not think the amendment by the Senator from Arizona is related to this. That is a statement by the U.S. Senate as to what we think ought to be in the revised strategic concept. It is not a statement by the Council, NATO Council, as to what ought to be in there. I think it is important that we get agreement among our NATO allies as to what is in this strategic concept before we go ahead to invite new members. That is what my amendment says.

Unless someone intends that we invite new members in the next 11 months, there is no delay involved in this. So I hope very much my colleagues will approve the amendment and add it to the treaty.

I yield the floor and I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. I see no purpose for this amendment. I hope my colleagues will view it the same way.

I yield the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the yeas and nays have been ordered and the clerk will now call the roll on the Bingaman amendment, No. 2324.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. KYL) is necessarily absent.

The result was announced, yeas 23, nays 76, as follows:

[Rollcall Vote No. 115 Ex.]

YEAS—23

Ashcroft	Hollings	Reed
Bingaman	Hutchinson	Roberts
Bumpers	Hutchison	Smith (NH)
Conrad	Inhofe	Torricelli
Craig	Jeffords	Warner
Dorgan	Kempthorne	Wellstone
Graham	Kohl	Wyden
Harkin	Murray	

NAYS—76

Abraham	Biden	Bryan
Akaka	Bond	Burns
Allard	Boxer	Byrd
Baucus	Breaux	Campbell
Bennett	Brownback	Chafee
Cleland	Grassley	Moseley-Braun
Coats	Gregg	Moynihan
Cochran	Hagel	Murkowski
Collins	Hatch	Nickles
Coverdell	Helms	Reid
D'Amato	Inouye	Robb
Daschle	Johnson	Rockefeller
DeWine	Kennedy	Roth
Dodd	Kerrey	Santorum
Domenici	Kerry	Sarbanes
Durbin	Landrieu	Sessions
Enzi	Lautenberg	Shelby
Faircloth	Leahy	Smith (OR)
Feingold	Levin	Snowe
Feinstein	Lieberman	Specter
Ford	Lott	Stevens
Frist	Lugar	Thomas
Glenn	Mack	Thompson
Gorton	McCain	Thurmond
Gramm	McConnell	
Grams	Mikulski	

NOT VOTING—1

Kyl

The amendment (No. 2324) was rejected.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER (Mr. FAIRCLOTH). The Chair recognizes the Senator from Iowa.

EXECUTIVE AMENDMENT NO. 2326

(Purpose: To urge examination of the compatibility of certain programs involving nuclear weapons cooperation with the obligations of the United States and other NATO members under the Treaty on the Non-Proliferation of Nuclear Weapons)

Mr. HARKIN. Mr. President, I have an amendment I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] proposes an executive amendment numbered 2326.

At the end of section 2 of the resolution, insert the following:

( ) COMPATIBILITY OF CERTAIN PROGRAMS WITH OBLIGATIONS UNDER THE NUCLEAR NON-PROLIFERATION TREATY.—The Senate declares that the President, as part of NATO's ongoing Strategic Review, should examine the political and legal compatibility between—

(1) current United States programs involving nuclear weapons cooperation with other NATO members; and

(2) the obligations of the United States and the other NATO members under the Treaty on the Non-Proliferation of Nuclear Weapons, done at Washington, London, and Moscow on July 1, 1968.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER (Mr. FAIRCLOTH). The Chair recognizes the Senator from Iowa.

EXECUTIVE AMENDMENT NO. 2326

(Purpose: To urge examination of the compatibility of certain programs involving nuclear weapons cooperation with the obligations of the United States and other NATO members under the Treaty on the Non-Proliferation of Nuclear Weapons)

Mr. HARKIN. Mr. President, I have an amendment I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] proposes an executive amendment numbered 2326.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, it is not a long amendment. That is why I wanted it read.

It is very straightforward. It will be my intention to just speak for a few minutes on the amendment, and then I will withdraw the amendment. After seeing how all of the amendments seem to be faring here, it seemed ridiculous to waste any more time of the Senate to be voting on these amendments.

I feel strongly about this aspect of going into NATO enlargement. More than anything else, I want to explain the purpose of my amendment and lay down a marker regarding an issue that I know concerns all of us here and which could have very severe repercussions in an expanded NATO. That is the issue of the nonproliferation treaty of which the United States is a signatory and, of course, an issue that we have pushed very hard.

Many of us have spoken many times about the importance of not slowing down international arms control and nonproliferation efforts. This amendment is simply a sense of the Senate regarding NATO's relationship to the Nuclear Non-Proliferation Treaty, or NPT, and urges that the President should propose that NATO examine the compatibility—

Mr. President, could I have order? I have trouble hearing myself.

The PRESIDING OFFICER. May we have order so the speaker can be heard? He is entitled to be heard.

Mr. HARKIN. I thank the President.

This amendment just urges that the President should propose that NATO examine the compatibility of its nuclear-weapons-sharing programs with our obligations under the NPT, the nuclear nonproliferation treaty.

The NPT is one of our most important international agreements. Not only is the United States a member of the NPT regime, we were a strong leader in establishing the treaty.

Its purpose, of course, is to prevent the spread of nuclear weapons. Through a series of provisions, it helps halt the spread of nuclear materials and nuclear weapons knowledge. That is the important part of this—the nuclear weapons knowledge.

The nonaligned members of the NPT have expressed great concern over NATO's nuclear-sharing programs. Let me make it clear. The United States has nuclear weapons at U.S. bases in NATO nations. In time of war the United States could release these nuclear weapons to these allied nations.

Of course, in peacetime our allies do not have control over them. We retain control. However, we do assist in training foreign militaries in nuclear-use capabilities.

For example, we train our NATO ally pilots how to drop nuclear weapons. We train their ground crews on how to store nuclear weapons and how to load them onto aircraft. And 110 nations have expressed concern over NATO's expansion impact on the NPT.

The first indication of this, Mr. President, was in an article that appeared in Defense News, on March 30, saying that:

''The 113 members of the so-called nonaligned movement, none of which have nuclear weapons, have asked conference leaders at the meeting to discuss assurances for parties to the NPT that they will not be targeted by nuclear weapons.'' Stephen Young, of the British American Security Information Council was quoted in the article as adding, ''If NATO won't give nuclear weapons up, and in fact continues to publicly declare nuclear weapons as part of its strategy for the future of the alliance, the fear is that some states that do not currently have nuclear weapons may become frustrated and decide to acquire them for protection.''

Now, we have a news release from the same organization that came in just yesterday that stated that: ''At the meeting of the member states of the nuclear non-proliferation treaty''—in Geneva on April 28, just 2 days ago, 110 nations of the nonaligned movement—''demanded an end to NATO nuclear-sharing arrangements.''

A working paper representing the position of more than 110 states demands that—and I quote—''the nuclear weapons states parties to the NPT refrain from, among themselves, with non-nuclear weapons states, and with states not party to the treaty, nuclear sharing for military purposes under any kind of security arrangements.''

Well, NATO is the only alliance which operates nuclear-sharing arrangements. Under these arrangements, somewhere between 150 to 200 U.S. nuclear weapons are deployed in the six European States: Belgium, Germany, Greece, Italy, the Netherlands, and Turkey.

NATO countries, of course, have always maintained that NATO nuclear sharing is legal under the NPT because it does not involve the actual transfer of nuclear weapons unless a decision was made to go to war.

However, the NPT regime also involves, as I stated earlier, the sharing of nuclear knowledge. So I think it is a well-grounded concern of the nonaligned nations to express their concerns about the expansion of NATO and the fact that we will begin sharing nuclear knowledge with the three new member nations. I think their fears are well founded and worth considering.

Will we now, of course, with the addition of these three new nations, begin to share this nuclear knowledge? Are these three new nations full and absolute partners of NATO—as many have said here on the floor during the course of the debate, that Poland, Hungary, and the Czech Republic should not be second-class NATO partners but should have all of the rights, obligations, and powers inherent in any NATO member nation? If that is the case, then certainly we will begin to share nuclear knowledge with those three countries. I believe, Mr. President, that this could fly in the face of our obligations under the nuclear nonproliferation treaty. Therein lies the conundrum.

If we do proceed with NATO expansion—and it obviously looks like the votes will be here to do that—and if these three nations become full partners in NATO, as many have said they should, and obviously they will under the reading of the protocols, we then will proceed to share nuclear knowledge with those three nations. And what of nuclear capabilities? I am not saying that we will turn over control of nuclear weapons—we have not yet done that to any nation of NATO—but we could get to the point where we might turn over nuclear weapons to those three nations if, in fact, conditions warrant it.

There is one other aspect—and I was going to offer another amendment, but I will not—the use and stationing of dual-use aircraft in these countries. Again, as members of NATO, we will be stationing aircraft in the countries that have dual uses. They can be used for conventional weapons delivery, but if fitted with the proper hard points and racks, they can also be used for nuclear weapons delivery. And will we then proceed to train ground crews and pilots in those countries in the delivery of these nuclear weapons, in their storage, and in their handling and loading capabilities? Again, I believe that we may do something which probably a lot of Senators have not thought about. That is how NATO expansion affects our obligations and our stated interest in the nonproliferation treaty.

So I am hopeful that the President will give due consideration to this. Quite frankly, I don't know what the President can do. Either we are going to adhere to the letter and the spirit of the NPT and not share nuclear knowledge and capabilities and training with the three countries coming in, or we will share nuclear capabilities, knowledge, and training with these countries, and violate the letter and the spirit of the nonproliferation treaty. You can't have it both ways.

Another reason why I believe this rush to approve these three nations' accession into NATO is a march to folly—to quote the Senator from Arkansas, who last night quoted Barbara Tuchman's book, ''The March to Folly''—is that it just seems that the expansion has not been fully thought through, especially in the nuclear regime. If in fact we go ahead down that course, what then will Russia say? I know a lot of people have said, ''Well, Russia, understands what we are doing; they haven't raised a lot of objections.'' They have raised some.

Again, as Senator BUMPERS said last night, it is not now, it is when the elections are going to be held in Russia. That is when the hard-line right-wingers and the Communists will come out and say, see, we told you so. They will say that an expanded NATO in violation of oral assurances given to Mr. Gorbachev. Not only that, they could say that we have violated the nonproliferation treaty by providing nuclear capabilities to those three countries.

Right now, the Duma has already delayed ratification of the START II treaty. Nationalist elements have begun to gain power by accusing members of the democratic party with appeasement of the West. This will just give them another bullet in their arsenal in arguing that, in fact, Russia should change its course of action.

I was interested that former Ambassador Matlock, former Ambassador to the Soviet Union under the Bush administration, opposes NATO expansion. He stated, NATO expansion ''may go down in history as the most profound strategic plunder made since the end of the cold war.'' Ambassador Matlock further stated NATO enlargement ''fails to take account of the real international situation following the end of the cold war, and proceeds in accord with the logic that made sense during the cold war.''

I agree with those words of Ambassador Matlock. I don't know Ambassador Matlock, never met him, as far as I know, but I think he has given us wise counsel. He is joined by many others across the Nation. I have watched this debate unfold over the course of the last few months. As more and more knowledge has gotten out around the country as to what NATO expansion really entails, the possibility of derailing START II talks, the unknown factor of what the costs are eventually going to be, the fact that once we have opened this door and with, I am sorry to say, the defeat of the Warner amendment—it was close—with the defeat of his amendment, you can bet your bottom dollar next year elements within our country will start pushing for new nations to be brought into the NATO umbrella.

How will we respond to those? By saying that they are less worthy that Poland, Hungary, or the Czech Republic? Will we say that somehow they are not ready, that we are going to have this hard dividing line in Europe? So it is going to exacerbate and cause even more tensions in Europe in the future.

Mr. WARNER. If the Senator will allow me to comment with him. I talked to former Ambassador Matlock today. I have known him since 1972, when he was part of our delegation that went over to work on the agreement. I have the highest regard for him. He confirmed to me very much what he advised the Senator. I just want to acknowledge that I think he is an authority that should be listened to.

Mr. HARKIN. I appreciate the Senator saying that. I have not met Mr. Matlock or talked to him personally. It is nice to know that even yet today he feels the same way. With words from respected people like Matlock, and with concerns such as what I have pointed out this evening in this amendment, more opposition has come out in

editorials around the country opposed to NATO expansion. The Des Moines Register, the New York Times, Chicago Tribune, the Salt Lake Tribune, and the Houston Chronicle—spanning the spectrum of the country geographically, spanning the spectrum of the country, philosophically and ideologically.

Mr. President, I ask unanimous consent that some of these editorials be printed in the RECORD.

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

[From the Register's Editorials]

WHY RUSH? WHY NATO?—WHY EXPAND A MILITARY ALLIANCE THAT HAS NO LOGICAL ENEMY?

The end of the Cold War should logically have meant the end of NATO, the military alliance intended to offset the military power of the Soviet bloc, in favor of formal and informal alliances promoting more economic and social links. But logic has run up squarely against the interests of the defense industry. And far from disbanding NATO, the Senate is scheduled to vote soon on expanding it—to include the former Communist states of Poland, Hungary and the Czech Republic.

Lockheed Martin, Boeing and Textron have already promised to build arms factories in that area. The World Policy Institute reports that $1.2 billion in U.S. tax money has thus far been spent arming the countries in anticipation of NATO membership, and billions more must follow.

Meanwhile, the proposed NATO expansion has been one of the soundest sleeper issues in American politics. While the defense industry has dumped millions on Congress to win a favorable vote, the matter has rated the most meager of media coverage. But both President Clinton and the Senate Republican leadership favor it, and the skids are greased.

''What's the rush?'' Republican Senator John Warner of Virginia asked in a recent floor speech. Warner said expanding NATO will isolate Russia, needlessly threatening an already-insecure nation that retains a huge nuclear arsenal. Our priority, Warner said, should be further reduction of nuclear stockpiles. Instead, we seem intent on beefing up a military alliance that has no logical opponent—unless we succeed in creating one.

The Senate can vote to approve expansion, reject it or delay action pending further discussion. Expanding NATO without allowing reasonable time for considering alternatives is reckless and foolhardy.

[From The New York Times, April 29, 1998]

NATO AND THE LESSONS OF HISTORY

The small but vociferous band of senators opposed to NATO expansion retreated yesterday to trying to sell a series of amendments they hoped would delay enlargement or limit the financial costs to Washington. Only one, offered by Daniel Patrick Moynihan and John Warner, would put off this round of growth by making NATO membership for Poland, Hungary and the Czech Republic contingent on their gaining admission to the European Union.

While it was encouraging to see the Senate at last thoughtfully debating the merits of expansion, the significance of the moment seemed to escape many members. Pushing NATO eastward may, as its proponents argue, only reinforce democracy and unity in Europe. We will be pleased if that proves true. But with the Senate now moving toward approval, the consequences could be quite different. The military alliance that played such a crucial role in preserving peace in Europe through the hard decades of the cold war could become the source of instability on that Continent.

The reason enlargement could prove to be a mistake of historic proportions is best explained by comparing the decision before the Senate with the far different course America chose at the end of World War II. America acted then not to isolate Germany and Japan, or to treat them as future threats, but rather to help make them democratic states. It was a generous and visionary policy that recognized that America's interests could be best secured by the advancement of its principles abroad and the embrace of its former enemies.

Now, in the aftermath of the cold war, the United States is taking an entirely different approach to the loser of that conflict. Though it has offered financial assistance and friendship to Russia, the Clinton Administration has made NATO expansion the centerpiece of its European policy. It is as if America had sent Japan and Germany a few billion dollars when the the war ended while devoting most of its energy to strengthening a military alliance against those countries.

It is delusional to believe that NATO expansion is not at its core an act that Russia will regard as hostile. At the very moment when Russia is shedding its totalitarian history and moving toward democracy and free markets, the West is essentially saying it still intends to treat Moscow as a military threat. The best way to defend Eastern Europe is not to erect a new barrier against Russian aggression but to bring democracy and prosperity to Russia so it will not be aggressive. The genius of American policy toward Japan and Germany was that it looked to the future rather than the past. It is lamentable that Washington lacks the imagination and courage to do so again.

[From the Chicago Tribune, February 1, 1998]

A CASE OF LESS IS MORE WITH NATO?

Like a fighter aircraft flying just above treetop level to evade detection by radar, the issue of expanding the North Atlantic Treaty Organization is moving, all but unnoticed by the American public, toward ratification by the Senate.

With formal consideration of the expansion treaty expected to begin in March, most knowledgeable observers look upon NATO membership for Poland, Hungary and the Czech Republic as an all but foregone conclusion. And with no serious opposition among the 15 other current members of the alliance—Turkey is the only one that has even feinted at rejection—that conclusion seems well warranted, even if the actual expansion is not.

This means that, very shortly, the U.S. will be committed to treat an attack on Prague like one on Peoria, a blow to Budapest like one to Birmingham. Since it is their sons and daughters, husbands and wives who will put their lives on the line. It would behoove the American people to give this issue the most careful thought. Unfortunately, that has not happened.

Indeed, the Clinton administration and its supporters in the expansion effort also may not have thought as carefully about it as they might, because expanding NATO could have the ironic result of making Europe, in the end, less secure than it otherwise would be.

Americans who supposed that the collapse of the Soviet Union and the end of the Cold War meant that the U.S. could finally lay down the burden of defending Europe may be surprised to learn that that is not so—at least not in the view of many in the foreign policy priesthood. What it has meant, according to the new NATO theology, is that NATO's raison d'etre has become not European defense from a ferocious USSR but European security.

The difference may seem so subtle as to be insignificant, but it is not. Vaclav Havel, president of the Czech Republic, summed it up as a matter of keeping the Europeans from falling into a ''war of all against all,'' of becoming ex-Yugoslavia on a continental scale.

That is not an ignoble thing to do. The question is why is it the job of the U.S. any more than it is America's job to keep Hutus and Tutsis from each other's throats in Rwanda or to separate antagonists in any of the several dozen other places in the world where they insist on killing each other?

Good question, and one that never gets satisfactorily answered in discussions with European supporters of NATO expansion—and virtually every European of any standing or influence seems to support bringing in Poland, Hungary and the Czech Republic.

We have argued in the past—along with such foreign policy eminences as Henry Kissinger—that expanding NATO is a bad idea mainly because it would feed Russia's centuries-old insecurity about having foreign powers along its western border.

Certainly the West should not kowtow to Russia out of such concern, but neither should it needlessly antagonize Moscow and strengthen the anti-democratic crazies who use NATO expansion to promote themselves.

In interviews last week with NATO and American officials in Brussels, it was clear they believe they have disarmed the Russia argument by the friendship and cooperation treaties and consultations that have been concluded with Russia over the last year.

That's all very nice, but it's not at all clear that this era of good feeling is all that good or that it will outlast the perpetually infirm Boris Yeltsin. Even if Russia is currently no threat militarily, it's a good bet that it will not always be so weak.

Leaving Russia aside, the question remains: Is it wise for the U.S. to make a commitment so grave as that implicit in expanding NATO?

It is not, and for an ironic reason: The more such promises America makes, the less seriously, ultimately, they will be taken, by those to whom they are made and those who might be tempted to test them.

Even without a NATO commitment, the U.S. probably would treat an attack on Warsaw as it would an attack on London or Wausau. But even with a NATO commitment, would it do the same for Bucharest or for Prague (where there seems to be a resounding public indifference to NATO enlargement)?

The very fact that the question can be asked—and it is asked by serious thinkers on this issue in Europe—suggests that, instead of increasing security in Europe, NATO expansion could weaken it.

Philippe Moreau Defarges, an expert with the French Institute of International Relations, sums up this irony with a French proverb that, translated, means. ''He who seeks to kiss everyone, kisses badly.''

[From the Salt Lake Tribune, March 8, 1998]

QUASH NATO EXPANSION

The expansion of NATO is a policy in search of a justification. The U.S. Senate should reject it.

The pivotal truth in the debate is this: NATO was created as a defensive alliance to contain the spread of Soviet communism in Europe. When the Soviet Union died, the reason for NATO died with it. Expanding an alliance which lacks a reason for being makes no sense.

If NATO had been redefined to meet a new threat or to serve a new purpose, the addition of Poland, the Czech Republic and Hungary to its membership might be logical. But that has not occurred, except on a basis that is ill-defined and ad hoc.

If the new NATO is to be the policeman of Europe—a force to keep ethnic bloodshed and civil war in check in the Balkans, for example—that job can be accomplished without an expanded membership. Exhibit A is Bosnia, where NATO has taken the lead but where peacekeepers also have been drawn from nations outside the alliance.

The Clinton administration argues that adding the three new members will integrate them back into the West after five decades of separation. But NATO expansion is not necessary to bring the Poles, Czechs and Hungarians back into Europe's embrace. They already are there by virtue of having established democratic governments and market economies. Indeed, their inclusion in the European Union would be a surer sign of their return to the democratic European family.

The largest challenge for genuine European integration is not the three nations invited to NATO membership but rather Russia and the other states of the former Soviet Union. Enlarging NATO toward the Russian frontier complicates this task, not because NATO threatens Russia or vice versa, but because, psychologically, the expansion looks backward to Cold War hostilities and suspicions.

The NATO expansionists charge that it is old Cold Warriors who cannot grasp the vision of a new, larger alliance. In fact, the opposite is true. It is those who are still thinking in Cold War terms who would expand an alliance whose purpose no longer exists.

[From the Houston Chronicle, Apr. 6, 1998]

ARMS CASH—DON'T LET WEAPONS DEALERS UNDULY AFFECT NATO EXPANSION

Like any group or individual, arms makers have a right to petition the government. But America's six biggest military contractors have spent $51 million over the last two years mainly to promote North Atlantic Treaty Organization expansion, and that raises concerns. As does the fact that 48 companies whose primary business is weaponry have given $32.3 million to candidates to advance their companies' causes, including NATO expansion.

American arms manufacturers stand to gain billions in weapons and other military equipment sales if the Senate approves the inclusion of Poland, Hungary and the Czech Republic in NATO. New alliance members will be required to upgrade their militaries, and there is absolutely nothing wrong with weapons makers getting this business.

However, it is vital that lawmakers not be blinded by lobbyist cash to the importance of approving NATO's eastward expansion only if NATO retains its focus on military matters and if enlargement costs are shared equitably among member nations. Also, the United States must continue to insist that the new NATO-Russian Council has no real or implied ''veto'' of alliance matters—a move that had been designed to make the expansion more cooperative with and palatable to Russia.

These are important conditions, and they will continue to be important as perhaps a dozen other countries come to be considered for NATO membership. So however arms dealers' enthusiasm might infect senators considering expansion, lawmakers must keep their focus on maintaining NATO's integrity.

Mr. HARKIN. Mr. President, I would have more articles, but I believe these are representative, geographically and philosophically, as to why we should not be rushing to expand NATO.

I will close by saying that I will withdraw my amendment, but I wanted to lay it down as a marker. We are going to hear more about the NATO expansion treaty and what it will mean to the nonproliferation treaty with our sharing of nuclear knowledge with these three countries, all of whom, I might point out, are signatories to the NPT. I think therein lies a dilemma. To this Senator's way of thinking, I believe the NPT is more important to us and more important to the world community than the expansion of NATO to include these three countries. Again, as Barbara Tuchman said in ''The March of Folly,'' ''I believe we are rushing into this without considering all of its ramifications, especially with nonproliferation.''

So, Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. BIDEN. Mr. President, I will not take the time of the Senate to respond to all the Senator said. We have rehashed a lot of those things. I will just note that a 59–41 vote—I have been here a long time and I never thought that was a close vote. But let me say with regard to only one point, because a lot is not rehashed and lacking consequence, but we have debated it a lot. One point was raised that is new, and I thought it would be raised by someone.

The Senator from Iowa has just repeated the oft-heard assertion that the United States promised Gorbachev during negotiations on German unification that we would not expand NATO.

This is an important assertion. It is also historically incorrect.

Since opponents of NATO enlargement have taken to repeating this assertion as if it were true—most recently in a full-page advertisement in the New York Times, which contained other striking factual errors—I think it is imperative to set the record straight.

Both *Robert Zoellick*, a senior State Department and later White House official in the Bush Administration who drafted the famous ''Two-Plus-Four'' Agreement with the Russians in 1990, *Eduard Shevardnadze*, the current President of Georgia who was then Soviet Foreign Minister, have both made clear the no such promise was ever made.

There is nothing in the ''Two-Plus-Four'' Agreement about NATO expansion.

There is no secret addendum to the ''Two-Plus-Four'' Agreement.

U.S. Secretary of State James Baker did make a comment ''not one step further east,'' which has been intentionally or unintentionally misinterpreted as having precluded NATO enlargement.

In actuality, according to Mr. Zoellick, the drafter of the agreement, this remark was related to what would be the status of U.S. forces if a united Germany were part of NATO. That is, *there would be no permanent stationing of American troops east of Germany, a position which did become official NATO policy* as enunciated by the well-known statement of the North Atlantic Council on March 14, 1997:

> In the current and foreseeable security environment, the alliance will carry out its collective defense and other missions by ensuring the necessary interoperability, integration and capability for reinforcement rather than by additional permanent stationing of substantial combat forces.

In fact, with possible NATO enlargement in mind, Zoellick made sure that the ''Two-Plus-Four'' Agreement did not foreclose the possibility of forces transiting Germany to reinforce Poland.

The September 12, 1990 Treaty precluded stationing NATO-integrated German forces on the territory of the former German Democratic Republic (i.e. East Germany) until after the withdrawal of Soviet forces. These agreements explicitly did not apply to the rest of Europe.

Any agreement on the future security arrangements of other European countries would have been inappropriate, since such countries were not part of the talks.

Mr. President, lest anyone believe that this is one-sided American historical analysis, I would like to quote from an article in The Reuter European Community Report of February 13, 1997 entitled ''West Made No Pledge to Moscow, NATO Told'':

> Georgian President Eduard Shevardnadze told NATO this week that the West did not offer Moscow any guarantees about the alliance's future during talks over German unification in 1990...
>
> ...Shevardnadze's comments, made to NATO Secretary General Javier Solana during a meeting in Tbilisi on Wednesday, contradict Russian claims that NATO's enlargement plans represent broken promises by the West.
>
> Shevardnadze, who was Soviet foreign minister when Moscow cut the deal in 1990 with Western powers opening the way for unification, told Solana that the talks only concerned Germany...
>
> President Shevardnadze told the secretary general that during those two-plus-four-talks, no guarantees had been given concerning NATO enlargement...

Mr. President, the striking fact that the chief negotiators of German unification on both the Soviet and the American side have made categorical denials that any assurances were given about NATO enlargement should lay this specious claim to rest.

Mr. HARKIN. If the Senator will yield, now we get two sides. It seems to me if there is a meeting with the Secretary of State—it was James Baker at the time—and Mr. Gorbachev and our Ambassador, there would have been—there has been at every meeting I have been to—a memorandum called MEMCOMS were sent back to the State Department. I wonder if we can produce the MEMCOMS so we can look at those and see what did transpire.

Mr. BIDEN. You could ask them.

Mr. HARKIN. Who?

Mr. BIDEN. The President, the State Department. My understanding is that they are never released. I would be happy to have them released.

Mr. HARKIN. Would the committee ask for that?

Mr. BIDEN. I will not ask for it because we have never asked for a release for those purposes, other than affecting the outcome of a significant debate or an issue of national consequence.

Mr. HARKIN. This is a pretty significant debate.

Mr. BIDEN. It is ex post facto now. I would be happy to talk with the Senator about it. The Senator doesn't need me to ask. You are standing next to a chairman of a powerful committee. I am a mere ranking member of a Foreign Relations Committee. So I am sure if you get him to do it, he may be able to get others to do it. I have learned, even when I was a chairman, there was not much consequence to what I did and how I was viewed. Now, as a ranking member—we all know that ranking members are people who have no power. So I would find a Republican to help you out. You have a very fine one standing next to you.

Mr. HARKIN. My experience in my years here is that the distinguished chairman of the committee has been very successful in getting documents and papers out of the State Department in the past. I would hope that the committee would at least try to get these MEMCOMS so we can see what the facts are.

Mr. BIDEN. I will say this much to the Senator. I will inquire formally whether or not MEMCOMS have ever been released to the committee. If they were, I would be happy to talk with the Senator about how to get this released. It would be worthwhile knowing.

Mr. HARKIN. I appreciate that very much.

Mr. BIDEN. Mr. President, I want everybody to know I am not usurping the prerogative of the chairman. He has asked me to do this. So I understand the distinguished Senator from Oklahoma has an amendment, which I believe, after some negotiation with the ranking member of the Armed Services Committee, we are likely to be able to accept. Is that correct, I say to my friend?

Mr. LEVIN. My understanding is that there is one change in those two words near the end. I think it ought to be accepted with that change.

Mr. BIDEN. I know it hasn't been introduced yet. Colleagues are saying: What is the deal? What is the schedule? I think we can facilitate rapidly a very important amendment which could have had a long debate in just a moment here. And then, as I understand it, the Senator from New Hampshire has an amendment and the junior Senator from Oklahoma has an amendment. To the best of my knowledge, they are the only remaining matters relating to this treaty, other than final passage.

I yield the floor.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

AMENDMENT NO. 2327

Mr. NICKLES. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES], for himself and Mr. SMITH of New Hampshire, proposes an amendment numbered 2327.

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

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

The amendment is as follows:

In subparagraph (C) of section 3(1) of the resolution, strke clauses (ii) and (iii) and insert in lieu thereof the following:

(ii) An analysis of all potential threats to the North Atlantic area (meaning the entire territory of all NATO members) up to the year 2010, including the consideration of a reconstituted conventional threat to Europe, emerging capabilities of non-NATO countries to use nuclear, biological, or chemical weapons affecting the North Atlantic area, and the emerging ballistic missile and cruise missile threat affecting the North Atlantic area;

(iii) the identification of alternative system architectures for the deployment of a NATO missile defense for the entire territory of all NATO members that would be capable of countering the threat posed by emerging ballistic and cruise missile systems in countries other than declared nuclear powers, as well as in countries that are existing nuclear powers, together with timetables for development and an estimate of costs;

Mr. NICKLES. Mr. President, the amendment that I send to the desk on behalf of myself and also Senator SMITH of New Hampshire basically says that under the report that is required by the resolution of ratification right now, the report says that we should have a study considering the cost of deployment of a NATO missile defense system for the region of Europe. I think, frankly, it should apply to all NATO countries.

That is the essence of the amendment. This is a NATO treaty. This is a mutual defense treaty for all NATO countries. All NATO countries are saying that they will come to one another's aid for the following reasons. If we are going to have a missile defense study for Europe, it certainly should have a missile defense study for the United States and for Canada.

That is the essence of my amendment. It is to make sure that we are not just having a treaty just to defend Europe but it is also to defend the United States and, of course, Canada, which I believe, as both the United States and Canada are instrumental and very important members of NATO, should not be denigrated and should not be put in a separate category or separate class.

I want to compliment my colleague from North Carolina for his leadership on this issue. He has done a very good job, as has the ranking member.

I will tell my colleagues. It has been I think a proud week for the Senate. We have not had a partisan vote yet. We have had a very, very significant foreign policy debate. I compliment my colleague from Virginia and my colleague from New York, Senator MOYNIHAN, for raising some very important issues.

Some people said, ''Well, the Senate hasn't considered this treaty. I will tell my colleagues, I think a lot of it has addressed this treaty pretty closely and even the committee reports. This is the committee report section. A lot of times some of us don't read those things. I happened to read this, or my staff brought it to my attention. I said, ''Wait a minute. This doesn't make sense. We are going to correct this.''

I appreciate my colleagues on the other side of the aisle for their willingness to accept this amendment. But I think we have had some good debates. I think it has been very positive for the Senate and also positive for the mutual defense of all NATO countries.

I thank my colleagues. I also want to thank my colleague from New Hampshire for his leadership on this amendment as well.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, the treaty before us not only promotes stability of Europe but also adds a measure of security to the United States. It also promotes universal values for freedom and democracy.

The amendment before us simply broadens the language of a study that is already required in the resolution to include the other NATO countries besides those in Europe.

I am one of those who is opposed to the commitment of a deployment of a national missile defense system before we know costs, threats, impacts on arms reduction, and technological feasibility. But this amendment does not call for any commitment to the deployment of a national missile defense; it simply broadens the geographical area of a study which is already provided for in the resolution.

I believe with that understanding and those two words that have been stricken, I understand, on line 6 of page 2, this amendment should be acceptable to all of us.

I thank my good friend from Oklahoma.

Mr. SMITH of New Hampshire. Mr. President, I want to compliment my colleague on his amendment. As chairman of the Strategic Subcommittee on the Armed Forces Committee, this has long been an irritation and frustration for many of us, the fact that we don't have a national missile defense. As it is right now, you have a provision in the NATO resolution that would exclude a missile defense system for Canada and the United States, and, in turn, having specifically mentioned Europe would be just outrageous.

I think that the fact that the Senator has identified this and brought this forward is a huge plus to this debate.

I also would like to lend my remarks in support of the remarks the Senator made about the caliber of the debate here. We have had, as the Senator said, no partisan debate but rather a very academic debate for several days now and one which I think is very, very important and I think will have a profound impact on our future and perhaps the future of the world.

I know people, as we get down to the latter part of the time here, get a little upset with planes to catch and so forth. But this is a very, very important debate. Votes have been changing in the past several days. In one case somebody told me they were absolutely in favor and are now opposed.

I think we are moving in the right direction. Even though this may seem dilatory, I am very much pleased with the debate and where we are.

I again want to say on this amendment that it is extremely important to identify and not to have this separation. To say in the NATO resolution that we would have Europe protected and not the United States and Canada just wouldn't work.

Let me just make a couple more points.

The President's plan, as we know, does not cover all of the United States. A plan for a missile defense system would comply with the ABM Treaty and, as required by the treaty, would be based out as a single site. The evidence available shows the areas that the President's ABM Treaty compliance system would protect in the event of a ballistic missile attack. As one can clearly understand, Alaska and Hawaii are left vulnerable to a ballistic missile attack under the President's plan.

There are a whole number of other factors, which I will not go into at this point other than to simply say that I am very strongly in support of this relatively minor change in terms of semantics and words. But a couple of words, where you change the word ''Europe'' and add ''Europe and the rest of NATO,'' that is very, very important and sends a very, very strong signal.

Again, I strongly support the amendment, and urge its adoption.

Mr. HELMS. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from Oklahoma, the Nickles amendment No. 2327.

The amendment (No. 2327) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, what is the regular order? Are we permitted to speak at this point, or are there only amendments in order?

The PRESIDING OFFICER. The Senator may speak.

Mr. DOMENICI. I ask that I be permitted to speak for 2 minutes.

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

Mr. DOMENICI. Mr. President, fellow Senators, it was many days ago, it seems to me, that I spoke on this treaty. We have been on it for 4 days. I accepted the invitation to speak early on, like the leadership suggested. All this time has passed. Tonight, as we choose to do something rather historic, which I have no doubts about it in my mind and I believe it will be proper and I believe America will be very proud that we enlarge NATO tonight, all of the ominous predictions I believe will not happen and we will just have laid out another great big giant American stake for freedom, prosperity, and democracy.

I believe that is the way it is going to work.

I was most impressed as I studied this and met with different people in my office. I met with the Ambassador of Hungary, Gyorgy Banlaki. He was in my office visiting. My reason for being overwhelmingly in favor of this is what he said to me in the office. Let me quote it. It is very simple. It is two sentences.

> The people of my country would like to be able to choose our own allies. We would like to enjoy all those things that history has denied us.

A few days ago I was here to say this is the Senate's chance to make the hopes of Hungary, Poland, and the Czech Republic come true. Let them choose their own allies, for they have been denied that in the past. They have been denied the right to choose their own allies. We all know that part of history. In fact, they have been forced to choose their allies and to be part of their international arrangement, which was not for peace, as it turned out, but for nothing but troubles for the world and for these countries. We all know that.

I believe what we are doing tonight is typically American. We are saying to the three countries that were denied freedom and denied the right to choose their allies that we are glad that you are choosing the allied group that we are part of, and we are glad to have you.

I yield the floor.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, for the information of the Senate, I plan to speak for about 11 or 12 minutes.

Mr. THURMOND. Mr. President, NATO has been the foundation of European security since its creation in 1949, containing the Soviet Union for more than forty years and providing security to Western Europe. With the dissolution of the Warsaw Pact in 1989, and the breakup of the Soviet Union in 1991, NATO now stands as possibly the most successful alliance in history. Since that time, however, the Alliance has been forced to consider the continued relevance and future of NATO, and the United States has reviewed its role in Europe.

Since 1995, when the Alliance announced its intentions to enlarge NATO, the Armed Services Committee in particular, and the Senate in general, have conducted numerous hearings on enlarging the Alliance.

On February 27, the Committee forwarded its views on NATO enlargement to the Senate Foreign Relations Committee. Those views are incorporated in the Executive Report of the Committee, which is before members of the Senate, along with the resolution of ratification.

During the Armed Services Committee's review of NATO enlargement, the following concerns were raised: the cost of enlarging the alliance; adapting NATO to the post-Cold War strategic environment; and, NATO relations with Russia.

Defense spending has declined steadily since 1985, from $423 billion to $257 billion—the amount of the defense budget request for fiscal year 1999. Because of the increasing scarcity of defense funds, the Committee focused extensively on the issue of costs, as the majority of the funding for the NATO budget is requested through the defense budget.

The Congressional Budget Office estimated the cost of enlarging the NATO to be as high as $125 billion over a fifteen year period, while the NATO Military Committee estimated the cost of enlarging NATO to be $1.5 billion over ten years. I remind my colleagues that the differences in the cost contained in the four estimates are primarily due to differing views on the threat, current and future military requirements of NATO forces, the condition of infrastructure and facilities in the prospective new member countries, and the activities identified by NATO as eligible for NATO funding.

Concerns were also raised about the willingness and commitment of current NATO members to bear their share of enlargement costs, as well as to continue to develop and modernize their military forces to defend their national borders and fulfill their Article V collective defense obligations as well.

Cost estimates developed by the Department of Defense for U.S. participation in the NATO operation in Bosnia raise concerns about the validity of cost estimates. In December 1995, the Secretary of Defense testified to the Committee that the cost of deploying U.S. forces to Bosnia for one year to implement the Dayton Agreement would be $1.5 billion, and additional $500 million to provide logistical support. Before the year was over, the Committee was advised that the cost of deploying U.S. forces to Bosnia had increased to $3.0 billion. Mr. President,

you are aware that the cost of deploying U.S. forces to Bosnia over the past three years is now approaching $10 billion. We may once again be discussing the need for funds for Bosnia, as there are no funds available now in the budget resolution for the continued deployment of U.S. forces in Bosnia in fiscal year 1999.

The Senate has been assured by the foreign and defense ministers of Poland, Hungary and the Czech Republic that they will live up to their financial commitments. Our current allies have likewise given us the same assurances. If they fail to do so, the Senate can revisit the issue of burden sharing. Likewise, if the new NATO members, or current allies, do not live up to their financial obligations, I would expect the Administration to take appropriate action in the NATO military committee to revise the amount of the U.S. contribution.

With regard to adapting NATO to a new strategic environment, the committee was very clear on its position that collective defense should remain the primary mission of NATO, and recommended in its letter to the Foreign Relations Committee, that the resolution of ratification include an understanding to that effect. Regardless of changes in the 1991 Strategic Concept of NATO's mission restructuring it to deal with potential new challenges of out of area operations and to support peacekeeping and peace enforcement operation, first and foremost, NATO is a military alliance. NATO must remain militarily strong in order to execute its Article V obligations.

I understand that the NATO Policy Coordinating Group has developed suggested revisions to the 1991 Strategic Concept, which were circulated to Allies in late January. I also understand that the process in NATO for changes to be made to its strategic concept will take over a year. I believe it is important that the Senate be advised of any recommended revisions to the Strategic Concept, before the United States agrees to them. In particular, I believe it is important that the Senate be advised of any recommendations to change or dilute the core mission of the Alliance, revisions that would affect the distribution of forces in peacetime and redeployment capabilities, any recommendations to further enlarge the Alliance, and revisions that would affect the strategic balance in Europe.

As I stated earlier, since the dissolution of the Warsaw pact and the Soviet Union, many Americans wonder why we need NATO at all, much less an enlarged NATO with expanded security obligations. Skepticism about NATO's continued value is at least as widespread as support for an enlarged NATO. Frankly, I do not believe that the Administration has made the case to the public, or the Congress on why NATO should be enlarged, and why the United States should remain engaged in Europe. As a consequence, I worry that the lack of public support will result in a weak domestic political foundation, where the United States will find it difficult to maintain an expanded commitment in a future crisis.

We need to think about NATO enlargement in relation to national interests of the United States and our global strategy, and not just narrow political, organizational or even vital security interests. I believe NATO is still vital to U.S. interests. However, all Americans must first understand the magnitude of the commitment we are undertaking, and why it should be made.

I support a renewed and enlarged NATO because it ensures a U.S. involvement in the European community, and a ''seat at the table'' to the world's most vital, productive region. Quite simply, the U.S. has clear, abiding and vital interests in Europe. Europe is the soil where our deepest roots run. We are bound to Europe by innumerable links of trade, finance, communications, and technology exchange; ties of history, culture and shared values, and nearly five decades of mutual security arrangements.

A free and stable Europe has always been essential to the United States. In this century we have intervened in two bloody world wars to prevent the domination of Europe by aggressive dictatorships. We paid a high price for forty-five years of Cold War to prevent the domination of Europe and the Eurasian landmass by Communist imperialism. This long U.S. involvement and stabilizing presence have made the United States in effect a European power.

I do not believe Europe can remain stable and prosperous, to the mutual benefit of the United States and our European allies, if its post-Cold War boundary is drawn along the borders of Germany and Austria. Such an artificial division would leave a power vacuum in each central Europe, and consign millions of people who share our democratic values and aspirations to an uncertain fate. I do not believe a new European security framework will hold up unless it reflects the realities of the political upheaval that marked the end of the Soviet Union and the Warsaw Pact. The new strategic environment includes the reorienting of former East Bloc states toward the West.

Some have said that the end of the Cold War spelled the ''end of history.'' I believe we are seeing the opposite. The end of the confrontation between the Soviet Empire and the Free World has unleashed historical forces suppressed for forty-five years. Nations and peoples are reverting to their patterns of the past.

One of those patterns of the past is Russian imperialism. Czarist Russia was an expansionist, aggressive regional power long before the Bolshevik Revolution. Although there is no longer a Soviet Union, Russia is still a great power—if no longer a super power—and is exerting its will in the so-called ''Near Abroad''. The brutal suppression of the revolt in Chechnya and Russia's intervention in Georgia, Azerbaijian and Moldova are worrisome examples.

America's primary national security goal in Europe should be to ensure that Russia makes the transition to a stable, free-market and democratic nation, but especially one that remains within its borders. Democracies do not make war on their neighbors. We should do everything within reason to help Russia's transition to democracy, to maintain warm and friendly relations, and to avoid unnecessary provocations. Likewise, Russia should take the hard steps required to transition to a stable, free-market and democratic nation. However, we cannot afford to let Russia's opposition decide the course of NATO enlargement.

In taking steps to assist Russia to transition to a stable and democratic nation, both the United States and NATO have established programs to reach out to, and cooperate with, Russia. With regard to NATO, just prior to the Madrid Summit, President Yeltsin, President Clinton, and NATO leaders signed the NATO-Russia Founding Act. This Act established a forum in which Russia can consult with NATO on issues of mutual interest, called the Permanent Joint Council. The United States has established programs in the Department of Defense and the Department of Energy to assist Russia in controlling its strategic arsenal, and to meet its arms control commitments.

The committee did, however, point out in its letter to the Foreign Relations Committee its view that activities in the Permanent Joint Council should not distract NATO from its core function. Again, while I believe we should take steps to aid Russia in transitioning away from its communist and imperialist past, I do not believe the Permanent Joint Council should be allowed to be used by Russia to participate in NATO matters, not used as a platform to divide the Alliance, or denounce U.S. policy.

The Clinton administration's policy toward Russia places all its stakes on the fate of Boris Yeltsin, and it does not appear to be having the desired effect. Moreover, the Administration's Russia-centered policy has caused us to neglect building solid relations with Ukraine and other former Soviet states. This also does not serve our goal. In fact, the policy of giving such sustained preferential treatment to Russia, and depending too much on President Yeltsin is the most destabilizing factor in Eastern Europe.

We have to face the very real possibility that our policies may not succeed. Russia may not make the transition to a stable, democratic nation, nor one content to remain within its borders. In fact, an unstable Russia, torn by factions and internal strife, may not even be able to agree where its natural borders lie.

The greatest potential threat to peace, stability, and security in Europe

is the return to power of Russian hardliners. President Yeltsin's popularity has sunk so low—that since his illness and heart operation—there is almost no yardstick against which to measure.

The United States and its allies need to look seriously at bringing into NATO the states of the East and Central Europe which share our democratic values, and which are able to assume mutual security obligations inherent in the Alliance. Only a strong NATO that includes those states can keep a future, resurgent Russia contained and deterred.

There are other reasons to expand membership of NATO, for example, the lessening of international tensions between members, and facilitating the resolution of conflicts. But we must not lose sight of the fact that NATO has been successful because it was a defensive alliance. Turning it into something else could fatally weaken it. Unless we understand that NATO's underlying and abiding purpose remains to defend Europe, the burdens of the Alliance over time will cause NATO to crumble.

As a great maritime power and trading nation, America has intervened all over the globe to protect freedom of the seas and our vital interests, from the earliest days of our existence as a nation. Over time we formed strong alliance to protect mutual interests, demonstrating that free democratic nations acting collectively, can survive the threat of tyranny. These kinds of alliances, the kind represented by NATO, with allies who share our democratic values, should be the cornerstone of our foreign policy.

Mr. President, I believe Poland, Hungary and the Czech Republic share our values, and have worked hard to transition toward democratic nations and stabilize their economies. They have shown their willingness to act collectively with the United States by contributing forces to the coalition during the Persian Gulf War, and more recently, by sending military forces to work with NATO in Bosnia. Equally important to me, they have demonstrated their support for the United States during the most recent crisis with Iraq. They represent the type of nations which are deserving of membership in NATO, and I believe will be allies which the United States can look to in the future for support in areas of mutual defense and foreign policy interest.

The Senate will have to vote on behalf of the American people by a two-thirds majority to ratify the admittance of any new country to NATO. I do not want to see the Senate become an obstacle to progress toward the Nation's national security interests. For the reasons that I have outlined, I will vote to support NATO enlargement.

THE ALLEGED ''NEW THREAT TO RUSSIA'S BORDERS'' BY NATO ENLARGEMENT

Mr. BIDEN. Mr. President, the Senator from New York has asserted several times that NATO's enlargement to include Poland would for the first time bring NATO up to Russia's borders. This is because Poland shares a small border with the Russian exclave of Kaliningrad.

As I mentioned in our floor debate last month, the Senator's assertion is factually incorrect. Ever since the founding of NATO in 1949, Russia—first as the Russian Republic in the Soviet Union, then since 1991 as the Russian Federation—has shared a border with Norway, a charter member of NATO.

Norway's relations with Russia have remained excellent throughout. In fact, Norway gives Russia foreign aid, as do many other NATO members, the United States included.

The Senator from New York responded by minimizing both the size and importance of the Russian-Norwegian border. Here again, he was incorrect.

First, in regard to length, the Russian-Norwegian border is nearly as long as Poland's border with the Kaliningrad exclave—104 miles versus 128 miles, to be exact.

Second, militarily speaking the Russian-Norwegian border is much more important than the Polish-Kaliningrad border. Norway abuts Russia's Kola Peninsula, one of the most heavily militarized regions on earth. Among the Kola Peninsula's armaments are nuclear weapons.

In spite of the strategically sensitive nature of the NATO-Russian border, for nearly half-a-century relations have remained very good.

One might ask why. Aside from the tact and diplomacy of the Norwegians, another reason may be that NATO has not permanently stationed in Norway troops from other Alliance countries.

Mr. President, this is precisely what NATO declared on March 14, 1997 as the Alliance's policy for the prospective new members. So let's dispose of this bogey-man: Russia will not have to worry about large numbers of permanently stationed non-Polish NATO troops facing Kaliningrad.

I would like to return to geography for a few minutes, since the Senator from New York and the Senator from Virginia have brought this topic up several times.

I think that they would agree that in the bad, old Soviet Union the non-Russian Republics were wholly-owned subsidiaries of Moscow. Ethnic Russians who took their orders directly from the Kremlin filled the key positions in the Republics' political, economic, and military structures.

In that context, it is important to note that since Turkey entered NATO in 1952, the Alliance had a common border with Armenia, Azerbaijan, and Georgia—at that time Russian-ruled parts of the old Soviet Union.

For the record, that border was considerably longer than either the Russian-Norwegian or the Polish-Kaliningrad borders—328 miles long, to be exact.

So for nearly forty years, NATO had a lengthy border with the strategically vital southwestern flank of the Russian-ruled Soviet Union.

In fact, Mr. President, even today there are Russian troops stationed in the independent states of Armenia and Georgia.

So, once again, let's finally put to rest the nonsensical argument that Poland's joining NATO would constitute a new geographic move by NATO up to Russia's borders. It just isn't true.

ALLEGED AGGRESSIVE POSTURE OF NATO TOWARD RUSSIA

Moreover, the opponents of enlargement, the Senator from New York included, have asserted that by enlarging to include Poland, Hungary, and the Czech Republic, NATO will be assuming a militarily aggressive posture toward Russia.

Mr. President, nothing could be further from the truth. NATO simply does not threaten Russia. Never did—never will.

Critics often characterize NATO's enlargement as if it were a massive deployment toward Russia. In reality, NATO's entire evolution since the end of the Cold War has been in the other direction, a fact which is patently clear to Moscow.

Since 1991, NATO countries have greatly substantially reduced their military forces, as measured by total spending, spending as a proportion of GDP, and by overall force levels.

American troop levels in Europe have declined by over two-thirds, down from a peak of over 300,000 to about 100,000 today.

NATO's forces during this period have moved away from Moscow, not toward it, as the Alliance abandoned its Cold War doctrine of forward, stationary defenses and relied instead on rapid reaction.

These changes have made NATO's posture unambiguously less threatening to Russia. The Alliance's enlargement does not appreciably change this fact.

Those who characterize NATO's enlargement as a movement of NATO power into Poland, Hungary, and the Czech Republic are simply wrong, and they do the public a grave disservice by suggesting this is the case.

The record has been clear for well over a year that this is not what enlargement means. In December 1996, the Alliance declared that it had ''no intention, no plan, and no reason to deploy nuclear weapons on the territory of new members,'' and has clarified that this statement subsumes nuclear weapon storage sites.

I have already cited the March 1997 statement regarding no need to move combat troops into the territory of the new members.

Moreover, the willingness of all Allies to negotiate adaptations to the Treaty on Conventional Force in Europe (CFE) is a clear signal to Moscow that NATO seeks a post-Cold War arms build-down, not a build up.

NATO'S REACHING OUT TO MOSCOW

NATO enlargement to include Poland, Hungary, and the Czech Republic,

in the real world—not the rhetorical world—will not trigger an adverse Russian reaction. Why? Because the U.S. and our allies have taken so many steps to reach out to Russia since the end of the Cold War.

As I mentioned in my opening statement on Monday, the critics of enlargement are guilty of what might be called the ''Weimar Fallacy.'' They suggest that Russians will see NATO enlargement as post-Cold War punishment, which will trigger a nationalist backlash in the same way that the Treaty of Versailles helped to trigger the rise of National Socialism in Germany.

But the supposed parallel is utterly specious. The Treaty of Versailles forced Germany to pay billions in reparation to the victors of World War I. by contrast, we and our allies imposed no reparations on Moscow after the Cold War.

On the contrary, reparations went in the other direction. We and our allies have provided Moscow with over $100 billion since 1991 to aid its political and economic reform.

One of the most important forms of aid has been through the Cooperative Threat Reduction program—known popularly as the Nunn-Lugar Program—which has provided $2.3 billion to Russia and other former Soviet states since 1992, with $442 million requested for FY99.

Today, this program is supporting the annual elimination of over 20 Russian SS–18s and 10 SSBNs. The Russians have proposed using the program to support processing of missile materials from dismantled Russian warheads for storage at the Mayak facility.

Through this program, we are helping to finance efforts that make both our countries safer—not punishing the Russians at their own expense.

The spurious comparison to Weimar Germany is also a fallacy because we and our allies have sought to integrate Russia into the transatlantic community, not isolate it.

In 1991, we made Russia and the other former Soviet states part of NATO's North Atlantic Cooperation Council, and part of the Euro-Atlantic Partnership Council, the successor to the NACC, in 1997. In 1994, we made Russia and the other newly independent states part of the Partnership for Peace program.

After the 1995 Dayton Peace Accords, NATO invited Russia to participate in the coalition in Bosnia, and today Russia has an airborne brigade of approximately 1,400 troops servicing in northern Bosnia under NATO command alongside American and other NATO forces.

In May 1997, President Yeltsin joined President Clinton and the other NATO leaders in signing the NATO-Russia Founding Act. The Permanent Joint Council has met several times at the ministerial level since then, and proved a useful forum for discussions with Russia on security issues of mutual concern.

Our efforts to reach out to Russia go well beyond NATO. In March 1997, at their summit in Helsinki, President Clinton told President Yeltsin that the U.S. would support Russia efforts to join the Organization for Economic Cooperation and Development (OECD) and the World Trade Organization (WTO).

In May 1997, President Yeltsin joined G–7 leaders in Denver to inaugurate the ''summit of the Eight.'' The ''Gore-Chernomyrdin Commission'' continued to meet during the very period that NATO was pursuing its enlargement, and American cooperation with Russia continues on a wide range of cultural, scientific, technological, and environmental efforts, such as our continuing efforts in space.

RUSSIA'S NUCLEAR DOCTRINE

The Senator from new York in a recent speech in Texas warned darkly that NATO enlargement might lead to nuclear war. With all due respect to my good friend, I think his assertion is incorrect and alarmist.

He and other opponents of NATO enlargement have underscored Russia's disproportionate reliance on its nuclear forces, sometimes even resorting to scare tactics.

It is well known that the dissolution of the Soviet empire and Russia's transition to a market economy required jolting changes within Russia. Since 1990 Russia's economy has contracted by perhaps 40 percent and has only recently established and shown the first signs of recovery.

Partly as a result, Russian military spending contracted substantially. Russia's number of combat-ready divisions has also declined.

Beyond these measures, non-payment of wages and other factors have dampened morale among officers and enlisted personnel. The war in Chechnya showed the cumulative toll on Russia's forces.

Given this decline in Russia's conventional forces, it is understandable that Russia has apparently placed a heavier reliance on nuclear weapons. But this change became evident as early as 1992, when Russia declared that it would no longer abide by its previous policy of ''no first use'' of nuclear weapons.

There are many signs that ''no first use'' had been more of a propaganda tool than an actual reflection of Soviet policy, but the declared abandonment of this policy was significant. The move away from ''no first use'' gained a higher profile when it began to be discussed in public in 1997.

The Senator from New York and other proponents of NATO enlargement have recently charged that this increased reliance on nuclear forces was a consequence of Russia's fear of NATO's enlargement. This analysis is simply not credible.

First, as noted earlier, NATO's enlargement results in no significant increase in NATO's military capability relative to Russia.

Second, it is hardly likely that NATO's enlargement, begun in 1994, could have triggered a change in Russian policy that began in 1992. The fact is that opponents of NATO enlargement have constructed this argument retroactively.

The same is true for those who have attributed delays in Duma ratification of START II to NATO enlargement. Well before NATO enlargement was proposed, Duma critics of START II based their opposition on other arguments, from the cost of compliance with START II to the loss of national pride.

NATO enlargement became another useful argument for confirmed opponents, but hardly the cause of their opposition.

In any case, the Russian government is now moving to push ratification of START II through the Duma, perhaps by the end of June—another sign that NATO enlargement is no impediment to constructive relations with Russia or progress on arms control.

So, I would sum up by reminding my friend, the Senator from New York, of four key facts:

First, Poland's accession to NATO will not be creating a geographically new move of the Alliance to Russia's borders. It has had a strategically important border with Russia in the north for nearly fifty years, plus one in the south with Russian-ruled territory.

Second, there is absolutely no comparison with the allies' trimuphalist behavior toward defeated Germany after World War One and the reaching out of the United States and its NATO partners to Russia after it lost the Cold War.

Third, NATO has conclusively demonstrated through its movements of troops and equipment away from Russia's borders, and by concluding and carrying out significant arms control agreements, that it in no way threatens Russia.

Finally, it is completely false—even irresponsible—to assert that NATO enlargement is driving the world toward nuclear war. Cooperation, not confrontation is occurring on many fronts.

Russia need have no fear from NATO enlargement.

Mr. ALLARD. Mr. President, I believe NATO expansion is in the best interest of the United States. Also, expanding NATO will be in the interest of Poland, the Czech Republic, and Hungary and for that matter—world peace.

The United States' security is intrinsically tied to the security of all of Europe. An enlarged NATO will only extend the influence of peace and prosperity to these three deserving countries. Also, as Poland, the Czech Republic, and Hungary continue to grow and flourish, their acceptance into the NATO Alliance will only further integrate Western values and will lock in the practices of democracy. Locking democracy into this region is in the

United States interest and we should never shirk from our responsibility and duty to see that democracy is spread throughout the world.

While many foreign policy issues don't make the headlines and gather press, I do want to add to the record three opinion editorials from a few Colorado newspapers. I ask unanimous consent that an April 21st, 1998 editorial from the Daily Sentinel, a paper from Grand Junction Colorado, an April 28th, 1998 editorial from the Denver Post, and an April 5th, 1998 editorial from the Rocky Mountain News be printed in the RECORD at the end of my statement.

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

Mr. ALLARD. Let me highlight a few comments from these editorials.

The Daily Sentinel writes,

Adding Hungary, Poland, and the Czech Republic to NATO rewards three countries for their efforts against communism during the Cold War. More importantly, expanding the western alliance to include the three former Soviet bloc captive nations not only is in the best interests of NATO and the United States, but it unequivocally proclaims to the rest of the world that the fate of Central Europe will no longer be in the hands of whatever despots come along, be they Nazis, Communists or something else.

The Denver Post states,

The Post believes adding these three nations will contribute to stability in Eastern Europe and thus to world peace. . . . Any student of the 20th century has to admire the freedom-loving spirit displayed by the Hungarians, Poles, and Czechs, often against great odds. . . . their current governments are stable and they are worthy partners of NATO.

Lastly, from the Rocky Mountain News,

NATO enlargement is the Western world's way to show that the Cold War is over and that we welcome these countries to freedom. The new threats we face can only be met by forming new alliance to ensure that these democracies do not fall prey to nationalistic or terrorist regimes. The Czech Republic, Poland, and Hungary know life without freedom and now deserve freedom and security that only NATO can provide.

For me this sums up many of the reasons why I believe adding these three countries to NATO will strengthen, stabilize, and promote peace for the United States and Europe. I urge my colleagues to support this NATO expansion.

EXHIBIT 1

[From the Daily Sentinel, Apr. 21, 1998]

CONGRESS SHOULD OK EXPANSION OF NATO

Sometime very soon, perhaps by the end of the week, the Senate will vote on whether to ratify a treaty that would allow Poland, the Czech Republic and Hungary to join NATO. It should vote decisively to allow the expansion.

Much has been said about the fact that the expansion will offend Russia because it will appear that NATO is expanding to the Russian doorstep. Clinton administration officials attempting to defuse that argument have declared that NATO is a peaceful alliance ''not arrayed against Russia'' or anyone else.

Such statements are, of course, necessary to deal with global politics. And they are misleading. NATO's purpose is to protect its western European members and the United States against outside aggression, including the possibility of a reawakened Russian bear decades down the road.

It's true that the Cold War is over but it's equally true that NATO was founded primarily to stem the expansionist proclivities of Soviet Russia.

Moreover, the three nations in question all challenged Soviet domination during that period, and each paid a heavy price in some form of Soviet retaliation—Hungary during the 1950s, Czechoslovakia in the 1960s and Poland in the 1980s. In discussing the NATO expansion, few people note that rejecting the membership of these three countries would be an even greater offense to them than their inclusion in NATO would be to Russia.

Additionally, while Russia is no longer communist, there is still reason to be suspicious of its expansionist tendencies which have gone on almost continuously since the days of Peter the Great. Two of the leading candidates to succeed Boris Yeltsin as president are nationalists who have hinted at trying to reassert Russian control over some of the old Soviet states which are now independent nations.

Adding Hungary, Poland and the Czech Republic to NATO rewards three countries for their efforts against communism during the Cold War. More importantly, expanding the western alliance to include the three former Soviet bloc captive nations not only is in the best interests of NATO and the United States, but it unequivocally proclaims to the rest of the world that the fate of Central Europe will no longer be in the hands of whatever despots come along, be they Nazis, Communists or something else.

[From the Denver Post, Apr. 28, 1998.]

ADMIT 3 MORE TO NATO

The North Atlantic Treaty Organization may well be history's most successful military alliance. Since its formation in the early days of the Cold War, not one square inch of any member country has been lost to external aggression. That record has not been lost on nations that were once members of the rival Soviet-led Warsaw Pact.

This week, the U.S. Senate will vote on whether to admit three of those former rivals—Hungary, Poland and the Czech Republic—to NATO. The Post believes adding these three nations will contribute to stability in Eastern Europe and thus to world peace. But we would urge the administration and Senate to be extremely cautious about any more applicants, some of whom seem likely to embroil NATO in their domestic difficulties.

Any student of the 20th century has to admire the freedom-loving spirit displayed by the Hungarians, Poles and Czechs, often against great odds. The 1956 Hungarian revolution, the 1968 Prague Spring and the rise of Solidarity in Poland bore eloquent witness to the ideals of their peoples. Their current governments are stable and they are worthy partners of NATO.

The Clinton administration has wisely stated it has ''no reason, no intention and no plan'' to station nuclear weapons in the new member states. Added to NATO but left in a nuclear-free condition, the Czech Republic, Poland and Hungary should be able to resume their historic role as a buffer zone between Germany and Russia and should thus be a stabilizing influence in Eastern Europe.

Beyond those three candidates, however, NATO should be very wary about further expansion. Already Romania, Slovenia, Latvia, Estonia and Lithuania are eyeing admission and Albania, Bulgaria, Macedonia and Slovakia are waiting in ther wings.

Some of these nations (Slovenia, Macedonia) are relatively new with little experience at democracy. Others, like Romania and Albania, had long histories of dictatorship alternating with instability. Estonia, Latvia and Lithuania are democratic and stable, but their location between Russia and the Baltic Sea makes them all but indefensible by nonnuclear means. Admitting Ukraine, Belarus or other former Soviet republics would be provocative to Russia.

In short, we support admission of Hungary, Poland and the Czech Republic to NATO. But there needs to be a great deal of thought, discussion and diplomacy before any more invitations are issued to join this exclusive club.

[From the Rocky Mountain News, Apr. 5, 1998]

SHOULD NATO GROW?—ENLARGEMENT OF ALLIANCE WILL TRULY SIGNAL THE END OF THE COLD WAR

(By Senator Wayne Allard)

The Cold war is over and many have argued that we can now begin to dismantle our defenses and look inward. I believe Secretary of State Albright said it best when testifying before the Armed Services Committee on April 23, 1997, ''[I]f you don't see smoke, that is no reason to stop paying for fire insurance.''

The United States nor the world face the imminent threat of the Soviet Union, but this is no time to relax. United States' interests are still threatened by local conflicts; internal political and economic instability; the reemergence of ethnic, religious, and other historic grievances; terrorism; and the proliferation of nuclear, biological, and chemical weapons.

Soon, the U.S. Senate will debate and vote on the invitation of Poland, Hungary, and the Czech Republic to the North Atlantic Treaty Organization (NATO). Just because we are in a time of relative peace, we can not stop from being engaged in a fight for peace and freedom. I believe expanding NATO is the best way to ensure peace and stability.

First, NATO is and has always been a force for peace and prosperity. Enlarging NATO will only enhance the U.S. and European security and stability. Throughout our history, the U.S. has been closely linked to the stability of Europe, and that has not changed. The U.S. has been through two World Wars and a Cold War in Europe. However, since NATO was formed, not one major war or aggression has occurred against or between member states (except for Argentina's invasion of the British Falkland Island).

An enlarged NATO can do for all of Europe what it has done in Western Europe by strengthening the emerging democracies, creating conditions for continued prosperity, preventing local rivalries, diminishing the race for arms buildups and destabilizing nationalistic policies, and fostering common security interests. Enlargement will truly signal the end of the Cold War by no longer validating the old Stalinistic lines but will secure the historic gains of democracy in Central Europe.

Second, enlargement of NATO will further the integration of Western values into Poland, Hungary, and the Czech Republic. Their invitation and movement into NATO will lock in Central Europe's practices of democracy. Enlargement will promote American-led multinational defense structures and prevent the renationalization of these democracies. As enlarged NATO will fill the security vacuum created with the fall of the Soviet Union, subduing fear that the area will begin to divide nationalistically and begin to look like the former Yugoslavia.

However, just the possibility of membership into NATO has given these countries the incentive to peacefully resolve their border disputes. Since 1991, we have seen 10

major accords settling these differences and much of this is credited to the opportunity to join NATO. Even if old disputes resurface, NATO membership will help keep the peace, just as NATO has done in relation to the problems between NATO members Greece and Turkey.

Third, there has been concern about the Russian response to NATO enlargement. Russian leaders have expressed their dislike of NATO enlargement, in part due to the misperception that the Alliance poses a threat to Russia's security. NATO is not, and never has been an offensive Alliance, but one of defensive purposes only. We must respect the Russian concerns, but as my predecessor Senator Hank Brown has written, ''[W]orking closely with Russia in an attempt to allay their concerns makes sense. slowing or altering NATO expansion * * * hands the Russian government a veto pen.'' This would be a tragic mistake.

An enlarged and strengthened NATO promotes security and stability in an area of Europe that is vital to Russian security. The invited states must clearly know that they are no longer considered Russian ''eastern bloc nations'' but an integral part of the circle of democratic nations. Plus, unlike the Warsaw Pack, the decision by the Czech Republic, Hungary, and Poland to join NATO was made by each individual country, without any coercion or force from any current NATO member.

Fourth, with any expansion there are costs. A bulk of the cost is to modernize and reform militaries and make them operable with NATO. However, being that the U.S. already has the world's premier armed forces, the bulk of the cost will be incurred by our European allies and the three invited nations. They are voluntarily joining and understand the commitments asked of being a NATO member.

The United States' percentage of burden sharing for the NATO budget will go down with the addition of the three countries. Also, the U.S. is not obliged to subsidize the national expenses of any of the the three invitees to meet its NATO commitments. Adequate defense systems always costs money but alliances make it less expensive because costs are shared and countries join together to meet the challenges.

NATO enlargement is the Western world's way to show that the Cold War is over and that we welcome these countries to freedom. The new threats we face can only be met by forming new alliances to ensure that these democracies do not fall prey to nationalistic or terrorist regimes. The Czech Republic, Poland, and Hungary know life without freedom and now deserve freedom and security that only NATO can provide.

Mr. GLENN. Mr. President, I rise today to express my support for Senate ratification of the Protocols to the North Atlantic Treaty of 1949 on Accession of Poland, Hungary, and the Czech Republic. This is the fourth time that the Atlantic alliance, which rose from the ashes of World War II, has decided to expand. And each time, expansion has served the same purpose—to expand the area in Europe within which peace, stability, freedom and democracy could flourish. The NATO Alliance was remarkably successful throughout its initial decades. Today we are considering a step designed to ensure that the success continues into the next century. This is not a decision that NATO, the U.S. or the Senate takes lightly. It is a more serious issue which goes to the heart of the question of how the U.S. can best promote our interest in peace and stability in the post-Cold War era. After all, these new members will enjoy all the benefits and bear all the responsibilities which apply to the current members of this mutual defense alliance. The U.S. will be obliged to consider an attack on Warsaw, Budapest or Prague in the same manner we are not obliged to consider an attack on London, Paris or Bonn. Having fought in two wars, I am most cognizant of the solemnity of the obligation we will be undertaking through the ratification of this agreement.

The 1990s, which witnessed the end of the Cold War and the demise of the Warsaw Pact, brought about a fundamental transformation in Europe. Where once we saw Europe divided into hostile, ideologically-opposed camps, we now see a continent increasingly united by a commitment to the principles of democracy and free market economics.

Initially I had two principal concerns about the proposed enlargement of NATO to include Poland, Hungary and the Czech Republic—the cost to the U.S. and the impact on relations with Russia. In the nearly ten months since NATO made the official decision to offer membership to these three nations, I have continued to examine these two areas and will summarize, very briefly, my conclusions.

In December of last year NATO completed a review of the estimated increases in the costs to NATO's commonly-funded budget resulting from enlargement. The Senate Foreign Relations Committee's report describes how NATO conducted its review and calculated its cost estimate.

NATO first identified the military requirements of incorporating these three new members into the Alliance. Teams of experts were then dispatched to each country to evaluate facilities, infrastructure, and current capabilities to meet NATO's projected military requirements. With this information, NATO then developed a cost estimate for bringing the current capabilities into line with NATO requirements. The NATO studies concluded that the cost of enlargement will total $1.5 billion over the next ten years. Thus, according to NATO, the additional U.S. payment to the common-funded budgets will average approximately $40 million per year over ten years.

This amount does not seem to me to be excessive, given the U.S. stake in continued security and stability in Europe. Obviously, in addition to these commonly-funded costs, there will be considerable additional costs to the new members themselves, which each of them has pledged to meet. Yes, the United States may decide to help these new NATO members modernize their military forces; just as we have provided such assistance to many of our current NATO allies through, for example, the provisions of loans or loan guarantees, for the purchase of U.S.-made military equipment. However, Mr. President, that is a separate decision for the U.S. government, one that is neither required by nor prohibited by our decision to support enlargement. The responsibility for ensuring that their militaries are capable of meeting their obligations to the common defense rest with the new members themselves.

It hardly needs repeating that cooperative relations between Russia and the U.S., and Russia and NATO, serve the interests of the U.S. and the Alliance. I am convinced that NATO enlargement and the development of a NATO-Russia relationship are not mutually exclusive. Indeed, since NATO made clear its intention to expand, NATO and Russia have concluded the ''NATO-Russia Founding Act on Mutual Relations, Cooperation and Security'', signed last May. This agreement is designed as a means of regularizing and formalizing consultative procedures between NATO and Russia.

Further, NATO is a purely defensive alliance, and a threat to no nation. The peace and stability within Europe promoted by the Alliance benefits the entire continent, including Russia. It may be unreasonable to expect Russia to approve of NATO expansion. But neither is Russia's unhappiness over the expansion likely to become the determining factor in Russian behavior toward the U.S. and the Alliance.

In summary, Mr. President, I believe that these two major issues arising from NATO expansion have been satisfactorily addressed. I will support NATO expansion and hope that the Senate will ratify the expansion agreement by an overwhelming margin.

Mr. SHELBY. Mr. President, I rise in support of the Managers' amendment to the Resolution of Ratification, and of the Resolution of Ratification itself.

Even though the Berlin Wall has crumbled and the Soviet Union has dissolved, NATO remains vital. It is the cornerstone of stability for a continent that is under massive transition. The nations of central and eastern Europe have established democratic forms of government and have deregulated their economies. The accession of Poland, Hungary, and the Czech Republic is the best way to bolster their fledgling democracies and market economies thereby making their newly-won freedom irreversible.

Let there be no mistake: our engagement with Europe since NATO was formed in 1949 has not been without its costs and not without its risks. Our engagement with the new democracies of Central Europe will not be without costs and risks either. The expansion of NATO will most likely antagonize Russia.

More importantly, as a military alliance, we risk obligating the United States military to defend the citizens of distant and unfamiliar lands. In the end, though, we have found it difficult to stay out of these conflicts. Just about anywhere in the world where there is conflict, our military is there.

I believe that disengagement from Europe, as history has repeatedly

shown, would have far-reaching consequences. Therefore, I believe that we have no choice but to go forward with our current commitment to an expanded NATO. The Senate should vote to approve the Resolution of Ratification.

But, like many senators, I remain concerned at the potential financial costs of expansion. As a member of the Defense Appropriations Subcommittee, I am concerned that the Administration has not yet come to terms with the price of supporting NATO expansion or more generally with the costs of America's position as the sole superpower.

As was the case with Bosnia, there is reason to believe that the Administration is underestimating the costs of expansion in order to make ratification more palatable in the Senate.

Without pouring additional funds into the defense budget, NATO expansion costs that are unaccounted for may hinder the Defense Department's ability to carry out missions in other vital areas of the world and at the same time to modernize the force.

We have heard a number of cost estimates in the course of this debate. We must keep in mind that the new member nations, as the primary beneficiaries of expansion, must devote the resources necessary to shoulder their fair share of the common burden.

And I know that nothing would undermine the support of this body for NATO, or that of the American people, faster than a perception that the new members, or existing members, for that matter, were not living up to their responsibilities in this regard.

I am also concerned about another aspect of NATO expansion—one that has received less attention than the broader strategic issues, but one that is critical to the long-term success of an expanded alliance—namely intelligence and counterintelligence matters.

Here too, after a careful review, I have concluded that the long-term national interests of the United States are best served by a vote in favor of the Resolution. But I would like to encourage Senators to take the time to review the report that I will describe shortly, which is available in classified form in S–407.

An unclassified summary can be found in the Foreign Relations Committee report, Executive Report 105–14, on the Resolution of Ratification.

This report was prepared by the Intelligence Committee staff at the direction of Senator Kerrey, the Committee Vice Chairman, and myself, and submitted to the Committee on Foreign Relations and to the Senate at large.

It contains the staff's assessment of the intelligence implications of NATO expansion.

The report is the culmination of the committee's work over the past year monitoring the progress of the accession process set in motion by the Alliance's decision last July to formally invite Poland, the Czech Republic, and Hungary to join NATO.

The staff has routinely reviewed the state of the accession negotiations, a process that concluded in December 1997 with the signing of the accession protocols. Committee members and staff have met numerous times with NATO negotiators as well as representatives from the acceding states, both in European capitals and in Washington, D.C.

In preparation for the Senate vote on advice and consent, committee staff held numerous briefings with U.S. and NATO intelligence officials; reviewed documents prepared by the Intelligence Community; and posed numerous questions for the record.

The committee directed the Executive branch—the Central Intelligence Agency, Department of Defense, National Security Agency, Federal Bureau of Investigation, and Department of State—to submit a formal report on the intelligence implications of enlargement.

Committee staff also met with members of the Alliance's Interagency Working Group on NATO Enlargement (IWGNE) to discuss integration efforts in the intelligence field.

Finally, committee members and staff traveled to national capitals of the three aspiring members to gain a more detailed, first-hand knowledge of how the civilian and military services of these countries operate, and whether adequate procedures are in place for the sharing of sensitive information with current NATO members.

Once again, I would remind my colleagues that the classified committee staff report is available in S–407 for Senators who may wish to read it.

The Committee has also prepared an unclassified summary of the report's major findings, and I would like to share with my colleagues the highlights.

OVERVIEW

The United States, along with its NATO allies, believes that membership in NATO cannot be granted piecemeal.

NATO has thus determined that there will not be a two-tiered security structure within the Alliance. If and when the three accede to full NATO membership, they will share in all rights and obligations, and will be entitled to share in Alliance secrets.

The work undertaken bilaterally and through NATO is geared to ensuring that the three invitees take the necessary steps over the transition or pre-accession period to demonstrate that they can and will guard NATO secrets appropriately once they join in April 1999.

In assessing the reliability of Poland, Hungary and the Czech Republic in guarding NATO secrets, the following factors are critical:

1. the strength of democratic reforms, with a focus on ministerial and legislative oversight of intelligence services and activities;

2. the degree to which the three countries have succeeded in reforming their civilian and military intelligence services, including the ability of the services to hire and retain qualified Western-oriented officers, and the evolution of political and public support for these services;

3. Russian intelligence objectives directed against these countries, including any disinformation campaigns designed to derail, retard, or taint their integration with the West;

4. counterintelligence and other security activities being pursued by the three countries, and the adequacy of resources devoted to these efforts; and

5. the work underway between the three invitees and NATO to ensure that security standards will be met by the time the three join the Alliance.

COMMITTEE FINDINGS

As a result of their investigations, the committee staff arrived at a series of key findings.

Their report includes general findings, findings derived from the experience of our respective intelligence agencies working together in both bilateral and multilateral fora; and findings relating to the counterintelligence threat, the pace of reform and the NATO work program for intelligence issues.

GENERAL FINDINGS

Perhaps most important, the report makes a point that is obvious but nonetheless bears repeating: any intelligence sharing relationship inevitably involves some risks.

Nevertheless, I believe that the intelligence relationships with Poland, Hungary, and the Czech Republic will be, on balance, a net plus for U.S. and NATO interests. As many of my colleagues are aware, cooperation with the three countries on intelligence issues began before the idea of NATO enlargement itself took root.

In that respect, sharing intelligence in the NATO context will build on a pattern of bilateral cooperation which has existed for nearly a decade.

Based on the information provided to the Committee, Poland, Hungary, and the Czech Republic have proven to be reliable in handling operational information and capable of guarding classified information—some of it extremely sensitive.

THE MULTILATERAL CONTEXT

In the multilateral context, Poland, Hungary and the Czech Republic have participated in the Implementation Force and the Stabilization Force operations in Bosnia, and have cooperated actively with U.S. intelligence to provide critical force protection information.

The three countries have demonstrated a solid record in the area of information and operational security within the NATO Partnership for Peace Program.

In addition, all three countries value their bilateral links to the U.S. and wish to expand them. They view multilateral intelligence cooperation in NATO as a complement to, not a substitute for, these bilateral intelligence relations.

THE COUNTERINTELLIGENCE THREAT

The single most critical intelligence issue we face in inviting Poland, Hungary and the Czech Republic into NATO is the counterintelligence question.

It is an unavoidable fact that past associations with Soviet intelligence services, together with proximity to Russia, make these countries vulnerable to hostile intelligence activity.

Over time, personnel and generational changes, training, and more robust counterintelligence programs by the three countries should reduce further this vulnerability. But for the time being, the threat is there.

The problem is not one of attitudes. The legacy these countries inherit from 44 years of Soviet domination makes them suspicious of Russian policies and motives.

Indeed, for Poland, Hungary, and the Czech Republic, the problem is not complacency about the foreign intelligence threat, but ensuring a capability to counter it.

Lastly, and to put this issue into perspective, we should recall that Russian and other intelligence efforts to penetrate NATO will continue, irrespective of new Alliance members.

THE RECORD OF REFORM

With respect to the critical issue of reform, all three countries have made significant strides in restructuring, reforming, and redirecting their intelligence services.

More needs to be done to attain greater experience in parliamentary oversight of the services, to secure acceptance by politicians of the need for these services to maintain political neutrality, to retain and promote experienced officers with Western orientation, and to enhance computer security.

As professionalism increases, morale will improve, and the intelligence services will be looked upon as contributing to common security interests. Adequate funding and visible support from the political leadership will be essential to this process.

THE NATO WORK PROGRAM

The three invitees are continuing to work with NATO in preparation for their final accession.

In cooperation with NATO to date, in a variety of interactions with the U.S. and other current NATO allies, including the sharing of sensitive information through the Partnership for Peace program, IFOR/SFOR, and in bilateral intelligence cooperation, the three invitees have demonstrated solid records in the area of information and operational security.

Poland, Hungary and the Czech Republic have undertaken significant steps to conform to NATO security standards and have enhanced personnel and information security practices.

Looking toward accession in April 1999, from a NATO perspective, the intelligence aspects of NATO enlargement appear to be on track. Indeed, the intelligence planning in NATO is currently ahead of the other NATO programs which must be readied for the April 1999 accession date.

NATO and U.S. officials have been reviewing the capabilities and intentions of the three governments to handle sensitive information, and the extent to which the military and intelligence services of these former Warsaw Pact members have distanced themselves from their former mentors.

The NATO Intelligence Board has worked closely with NATO's Office of Security to ensure adequate security measures are developed with new members.

The specific criteria that the Alliance is using to ensure that NATO practices and regulations become standard operating procedures for the three new invitees are based on established security guidelines developed for the Alliance and approved by the member states. Each of the three NATO invitees has thus far achieved or exceeded each criterion set before it, according to the Executive Branch.

INTELLIGENCE COMMITTEE CONDITION

Based on these findings, I together with Senator Kerrey have proposed a condition to the resolution of ratification of the Protocols to the North Atlantic Treaty, which is included in the Managers' amendment now before the Senate.

The purpose of the condition is to monitor the progress that the three aspiring members are making in adopting NATO practices and regulations as standard operating procedures in their own intelligence services, and in enhancing their overall procedures for protecting intelligence sources and methods.

To monitor the progress in meeting NATO standards during the transition period up to April 1999, as well as to provide a benchmark following formal accession, the condition requires the President and the Director of Central Intelligence to provide the appropriate committees of Congress with three ''snapshots''—two before and one after formal accession of these countries to the alliance.

The President is required to report by 1 January 1999, on behalf of all the interested agencies, the progress made by the three countries in meeting NATO membership security requirements.

The Director of Central Intelligence is also required to report on or before 1 January 1999, and again not later than 90 days after the date of formal accession of these countries to NATO, on the latest procedures and requirements established in these countries for the protection of intelligence sources and methods, including a comparison of the overall procedures and requirements for such protection in these three countries with those in other NATO member states.

I believe that this condition sets forth a balanced approach to monitoring the progress of Poland, Hungary and the Czech Republic toward meeting the intelligence and security-related requirements for full NATO membership.

In what I believe is the unlikely event that a serious problem arises with respect to one or more of the prospective members, the reports due on January 1, 1999 will provide both the Senate and the Executive Branch with an opportunity to address and resolve any such problem before final accession.

FINAL ASSESSMENT

I would like to close with the following.

In developing an overall assessment of the security risks associated with the inclusion of the three new invitees in NATO, the issue is not only how to ensure that these three countries protect NATO secrets, but also to ensure that the new members, and NATO at large, devote sufficient attention and resources to address the overall non-NATO intelligence threat to the Alliance.

To reiterate, based on the information provided to the Committee, the governments of Poland, the Czech Republic, and Hungary have demonstrated both an intent and an ability to protect the classified military and intelligence information that would be routinely provided them as members of the Alliance.

While past associations make these countries vulnerable to Russian intelligence activity, over time, personnel and generational changes, training, and more robust counterintelligence programs by the three countries should reduce further this vulnerability.

As I noted earlier, cooperation on intelligence issues began before the idea of NATO enlargement took root. In that respect, sharing intelligence in the NATO context builds upon a pattern of cooperation of nearly a decade.

As with other aspects of NATO integration, it will take some time and technical advice and assistance from other NATO members for the governments of these three countries to totally overcome the legacy of their communist past.

As a critical element of such a program, the three governments must devote adequate resources to support professionalized intelligence and counterintelligence services, and must demonstrate their political support for these services' role in safeguarding the democratic political order.

Lastly, by the time the three invitees join NATO, a decade will have passed since the collapse of their communist regimes.

Contacts with the U.S., other allies, and NATO, coupled with continuing modernization programs and priority assistance efforts from current NATO members, should help to ensure that all three countries satisfy membership security requirements by the time of their accession to NATO in April 1999.

In closing, I would like to thank the Chairman of the Foreign Relations Committee, Senator HELMS, and the

Ranking Member, Senator BIDEN, for including the Shelby-Kerrey condition as part of the Managers' amendment, and for their leadership in ensuring the thorough and expeditious consideration of this historic resolution.

Mr. KERREY. Mr. President, I rise today to offer my support for the Resolution of Ratification currently pending before the Senate. I do so with less enthusiasm than I wished, and more doubts than I prefer.

I will vote yes because Poland, the Czech Republic, and Hungary will strengthen NATO's resolve and improve the chances that a post-Cold War NATO will be the same stabilizing force for peace it has been for the past half-century. I will vote yes because the requirements for NATO membership, such as civilian control of the military and democratic rule, especially domestic laws that protect minority rights, make it more likely that external conflicts are resolved peacefully. I will vote yes because the benefits of doing so appear, on balance, to outweigh the potential liabilities.

My vote of support is also based on my belief that denying the Czech Republic, Hungary, and Poland entry after their expectations have been raised so high would do more harm than good. Further, I believe these three countries - on account of their passionate understanding of what life is like under the iron fist of a dictator—will stiffen the resolve of NATO to be a force for peace. NATO has no will to fight unless consensus can be achieved amongst all members, and it is the will to fight which will do the most good in deterring future military conflicts.

Too often during this debate I have heard the argument of some advocates who presume enlargement as a necessary insurance policy against the risk of Russia becoming an expansionist military threat again. These proponents often speak as if the circumstances of 1998 closely resembled those in Europe when NATO was created.

This vision is flawed. It is flawed because it misrepresents the comparative conditions of 1949 and 1998. It results in the subordination of other more important foreign policy goals such as assisting the Russian transition to democracy, reducing nuclear weapons, and confronting the threat posed by proliferation of weapons of mass destruction to the less important task of adding three new members to a Cold War military alliance.

Consider what President Truman and Congress faced in the wake of the Second World War. In 1949, when they led America into the North Atlantic Alliance, only thirty years separated them from the end of the Great War, the war which was supposed to end all wars. Only twenty years had separated the end of this terrible war and the beginning of the next. Twenty years. Imagine what our attitudes would be if a war as savage and futile as World War I had been concluded on November 11, 1968, and then in 1988, the enemy we had vanquished rose to the attack again.

Both those wars were within memory's reach of President Truman and the Congress on April 4, 1949 when the Washington Treaty was signed. Europe lay in ruins. Their economies had been destroyed. Food and medical supplies were in short supply. Political uncertainty and instability were the order of the day. The Red Army was threatening in the east and their belligerence well established by the Communist coup d'etat in Prague in February 1948 and the Berlin Blockade which began in June 1948.

All of this combined to justify the creation of a powerful military alliance. It is worth noting that even with these factors, NATO at first had no military structure. Only after the Korean War began in June 1950, did the idea of a worldwide communist offensive gain credibility. This led to the establishment of a NATO military force, the major element of which is the Allied Command Europe. In December 1950, General Dwight Eisenhower was appointed the first Supreme Allied Commander Europe (SACEUR). The command's headquarters—the Supreme Allied Powers in Europe (SHAPE) - was located in Brussels.

President Truman was 65 years old in April 1949 when the Washington Treaty was signed. But certainly he must have remembered the day in mid-January 1919 when he was bivouacked near Verdun, France awaiting the demobilization orders needed before he could go home. In Paris, U.S. President Wilson, English Prime Minister Lloyd George, and French President Clemenceau had begun their discussions of terms and conditions for peace.

In a letter to his fiance, Bess Wallace, Truman had written:

> It's my opinion we'll stay until uncle Woodie gets his pet peace plans refused or okayed. For my part, and I'm sure every A.E.F. (American Expeditionary Force) man feels the same way, I don't give a whoop (to put it mildly) whether there's a League of Nations or whether Russia has a Red government or a Purple one, and if the President of the Czecho-Slovaks wants to pry the throne out from under the King of Bohemia, let him pry, but send us home . . . For my part I've had enough vin rouge and frog-eater victuals to last me a lifetime.

Mr. President, in our modern age of see and invade-all journalism, this letter would probably have surfaced to embarrass Truman when he entered national politics a decade later. However, it is also likely that cameras manned by brave men and women would have broadcast 1919 street scenes of Berlin, Moscow, Paris, Warsaw, Budapest, Vienna, and Prague. I believe these scenes would have made Americans less anxious to withdraw from the devastating instability of starvation, demobilized and poorly led Armies, and the sudden collapse of the old order of the Kaiser, the Romanovs, Hapsburgs, and Ottomans.

Yet only thirty years after he wrote this letter, Lieutenant Truman had become President Truman, and he faced a world that looked not all that different from 1919. As he considered what policy would guarantee the peace after 50 million lives had been lost in the Second World War, he saw a Europe as devastated as it had been in the First. He saw a threatening Soviet Union in the east. Withdrawal, pacifism, and demilitarization were the failed policies of the 1920's and 1930's. Political engagement and military strength were logical and correct alternatives. Forty years later, as communism collapsed and our former enemies embraced democracy, Truman's vision and path was vindicated.

Mr. President, too many proponents of expansion have tried to cast this vote as a vote about our future engagement in the world. I am not persuaded by the preposterous either/or arguments used by these proponents. You are either for NATO expansion or you are for repeating the mistake we have made twice in this century to withdraw from Europe. You are either for NATO expansion or you are for appeasing the Russians. You are either for NATO expansion or you are for allowing instability to reign supreme on the European continent.

What nonsense. If NATO were to disappear tomorrow—as it almost did by refusing to become engaged in Bosnia—America would not withdraw from Europe. We are becoming more and more connected through travel, trade, and telecommunications. Any comparison of the political, economic, and social conditions of 1998 and 1919, or 1998 and the 1930's should be greeted with raised eyebrows and laughter.

Mr. President, many times during this debate I have heard my colleagues say that NATO has been the most successful military alliance in history. I do not disagree with their assessment. But the statement leads me to ask a question: why has NATO been so successful and what does that mean for the future of the Alliance?

Ultimately, NATO was successful during the Cold War not for any military operation, but for its military power and the willingness to use it. For nearly 50 years, NATO has served as the vanguard of peace and security in Europe. For forty of those years, NATO forces stood ready to engage in the defense of Europe from the very real threat posed by Warsaw Pact forces on the other side of the Iron Curtain. The reason NATO was able to maintain the peace and never had to fight a hot war in Europe came from the recognition by our adversaries that NATO, despite the horrors of a potential superpower conflict, was prepared for real military action.

Equally as important as the will to act, NATO commanders understood the importance of maintaining a formidable capability to fight. Throughout the Cold War, NATO's military forces were highly motivated, superbly trained,

and equipped with the latest weapons and technology that made the Alliance a force to be reckoned with.

Beyond the success of the Cold War, I believe that NATO has survived in the post-Cold War era, despite many predictions to the contrary, because it was prepared to change to reflect new realities. First, NATO has begun the difficult task of restructuring and downsizing its force and command structure. As we in the Congress are well aware, following three rounds of U.S. base closures, making the necessary decisions to downsize the military is politically difficult. NATO deserves credit for what it has accomplished in this area, but more work will be needed in the future.

NATO has also been successful because of its willingness to address the challenges of the post-Cold War world. NATO has made significant progress in tackling difficult new issues such as arms control, regional ethnic instability, and creating partners out of former enemies. In this final area, the Partnership for Peace program has made tremendous progress in encouraging civilian control of the military and promoting military transparency, each of these essential in creating greater confidence between nations.

Each of these steps have contributed to transforming NATO into the Alliance that we have today, an Alliance that serves the interests of each of its members and promotes cooperation and stability. However, as NATO officials admit, the Atlantic Alliance must continue to evolve. We must ask ourselves: what must NATO do now if it is to be relevant in the future?

First, NATO must continue with the difficult work of reforming its force and command structure to reflect changes in its mission and strategic concept. Second, as during the Cold War, NATO must maintain a credible force and the will to use that force when diplomacy fails. These are the core elements of the Alliance that must be carried into the future.

But I believe NATO must also be prepared to take on new missions. It will have to be ready to address future threats to regional stability like Bosnia in an efficient and timely manner. Mr. President, the true lesson of the Dayton Accords is that sometimes force, or the credible threat of force, precedes diplomacy. I do not believe the Dayton Accords would have been possible had NATO not reached consensus to respond militarily, albeit late, to Serbian aggression in Bosnia. I hope we have learned the lesson of Bosnia, and I hope these three new members will help strengthen our will to react to Bosnia-style aggression in the future. The recent memory of the Solidarity movement, the moral leadership of President Vaclav Havel, and the impact of the 1956 uprising in Hungary will be extremely beneficial contributions to the diplomatic decision-making that occurs in Brussels. We may find the newest members of the Alliance will soon play a critical role in leading NATO into the future.

Mr. President, having addressed the history and future of the Alliance, let me restate that I will vote in favor of this Resolution of Ratification because I believe that NATO enlargement is a positive step forward for the three invitees and for the future of the NATO alliance.

The enlargement of NATO to include Poland, Hungary, and the Czech Republic is a statement of the success of their transition to free-market democracies. Each of these countries have experienced the peaceful transitions of democratic government, established the rule of law in the interaction of people and institutions, and implemented strong civilian control of their militaries. We should not forget the difficulty with which each of these countries has made these changes, nor should we underestimate the political leadership that was necessary to make the decisions involved in transforming from a command-style economy to free-market democracy.

Mr. President, NATO membership, along with eventual membership in the European Union, will re-establish their contacts to the West and help solidify the political reforms in place today. Furthermore, the benefits of collective defense will limit the need to reconstitute national defenses and allow for continued focus on strengthening their economies and rebuilding the infrastructure necessary to compete in the global economy.

I also believe that these countries will benefit from NATO enlargement through the promotion of regional stability. The prospect of NATO membership has already caused Central European nations to re-examine their relationships with one another and to address age-old political and ethnic disputes. The resulting treaties and bi-lateral agreements will lessen the chance of border and ethnic conflicts in the region after these three nations become full members of the Alliance.

Mr. President, I also believe NATO will benefit from the inclusion of new members. Each of these countries will bring a unique set of capabilities to the Alliance. To be sure, each still needs to make significant progress in bringing their militaries up to NATO standards, but they are not starting from zero. Initial estimates show that following their own military restructuring, these countries will bring an additional 280,000 troops to the Alliance; this will undoubtedly boost NATO's ability to perform future missions.

An example of this enhanced capability for NATO can be seen in the contribution each of these three countries have made to the IFOR/SFOR mission in Bosnia. Poland is currently providing SFOR an airborne infantry battalion, the Czech Republic has provided an engineering company and is maintaining a mechanized infantry battalion, and Hungary has contributed an engineering battalion. Hungary has also leased the Taszar airbase to the United States which provides a critical point of entry for U.S. forces into Bosnia. I am confident that when these countries become full members of NATO, we can expect that they will continue to provide a strong commitment to NATO operations.

In my duties as Vice Chairman of the Intelligence Committee, I joined with my colleagues in reviewing the security consequences of bringing Poland, Hungary, and the Czech Republic into the Alliance.

In directing this review, Senator SHELBY and I did not for a moment suspect the sincerity or the commitment of these countries to be loyal members of the Alliance. But because some of their intelligence professionals and other military and civilian personnel had served in similar positions when their countries were dominated by the Soviet Union, we felt duty-bound to examine how well these countries would meet NATO security requirements, especially with regard to handling NATO classified information and protecting intelligence sources and methods. We determined that, even in these narrow security terms, the new members will be a major net gain for the Alliance. They have the expertise and the dedication to protect the information which NATO will share with them, and they bring intelligence capabilities to the Alliance which will make NATO stronger.

To help measure and assist the transition of the new members to NATO security standards, Senator SHELBY and I proposed a condition to the resolution of ratification which would require two reports: one to be rendered by the President next January on the progress of the new members in meeting NATO security requirements, and another to be rendered in phases by the Director of Central Intelligence identifying the latest security procedures and requirements of the new allies and assessing how they compare with those of other NATO members. In my view, these reporting requirements are prudent and should help the expanded Alliance more quickly reach a common security standard.

Mr. President, I am encouraged by the prospect of membership for these three countries. However, this is a major change in U.S. policy, and a very real commitment that should not be entered into without a full understanding of its meaning. The American people must understand that membership in NATO for Poland, Hungary, and the Czech Republic carries with it all of the commitments of the 1949 Washington Treaty. In particular, by ratifying this change to the Washington Treaty, the United States extends full Article V protection to each of these countries.

Article V states:

> The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all; and consequently they agree that, if such an armed attack occurs,

each of them . . . will assist the Party or Parties so attacked by taking forthwith, individually and in concert with the other Parties, such actions it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

The quantitative result of this treaty is that the United States has pledged to defend an additional 15% of European territory in the event of an attack. The qualitative result is that we as Americans pledge to send our young soldiers to defend Warsaw, Prague, and Budapest. However, let me state, Mr. President, my firm belief that enlargement of the Alliance will in fact reduce our chances of having to fight a war in this region of the world. By solidifying democratic reforms, encouraging regional cohesion through the Partnership for Peace program, and limiting the need for national defenses, we will promote cooperation and limit the threat of war.

Like many of my colleagues, I also have concerns about the costs associated with NATO enlargement. Wide discrepancies in the assumptions on which the various cost estimates have been based have left us with, at best, an incomplete view of what enlargement will cost current and future members. I am hopeful that after the vote, the Administration will continue to work closely with Congress to address our remaining concerns regarding costs. At a time in which our military is being called on to protect against threats to U.S. security interests throughout the world, we must carefully scrutinize additional spending commitments.

Mr. President, I am concerned with the slowness with which the European Union has moved to address the needs of the new democracies in Central and Eastern Europe. I strongly encourage the EU to catch-up to NATO by quickly completing negotiations over their own expansion. In the long-run, the success of the former-Soviet bloc countries will hinge more on their ability to access the economic benefits of the EU than membership in NATO.

While I support NATO enlargement for these three countries at this time, we must also ask how do we define our future foreign policy priorities. For the past year, members of the Administration have worked tirelessly to ensure ratification of NATO enlargement. I believe it is time for the United States to shift our foreign policy focus: our number one priority must become the successful transition of Russia to a stable, free-market democracy. I for one am very optimistic about the prospects for Russia.

I think at times we suffer from the inertial effects of Cold War thinking that limit our ability to see the world for what it is today. Just as Poland, Hungary, and the Czech Republic are not the Warsaw Pact, Russia is not the Soviet Union. Russia no longer poses the immediate threat to our survival as expressed in Cold War rhetoric of Josef Stalin and Nikita Khrushchev. It is a new era, and we should use this opportunity to our utmost ability to work with Russia to ensure the establishment of the rule of law, to assist with the ethical privatization of state owned enterprises, to promote the continued development of the democratic process, and to realize meaningful progress on arms control.

We already have positive examples of what cooperation with Russia can accomplish. Mr. President, few may realize the Bosnia mission is the first time in which NATO troops have participated in an actual military engagement. Few would have guessed during the dangerous days of the Cold War that NATO's first military mission would have occurred with Russian soldiers working alongside American soldiers not as the enemy, but as partners. The Bosnia mission demonstrates the potential we have when we work with a democratic Russia to solve disputes. Another positive sign is that in recent months the Russian government has stepped up its participation in the Partnership for Peace program and I am hopeful about the possibility for continued dialog through the Permanent Joint Council as established under the Russia-NATO Founding Act. Mr. President, I encourage both the Congress and the Administration to address the future of U.S.-Russian relations with the same vigor with which we have worked to achieve NATO enlargement.

At no point in the future do I want to look back to this unique point in history and have to ask if we could have done more to ensure a peaceful, democratic Russia. Mr. President, I encourage all of us to take a long-term view of history. We should consider how the world has changed from the chaos and danger that led President Truman to create NATO in 1949 to the sweep of democracy that liberated Central and Eastern Europe from communist control. We should consider how these same nations have transformed themselves into stable democracies ready to become full members of the Atlantic Alliance. And finally, we should consider how we want the world to look in fifty years, and then set our priorities to ensure our children will have the benefit of living in that world.

Mr. MURKOWSKI. Mr. President, I rise to express my strong support for the protocols of accession to NATO, specifically for Poland, Hungary, and the Czech Republic. NATO expansion is clearly in the security interests of the United States and the NATO alliance as a whole.

We have an opportunity in the Senate today to make a truly a historic vote that will shatter, once and for all, the artificial division of Europe that occurred at the end of the Second World War. By expanding this alliance to include Poland, Hungary and the Czech Republic, we will further erase the Cold War lines of division and broaden the scope of protection of this defensive military alliance which has played the central role in maintaining peace and stability in Europe since the end of World War II. Now, if history is any guide, it ensures and enhances the prospects for peace, prosperity, and harmony throughout Europe.

It is important to remember that NATO is a defensive, not offensive, strategic military alliance. Although the new member countries were once considered so-called ''allies'' of the former Soviet Union, their so-called alliance had more to do with the presence of Soviet troops within their countries than any commitment to Soviet values or ideals. Bringing them into the NATO alliance is not a charge against Russia and should not be so construed. To the contrary, we are recognizing that the people of these countries are now our allies. We pledge to come to their defense if they are attacked by a non-member country, and they in turn make the same pledge to support all other NATO countries who may be attacked by a non-member party.

Mr. President, in the nearly 50 years of its existence, NATO has provided the military security umbrella that has permitted old enemies to heal the wounds of war and to build strong democracies and integrated free economies. Expanding NATO to include the emerging democracies of Eastern Europe will, I hope, produce the same results. That is, stronger and freer economies whose people can live in the same harmony as do the people of France and Germany.

Communism has collapsed. The Soviet Union is no more. This is not to say, however, that Europe no longer faces any security threats. I think that would be shortsighted. Threats continue to exist in Europe, and many of these threats are more difficult to identify and combat. Ethnic strife in many parts of Eastern Europe; the instability which we face daily with Iraq; terrorism; the list is long. These are all verifiable threats to which the United States and other NATO member countries must be prepared to respond and defend. By adding Poland, Hungary and the Czech Republic to the NATO alliance, we are broadening and strengthening our ability to combat and defend against these threats.

Mr. President, I would also note that the prospect of NATO enlargement has already begun as seen by the process of harmonization in Central and Eastern Europe. Hungary has settled its border and minority questions with Slovakia and Romania. Poland has reached across an old divide to create joint peacekeeping battalions with Ukraine and Lithuania.

Without question, an expanded NATO will make the world safer simply because we are expanding the area where wars will not happen. As Secretary of State Albright testified last year before the Foreign Relations Committee, and I quote, ''This is the paradox at NATO's heart: By imposing a price on aggression, it deters aggression.'' At

the same time, we gain new allies, new friends who are committed to our common agenda for security in fighting terrorism and weapons proliferation, and to ensuring stability in places such as the former Yugoslavia.

There is no doubt in my mind that had Soviet troops not in 1945 occupied Poland, the Czech Republic, and Hungary, and installed puppet governments, the debate over whether these three countries should be members of NATO would have long ago been resolved in their favor.

The people of these countries have yearned for freedom, democracy, and peace for more than 40 years, as evidenced by Poland particularly. The blood in the streets of Budapest in 1956, the demonstrations of the people in Prague in 1968 who confronted Soviet tanks, and the public confrontations of Solidarity throughout Poland beginning in the 1970s all laid the foundation for the collapse of communism, which we have seen in our lifetime.

Now as they begin to build institutions of democracy and free enterprise, as they move to further integrate their economies with the rest of Europe, they should participate in the collective security of the continent. I think this will bind these countries closer together far into the future and ensure stability and peace throughout the continent.

Mr. President, there have been expressions of concern by some people that expanding NATO is a mistake because it would somehow be perceived as a threat, a threat to Russia. I find that argument hard to accept. In my opinion, NATO has never been a threat to Russia. Even during the height of the Cold War, no one seriously considered that NATO threatened the Soviet Union. Quite the contrary. NATO stood to defend—defend—against any potential military threat to its members. There is a difference between defense and offense. And NATO is designed for defense. It was never designed as an alliance of aggression—rather, it is an alliance against aggression.

I think the same holds true today, Mr. President. The people of Russia, who are slowly trying to emerge from the darkness and terror of 70 years of communism, have nothing—I repeat, nothing—to fear from NATO. Our goal is not to isolate Russia; but to engage and support her in her efforts to develop a lasting democracy and a free market.

The people in the evolving democracies of Poland, the Czech Republic, and Hungary have earned the right to become full partners in Europe and full partners in NATO. I hope my colleagues will support the dreams, hopes, and aspirations of these people who have struggled for freedom for so long, after so many decades in which they have lived without hope. They have that opportunity today.

Finally, Mr. President, I would like to commend these countries for the rapid progress which they have made nurturing democracy and building stable economic development based on free market principles. While some would argue that they have not evolved far enough, I would simply say that they are light years from where they were when the Berlin Wall fell and that democracy and the free market is an evolving process. They are well on their way; bringing them into the NATO alliance will only serve to help them along.

The people of these nations have dedicated themselves to these democratic ideals, and it is incumbent upon us to support them in their quest. Mr. President, I strongly support expanding the NATO alliance to include Poland, Hungary and the Czech Republic and hope that the Senate speaks loudly and strongly on this issue today.

Ms. MOSELEY-BRAUN. Mr. President, a strong North Atlantic Treaty Organization (NATO) is an important vehicle for maintaining security in Europe. For half a century NATO has been critical to maintaining security in Europe. Largely because of NATO, Europe has enjoyed more than 50 years without war among its major powers, the longest period in modern history. Because of this success, European countries that at one time were in a competing alliance, are now clamoring to join NATO. Today we have a historic opportunity to extend the NATO umbrella to additional European countries, and to expand the benefits that the alliance has created.

Dr. Brzezinski of the Center for Strategic and International Studies, in his testimony before the Senate Foreign Relations Committee, made a compelling case for NATO expansion and its importance to the United States. He said:

> For me, the central stake in NATO expansion is the long-term historic and strategic relationship between America and Europe. NATO expansion is central to the vitality of the American-European connection, to the scope of democratic and secure Europe, and to the ability of America and Europe to work together in promoting international security.
>
> The expansion of the Euroatlantic alliance will bring into NATO counsels new, solidly democratic and very pro-American nations. That will further deepen the American-European kinship while expanding Europe's zone of peace and democracy. Such a more secure Europe will be a better and more vital partner for America in the continuing effort to make democracy more widespread and international cooperation more pervasive. That is why NATO's enlargement—in itself a vivid testimonial to the dynamism of the democratic ideal—is very much in America's long-term national interest.

Since its inception, NATO has provided a forum to resolve disagreements among members and for institutionalizing norms and relations fundamental to modern democracies. It is natural therefore, that newly emerging democracies in Central and Eastern Europe, which qualify, should be considered for membership in the alliance.

The accession to the alliance of Poland, the Czech Republic, and Hungary is the culmination of years of work on these countries part to meet the requirements of NATO membership. As Dr. John Micgiel, Director of the East Central European Center at Columbia University has said, ''the mere prospect of membership . . . has acted as a catalyst for political reform. . ..'' Furthermore the ''three prospective member countries have each taken a proactive role in cooperating with their neighbors and sometime former adversaries.''

These three countries have demonstrated functioning democratic political systems, as well as economic reforms that will allow them to share the costs of NATO membership. Although there are no set requirements for membership, at a minimum, candidates for membership must meet the following five requirements: new members must uphold democracy, including tolerating diversity; new members must be making progress toward a market economy; their military forces must be under firm civilian control; they must be good neighbors and respect sovereignty outside their borders; and they must be working toward compatibility with NATO forces.

Poland's membership is the logical culmination of its long struggle for freedom and economic independence. In 1989, the world watched as Poland became one of the first former Soviet-controlled countries to hold free and democratic elections. ''Solidarity'' became a symbol of freedom recognized around the globe.

In 1993, Poland was the first country in the region to record economic growth, and it now has one of the strongest economies in Europe. In 1997, its GDP grew at a rate of about seven percent, while its inflation and unemployment rates declined.

Moreover, Poland has demonstrated its readiness to contribute to security beyond its borders, one of the requirements of NATO membership. Poland contributed forces to the Gulf War coalition and currently provides troops to the NATO-led Stabilization Force mission striving to keep peace in Bosnia.

Hungary has met the requirements for NATO membership by holding fully free and fair elections since 1989. Over the past nine years, the country has had two complete democratic changes of government. Economically, Hungary has engaged in successful, yet painful, stabilization programs to cut its current budget deficits. Since 1990, Hungary has attracted almost $16 billion in foreign direct investment; almost a third of all foreign direct investment in Central and Eastern Europe.

Since 1989, the Czech Republic has held three fully free and fair elections. Their constitution contains protections similar to ours, such as the freedom of speech, freedom of assembly, and the freedom of the press. Economically, the country has privatized state-owned enterprises, engaged in tight monetary policies, and liberalized trade policies. As a result inflation is

controlled, the GDP has been rising since 1994, and unemployment is low.

Poland, Hungary, and the Czech Republic were chosen to join the alliance because they meet all the requirements of admission. Each will be a good ally and each country is prepared to accept the responsibilities of NATO membership, including contributing their share to NATO's costs. I would like to congratulate Poland, the Czech Republic and Hungary, for their courage, for their perseverance and now for their imminent membership in the greatest military security alliance the world has ever known.

Other countries will soon also be prepared to join the alliance, that is why I believe the expansion of NATO should be regarded as a process rather than the enactment of a single policy. Nations such as Romania and Slovenia, who were not invited to join NATO at the Madrid summit should be extended NATO membership once they meet the alliance's admission requirements.

During the 104th Congress, I supported the NATO Enlargement and Facilitation Act of 1996. This legislation would have extended economic aid to those countries in Central and Eastern Europe showing genuine interest in furthering economic privatization and political pluralization as a prerequisite to NATO membership. This legislation sent an important signal of American support for these countries undergoing the painful transition from communism to democratic market reform.

Mr. President, constituents from my state have indicated strong support for NATO expansion. While my constituents include Americans of Hungarian and Czech descent, you may know that Chicago has been called the Warsaw of the Midwest because of the large number of city residents of Polish descent. Statewide, there are nearly 1 million Illinoisans of Polish-ancestry, many of whom who have contacted my office in support of Poland's imminent entry into NATO.

Mr. President, it is not, however, merely the many Polish-Americans, or Hungarian-Americans or Czech-Americans in Illinois and around the United States who wish these countries well as they assume the responsibilities of full NATO membership. Freedom-loving people in every part of the world can take heart from these countries' examples. History records the innumerable times that they have been invaded by hostile armies. But these people have strived to maintain their culture and their unique way of life, and that struggle has finally been rewarded. For as long as there is a North Atlantic Treaty Alliance, their security will be guaranteed by some of the most powerful nations on earth.

Mr. D'AMATO. Mr. President, I rise today as we reach the end of our debate on NATO enlargement to restate my firm support for the Protocols to the North Atlantic Treaty providing for the accession of Poland, Hungary, and the Czech Republic. NATO enlargement is the right thing to do. We must seize this opportunity now to help make Europe whole and free. I urge my colleagues to vote in favor of enlargement.

While NATO was born out of the Cold War to protect ourselves and our allies from the Soviet threat, it is also part of the broader U.S. policy to foster European integration after the end of World War II. The first step in this policy was the Marshall Plan, not NATO. But after Stalin's Iron Curtain divided Europe, and Soviet-installed puppet governments rejected Marshall Plan aid, it was clear that economic recovery and political cooperation could not proceed without a security shield. NATO provided that shield.

The Soviet Union is gone. So are the Moscow-controlled puppet governments in central and eastern European states. Once again, we have a window of opportunity to complete the work we started at the end of World War II. We must not miss this historic chance to advance our policy of supporting European integration based on democracy, human rights, and the rule of law.

We have a chance to bring into the circle of Western democracies those states, Poland, Hungary, and the Czech Republic, that were denied this chance by Soviet occupation at the end of World War II. By voting for enlargement, we are again extending the hand that Stalin slapped away, affirming the promise of freedom and security for the Polish, Hungarian, and Czech peoples.

As Chairman of the U.S. Commission on Security and Cooperation in Europe, better known as the Helsinki Commission, I have seen NATO candidate states take steps to resolve internal problems and external disputes that have been major features of national life within those states for generations. Human rights violations in those states have substantially decreased, and their membership in NATO and, in the future, the EU, will give us leverage to resolve remaining problems. But for the promise of the security guarantee that comes with NATO membership, I believe these problems and disputes would not only have remained unresolved, but would likely have given rise, over time, to confrontations between states that could have led to war.

Thus, by that measure, NATO enlargement is already having positive results.

Once NATO enlargement is realized, the political risk associated with economic reform in central and eastern European states will diminish. This will make international investors more willing to provide capital to businesses in these states, creating jobs and improving economic health. Improved performance during and after transition to free market economies will help cement in place stable democratic governments.

The combination of healthy economies and stable democratic governments will help the European Union expand to include these states. Thus, expansion of NATO's security shield is the first step, not the last step, toward further broad European integration.

There have been many statements of caution about the impact of NATO enlargement on Russia. I firmly believe that Russian democracy will be better served by having healthy, stable, and prosperous democracies on its western border, than by leaving a gray zone between a steadily more integrated Europe and Russia.

Since coming to the Senate in 1981, I have been a member of the Helsinki Commission. This work has brought me into contact with the Soviet dissident community, which over time has become the core of the Russian pro-reform and pro-democracy movement. From this long experience, I can tell you that a failure to expand NATO and the European Union to embrace every European state that can meet the established entrance requirements would be a victory for the anti-democratic forces in Russia.

Especially if NATO enlargement were to fail because the United States would not agree to it, extremist politicians of all stripes from Russia through eastern and central Europe would take heart and encouragement. Democrats and free market reformers would be seriously damaged, and political and economic stability would be called into question. The influence of the United States would be greatly decreased, and our commitments would be open to doubt. When we cast our votes today, we need to keep in mind the probable highly negative consequences of what would, in effect, be a veto by the United States Senate of NATO expansion.

NATO enlargement, European integration, and the advancement of political reform, democracy, individual freedom, and free market economics are all part of the same effort. What we do here today can make a major contribution to the security and prosperity of future generations of Americans.

The opportunity to expand the circle of free and democratic countries can not be missed. This amendment to the North Atlantic Treaty should be approved. I will vote for it, and I urge all of my colleagues to support it.

Mr. KOHL. Mr. President, for quite some time I have been studying the issue of whether we should expand NATO. There are some who have argued that there has not been sufficient debate about NATO expansion. Yet, we have been considering NATO expansion for several years now, long before this resolution of ratification made it to the Senate floor. By wide margins, the Senate indicated its support for the concept of NATO expansion in 1994 and 1995, and since then, there has been much discussion in the Senate and in the media on the pros and cons of expanding NATO. As the Administration has worked with our allies on the details of NATO expansion, building on

the Partnership for Peace which lay the ground work for this move back in 1994, and culminating with the signing of the Protocols to the North Atlantic Treaty on the accession of Poland, Hungary, and the Czech Republic in December 1997, we have reached the point where there is little doubt that the Senate will ratify the resolution before us today. It is interesting to note, that as a bipartisan consensus for NATO expansion has emerged, opponents of NATO expansion have sharpened their arguments. I want to credit these opponents for giving us all much food for thought and for ultimately helping me focus my thinking on this important issue.

After careful consideration, I have concluded that expanding NATO is in our national interest and I intend to support the resolution of ratification before us today for a number of reasons.

NATO will help to fill a security vacuum in newly democratic Central Europe. It has only been a few short years since Poland, Hungary, and the Czech Republic have embraced democratic institutions and embarked on the path to political and economic reform. We need to send the strongest possible signal to the fledgling democracies of Central and Eastern Europe that they must not falter in this endeavor. It is in our national interest for these nations to succeed, and support from the West allows them to proceed with difficult political and economic reforms. Just as it made sense in the breathless months after the dissolution of the Warsaw Pact to invite these countries to join NATO, we cannot back away from them now. Following through on our invitation offers them a sense of security after years of domination by the Soviet Union. And, it is fitting that a military alliance originally conceived to counter the Soviet threat would offer them a safe haven from the threats of the future. Although it may seem that they have little to worry about now, we cannot predict what threats may emerge. After all, few among us could have predicted the fall of the Berlin Wall and the end of the Cold War.

We should support NATO expansion because it will help ensure that Russia does not pose a threat to those countries in the future. Russia may not pose a threat now, but the fears of Poland, Hungary, and the Czech Republic that Russia will change its stripes or that some other hegemonic power will threaten them are all too real. We must respond to these fears. It's easy for critics of NATO expansion on this side of the Atlantic to say that these fears are not justified but we must not forget that the reason the nations of Central and Eastern Europe are clamoring for NATO membership in the first place is because of their long history of invasion and subjugation. Who among us could look the Poles, and the Czechs, and the Hungarians in the eyes and say that even without NATO they need not fear an invasion in the future. True, no one can make the case that the Russian military in its current state is in any position to reconstitute the Soviet Union or the Warsaw Pact. Recent articles in the Washington Post and the New York Times lay out in stark terms the weakened state of the military, and the difficulties Russia is facing in developing strong economic and political alliances with its neighbors. Although some have argued that these are reasons to oppose NATO expansion, for me this underscores the challenges Russia faces today in realizing full political and economic reform, challenges that have little to do with NATO expansion. If Russia does not succeed—and we must do all we can to ensure that it does—I shudder to think of the consequences. NATO expansion will shield Poland, Hungary, and the Czech Republic from these consequences.

I do not intend to respond to all of the arguments made by opponents of NATO expansion, but I want to say a few more words about Russia. I do not believe that NATO expansion will undermine Russian efforts to achieve democratic reform: If Poland, Hungary and the Czech Republic want greater integration with Western Europe this should not pose a threat to Russia. However, just as we are responding to the fears of the Central Europeans by inviting them to join NATO, we must recognize Russian fears. We must continue to remind the Russians that NATO is not antagonistic to their interests. And, we must redouble our efforts to help the Russians so that they too can succeed in their economic and political reforms. As the resolution of ratification states:

> The Senate finds that is in the interest of the United States for NATO to develop a new and constructive relationship with the Russian Federation as the Russian Federation pursues democratization, market reforms, and peaceful relations with its neighbors.

I hope that at some future date the Senate will consider specific measures to further this goal.

As tensions between the United States and Russia have subsided, the end of the Cold War has brought many long dormant ethnic rivalries to the surface. NATO expansion is a reasonable response to these developments: A broad based military alliance can help keep ethnic tensions from escalating into violence. As we have seen all too vividly with the dissolution of Yugoslavia, ethnic tensions in Europe are still deep rooted. The world was taken by surprise at the atrocities that were unleashed in Bosnia and it took several years for the West to bring enough pressure on the parties to end the violence. We want to do what we can to prevent the dissolution of state militaries into murderous ethnic militias as took place in Bosnia. There are no guarantees, but by bringing the emerging democracies of Central and Eastern Europe into a broad based military alliance we are encouraging military cooperation and understanding and fostering relationships that will make it easier to resolve major conflicts. Although NATO's primary purpose is not as a dispute resolution body, it is my hope that NATO can help prevent many of these disputes from emerging in the first place.

NATO's strength is that it is not only a military alliance, but an alliance of nations sharing democratic values. Poland, Hungary, and the Czech Republic have made great strides over the last seven years demonstrating that their commitment to democratic institutions and political reform runs deep. Some have argued that political stability rests on economic stability and that we should press the European Union to admit the countries of Central and Eastern Europe before we engage them in a military alliance. However, free market economies are not the only key to stable democracies. The role of the military can make a difference in the long-term success of democracies. A military alliance that defers to civilian leaders can serve as an example of stable civil-military relations. I am confident that inclusion in NATO will strengthen democratic values in the new democracies of Poland, Hungary, and the Czech Republic.

The NATO alliance has been a successful alliance. It is in our national interest to build on that success. For fifty years, NATO has united Europe and America in a common purpose, and with its strong emphasis on cooperation and a collective defense, NATO will serve as a building block for the security arrangements of the future. We have established some very important relationships in NATO. These relationships are a source of strength and they should not be abandoned. And, the strong ties we have with Poland, Hungary, and the Czech Republic can be formalized by admitting them to NATO.

Earlier in the debate we reaffirmed the strategic purpose of NATO. I believe that as the threats of the future come into sharper focus, the strategic rationale for NATO will evolve. This will not happen overnight. And that is why I supported the Warner amendment. Before we remake an alliance that has served American interests and proceed with further expansion we need to spend more time thinking about the role NATO will play in our changing security arrangements. The Warner amendment also would have allowed us to step back from the process without specifically rejecting any of the nations of Central or Eastern Europe. Regardless of how long we wait before the next group of nations is admitted to NATO, we must closely monitor the integration of Poland, Hungary and the Czech Republic into NATO.

Finally, I would like to say a few words about the cost of NATO expansion, an issue of particular concern to me. Although there have been numerous estimates, the most recent Administration estimate is that we will spend $400 million over the coming decade to

cover the US share of NATO expansion costs. This is not a small sum. Consider, however, that we have already spent more than $6 billion on US operations in Bosnia in the last two and a half years. If NATO can help prevent the Bosnias of the future, even if NATO expansion costs are double the Administration's current estimate, this will be money well spent.

I am disappointed that there is no consensus in the Senate to limit our spending in this area beyond the existing limit on the US contribution to the NATO common budget. I supported the Harkin amendment that would have placed a 25 percent cap on expenses that might be incurred to help NATO's newest members integrate their forces with NATO, and I will continue to watch spending in this area. As the Resolution of Ratification states: ''the United States is under no commitment to subsidize the national expenses necessary for Poland, Hungary or the Czech Republic to meet its NATO commitments.''

Our future is and always has been inextricably tied to Europe, a region that has been beset by war. After two devastating World Wars dominated the first half of this century, we have relied on the NATO alliance to help keep the peace during the second half. I believe that NATO expansion can also help us maintain peace and stability in Europe into the next century and for that reason the resolution of ratification to admit Poland, Hungary, and the Czech Republic merits our support.

Mr. JEFFORDS. Mr. President, almost 10 years ago, the wall that had divided Europe for more than a generation suddenly crumbled. Brave, freedom-loving people in Poland, Hungary and Czechoslovakia took matters into their own hands, eventually toppling their communist governments. East Germans attacked their wall with gusto, and in a matter of months, Germany was reunited. Ever since that time, there has been talk in Poland, the Czech Republic and Hungary of joining the West in a more formal way, to solidify their break from the East, to recognize their conversion to democracy and free markets, and to insure against future aggression from the East. NATO membership was seen as one way to do this. Eastern Europe also recognized that economic development was critical to their success and sought economic integration with the West and access to its markets. Membership in the European Economic Union was a high priority for most states.

While the West spoke glowingly of the transformations taking place in the East, it soon became clear that there would be only meager amounts of foreign assistance and economic investment for the East, and access to new markets would remain limited. Western Europe and North America were wrestling with their own economic difficulties and fighting popular expectations that the end of the Cold War would bring reduced financial commitments abroad. Increasingly, it became clear to many Eastern European governments that joining NATO was their best chance of getting membership in a western ''club''. NATO membership would address the historical and emotional anxieties of many East Europeans left by decades of domination and oppression by the East, and would provide western aid to modernize their militaries. While it wasn't what they needed most, at least it was something.

As the prospects of membership in the Economic Union faded, many East European governments jumped at the 1995 NATO announcement that it would consider taking in new members. NATO, led by the United States, was faced with the difficult task of deciding which countries would qualify for membership immediately and which ones would be refused, pending further political, economic and military maturation. The stakes were high, and in some cases, the disappointment was great. The United States made it clear to all who were not accepted that there would be other chances to join in the near future, that the door to membership would remain open. No clear vision of the shape or boundaries of NATO emerged from this exercise.

The decision to enlarge NATO also altered the context for the newly formed Partnership for Peace (PFP). Rather than concentrating on the quality of PFP discussions and ways that it could enhance regional security, the focus shifted instead to the benefits of full NATO membership. Rather than easing the tensions caused by the Cold War dividing line through the heart of Europe, enlarging NATO revived those tensions, once again creating a sense of ''us'' versus ''them'', and reducing the ability of the PFP to address the void left by the dissolution of the Warsaw Pact.

Americans feel the strong emotional pull of the countries who want to join NATO. We want to do what we can to reward them for their struggles and solidify their political, social and economic gains. We have little ability to pry open European markets, and few financial resources to commit to economic development programs. So NATO membership at first glance seems the obvious thing to do.

I have some very deep reservations about this course of action. For one, NATO membership will not provide what the new democracies of Eastern Europe need most—economic and political development. Secondly, NATO expansion may well jeopardize critical U.S. national security concerns that require close cooperation with Russia. Additionally, moving to expand NATO at this time cuts short the potential development of the PFP into a more innovative structure for handling the very diverse military concerns of its members who now span the globe from the Arctic Ocean to Central Asia to the Pacific Ocean. We also must recognize that estimates of the cost of NATO expansion vary widely, and it is likely that the American taxpayer will get stuck picking up a very sizable percentage of the costs. Finally, I do not believe that the American public has given sufficient attention to the question that is being asked of the Senate: Should we extend our very best security guarantee to more nations? Are we ready to commit US troops to the unconditional defense of even more territory? The Senate should not act until it is sure that the American people support this commitment.

Now is not the time to make this move. Let's think for a moment about the most immediate threat facing both Europe and the United States. It is not really a Russian attack upon Eastern Europe. The war in Chechnya showed that the Russian military is not even capable of putting down internal rebellion. Yet this is what NATO is designed to protect against.

A very real and pressing threat to U.S. and European security is the leakage of Russian weapons of mass destruction. An expanded NATO gives us no advantage in countering this threat, while at the same time cutting back on the degree of cooperation we will get out of Russia in addressing these threats. If we want to work with the Russian military, we must convince them that we are not escalating the threat against them. Much as we might say that NATO is not an aggressive alliance aimed at Russia, Cold War perceptions do not dissipate that quickly, and if Russia feels increasingly threatened, it will be even more reluctant to scale back its military capabilities, to ratify START II and to cooperate in other arms control initiatives. And these are things that matter very much to U.S. national security.

We have increasingly found that the resolution of most thorny international crises require some assistance from Russia. The standoff with Saddam Hussein over UN weapons inspections was the most recent example. Bosnia will continue to demand active US-Russian cooperation, and other efforts such as reducing the spread of nuclear weapons in South Asia will be enhanced if we have Russian assistance.

The decision to move NATO closer to the borders of Russia may well have one other unintended and dangerous consequence—driving Russia into a closer relationship with China. China will continue to emerge as a greater presence on the international scene. And I believe we will have even more serious disagreements with its leadership. Russia is a part of this strategic equation. Our job now is to convince Russia that it shares our concerns vis a vis China, and that it is not in Russia's best interest to turn a blind eye to dangerous Chinese behaviors. But it Russia feels that a closer relationship with the West will not bring it greater security, then this will be a very difficult argument to make.

Mr. President, Senate ratification of this enlargement of NATO is just the

first step. Other countries are now very anxious to get ''in'' and eventually more of them are going to meet the stated qualifications for membership. Yet every new addition beyond the three before us today brings more trouble, both in terms of Russian reaction and challenges to the cohesion of the NATO structure. If NATO is unable to act decisively on matters that we feel are central to our security, it will be of diminishing use to us in the future.

I am quite concerned that by accepting these three countries today, we are increasing the pressure on others to join. Putting top priority on developing a close military relationship with NATO is not what these new democracies need right now. They should be focusing primarily on their economic, social and political development. I fear that we do them a disservice by holding up NATO membership as the best way to be ''tied'' to the West. After all, having a stable democracy and strong economic ties with one's neighbors has proven to be the most successful way to ward off both military and political strife.

If we proceed to invite Poland, Hungary and the Czech Republic to join NATO, I believe we must be very cautious about any additional rounds. I have proposed an addition to the document before us that would require the Administration to report regularly to Congress on the status of discussions with other countries about joining NATO. Hopefully this will allow us to be more involved in the process before any new invitations are extended. I appreciate the Managers acceptance of my amendment. And I trust that the vigorous debate we have had on this issue will encourage much greater caution by the Administration and NATO in extending future invitations.

I know some Senators objected earlier to efforts to postpone consideration of this treaty. Yet, no matter where my Colleagues come down on this issue, I trust they all now will agree with me that U.S. foreign policy and the American public have benefited from the fuller debate we have had as a result.

In closing, Mr. President, let me say that Poland, Hungary and the Czech Republic deserve to be recognized for the great strides they have made in recent years. But I am not convinced that immediate full membership in NATO is the right answer for them or for us. And I am very concerned that the process this treaty sets in motion is one that we may well ultimately come to regret.

Mr. LAUTENBERG. Mr. President, I rise in support of expanding NATO to include Poland, Hungary, and the Czech Republic.

As the Congress has considered this issue, I have evaluated the arguments for and against NATO expansion. There are compelling arguments on both sides. However, on balance, I have concluded that this round of NATO expansion should be supported.

The first question I asked myself in making this vitally important decision is whether expanding NATO serves America's national security interests. I concluded that it does.

America has fought two brutal world wars in Europe, and we have thousands of troops stationed in Bosnia. Our vital interests in promoting European stability and democracy are clear.

I believe that NATO expansion will promote stability in Europe. The mere possibility that Poland, Hungary, and the Czech Republic might be invited to join NATO created a strong incentive for them to resolve peacefully longstanding ethnic and border disputes and to improve ties with their neighbors. Hungary, for example, concluded Basic Treaties on Understanding, Cooperation, and Good-Neighborliness with Slovakia and Romania in 1996, and its relations with Romania are greatly improved. Clearly, Europe is more stable as a result, and that is good for America.

While I hope tensions will not arise in the future among any of these new members, they may. If these countries are not NATO members, our ability to prevent tensions from boiling over into full-blown conflicts will be more limited. Experience has shown that NATO can play a constructive role in resolving conflicts between members, helping reconcile former adversaries like France and Germany and moderating tensions between Turkey and Greece. It could play the same role in mediating conflicts between new member countries.

NATO strength has come from the fact that it is not only a security alliance but also a political organization. Just as it has been a force for stability in Europe, so it has been a force for democratic development. Now that the Cold War is over, that political role will be increasingly important. By including Poland, Hungary, and the Czech Republic in NATO, the U.S. and NATO will have a greater ability to influence the continued democratic development of these countries.

Furthermore, expanding NATO will advance America's long sought goal of defense burden sharing. We've spent a considerable amount of time in the Senate debating the costs of NATO. But few have talked about the benefits of including three countries that are willing and prepared to share the defense burden in the Alliance. Already prospective members are working with NATO through the Partnership for Peace program and serving with American troops in Bosnia. All three would have supported American air strikes in Iraq. They're willing to pay their fair share and contribute to the collective defense. The West ought to welcome them.

The second question I asked in making this decision, Mr. President, was whether each of the prospective NATO countries meets the five criteria articulated in 1996 by then Secretary of Defense Perry: commitment to democratic reform; commitment to a free market economy; good neighborly relations; civilian control of the military; and military capability to operate effectively with our other NATO allies. I am satisfied that each of the countries the Senate is being asked to approve for NATO membership meets these criteria.

In Poland, where communism once reigned, democracy is flourishing. Seven free and fair elections have been held since 1989, and two democratic changes in the government have taken place. A new Polish constitution has been approved in a popular referendum. The judiciary is independent, and the press is free.

As a result of Poland's economic reform program, the country currently has one of the fastest growing economies in Europe. The private sector is thriving and currently accounts for about two-thirds of GDP and about 60% of the country's work force.

Poland has good relations with all seven of the states it borders. Its new constitution codifies civilian control as well as parliamentary oversight of the military. And American officials have determined that Poland has the most capable armed forces in Eastern Europe.

Hungary receives high marks on each of these criteria as well.

A stable, parliamentary democracy, Hungary has had two democratic changes of government since 1989 in free and fair elections. Its governmental institutions are stable, and its judiciary is independent.

Since 1989, the country has implemented price and trade liberalization, extensive privatization and instituted important legal changes. That almost one-third of all foreign direct investment in Central and Eastern Europe has been attracted to Hungary speaks to the strength and attractiveness of its economy.

After many years of tension, Hungary has made tremendous strides in improving its relations with neighboring countries, such as Romania, where large concentrations of ethnic Hungarians reside. New Treaties with Slovakia and Romania include important provisions on ethnic minority rights and reconfirms Hungary's commitment to respect existing borders.

Importantly, Hungary's military is under civilian control, and its armed forces are reorganizing to meet NATO standards.

Finally, Mr. President, there is the Czech Republic, a parliamentary democracy which has held three free and fair elections since 1989. Vaclav Havel, a former political prisoner and human rights advocate, serves as President and conscience of the country.

The economy of the Czech Republic has been so transformed that nearly 80% is currently in private hands, an astonishing amount for a formerly centrally planned economy, and 65 percent of the GDP is generated by the private sector. Since 1991, the Czech Republic

has operated on a balanced budget. Relations between the Czech Republic and its neighbors, including Germany and Slovakia, are sound. And the Czech military is under civilian control.

As a Member of the Helsinki Commission, I am aware of the issues that continue to form a part of the U.S.-Czech bilateral dialogue, including property restitution problems and discrimination against the Romani minority. At the same time, I believe that Czech leaders are committed to resolving these problems and I am committed to working with the Czech Government until they are.

I am keenly aware, Mr. President, that there are some risks involved in expanding NATO and that many are deeply concerned about the impact that expanding NATO will have on our relations with Russia. I have thought long and hard about this risk. I have discussed it at length with Undersecretary Pickering, and I have concluded that while NATO expansion may create some complications in our relations with Russia, those difficulties can be managed.

Despite the fact that most of the Russian political elite say they oppose enlargement, Russia continues to pursue a cooperative relationship with the U.S. Public opinion polls in Russia reveal that the vast majority of the Russian public would rather cooperate with than confront the enlarging Western alliance.

Even on arms control issues, progress is being made with the Russians despite the debate over NATO expansion. For example, Russia has continued to implement START I reductions in strategic forces. In fact, I am told that Russia is dismantling its strategic nuclear forces more rapidly than the Treaty requires.

Despite the fact that NATO was well on its way to expansion, at the March 1997 summit in Helsinki, President Yeltsin agreed to the outlines of a START III accord, and he agreed to urge the Duma to ratify START II. Importantly, there are signs that the Duma will move forward and ratify the START II agreement this summer because, according to Duma speaker Seleznev, it ''meets Russia's interests.''

There are other positive signs regarding arms control. While NATO expansion was being debated, Russia ratified the Chemical Weapons Convention. It also continued to work with the U.S. on adaptation to the Conventional Forces in Europe Treaty.

While I do not have a crystal ball, and I cannot predict the future of arms control, I am encouraged by these signs. They indicate to me that this round of NATO expansion will not derail arms control.

Mr. President, I urge my colleagues to support the inclusion of Poland, Hungary, and the Czech Republic into NATO. Expanding NATO will erase Stalin's artificial dividing line. Poland, Hungary, and the former Czechoslovakia ended up, against their will, on the wrong side of the Iron Curtain after the Second World War. Now that democracy is flourishing in each of these countries, it is to America's advantage to erase that dividing line and bring them into the NATO alliance. We expanded NATO in 1952 when we allowed Greece and Turkey to join. We expanded it in 1955 when we allowed Germany to join. And we expanded it in 1982 when we invited Spain to join.

We should expand it now by allowing Poland, Hungary, and the Czech Republic to join as well.

Mr. CAMPBELL. Mr. President, after much consideration of the pending resolution of ratification to expand NATO, I intend to vote in favor of this resolution. It is in the national security interest of the United States and our allies. But, as the Senate continues this historic debate on the expansion of the NATO alliance to include Poland, Hungary, and the Czech Republic, I would like to make some observations about the cost implications of expanding NATO and steps we have taken in the Senate to address them.

When the Senate committees began to consider NATO expansion last year, I was skeptical. The Senate, I feared, was approaching this issue with insufficient information or appreciation for the costs of such expansion for the American taxpayer.

That is why I joined with our colleague from Texas, Senator KAY BAILEY HUTCHISON, on a letter of June 25, 1997, to the President requesting specific facts and analysis regarding the cost and military implications of NATO expansion.

I continued to pursue the cost issue last October, when the Senate Appropriations Committee held a series of hearings on this important issue. On the first day, the committee heard about the policy implications of NATO expansion from Defense Secretary Cohen and Secretary of State Albright. The next day, the committee heard about the military implications from the Chairman of the Joint Chiefs of Staff, General Shelton, and the Commander in Chief of the U.S. European Command, General Clark.

What came out of both days of hearings was the fact that no definitive estimates existed for the true costs of NATO expansion.

The committee heard how the original Defense Department estimates may have been inflated because they took into account a fourth country, rather than only those three currently invited to join NATO. Those estimates also considered a greater Russian threat than actually existed because of that country's recent reductions in force. The generals testified that, first, specific military requirements will be developed; then, NATO will determine the costs for meeting those requirements.

The third day of those hearings was critical. On October 23, 1997, I asked a witness from the General Accounting Office to provide for the Committee a definitive analysis of the cost of this expansion. During that hearing, I expressed my concern that no official estimates yet existed about what the U.S. contribution will be to an expanded NATO. IN fact, the title of the GAO report summed it up—''Cost Implications for the United States Remain Unclear.''

The hearing also revealed that the GAO cost estimates lacked critical information, such as the $60 million in bilateral aid which the U.S. had already provided the three invited countries. In response to my question, the GAO conceded the $60 million was American taxpayers' money and should be counted.

Ultimately, I was informed that an accurate projection could not be provided for some months.

Then in February of this year, the administration provided much lower figures for the U.S. share of NATO expansion—approximately $40 million each year over the next 10 years. This estimate stood in stark contrast to the much larger figures that had been quoted just months before.

Because of my concerns about the unpredictability of future expansion costs, I joined the Chairman of the Senate Appropriations Committee, Senator STEVENS, on his amendments as an original cosponsor. The Senate adopted these amendments earlier this evening. They establish limits on the U.S. share of the common NATO budget and ensure Congress has the necessary authority to keep close watch over these costs in the future years of expansion.

Another important aspect of the cost issue is the expected contributions from the new members of NATO. Although Poland, Hungary, and the Czech Republic have made tremendous economic strides since the collapse of the Warsaw Pact, there have been concerns about their ability to live up to their individual cost commitments to NATO. It is important for the Senate to fully consider the commitments from these countries so the American taxpayers will not be forced to shoulder an unfair burden in the future. Therefore, I obtained letters of commitment from each of these Governments and ask unanimous consent that the text of the letters be printed in the RECORD following my remarks.

The PRESIDING OFFICER without objection, it is so ordered.

(See Exhibit 1.)

Mr. CAMPBELL. Before I close, I want to recognize the work of our former distinguished colleague in this body from the State of Colorado, Senator HANK BROWN, who is one of this country's most ardent supporters of NATO expansion. Few have played a more crucial or steadfast role in the effort to include Poland, Hungary and the Czech Republic in the NATO alliance. His outstanding work will have a lasting impact.

After much consideration of the cost and military implications of the pending resolution of ratification to expand

NATO, I intend to vote in favor of this resolution. It is in the national security interest of the United States and our allies.

EXHIBIT 1

WARSAW, FEBRUARY 28, 1998

Hon. Mr. TRENT LOTT,
Senate Republican Majority Leaders,
Hon. Mr. TOM DASCHLE,
Senate Democratic Minority Leader,
Washington, DC.

DISTINGUISHED SENATORS: The Senate of the United States of America will soon vote on NATO enlargement with respect to Czech, Hungarian and Polish membership. It will be an important political decision with particular implications for the security of many nations, especially of those from Central and Eastern Europe.

Decisions of the member state of the North Atlantic Alliance and the United States' decision particularly, will provide our region, which suffered so much in the XXth century, with stability, security and lasting democratic order.

As leaders of all parliamentary caucuses in the Polish Parliament—those ruling as well as in the opposition—we assure you, Honorable Senators, that this question of Polish membership in NATO is vital for security of the Euroatlantic region and enjoys overwhelming support in our society.

Poland as a future member of NATO would like to be not only a security consumer but also a security provider. At the same time, we are determined to fulfill all necessary Alliance obligations—including financial ones.

It is our hope that the United States Senate will meet the expectations of millions of Poles and will give consent and advice to the President of the United States to ratify the Protocolls of Accession.

We address ourselves to you, as American Statesmen, to use your authority to assure the successful outcome of the Senate vote on NATO enlargement.

We remain, respectfully yours,

LESZEK MILLER,
Chairman, Parliamentary Caucus, Democratic Left Alliance.

JANUSZ DOBROSZ,
Chairman, Parliamentary Caucus, Polish Peasant Party.

MARIAN KRZAKLEWSKI,
Chairman, Parliamentary Caucus, Solidarity Election Action.

TADEOSZ SYRYJCZYK,
Chairman, Parliamentary Caucus, Union for Freedom.

JAN OLSZEWSKI,
Chairman, Parliamentary Group, Movement for the Reconstruction of Poland.

THE AMBASSADOR OF HUNGARY,
April 28, 1998.

Hon. BEN NIGHTHORSE CAMPBELL,
U.S. Senate,
380 Russell Senate Office Building,
Washington, DC.

DEAR SENATOR CAMPBELL: As the U.S. Senate continues its debate on the enlargement of NATO and the accession of Poland, Hungary and the Czech Republic to the Alliance, I am writing to you as the representative of the Hungarian Government in the United States. I highly appreciate your interest in this matter important for both the security of the United States and that of the European continent. I understand that you need assurances of our countries commitment to share the financial burdens of the enlargement.

Earlier last year, the Hungarian Government decided to raise the ratio of defense expenditures within the GDP by 0.1 percent annually until Hungary reaches the average level of defense spending by current NATO members of the same size as Hungary. Given the 4%+ growth of our GDP, this commitment will result in a 8–10% yearly increase of defense spending in real terms. Since both domestic and international financial institutions project the same or more growth in the years to come, it will be an ''increasing slice of a growing pie'' and my country's commitment to meet all the financial obligations stemming from our accession is supported by a solid economic background.

Mr. Senator, I remember that during the Appropriations Committee hearing last fall, you raised a concern that the U.S. cost implications would be unclear until NATO adopts its Target Force Goals report. It is true that this study will be adopted in June by the NATO Ministerial, however I should clarify that the Target Force Goals include military requirements to be fulfilled by the 3 nations. These requirements are national expenses and to be exclusively financed by the applicants, thus, they would not have an impact on the U.S. costs. It is clearly stated in one of the conditions of the Resolution of Ratification that ''the United States is under no commitment to subsidize the national expenses necessary for Poland, Hungary, or the Czech Republic to meet its NATO commitments''. As a matter of fact, during our recent accession talks Hungary underwent a thorough ''screening'' by NATO which resulted in a conclusion that all the military requirements of NATO accession can be paid from the existing defense budgets.

With the above, I would reiterate the commitment of the Hungarian Government to pay all the necessary expenses of our membership. It is our fundamental interest to successfully adapt into an alliance that continues to be successful. This approach is supported by all the parliamentary parties of Hungary. This was also communicated to the U.S. Senate: our Foreign Minister visited Washington twice during the last half a year and meeting your distinguished colleagues as well as the leaderships of both aisles, he assured them about our firm commitment.

Enclose please find the Hungarian Government's memorandum on the enlargement that includes the financial commitment, as well. The memorandum was disseminated in the Senate in February.

I hope you will find the above useful in your consideration. I look forward to a continuing cooperation with you.

Sincerely yours,

DR. GYÖRGY BÁNLAKI.

MEMORANDUM OF THE GOVERNMENT OF THE REPUBLIC OF HUNGARY ON THE ENLARGEMENT OF THE NORTH ATLANTIC TREATY ORGANIZATION

Hungary considers the enlargement of the North Atlantic Treaty Organization as a unique historic step that will expand the zone of stability and security to the benefit of all countries of the Euro-Atlantic region. Hungary's accession to NATO is a decisive step in the process of firmly anchoring itself in the community of democratic nations, with whom it shares values, interests and goals. Hungary is determined to play its part in ensuring international peace and justice, democracy and fundamental human rights, the principles and practice of the rule of law and a free market economy. The Hungarian Government is convinced that the strengthening of the transatlantic link assured by NATO is an indispensable prerequisite of the security of both present and future members of the Alliance.

Hungary's accession to NATO is based not only on the consensus of all parties represented in the Hungarian Parliament but also possesses an overwhelming support of Hungarian citizens. This was manifested in the impressive result of the referendum held on 16 November 1997 on the country's accession to the Alliance.

It is the firm intention of Hungary to provide for its own security and contribute to the security of all its Allies within the framework of a cohesive, strong NATO, based on solidarity among its members on both sides of the Atlantic. Hungary fully accepts all responsibilities and obligations and wishes to enjoy all rights stemming from membership.

Hungary accepts the broad approach to security as outlined in NATO's Strategic Concept. Hungary is determined to participate fully in NATO's Integrated Military Structure and in Collective Defense Planning. Hungary will commit the bulk of its armed forces to collective defense and is ready to commit forces, as necessary, to other NATO missions as well.

Hungary will allocate adequate budgetary resources for the implementations of its commitments. The country's sustainable economic growth and the envisaged increase of defense expenditure will provide solid foundation for fulfilling them.

The Republic of Hungary fully supports the continued openness of the Alliance, as stated in the Madrid Declaration. Hungary has a vested interest in seeing all countries of Central and Eastern Europe become members of the Alliance that wish to do so, once they have fulfilled the criteria of membership. Hungary remains committed to supporting their efforts and to sharing its experiences gained during the accession process.

In the period to come Hungary will further intensify her efforts to successfully complete her preparation for membership.

The Hungarian Government expresses its gratitude to all those in the United States of America, civilians and military alike, who have helped the entire process of Hungary's accession to NATO with dedication and a high level of professionalism.

The Hungarian Government hopes that the upcoming discussions and debates on NATO enlargement in the Senate will reflect the constructive approach that has consistently characterized the United States' position in all earlier phases of the enlargement process. Legislators in both current and future member states are facing the historic challenge of making a decision that will shape the future of the Euro-Atlantic region for a long time to come.

EMBASSY OF THE CZECH REPUBLIC
3900 SPRING OF FREEDOM ST. N.W.
Washington, DC, March 18, 1998.

Hon. BEN NIGHTHORSE CAMPBELL,
United States Senate,
Washington, DC.

DEAR SENATOR CAMPBELL: The Embassy of the Czech Republic appreciate your interest in the contribution the new NATO members will make to the common defense of the North Atlantic Alliance.

I can assure you that the Czech Republic is ready to bear its share of the costs of NATO enlargement. In September 1996, the Czech Government decided to increase the military spending by 0.1% of the GDP annually until the year 2000. The 1998 budget adopted by the Parliament last December provides for a 22 percent increase in defense spending as compared with the previous year.

Attached please find statements of Czech officials on the costs of NATO enlargement and basic data on Czech military expenses.

Sincerely,

ANOTNIN HRADILEK,
Deputy Chief of Mission.

Mr. JOHNSON. Mr. President, I rise today in support of Senate approval of extending North Atlantic Treaty Organization membership to Poland, Hungary, and the Czech Republic. For me this issue is very clear, admitting these countries into NATO will strengthen the Organization, reinforce new democracies, renew the American commitment to European security, and reaffirm American leadership in international relations and diplomacy.

The United States plays a pivotal role in international relations because of our position as the world's only military and economic superpower, and as the world's strongest democracy. The existence of NATO is one of our best hopes for relieving much of the burden of that role. NATO initiatives can prevent international incidents from becoming serious military conflicts by encouraging member nations to work together to resolve conflicts. The success of NATO initiatives depends entirely on the support and participation of member nations. Ratification of this NATO expansion resolution is a test of whether the United States will stay engaged in a changing and evolving Europe.

If NATO was not regularly reinforced and reinvigorated, the world's only superpower, the United States, would necessarily be involved in every international conflict and crisis. There is overwhelming bipartisan support for the notion that the United States taxpayer should not be responsible for policing the world, and that this should increasingly be an international responsibility. While I share this belief, I also have a personal interest in NATO expansion. My oldest son Brooks is in Bosnia as part of a NATO support effort. As NATO becomes more inclusive, the chances of going to war for all countries decreases. Likewise, as more countries join NATO, spreading the burden of conflict resolution and peacekeeping, fewer American soldiers will be needed abroad. This is a positive blessing for all Americans.

Nevertheless, there are some who oppose the expansion of NATO and others who would like to place limitations on expansion, eroding the body's effectiveness. Because Russia and the rest of the world know that NATO is a defensive peacekeeping body, not an offensive regime, the current fears that an expanded NATO will directly threaten relations with non-NATO member neighbors are inflated. Instead, including eastern European countries in NATO will lead to increased stability in the region, something good for all countries throughout the world. Additionally, efforts to preclude other countries from joining NATO over a specified time period and attempts to limit the powers of the Organization are not well thought out. Limiting the mission of NATO would not be wise, particularly because we would be limiting our own abilities in the future. And a mandated pause would undermine the open door commitment that NATO has had since 1949. All countries have always been welcome to join the fold of NATO and all countries should forever remain welcome to join an Organization committed to peace and security. The United States cannot walk away from the role of leadership in Europe. By what we have witnessed in Bosnia, Europe is at a very fragile stage. We must embrace the European countries that wish to be a part of a world alliance for peace and security, and we have a moral obligation to strengthen Europe and reduce the possibility of war in the region. The door to NATO must remain fully open, not half closed, to those nations equipped to shoulder the responsibility and reforms necessary to meet NATO membership standards.

With regard to the cost of NATO expansion, I believe that equitable financial involvement of member nations should be enforced. The U.S. should do what it can to support NATO to an extent equal to efforts of other countries involved. It is imperative that NATO expansion costs be kept as low as possible, and I do not believe that substantial expenditures to upgrade the new entry militaries is necessary or wise. Instead, I applaud the efforts of NATO to prioritize communications infrastructure, language skills, and strategic training for new members over big ticket items as the immediate criteria for NATO membership. It should also be noted that the governments of Poland, Hungary and the Czech Republic estimate that they would spend more on defense, not less, if they remain outside NATO. Although the United States will have a proportional increase in overall NATO expenditures, I believe the cost of forgoing NATO expansion is much greater.

For these reasons, I fully support Senate approval of extending North Atlantic Treaty Organization membership to Poland, Hungary, and the Czech Republic. Admitting these countries into NATO will strengthen the Organization and reaffirm American leadership in international relations and diplomacy. President Clinton announced his support for NATO enlargement in 1994 and in 1997 the Senate held over ten hearings on this issue. Debate on this issue has been extensive and thorough. NATO expansion is good for America and for the world.

Mrs. MURRAY. Mr. President, I rise to make a few remarks about expansion of the North Atlantic Treaty Organization or NATO.

I believe in a United States that is an activist leader and respectful participant in world affairs. This leadership comes with responsibilities that are often difficult for the United States: troops stationed and foreign aid dollars expended abroad; cooperation with international organizations like the United Nations; and the decision on NATO expansion that is before the Senate today. U.S. leadership abroad remains a vital national interest to the American people. My record as a United States Senator is strongly in support of a United States fully engaged with the world, a country and a people that participate and lead the international efforts to address the many problems that transcend borders and cultures.

NATO, since its founding in 1949, has been a successful foundation of U.S. security and cooperation with our European allies. This was particularly true throughout the period of the Cold War. The collapse of the Soviet Union and communism can be partially credited to NATO; both to the alliance's collective defense arrangements and to its complimentary role in bringing Europe together which has fostered democratic and economic ties among countries with historical and cultural grievances. NATO has played a significant role in creating a Europe free from serious conflict for nearly 50 years.

The Senate is now considering whether to enlarge the sixteen member alliance by admitting Poland, the Czech Republic and Hungary. Few will deny that these three countries are prepared and committed to assuming the responsibilities of NATO membership. Few will contest the statement that these three countries have long ties to the West; that these three countries are the most Western states of the former Soviet bloc. And few will assert that these three countries face any military threat from Russia or other foe, either today or in the foreseeable future. I am confident that the enormous changes that have taken place in Poland, the Czech Republic and Hungary will not be jeopardized by the upcoming vote. These changes including the creation of democratic institutions, new respect for human rights, and a growing market economy all enjoy enormous public support and will be continued regardless of Senate's decision on NATO expansion.

I do have a number of very serious concerns about NATO expansion including several which have been addressed through the amendment process. My concerns have very little to do with the three candidates for NATO expansion. In fact, I believe the United States and our allies should take aggressive steps to support these burgeoning democracies which have demonstrated so much promise since the fall of the Soviet Union. Each of these countries has a remarkable story to tell and each is deserving of closer ties to the United States and the West.

I voted for the amendment offered by Senator HARKIN to call for an accurate accounting of all expenses to the United States related to NATO expansion. The Senate and the American people ought to better understand the obligations we are assuming if we agree to NATO expansion. I have no confidence in the various cost estimates

that have been presented during this entire process. In fact, I am fairly certain the costs to U.S. taxpayers will exceed even the Administration's highest estimates. The various cost estimates for NATO expansion have ranged from $1.5 billion to $125 billion.

Opponents of the Harkin amendment argue that the U.S. is not issuing a blank check on behalf of our taxpayers. Certainly, Congress will object to escalating costs for NATO in the future and particularly if a significantly larger NATO burden falls upon the United States. However, my concern is that without a full accounting of costs, the United States is assuming a new moral and financial obligation to NATO without adequate consideration by the Senate. U.S. prestige and our position in the world should not be risked at some future point because we did not know or were not prepared to consider today the full costs on NATO expansion.

The Moynihan amendment to link NATO expansion with admission to the European Union also addresses my concerns regarding the most appropriate forum for integration between the West and the many former Soviet satellite states seeking closer ties with Western Europe and the United States. Senator MOYNIHAN has been an articulate voice throughout this debate and I do agree with many of the eloquent points he has brought before the Senate. I voted for the Moynihan amendment as I believe European Union membership is the most appropriate of the available forums for integrating with the West the three nations invited to join NATO.

These three countries are in various stages of economic development and each is committed to improving the lives of its citizens through closer ties to the West. In my mind, the European Union is a far better vehicle for economic growth and integration with the West. Participation and inclusion in the EU and its marketplace will pay dividends for the people of Poland, the Czech Republic and Hungary that far outweigh the security assurances inherent with NATO membership.

The European Union has begun negotiations for EU admission with Poland, the Czech Republic and Hungary and several other countries. Frankly, I am very skeptical that the EU will in a timely manner admit new members. The EU has a history of protected industries—particularly agriculture—and I doubt Europe's protected industries will be anxious to take on lower wage countries or significant agricultural producers. Export states here at home, like my state of Washington, have long sought to open Europe's protected market and system of state subsidies. We should be careful not to aid or validate Europe's trade practices which have hurt the United States.

Admission to the EU is a question for EU countries to consider, however, I do not think we should give the EU the opportunity to settle for NATO expansion. Europe has the strongest interest in the success of many former Soviet states. The EU, including the European states who do not belong to NATO, should also be expected to make sacrifices to ensure a peace for all time in Europe.

My vote for the Moynihan amendment should be viewed as a call for new thinking on the shared objective of bringing the newly independent nations of Europe into the existing political and economic system. We have to ask ourselves if the tools of the Cold War will work for the U.S. and Europe as we enter a new century.

The impact of NATO expansion on our relationship with Russia is my most significant concern on this issue. I am delighted so many of my colleagues have raised the issue, both those who favor expansion and those who oppose it.

Unfortunately, I believe that the impact of the vote we are to cast today will have very little effect on the U.S.-Russia relationship. For I believe, from the very beginning of the expansion process, we have pursued a process and a policy that has seriously damaged our relationship with Russia. I believe the Administration has erred greatly here and our foreign policy will be effected by it for years to come regardless of the outcome of the NATO expansion vote.

Already, numerous Senators have cited the historic work of George Kennan. I also take his counsel very seriously and I encourage my colleagues to ponder his words from a 1997 New York Times opinion piece. Mr. Kennan wrote, ''Expanding NATO would be the most fateful error of American policy in the entire post-cold-war era. Such a decision may be expected to inflame the nationalistic, anti-Western and militaristic tendencies in Russian opinion; to have an adverse effect on the development of Russian democracy; to restore the atmosphere of the cold war to East-West relations, and to impel Russian foreign policy in directions decidedly not to our liking.''

Kennan's final words are particularly troubling as he states, ''. . . to impel Russian foreign policy in directions decidedly not to our liking.'' One needs only look at recent weapons inspection crisis with Iraq to see the worsening ties between the U.S. and Russia as a result of NATO expansion. There are other examples of the growing divide between the U.S. and Russia: cooperation with Iran on ballistic missiles, agreements with China to counter a world with one superpower, and an assortment of other nuclear weapons related issues from declarations on the first use of nuclear weapons to ratification of START III and the eventual negotiation of START. All of these issues are vital to the United States and all have been negatively impacted by NATO expansion.

It goes without saying that Russia does not dictate to the United States our foreign policy interests and policies. However, U.S. policy makers should not underestimate the degree to which Russia matters to our own future. Russia is the largest nation in a new Europe. Any attempt to guarantee the future peace and security of Europe by excluding Russia creates more problems than promise for the future.

NATO Expansion fails to consider the political landscape of Russia. Approximately two-thirds of the Russian Duma is controlled by communist and nationalist parties. These political parties are very anti-American and the West. The Russian Constitution grants enormous powers to the Presidency that have allowed the West to underestimate Russia's opposition to NATO Expansion.

My fear is we have undermined those in Russia who are advocating and following the course of democracy, international cooperation and economic reform. I hope the Senate does not revisit the words of George Kennan with immense regret in future years. The Administration and the Senate now must take it upon themselves to rebuild those ties with Russia to go forward and address our many shared interests for the future. Vice President Gore has been instrumental in building ties between our two countries, and I certainly encourage him to continue his leadership role with Russia's new prime minister.

I have discussed in detail my concerns with NATO expansion. This has been a very difficult decision for me. In the end, I was swayed by one additional, very powerful concern.

This powerful concern is for U.S. credibility. I do believe U.S. credibility is on the line with this vote. Regardless of the wisdom of NATO expansion, I fear that rejection of NATO expansion at this point will send dangerous messages to the world about U.S. intentions for the future. The international community will view a rejection of this initiative which was started and driven by the United States as a sign of U.S. isolationism. Allowing that message to be sent around the world will, in my mind, be far more damaging to U.S. interests worldwide than admitting Poland, the Czech Republic and Hungary to the North Atlantic Treaty Organization.

Quite frankly, I think the Administration has marginalized the United States Senate on the question before us today. While I doubt that the Administration intended to do this and I know the Senate has been active and engaged throughout this process, the result is the same. The Senate, as I see it, has little choice in the matter before the body today. To reject NATO expansion at this point will also cause serious long-term problems for U.S. interests throughout the world.

Therefore, I will vote for NATO expansion.

Mr. LEVIN. Mr. President, I rise to engage in a colloquy with the distinguished Senator from Delaware, the Minority manager of the resolution of ratification regarding NATO enlargement.

I had planned to submit an amendment to the resolution of ratification as I discussed in my floor speed of October 27, 1997. This amendment, simply put, would express the Sense of the Senate that the United States should consult with all NATO member nations, subsequent to the admission of Poland, Hungary and the Czech Republic but prior to the consideration of any other nation for accession, concerning the desirability of establishing a mechanism to suspend the membership of a NATO member if it no longer conforms to the Alliance's fundamental principles of democracy, individual liberty and the rule of law.

Mr. President, I raised this issue with former Secretary of State Henry Kissinger when he testified before the Armed Services Committee on January 29th. In response to my question as to whether NATO should have a mechanism to suspend a member, Secretary Kissinger stated:

> I think in situations in which a government emerges incompatible with the common purpose of the Alliance, there ought to be some method, maybe along the lines you put forward. I have not thought this through, but I fully agree this is a very important issue which does not apply to any of the new countries that are now before us.

I also raised the issue of establishing a mechanism for suspending a NATO member with former Secretary of Defense William Perry when he testified before the Armed Services Committee on March 19th. I posed the question in the context of a NATO nation that no longer conforms to NATO's fundamental principles but still has a veto over NATO operations. Secretary Perry stated:

> That is a very good question, Senator LEVIN. What you are describing is a problem—in fact, I would call it a flaw—in the original NATO structure, the NATO agreements. And, in my judgment, this is a problem which should be addressed. It has been a problem for many, many years. And, therefore it is important, in addressing that problem to separate it from the issue of NATO accession. I would not in any way want to tie that issue to the NATO accession issue.
>
> We could have predicted several decades ago that that would cause a problem, there would be some major issue come up on which we could not reach consensus, and that would bring NATO to a halt, or that some member would depart from the NATO values. Happily that has not happened. But it is a potential problem, and I think we ought to address it.

Mr. President, I do not intend to offer this amendment at this time because it has nothing to do with Poland, Hungary or the Czech Republic and I do not want to suggest or imply any such connection. Nevertheless, I do believe it is an issue that needs to be raised within NATO councils. I believe it should be resolved before any additional accessions to NATO are considered. And so, I would ask the distinguished Senator from Delaware if he believes this is a matter that merits consideration?

Mr. BIDEN. I agree with the Senator from Michigan that this is an important matter that raises fundamental issues for the United States and our Allies. I believe that this is a matter that merits careful consideration within NATO councils. It would certainly be preferable for NATO to discuss this in a careful and measured way now, rather than to be faced with the issue at some future time when an emergency situation exists. I want to commend the Senator from Michigan for raising this matter. I also commend him for not seeking to amend the resolution of ratification, for, as he has correctly noted, this issue is not related to Poland, Hungary or the Czech Republic.

Mr. BINGAMAN. I have voiced a number of concerns with regard to the Administration's open-door policy on NATO enlargement, and in particular the implementation of that policy with regard to the Baltic states.

Over the last few days, the Administration and Sen. BIDEN and his staff have worked closely with myself and my staff to address my concerns.

I wish to confirm with Sen. BIDEN and Sen. HELMS that my understanding of certain provisions in the NATO resolution, as modified by the Manager's Amendment, is correct.

First, there is the issue of consultations with the Senate. I understand that the Resolution, as clarified by the Manager's Amendment, states that the Senate will be consulted prior to the U.S. consenting to invite any European state to begin accession talks with NATO, as was done for Poland, Hungary, and the Czech Republic at Madrid last year. This would apply for the Baltic states, and for any other European state seeking admission to NATO. Is that correct?

Mr. BIDEN. I agree.

Mr. BINGAMAN. Second is the issue of U.S. security commitments. The NATO resolution contains a provision stating that only ''a consensus decision by the full membership of NATO, approved by the national procedures of each NATO member * * * will constitute a security commitment pursuant to the North Atlantic Treaty.'' This means that a political document, like the Baltic Charter, which has not been approved by the Senate pursuant to constitutional treaty-making process, does not constitute a U.S. security commitment to the Baltic states. Is my understanding of that provision correct?

Mr. BIDEN. I agree.

Mr. BINGAMAN. The third concern that I wish to address is whether the United States, in signing the Baltic charter, has ''pre-committed'' to support Baltic membership in NATO in the future. The Resolution, as modified, contains a provision to the effect that, other than Poland, Hungary, and the Czech Republic, the United States has not consented or committed to invite any other country to join NATO in the future. My understanding of this provision is that it reflects the fact that the Baltic Charter of Partnership does not constitute a U.S. pre-commitment to NATO membership for the Baltics, and that presently the United States has not consented or committed to support NATO membership for any European state (other than Poland, Hungary, and the Czech Republic) that may seek to accede to NATO. Is that understanding correct?

Mr. BIDEN. I agree.

Mr. KEMPTHORNE. Mr. President, I want to begin my discussion of this very important issue by commending the people of Poland, Hungary and the Czech Republic for their brave and determined transition to democracy and free market economies. The citizens of these three nations have suffered grave injustices and brutal atrocities during World War II and the Cold War and now, to see these nations emerge from these dark days and turn toward democracy, deserves the praise of every man and woman who cherishes freedom.

I also want to express my strong support for the security and independence of Poland, Hungary and the Czech Republic. I also believe the United States and its military forces will support the independence of these nations whether or not they join NATO.

While I want to encourage the move toward democracy, free markets and Western values in Poland, Hungary and the Czech Republic, I also want to see these values take root in Russia. It is because of my concern that a vote now on NATO expansion will hinder our relations with Russia and risk the Duma's ratification of the START II Treaty that I will vote against NATO expansion at this time.

I have spent a good deal of time and effort discussing the issue of NATO expansion with a number of U.S. foreign policy makers and military leaders. I have given this question a considerable amount of thought because I believe before the United States commits itself to defending additional nations, with U.S. nuclear weapons if necessary, we must carefully consider all of the ramifications of this action.

As I look at the current security situation in Central Europe, I do not see a security threat that necessitates a vote to expand NATO today. What I do see however, is a weakened superpower in Russia with thousands of nuclear weapons that can reach the United States.

I think if anyone looks at the lessons of the end of the First World War and the Treaty of Versailles, it shows that the harsh terms of the peace imposed on Germany fed the antagonisms that allowed Adolf Hitler to come to power. That, I believe, is the real threat we face today.

At present, we have an historic opportunity to bring Russia into the West and cement Russia's commitment to freedom, democracy and free enterprise. On the other hand, we can expand NATO, right up to Russia's border, and we can thereby inadvertently recreate a Russia that is a threat to U.S. security and peace in Central Europe.

It is ironic that by adding Poland, Hungary and the Czech Republic to NATO we may create the security danger these nation's fear. More importantly, by voting to expand NATO today I believe we run the risk of undercutting the supporters of democracy in Russia and fuel the fears of those who want to restore an aggressive, imperialist Russia that will then require billions of dollars in additional American taxpayer money to deter.

This is not idle speculation, this scenario is real and it is here now. At present, the Russian Duma has refused to ratify the START II Treaty and this action has led the United States to maintain nuclear armed ICBMs, SLBMs and ballistic missile submarines that we would otherwise deactivate under the START II treaty. In fact, the U.S. strategic nuclear arsenal would drop from about 6,000 warheads under START I to 3,000 under START II. Department of Defense figures indicate by fiscal year 2000 it will cost hundreds of million of dollars to keep the U.S. nuclear arsenal at a START I level.

While we wait for the Russian Duma to ratify START II, the Secretary of Defense, our friend Bill Cohen, and the Chairman of the Joint Chiefs of Staff, General Shelton, believe that we must keep our forces at a START I level to keep the pressure on the Russia Duma to ratify the treaty.

Therefore, when the supporters of NATO expansion discuss the costs associated with adding Poland, Hungary and the Czech Republic to the alliance, I would ask that they add the cost of keeping U.S. nuclear forces at a START I level to their calculations. Let the record show, no Administration official has stepped forward to argue that a Senate vote to expand NATO will encourage the Russian Duma to ratify START II.

In fact, in a conversation I and several members of the Senate Armed Services Committee had with Alexie Arbatov, a member of the Russian Duma and a democratic reformist, Mr. Arbatov told us that NATO expansion undercuts democratic reformists ability to promote cooperation between NATO allies and Russia. He continued to tell us that expansion of NATO to include these three countries will delay Russian ratification of START II.

The Washington Post recently included two articles describing the degraded state of Russia's nuclear arsenal. These articles also confirm the extensive testimony before the Senate Armed Services Committee which documents Russia's growing reliance on nuclear weapons.

As my colleagues, know, Russia's economic problems have resulted in a huge reduction in that nation's conventional capability. This reality has led Russian policy makers to enunciate a policy stressing a reliance on nuclear weapons to defend Russia's security interest.

We therefore find ourselves in a situation, under the proposed NATO expansion, where we are extending the U.S. nuclear umbrella closer to Russia's border, and literally to Russia's border in the Kaliningrad province which borders Russia, at a time when Russia is increasing its reliance on weapons of mass destruction to defend its interests.

Given Russia's growing reliance on nuclear weapons, I believe it is dangerous for the United States to push the border of NATO eastward to Russia's border at this time.

Administration officials tell us NATO expansion is not directed toward Russia, indeed some offer the hope that Russia will eventually join NATO, but I ask these officials do the Poles, the Hungarians and the Czechs believe NATO is their defense against Russia? Of course they do!

I also question the logic of those who say Russia is free to join NATO. If Russia is allowed to join NATO, what is the real mission of NATO? If Russia and everyone else who wants to is allowed to join NATO, is NATO still a self-defense alliance or is it then a new version of the United Nations?

I believe NATO expansion at this time will decrease U.S. national security because I believe it will hinder joint U.S.-Russian efforts to stop the spread of weapons of mass destruction. According to a February editorial in the New York Times by Howard Baker, Sam Nunn, Brent Scrowcroft and Alton Frye, ''frictions over NATO distract Moscow and Washington from profound common dangers.'' At the top of the list of the ''profound common dangers'' is the threat of the spread of weapons of mass destruction. This enormous challenge begins with our effort to control the nuclear weapons, nuclear materials and nuclear scientists in Russia. All of these crucial non-proliferation programs require the active cooperation of Russia and a vote today to expand NATO does not contribute to this cooperation.

As it stands today, even my good friends on the other side of this issue will agree Russia's conventional forces are weak and getting weaker. Russia's plans for new conventional weapons systems are slowed and reduced. Russia cannot afford to regularly pay the members of her armed forces. Instead, Russia has turned efforts inward to refocus and rebuild their country; and, with our help, Russia may reemerge with a strong market economy rooted in freedom and democracy. Without a doubt, Russia's continued evolution toward the West will have the greatest impact on long term U.S. security.

Mr. President, I support efforts by the United States and the European Union to help Hungary, Poland and the Czech Republic to become strong democracies with robust market economies. But I also want Russia to continue on the road to freedom and democracy so I therefore will oppose the resolution to expand NATO at this time.

Mr. KENNEDY. Mr. President, I support the expansion of the North Atlantic Treaty Organization to include the Czech Republic, Poland and Hungary. The inclusion of these three countries will alter the Alliance, but the benefits clearly make this expansion both timely and worthwhile.

In 1949, if the founders of NATO had been asked to predict where the alliance would be five decades later, few if any could have foreseen a more extraordinary success. The NATO nations stood firmly together as the great bulwark against communism during the Cold War. NATO is, without doubt, the most successful security alliance in history.

The original purpose of NATO was to protect the West against the former Soviet Union and the Warsaw Pact nations. Now, even though the Cold War is over, NATO continues to be essential. It makes sense to adopt this modest expansion of the Alliance beyond its Cold War borders to include three nations which were once part of the Warsaw Pact.

The greatest threats to European security are now the long-standing ethnic conflicts that have simmered inside many of these nations for centuries. Two world wars in this century began in Central Europe. Extension of NATO's security umbrella to these three additional nations will place them in a part of Europe where wars no longer happen.

Obviously, there are concerns about the expansion of NATO that Congress and the country must be sensitive to—especially the potential impact of this expansion on our relationship with Russia.

We have rightly spent much of the past decade and billions of U.S. taxpayers' dollars in working with Russia to achieve nuclear arms reductions and to help Russia safeguard its nuclear arsenal and its nuclear materials. Russian cooperation with the U.S. under the Comprehensive Threat Reduction Program and our bilateral nuclear arms reduction treaties with Russia have substantially reduced the chance of nuclear war. In my view, anything that would disrupt or harm this vital progress would be a fateful error.

Many of Russia's leaders do not support NATO's invitation to Poland, Hungary or the Czech Republic. But the addition of these countries to NATO poses no threat to Russia. I commend President Clinton for his effective leadership in making this point clear. We must continue to work to assure President Yeltsin and other Russian leaders that the expansion of NATO is not a danger to their country or their security. We must do all we can to address Russia's concerns and increase our cooperation in all key areas with Russia to ensure that our goal of a more secure future is achieved.

We must also deal with the concerns over costs, especially the costs that Poland, Hungary and the Czech Republic will have to bear to upgrade their military forces to NATO standards.

These costs will inevitably have to compete with pressing domestic needs in those countries.

Together, these three nations will have to spend as much as $14 billion over the next 10 years to meet NATO standards. These costs are the responsibility of these prospective new members. They committed to pay these costs when they asked to become members of NATO. The U.S. already pays 25% of NATO's commonly-funded expenses. NATO expansion should not impose costly new burdens on U.S. taxpayers.

Nevertheless, these countries are on the right track, and so is NATO. This expansion of NATO is amply justified. Poland, Hungary and the Czech Republic will strengthen NATO. They are solid democracies, and they will make our alliance for peace even stronger. Their rightful place is in NATO, and I urge the Senate to support this Resolution of Ratification.

Mr. DODD. Mr. President, later this evening the Senate will conclude debate on a resolution of ratification authorizing the United States to support the entry of Poland, Hungary and the Czech Republic into the North Atlantic Treaty Organization (NATO).

The decision that the Senate takes with respect to this resolution will have an historic impact on the future of Europe and the nature of the Transatlantic partnership that will take us into the next millennium.

Without question, NATO has been the singularly most successful alliance for mutual defense in modern history since its establishment in 1949. For nearly fifty years it has served as a bulwark against communism, and as a deterrent against threats posed by the Soviet Union and its Warsaw Pact satellites.

Today the world has changed. The Soviet Union no longer exists, and the Warsaw Pact is fast becoming a mere footnote in our history books. In that context, it seems to me to be a particularly appropriate moment to review whether and how NATO's role should evolve, to keep pace with the changing political landscape.

Some changes have already been undertaken by NATO. For example, not too long ago NATO members agreed that it was an appropriate mission for NATO forces to assist with efforts to implement the Dayton Peace accords in war torn Bosnia.

Certainly the debate this week is as much about such matters as it is whether Hungary, Poland, and the Czech Republic will be good NATO partners.

The debate is also about the merits of admitting additional members beyond these three—and the order and timing for doing so. And, it is about the budgetary implications of an enlarged organization with an expanded land area requiring collective defense. Finally, it is about the impact on U.S. and NATO's relations with Russia and other NIS countries and the implications for internal Russian political stability.

These are all important and legitimate areas for discussion. The Senate's debate on these questions has been thoughtful and constructive. Senators WARNER, MOYNIHAN, HARKIN and others have asked some very important questions that deserve answers before moving forward to take NATO from 16 to nineteen members and beyond. It would be foolhardy not to carefully assess these matters before making changes to NATO.

I agree with those who have held up a yellow flag urging caution. Certainly it behooves us to act judiciously in reshaping NATO to ensure that whatever we do does not undermine the effectiveness or efficiency of the current organization. Nor should we foster expectations in Eastern and Central Europe that cannot be fulfilled—or create additional and unnecessary financial burdens on existing or new members.

I also believe that it is important that we take into account the implications for our current and future relations with Russia and other former Soviet states. And particularly with respect to Russia's continued willingness to move forward to ratify Start II and other future arms control agreements.

While I agree with those who suggest it would be wrong to give Moscow veto power over NATO decisions—on the other hand, I see nothing to be gained from causing unnecessary uncertainty or anxiety with respect to our intentions toward Russia.

After the many hours of debate we have had on the pending measure, I believe a strong case has been made in favor of admitting these three new members. Foreign policy experts and scholars who have spent a great deal of time studying NATO over the years make a persuasive case in support of expansion.

I also believe that Secretary of State Madeleine Albright, Secretary of Defense Bill Cohen, together with other Clinton Administration officials, have during hours and hours of Congressional testimony made a very compelling case in favor of ratification of the pending protocols. Former Presidents Bush and Carter have endorsed the President's decision. As have a number of our distinguished former Secretaries of State and former members of the Pentagon's Joint Chiefs of Staff. They have also adequately addressed concerns that have been raised with respect to NATO expansion.

During the July 8, 1997 Madrid Summit, NATO heads of state, including President Clinton reached common agreement at that time to invite Poland, Hungary, and the Czech Republic to join the organization, while leaving open the door to other interested governments. However, no commitment was made with respect to the sequence or timing of such additions.

That was appropriate in my view. It goes without saying that we must assess any impact of enlarging NATO by three on that organization's ability to continue to fulfill its primary mission—namely collective self-defense—before moving forward to consider additional new members.

Realistically, such an assessment is likely to take three or more years by my estimation—in line with the time frame fame Senators WARNER and MOYNIHAN have included in their so called pause reservation. Having said that, I really do not think it necessary to codify this time frame into a binding proposition. In fact, the time period could even turn out to be longer than three years. Were we to codify the time period, we might in fact be creating false expectations in the minds of countries waiting to join that invitations will automatically be forthcoming once three years have elapsed. It was for those reasons that I voted against this amendment earlier today.

It is important as we review the current structure, purpose, and membership of this important organization that we remain mindful of the central proposition—the organization's relevance to today's and tomorrow's realities. We should ask as well whether and what changes best further U.S. national security and foreign policy interests. Only after such questions have been fully explored should we move forward to alter NATO.

I believe that during the course of the current debate we have exhaustively reviewed the implications and U.S. interests at stake with respect to the pending protocols. I am satisfied that the addition of Poland, Hungary, and the Czech Republic to NATO will enhance U.S. national security and foreign policy interests by strengthening and fostering European unity and security.

There is little doubt in my mind, Mr. President, about the likely outcome of the final vote on this matter. In my judgement the United States Senate will give its advice and consent to ratification, and thereby authorize the United States to consent to the admission of these three members.

Mr. President, I will join my colleagues in voting aye on this matter. To do otherwise would severely undermine the cohesive support that has existed for NATO since its establishment in 1949 and leave us ill prepared to promote a strong, secure, and united Europe in the 21st century.

THE COST OF NATO ENLARGEMENT

Mr. BIDEN. Mr. President, there is no more complex issue than the financial cost of NATO enlargement.

Over the past two years there have been several studies by private and by governmental organizations, which have yielded widely differing estimates.

The highest figure reached one hundred twenty-five billion dollars over ten years, with over thirty billion of that accruing to the United States. The most recent—and I believe the best—estimate is NATO's own cost study, which estimates only one-and-a-

half billion dollars in direct costs over ten years. According to the latest estimate, the expected U.S. contribution to the direct costs of enlargement are estimated to average forty million dollars per year for ten years.

There are good reasons for the vast disparities in the estimates—basically there was a lot of ''apples and oranges'' mixing going on.

Explaining all this requires a fair amount of effort, which, I regret, some of the critics of enlargement either were unwilling to give, or which they eschewed for the easier route of utilizing unexplained, raw data for partisan purposes.

Mr. President, at this time I would like to examine the cost issue.

The 16 NATO nations collectively spent about $455 billion on defense in 1997. Of that total approximately $1.6 billion goes to the NATO common budget.

What does the NATO common budget pay for? Let's take the airbase at Aviano, Italy, as an example.

The host country, Italy, maintains an airbase that has been designated for NATO use. Italy pays for all costs related to the base except new construction and improvements that benefit the United States Air Force units stationed there. These improvements, above and beyond the national needs of Italy, comprising some $260 million, are paid for by NATO's common budget.

One of NATO's founding principles was (and remains) equitable cost sharing—that is, nations make financial contributions to offset costs based on their ability to pay.

In the 1950's, the U.S. paid almost 50% of NATO's operating costs. In the 1960's, however, our European allies assumed about half of the original U.S. contribution in recognition of our worldwide security commitments.

Since then, our overall national contribution to NATO's three common budgets has been reduced to about one-quarter. Our allies account for the other three quarters of NATO operating costs.

We participate in NATO at a reduced rate, but we receive security benefits that far outweigh our financial contributions.

Let's take a closer look at where our annual contributions to NATO's budget go.

NATO has three budgets, each supporting a distinct aspect of NATO operations.

NATO's Civil Budget pays for the operating costs of NATO's modest, 1960's-vintage headquarters building plus associated staff in Brussels.

Additionally, there are numerous public information, political, and scientific activity programs supported by this budget, including civilian elements of NATO-sponsored Partnership for Peace activities.

The annual U.S. contribution is provided by the State Department.

NATO's Military Budget provides support for NATO's military headquarter (SHAPE) in Mons, Belgium, and other elements of the integrated command structure.

This budget also supports operations of several key NATO military agencies, like the NATO Maintenance and Supply Agency, the NATO C3 Agency, for example, and the costs of running the NATO AWACS fleet.

Annual contributions are paid from Department of Defense Operations and Maintenance funds.

NATO's Security Investment Program pays for construction of the facilities and installations NATO uses to support alliance military activities, such as command structure C3 support, force mobility projects, and training facilities—in other words, infrastructure.

It is also used to support common-user procurements to meet priority military requirements set by SACEUR and SACLANT, like integrated air defense and interoperable communications systems.

U.S. contributions to this budget are obtained from Department of Defense Military Construction funds.

As I said, the U.S. pays approximately one-quarter of the overall NATO common budget.

If there were no enlargement in 1999, we would still expect to pay about $458 million.

Now let's turn to the costs of enlargement. NATO has estimated that over 10 years, the cost to the NATO common-funded budgets will be about $1.5 billion.

While the amount may not be distributed evenly over 10 years, let's accept for the sake of discussion that it will.

This means that the U.S. quarter-share will be about $400 million over 10 years, or about $40 million a year.

This represents only a 9% increase in our total contribution to the NATO common-funded budgets.

Bearing in mind that the U.S. share of NATO's common-funded budgets represents only one-tenth of one percent of the current defense budget, I believe that enlargement expenditures are a pretty good deal.

The key questions for us should be: Is the $1.5 billion figure accurate? What is the U.S. share? and Is the U.S. share a fair share?

Anyone who has looked at this issue would, I believe, agree that it is extremely confusing.

There are lots of numbers out there on enlargement costs in addition to the $1.5 billion.

You will recall that the Administration told us in February 1997 that the total cost of enlargement would be about $27 to 35 billion.

Let's look at those numbers.

First, as the General Accounting Office (GAO) has pointed out, the Administration's estimate included two categories of costs that are not direct enlargement costs.

The first was costs to current NATO members—$8 to 10 billion. These are the national costs the current allies needed to spend to meet their commitments under the revised 1991 Strategic Concept to improve their mobility, reinforcement, and power projection capabilities.

They would incur these costs even if NATO did not enlarge.

That's why GAO said the Administration made a mistake in including them in the February 1997 estimate.

The U.S. has already met its power projection requirements, so we would not have additional costs in this area.

The second figure in the February 1997 estimate, which is not counted in the final NATO study, represented the costs to new members to restructure and modernize their militaries—$10 to 13 billion.

They would incur these costs even if they did not join NATO.

Once again, this is why GAO said the Administration goofed in including these costs in their February 1997 estimate.

This leaves us with $9 to 12 billion in direct enlargement costs.

Of this $9 to 12 billion, the Administration said in February 1997 that about 60% would be eligible for NATO common funding.

The rest of these direct enlargement costs would be picked up by the new members.

For example, there is the procurement of something called Identification of Friend or Foe (IFF) gear—you need to have it if you're in the Alliance—but NATO common funding won't pay for it.

60% of $9 to 12 billion is about $5.5 to 7 billion.

This is the number we should start with when comparing the NATO estimate of common-funded costs of $1.5 billion.

What accounts for the difference? $5.5 to 7 billion versus $1.5 billion?

I just talked about the top half of this chart * * * above the dash line.

Let's focus on why the Administration's $5.5 to 7 billion estimate and NATO's $1.5 billion estimate are different.

First, there is the matter of four versus three new members. The Administration did its estimate several months before the decision in Madrid. The extra member counts for about $1.1 billion. That brings us down to $4.9 to 6.2 billion.

The February 1997 estimate did not have the benefit of detailed responses by the three to NATO's Defense Planning Questionnaire (DPQ) or the benefit of site visits to the three countries' facilities conducted by SHAPE military experts.

The infrastructure turned out to be much better than expected. This is a key point. In February 1997, we thought we had a lot of work to do to bring airfields up to NATO standards.

The reality is that a number of the Polish, Czech and Hungarian airfields are in very good shape. The earlier Administration assumptions about the capacity of the airfields to host NATO aircraft were incorrect.

For example, during Partnership for Peace exercises, a Hungarian airbase successfully hosted a Dutch F–16 squadron, that is, the Dutch F–16s landed, were serviced and refueled, and took off again.

With regard to funding eligibility: The Administration assumed NATO would pay for some works that NATO later determined were national responsibilities.

There were also some pricing differences. The U.S. used generalized cost factors and pricing, while NATO used by-item, historical cost data from their files.

While there were some military requirements differences between the U.S. and NATO studies, these were modest and not operationally significant. What are we getting for $1.5 billion? Is it the right set of requirements? The Chairman of the Joint Chiefs of Staff says it is. What are those categories?

C31 Requirements include: Cross border connections, transmission media, terminal and security equipment; Upgrades to military headquarters interface equipment; C2 info systems, including the NATO-specialized functional area sub-system; and a NATO satellite communications (SATCOM) terminal for Hungary.

Air Defense Requirements include: Air Sovereignty Operations Center communication links to airfields; NATO air defense ground environment C2 sites; Interface to the NATO Airborne Warning and Control System (AWACS); Installation of Combined Air Operations Centers in Hungary and Poland; Upgraded air defense radars; and Air Command and Control System acquisition.

Necessary reinforcement improvements (land, air & maritime facility upgrades) include: Tactical fighter airfields; An AWACS and air-refueling forward operating base; Rail and storage facilities for land reinforcement; Petroleum, oil and lubricant facilities; and Maritime facilities.

Training and exercise improvements include: Upgrades to air and ground communications, Tank and vehicle wash facilities, Movement costs for new allies' exercise participation, and Costs for minor construction and administrative travel.

Now I would pose the question: are these the right requirements.

I have confidence in the positive assessment of these requirements given by General Shelton, Chairman of the Joint Chiefs of Staff.

The Department of Defense has assured us that the scenarios which these requirements have been planned against include robust assumptions.

These assumptions have changed from the Cold War assumptions of about 40 to 60 divisions coming across the border with less than 24 hours' warning, to scenarios of 10 to 20 divisions with 60 to 90 days' warning.

We can discuss the specifics in a classified setting.

But I am satisfied that the requirements are based on reasonable assumptions, and that they include sound, worst-case analyses, given the current security environment.

To sum up, the most recent NATO estimate of the direct costs of enlargement appears to be sound.

The annual costs of NATO enlargement to the United States are real, but they are affordable, constituting only a tiny fraction of our annual defense expenditures. For them, we gain three loyal allies with a quarter-million troops. The costs are, in short, a bargain.

I thank the Chair and yield the floor.

Mr. BYRD. Mr. President, the Senate is considering whether Poland, the Czech Republic, and Hungary should be admitted to the North Atlantic Treaty Organization (NATO). This is one of the most important foreign policy issues to be considered by the Senate in recent years, and the outcome will shape the future direction of NATO and our military relationship with our European allies.

In addressing this question, we should begin with the fundamentals, by examining the past and future purpose of NATO. NATO is a collective security military alliance, with the original purpose of defending Western Europe from a possible attack by the Soviet Union and its allies in the Warsaw Pact. When considered from that perspective, NATO stands as one of the most stunningly successful alliances ever conceived. Not just because it maintained the peace for over forty years—other alliances in human history have kept the peace for longer periods of time. The success of NATO cannot be judged merely by time, but also by the scope of its mission. For, unlike previous military alliances, NATO was not intended merely to prevent another conventional war, but also to deter nuclear war. At stake was—and still is—nothing less than the preservation of global civilization, and the world owes a debt of gratitude to the alliance and its leaders for maintaining the peace.

Some have argued that NATO also serves to maintain democratic traditions, since its original purpose was to protect Western democracy from an attack by an authoritarian Warsaw Pact. Today, NATO continues to defend those democratic values, which are part of the criteria in the decision to expand the membership of the alliance.

Nonetheless, NATO continues to be, first and foremost, a defensive alliance. Critics of NATO expansion question whether Russia perceives NATO to be defensive or offensive, and argue that the admission of the these three new members will ''alarm'' Russia. These critics believe that Russian nationalists will perceive the expansion of NATO to be the enlargement of an offensive alliance aimed squarely at the heart of Russia, rather than the enlargement of a defensive agreement among nations inclined to keep, not break, the peace.

The question of Russian nationalists, and their future role in their own country, speaks to the core of the issues surrounding the future of NATO. The question is not only how Russian nationalists react today, but also whether the most militaristic and virulent nationalists might gain power in the future, and whether that could pose a renewed threat to peace in Europe.

Russia is unstable in virtually every societal area—her economy is weak, her military in shambles, and civil order is increasingly dominated by violence and corruption. Although we all sincerely hope that this wounded bear will regain her health and settle into a peaceful way of life that protects the interests of all her citizens and which deals fairly and openly in the community of nations, it is not at all clear that democratic traditions will survive within that nation for the next ten years. Some have argued that the expansion of NATO could be a factor in bringing the nationalists to power. The available evidence suggests that this is not the case. The Yeltsin government has publicly accepted the expansion of NATO, and public opinion polls indicate that the Russian populace is barely aware of this question, and everyday Russians do not have strong opinions on the question of NATO expansion. They are far more concerned about bread and jobs than they are about NATO.

If authoritarian nationalists are to gain power in Russia in the future, that sad scenario will be caused by the fundamental instability of Russian democratic institutions, and the general collapse of the economy, not by NATO expansion. If nationalists seize power, and impose a new militaristic dictatorship upon Russia, it will pose a new threat to the peace of Europe, and the continuation of NATO will be essential to again preserve that peace. We might again face the question of a newly hostile Russia that possesses a still formidable arsenal of nuclear-tipped missiles.

I would also note that critics of NATO expansion argue this question both ways. They argue that we dare not enlarge NATO because it might irritate or anger the most virulent of the Russian nationalists, yet those same critics do not address the question of the threat posed by a future rise to power of those very same nationalists.

In the event of the rise to power of authoritarian nationalists in Russia, NATO would be strengthened by the admission of these three nations. Poland, Hungary, and the Czech Republic occupy key geopolitical positions in the heart of central Europe. For that reason alone, their addition to NATO is of strategic importance. These three nations have also met the criteria for membership, and their inclusion in NATO would more firmly cement their ties to the U.S. and Western Europe.

Another related question is whether we should enlarge NATO now, or wait until some undefined future date.

There is little to be gained through delay, since the Russian government has largely accepted the addition of these three countries to NATO. The diplomatic and political conditions are not likely to be any better in the future, and there is a serious risk that circumstances may only worsen. For example, if militaristic nationalists gained power in Russia in the future, they would likely vehemently object to any expansion of NATO. NATO would likely not act to expand the alliance in the face of such Russian opposition, fearing that it might lead to renewed cold war tensions. The bottom line is that we would not be able to expand NATO at the very time that such enlargement would be in our national interest. Under such circumstances, NATO might deeply regret not including Poland, with the geopolitically important Polish plain, as part of NATO.

It is probably true that some xenophobic Russian nationalists will tell their people that NATO enlargement poses a threat to their country. But we know, as do they, that this argument is entirely false. NATO is inherently a defensive alliance. Its military structure revolves around the defense of its own territory, and not around the launching of offensive operations aimed at subjugating Russia. We cannot base our foreign policy upon the paranoid concerns of the opponents of democracy in Russia. They will advance arguments to undermine democracy and U.S.-Russian relations regardless of what we do.

Another important question is whether there should be another round of NATO enlargement, and if so, which nations should be included. Critics of NATO expansion have argued that a decision to admit Poland, Hungary, and the Czech Republic implies yet another round of expansion, and that if we start down this path, we will inevitably include even more nations into NATO.

In my opinion, there is nothing inevitable about this at all. I am voting on the admission of three nations, and only three nations. My vote to admit those three does not imply either approval or disapproval for any other nations. If this or any future administration decides to recommend another round of countries for admission to NATO, that recommendation must receive the consent of the Senate to become a reality.

I want to clearly separate our vote on enlargement today from any vote in the future on other nations. I recognize that there are deep-seated concerns about the possible future admission of the Baltic nations of Latvia, Estonia, and Lithuania. These are important questions, which would be carefully evaluated by the Senate, and any decision involving the admission of Poland, Hungary and the Czech Republic stands by itself.

The North Atlantic Treaty Organization has performed a vital role in maintaining the peace and deterring catastrophic nuclear war. I believe that the enlargement of NATO, by including Poland, the Czech Republic, and Hungary, will further strengthen that role in the future. Therefore, I will cast my vote in favor of expansion.

Mr. DEWINE. Mr. President, I rise in strong support of expanding the North Atlantic Treaty Organization to include Poland, Hungary, and the Czech Republic. It is the right thing to do, right now.

Fifty years ago, President Harry Truman perceived the very real threat to our national interest posed by the rise of Soviet Communism in liberated Western Europe. He understood that although turning a blind, isolationist's eye to trans-Atlantic affairs may have seemed attractive in the short term, it could prove far more dangerous and costly to American interests in the long term. Therefore, it was absolutely in our national interest to promote and defend abroad our values of democracy and opportunity against an aggressive and oppressive Soviet regime. To that end, we fashioned the North Atlantic Treaty Organization—a collective security agreement with fifteen of our allies. With NATO, insuring that Western Europe's democracies flourish—and that its economies grow—became a top U.S. priority, and rightly so.

Fifty years later, the results are impressive and worth examining. By instituting collective security among its member nations, NATO achieved collective stability. This stability allowed Western Europe to enjoy one of its longest periods of sustained peace and economic development ever. It has recovered remarkably from the scourge of two World Wars, and free markets have thrived inside of democratic institutions. NATO not only deterred the Soviets from aggression, but so strong is our alliance that since its inception no NATO country has ever been attacked. Of course, this success has not been achieved without sacrifice or without cost. However, the price of peace is a mere fraction of the cost of war.

Clearly, the mission of NATO needs to be adapted to the post-Cold War world. The threat is no longer the clearly defined ominous shadow of Communism; but the threat of instability is just as real. The Cold War has ended, and the Warsaw Treaty Organization has been dismantled, but now is not the time for passive complacency. Just as the war-torn countries of Western Europe did fifty years ago, the emerging democracies and economies of today's Eastern Europe need NATO security to rebuild and to thrive. And now, like then, it is in the national interest of the United States that this occur.

Expanding NATO to include Poland, Hungary, and the Czech Republic will sustain current and future economic reforms. It will promote cooperation and peace among neighbors. NATO's presence also will fill a dangerous military and political vacuum in Central and Eastern Europe, and further cement European security by uniting East with West.

As well as increasing global security, NATO expansion will have tangible economic benefits. Free but untapped markets in this part of the world hold tremendous economic potential for U.S. exporters. And undoubtedly, the prestige, the security, and the validation that comes with NATO membership will have a profoundly positive psychological impact on the minds of foreign investors.

Throughout this process it was important that the invited nations demonstrate that they are willing to make the sincere commitment required of NATO members, and it seems to me that they have. Politically, economically, and diplomatically, the Czech Republic, Hungary, and Poland show great promise that they will become strong partners in our alliance.

Poland, for example, has just witnessed its second democratic change of government since 1989 as a result of fully free and fair elections. Its new democratic constitution was approved last year by national referendum. Economically speaking, Poland is sound. Its economy has been one of the fastest-growing in Europe since 1993, and the private sector now accounts for two-thirds of its gross domestic product. Poland has also codified civilian control and parliamentary oversight of its military. On the diplomatic front, Poland has resolved outstanding differences with its neighbors, including Ukraine, with whom it recently signed a declaration of reconciliation. These diplomatic efforts would not have been possible but for the promise of NATO expansion.

After forty years of dictatorship, democracy now reigns in Hungary. All six of its parliamentary parties support entry into NATO. The Hungarian government upholds human rights, freedom of expression, rule of law, and an independent judiciary, and it too has twice held free elections since the fall of Communism. While attracting almost $16 billion of direct foreign investment, Hungary has engaged in a strict stabilization program and cut its budget deficits substantially. And on the diplomatic front, Hungary has recently signed treaties with Romania and Slovakia, thus ending territorial disputes that had existed for generations. And the government has agreements with its neighbors, including Ukraine, to cooperate against organized crime, terrorism, and drug trafficking.

The story is much the same in the Czech Republic, which has a constitution guaranteeing freedom of speech, freedom of assembly, and freedom of the press. Two national elections were held in 1996 for the legislature, and they were free and fair. Since 1989, the Czech Republic has engaged in tight fiscal policy, liberal trade practices, and privatization of state enterprises. As a result, unemployment is low and inflation is controlled. It maintains

strong relations with its neighbors, especially Germany—its leading foreign investor—and with Poland, as the two countries have harmonized their approaches to European Union and NATO membership.

I would now like to make some comments about some of the amendments we have voted on.

First, I want to say that I opposed the amendment which would have linked admission of Poland, Hungary and the Czech Republic to admission to the European Union. While NATO and the EU have overlapping membership, they have different missions. NATO is a collective defense organization designed to protect and defend the territory of its member states. The EU is not a military but an economic alliance of European states which does not include the United States. It also does not include Canada, Iceland, Norway—which by the way rejected EU membership—nor does it include Turkey.

The question I have is why would we want to allow an organization of which the US is not a member, to dictate our security interests? Another concern I have about this amendment is that it would ultimately—and unnecessarily—delay NATO enlargement, since Poland, the Czech Republic and Hungary are not members and have only recently been invited to begin the process of joining.

Second, I opposed the amendment which would have mandated a three year pause on new members. Article 10 of the NATO charter provides a mechanism to enlarge the alliance. This article has successfully worked for 50 years in bringing new member states into NATO. I strongly feel that this amendment would not have helped NATO, but rather have added an additional and unnecessary layer of bureaucracy to the process.

The amendment also would have dampened the spirits of other countries who eagerly want to join NATO. Many of these countries have made significant sacrifices—both political and economic—to prepare themselves for future NATO membership. Enacting this amendment would have reduced the incentives of these countries to continue these important reforms. I would like to point out, however, that there is no commitment at this time to invite other nations to join NATO.

Let me conclude. Through democratic and economic reforms, these three nations have invested in long-term stability. NATO membership promotes confidence in this regional stability, thus making it even stronger.

If this century has taught us anything, it is that European instability ultimately becomes our problem. By admitting these committed and deserving nations to NATO, we will strengthen our alliance and expand the dividends of peace and prosperity to a level unprecedented in modern history.

Mr. President, I yield the floor.

Mr. HATCH. Mr. President, I rise today regarding the topic before us: Senate ratification to amend the North Atlantic Treaty to allow for the accession of Poland, Hungary, and the Czech Republic.

I wish to commend Senator HELMS and Senator BIDEN for their sustained efforts to investigate thoroughly the issues inherent in this historic move.

As befits the importance of the North Atlantic Treaty, the Senate Foreign Relations Committee has held numerous public hearings and provided many briefings and reports giving consideration to all aspects—and all views—regarding this historic move.

The Budget, Appropriations, Armed Services and Intelligence Committees in both bodies of Congress have further contributed to this valuable debate. Indeed, in the post-Cold War era in which we now find ourselves, I don't believe any issue has been more thoroughly vetted, and I thank my colleagues and the leaders of the relevant committees for their efforts.

I have lent a great deal of thought to this issue. Amid the euphoria of 1989, when many focused on the stunning collapse of Soviet occupation throughout central and eastern Europe, we had to recognize that a yawning geopolitical vacuum had just opened. For the first few years we correctly focused on assisting the Germans in their successful reunification efforts, but as nascent democratic and free markets institutions arose in central Europe, the United States stepped in to assist and solidify these developments.

The costs to us of solidifying these institutions were significantly less than the costs of waging the Cold War, but the benefits we saw—in terms of the freedom spread where darkness reigned for nearly half a century—were so much greater.

Mr. President, I have regularly visited the countries that will soon be accepted as NATO's new members, sometimes on my own, sometimes with other members, and regularly with our delegations to the North Atlantic Assembly, recently under the leadership of my colleague Senator ROTH. I have met with their political leaders, their military representatives, and local analysts on many occasions, as I have sought to measure their level of democratic advancement.

In 1995, I was honored to address the first multinational graduating class from the International Law Enforcement Academy in Budapest, Hungary, where the FBI now works with law enforcement officials from throughout central Europe to assist in combating criminal challenges to us all.

Democracy is strong in Hungary, Poland, and the Czech Republic. The rule of law is established, civilian control of militaries is well-established, and these nations rightly take their place alongside the nations of the West.

There are a few voices, Mr. President, who argue that what the nations of central Europe need more than NATO membership is economic development. This is the essence of the amendment proposed by my respected colleague, Senator MOYNIHAN, which requires European Union membership prior to the deposit of our instrument of ratification.

With great respect for the senior Senator of New York, I must disagree: Yes, the countries of central Europe require economic development, but it is mistaken, in my view, to believe that economic development and geopolitical advantage are exclusive of each other.

The European Union has only planned for joint defense capabilities; NATO has preserved the territorial integrity for its members for nearly half a century. The European Union excludes the United States; but the United States leads NATO. Therefore, subjecting determinations for future NATO expansions to the European Union is not only unwise, it is, in my view, illogical.

Mr. President, you have heard this many times already in this debate, and I daresay you will hear it many more times. The North Atlantic Treaty Organization is the most successful treaty defense organization in human history.

Twice, before the founding of NATO, the United States was drawn into wars on the European continent, where we suffered huge losses of blood and treasure. An unbridled Germany and an unstable central Europe were predominant reasons for the calamities that became these world wars. The accession of the Federal Republic of Germany to NATO in 1955 firmly established free Germany into the community of western democracies. With the unification of Germany in 1990 following the collapse of the Soviet empire, the integration of Germany was complete. Throughout that period, NATO succeeded by the virtue of its defensive cohesiveness and its deterrent effect on the European continent.

Today, we are set to integrate three important nations of central Europe, Hungary, the Czech Republic, and Poland. With their integration, geopolitical space in central Europe will be firmly incorporated into the territory protected by the defensive military alliance of NATO.

As the report accompanying the resolution of ratification asserts correctly: "With the enlargement of NATO, the United States and its allies have an opportunity to build a more stable Europe, to lock in that stability, and to replace the dynamics of confrontation and conflict with trust and cooperation."

Some have asserted that no threat exists to legitimize such an enlargement to the alliance now.

Mr. President, the extension of geopolitical stability in Europe is an insurance policy against the future development of regional threats. The United States, and the United States Senate, should not need to wait for the development of an imminent threat in order to implement sound geopolitical strategy.

NATO's mission has always been subject to certain applications beyond the core mission to defend territory. These applications have reflected consensus among members regarding military challenges, and I am hesitant to amend this resolution in any way that would impose definitions or mechanisms that might politicize the carefully honed language of the original North Atlantic Treaty.

I believe the language of the resolution sufficiently asserts the central mission and strategic rationale for this enlargement.

It is entirely reasonable for the Senate to carefully review the costs that this enlargement will incur.

Through the years of considering this move, many numbers have been manufactured: the range has been startling and the spin has been confounding.

I suppose it is somewhat predictable that attempts were made to politicize these numbers, but the scrutiny of many committee hearings have provided great focus. I am confident that the most recent GAO and CBO estimates are accurate: a total of $1.5 billion in increased U.S. contributions over the next 10 years. For increasing the geopolitical stability well into central Europe, this is a sound and defensible expenditure.

A great deal of debate has focused on the consequences of NATO enlargement on Russian geopolitical behavior and U.S.-Russian relations.

I am not convinced of any direct causality between NATO's decision to enlarge and the content and direction of Russian foreign policy. I think historians and analysts of Russia concur with my view.

Despite an unprecedented U.S.-Russia relationship that has developed over the past decade, a relationship that has seen billions of U.S. assistance go to the development of Russian democratic institutions, a relationship that has seen Russian and American troops serving side-by-side in Bosnia, some believe that this expansion of NATO will poison our efforts, or will, in the words of some, ''scare the Russians.''

I have visited Russia many times in my career in the Senate, most recently three weeks ago. Senator GORDON SMITH, who is chairman of the European Affairs Subcommittee of the Senate Foreign Relations Committee, and I had many meetings with the Russian foreign policy establishment, including Deputy Foreign Minister Mamedov, responsible for U.S.-Russia relations, and Andrey Kokoshin, Secretary of President Yeltsin's Security Council. We met with a number of Duma and Federation Council members. We discussed many aspects of our bilateral relations, and NATO was reviewed in every meeting.

Every Russian official I met in Moscow objected to NATO enlargement. Yet every official I met denied that they believed NATO posed a military threat to Russia's territorial integrity, and every official I met admitted that, despite being unhappy with this enlargement, they were all reconciled to this development. Mr. President, no Russian—not one—told me that NATO enlargement would be a legitimate cause for reversal of Russia's domestic evolution toward democracy.

Not one Russian official told me he was afraid of NATO enlargement. Not one Russian, Mr. President, objected to the new contiguous border between Poland and Kaliningrad.

I must admit that I find this objection raised by opponents to enlargement to be somewhat bizarre. Since Turkey's accession to NATO in 1952, NATO had a long border with what was then the Soviet Union—we used to have nuclear-armed Jupiter missiles in that border country. We also had a contiguous border between NATO and the Soviet Union along Norway's eastern border with the Kola peninsula, behind which the Soviet Union's strategic naval forces resided.

And now we have opponents objecting to a border with Kaliningrad, which is not contiguous with Russia itself? Or, even stranger, there are those who analogize the Kaliningrad situation with a Russian alliance with Mexico along our southern border.

Such an argument would have been denounced 15 years ago as ''moral equivalence.'' Today, the Kaliningrad argument is ahistorical and simply dilatory.

Every Russian I met three weeks ago told me they still objected to NATO enlargement, but told me also they wanted to work with the Founding Act instrumentalities and were eager to continue and expand our many levels of bilateral cooperation.

The enlargement of NATO that this body will pass in the next few days is not short-sighted, Mr. President, but the most significant foreign policy act before the end of this century.

It has been long-considered, and, frankly, desired even longer. I recall the days when we looked across the Iron Curtain to countries we knew had once had Western, democratic societies.

I hope this is not the last enlargement, although I am confident that future enlargements, if they occur, will occur with the same detailed, painstaking consideration as we have conducted over the past four years.

Over the course of this debate we will hear quoted many testimonials by Americans from all walks of life, both parties, and all regions in favor of the move we will ultimately take.

It is particularly significant to me that the American Legion, as well as the American Veterans of Foreign Wars, have endorsed NATO enlargement. These men and women know the territory; they know the history; and they know the price. I'm proud to be associated with them on this important issue.

Mr. President, I am a strong supporter of this historic move. The countries formerly imprisoned by the Soviets have come out of the cold, have elected democratic governments that have established the rule of law, civilian control over their militaries and individual liberty and free markets. They have all indicated strong support from their publics for NATO membership and its responsibilities.

A geostrategic vacuum, long a source of instability on the European continent, is being filled—by an organization that is strictly defensive, with absolutely no offensive intentions. The action this body takes in the next few days—by ratifying this protocol to the North Atlantic Treaty—will not only extend stability into central Europe, but will extend the promise of peace and stability into the next century.

I thank the Chair. I yield the floor.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER (Mr. DEWINE). The Senator from Missouri.

Mr. ASHCROFT. Mr. President, may I inquire as to the order of business?

The PRESIDING OFFICER. The resolution is open for general debate.

Mr. ASHCROFT. I thank the Chair. I am pleased to have this opportunity to make some comments about NATO expansion, particularly as it relates to the resolution of ratification for protocols to the North Atlantic Treaty.

As was evident earlier, I had an amendment which was designed to challenge a transformation of NATO that would take place as a result of the resolution of ratification which would essentially expand the scope of NATO.

I would refer Members of the Senate to the New York Times of last Friday, April 24.

The editorial is identified as ''The Senate's Duty on NATO.'' It reads as follows:

> The ratification resolution promiscuously opens the door to NATO military actions almost anywhere in the world. That startling expansion of NATO's license to conduct military operations demands extensive debate.

Here you have the New York Times drawing attention to this expansion of NATO's scope and mission. It says that the mission of NATO is being—in the words of the New York Times—changed when the resolution ''promiscuously opens the door to NATO military actions almost anywhere in the world.'' To change the nature of a treaty promiscuously, as the New York Times suggests, without asking the Senate to ratify the change, is a dangerous and troubling precedent. It is inappropriate.

I have raised this issue of NATO's broadened mission throughout the debate on NATO expansion. I raised it before this New York Times editorial was published, but I am very pleased that they would draw attention to this ''startling expansion of NATO's license to conduct military operations.'' I don't think you can expand a treaty's license to conduct military operations without consulting the Senate and obtaining this body's advice and consent.

The New York Times stated this issue demands extensive debate. I proposed that we debate it, and I proposed

that we curtail this expansive extension of the ability of the NATO alliance to be involved in military operations around the world, regardless of whether they are related to NATO's collective defense mission. Frankly, I am very disappointed that the Members of the Senate have not engaged in extensive debate in this area—an area in which the Senate has been largely ignored by an administration which seeks to transform NATO into an entirely new organization. Treaty creep is what is occurring and NATO is being altered from a defense of territory organization to a defense of interest organization. The interests of NATO nations can be pursued around the globe, with international deployments of NATO forces not necessarily for the defense of NATO territorial integrity or political independence.

The New York Times properly says this expansion of NATO's scope demands extensive debate. I am sorry to say that the Senate decided to walk away from its obligation to oversee the ratification of this fundamental change in the treaty. By tabling the amendment, the Senate has failed to address an issue of fundamental importance for the future strength of NATO and the security of the United States.

It is not every day that I agree with the New York Times, but I think the article is insightful and clear on this point. I would like to take just a few minutes—and I will use some of these charts—to indicate the missed opportunity of the Senate to look carefully at what is happening to the mission of NATO. I intend to vote against the ratification of this treaty, if for no other reason than the promiscuous expansion of NATO's mission endorsed in this resolution of ratification. This shift from a defense of territory to a defense of interests is a tremendous question that must be addressed with regard to the future of NATO.

Let me just refer the Senate to the statement of William Perry, the immediate past U.S. Secretary of Defense. He was one of the architects of the treaty expansion that is before us. Here is what he says:

> The original mission of NATO—deterring an attack from the Soviet Union—is obviously no longer relevant.

Then he goes on.

> The original geographical area of NATO responsibility is no longer sufficient. The original military structure of NATO is no longer appropriate. . . . The new missions of NATO—

You know, this debate hasn't been about new missions. This debate has been about three new countries. But here the architect of the expansion said:

> The new missions of NATO should be preventive defense—creating the conditions for peace in Europe . . . the geographical area of NATO interests should be anywhere in the world . . . .

That means the ambit of deployment, the arena for the deployment of NATO troops, including young men and women from the United States, is anywhere in the world. I think before we make that kind of change, we ought to think very carefully. No wonder the New York Times says, ''That startling expansion of NATO's license to conduct military operations demands extensive debate.'' I shudder to think that we consider tabling ''the most extensive debate.''

But here is what the Secretary of State had to say. Secretary Albright, according to the Washington Post:

> . . . also has urged that an expanding North Atlantic Treaty Organization . . . must extend its geographic reach beyond the European Continent and evolve into a 'force for peace from the Middle East to central Africa.'

All of us want to see peace around the world. We all want peace in the Middle East. We all want peace in central Africa. But if we allow a treaty to evolve through treaty creep, letting it expand on its own rather than having a real discussion on the role and responsibility of the United States and NATO and its proposed new missions of serving as a force for peace from the Middle East to central Africa, then we are not fulfilling our responsibility as members of this body.

It is sad that the Senate of the United States decided to turn its back from that kind of discussion and decided that it would table that debate. This is a serious matter, whether we are going to be sending young men and women of the United States of America to perhaps stain the soil of Africa under some NATO mission, perhaps an international policing operation not envisaged in the NATO treaty. Such operations were never before thought to be within NATO's scope, because the alliance was explicitly for the defense of territory.

Now, by expansion of NATO's mission through press release and speech, the Secretary of State says we are going to be involved in central Africa and the Middle East in ways we had not ever anticipated. This treaty is changing in fundamental ways. If we allow NATO's expanded mission to be achieved through the unilateral press release, statement, and policy of this administration, what is the value of the U.S. Senate in giving its advice and consent to treaties? If the Senate does not fulfill its role, perhaps it would just take a single treaty that any administration then could evolve into whatever it chose. I think we ought to think seriously about allowing an organization, the most successful military collective defense organization in the history of the world, to be simply evolved into something for which it was never intended.

Just to make it clear that it was never intended, let me refer you to the statement of Senator Tom Connally. Tom Connally is not one of our contemporaries but was a Senator, chairman of the Foreign Relations Committee in the year 1949, when the NATO alliance first came into existence. Here is what Tom Connally said: ''Let us not forget''—awesome words, because I think we are in the process of forgetting—''that this treaty is limited in scope.''

It was to be limited to North Atlantic Treaty Organization member states. Now we are talking about anywhere in the world. We are talking about beyond Europe to central Africa.

This treaty is limited in scope. [I quote again Senator Connally.] Its main purpose is to maintain the peace and security of the North Atlantic area. We do not propose to stretch its terms to cover the entire globe.

The elasticity of stretched treaties has reached new limits, or perhaps has found no limits in what we are willing to do here today. The suggestion of the New York Times that this kind of expansion, this promiscuous opening of the door to military deployments around the world, doesn't merit discussion at all, it merited tabling—this is a sad day. A global NATO? That is not what Tom Connally thought we had.

As a matter of fact, NATO's first strategic concepts really focused on two things, ''Defense planning limited to the defense of the treaty area,'' and, ''NATO military authorities have no responsibilities or authority except with respect to incidents which are covered by articles V and VI of the North Atlantic Treaty.'' It was a defense of area treaty. It wasn't to be an alliance the troops of which could be deployed like a mini-United Nations, with a standing army, to the hot spots around the globe for so-called international policing or so-called peacekeeping. It was to be something that defended the NATO nations. And to change this essential mission for NATO, I contend, should come before the Senate for its advice and consent.

However, these strategic concepts of the past have been superseded by the Strategic Concept of 1991. Here, instead of having the defense of territory as being primary, we find ''to provide one of the indispensable foundations for a stable security environment in Europe''—all of Europe this time, not just the NATO nations—''in which no country would be able to intimidate or coerce any European Nation.'' This is treaty creep. We have gone from the member nations of NATO to the European Continent as a whole to ''stop intimidation'' and ''coercion''.

The first priority in the 1991 Strategic Concept is to expand beyond the member nations of NATO. Talk about the latitude to deploy troops throughout Europe, and we have seen out-of-area deployments become the primary focus of the NATO alliance.

No. 2, ''to serve as provided for in article IV of the North Atlantic Treaty, as a transatlantic forum for allied consultations on any issues that affect their vital interests.''

Oh, no, we have moved from defense of territory and the defense of the political integrity of member nations to the defense of vital interests. I suppose ''vital interests'' could include trade

interests or interests in humanitarian concerns or interests in cultural exchanges. We find ourselves with a real potential for the expansion of the scope of this treaty.

All of a sudden, the collective defense of the territory of the NATO nations is no longer the prime task, according to the Strategic Concepts of 1991. Where do we find the collective defense? We find them down in 3 and 4. They have been placed at the bottom of the list.

There is a new agenda for NATO nations. Not the defense of territory, it is the defense of ''vital interests.'' No wonder they are talking about deploying troops in Africa in international policing operations. No wonder Secretary Perry talked about deploying troops around the globe. The NATO nations could have commercial interests and trade interests around the world.

Some would say this expansion of mission is an appropriate thing. I think when the New York Times said this demands extensive debate, they weren't ruling out such an expansion of mission out of hand. I don't think setting NATO on a course to become a mini-U.N. with a standing army is a good thing, and, as the New York Times points out, we should at least have an extensive debate before NATO takes this step. When the time came this evening to look carefully at this, we found the Senate saying, ''We'll table it; we won't consider it.'' As we all know here, a motion to table cuts off debate. It doesn't provide for debate.

Let me just say, when the treaty was entered into, it was pretty clear what territory was covered. Article VI defined the territory that was to be defended:

> Any of the parties in Europe or North America, on the Algerian Departments of France, on the territory of Turkey, or on the islands under the jurisdiction of any of the parties in the North Atlantic area north of the Tropic of Cancer.

Sounds like the legal description of a deed to the house. It is specific; it is particular. It doesn't say you deploy resources all around the globe to protect interests. It says that resources are to be used to defend territory. We have seen this change, and it is reflected over and over again.

The point that I am making is that when you change the nature of a treaty, you have a responsibility, at least as members of the United States Senate, to do so carefully. We didn't even have debate on this amendment today. We simply had a motion to table the amendment in haste to move on to other things.

Here is what happens when you cut defense and you start thinking about global deployments. One of the things I fear is that the same problem that has attended the deployment of our own Armed Forces around the world in peacekeeping and policing operations could happen to NATO. And you know, our Armed Forces are threatened because we have a tremendous willingness in the administration to deploy, but not much willingness to fund. We cut the funding and cut the funding and cut the funding, and we keep sending more troops to different places. As this administration has slashed defense spending, one wonders whether the resource that is devoted to the military and defense of this country is being impaired. I am confident that there are instances where it is.

Poland, Hungary and the Czech Republic comprise 301,000 new square miles of territory to be defended; 2,612 miles of new borders to be defended. And yet, our total national defense spending fell by 27 percent over the last 8 years. And we are going to take on a substantial new commitment. Our share of whatever happens in NATO has always been about 25 percent. We are going to have that kind of an increase in commitment while we are having this kind of plummeting devotion of resources to our own military spending.

Additionally, we have spent money in a lot of different ways in these out-of-area deployments for our own Armed Forces. Outside normal training and alliance commitments, the Army conducted 10 operational events between 1960 and 1991. Ten times we deployed troops in that 31-year period, and that is when we had a significant devotion of resources to support the troops.

Since 1991, we have been cutting our resources to the troops substantially. And what have we done while we have been cutting their supplies? We have been sending them out at an alarmingly higher rate. We had 10 deployments in 31 years, and then in the next 7 years, we have had 26 deployments. That is a formula for difficulty, and if that is the way we are going to treat NATO, by having increasing deployments based on the interest of the parties, not to defend the strategic territories of the parties, but to just sort of defend their vital interests, be they in Africa, Asia or the Middle East or somewhere else, then the North Atlantic Treaty Organization is North Atlantic in name only.

If we begin to deploy NATO forces without reference to the alliance's mission, we could hollow out this most successful defense organization ever in the history of mankind. We could hollow it out so it loses its effectiveness.

Our Marine Corps conducted 15 contingency operations between 1982 and 1989 and 62 since the fall of the Berlin Wall.

This business of deploying people all around the world is serious, and if we are going to do that with NATO, we are going to see some of the same challenges that we have seen in our own operations, because we are having trouble with maintaining our armed forces. Our fleets are getting old, and we are having trouble with reenlistments because we don't have the resources.

The same kind of problems besetting our own military also could beset the NATO alliance. The point I am making is simply this: If you are going to change the mission of NATO, if you are going to change it from defending territory, which is identified and understandable, located and clearly marked, and you are going to start making NATO into an organization the troops of which can be sent anywhere, anywhere in the world in the defense of ''the interests,'' we may well threaten the viability of NATO itself.

Let me just conclude by making this statement: We talk about NATO troops as if they are individuals who are strangers. Well, NATO troops include folks from the United States of America. They include our sons and our daughters, our brothers and sisters, our nephews and nieces. I don't think we should embark upon a program of substantial change in the responsibility and duty of those troops without considering it very, very carefully. To switch from defending the territory of the NATO nations to defending interests potentially around the globe is to make a major change that merits the close scrutiny and extensive debate that this Senate should and could provide but which it declined to provide when this amendment was tabled.

However, these strategic concepts of the past have been superseded by the Strategic Concept of 1991. Here, instead of having the defense of territory as being primary, we find ''to provide one of the indispensable foundations for a stable security environment in Europe''—all of Europe this time, not just the NATO nations—''in which no country would be able to intimidate or coerce any European Nation.'' This is treaty creep. We have gone from the member nations of NATO to the European Continent as a whole to stop intimidation and coercion.

The first priority in the 1991 Strategic Concept is to expand beyond the member nations of NATO. Talk about the latitude to deploy troops throughout Europe, and we have seen out-of-area deployments become the primary focus of the NATO alliance.

No. 2, ''to serve as provided for in article IV of the North Atlantic Treaty, as a transatlantic forum for allied consultations on any issues that affect their vital interests.''

Oh, no, we have moved from defense of territory and the defense of the political integrity of member nations to the defense of vital interests. I suppose ''vital interests'' could include trade interests or interests in humanitarian concerns or interests in cultural exchanges. We find ourselves with a real potential for the expansion of the scope of this treaty.

All of a sudden, the collective defense of the territory of the NATO nations is no longer the prime task, according to the Strategic Concepts of 1991. Where do we find the collective defense? We find them down in 3 and 4. They have been placed at the bottom of the list.

There is a new agenda for NATO nations. Not the defense of territory, it is the defense of ''vital interests.'' No wonder they are talking about deploying troops in Africa in international

policing operations. No wonder Secretary Perry talked about deploying troops around the globe. The NATO nations could have commercial interests and trade interests around the world.

Some would say this expansion of mission is an appropriate thing. I think when the New York Times said this demands extensive debate, they weren't ruling out such an expansion of mission out of hand. I don't think setting NATO on a course to become a mini-UN with a standing army is a good thing, and, as the New York Times points out, we should at least have an extensive debate before NATO takes this step. When the time came this evening to look carefully at this, we found the Senate saying, ''We'll table it; we won't consider it.'' As we all know here, a motion to table cuts off debate. It doesn't provide for debate.

Let me just say, when the treaty was entered into, it was pretty clear what territory was covered. Article VI defined the territory that was to be defended:

> Any of the parties in Europe or North America, on the Algerian Departments of France, on the territory of Turkey, or on the islands under the jurisdiction of any of the parties in the North Atlantic area north of the Tropic of Cancer.

Sounds like the legal description of a deed to the house. It is specific; it is particular. It doesn't say you deploy resources all around the globe to protect interests. It says that resources are to be used to defend territory. We have seen this change, and it is reflected over and over again.

The point that I am making is that when you change the nature of a treaty, you have a responsibility, at least as members of the United States Senate, to do so carefully. We didn't even have debate on this amendment today. We simply had a motion to table the amendment in haste to move on to other things.

Here is what happens when you cut defense and you start thinking about global deployments. One of the things I fear is that the same problem that has attended the deployment of our own Armed Forces around the world in peacekeeping and policing operations could happen to NATO. And you know, our Armed Forces are threatened because we have a tremendous willingness in the administration to deploy, but not much willingness to fund. We cut the funding and cut the funding and cut the funding, and we keep sending more troops to different places. As this administration has slashed defense spending, one wonders whether the resource that is devoted to the military and defense of this country is being impaired. I am confident that there are instances where it is.

Poland, Hungary and the Czech Republic comprise 301,000 new square miles of territory to be defended; 2,612 miles of new borders to be defended. And yet, our total national defense spending fell by 27 percent over the last 8 years. And we are going to take on a substantial new commitment. Our share of whatever happens in NATO has always been about 25 percent. We are going to have that kind of an increase in commitment while we are having this kind of plummeting devotion of resources to our own military spending.

Additionally, we have spent money in a lot of different ways in these out-of-area deployments for our own Armed Forces. Outside normal training and alliance commitments, the Army conducted 10 operational events between 1960 and 1991. Ten times we deployed troops in that 31-year period, and that is when we had a significant devotion of resources to support the troops.

Since 1991, we have been cutting our resources to the troops substantially. And what have we done while we have been cutting their supplies? We have been sending them out at an alarmingly higher rate. We had 10 deployments in 31 years, and then in the next 7 years, we have had 26 deployments. That is a formula for difficulty, and if that is the way we are going to treat NATO, by having increasing deployments based on the interest of the parties, not to defend the strategic territories of the parties, but to just sort of defend their vital interests, be they in Africa, Asia or the Middle East or somewhere else, then the North Atlantic Treaty Organization is North Atlantic in name only.

If we begin to deploy NATO forces without reference to the alliance's mission, we could hollow out this most successful defense organization ever in the history of mankind. We could hollow it out so it loses its effectiveness.

Our Marine Corps conducted 15 contingency operations between 1982 and 1989 and 62 since the fall of the Berlin Wall.

This business of deploying people all around the world is serious, and if we are going to do that with NATO, we are going to see some of the same challenges that we have seen in our own operations, because we are having trouble with maintaining our armed forces. Our fleets are getting old, and we are having trouble with reenlistments because we don't have the resources.

The same kind of problems besetting our own military also could beset the NATO alliance. The point I am making is simply this: If you are going to change the mission of NATO, if you are going to change it from defending territory, which is identified and understandable, located and clearly marked, and you are going to start making NATO into an organization the troops of which can be sent anywhere, anywhere in the world in the defense of ''the interests,'' we may well threaten the viability of NATO itself.

Let me just conclude by making this statement: We talk about NATO troops as if they are individuals who are strangers. Well, NATO troops include folks from the United States of America. They include our sons and our daughters, our brothers and sisters, our nephews and nieces. I don't think we should embark upon a program of substantial change in the responsibility and duty of those troops without considering it very, very carefully. To switch from defending the territory of the NATO nations to defending interests potentially around the globe is to make a major change that merits the close scrutiny and extensive debate that this Senate should and could provide but which it declined to provide when this amendment was tabled. Absent that kind of consideration, I find it very, very difficult to say that we should expand an alliance whose purpose is not clear.

Mr. President, I thank you for this opportunity, and I yield the floor.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. I believe the Senator from Texas wishes to be recognized next, but just so the Senators will be on notice to what I think will happen now, the Senator from Texas wishes to speak a few minutes on the final disposition of this issue. Senator SMITH will be recognized to offer an amendment. His amendment will be set aside, and Senator INHOFE will have an amendment he will offer. At the conclusion of their debate, then we would anticipate that there would be two or three votes that would occur, hopefully in sequence, so this could begin in a relatively short period of time.

We do not have a time agreement, but we hope to reach conclusion before too late into the night.

Mr. FORD. Would the Senator yield?

Mr. LOTT. Yes.

Mr. FORD. Is there a chance we might get a time agreement on those other two amendments?

Mr. LOTT. I believe, I say to the Senator, they would prefer that we not have a time agreement, but they do not anticipate taking a long time.

Mr. FORD. I thank the Senator.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I believe I share with a substantial number of my colleagues a real sense of unease about the process that we are about to finish. When I made my opening comments about the resolution before us, I noticed that a legislative body is ill-suited to the task of establishing order, coherence, and discipline to a foreign policy initiative. The last few days have proven me right, as we have missed the opportunity to greatly improve the resolution before us.

The decision to expand NATO and extend invitations was made in the heat of a political campaign, with little attention given to the truly important questions that should have been addressed.

There has been no assessment of the threat against which the military alliance was supposed to defend. There were no clear criteria established for membership in NATO. We did not use

this opportunity to debate what the mission of NATO should be in the post-cold-war era. We have not used this opportunity to lay out clear expectations for the next group of would-be members of NATO. We have left no roadmap for the future.

Unfortunately, the administration did little to address these issues when it proposed to expand the alliance in the first place. The Senate was placed in the position of having to do so because of a failure of executive leadership. And I do not think the Senate has done very well, either.

Why was it left to us to wonder about the possibility for border and ethnic disputes to impact the expanded alliance in a way that might hurt U.S. interests?

While my amendment on that matter was defeated, 37 Members, more than one-third needed to stop future expansions, believe that a process to address such disputes is important and should be discussed. Other Members raised equally valid concerns, and they were nearly all defeated.

The Senator from Virginia had a prudent proposal to step back after the first round of expansion to let the experience be fully absorbed by the United States and her allies. Defeated.

Our colleague from Idaho wondered if we should not at least vote to authorize the ongoing and possibly open-ended NATO mission in Bosnia before we think about expanding the alliance to new members. Defeated.

The Senator from New Mexico said strategy should be adopted before we take in new members. Defeated.

Because the concerns of so many Members were so summarily dispensed with, many will find it difficult to support this resolution. How much stronger a signal might this body have sent on this important matter if there had been more willingness to find an acceptable compromise with concerned Members, many of whom are not on the relevant committees and had no opportunity to really fashion the underlying resolution.

Instead, we have a resolution that has very little to say about the future beyond the fact that we will likely add three new members to the alliance. But that has never really been the debate here as far as I am concerned.

Most of us have not opposed the three countries being considered for immediate membership. We were concerned about the process by which we got to this point. In many ways, after more than a week of debate, we are still not much further than when we started.

For example, there is no strategic rationale for the new NATO alliance. It is not due from the President until 180 days after this resolution is passed. There is still no credible estimate about the cost. We have seen estimates miraculously shrink from $125 billion to a couple of million as we have gotten closer to this vote. Obviously, no one knows what the real cost will be. At least we have the protections available because of the cost caps imposed by the amendment of the Senator from Alaska.

In the meantime, this body over the last couple of days has voted for a provision that allows NATO possibly to engage in military efforts on border and ethnic disputes but, rather strangely, voted against letting NATO attempt to resolve such disputes peaceably at the lower levels through dispute resolution.

In short, I think, Mr. President, that both the administration and the Senate have approached the issue of NATO enlargement in a rather haphazard and disjointed manner. Because this Senate defeated the pause proposed by the Senator from Virginia, we will probably be debating the admission of yet another tranche of countries before we have any idea about cost, border disputes, or strategic rationale.

So where are we now? Instead of debating the more challenging issues involving the future of the alliance, we are left with a narrow question: Should Poland, the Czech Republic, and Hungary be admitted to NATO?

These countries have made a sustained commitment to democratic capitalism since the end of the cold war. In numerous discussions with the Ambassadors and Foreign Ministers from each of these three countries as a member of the U.S. Senate's NATO Observer Group, I am convinced that they intend to aggressively shoulder the burdens of membership in NATO. They seek no special treatment, and they wish only to be treated as full members of the alliance with the rights and the responsibilities entailed.

Further, these countries have demonstrated a commitment to the goals of the alliance. They have contributed, in some cases heavily, to the ongoing NATO mission in Bosnia. In the case of Hungary, the United States has staged its Bosnia operations there for some years. The U.S. presence there has approached that of our closest NATO allies and our non-NATO allies. And the Hungarians have been excellent hosts to U.S. forces.

While I remain steadfast in my belief that NATO needs and should at least discuss the adoption of a formal dispute resolution process, the fact is that these countries have worked hard to resolve disputes with neighbors. The Czech Republic peaceably separated itself from Slovakia. Hungary and Romania have signed a treaty to resolve issues surrounding the treatment of ethnic Hungarians in Romania.

Despite these strong indications that these countries are ready for the burdens and benefits of alliance membership, I would nevertheless have retained additional reservations had the managers not accepted the U.S. cost limitations proposed by the Senator from Alaska.

A major issue that must be addressed is how much should the United States continue to shoulder for peace in Europe? We pay 25 percent of the cost of NATO. The Stevens amendment will keep U.S. costs at no greater than what we now spend for NATO. Additional costs incidental to the adoption of three new members will have to be specifically authorized by Congress.

With great reservations about this process, I will not vote against three countries that I believe will strengthen the alliance. I do hope this administration will not come to us again with new countries invited before the strategic rationale, cost limitations, border dispute processes and other conditions many of us tried and failed to impose. I hope we will not put the cart before the horse.

To that end, I take some comfort in the vote totals for at least two of the amendments that failed. My amendment on conflict resolution received 37 votes. Senator WARNER's amendment, requiring a pause of 3 years, received 41 votes. It takes 34 votes to stop a future treaty.

I hope the administration and its successors would see these votes as cautionary should they consider going forward and raising expectations of good people in other countries before looking at the long-term security interests of America and considering what our responsibility is throughout the world. America has never walked away from its responsibilities. We want to pay our fair share. But we would not represent the taxpayers of this country if we allowed our country to take more than its fair share and thereby debilitate the strength of our own security.

I hope that we can move forward now and continue to have the Senate maintain its constitutional responsibility in treaties of advise and consent, not just consent. What we have done instead of truly rewriting the course of our future and creating an alliance for the next century is to add three new members to an alliance whose purpose and therefore whose future is no more certain than when we began this process.

While I cast a vote in favor, I take no great comfort in doing so and I hope the next debate is on the role of NATO in the post-cold-war era. Only then will we assure that the greatest defense alliance in the history of the world will remain exactly that.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

EXECUTIVE AMENDMENT NO. 2328

(Purpose: To condition United States ratification of the protocols on specific legislative action for the continued deployment of United States Armed Forces in Bosnia and Herzegovina as part of the NATO mission)

Mr. SMITH of New Hampshire. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Hampshire [Mr. SMITH], proposes an executive amendment numbered 2328.

Mr. SMITH of New Hampshire. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place in section 3 of the resolution, insert the following:

( ) LEGISLATIVE ACTION REGARDING DEPLOYMENTS IN BOSNIA AND HERZEGOVINA.—Prior to the deposit of the United States instrument of ratification, the Senate and the House of Representatives shall each have taken a vote on legislation that, if enacted, would contain specific authorization for the continued deployment of the United States Armed Forces in Bosnia and Herzegovina as part of the NATO mission in that country.

Mr. SMITH of New Hampshire. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SMITH of New Hampshire. I say to my colleagues I will be very brief and try to keep it within 10 minutes.

This amendment is really quite simple. It is very much like the Craig amendment that we voted on earlier with the exception that it doesn't call for the passage. It simply says that one way or the other we would require Congress to debate and then vote—whichever way the vote comes out—but just vote on our deployment in Bosnia prior to depositing the instruments of ratification.

I want to briefly touch on why I am offering this amendment. When the Congress first considered the President's plan to send troops to Bosnia in 1995, the administration placed very clear limits on the duration of this commitment. On every single occasion I am aware of, the administration official stated that U.S. troops would remain in Bosnia for 1 year. In fact, Secretary Perry, on December 1, 1995, said, ''We believe the mission can be accomplished in one year, so we based our plan on that time line. This schedule is realistic because the specific military tasks in the agreement can be completed in the first six months and thereafter IFOR's role will be to maintain the climate of stability that will permit civil work to go forward. We expect these civil functions will be successfully initiated in one year. But, even if some of them are not, we must not be drawn into a posture of indefinite garrison.''

I think these remarks were well intended, and I think it is clear that the Secretary of Defense meant what he said, but it is also clear that they didn't bear out.

We also heard from Secretary of State Holbrooke on December 6, 1995: ''The military tasks are doable within 12 months. There isn't any question * * * The deeper question * * * [is] whether the nonmilitary functions can be done in 12 months. That's a real question. But it's not the NATO or U.S. force responsibility to do that. It's on the civilian side, working with the Europeans. It's going to be very tough. Should the military stick around until every refugee has gone home, 'til everything else in the civilian annexes has been done? No, that is not their mission.''

There were many of us who watched these comments—especially in the Armed Services Committee—very closely, studying the conflict in Bosnia. We felt that this was an unrealistic commitment. We didn't feel that those kinds of commitments should have been made, because we didn't feel they could have been kept. But the American people had no choice but to kind of accept these comments from our leaders.

I was disappointed but I wasn't surprised when right after the 1996 elections, the President announced the continuation of the military commitment for an additional 18 months, to June of 1998. That is where we are now. It is almost June of 1998. Last December, the President acknowledged that our commitment now in Bosnia is open ended but we are still talking about clear and achievable goals.

For 2 years the President has had this opportunity, and I believe that he has been wrong in making these statements. I believe it is wrong for the Government to conduct the foreign policy of the United States without any input from Congress and the public. The American people need to understand what is at stake and either agree to the commitment or not. We have a commitment. The President made it, and now he has extended it open ended.

The question before the Congress today is, do you want to continue with an open-ended commitment, a blank check in Bosnia or don't you? The President has stated he wants to, and he stated why. Now the American people ought to hear from us, the Congress, as to whether or not this is a good idea or a bad idea.

This is no longer simply a Presidential use of force based on his judgment of an immediate threat. We now have nation-building in Bosnia as deliberate foreign policy, and it ought to be approved and funded by the Congress of the United States. Failure to place this before Congress, in my opinion, will destroy congressional support for his foreign policy and, frankly, it insults the intelligence of the American people.

There already has been a casualty in Bosnia, and that casualty is the trust of the American people that their Government will do what it says it will do when it puts American armed forces in harm's way.

I don't see how Congress can allow this extended commitment to continue simply because the President sees no way out. Now, I have been around the cloakroom and in meetings for a couple of years now while this policy has been going on and I have been hearing a lot of complaining from my colleagues, a lot of complaining about how this will continue, it is open ended, what are we going to do about it.

Here is a chance to vote—and I'm not asking you to vote to say that we ought to take the troops out or leave them in; I'm asking you to vote. All I'm asking for is a vote. It could go 5–90 against deployment or the other way around for deployment. I'm not asking for a vote to come out either direction. I'm just simply saying the Congress should vote, the Senate and the House of Representatives, before we deposit the instruments of ratification. That is all this amendment does. It does nothing less and it does nothing more.

I don't, frankly, think that is asking very much. With the new nations we may have more Bosnias. We may have more Bosnias before we are finished, especially as we continue the expansion that Senator HUTCHISON of Texas was talking about a few moments ago, where we defeated the WARNER amendment. So who is next down the line? We continue to draw lines. Where do we draw these lines? This is a very important debate, and I really cannot understand why anybody would oppose this amendment that simply says vote one way or the other. Keep them in 90–10, or take them out 90–10. Just vote. That is all this amendment asks for, before we submit the articles of ratification. In either case, I think the objective is clear that the American people need to be heard. They haven't been heard. We should let them be heard right here on the floor of the U.S. Senate.

Again, let me just say that if my colleagues on both sides of the issue don't support this amendment, which simply requires them to cast a vote—just cast a vote—on this matter before the June 30 deadline, they ought to forever keep their peace on Bosnia. No more complaining in the cloakroom, no more speeches on the floor about how the policy is so bad and so open-ended, no more second-guessing the President, no more criticizing the President, no more saying Congress doesn't have any responsibility. If we can't force ourselves to stand up here tonight and be counted on this subject, then we don't have a right to criticize the President on this issue. Every time I am on the floor and I hear somebody criticizing the President on this, I am going to check the vote list and see how the votes were, and I am going to rise up and challenge that Senator. This is not going to delay the passage, the instruments of ratification. We can vote on this any time. We can vote next week or the following week, or tonight, for that matter. It doesn't matter to me when we vote on it. Whenever the leader wants to schedule it.

Mr. President, my final remarks. The purpose of this amendment is to simply require Congress to vote, period, one way or another on deployment to Bosnia prior to depositing the instruments of ratification for NATO. That's it.

WHAT WILL EXPANSION COST, AND WHO WILL PAY THE BILL?

It is obvious to me that nobody really knows what the true costs of NATO

expansion will be. Just look at the cost estimates that are available.

In March of 1996, CBO issued a report that provided five options or scenarios for NATO expansion. The cost of those five options ranged from $60 billion to $124 billion.

In the fall of 1996, Rand Corporation completed a study on the costs of NATO expansion and concluded that the costs could range from $10 billion to $110 billion.

In February of 1997, the administration provided its own cost estimates. In this report the cost of NATO expansion was pegged at $27 to $35 billion.

In December of 1997, NATO itself estimated the cost of NATO expansion as $1.5 to $2 billion.

The February 16 edition of Defense News reports that the Pentagon will issue yet another study that will peg the cost of NATO expansion at $1.5 billion over 10 years.

According to the CRS, the administration assumes that the new nations will pick up 50 percent of the bill, the current NATO members will pay 44 percent and the U.S. will pick up 6 percent of these costs.

CAN POLAND, HUNGARY AND THE CZECH REPUBLIC AFFORD NATO EXPANSION?

Supporters of NATO expansion say we must expand in order to help the young fledgling democracies and market economies of these countries grow. This is not what NATO does.

NATO is first a military or security alliance, not an economic alliance. If the goal is economic and not security, then let the EU deal with these countries, not NATO.

With NATO expansion, we are placing a requirement that the new members ''buy'' their way in. If they could buy their way in, their young market economies wouldn't need the protection of NATO expansion. This circular logic is no logic at all.

In an article on NATO expansion that appeared in the January/February 1998 edition of Foreign Affairs, Amos Perlmutter writes:

> The belief that the new members should be able to absorb costs of close to $42 billion between 1996 and 2001 overlooks the International Monetary Fund's rules and the Maastricht Treaty's expectations. The IMF requires former Warsaw Pact states to invest in economic infrastructure, and the Maastricht Treaty will accept members only on the basis of their conformity to its rigorous fiscal standards. Hungary and the Czech Republic are already experiencing serious budget crunches and are seeking ways to cut spending to meet IMF demands. Where, then, will the money come from to expand their military budgets?

POLITICAL WILL

In addition, there is also the question of whether or not there is the political will in these countries to help pay for expansion. The United States Information Agency (USIA) conducted a poll in October of 1997 in the countries listed below and asked if the respondents supported increasing their government's defense spending:

	Support	Oppose	Don't know
Czech Republic	29	63	8
Hungary	36	60	4
Poland	56	31	13
Slovakia	21	71	8
Slovenia	22	72	6
Bulgaria	28	55	17
Romania	55	39	7

Result: Only Poles, not Czech or Hungarians willing to increase spending to pay for expansion.

FISCAL REALITIES

Even our current European allies have had sharply declining defense budgets as they prepare to meet the fiscal requirements of the European common currency.

Sir John Kerr, the British Ambassador to the U.S. stated the following on July 23, 1997:

> I think, realistically, it is very unlikely that the Europeans will stump up another $15 billion on their defense budgets. It would mean increasing defense budgets on average by about 1.5 percent a year, a very much larger number than the cost for the United States. And I don't think it will happen.

In July of 1997 French President Jacques Chirac made the following statement:

> We have adopted a very simple position: Enlargement must not cost anything in net terms. We are convinced that it is possible.

A Washington Post article from July 10, 1997 quotes German President Helmut Kohl as saying:

> It is completely absurd to link NATO enlargement with cost factors as if the aim was to rearm large areas of Europe to the teeth.

Another German, Walther Stuetzle, a former senior defense planner for the German Government said in the March 12, 1997 edition of the Washington Post:

> So who will pick up the tab? I think it will have to be the United States.

So we've heard from our NATO allies and they are saying that they are not willing to pay for NATO expansion. Some supporters of NATO expansion will downplay these comments as political comments made for consumption at home. They say our allies will come through.

I am a firm believer that past performance is an indicator of future performance. What hasn't been heard too much in public is the fact that our NATO allies have been falling well short on their current NATO commitments. That certainly doesn't bode well for any additional commitment from our current NATO allies to pick up their share of the costs to expand.

In testimony before the Senate Foreign Relations Committee Admiral Jack Shanahan (USN retired) made the following comments:

> In 1970 I was assigned to the U.S. mission to NATO in Brussels. The prevailing attitude of most of the alliance was that they were safely under the U.S. nuclear umbrella, and that the Warsaw Pact was not a major concern. As a result our allies did not consistently meet their NATO commitments in terms of defense spending. Their prepositioned war reserve of food, ammunition, fuel etc. were well below NATO standards. Interoperability was a joke. They were not ready then, they are not ready now, and as we integrate East European militaries into the alliance this condition will worsen, placing greater demands on the U.S. military to shoulder the burden. Even as we speak, our allies are making significant reductions in military spending and in their force structures.

This testimony is very revealing and speaks for itself—especially in light of the additional commitments that our present NATO allies will be asked to bear through expansion.

We not only have statements from the major Western European countries indicating that they are not willing to pay for NATO expansion, but also disturbing testimony before the Senate that our current NATO allies already have fallen well short of fulfilling their current NATO commitments.

Thus, it will probably fall to the United States to pay for NATO expansion. Indeed, the March 12, 1997 Washington Post quoted a senior U.S. official as saying: ''There was a strong political imperative to low-ball figures. Everybody realized the main priority was to keep costs down to reassure Congress, as well as the Russians.''

What are the implications of all this for the article V commitment that an attack on one is an attack on all? Do we really believe we can effectively carry out this commitment if the cost of NATO expansion has been fudged in order to reassure the Congress and Russia? Don't the supporters of expansion take the alliance more seriously than this?

ARE THEY PREPARED?

The three nations who would become part of NATO have military infrastructures that are profoundly unprepared to join NATO. Defense news recently reported on NATO's most recent assessment of the invitees. The report concluded that Poland, the Czech Republic and Hungary are years away from having militaries that are minimally functional, much less strategically interoperable with NATO's military systems. Examples include:

All of the Czech Army's equipment is ''old and approaching obsolescence.''

None of Poland's naval ships are ''capable for command and control of joint or combined operations.''

In Hungary, 70 percent of the pilots carry out only 50 hours of training per year, far below NATO standards.

The United States cannot even pay for its own modernization. Why would we want to pay for the modernization of three new NATO members?

CAN THE U.S. FOOT THE BILL?

Don't be naive—NATO expansion is not going to be free—no matter how much the figure is lowered to make it more ''palatable.''

The balanced budget agreement has locked us into a flat if not declining defense budget during the next few years. We've all heard reports that readiness in the military is starting to deteriorate.

The House National Security Committee issued a report recently that chronicled some of the readiness problems that are starting to appear in our military. What we are facing, in my

opinion, is the very real scenario where we will be increasing our national security commitments without a corresponding increase in our defense spending because of the balanced budget agreement.

The current defense budget we have now is inadequate to meet our current plans and requirements. Just like every other contingency operation the Clinton administration has signed U.S. forces up to, an underfunded Defense Department will have to foot the bill once again.

We keep hearing from this administration that another round of BRAC is necessary to reduce infrastructure and pay for modernization. Could it be that the real objective of another BRAC is to pay for NATO expansion? Does the Senate really want to approve adding one more IOU to an already empty Pentagon checkbook, when we do not even know how large the IOU will be? I don't think so.

Mr. President, I ask unanimous consent to lay my amendment aside so that Senator INHOFE may discuss his amendment.

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

Mr. DOMENICI. Mr. President, can I ask a question of Senator SMITH?

Mr. SMITH of New Hampshire. I yield for a question.

Mr. DOMENICI. Senator, I was thinking. Do you mean if I vote no on this, 3 weeks from now if we want to vote again in the Senate on the Bosnia policy, I can't vote?

Mr. SMITH of New Hampshire. Did I say that?

Mr. DOMENICI. So the vote means we are going to vote for it or not, and we can have a vote on Bosnia if we want it, whenever we want, whatever we do with your amendment.

Mr. SMITH of New Hampshire. You certainly can. But I am saying this should be a requirement. If we don't have that vote, we ought not to complain about the resolution of ratification.

Mr. DOMENICI. I thank the Senator. I yield the floor.

EXECUTIVE AMENDMENT NO. 2325

(Purpose: To require the President to submit the Kyoto Protocol to the United Nations Framework Convention on Climate Change to the Senate for its consideration under the Treaty Power of the Constitution)

Mr. INHOFE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oklahoma [Mr. INHOFE] proposes an executive amendment numbered 2325.

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

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

The amendment is as follows:

At the appropriate place in section 3 of the resolution, insert the following:

( ) REQUIREMENT OF TRANSMITTAL TO THE SENATE OF KYOTO PROTOCOL ON GLOBAL WARMING.—Prior to the deposit of the United States instrument of ratification, the President shall submit the Kyoto Protocol to the United Nations Framework Convention on Climate Change, done at Kyoto on December 10, 1997, to the Senate for its consideration under Article II, section 2, clause 2 of the Constitution of the United States (relating to the making of treaties).

Mr. INHOFE. Mr. President, let me briefly explain what my amendment does. It simply requires the President to submit the Kyoto Protocol to the United Nations Framework Convention on Climate Change to the Senate for its consideration under the Treaty Powers of the Constitution.

Mr. President, the White House has made a full-scale effort for ratification of expansion of NATO. We are considering that now and we have had a lot of debate. Some of us are against it and some of us are for it. We have had a chance to get our positions out and we know where we stand. But according to article II, section 2, clause 2 of the Constitution, we are the only body—and it has to be by a two-thirds vote—that can ratify treaties of the United States. The President can't do it, the Secretary of State can't do it, the Vice President can't do it, the Secretary of Defense can't do it, the Director of the EPA can't do it—just the U.S. Senate.

Some might argue that the NATO expansion debate is not an appropriate place to raise the question about the Kyoto Protocol. But the issue here is whether the President is going to have serious regard for the Senate's advise-and-consent authority under the Constitution, which the senior Senator from West Virginia has reminded us many times is our prerogative. The President cannot be expected to send treaties up for advice and consent when he thinks the Senate agrees with him and refuse to send them up unilaterally when he feels that we do not. Truly, that is the case.

We made our case very specific when we voted 95–0, prior to going to Japan, that if they came back with something that did not treat the developing countries the same as the developed nations, we would oppose it, and the President came back with exactly that, putting us under obligations that the developing nations were not under. So that China doesn't have to worry about it, or Pakistan, and other countries, like Mexico. But we do. This is the issue we are dealing with here.

I am going to deviate from that for a moment in this very short time to repeat something that I said earlier in this debate because I understand I am the last speaker now and this is the last amendment. I would like to just say there are four reasons why we should not, in the final analysis, expand NATO.

The first one is the cost. I don't know why nobody seems to be upset that the range goes all the way from $400 million to $120 billion, and those at the low end are the administration—the same administration that said that Bosnia was going to cost us $1.2 billion, and now our direct costs have skyrocketed way way above $9 billion, and there is no end to it. It is a permanent commitment. Yet, we were told that it was going to be $1.2 billion.

So here we have an amount of money—at a time when we have cut our defense down to the bone, at a time when we have to be able to do something to put ourselves in a position to defend America. Yet, we are talking about an open-ended commitment by extending NATO to these countries.

The second reason is it is the open door. I hope nobody thinks we are talking about three countries—Poland, the Czech Republic, and Hungary. We are talking about an open door now that is extended to everyone. I want to read what our Secretary of State said in a statement she made:

We must pledge that the first new members will not be the last and that no European democracy will be excluded because of where it sits on the map.

She talks about Romania, Slovenia, Latvia, Lithuania, Estonia, Albania, Bulgaria, Macedonia, Slovakia, and the list goes on and on. So it is the clear intent that this is not the last. If you think this is going to be expensive, just think what it is going to be when we start extending it to other countries. Where would we draw the line?

The third concern I have is a genuine concern that we talked about on the floor, and that is, what does this do to our relationship with Russia? Everybody says, ''That's all right, I have been to Russia and they don't mind.'' I have gotten commitments from people saying that is all right, go ahead, this is not going to be a problem. But that's not what the Duma said, which is their parliamentary body. The Duma passed a resolution calling NATO expansion the ''biggest threat to Russia since the end of World War II.''

There is one person I had a great deal of respect for in this body, and I regretted when he left this body; it was Sam Nunn, who I served with on the Armed Services Committee. There is not a person who would stand up on the floor and question his integrity or his knowledge of foreign affairs or question his concern for defending America. Sam Nunn said that Russian cooperation in avoiding proliferation of weapons of mass destruction is our most important national security objective, and ''This NATO expansion makes them more suspicious and less cooperative.'' He further said, ''The administration's answer to this and other serious questions are what I consider to be platitudes.''

So everyone is on record. Last, I will address the concern that the Senator from New Hampshire had. He has a very good resolution, and I think everybody understands it. If anybody wants to get on record as to where they stand insofar as Bosnia is concerned, his amendment is your opportunity to do so. Because right now we don't have

anything to show who is on record. We do have a resolution of disapproval that was barely defeated by only three votes in November of 1995. I suspect that some people now have changed their minds now that they realize this open-ended commitment is there.

So I would like to wind this up by saying that if this cost to support the Bosnian operation is any indication, I remind you that in November of 1995, we were on the brink of being able to defeat this and not send our troops to Bosnia, except they said that this is going to be a short commitment, it is not going to be something that would last a long period of time.

It was going to be over within less than a year, and it was going to cost $1.2 billion. The only reason that they were able to get those votes to pass this was, they said, ''We must protect our integrity with our partners in NATO.'' Now that same argument can be used—I wonder who is going to be the next Bosnia.

Mr. President, while I have this amendment, I know the votes are not there for this amendment, and there is one very good reason, because of a dear person in this body, that we want to not extend any longer than it should be extended. So nothing would be gained by considering my amendment.

For that reason, I withdraw my amendment and urge my fellow colleagues to vote against the extension of NATO.

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

The amendment is withdrawn.

The amendment (No. 2325) was withdrawn.

Mr. LIEBERMAN. Mr. President, I was opposed to the amendment offered by Senator INHOFE. Quite frankly, I believe the consequences if this amendment passed would have been extremely deleterious to our foreign policy.

Mr. President, everyone should recognize that his amendment is nothing more than a thinly-veiled threat to delay NATO enlargement and to ensure that we won't have NATO enlargement for a significant period of time. It is very clear that President Clinton can't and won't submit the Kyoto Protocol for Senate ratification until the conditions he has set are met—meaningful participation by developing countries. The Administration is not in a position of saying now when that milestone will be achieve, but it probably won't be soon. So a vote for this amendment is a vote to stop NATO expansion.

But even if you oppose NATO expansion, you should oppose this amendment because the approach it takes is without precedent and would have a significant impact on how the country conducts foreign policy.

Let me say also that I was a member of the Senate observer group to the Kyoto conference last December. There has never been a more complicated, difficult international negotiation attempted. I believe that the conference was a historic success: more than 160 countries recognized that the common threat of climate change was more important than each nation's separate anxiety about the immediate impact of an agreement.

The Conference was also a historic success because American proposals won the day. We called for much more real and realistic targets and timetables. We proposed flexibility through a trading program to use the power of the market to achieve lower compliance costs for business. We offered a joint implementation system that would allow American firms to build clean power plants or preserve forests in developing countries in exchange for emission reduction credits that could be used or sold later. Our negotiators won on each of these battles—and they were very hard fought battles.

But the President has clearly said that the Kyoto protocol is not ready to be submitted to the Senate. The President has made clear that the protocol will not be ready for submission until we have succeeded in achieving the meaningful participation of developing counties. At Kyoto, a down payment was made in the form of a ''clean development mechanism'' which embraces the U.S. backed concept of joint implementation with credit. This will allow companies in the developed world to invest in projects in countries in the developing world for the benefit of both parties.

But developing countries will clearly need to do more in order to meaningfully participate in combating global warming, and in order of the President to submit the protocol for the consideration of the Senate. Secretary Albright recently announced a full court diplomatic effort to achieve this goal.

Mr. President, as far as I can determine, there is no precedent in our history for doing essentially what this amendment seeks to do, force the President to transmit a treaty to the Senate before the President deems it appropriate to do so. This amendment is a high-handed attempt by Congress to undermine the President's constitutional power.

Mr. President, I asked the American Law Division of the CRS to look at a related issue: whether there are any time limitations within which the President must submit a treaty after it has been negotiated and signed. Let me quote from that report: ''As a general proposition, there do not appear to be any time constraints on the transmittal of treaties to the Senate for its advice and consent. The spare language of the Constitution provides simply that '(the President) shall have Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two-thirds of the Senators present concur. . . .' Under this structure, it is the President who negotiates and ultimately ratifies treaties, provided the Senate gives its advice and consent. But the constitutional language does not set time limits on any aspect of the process of treaty-making.''

The report goes on to note that ''nor does statutory law appear to impose any time constraints on the submission of treaties.''

Mr. President, the memo goes on to discuss numerous cases in which treaties have not been submitted to the Senate for ratification for a long time after they were negotiated and signed. For example, the United States signed the ''International Convention on the Elimination of All Forms of Racial Discrimination'' on September 28, 1966. Nearly 12 years passed after the United States signature before it was submitted to the Senate for its advice and consent on February 23, 1978.

Let me read here from the memorandum's review of the Legislative Calendar for the 104th Congress: Final Edition of the Senate Committee on Foreign Relations which discloses a number of examples of significant delay is transmittal of treaties.

A review of the Legislative Calendar for the 104th Congress: Final Edition of the Senate Committee on Foreign Relations discloses a number of additional instances of significant delays in transmittal. A bilateral treaty between the U.S. and Haiti ''Concerning the Reciprocal Encouragement and Protection of Investment'' was signed on December 13, 1983, but not submitted to the Senate until March 25, 1986. A treaty on ''Mutual Legal Assistance in Criminal Matters'' between the U.S. and Nigeria, signed on September 13, 1989, was not transmitted until April 1, 1992. A ''Revised Protocol Amending the Convention Between the United States and Canada With Respect to Taxes on Income and on Capital,'' originally signed on September 28, 1980, and then amended in 1983 and 1984, was finally submitted to the Senate on April 24, 1995. An extradition treaty with Belgium was signed on April 27, 1987, but not submitted until June 12, 1995; and one with Switzerland was signed on November 14, 1990, but not transmitted until June 12, 1995. The ''International Convention for the Protection of New Varieties of Plants'' was originally negotiated in 1961, amended in 1972, 1978, and 1991, and finally signed by the U.S. in 1991, but was not submitted to the Senate until September 5, 1995. Finally, the ''Convention on the International Maritime Organization,'' originally signed on March 6, 1948, was transmitted to the Senate on October 1, 1996.

All of these examples illustrate the absence of any legally binding time constraints on the President's transmittal of treaties to the Senate.

I hope the foregoing is responsive to your request. If we may be of additional assistance, please call on us.

Mr. LIEBERMAN. Mr. President, I am a strong supporter of the treaty before us to expand NATO. I also strongly support the agreement that emerged from Kyoto, as well as the President's position that the agreement is not ripe for submittal to the Senate at this time. There is no precedent for forcing the President to submit a treaty on a timeframe established by the United States Senate before the President believes it is appropriate. But that is what this amendment seeks to do. Adopting this amendment would have been a terrible precedent for conducting our foreign policy and I believe would have stopped the treaty now pending before us.

EXECUTIVE AMENDMENT NO. 2328

The PRESIDING OFFICER. The question remains on the Smith amendment.

Mr. BIDEN. Mr. President, I will take only 2 minutes.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. The hour is late. It has not improved the substance of the Smith amendment—the time. It is essentially, as the Senator from New Hampshire indicated, similar to the Craig amendment; very little difference. I urge my colleagues to recall how they voted on the Craig amendment, and the same rationale applies with regard to the Smith amendment.

I hope when we get to the vote—which I hope is very shortly—that we will vote no on the Smith amendment.

I yield the floor.

The PRESIDING OFFICER. Is there further debate on the amendment? If there is no further debate, the question is on agreeing to the amendment of the Senator from New Hampshire. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. KYL) is necessarily absent.

The result was announced—yeas 16, nays 83, as follows:

[Rollcall Vote No. 116]

YEAS—16

Ashcroft	Hutchinson	Sessions
Brownback	Hutchison	Smith Bob (NH)
Craig	Inhofe	Specter
Faircloth	Kempthorne	Warner
Feingold	Nickles	
Grassley	Roberts	

NAYS—83

Abraham	Durbin	Lott
Akaka	Enzi	Lugar
Allard	Feinstein	Mack
Baucus	Ford	McCain
Bennett	Frist	McConnell
Biden	Glenn	Mikulski
Bingaman	Gorton	Moseley-Braun
Bond	Graham	Moynihan
Boxer	Gramm	Murkowski
Breaux	Grams	Murray
Bryan	Gregg	Reed
Bumpers	Hagel	Reid
Burns	Harkin	Robb
Byrd	Hatch	Rockefeller
Campbell	Helms	Roth
Chafee	Hollings	Santorum
Cleland	Inouye	Sarbanes
Coats	Jeffords	Shelby
Cochran	Johnson	Smith Gordon H (OR)
Collins	Kennedy	Snowe
Conrad	Kerrey	Stevens
Coverdell	Kerry	Thomas
D'Amato	Kohl	Thompson
Daschle	Landrieu	Thurmond
DeWine	Lautenberg	Torricelli
Dodd	Leahy	Wellstone
Domenici	Levin	Wyden
Dorgan	Lieberman	

NOT VOTING—1

Kyl

The amendment (No. 2328) was rejected.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. Mr. President, I ask unanimous consent that the remaining votes, and there are two remaining votes in this series, then, be limited to 10 minutes in length.

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

Mr. DASCHLE. Mr. President, the question of whether to expand the NATO alliance is one of the most important foreign policy decisions this Senate has been called upon to make since the fall of the Berlin Wall.

We will make history with this vote. So it would seem appropriate to consult history before we cast it. That's what I did the other day. I re-read some of the debate that took place in this chamber 49 years ago, when our predecessors, in the tumultuous years following the Second World War, had the courage and foresight to commit our own nation to this alliance.

One of the chief supporters was Arthur Vandenberg, the chairman of the Senate Foreign Relations Committee. Senator Vandenberg, a Republican from Michigan, predicted that NATO would become ''the greatest war deterrent in history.''

History has proven him right. Because of NATO, a region that produced two cataclysmic wars in this century has now known a half-century of peace and stability. Those of us who were born after the Second World War tend to take that for granted. But in fact, it is a remarkable accomplishment.

Just as the map of Europe was redrawn at the end of World War II, it has been redrawn again with the end of the Cold War. Nations that once marched in lockstep with totalitarian dictatorships have been transformed into struggling young democracies.

It is time for us to redefine NATO to match the new map, the new reality, of this post-Cold War world.

Enlarging NATO's circle of security to include the new democracies of Poland, Hungary and the Czech Republic is not only in the best interests of those nations. It is in the best interests of the entire European continent. And, it is in the national security interest of the United States.

For these reasons, I intend to vote for ratification of the treaty expanding NATO. And I urge my colleagues to do so as well.

I do not underestimate the seriousness of this action, nor do I take lightly the thoughtful arguments some of my fellow Senators have made against ratification of this treaty.

As I see it, there are essentially four such arguments. In making my own decision, I have wrestled with each of them. And I would like to share with you some of my thoughts on them.

First, though, I want to read something from a man who has thought very deeply about these arguments, and about the future of Europe: the President of the Czech Republic, Vaclav Havel. President Havel is among the most articulate supporters of the treaty we are now considering.

''As I follow the debate over whether NATO should be enlarged,'' he has written, ''I have the strong sense that the arguments are often purely mechanical, somehow missing the real meaning of the alliance. ''The process of expansion must be accompanied by something much deeper: a refined definition of the purpose, mission and identity of NATO.

''The alliance,'' he continues, ''should urgently remind itself that it is first and foremost an instrument of democracy intended to defend mutually held and created political and spiritual values. ''It must see itself not as a pact of nations against a more of less obvious enemy, but as a guarantor of Euro-American civilization, and thus a pillar of global security.''

Does NATO exist to defend a fixed list of nations, chosen 49 years ago, against an enemy that no longer exists? Or does it need to respond to the new threats we face by including, under NATO's collective security umbrella, the three countries that have demonstrated not only a deep commitment to democracy, but a willingness to defend it? That is the fundamental question in this debate.

The answer, in my view, is yes. We should expand NATO to include the new democracies of Poland, Hungary and the Czech Republic.

There are, as I said, four other questions as well. They also deserve serious reflection.

The first is: What effect would expanding NATO to include Poland, Hungary and the Czech Republic have on Russia's relations with the West—particularly its relations with the United States?

Russia clearly would prefer that we not expand NATO. Given their history, that is understandable. Russia lost 20 million people in the Second World War.

Despite assurances from NATO that no troops or nuclear weapons will be stationed in the three new member nations, there are those in Russia who remain fearful of an expanded NATO, and others who are trying to exploit those fears to weaken the hands of Russian democratic reformers. This is troubling, because it is clearly in our national interest to see Russia fully engaged with the West.

There is evidence, however, that Russian leaders wish to continue that engagement. Russia's willingness last year to sign the NATO-Russia Founding Act is one example of Russia's commitment to improved relations with the West. Perhaps an even better example is Russia's continued active participation in the international peacekeeping effort in Bosnia.

Some of my colleagues cite fear of antagonizing Russia as a reason to reject this treaty. While I respect their opinion, I do not believe this concern warrants such action, and I cite as evidence Russia's own actions.

We must remember what Secretary of State Albright calls the ''productive

paradox'' at the core of NATO. That is, by demonstrating that we are willing to defend our allies, we dramatically reduce the chances that we will ever actually have to commit troops to do so.

This has been true in the past, and I believe it will remain true in the future.

A second question we must address is the price of enlargement.

It is important that we be clear from the very start: There are costs associated with expanding NATO. And, while most of these costs will be borne by the new member nations, some of the costs will fall to existing members of the alliance, including the United States.

The initial estimates of the costs to the US were quite high. Two things have happened in the last year, however, to reduce projections of those costs.

First, NATO invited three members to join the alliance instead of four, the number on which earlier estimates were based.

Second, and more significant, the military committee of NATO conducted a thorough analysis of the three potential new members and found that their military infrastructures were in better shape than had been assumed. As a result, the cost of bringing them in line with NATO standards is projected to be considerably less.

The new, more accurate estimates put the cost to US at an average of $40 million a year for 10 years.

I am not suggesting for a minute that this is a small amount. It's not. But compare it to the price of some pieces of military hardware. One Blackhawk helicopter costs $10 million. One Harrier jump jet costs $27 million. One F–15 Eagle fighter costs $43 million. One Trident II submarine-launched ballistic missile costs $53 million. And one B–2 bomber costs $2 billion—five times more than the entire 10-year cost of expanding NATO.

No, $400 million over 10 years is not a small amount. But if it can help extend stability and security in central and eastern Europe, it is not a bad bargain.

It is also important to note, Mr. President, that Poland, Hungary and the Czech Republic will be compelled to modernize their defenses—whether or not they join NATO.

If that modernization takes place within NATO's framework, however, we avoid the risk of re-nationalizing militaries that have caused so much instability in Europe in the past.

The third question we must consider is if, in expanding NATO, we are simply drawing new lines in the sand, and thus creating the potential for new conflicts.

Again, I want to quote President Havel, who has also considered the consequences of refusing to erase the old lines. ''If this way of thinking prevails,'' he warns, ''it will turn the alliance into a hopelessly antiquated club of Cold War veterans.''

We can't allow that to happen.

It is not this Senate, or the NATO alliance, that erased the old dividing lines of Yalta. History erased those lines. The power of freedom and democracy erased those lines. We must not maintain an obsolete line in Europe because we are afraid of drawing a new line. We must not let fear of an old enemy keep us from embracing a new ally.

Hitler and Stalin helped draw the line that placed Poland and Hungary and the Czech Republic on the wrong side of freedom in 1944. By admitting these nations to NATO, we are erasing that line.

Finally, there is a fourth question that some have raised in this debate. That is, when will we next consider expanding NATO? And which nations should we consider?

I believe that question is premature. We should remain open-minded. But we haven't yet approved the first expansion. We need to see this process through and carefully and thoroughly evaluate it before we can make any sort of informed decision about admitting additional new members to the alliance. I see no reason why we should commit ourselves to a fixed timetable or list of additional entrants now.

The danger in Europe today does not come from a totalitarian superpower. The danger in Europe today comes from aggressive nationalism and terrorism and the spread and misuse of nuclear weapons and other weapons of mass destruction.

By bringing Poland, Hungary and the Czech Republic into NATO's circle of security and democracy, we will strengthen the bulkhead against these destructive forces. We will bolster NATO's fighting capacity by adding 200,000 troops. We will add geographically significant territory to the alliance. We will increase NATO's understanding of these new threats, and thus its ability to head them off.

And all of this, Mr. President, is in the United States' national security interest.

When the Berlin Wall fell, it answered the prayers of millions of people all over the world. It also created a new landscape in Europe. Extending NATO membership to Poland, Hungary and the Czech Republic will help ensure that democracy and freedom fill that landscape, rather than old hatreds and outdated ideologies.

In his first speech as President of Czechoslovakia, Vaclav Havel described his dream for his country.

''I dream,'' he said, ''of a republic independent, free, and democratic, of a republic economically prosperous and yet socially just, in short, of a humane republic which serves the individual and which therefore holds the hope that the individual will serve it in turn.''

In the years since the Berlin Wall collapsed, Poland, Hungary and the Czech Republic all have made great strides toward achieving that dream. They have demonstrated that they meet NATO's standards for membership, and that they can contribute to the alliance in a meaningful way.

For all these reasons, I will vote to expand the NATO Treaty to include these three new democracies, and I urge my colleagues to do the same.

Mr. LOTT. Mr. President, I will be brief as we complete debate on the resolution of ratification providing our advice and consent to the addition of Poland, Hungary and the Czech Republic to the North Atlantic Treaty Organization.

Ths has been an excellent debate in the finest traditions of the Senate. We have spent more than 40 hours on the resolution over the course of 9 days. Almost 50 Senators have made statement, many of them on several occasions. The Senate has considered 20 amendments. We have adopted 12 and rejected 8. This is in addition to the 4 conditions and 7 declarations in the committee's Resolution.

Many people deserve credit in this debate. The Chairman of Foreign Relations Committee, Senator HELMS, has shown great leadership. Senator ROTH led the NATO Observer Group with energy and diligence. Senator BIDEN served as the lead Democrat to both and made valuable—and frequent—contributions to our debate. Senator GORDON SMITH, Chair of the Europe Subcommittee played a central role.

Many staff played key roles as well. Steve Biegun, Brian McKeon, Beth Wilson and Mike Haltzel of the Foreign Relations Committee can all now get on with their lives. Ian Brzezinski (BRA-zin-ski) with Senator ROTH was always there for the Observer Group. The Congressional Research Service, especially Stan Sloan, on the floor now, provided invaluable services for members on both sides of the issue. Legislative Counsel Art Rynerson drafted virtually all of the language we have been debating.

A number of issues have been raised in our consideration. We have addressed future enlargement, NATO's mission, costs, Bosnia and arms control. I believe all sides have had an opportunity to have their voices heard. Now it is time to cast our votes.

Much has been said about Russia over the past week—how Russia will react to NATO enlargement and the impact on a wide range of bilateral issues. Both sides agree that Russian hard-liners should not have a veto over our course of action. But supporters and opponents of enlargement differ greatly over the impact on our relations with Russia.

We have heard many estimates of how our vote will influence the tangled web of Russian politics and the disturbing course of Russian foreign policy. I do not think anyone can predict the impact with complete precision. But we can look at some basic facts.

First, NATO poses no threat to Russia. No serious person inside or outside Russia believes NATO—with 16 or 19 members—jeopardizes Russia. The

thought of Czech tanks rolling across the Russian steppes is ludicrous.

Second, the average Russian is not concerned about NATO enlargement. A recent poll even shows the majority of Russians in Moscow support adding these three countries to NATO.

Third, the Russians have delayed action on START II for years. NATO enlargement is only the latest in a long line of reasons given for their inaction.

Fourth, Russian diplomacy in Brussels has not been affected by our debate here. Just yesterday, the NATO-Russia Permanent Joint Council discussed a wide range of issues. Alleged Russian concerns about enlargement were not an issue.

Finally, long before NATO enlargement became a real possibility, Russia has engaged in a large number of foreign policy actions that harm our interests—from proliferation to Iran and violations of START I to subversion of its neighbors. NATO enlargement may provide an excuse for Russian adventurism, but will not provide a cause.

Our principle concern with Russia must be Russian behavior—not the volatile mood swings of Russian domestic politics.

Mr. President, this will be a historic vote. It is fitting that we are voting on including the Czech Republic in NATO sixty years after the sellout at Munich, fifty years after the communist coup in Prague, and thirty years after Soviet tanks crushed the winds of freedom in Czechoslovakia.

That is the past and, as many Senators have pointed out, this vote is about the future. It is about what kind of a Europe we want to see. It is about what kind of allies we want in a continent where we have fought three great wars in this century.

Expanding NATO is about ensuring this generation and future generations are not called to fight a fourth time. It is about a 21st century trans-Atlantic partnership that provides more freedom, more security and more opportunity for all of us.

A few days ago, I received a letter from Polish Foreign Minister Geremek (GAR-a-mech). His words are an appropriate way to close debate:

> The consistent and visionary foreign policy of the United States has opened a historic window of opportunity. Just as in 1989, it was American leadership which was the decisive factor in ending the Cold War. . . . so today it is the U.S. Senate which will decide whether a new page is turned in history of the Transatlantic area and Eurasia. It will be a chapter testifying to the triumph of freedom and democracy and to the success of the biggest and most successful alliance in world history. It will strengthen the Alliance to the clear advantage of Europe and America.

I thank all Senators for their cooperation in reaching this moment. I yield the floor.

ORDER OF PROCEDURE

Mr. LOTT. Mr. President, the votes are final passage of the NATO enlargement treaty, and according to the rules of the Senate, Senators should be in their assigned desks and vote from their desks. That is in the rules. I have discussed it with Senator BYRD. We are all here. I think it would be an appropriate thing for us to do. The rules do require it.

I also think it would help us expedite the vote. So, if the Senators would take their assigned desks, we will have a vote on the historic treaty.

The second vote is final passage of the supplemental appropriations bill. Tomorrow, the Senate will debate the Workforce Development Act under a time agreement of no more than 4 hours. Several amendments will be offered. Consequently, those votes will be postponed to occur Tuesday, May 5, at 5:30.

Monday, the Senate will begin consideration of the IRS reform bill. I know we will have a number of Senators who will wish to make opening statements. We will check with the managers and with the leadership to see about the possibility of amendments being offered. But if they are offered, they, too, would occur at 5:30 on Tuesday.

Mr. President, I thank my colleagues for a productive week. I congratulate the managers of this legislation. I thank the Senators who made it possible for us to complete this action tonight. I know some of those who are opposed to it would have liked to have delayed it over until next week, but I believe the time is right for us to vote. I thank all Senators for their help, and I thank Senator DASCHLE for his cooperation and I yield to Senator BYRD.

Mr. BYRD. Mr. President, I thank the distinguished majority leader for yielding. I also thank the distinguished majority leader for calling to the attention of Senators the following standing order, which I hope that Senators will contemplate. And I congratulate the majority leader for enforcing this regulation. Any Senator may ask the Chair to enforce this regulation at any time. I have often thought about it. I think we ought to follow this regulation, Mr. Leader, and I hope that we will establish this as a practice and continue to do it.

The Senate would make a much better impression, not only upon the visitors but also on Senators themselves, if they learn to sit in their seats to answer the rollcall. And they will take greater pride in this institution. I guarantee that, watching from the galleries, it would be a much more impressive sight during rollcall votes than what we have been accustomed to seeing down here in the well, which looks like the floor of a stock market. I have been to the stock market on a few occasions. It doesn't look any worse.

Let me read this standing order of the Senate. It is on page 157 of the Senate manual. All Senators who wish to read it, here it is. It is only three lines. The heading, ''VOTES SHALL BE CAST FROM ASSIGNED DESK.''

> Resolved, that it is a standing order of the Senate that during yea and nay votes in the Senate, each Senator shall vote from the assigned desk of the Senator.

This was by Senate Resolution 480 in the 98th Congress, the Second Session, October 11, 1984.

This is a great day for me. I am glad to see the leader asking that Senators abide by this regulation, which we voted on, those of us who were here in 1984.

I thank the leader.

Mr. LOTT. Thank you, Senator BYRD. I yield the floor.

The PRESIDING OFFICER. Do the Senators yield back the time? The Senator from North Carolina.

Mr. HELMS. Mr. President, Poland, Hungary, and the Czech Republic endured nearly half a century of communist domination as a result of expedient and short-sighted policies of the West. Today, we have the opportunity to remedy that injustice while securing democracy in Central Europe for future generations.

Poland, Hungary, and the Czech Republic have established democratic governments, each has built a market economy, and all three work with us in defense of liberty from Cuba to China.

In my judgment, Mr. President, these three countries belong to NATO. I have met with the Foreign Ministers of all three countries. They understand the commitment and responsibilities that they undertake by joining NATO. I am confident they will meet all of their obligations.

The Foreign Relations Committee held 8 hearings in the past six months, heard from 37 supporters and opponents of NATO expansion. Before the Committee hearings, I myself had concerns about NATO expansion, including what it would cost, how we could deal with Russia, and the future mission of NATO. The Committee's resolution addresses all of these points and passed by a vote of 16-2.

Mr. President, NATO enlargement has been endorsed by countless distinguished individuals including Margaret Thatcher, Jeane Kirkpatrick, Caspar Weinberger, and Richard Perle. In addition, the Foreign Relations Committee has received endorsements of this policy from every living former U.S. Secretary of State, numerous former Secretaries of Defense and national security advisors, and more than sixty flag officers and general officers, including five distinguished former Chairmen of the Joint Chiefs of Staff.

Mr. President, I urge my colleagues to vote overwhelmingly in support of NATO enlargement. This is the right decision for the United States of America.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, I will be very brief. A century ago, our predecessors in the U.S. Senate took a very bold step in ratifying the North Atlantic Treaty.

It is easy for us today to forget what a break with the past that vote represented. For the first time, this country committed itself, in peacetime, to

the defense of democratic Europe. The Senate recognized by its far-sighted action that our future—indeed our own freedom—is inextricably bound to Europe.

The success of the fledgling NATO was by no means certain. Western Europe was made up of a jumble of nations, several of which had only recently been at each others' throats. Germany and France alone had fought each other three times in 74 years. The three western zones of Germany, which were not the Federal Republic and, in fact, were not invited to join NATO.

The countries of Western Europe were economically weak, not yet having recovered nearly fully from the devastation of World War II.

Several European NATO members had strong Communist parties whose loyalty and commitment to democracy were suspect.

Mr. President, our predecessors took a gamble. Fortunately for us and our children—and I hope for our grandchildren—NATO succeeded beyond the Senate s fondest expectations.

As we all know, for 40 years, it kept Soviet imperialism at bay, thereby providing the security umbrella under which democratic Western Europe could recover socially and economically, and thrive.

In the process, NATO expanded its membership three times to welcome Greece and Turkey, West Germany, and Spain. With each expansion the Alliance was strengthened.

Largely thanks to NATO's persistence, communism in most of Europe crumbled, including in the Soviet Union.

Now, nearly 50 years after our predecessors met the challenge of their time, we are called upon, once again, to take up the torch.

Three highly qualified democracies that chafed under the Communist yoke for four decades are now candidates for membership in NATO. Poland, Hungary, and the Czech Republic have already rejoined the West politically and socially. Tonight we can vote to readmit them to the West's security framework.

In a larger sense we will be righting a historical injustice forced upon the Poles, Czechs, and Hungarians by Joseph Stalin.

Mr. President, NATO enlargement is squarely in America's national interest. It is in Europe's interest. And yes—by stabilizing a historic crucible of violence in East-Central Europe—it is in Russia s interest.

I am proud to be able to play a small part in this historic occasion. I will cast my vote with conviction to ratify the Resolution of Ratification, and I urge my colleagues to join me. I yield the floor.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I shall cast my vote in opposition for the reasons that I have stated over the past several days in what I regard is an excellent debate. But if it is the will of two-thirds of the U.S. Senate that this ratification go forward, then I commit, and I hope others will commit, who have been in opposition, to do our very best to make it work.

I think it is going to pose a mighty challenge to make it work, but if that is the decision of this body, for which I have infinite respect, then I commit as a member of the Armed Services Committee, where I will have some special responsibilities, to make it work.

But I also say that I shall be among others who will maintain a vigil as to the future with an open and objective mind but still predicated in my own thoughts on what I have expressed on this floor about future additions of other nations in a manner that would be untimely to make this treaty last another 50 years. I yield the floor.

The PRESIDING OFFICER. Is all time yielded back on both sides? If so, the question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification with certain conditions and declarations to the Protocols of the North Atlantic Treaty of 1949 on the Accession of Poland, Hungary and the Czech Republic. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. KYL) is necessarily absent.

The yeas and nays resulted—yeas 80, nays 19, as follows:

[Rollcall Vote No. 117 Ex.]

YEAS—80

Abraham	Faircloth	Lott
Akaka	Feingold	Lugar
Allard	Feinstein	Mack
Baucus	Ford	McCain
Bennett	Frist	McConnell
Biden	Glenn	Mikulski
Bingaman	Gorton	Moseley-Braun
Bond	Graham	Murkowski
Boxer	Gramm	Murray
Breaux	Grams	Nickles
Brownback	Grassley	Reed
Burns	Gregg	Robb
Byrd	Hagel	Roberts
Campbell	Hatch	Rockefeller
Chafee	Helms	Roth
Cleland	Hollings	Santorum
Coats	Hutchison	Sarbanes
Cochran	Inouye	Sessions
Collins	Johnson	Shelby
Coverdell	Kennedy	Smith (OR)
D'Amato	Kerrey	Snowe
Daschle	Kerry	Stevens
DeWine	Kohl	Thomas
Dodd	Landrieu	Thompson
Domenici	Lautenberg	Thurmond
Durbin	Levin	Torricelli
Enzi	Lieberman	

NAYS—19

Ashcroft	Conrad	Harkin
Bryan	Craig	Hutchinson
Bumpers	Dorgan	Inhofe
Jeffords	Reid	Wellstone
Kempthorne	Smith (NH)	Wyden
Leahy	Specter	
Moynihan	Warner	

NOT VOTING—1

Kyl

The PRESIDING OFFICER. On this vote, the yeas are 80, the nays are 19. Two-thirds of the Senators present having voted in the affirmative, the resolution of ratification, as amended, is agreed to.

The resolution of ratification, as amended, was agreed to.

(The Text of the Resolution of Ratification, as amended, will be printed in a future edition of the RECORD.)

Mr. BIDEN. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Without objection, the Senate will now go into legislative session.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I submit a report of the committee of conference on the bill, H.R. 3579, making emergency supplemental appropriations for the fiscal year ending September 30, 1998, and for other purposes, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill H.R. 3579, have agreed to recommend and do recommend to their respective Houses this report, signed by majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of April 30, 1998.)

Mr. STEVENS. Mr. President, the House passed earlier today the emergency supplemental appropriations conference report by substantial margin.

I want to begin by expressing my appreciation to my friend and colleague from West Virginia, Sen. BYRD, for his assistance and cooperation in presenting this bill to the Senate.

Our Committee worked in a bipartisan manner through every step of the process of moving this emergency supplemental bill through the Senate, and back from conference.

I strongly urge all my colleagues to vote in support of this bill, which addresses urgent funding requirements for the Department of Defense, and many agencies responsible for dealing with natural disasters.

The conference report provides $2.8 billion for emergency defense accounts.

These amounts are not offset by any reductions to defense or non-defense appropriations—they are treated genuinely as emergencies.

We recommend these appropriations based on the expenditures already made by the military, and recognizing the devastating effect of failing to provide these funds now.

The Congress will have the opportunity to consider the proposed funding for missions in Bosnia and southwest Asia in the fiscal year 1999 defense authorization and appropriations bills. This supplemental funding does not prejudge the decisions we face later this year.

The conference report provides $2.6 billion in nondefense emergency appropriations, for FEMA, the Departments of Agriculture, Transportation and the Army Corps of Engineers.

These appropriations are offset by budget authority reductions to contract authority available for HUD sec. 8 housing and the airport improvement program.

Based on extensive discussions with the administration, these amounts are not required to execute these programs during the remainder of fiscal year 1998.

We do face the need to monitor these accounts closely for fiscal year 1999, and some additional funds may be needed for the HUD section 8 housing.

Mr. President, I very much regret that the conference report does not include the funding passed by the Senate for the International Monetary Fund.

The House wishes to take up IMF funding in a separate vehicle, which has been reported by the House Appropriations Committee.

Speaker GINGRICH has committed to holding a vote on the IMF bill in the House. I hope that vote comes later this month, so that we can assure the markets in Asia, and the global financial community, of our Nation's commitment to maintaining economic stability and growth.

Mr. President, before closing, I want to note the exceptional work undertaken by the staff of the House and Senate appropriations committees.

Our conference met for the first time at 2:00 p.m. on Tuesday, and completed most of its work Wednesday night at 6:00 p.m.

By 9:30 a.m. today, the official papers were prepared and ready to file—a remarkable achievement.

I want to especially note the contributions of Jay Kimmitt, Jack Conway and Richard Larson of the Senate committee staff, and John Mikal, Dennis Kedzior and Chuck Parkinson of the House committee staff.

Mr. President, we need to pass this bill tonight, and I believe we have returned to the Senate a good bill, that merits the Senate's support.

Mr. BYRD. Mr. President, I congratulate all the conferees on this very important disaster assistance supplemental appropriation bill, and in particular, the chairman and ranking member of the House Appropriations Committee, Chairman LIVINGSTON and Mr. OBEY, as well as Senator STEVENS, who chaired the conference, for the successful completion of what has been a very difficult conference.

Many of the issues that came before the conference and required extensive debate were extraneous matters that had nothing to do with the primary purposes of the bill, to provide emergency appropriations for our men and women in uniform in Bosnia and Southwest Asia and to provide emergency disaster assistance to those of our citizens who have suffered from the devastating series of natural disasters that have beset the country in recent months—from the ice storms this past winter in the northeast to the flooding in the western and southern portions of the nation, as well as the recent killer tornadoes throughout the southern states. There was very little disagreement on these matters among the conferees. We all understood the urgency of providing the necessary resources for these emergency purposes.

Nevertheless, as I say, we were faced with a number of potential controversial, extraneous legislative riders which had to be debated and disposed of. Those issues ranged from whether to include language in this conference agreement that was in neither version of the bill relating to such things as: interest rates on guaranteed student loans; whether to insert portions of the recently-completed Agricultural Research Conference Report; and whether to override the President's Executive Order prohibiting the importation of assault weapons. Such extraneous issues consumed a considerable amount of time but, I am pleased to say, most were not adopted by the conference.

In all, the bill contains some $2.86 billion to cover the cost of the military operations in Bosnia and Southwest Asia, together with $2.6 billion in emergency disaster assistance payments, principal among which are $1.6 billion for the Federal Emergency Management Agency, $259 million in emergency Federal-aid highway relief, and $130 million for community development block grants. The appropriations for the Department of Defense, as well as the disaster assistance payments were requested by the President as emergency appropriations and, as such, under the Budget Enforcement Act, require no offsets. The Senate version of the bill, therefore, contained no offsets for any of the aforementioned emergency items. Nevertheless the House conferees insisted that the appropriations totaling $2.6 billion for emergency assistance for natural disasters be offset, in budget authority only, by rescissions of $2.3 billion in Section 8 Housing authority reserves and $241 million in excess contract authority in the FAA Airport Improvement Program.

I am pleased that the conferees accepted the Senate amendment which provided the full $550 million request of the President for veterans compensation and pensions. These funds were not included in the House version of the bill before the conferees. The funds are needed to accommodate the additional costs associated with the 1998 cost-of-living adjustment of 2.1 percent for compensation beneficiaries; an increase in the estimated number of compensation beneficiaries; and an increase in the average payments to compensation and pension beneficiaries. It is important that we keep faith with our veterans, who have sacrificed so much in their service to our country, and I am delighted that the conferees agreed to provide these funds on a timely basis so that there will be no interruption in these payments to our veterans. In addition, the bill also includes some $142 million in appropriations for various agencies to enable them to continue their operations throughout the balance of the fiscal year. These latter amounts are appropriately offset by rescissions.

I am pleased that the conference accepted my amendment to the Senate-version of the bill, which was cosponsored by the distinguished chairman of the committee, Mr. STEVENS, and which requires the President to seek support aggressively from our allies and friends to share the burden of containing the Iraqi menace in the Middle East. In my view, Mr. President, this provision is essential as I do not believe that we should shoulder this burden alone. To this end, I note that the distinguished chairman of the committee, as well as selected other members of the committee, will shortly depart for the Middle East in order to impress upon the leaders of our allies in that area of the world the importance that we place upon increased burdensharing by our allies in this very critical aspect of international peacekeeping that is so important to stability in today's world.

Finally, Mr. President, I am disappointed that the House conferees were unable to accept a Senate amendment offered by myself, Senator DORGAN, and other Senators to establish a congressional commission to study causes and consequences of our trade deficits. I have noted that the trade deficit numbers for February are now at a decade-high monthly level, primarily as a result of the Japanese economic problem. We have not had a comprehensive review of our national trade policies since 1970—nearly 30 years ago. This legislation has been 3 years in the making, and my Senate amendment would have established a congressional commission composed of twelve members—six members nominated by the Senate and six members nominated by the House, four of whom shall be Members of congress. Nevertheless, the conferees did agree in the Statement of Managers to include the following:

''The managers considered, but did not adopt, language that would create a Trade Deficit Review Commission, as

proposed by the Senate. The conferees agree that serious concerns exist regarding continuing trade deficits and intend to work with the legislative committees of jurisdiction to establish such a Commission, including in the context of the fiscal year 1999 appropriations process.''

Mr. President, this is a matter of high priority. Senator DORGAN and I will be monitoring this important matter closely. We hope that the various legislative committees of jurisdiction will take up this issue at a very early date. In any case, the members can count on Senator DORGAN and me to revisit this matter on a timely basis later this year if no action has been taken in the interim.

I know that the administration is disappointed that the conference has not chosen to include payments to the International Monetary Fund. This matter was debated at great length during the conference and it was determined that the House, at this time, was not prepared to yield on this issue.

I, again, thank all conferees for their diligent efforts throughout the past week in resolving all of the difficult issues faced in the conference and particularly the chairman of our committee, Senator STEVENS, who chaired this, his first supplemental appropriations conference, with great patience, skill, and good humor.

Mr. President, I thank the Chair and yield the floor.

Mr. CHAFEE. Mr. President, I express my sincere gratitude to the manager of the bill, Senator STEVENS, and to the chair of the Subcommittee on Interior, Senator GORTON. Yesterday, I raised with them an issue of concern regarding amendments to the Coastal Barrier Resources System, a program under the jurisdiction of the Committee on Environment and Public Works, that the conferees were considering. These amendment would have adjusted the boundaries of several units currently in the System in Florida, and they are quite controversial.

Senator STEVENS and Senator GORTON were both very gracious and accommodating to my concerns. They chose not to include the amendments, and instead included language in the report stating that the managers will work with the committees of jurisdiction to explore the possibility of a legislative remedy in the context of future appropriations bill or other legislative vehicle. I very must appreciate this collaborative approach.

Again, I express my sincere thanks to my esteemed colleagues, Senators STEVENS and GORTON.

Mr. KOHL. Mr. President, I rise in opposition to the Supplemental Conference report, and I oppose it for the same reasons I opposed the original Senate Supplemental Appropriations bill in the Appropriaitons Committee.

While I want to go on record supporting the funding for our operations in Bosnia and Iraq, I am voting against this bill because I believe we should have found a way to offset this defense spending. I understand that some of the funding was unanticipated, but certainly not all of it. If we are truly committed to a balanced budget, as I believe we should be, we need to make the tough choices to reduce spending in other areas of defense spending to pay for this bill.

I also want to state that I opposed the House bill which offset defense spending with cuts in domestic programs. Separate defense and domestic spending levels were set in last year's historic balanced budget accord, and I see no reason to revisit those fundamental decisions now. Except for truly unanticipated emergencies, the Department of Defense ought to make the tough decision that allows it to live within its budget. If the non-emergency defense spending in this bill was not important enough to make the Department of Defense's FY 1998 budget, it is not important enough to justify raiding cash-strapped domestic programs.

And finally, I am disappointed that this legislation does not include funding for the International Monetary Fund's quota increase and New Arrangements to Borrow. The situation in Asia has clearly demonstrated that while the mission of the IMF is now more important than ever, the current resources of the fund are not adequate to meet the demands of that mission. We have a responsibility to every American, whether they be consumer, business person, job seeker or job holder, to promote policies that help grow the global economy to which the American economy is increasingly and inextricably linked. Simply put, our future depends on the future of our neighbors and trading partners. Many of my colleagues have raised legitimate concerns regarding IMF reform, concerns which should be addressed. But our primary task for today was to provide the IMF with the resources necessary to continue its important mission, and I regret that Congress failed to live up to that responsibility.

DISTRICT OF COLUMBIA POLICE CHIEF

Mr. FAIRCLOTH. Mr. President, I rise to make a few remarks concerning Section 10007, a general provision included in the conference report for the emergency supplemental appropriations bill for fiscal year 1998. My amendment is a technical amendment clarifying that the terms of the contract recently signed by the new Police Chief for the District of Columbia are valid and not in conflict with existing law. The new Police Chief, Charles Ramsey, was unanimously approved for the job by the D.C. Council, the Mayor, the D.C. Financial Responsibility and Management Assistance Authority (the Control Board) and the Mayor's Citizens Advisory Panel. The employment contract, which called for Chief Ramsey to report to the Control Board, was signed by the Mayor without objection on April 21, 1998. An April 23, 1998 legal opinion written by the District of Columbia Corporation Counsel challenges the legality of the contract. This opinion has created a potential crisis of uncertainty over who Chief Ramsey will report to and threatens to sidetrack the Chief as he begins to clean house at a very troubled department. My amendment simply states that the Chief's April 21, 1998 contract is valid. It also makes clear that, so long as the Control Board—which Congress created—exists, all future Chiefs of Police will work under the same reporting conditions as Chief Ramsey. This amendment is imperative if we are to support the Control Board, Chief Ramsey, and the citizens of the District of Columbia, who deserve a police department that can protect them on the streets and in their neighborhoods.

Mr. SHELBY. Mr. President, I would like to take this opportunity to thank Chairman Stevens, Senator Bond, Senator Domenici and their staffs for their efforts on behalf of the citizens of Alabama. Over the last several months, Alabama has suffered greatly as a result of multiple natural disasters. As the state was addressing the flooding in its Southern regions, a series of violent tornados devastated portions of Northern Alabama. These terrible events resulted in loss of life and extensive property and infrastructure damage. In many cases, whole communities were destroyed. While communities have banded together to begin the process of rebuilding their lives, the need for assistance is obvious to anyone who has viewed the destruction firsthand.

I appreciate the efforts of the Senator from Missouri as the Chairman of the Appropriations Subcommittee on VA/HUD and Independent Agencies to increase the funding provided by the Community Development Block Grant (CDBG) program. Although there has been extensive promotion of buyouts and relocation, it is my understanding that only 3 million dollars is available to the State of Alabama through hazard mitigation funding for this purpose. These funds are dramatically insufficient to meet the current needs and demands of the communities hit by these disasters. It is my understanding that the State of Alabama will be eligible for the CDBG funds included in this bill to respond to the flood and tornado disasters. Is it the Chairman's understanding that this funding could be used by the State for buyouts?

Mr. BOND. As you know, in large part to your help, the conference report to the FY 1998 Supplemental appropriations bill includes $130 million for emergency CDBG funding that is intended to meet unmet emergency disaster needs by supplementing the existing, more traditional disaster programs administered through FEMA, the SBA and the Corps of Engineers. While there remains significant concerns over HUD's administration of

emergency CDBG funding, buyout funding is an eligible activity under both FEMA disaster relief and HUD emergency CDBG funding, and I expect any request for buyout funding for Alabama to receive the full consideration by both FEMA and HUD. Nevertheless, the term ''buyout'' has become overused and has come to mean different things to different people. The federal government should be providing communities with a menu of flexible approaches to address emergency disaster needs. This flexibility is critical to the people of Alabama. In addition, I urge both FEMA and HUD to develop comprehensive yet flexible requirements for buyouts, including eligibility and cost requirements.

Mr. SHELBY. If the State is able to use CDBG money for buyouts, this will certainly help them meet the demand for buyouts that currently exceed the funding made available through the hazard mitigation program. Is it correct that States eligible for this funding would be able to obtain waivers from the low to moderate income requirement in order to make use of this funding for the purposes of responding to their disaster needs?

Mr. BOND. Correct, waivers are included to help programs address local needs. Emergency CDBG funding needs to remain flexible to assist families and individuals in these times of real crisis.

Mr. SHELBY. I want to thank the Senator from Missouri again for his help and effort to ensure that adequate funding is provided for disaster assistance. It is my hope that this funding will be made available expeditiously and equitably to those States currently recovering from disasters. While the funding provided through this bill, due in great part to your assistance, will help, I believe that Alabama will still face huge hurdles in its recovery process. I look forward to continuing to work with you to address the needs of those trying to rebuild.

Mr. SESSIONS. Mr. President, I would like to begin my remarks this afternoon by recognizing and applauding the efforts of my colleague, the distinguished Senior Senator from Alabama, for all of his efforts in working to ensure that the Supplemental Appropriations bill produced by the conference committee includes badly needed relief for our home state of Alabama in the wake of the terrible natural disasters that have occurred over the past month. Senator SHELBY has worked tirelessly to see to it that this document includes assistance for those communities that have suffered so much in the wake of the recent spate of floods and tornadoes that have so severely struck our state. In his position as a member of the Appropriations committee and as a conference to this bill, Senator SHELBY has been a true champion for the interests of his constituents. It is fitting and appropriate that his work be generously acknowledged.

I would also like to take this opportunity to recognize the efforts of the Chairman of the Appropriations Committee, and to thank him for all of the assistance he offered during the conference negotiations over the disaster provisions in the bill. It is very likely that without the support and the leadership provided by Senator STEVENS, we would have been unable to secure funding for the town of Elba, Alabama. Elba has recently been devastated by flooding caused after rain swollen rivers forced the town's levees to give way. Thanks to Senator STEVENS' generous support, this bill contain $5 million in funding to help repair Elba's levee. I can not begin to express how much Senator STEVENS' willingness to go to bat for this small Alabama town means to this Senator.

Finally, I want to thank my good friend Senator BOND of Missouri for your willingness to work with Senator SHELBY and myself to ensure that the increased money that this bill provides for Community Development Block Grants will get to those who are direly in need of them. The supplemental bill contains $130 million in Community Development Block Grant funding. This funding, which is important to communities seeking to recover from devastating events, like those events my state has recently suffered through, needs safeguards to ensure that it ultimately reaches those areas where it is most desperately needed. It is imperative that the Department of Housing and Urban Development makes these grants really available to areas within Alabama that have suffered from these natural disasters. Over the last few weeks my office has been receiving requests from communities throughout the state, communities such as Birmingham and Elba, Geneva, Brewton and East Brewton, all asking that these funds be made available to them so that they might begin the difficult task of rebuilding. Senator BOND, your willingness to help work to ensure that this funding gets back to the devastated areas within my state is very generous, and I appreciate your commitment greatly.

Mr. President, this supplemental bill goes a long way toward beginning the healing process for the citizens in my state that have recently had to shoulder such a heavy burden. I have personally visited the sites in my state that were the hardest hit, and I can assure you that the scope of the devastation and the scope of the personal, human toll these disasters have taken is beyond my ability to adequately convey. This supplemental disaster bill is a good bill, a solid bill and I look forward to securing its passage so that the relief provided within can be begin to get back to the people of Alabama.

Mr. CAMPBELL. Mr. President, today we are voting on the FY 1998 Supplementary Appropriations bill which contains very important disaster relief and funding for our military operations overseas.

In this bill before us, Congress funds emergency disaster relief for El Niño related storms on both coasts and in the southeast. We also provide important funding for our military personnel in Bosnia. Although I have been on record consistently opposing our continued presence in Bosnia, I support our military men and women while they are there. This bill provides that important support.

This appropriations bill also funds our military mission in Iraq. While I am skeptical of the dubious and undefined U.S. plan in this region, I again vote to make sure our military personnel serving our country there are well equipped and defended. This bill provides this assurance.

This bill also provides some important local relief for Colorado. This legislation contains language to assist the City of Boulder. Boulder needs to replace a water pipeline that crosses Forest Service lands. The language in the bill provides assurance that Boulder does not abandon its original easement when it agrees with the Forest Service to relocate the pipeline.

This bill also contains important relief for the National Forests in northern Colorado. Recently, a unique meteorological situation occurred in Routt County, near Steamboat Springs, called a blowdown. A blowdown is exactly that—winds of such terrific and concentrated force blew down almost every tree in the region. It looked as though a large nuclear bomb was detonated above. This devastating disaster affected 20,000 acres of land, almost all which was on national forest land and was the largest such blowdown ever recorded in the Rocky Mountains.

Part of the $10 million appropriated by this bill to the National Forest System would support the cleanup efforts in the Routt National Forest in Colorado. This would assist the local communities which rely on the natural resources of the Routt National Forest for tourism, recreation, agriculture, and timber can get back to normal. Not only will this help economies of the local communities, but it is vital for the health of the Routt National Forest and the Mt. Zirkel Wilderness Area.

This funding will allow the Forest Service to establish a timber salvage plan for the responsible harvest of the downed timber and maintain the roads that will be necessary for this to take place. While the prospect of a timber sale may seem objectionable to some people, I believe the responsible harvest of this timber in the national forest is preferential to the chance a natural or accidental forest fire might occur there.

Mr. LEAHY. Mr. President, I am going to vote for this Supplemental Appropriations Conference Report because it contains important disaster relief funds for Vermont, which was hard hit by ice storms this winter. Vermont's maple syrup makers suffered devastating losses and these funds will help them recover.

But were it not for that I would vote against this Conference Report, and I want to take a moment to explain why and to express my regret and frustration about what has occurred here.

As senators will recall, the Senate passed by a vote of 84–16 funding for the International Monetary Fund as part of this Supplemental. That funding was strongly supported by Senator STEVENS, the Chairman of the Appropriations Committee. It had overwhelming bipartisan support.

It reflected obvious alarm about the economic crisis in Asia, and the fact that a third of all American jobs are tied to exports and a third of those exports go to Asian markets.

Secretary Rubin made a strong case that the IMF funding is urgently needed to stem further weakening of the Asian economies.

So the IMF funding was an issue in the Conference Committee, but the House Republican conferees refused to recede to the Senate position. Apparently the House leadership had ordered them not to agree to the IMF funding because of its continuing dispute with the President over the completely unrelated issue of family planning.

Mr. President, it is outrageous that yet again we have a vitally important foreign policy matter being held hostage by the House in its seemingly endless and futile attempt to make political points over family planning.

The IMF funding has absolutely nothing whatsoever to do with family planning. They are separate issues and should be decided on their merits, not used as political blackmail.

I mention this, Mr. President, because the American people, many of whose jobs depend on the stability of foreign markets, should understand exactly what is happening here.

This is not about the IMF, it is about politics. The House Republican leadership is playing games with the lives of American workers. What do they care? They know that whether or not the Asian economies recover or collapse, the House Republican leadership will have a job regardless. They are not the corn farmer in Iowa, or the manufacturer in Delaware.

Before they will agree to the IMF funding, the House Republican leadership wants the President to sign a law that prohibits US Government support for private organizations that use their own money to petition foreign governments on abortion. It would prohibit those organizations from even speaking on behalf of policies to make abortion safer in countries where it is legal.

And if the President does not agree, they would cut funding for family planning which prevents unwanted pregnancies and abortions by $44 million. It is the most illogical approach to an issue I have ever seen.

Mr. President, we are back to tactics of sabotage, of blackmail, of bringing the government to its knees to win political points. Apparently, as far as the House Republican leadership is concerned nothing matters anymore—not democracy, not the legislative process, and certainly not what is in the best interests of the country.

It is becoming increasingly clear that it is up to the Senate to prevent the Congress from becoming totally irresponsible.

Ms. SNOWE. Mr. President, I rise today to express my support for the disaster supplemental conference report. I would like to thank the conferees and Chairman STEVENS for their efforts to meet the additional needs Maine and the other Northeast states identified after the January ice storm.

Since early January I have worked with the State, FEMA, SBA and other federal agencies to ensure that the devastation from Ice Storm '98 would become a memory and not a long-term problem in Maine. The impact of the storm was such that every Mainer who lived through it, will always remember it—whether it be for the length of time they were without power, the loss of trees throughout the state, the amazing utility crews from up and down the East Coast who worked to restore power or simply the viciousness of mother nature.

The conference report provides assistance in several areas where current federal programs simply couldn't handle the entire problem or where no program existed. Our forests are in shambles due to the damage inflicted on the trees by the ice. The conference report provides $48 million to the US Forest Service in order to help the states and private land owners assess the damage and develop plans for clean up and for ensuring a healthy future for the forests. There is an additional $14 million in the Tree Assistance Program for cleanup. This funding is much needed and very welcome.

There is $4.48 million included in the Emergency Conservation Program to help the maple syrup industry. This money, which will be matched, will help restore tubing which was torn from the trees by the ice and replace taps that were lost.

I am pleased that the conference report also contains funding for the Northeast dairy farmers. The lack of electricity prevented many farmers from milking their cows or from being able to store their milk at the necessary temperature. The $10.8 million in the report will help cover some of these losses as well as pay for stock that was lost as a result of the storm.

The $130 million included for the Community Development Block Grant program (CDBG) is not as much as I would have liked, but I understand that the conferees had a large gap to negotiate as the House bill provided only $20 million while the Senate bill had $260 million. This money is very important to Maine as it will assist the state in covering disaster-related costs unmet by FEMA, including the biggest unmet need in Maine—the costs associated with the damages to our utility infrastructure.

I wish to reiterate my appreciation for the support that the Committee Chairman has shown for the needs of Maine and the Northeast states. His leadership has been vital in ensuring that the recovery from the Ice Storm of '98 for Maine, Vermont and New York will be completed as quickly as possible. Again, I appreciate his assistance and attention to the special needs of our states because of this one hundred year storm, and I urge my colleagues to join me in supporting the conference report.

Mr. KERRY. Mr. President, like the vast majority of my colleagues, I am anxious to speed the funds provided by this bill to the communities all across our country that have been adversely affected by natural disasters. I am equally anxious to provide the funds necessary to maintain our crucial peacekeeping efforts in Bosnia.

This spending is so important because it responds to emergencies—unforeseen events that cause terrible damage to property and to life. Everyone in this chamber understands that the unpredictable nature of these unfortunate events makes budgeting or planning for disasters, by definition, very difficult. That is why the Senate's rules allow us to spend money on an emergency basis without finding offsetting budget cuts. And that is exactly what we in the Senate did when we passed this bill originally.

Unfortunately, through no fault of the distinguished Chairman of the Appropriations Committee, Mr. Stevens, or Ranking Member Byrd, this bill now includes over $2.3 billion of cuts in rental assistance for very low income families.

I regret to say that Republican conferees from the other body demanded these cuts to move forward on this emergency bill. They chose, once again, to try to use Americans who have seen their lives torn apart by tornadoes or floods, who have lost homes and businesses, as a tool to attack the poor, to pursue their cruel ideological agenda.

I am incapable of understanding, Mr. President, what sense it makes to take away one man's home to pay for another's. It makes no sense to me whatsoever. Every year—year-after-year—this Congress raids the housing budget to pay for other programs.

Of course the House Republican Leadership has offered ''assurances'' that these funds will be restored. Who will pay for those? Will that money come from health care for veterans? From crucial environmental programs? From our children's education? That, Mr. President, is only a shell game, and the victims, regardless of which ones are chosen, would be the disadvantaged and powerless. That is nothing short of shameful.

There are 400,000 families who will lose their housing assistance if these funds aren't restored next year. The

Department of Housing and Urban Development just released a report revealing that 5.3 million families already live on the brink of homelessness. Without rental assistance, that number will grow dramatically.

Mr. President, I also am terribly disappointed that the Republican Majority has chosen to play politics with two other vital matters: funding to pay our arrearages to the United Nations, and funding for the International Monetary Fund. The President, the Secretary of State, the Secretary of the Treasury, numbers of other senior government officials, and hundreds of international business leaders, economists, and foreign policy experts have pleaded with the Congress to take the responsible step of meeting our obligations in these two key respects.

Our continued failure to pay our bills to the United Nations—an organization which helps reduce conflict in the world, and which we as a nation press into service for such vital national security objectives as isolating Saddam Hussein in order to halt his diabolical adventurism and to prevent him from developing and using weapons of mass destruction—not only threatens the ability of that institution to survive and function as designed and as we depend on it to function. Our failure sullies our leadership and announces to the world community of nations that we are too good, too mighty, too righteous to be bothered by the responsibilities of world citizenship. The thought that we can do this perpetually and retain our influence for good; the thought that we can do this and retain the ability effectively to insist that other nations meet their obligations to the world community, is nothing less than preposterous.

Similarly, Mr. President, it appears that there are many in the Congress who are somehow both willing and able to play ostrich—to pretend either that the effects of the economic collapse that has rippled through the nations and economies of the Pacific Rim are and will remain wholly confined to that region of the world, or that the world's most powerful economic engine—that of the United States—need play no significant role in the international effort to help the buffeted Asian nations regain economic stability before the disarray makes itself felt very uncomfortably among Americans.

We should not be surprised, if we repeatedly insist on placing ourselves above the responsibilities and obligations recognized by the rest of the developed world, if the rest of the world begins to isolate and ignore us and our wishes. We then may find ourselves paying a terrible price for our obstinacy and arrogance in a world where, increasingly, our objectives must be met by diplomacy and persuasion rather than by force.

Mr. President, this bill contains essential funding. This funding is needed to help the victims of disasters in a number of areas of our nation. It is needed to pay the costs incurred by our armed services to operate the humanitarian mission in Bosnia without cannibalizing funds needed to maintain the readiness of our forces across the board. I am distressed that my colleagues and I are presented with an all-or-nothing vote where, if we reject this bill for what it should do but fails to do, such as paying our U.N. arrearages and infusing funds into the IMF, and what it irresponsibly does, which is to steal desperately needed funds from efforts to meet the housing needs of our nation, we necessarily will reject what it does for disaster victims and to replenish the defense funding accounts that have been used to meet the costs of our Bosnia activities.

I will vote for this bill, but I will do so with the strong reservations I have set forth. I hope the American people will take note of what has been done here, and will respond appropriately.

Mr. STEVENS. Mr. President, I urge adoption of the conference report.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Before we move to adoption of the conference report, two colleagues have asked for a very short time frame to express themselves on a particular provision. And I ask they be accorded that time before we go to a final vote.

Mr. STEVENS. Could we have a time on that?

Mr. DASCHLE. I ask unanimous consent that Senator DURBIN and Senator BOXER both be accorded 2 minutes prior to the time we have a final vote on the conference report.

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

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, I do support the passage of this emergency supplemental, but I want to point out to my colleagues something very important that happened in that committee. There is the presence of a rider in this particular bill. I think you ought to know about it, because you are going to get asked about it.

It will hurt American taxpayers. It will take literally $5.5 million a month out of their pocket and put it into the pocket of big oil companies.

Now, what is this about? I will tell you in my remaining time.

The Mineral Management Services spent 2½ years working on a rule to figure out the best way to collect royalty payments from oil companies. What are royalty payments? They are payments that go to the taxpayers when the companies drill on public lands.

In this particular emergency supplemental bill is a rider that never was part of the House bill, was never part of the Senate bill. We had 10 minutes to discuss it. And it stops this rule from going into effect. So every month that this new rule is stopped from going into effect, $5.5 million—

Mr. WELLSTONE. Mr. President, could we have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order. The Senator from California.

Mrs. BOXER. So every month this rule is stopped from going into effect, American taxpayers are shorted $5.5 million. Now maybe that doesn't sound like a lot to the folks who put in this rider, but I can tell you the folks in your States are going to wonder why we did this, as it were, in the dead of night, because we really couldn't debate it as much as we should have.

Although my chairman was very generous and allowed me to make my comments, I still believed that that rider should not have been placed there when it was not part of either the House or Senate bill.

I yield the remainder to my colleague from Illinois.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, let me rise and first thank the Appropriations Committee for the work on this bill.

I will not be able to vote for it for two reasons. First, I find it interesting that after a week of debate in this Chamber and a lengthy discussion about America's role in world leadership, we follow this historic vote on the enlargement of NATO with an appropriations bill which fails to appropriate funds for our Nation's obligation to the United Nations. It is a source of embarrassment to our Nation that Congress continues to fail to meet its responsibility to the United Nations. A great nation should pay its bills.

Let me also add to what the Senator from California said. If you look at this bill on page 69, section 3009, you will find a provision that has never been in a House bill and never been in a Senate bill that comes in here at the last minute on an emergency spending bill. It is a rider which will give to oil companies some $65 million in breaks for oil and gas that they are taking off of public lands—lands owned by taxpayers.

Last year, we passed a budget agreement with a provision in it for a $50 billion tax break for tobacco companies. We went back home and were embarrassed by it, came back and rescinded it. I'm afraid we are returning home to face more embarrassment for this provision which, unfortunately, provides a break to oil companies at the expense of taxpayers.

For the fiscal conservative listening, this money is not set off by any cuts in spending. This gives to the oil companies, pure and simple, $65 million out of the Treasury, at taxpayers' expense.

I yield back the remainder of my time.

Mr. STEVENS. I yield 1 minute to the Senator from Pennsylvania.

Mr. SANTORUM. I want to bring a rider to the attention of Members.

In conference, a rider was added, not debated on this floor or in the House, that extended for 2 months the period

of time in which Secretary Shalala and the Department of Health and Human Services—for regulations on organ donation policy to be implemented.

The organ donation policy advocated by patient transplant organizations, to have a much more equitable system of organ donation, was put forward on a bipartisan basis support.

The Senator from Louisiana put in an amendment to delay the implementation for 2 additional months over the objections of the administration. People will be dying as a result of this. Sick people who need organs are not going to get those organs as a result of this delay.

We should not allow this to continue. I'm going to vote against this, and I hope that we will not continue this kind of delay.

Mr. BREAUX. Which Senator from Louisiana is he referring to?

Mr. SANTORUM. I was referring to the chairman of the Appropriations Committee in the House.

Mr. BREAUX. Thank you.

Mr. STEVENS. Mr. President, there are provisions in this bill that extend regulations. None of the provisions overrule regulations. There is an additional period of time in three instances for regulations to be reviewed by Congress. We did not meet at night; only during the day. But this is a very serious matter to get this bill passed to assure that men and women of the armed services get the support they need to continue their training and also to meet the disasters that have occurred to this country during this year since we passed a 1998 appropriations bill.

I ask for the yeas and nays.

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

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. KYL), is necessarily absent.

The result was announced—yeas 88, nays 11, as follows:

[Rollcall Vote No. 118 Leg.]

YEAS—88

Abraham	Coverdell	Hatch
Akaka	Craig	Helms
Allard	D'Amato	Hollings
Baucus	Daschle	Hutchinson
Bennett	DeWine	Hutchison
Biden	Dodd	Inouye
Bingaman	Domenici	Jeffords
Bond	Dorgan	Johnson
Boxer	Enzi	Kempthorne
Breaux	Faircloth	Kennedy
Brownback	Feinstein	Kerrey
Bryan	Ford	Kerry
Burns	Frist	Landrieu
Byrd	Glenn	Lautenberg
Campbell	Gorton	Leahy
Chafee	Graham	Levin
Cleland	Grams	Lieberman
Coats	Grassley	Lott
Cochran	Gregg	Lugar
Collins	Hagel	Mack
Conrad	Harkin	McCain
McConnell	Rockefeller	Thomas
Mikulski	Roth	Thompson
Moynihan	Sarbanes	Thurmond
Murkowski	Sessions	Torricelli
Murray	Shelby	Warner
Reed	Smith (OR)	Wellstone
Reid	Snowe	Wyden
Robb	Specter	
Roberts	Stevens	

NAYS—11

Ashcroft	Gramm	Nickles
Bumpers	Inhofe	Santorum
Durbin	Kohl	Smith (NH)
Feingold	Moseley-Braun	

NOT VOTING—1

Kyl

The conference report was agreed to.

THANKS TO STAFF

Mr. BIDEN. Mr. President, I would like to take a brief moment to thank some of the incredibly qualified staff we have here. I don't know whether the public realizes, but some of the young, and in the case of some of my staff not so young, women and men are incredible assets to this country. There are more Rhodes scholars, Marshall scholars, Ph.D.s, professors, former professors, and incredibly talented people who sit here in these seats, not only on treaties, but on every major thing we do and advise us.

On Chairman HELMS' staff, as always, Admiral Bud Nance, a retired Admiral in the U.S. Navy, and close friend of the chairman's and a close advisor, did a terrific job in directing the entire staff and working closely with our staff, as did a man who was kind enough to stay with me, a man who is a significant and capable lawyer, as well as a staff director for the minority, Ed Hall. These two guys run that operation in a way, I say to the leader sitting here, that was almost like the bipartisan days, the old days, in large part because they get along so well and they trust each other so much.

Bud Nance is a gentleman who has already given decades of service to his country in the U.S. Navy, and continues to serve the chairman in his role as staff director.

Additionally, I thank Steve Biegun, Beth Wilson, and Alex Rodriguez, as well as Marshall Billingslea, of the majority staff, who did a first-rate job in pulling together our hearings last fall and in helping draft the resolution of ratification.

On my staff, I will start with this man. I worry about these guys who have one doctorate, but this guy has two. He came to me from a distinguished career as a professor, as well as working in the Library of Congress, Dr. Mike Haltzel. He is the minority staff member for European affairs. He traveled with me throughout the European capitals and to Russia in preparation for the hearings, and he wrote the major portions of the remarks given and rebuttals during this debate. It was a pleasure to have him at my side.

During this process, he has been ably assisted by Mark Tauber, a Pearson Fellow from the State Department; Ed Levine, the committee's arms control expert; and Erin Logan, a Javits Fellow who has honored the memory of our former colleague by her service to the committee.

In addition, Marnie Davidson, Ursula McManus, Dawn Ratliff, Mike Schmidt, and Marc Mellinger provided considerable assistance behind the scenes.

Finally, I thank my counsel on the committee, a young man who came to me out of Auburn, NY, 20 years ago to stay for a ''few days'' and stayed on, and while with me, he graduated from law school, clerked, and then came back and is the legal director for the committee, Brian McKeon.

THANKING ART RYNEARSON

Lastly, I thank Art Rynearson, who is a senior legislative counsel and has served the Senate and the Foreign Relations Committee for over two decades. I know him as Art. I have known him all these years as Art. He is one of those guys behind the scenes, the legislative counsel here, who we take so much for granted, and who did an incredible job. In the 105th Congress, the committee has placed a lot of demands on Art, starting with the Chemical Weapons Convention, the CFE Flank Document, and then on the State Department authorization bill.

On NATO enlargement, he was enormously helpful, as he always is, in helping us draft the resolution of ratification.

Over the past few months—indeed over the past 15 months —Art has worked tirelessly in assisting the Foreign Relations Committee with its busy agenda. I would like to thank him for his competent professionalism and for always being there to help the committee staff.

Lastly, let me thank my colleagues. I believe it is not a presumption to say that the level of debate and the competence that they demonstrated was impressive. I have great respect for those who voted negatively on this because they thought about it long and hard.

I also find, I say to the President, in my 25 years here that when the very big, important issues are before us, almost everyone steps up to the ball, no matter what side they come out on, on those big issues. It is always a consequence of very thoughtful consideration and very engaging debate. It was an honor to be associated with the staff of the majority and the minority.

I thank, lastly, the minority leader for doing what he has been kind enough to do with me since he has been leader—entrusting to me the tactics, if not the strategy, of how to proceed on a major piece of legislation. I thank him for that. I thank him for his confidence.

I yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader is recognized.

Mr. DASCHLE. Mr. President, I will yield the floor in just a moment. But let me, while he is on the floor, congratulate the distinguished Senator from Delaware for his magnificent

leadership over the course of the last several days. I said to him privately, and I will say it at this point for the RECORD, that this was one of his finest hours. This was a time when we needed his leadership, when we needed his expertise, when we could count on him to guide us through this very difficult period. He has done so, as he does on so many occasions, with eloquence, with passion, with expertise, and with a degree of credibility that I think suits this Senate and suits him extraordinarily well. I congratulate him on his achievement.

I congratulate the chairman of the Senate Foreign Relations Committee and others who have had so much to say with regard to our achievement tonight. This, indeed, is a very historic moment. I am honored to be a part of it. I am honored to serve with colleagues who led us so well during this debate.

I again congratulate each and every one of them.

I yield the floor.

Mr. ENZI addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Mr. President, in executive session, I ask unanimous consent that the President be immediately notified of the Senate's action with respect to the NATO enlargement treaty.

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

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. ENZI. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nominations on the Executive Calendar: Calendar No. 581, and Calendar No. 582; also, four Coast Guard nominations reported by the Commerce Committee today; and all military nominations reported by the Armed Services Committee today.

I further ask unanimous consent that the nominations be confirmed, the motions to reconsider be laid upon the table, and the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

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

The nominations considered and confirmed en bloc are as follows:

FEDERAL DEPOSIT INSURANCE CORPORATION

Donna Tanoue, of Hawaii, to be Chairperson of the Board of Directors of the Federal Deposit Insurance Corporation for a term of five years.

Donna Tanoue, of Hawaii, to be a Member of the Board of Directors of the Federal Deposit Insurance Corporation for the remainder of the term expiring October 3, 2000.

IN THE COAST GUARD

The following-named officer for appointment as Commandant of the United States Coast Guard, and for appointment to the grade indicated under title 14, U.S.C., section 44:

To be admiral

Vice Adm. James M. Loy, 0000

The following-named officer for appointment as Vice Commandant, United States Coast Guard, and to the grade indicated under title 14, U.S.C., section 47:

To be vice admiral

Vice Adm. James C. Card, 0000

The following-named officers for appointment in the United States Coast Guard Reserve to the grade indicated under title 14, U.S.C., section 729:

To be rear admiral

Rear Adm. (lh) J. Timothy Riker, 0000

To be read admiral (lower half)

Capt. Carlton D. Moore, 0000

The following-named officer for appointment as Commander, Pacific Area, United States Coast Guard, and to the grade indicated under title 14, U.S.C., section 50:

To be vice admiral

Rear Adm. (lh) Thomas H. Collins, 0000

IN THE AIR FORCE

The following-named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Hal M. Hornburg, 0000

The following-named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Michael C. Short, 0000

IN THE ARMY

The following-named officer for appointment in the United States Army to the grade indicated under title 10, U.S.C., section 624:

To be major general

Brig. Gen. Nancy R. Adams, 0000

The following Army National Guard of the United States officer for appointment in the Reserve of the Army to the grade indicated under title 10, U.S.C., 12203:

To be major general

Brig. Gen. John F. Kane, 0000

The following-named Reserve officer for appointment as Chief of Army Reserve under title 10, U.S.C., section 3038:

To be chief, Army Reserve, United States Army

Maj. Gen. Thomas J. Plewes, 0000

IN THE MARINE CORPS

The following-named officer for appointment in the United States Marine Corps to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Lt. Gen. Carlton W. Fulford, Jr., 0000

The following-named officer for appointment in the United States Marine Corps to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Michael J. Williams, 0000

The following-named officer for appointment in the United States Marine Corps to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Bruce B. Knutson, Jr., 0000

IN THE NAVY

The following-named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be vice admiral

Rear Adm. John R. Ryan, 0000

IN THE AIR FORCE

Air Force nomination of Rita A. Campbell, which was received by the Senate and appeared in the Congressional Record on March 13, 1998.

Air Force nomination of Christianne L. Collins, which was received by the Senate and appeared in the Congressional Record on April 1, 1998.

Air Force nominations beginning Alton G. Cherney, and ending Kevin L. Toy, which nominations were received by the Senate and appeared in the Congressional Record on April 1, 1998.

Air Force nominations beginning Alma J. Abalos, and ending Victoria G. Zamarripa, which nominations were received by the Senate and appeared in the Congressional Record on April 1, 1998.

Air Force nominations beginning Donald S. Abel, and ending Frederick M. Wolfe, which nominations were received by the Senate and appeared in the Congressional Record on April 2, 1998.

IN THE ARMY

Army nominations beginning Michael H. Abreu, and ending X2056, which nominations were received by the Senate and appeared in the Congressional Record on March 6, 1998.

Army nominations beginning Ronald V. Duncan, and ending Lynn H. Witters, which nominations were received by the Senate and appeared in the Congressional Record on March 13, 1998.

Army nominations beginning Richard A. Cline, and ending* Sonja S. Thompson, which nominations were received by the Senate and appeared in the Congressional Record on April 1, 1998.

Army nominations beginning Ruby T. Baddour, and ending Noel L. Woodward, which nominations were received by the Senate and appeared in the Congressional Record on April 2, 1998.

IN THE NAVY

Navy nominations beginning William T. D'Amico, and ending Jose Pubillones, which nominations were received by the Senate and appeared in the Congressional Record on April 1, 1998.

Navy nomination of Robert A. Wulff, which was received by the Senate and appeared in the Congressional Record on April 1, 1998.

Navy nomination of Lynneann Pine, which was received by the Senate and appeared in the Congressional Record on April 1, 1998.

Navy nominations beginning Brian W. Daugherty, and ending Michael Cricchio, which nominations were received by the Senate and appeared in the Congressional Record on April 1, 1998.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now resume legislative session.

MORNING BUSINESS

Mr. ENZI. Mr. President, I ask unanimous consent that there now be a period of the transaction of morning business.

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

TRIBUTE TO THE SOLLEFTEA, SWEDEN/MADISON, MISSISSIPPI SISTER-CITY RELATIONSHIP

Mr. LOTT. Mr. President, I would like to take this opportunity to recognize the sister-city relationship between the City of Solleftea, Sweden and the City of Madison, Mississippi. This international partnership has provided opportunities for cultural and business exchanges, as well as providing Swedish and American citizens unique experiences to broaden cultural perspectives.

The Sister-City Program was inaugurated by United States President Dwight David Eisenhower in 1956. This business and cultural exchange was chartered to foster greater friendship and understanding between the people of the United States and other countries through the medium of direct personal contact. Since its inception, over 1,200 American state and local governments have joined with 2,100 foreign partners to create a network of international friendship.

The citizens of Solleftea and Madison have expressed their willingness and desire, through their respective councils, to become sister-cities and to adhere to the ideals set forth by President Eisenhower. These two cities also wish to encourage cultural exchanges that will lead to a lasting friendship between the communities.

The sister-cities agreement was signed by Solleftea and Madison on June 27, 1997 in Sweden. Since this time, three Swedish companies have opened or plan to open businesses in the City of Madison. Hagloff, Inc., Minitube and Logosol are three Swedish companies that should be commended for their efforts to further the spirit of the June 1997 compact.

The Solleftea and Madison friendship has served as a model for future sister-city partnerships. I commend the efforts of these two great cities and wish them continued success in the future.

AMTRAK

Mr. LOTT. Mr. President, I am concerned about Amtrak's future. Though Congress has worked to ensure its continued existence, the Administration has yet to fulfill its statutory responsibilities which are necessary if Amtrak is to have any hope of turning into a viable operation.

As my colleagues well know, the Senate has invested countless hours during the past several Congresses to enact legislation that would enable Amtrak to reinvent itself, both operationally and financially. After three long years, Congress achieved a bipartisan reform package that was signed into law by the President on December 2, 1997.

This package, the Amtrak Reform and Accountability Act, was touted as Amtrak's ''last chance.'' It provided significant changes, allowing Amtrak to operate more like a business. Congress expected Amtrak to immediately begin implementing the many reform provisions. Certain responsibilities concerning Amtrak's future were assumed by Amtrak's union and management employees, the American taxpayers, Congress and the Administration.

For their part, Amtrak's employees agreed to negotiate employee benefits just like other segments of industry in exchange for financial security. The taxpayers contributed considerably—$2 billion for capital improvements in addition to the $22 billion already given to Amtrak to date.

Congress fulfilled its part of the deal, too. The Congress appointed its members to the newly created Amtrak Reform Board. Further, the Senate recently adopted a provision in the budget resolution urging full funding for Amtrak to enable it to reach its goal of zero operating assistance by 2003.

Who is missing from this effort? Mr. President, I content it is the Administration.

In the past months, the Administration has missed numerous deadlines and issued contrary proposals.

First, the law requires the Department of Transportation (DOT) Inspector General to begin an independent audit of Amtrak's financial situation. The audit was supposed to begin within a month of enactment, which would have been this past January. The DOT Inspector General has worked to abide by the statute, but the Secretary of DOT has refused to allow the audit to go forward. DOT's refusal prompted both the House and Senate Appropriations Committee to provide specific funding to cover the audit's expense. DOT knows that funding is on its way, yet the Secretary has refused to permit the IG to begin the process.

Second, the law required the President to nominate a new 7-member Reform Board to replace Amtrak's current Board of Directors. Since the reform package required Amtrak to operate like a business. Congress and the Administration agreed that new leadership was imperative. After all, instilling a 'new culture' among Amtrak employees and management necessitated that changes start from the top.

The law requires the Reform Board to be in place by March 31, 1998—almost 1 month ago—yet we still have not received a single nomination from the President. Most troublesome is the fact that if the new Reform Board has not assumed the responsibilities of the Amtrak Board of Directors before July 1st, Amtraks' authorization lapses. I do not think the Administration would want this to happen.

Mr. President, in addition to the Administration's recent shortcomings, it has also failed to announce the names of individuals who will fill the Administration's three slots on the Amtrak Reform Council. Because the Council is expected to play a critical role in formulating passenger rail in the years ahead, I have encouraged the 8 members appointed by the Congress to begin their work. I understand the first meeting of the Council should occur in early May.

The only action taken by the Administration thus far has been to propose a budget that underfunds Amtrak in fiscal year 1999. The Administration's budget submission seeks to take money away from capital expenditures and to use it to pay for Amtrak salaries and operating expenses. This diversion proposal is in direct violation of the statutory language in the law which established the capital funding subsidy.

Ms. HUTCHISON. Mr. President, I share the Majority Leader's concerns about Amtrak. As the primary author of the Amtrak reform law, I am very concerned that Amtrak has yet to have the opportunity to avail itself of the statutory reforms we all worked so hard to provide. The Amtrak Reform Council positions are an essential element in the overall reform scheme.

Amtrak needs to make long-term plans and commitments. That action has not yet begun. I hope the Administration will take prompt action to fulfill its responsibilities and give Amtrak the opportunity to achieve what we all hope is possible—a fiscally sound and efficient national rail passenger system.

Mr. McCAIN. My colleagues know all too well my frustrations with Amtrak. However, I worked in good faith with my colleagues and the Administration to move the Amtrak reform legislation through the legislative process. Therefore, I expected similar ''good faith'' to be applied in fulfilling the statutory provisions under the Act.

I find it unconscionable the Administration continues to obstruct the independent assessment. This is one of the most critical elements in the entire reform package. How can anyone determine if Amtrak is meeting its financial obligations if we don't have a baseline to start? What is it about Amtrak's finances the Administration is trying to keep covered up?

Equally troubling to me is the Administration's lack of regard for upholding the statute. A new Reform Board was to be in place nearly a month ago. These positions require Senate confirmation which necessitates hearings and review by the Commerce Committee. I have every intention to uphold our Committee's responsibilities. Yet, we have not received even ONE nomination from the President.

Worse still, the rumors we hear is that the Administration is considering reappointing current Board members. I have been very clear, that the Commerce Committee will not report favorably any Board hold-overs and I stand firm on that position. I would think even the Administration would acknowledge we didn't create a new Board only to reappoint the same members.

Why isn't the Administration interested in fixing Amtrak's problems while it is under their watch? I never cease to be amazed.

Mr. President, the Congress worked long and hard in a bipartisan fashion to give Amtrak one more opportunity to do what they keep telling us they can do given the chance. The President let Amtrak, Congress, and the taxpayers think Amtrak was being given that chance. Sadly, the Administrations subsequent lack of interest is quickly taking that chance away.

SENATOR BYRD RECEIVES CONGRESSIONAL AWARD'S LEADERSHIP AWARD

Mr. DASCHLE. Mr. President, last night, Senator ROBERT C. BYRD was awarded the Congressional Award Program's highest honor, the Leadership Award. This award is given to someone who has exhibited extraordinary leadership in support of programs which benefit our Nation's youth and the Congressional Award Program. We all know Senator BYRD as a skilled legislator, master of the Senate's rules and procedures, award-winning historian of the United States Senate, a man of great honor and personal integrity, a fine example of true leadership, a colleague, and a friend. We may not be fully aware of his tireless efforts on behalf of the children of this country. The Leadership Award is presented each year to individuals who have displayed outstanding commitment to improving the lives of young Americans and who have provided critical support to the Congressional Award program in its efforts to make the Award a national opportunity for all of our young people.

Senator BYRD knows only too well the hardships many of our children face: plagued by poverty, challenged by a culture which all too often fails to glorify the values essential to a civil society, facing violence not present when we grew up, a world without the kinds of heroes that inspired Senator BYRD to personal achievement and a life of service to others. As he so clearly articulated last night at the Congressional Award's annual dinner and program, heroes fuel in us a desire for personal development. And Senator BYRD found out that he is a hero to many.

Grant Hill, NBA basketball star, talked of the great honor of competing against Michael Jordan, and the equally great honor of meeting Senator BYRD, ''the Michael Jordan of the Senate.'' Mr. Hill was awarded the Horizon Award, which gives special recognition to individuals from the private sector who have contributed to expanding opportunities for young Americans through personal contributions to youth programs, and who have set exceptional examples for young people through their success in life.

Congress grants only two medals: The Congressional Medal of Honor and the Congressional Award. The Congressional Award was established by Congress through P.L. 96–114. Senator BYRD was a member of the first Congressional Award Joint Leadership Commission and helped set the standards for this bipartisan program which is available to young people aged 14–23. To earn an award, participants must set and achieve individually challenging goals in volunteer community service, personal development, physical fitness and expeditions.

Please join me in extending our congratulations to Senator BYRD for being the 1998 recipient of the Congressional Award's Leadership Award, and for receiving yet again another first: being named the ''Michael Jordan of the Senate.''

TRIBUTE TO SPEARFISH HIGH SCHOOL STUDENTS FOR THEIR ACCOMPLISHMENTS IN THE 1998 ''WE THE PEOPLE . . .'' COMPETITION

Mr. DASCHLE. Mr. President, I want to commend an outstanding group of students from South Dakota who have participated in the We the People . . . The Citizen and The Constitution program across our state this year. The We the People . . . program is an annual nationwide competition sponsored by the Center for Civic Education.

The We the People . . . The Citizen and the Constitution program is the most extensive educational program in the country developed specifically to educate young people about the Constitution and the Bill of Rights. The We the People . . . program has provided curricular materials at upper elementary, middle and high school levels for more than 75,000 teachers and 24 million students nationwide. This program is designed to help students achieve a reasoned commitment to the fundamental values and principles that bind Americans together as a people. The program also fosters civic dispositions on traits of public and private character conducive to effective and responsible participation in politics and government.

Students from Marion High School, Harding County High School, Hot Springs High School, Rutland High School, and Spearfish High School showed a tremendous amount of talent and exhibited a great deal of diligent study in a state competition last month in Pierre, South Dakota. Students participated in simulated congressional hearings as the culminating state activity for the We the People . . . program. Each class, working in cooperative teams, prepared and presented statements before a panel of subject experts who acted as congressional committee members and posed challenging questions about the Constitution, the Bill of Rights, and our democratic system. The format provided students an opportunity to demonstrate their knowledge of constitutional principles and their understanding of civic responsibility.

These teams had the support and guidance of their teacher and local advisors, which is essential in such a challenging competition. Curt Sage and Principal Mark Rockafellow from Marion High School, Paul Rystrom and Principal Allen Dvorak from Rutland High School, Marty Wood and Principal Gary Peters from Hot Springs High School, and John Pfitzer and Principal Charles Maxon from Harding County High School are to be commended for their involvement and for providing an educational environment in their schools that encourages teachers and students alike to participate in this type of program.

The Spearfish High School team won the state competition and will be visiting Washington next week to compete in the national competition. The Spearfish team is well prepared for what will be an exciting and competitive final round here in Washington on May 2–4. The members of the Spearfish team representing South Dakota in the national finals are: Melissa Bauman, Tricia Beringer, Toni Bickford, Andy Binder, Pam Blair, Chelsea Collins, Christian Colaiacoro, Nicole Dana, Jason Delahoyde, Jacob Dell, Justin Huck, Lucas Humbracht, Sara Jensen, Brandy Lensegrav, Wade McDonald, Justin Nicholas, Eric Nies, Kirby Sand, Jason Schoental, Becky Stokes, Amy Sylvester, Mikayla Tetrault, Jonathon Watson, and James Williams. I am very proud of their accomplishments and wish them well in the national competition.

I would also like to recognize their teachers, Patrick Gainey and Tom Freece, for their tireless efforts over many months in working with these talented students. The district coordinator, Lennis Larson, also contributed a significant amount of time and effort in working with all South Dakota schools who participate in the program.

I commend all the South Dakotans Constitutional scholars who have participated and worked so hard. Our South Dakota student team from Spearfish is currently conducting research and preparing for the upcoming national competition. I wish the students and teacher the best of luck at the We the People . . . national finals, and I look forward to meeting them when they visit Capitol Hill and the Senate.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, April 29, 1998, the federal debt stood at $5,512,958,788,432.21 (Five trillion, five hundred twelve billion, nine hundred fifty-eight million, seven hundred eighty-eight thousand, four hundred thirty-two dollars and twenty-one cents).

One year ago, April 29, 1997, the federal debt stood at $5,348,145,000,000 (Five trillion, three hundred forty-eight billion, one hundred forty-five million).

Five years ago, April 29, 1993, the federal debt stood at $4,237,171,000,000 (Four trillion, two hundred thirty-seven billion, one hundred seventy-one million).

Ten years ago, April 29, 1988, the federal debt stood at $2,502,100,000,000 (Two trillion, five hundred two billion, one hundred million).

Fifteen years ago, April 29, 1983, the federal debt stood at $1,247,917,000,000 (One trillion, two hundred forty-seven billion, nine hundred seventeen million) which reflects a debt increase of more than $4 trillion—$4,265,041,788,432.21 (Four trillion, two hundred sixty-five billion, forty-one million, seven hundred eighty-eight thousand, four hundred thirty-two dollars and twenty-one cents) during the past 15 years.

FIFTIETH ANNIVERSARY OF THE INDEPENDENCE OF ISRAEL

Mr. KENNEDY. Mr. President, I join my colleagues in congratulating the people of Israel on the 50th anniversary of their independence.

Fifty years ago, Israel's first prime minister, David Ben-Gurion, declared the establishment of the State of Israel, ending a centuries-old struggle by the Jewish people to return to their rightful ancestral homeland. The modern dream of a Jewish state had been reborn over 50 years earlier, when Theodore Herzl shared his vision of such a nation during the First World Zionist Conference in Switzerland. Our predecessors in the U.S. Congress supported this vision when they passed a resolution in 1922, calling for the founding of a Jewish nation.

Tragically, the Jewish people were unable to achieve that great goal during the early years of the modern Zionist movement. They were forced to endure the most brutal and systematic repression of a people that humanity has ever witnessed. The six million Jewish men, women, and children who lost their lives during the Holocaust had committed no crime. They were killed, not because of anything they had done, but because of who they were, as part of an inhuman, racist policy that robbed its victims of both life and dignity. The extraordinary courage with which the Jewish people bore this tragedy is a timeless tribute to their enduring faith, and we owe the victims and the survivors a commitment that such persecution and prejudice will never occur again.

From its beginning 50 years ago, the nation of Israel has had a very close and special relationship with the United States. In a perennially turbulent and unpredictable region of the world, Israel has always been a bulwark of stability. It is our closest ally not only in the Middle East, but also in the United Nations. And during times of crisis and conflict in the region, this bond has only been strengthened.

It was no coincidence that America was chosen as the site for the historic Declaration of Principles agreement between the Israeli and the Palestinian people in 1993, since we have always worked with great dedication and commitment to achieve a lasting peace in the Middle East. The Israeli people know that we will continue to work with them and support them during this long and difficult peace process.

No other ethnic or religious group in human history had endured so much pain and prejudice and overcome so many enormous difficulties in establishing a nation of their own. No other new nation faced so great a threat to its immediate survival as did Israel during its first year of existence. They have created a thriving democracy in a region known for its dictatorships. They have generously opened their land to Jews from all over the world. As we celebrate this inspiring Golden Anniversary of the birth of Israel, we also honor and commend the Israeli people for their courage and commitment in achieving their dream of a homeland and in building the strong and vital democracy and friend that Israel is today.

REPORT CONCERNING THE AUSTRALIA GROUP AND THE CONVENTION ON THE PROHIBITION OF THE DEVELOPMENT, PRODUCTION, STOCKPILING AND USE OF CHEMICAL WEAPONS AND ON THEIR DESTRUCTION—MESSAGE FROM THE PRESIDENT—PM 118

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Foreign Relations.

To the Congress of the United States:

In accordance with the resolution of advice and consent to ratification of the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction, adopted by the Senate of the United States on April 24, 1997, I hereby certify in connection with Condition (7)(C)(i), Effectiveness of Australia Group, that:

—Australia Group members continue to maintain an equally effective or more comprehensive control over the export of toxic chemicals and their precursors, dual-use processing equipment, human, animal and plant pathogens and toxins with potential biological weapons application, and dual-use biological equipment, as that afforded by the Australia Group as of April 25, 1997; and

—The Australia Group remains a viable mechanism for limiting the spread of chemical and biological weapons-related materials and technology, and that the effectiveness of the Australia Group has not been undermined by changes in membership, lack of compliance with common export controls and nonproliferation measures, or the weakening of common controls and nonproliferation measures, in force as of April 25, 1997.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *April 29, 1998*.

MESSAGES FROM THE HOUSE

AT 2:21 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate.

H.R. 3546. An act to provide for a national dialogue on Social Security and to establish the Bipartisan Panel to Design Long-Range Social Security Reform.

H.R. 3717. An act to prohibit the expenditure of Federal funds for the distribution of needles or syringes for the hypodermic injection of illegal drugs.

At 6:02 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3579) entitled ''An Act making emergency supplemental appropriations for the fiscal year ending September 30, 1998, and for other purposes.''

The message also announced that the House has passed the following bill, without amendment:

S. 1502. An act entitled ''District of Columbia Student Opportunity Scholarship Act of 1997.''

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent and referred as indicated:

H.R. 3546. An act to provide for a national dialogue on Social Security and to establish the Bipartisan Panel to Design Long-Range Social Security Reform; to the Committee on Finance.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–4672. A communication from the Secretary of Defense, transmitting, a notice relative to a retirement; to the Committee on Armed Services.

EC–4673. A communication from the Secretary of Defense, transmitting, pursuant to law, a report relative to the Mental Health Wraparound Demonstration Project; to the Committee on Armed Services.

EC–4674. A communication from the Under Secretary of Defense (Acquisition and Technology), transmitting, pursuant to law, a notice relative to the annual Counterproliferation Review Committee Report; to the Committee on Armed Services.

EC–4675. A communication from the Under Secretary of Defense (Acquisition and Technology), transmitting, pursuant to law, a report on the Commercial Operations and Support Savings Initiative; to the Committee on Armed Services.

EC–4676. A communication from the Office of the Judge Advocate General, Department of the Navy, transmitting, pursuant to law, the report of a rule entitled ''Shipbuilding Capability Preservation Agreements'' received on April 27, 1998; to the Committee on Armed Services.

EC–4677. A communication from the Chief, Programs and Legislation Division, Office of Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, a notice relative to a cost comparison at Maxwell Air Force Base, Alabama; to the Committee on Armed Services.

EC–4678. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the report of a property transfer; to the Committee on Armed Services.

EC–4679. A communication from the Administrator of the Panama Canal Commission, transmitting, a draft of proposed legislation entitled ''The Panama Canal Commission Authorization Act for Fiscal Year 1999''; to the Committee on Armed Services.

EC–4680. A communication from the General Counsel of the Department of Defense, transmitting, drafts of proposed legislation to address several management concerns of the DOD; to the Committee on Armed Services.

EC–4681. A communication from the Board of Trustees of the Federal Hospital Insurance Trust Fund, transmitting, pursuant to law, the 1998 annual report; to the Committee on Finance.

EC–4682. A communication from the Board of Trustees of the Federal Supplementary Medical Insurance Trust Fund, transmitting, pursuant to law, the 1998 annual report; to the Committee on Finance.

EC–4683. A communication from the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, transmitting, pursuant to law, the 1998 annual report; to the Committee on Finance.

EC–4684. A communication from the Administrator of the Foreign Agricultural Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Dairy Tariff-Rate Import Quota Licensing'' received on April 21, 1998; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4685. A communication from the Director of the Office of the Assistant Secretary for Administration, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Agriculture Acquisition Regulation; Miscellaneous Amendments (AGAR Case 96–03)'' (RIN0599–AA00) received on April 21, 1998; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4686. A communication from the Administrator of the Grain Inspection, Packers and Stockyards Administration, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''U.S. Standards for Rye'' received on April 21, 1998; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4687. A communication from the Deputy Executive Director of the U.S. Commodity Futures Trading Commission, transmitting, pursuant to law, the report of a rule entitled ''Changes In Reporting Levels for Larger Trader Reports'' received on April 22, 1998; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4688. A communication from the Administrator of the Food Safety and Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Elimination of Prior Approval Requirements for Establishment Drawings and Specifications, Equipment, and Certain Partial Quality Control Programs'' (RIN0583–AB93) received on April 27, 1998; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4689. A communication from the Deputy Executive Director of the U.S. Commodity Futures Trading Commission, transmitting, pursuant to law, the report of a rule entitled ''Trade Options on the Enumerated Agricultural Commodities'' received on April 21, 1998; to the Committee on Agriculture, Nutrition, and Forestry.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GRASSLEY, from the Special Committee on Aging:

Special Report entitled ''Developments in Aging: 1996 Volume 3'' (Rept. No. 105–36).

By Mr. STEVENS, from the Committee on Appropriations:

Special Report entitled ''Revised Allocation to Subcommittees of Budget Totals from the Concurrent Resolution for Fiscal Year 1996'' (Rept. No. 105–179).

By Mr. HATCH, from the Committee on the Judiciary, without amendment and with a preamble:

S. Res. 175: A bill to designate the week of May 3, 1998 as ''National Correctional Officers and Employees Week.''

By Mr. D'AMATO, from the Committee on Banking, Housing, and Urban Affairs, with an amendment in the nature of a substitute:

S. 1900: A bill to establish a commission to examine issues pertaining to the disposition of Holocaust-era assets in the United States before, during, and after World War II, and to make recommendations to the President on further action, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. McCAIN, from the Committee on Commerce, Science, and Transportation:

The following named officer for appointment as Commandant of the United States Coast Guard, and for appointment to the grade indicated under title 14, U.S.C., section 44:

To be admiral

Vice Adm. James M. Loy, 0000

The following named officer for appointment as Vice Commandant, United States Coast Guard, and to the grade indicated under title 14, U.S.C., section 47:

To be vice admiral

Vice Adm. James C. Card, 0000

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

The following named officers for appointment in the United States Coast Guard Reserve to the grade indicated under title 14, U.S.C., section 729:

To be rear admiral

Rear Adm. (lh)J. Timothy Riker, 0000

To be rear admiral (lower half)

Capt. Carlton D. Moore, 0000

The following named officer for appointment as Commander, Pacific Area, United States Coast Guard, and to the grade indicated under title 14, U.S.C., section 50:

To be vice admiral

Rear Adm. (lh) Thomas H. Collins, 0000

(The above nominations were reported with the recommendation that they be confirmed.)

By Mr. THURMOND, from the Committee on Armed Services:

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Hal M. Hornburg, 0000

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Michael C. Short, 0000

The following named officer for appointment in the United States Army to the grade indicated under title 10, U.S.C., section 624:

To be major general

Brig. Gen. Nancy R. Adams, 0000

The following Army National Guard of the United States officer for appointment in the Reserve of the Army to the grade indicated under title 10, U.S.C., section 12203:

To be major general

Brig. Gen. John F. Kane, 000

The following named Reserve officer for appointment as Chief of Army Reserve under title 10, U.S.C., section 3038:

To be chief, Army Reserve, United States Army

Maj. Gen. Thomas J. Plewes, 0000

The following named officer for appointment in the United States Marine Corps to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Lt. Gen. Carlton W. Fulford, Jr., 0000

The following named officer for appointment in the United States Marine Corps to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Michael J. Williams, 0000

The following named officer for appointment in the United States Marine Corps to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Bruce B. Knutson, Jr., 0000

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be vice admiral

Rear Adm. John R. Ryan, 0000

(The above nominations were reported with the recommendation that they be confirmed.)

Mr. THURMOND. Mr. President, for the Committee on Armed Services, I report favorably 13 nomination lists in the Air Force, Army, and Navy which were printed in full in the RECORDS of March 6 and 13, April 1 and 2, 1998, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

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

(The nominations ordered to lie on the Secretary's desk were printed in the Records of March 6, 1998, March 13, 1998, April 1, 1998 and April 2, 1998, at the end of the Senate proceedings.)

In the Army nominations beginning Michael H Abreu, and ending X2056, which nominations were received by the Senate and appeared in the Congressional Record of March 6, 1998

In the Air Force nomination of Rita A. Campbell, which was received by the Senate and appeared in the Congressional Record of March 13, 1998

In the Army nominations beginning Ronald V. Duncan, and ending Lynn H. Witters, which nominations were received by the Senate and appeared in the Congressional Record of March 13, 1998

In the Air Force nomination of Christianne L. Collins, which was received by the Senate and appeared in the Congressional Record of April 1, 1998

In the Air Force nominations beginning Alton G. Cherney, and ending Kevin L. Toy, which nominations were received by the Senate and appeared in the Congressional Record of April 1, 1998

In the Air Force nominations beginning Alma J Abalos, and ending Victoria G Zamarripa, which nominations were received by the Senate and appeared in the Congressional Record of April 1, 1998

In the Army nominations beginning Richard A. Cline, and ending * Sonja S. Thompson, which nominations were received by the Senate and appeared in the Congressional Record of April 1, 1998

In the Navy nominations beginning William T. D'Amico, and ending Jose Pubillones, which nominations were received by the Senate and appeared in the Congressional Record of April 1, 1998

In the Navy nomination of Robert A. Wulff, which was received by the Senate and appeared in the Congressional Record of April 1, 1998

In the Navy nomination of Lynneann Pine, which was received by the Senate and appeared in the Congressional Record of April 1, 1998

In the Navy nominations beginning Brian W. Daugherty, and ending Michael Cricchio, which nominations were received by the Senate and appeared in the Congressional Record of April 1, 1998

In the Air Force nominations beginning Donald S Abel, and ending Frederick M Wolfe, which nominations were received by the Senate and appeared in the Congressional Record of April 2, 1998

In the Army nominations beginning Ruby T Baddour, and ending Noel L Woodward, which nominations were received by the Senate and appeared in the Congressional Record of April 2, 1998

By Mr. HATCH, from the Committee on the Judiciary:

Susan Oki Mollway, of Hawaii, to be United States District Judge for the District of Hawaii.

Arthur A. McGiverin, of Iowa, to be a Member of the Board of Directors of the State Justice Institute for a term expiring September 17, 2000.

(The above nominations were reported with the recommendation that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CLELAND:

S. 2009. A bill to require the Secretary of Defense and the Secretary of Veterans Affairs to carry out joint reviews relating to interdepartmental cooperation in the delivery of medical care by the departments; to the Committee on Armed Services.

By Mr. CAMPBELL:

S. 2010. A bill to provide for business development and trade promotion for Native Americans, and for other purposes; to the Committee on Indian Affairs.

By Mr. LEAHY (for himself, Mr. DASCHLE, Mr. KOHL, Mrs. FEINSTEIN, and Mr. CLELAND):

S. 2011. A bill to strengthen the Federal prosecution and seizure of illegal proceeds of international drug dealing and criminal activity, and to provide for the drug testing and treatment of incarcerated offenders and reduce drug trafficking in correctional facilities, and for other purposes; to the Committee on the Judiciary.

By Mr. GRAHAM (for himself and Mr. MACK):

S. 2012. A bill to name the Department of Veterans Affairs medical center in Gainsville, Florida, as the ''Malcolm Randall Department of Veterans Affairs Medical Center''; to the Committee on Veterans Affairs.

By Mrs. FEINSTEIN:

S. 2013. A bill to amend title XIX of the Social Security Act to permit children covered under private health insurance under a State children's health insurance plan to continue to be eligible for benefits under the vaccine for children program; to the Committee on Finance.

By Mr. BIDEN:

S. 2014. A bill to authorize the Attorney General to reschedule certain drugs that pose an imminent danger to public safety, and to provide for the rescheduling of the date-rape drug and the classification of certain ''club'' drug; to the Committee on the Judiciary.

S. 2015. A bill to amend the Public Health Service Act and the Federal Food, Drug, and Cosmetic Act to provide incentives for the development of drugs for the treatment of addiction to illegal drugs, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. D'AMATO:

S. 2016. A bill to suspend temporarily the duty on shadow mask steel; to the Committee on Finance.

By Mr. D'AMATO (for himself, Ms. MIKULSKI, Ms. SNOWE, Mr. MOYNIHAN, Mr. CHAFEE, Mr. DASCHLE, Mr. INOUYE, Mr. BINGAMAN, Mr. JOHNSON, Mr. DODD, Mr. KENNEDY, Ms. MOSELEY-BRAUN, Mrs. FEINSTEIN, and Mrs. BOXER):

S. 2017. A bill to amend title XIX of the Social Security Act to provide medical assistance for breast and cervical cancer-related treatment services to certain women screened and found to have breast or cervical cancer under a Federally funded screening program; to the Committee on Finance.

By Mr. JOHNSON:

S. 2018. A bill to amend the Internal Revenue Code of 1986 to extend the work opportunity tax credit to employers providing employment in economically distressed communities; to the Committee on Finance.

By Mr. ASHCROFT:

S. 2019. A bill to prohibit the use of Federal funds to implement the Kyoto Protocol to the United Nations Framework Convention on Climate Change unless or until the Senate has given its advice and consent to ratification of the Kyoto Protocol and to clarify the authority of Federal agencies with respect to the regulation of the emissions of carbon dioxide; to the Committee on Environment and Public Works.

By Mr. HOLLINGS:

S. 2020. A bill to amend title 10, United States Code, to permit beneficiaries of the military health care system to enroll in Federal employees health benefits plans; to improve health care benefits under CHAMPUS and TRICARE Standard, and for other purposes; to the Committee on Armed Services.

By Mr. SARBANES (for himself and Mr. LIEBERMAN):

S. 2021. A bill to provide for regional skills training alliances, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. DEWINE (for himself, Mr. HATCH, Mr. LEAHY, Mr. ABRAHAM, and Mr. DASCHLE):

S. 2022. A bill to provide for the improvement of interstate criminal justice identification, information, communications, and forensics; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DORGAN (for himself, Mr. KEMPTHORNE, Mr. WYDEN, Mrs. MURRAY, Mr. JOHNSON, Mr. BAUCUS, Mr. CRAIG, Mr. BURNS, Mr. SMITH of Oregon, Mr. CONRAD, Mr. GORTON, Mr. DASCHLE, and Mr. ENZI):

S. Res. 220. A resolution to express the sense of the Senate that the European Union should cancel the sale of heavily subsidized barley to the United States and ensure that restitution or other subsidies are not used for similar sales and that the President, the United States Trade Representative, and the Secretary of Agriculture should conduct an investigation of and report on the sale and subsidies; to the Committee on Finance.

By Mr. BURNS (for himself, Mr. BAUCUS, Mr. ABRAHAM, Mr. ALLARD, Mr. CAMPBELL, Ms. COLLINS, Mr. CRAIG, Mr. ENZI, Mr. GORTON, Mr. GRAMM, Mr. GRAMS, Mr. GRASSLEY, Mr. HAGEL, Mr. HATCH, Mrs. HUTCHISON, Mr. KEMPTHORNE, Mr. MACK, Ms. SNOWE, Mr. THURMOND, Mr. WARNER, Mr. BINGAMAN, Mr. CONRAD, Mr. DASCHLE, Mr. DODD, Mr. DORGAN, Mr. DURBIN, Mr. GLENN, Mr. JOHNSON, Mr. KENNEDY, Mr. KERRY, Mr. LAUTENBERG, Mr. LIEBERMAN, Ms. MOSELEY-BRAUN, Mr. MOYNIHAN, Mrs. MURRAY, Mr. REID, Mr. ROBB, Mr. SARBANES, Mr. TORRICELLI, Mr. WYDEN, Mr. INOUYE, Mr. KERREY, Mr. KOHL, Ms. LANDRIEU, Mr. LEVIN, Mr. SPECTER, Mr. MURKOWSKI, Mr. DEWINE, Mr. AKAKA, Mrs. BOXER, and Mrs. FEINSTEIN):

S. Res. 221. A resolution to designate April 30, 1998, as ''National Erase the Hate and Eliminate Racism Day''; considered and agreed to.

By Mr. LOTT (for himself, Mr. THURMOND, Mr. DASCHLE, Mr. STEVENS, Mr. BYRD, Mr. WARNER, and Mr. FORD):

S. Res. 222. A resolution to commend Stuart Franklin Balderson; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CLELAND:

S. 2009. A bill to require the Secretary of Defense and the Secretary of Veterans Affairs to carry out joint reviews relating to interdepartmental cooperation in the delivery of medical care by the departments; to the Committee on Armed Services.

MILITARY HEALTH CARE LEGISLATION

Mr. CLELAND. Mr. President, I am particularly honored to serve as the

ranking Democratic member of the Senate Armed Services Personnel Subcommittee, a charge I have embraced to its fullest. In the first session of the 105th Congress, I pledged my commitment to improving military health care. Today, I am here to discuss proposals to offer both immediate assistance and a time phased legislative strategy to fulfill this commitment.

The Fiscal Year 1998 Defense Authorization Act (P.L. 105–85) included a Sense of the Congress Resolution which provided a finding that ''many retired military personnel believe that they were promised lifetime health care in exchange for 20 or more years of service,'' and expresses the sense of Congress that ''the United States has incurred a moral obligation'' to provide health care to members and retired members of the Armed Services and that Congress and the President should take steps to address ''the problems associated with the availability of health care for such retirees within two years.'' I authored that resolution, and today in year one of my two-year challenge, I stand ready to take the first of many necessary steps to fulfill this obligation.

I call this obligation ''K-P Duty''—K-P as in KEEPING PROMISES. As a disabled veteran and retiree, as former head of the Veterans Administration, and as the Ranking Member on the Personnel Subcommittee, I am seeking to draft Congress and the entire nation and put us all on K-P Duty.

Back when I was in the Army, some saw K-P or ''kitchen police'' as punishment. If a soldier was derelict in his duties, or if he broke the rules, he went on KP, where he served his fellow soldiers by working in the messhall.

The K-P Duty I'm talking about is not about punishment, however. Yes, we as a nation have been derelict in our duties to our military personnel, active duty and retired. Yes, we have broken our promises. But the K-P Duty I'm talking about is a sacred honor. It is about a grateful nation paying respect to those soldiers who made tremendous sacrifices for our Country. The soldiers who won World War II, who won the Cold War—the soldiers that have made it possible for the United States to be the world's only super power. It is our time, indeed it is past time, to serve these soldiers and fulfill our obligation.

As with any draft in an army, the first order of business is bootcamp. As long as I have taken the liberty of drafting the entire Congress, I might as well serve as drill instructor. Let me take this time to ''drill'' the Senate on the basics of this challenge.

Not only do we have to fulfill our promise, we also have to reconsider the way in which the military and veterans health care systems work. It is the change in the demographics of military health care beneficiaries that necessitates a change in the way that we administer health care.

When I went on active duty, the military was made up of mostly single male soldiers. Looking at the all-volunteer, totally-recruited force today, the picture is much different. Now, 57 percent of all enlisted members and 73 percent of all officers are married. Not surprisingly, the number of young dependents has also risen. In terms of recruitment, quality health care is cited as a major incentive for young men and women who join the military. It is that same health care for soldiers and their families that helps retain these soldiers in the military. Recently, I heard the adage, ''the military recruits a soldier, but retains a family.''

Since the time I was a U.S. Army Captain 30 years ago, the number of active duty personnel has undergone a 58 percent reduction. Concurrently, the number of retirees has more than doubled. The Government Accounting Office reports that approximately 48 percent of the beneficiaries of the Department of Defense Military Health System are active duty members and dependents. The remaining 52 % are retirees and dependents. 71% of military retirees are under the age of 65, while 29% of military retirees are over the age of 65.

As we consider options for improving the DoD and VA health care systems, we need to be mindful of some basic facts. About 60% of retirees under the age 65 live near a military treatment facility but only about 52% the retirees aged 65 and older live near such a facility. About two thirds of retirees under age 65 used the military health system. In comparison, only about a quarter of the retirees aged 65 and older used military medical facilities on a space available basis primarily for pharmacy services.

According to a 1994–95 survey of DoD beneficiaries, over 40 percent of military retirees, regardless of age, had private health insurance coverage. About a third of retirees aged 65 and older also reported having additional insurance to supplement their Medicare benefits. Approximately 14% of retirees under age 65 had insurance to supplement their CHAMPUS coverage.

In this same dynamic environment of the past 30 years, the medical portion of the DoD budget has increased dramatically from approximately two percent to six percent. In part, this can be attributed to cost growth from technology and intensity of treatment in the private and public sectors. It is interesting to note the converse relationship between the increase in health care dollars as the number of active duty personnel decreases and the number of retirees increases.

The Military Health System (MHS) and the Veterans Health Administration are well established institutions that collectively manage over 1500 hospitals, clinics, and health care facilities world-wide, providing services to over 11 million beneficiaries. Overseeing these systems requires a well-planned and executed effort.

The Veterans Health Administration is a system in transition. In the past two years, the VA has replaced its structure of four regions, 33 networks, and hundreds of clinics with a new system geared to decentralizing authority into 22 Veterans Integrated Service Networks. The purpose of the reorganization was to improve the access, quality and efficiency of care provided to the Nation's veterans. The hallmark of the network structure is that the field has been given control over functions which were previously located in Washington. The majority of quality-related activities were transferred closer to the site of patient care.

The Military Health System has also changed. During the Cold War, that system was designed to support full-scale, extremely violent war with the Soviet Union and its allies in Europe. The collapse of the Soviet Union and the end of the Warsaw Pact led to a major reassessment of the U.S. defense policy. The overall size of the active duty force has been reduced by one-third since the mid-1980s.

The DoD health care system changes have included the establishment of a managed care program, numerous facility closures, and significant downsizing of military medical staff. In the last decade, the number of military medical personnel has declined by 15 percent and the number of military hospitals has been reduced by one-third. The National Defense Authorization Act for Fiscal Year 1994 directed DoD to prescribe and implement a nationwide managed health care benefit program modeled on health maintenance organization plans and in 1995, beneficiaries began enrolling in this new program called TRICARE. With over 8 million beneficiaries, it is the largest health maintenance organization plan in the Nation.

One of the problems with TRICARE is what happens to retirees when they reach the age of 65. They are ineligible to participate in TRICARE. The law currently provides for transition from military health care to Medicare for these beneficiaries. This is not the right solution, especially given the fact that Medicare does not currently reimburse the DoD for health care services, although Congress recently authorized a test of this concept. In addition, as the military begins to close and downsize military treatment facilities, retirees over 65 are unable to seek and obtain treatment on a space available basis. The retirees over 65 are, in effect, being shut out of the medical facilities promised to them.

The changing health care environment has created its own set of unique challenges. To assess these varied and special requirements, I formed a Military Health Care Reform Working Group of senior officials in government and the private sector to explore innovative solutions to improve the military and veterans health care systems. During the past few months this group analyzed the array of military and veterans health care issues and recently provided a comprehensive report of

their findings and recommendations to me.

In March, I hosted a military health care roundtable at Fort Gordon, Georgia. The positive and supportive working relationship between the Eisenhower Army Medical Center and the Veterans Administration Medical Center in Augusta, Georgia was highlighted by the panel speakers and audience members. These facilities have established a sharing agreement which allows each to provide certain health care services to the beneficiaries of the other. This type of joint approach has the potential to alleviate a significant portion of the accessibility problem faced by military retirees, especially given the reduction in DoD medical treatment facilities. In spite of these benchmarked efforts in cooperative care, beneficiaries who were in the audience still attested to insufficient accessibility to resources to meet their needs.

Public Law 97–174, ''The Veterans Administration and Department of Defense Health Resources Sharing and Emergency Operations Act,'' was enacted in 1982 specifically to promote cost-effective use of federal health care resources by minimizing duplication and underuse of health care resources while benefitting both VA and DoD beneficiaries. Under this law, VA and DoD pursue programs of cooperation ranging from shared services to joint venture operations of medical facilities. Sharing agreements are developed on a local basis, whereas, joint ventures are developed at the highest levels within an organization or command.

In 1984, there were a combined total of 102 VA and DoD facilities with sharing agreements. By 1997, that number had grown to 420. In five years, between FY 1992 and FY 1997, shared services increased from slightly over 3,000 to more than 6,000 services ranging from major medical and surgical services, laundry, blood, and laboratory services to unusual speciality care services. VA and DoD currently have four joint ventures in operation in New Mexico, Nevada, Texas, Oklahoma, and four more in planning for Alaska, Florida, Hawaii, California.

In my opening remarks, I suggested that there are things that we can do immediately and others that can be accomplished through a near term time phased legislative strategy to fulfill our moral obligation to active duty and retired service personnel. Let me first discuss some of the options.

There has been an overwhelming outpouring of support for offering Federal Employee Health Benefits Program (FEHBP) to military retirees. Although this program has achieved a successful reputation among federal employees, it is a costly alternative which necessitates close scrutiny, along with other health care options. I appreciate the fact that there are many advantages to FEHBP. Furthermore, I share the view that health care for military retirees should be at least as good as the health care we in the Congress afford ourselves. I am committed to working closely on the FEHBP option.

The Medicare Subvention demonstration project that is scheduled to begin enrollment in the near future involves TRICARE Prime. Unfortunately, it will only benefit retirees who live near military treatment facilities—which is only about half of all retirees. Those retirees living outside catchment areas won't benefit from subvention. Additionally, there are ongoing efforts to initiate a Veterans Affairs Subvention test. The limiting criteria of these tests is that they require beneficiaries to live near the respective treatment facilities. To accommodate those beneficiaries that do not live near treatment facilities or within the catchment area, we must explore other alternatives, including, as I mentioned, the FEHBP option.

Today, I am announcing two initiatives. The first is a bill to require the Department of Defense and the Department of Veterans Affairs to significantly enhance their cooperative efforts in the delivery of health care to their respective beneficiaries. Several measures to enhance military health care efficiencies are already being explored, and the initiative I am proposing would complement these efforts without any direct impact on current spending. Let me just highlight some of the elements of my plan.

The first element directs DoD and the VA to conduct a comprehensive survey to determine the demographics of their beneficiaries, their geographic distribution, and their preferences for health care. A second survey would review the range of existing DoD and VA facilities and resources and the capacity available for cooperative efforts. The purpose of these reviews is simple. We need to accurately determine who we are serving, what they want, and what resources we currently have to provide to them.

The second element directs DoD and the VA to provide to the Congress a report on any and all impediments which preclude optimal cooperation and/or integration between DoD and VA in the area of health care delivery. We need to know what statutory restrictions, regulatory constraints, and cultural issues stand in the way of full and complete cooperation between the two departments. They would be directed to recommend to the Congress what changes should be made in the law. Furthermore, they would be directed to eliminate any regulatory and cultural impediments.

The third element addresses several projects that have been undertaken by the Departments of Defense and Veterans Affairs that can be accelerated for near term implementation. The Electronic Transfer of Patient Information, a collaborative effort by DoD and VA which would provide for immediate transfer of and access to patient records at the time of treatment is a project which merits Congressional support. The DoD and VA have also established the DoD/VA Federal Pharmaceutical Steering Committee. I believe this committee should perform a comprehensive examination of existing pharmaceutical benefits and programs, including current management and utilization of mail order pharmaceuticals. Finally, the initiative directs DoD to review the extent of VA participation in TRICARE networks and to take steps to ensure optimal participation by the VA.

The second initiative I am announcing today is legislation which is being crafted to respond to the tremendous outcry to provide health care for military retirees over 65. Mr. President, as you know, S. 1334, a bill to provide for a test of the FEHBP plan has 60 cosponsors. It is my plan to work with my friend and colleague Senator KEMPTHORNE in the Senate Armed Services Committee to include in the National Defense Authorization bill a proposal that addresses this matter this year.

I recognize that there is a perception that our military benefits are eroding but I am here today to say that we can change this perception if we all do our share on K-P Duty. Greater cooperation among the DoD and VA will yield greater choices for the beneficiaries of these systems. Developing a viable health care alternative for our retirees over 65, a group that has been largely disenfranchised, will ensure that now all beneficiaries have access to the health care to which they are entitled because of their service to this Nation.

We made a promise, now let's keep it. It is as simple as that.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD.

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

S. 2009

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS.

Congress makes the following findings:

(1) The military health care system of the Department of Defense and the Veterans Health Administration of the Department of Veterans Affairs are national institutions that collectively manage more than 1,500 hospitals, clinics, and health care facilities worldwide to provide services to more than 11,000,000 beneficiaries.

(2) In the post-Cold War era, these institutions are in a profound transition that involves challenging opportunities.

(3) During the period from 1988 to 1998, the number of military medical personnel has declined by 15 percent and the number of military hospitals has been reduced by one-third.

(4) During the two years since 1996, the Department of Veterans Affairs has revitalized its structure by decentralizing authority into 22 Veterans Integrated Service Networks.

(5) In the face of increasing costs of medical care, increased demands for health care services, and increasing budgetary constraints, the Department of Defense and the

Department of Veterans Affairs have embarked on a variety of dynamic and innovative cooperative programs ranging from shared services to joint venture operations of medical facilities.

(6) In 1984, there was a combined total of 102 Department of Veterans Affairs and Department of Defense facilities with sharing agreements. By 1997, that number had grown to 420. During the six years from fiscal year 1992 through fiscal year 1997, shared services increased from slightly over 3,000 services to more than 6,000 services ranging from major medical and surgical services, laundry, blood, and laboratory services to unusual speciality care services.

(7) The Department of Defense and the Department of Veterans Affairs are conducting four health care joint ventures in New Mexico, Nevada, Texas, Oklahoma, and are planning to conduct four more such ventures in Alaska, Florida, Hawaii, and California.

SEC. 2. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) the Department of Defense and the Department of Veterans Affairs are to be commended for the cooperation between the two departments in the delivery of medical care, of which the cooperation involved in the establishment and operation of the Department of Defense and the Department of Veterans Affairs Executive Council is a praiseworthy example;

(2) the two departments are encouraged to continue to explore new opportunities to enhance the availability and delivery of medical care to beneficiaries by further enhancing the cooperative efforts of the departments; and

(3) enhanced cooperation is encouraged for—

(A) the general areas of access to quality medical care, identification and elimination of impediments to enhanced cooperation, and joint research and program development; and

(B) the specific areas in which there is significant potential to achieve progress in cooperation in a short term, including computerization of patient records systems, participation of the Department of Veterans Affairs in the TRICARE program, pharmaceutical programs, and joint physical examinations.

SEC. 3. JOINT SURVEY ON POPULATIONS SERVED.

(a) SURVEY REQUIRED.—The Secretary of Defense and the Secretary of Veterans Affairs shall jointly conduct a survey of their respective medical care beneficiary populations to identify, by category of beneficiary (defined as the Secretaries consider appropriate), the expectations of, requirements for, and behavior patterns of the beneficiaries with respect to medical care. The two Secretaries shall develop the protocol for the survey jointly, but shall obtain the services of an entity independent of the Department of Defense and the Department of Veterans Affairs for carrying out the survey.

(b) MATTERS TO BE SURVEYED.—The survey shall include the following:

(1) Demographic characteristics, economic characteristics, and geographic location of beneficiary populations with regard to catchment or service areas.

(2) The types and frequency of care required by veterans, retirees, and dependents within catchment or service areas of Department of Defense and Veterans Affairs medical facilities and outside those areas.

(3) The numbers of, characteristics of, and types of medical care needed by the veterans, retirees, and dependents who, though eligible for medical care in Department of Defense or Department of Veterans Affairs treatment facilities or other federally funded medical programs, choose not to seek medical care from those facilities or under those programs, and the reasons for that choice.

(4) The obstacles or disincentives for seeking medical care from such facilities or under such programs that veterans, retirees, and dependents perceive.

(5) Any other matters that the Secretary of Defense and the Secretary of Veterans Affairs consider appropriate for the survey.

(c) REPORT.—The Secretary of Defense and the Secretary of Veterans Affairs shall submit a report on the results of the survey to the appropriate committees of Congress. The report shall contain the matters described in subsection (b) and any proposals for legislation that the Secretaries recommend for enhancing Department of Defense and Department of Veterans Affairs cooperative efforts with respect to the delivery of medical care.

SEC. 4. REVIEW OF IMPEDIMENTS TO COOPERATION.

(a) REVIEW REQUIRED.—The Secretary of Defense and the Secretary of Veterans Affairs shall jointly conduct a review to identify impediments to cooperation between the Department of Defense and the Department of Veterans Affairs regarding the delivery of medical care. The matters reviewed shall include the following:

(1) All laws, policies, and regulations, and any attitudes of beneficiaries of the health care systems of the two departments, that have the effect of preventing the establishment, or limiting the effectiveness, of cooperative health care programs of the departments.

(2) The requirements and practices involved in the credentialling and licensure of health care providers.

(3) The perceptions of beneficiaries in a variety of categories (defined as the Secretaries consider appropriate) regarding the various Federal health care systems available for their use.

(b) REPORT.—The Secretaries shall jointly submit a report on the results of the review to the appropriate committees of Congress. The report shall include any proposals for legislation that the Secretaries recommend for eliminating or reducing impediments to interdepartmental cooperation that are identified during the review.

SEC. 5. PARTICIPATION OF DEPARTMENT OF VETERANS AFFAIRS IN TRICARE.

(a) REVIEW REQUIRED.—The Secretary of Defense shall review the TRICARE program to identify opportunities for increased participation by the Department of Veterans Affairs in that program. The ongoing collaboration between Department of Defense officials and Department of Veterans Affairs officials regarding increasing the participation shall be included among the matters reviewed.

(b) SEMIANNUAL REPORT.—The Secretary of Defense and the Secretary of Veterans Affairs shall jointly submit to the appropriate committees of Congress a semiannual report on the status of the review and on efforts to increase the participation of the Department of Veterans Affairs in the TRICARE program. No report is required under this subsection after the submission of a semiannual report in which the Secretaries declare that the Department of Veterans Affairs is participating in the TRICARE program to the extent that can reasonably be expected to be attained.

SEC. 6. PHARMACEUTICAL BENEFITS AND PROGRAMS.

(a) EXAMINATION REQUIRED.—(1) The Federal Pharmaceutical Steering Committee shall—

(A) undertake a comprehensive examination of existing pharmaceutical benefits and programs for beneficiaries of Federal medical care programs, including matters relating to the purchasing, distribution, and dispensing of pharmaceuticals and the management of mail order pharmaceuticals programs; and

(B) review the existing methods for contracting for and distributing medical supplies and services.

(2) The committee shall submit a report on the results of the examination to the appropriate committees of Congress.

(b) REPORT.—The committee shall submit a report on the results of the examination to the appropriate committees of Congress.

SEC. 7. STANDARDIZATION OF PHYSICAL EXAMINATIONS FOR DISABILITIES.

The Secretary of Defense and the Secretary of Veterans Affairs shall submit to the appropriate committees of Congress a report on the status of the efforts of the Department of Defense and the Department of Veterans Affairs to standardize physical examinations administered by the two departments for the purpose of determining or rating disabilities.

SEC. 8. APPROPRIATE COMMITTEES OF CONGRESS DEFINED.

For the purposes of this Act, the appropriate committees of Congress are as follows:

(1) The Committee on Armed Services and the Committee on Veterans' Affairs of the Senate.

(2) The Committee on National Security and the Committee on Veterans' Affairs of the House of Representatives.

SEC. 9. DEADLINES FOR SUBMISSION OF REPORTS.

(a) REPORT ON JOINT SURVEY OF POPULATIONS SERVED.—The report required by section 3(c) shall be submitted not later than January 1, 2000.

(b) REPORT ON REVIEW OF IMPEDIMENTS TO COOPERATION.—The report required by section 4(b) shall be submitted not later than May 1, 1999.

(c) SEMIANNUAL REPORT ON PARTICIPATION OF DEPARTMENT OF VETERANS AFFAIRS IN TRICARE.—The semiannual report required by section 5(b) shall be submitted not later than January 1 and June 1 of each year.

(d) REPORT ON EXAMINATION OF PHARMACEUTICAL BENEFITS AND PROGRAMS.—The report on the examination required under section 6 shall be submitted not later than 60 days after the completion of the examination.

(e) REPORT ON STANDARDIZATION OF PHYSICAL EXAMINATIONS FOR DISABILITIES.—The report required by section 7 shall be submitted not later than June 1, 1999.

By Mr. CAMPBELL:

S. 2010. A bill to provide for business development and trade promotion for Native Americans, and for other purposes; to the Committee on Indian Affairs.

THE NATIVE AMERICAN BUSINESS DEVELOPMENT, TRADE PROMOTION, AND TOURISM ACT OF 1998

Mr. CAMPBELL. Mr. President, today I am pleased to introduce a measure to help Indians and tribal businesses foster entrepreneurship and vigorous reservation economies. Indian tribes face many challenges, but the greatest priority is in building stronger economies and providing jobs to tribal members. With this bill, I intend to unshackle Indian entrepreneurship to provide jobs and revenues for reservation economies.

When the Europeans landed in the New World to explore and build settlements, they were greeted by Native

people with a long tradition of intertribal and regional trade. The tribes traded pelts and furs, hand-woven baskets, blankets, virtually limitless arts and crafts, weapons, and a variety of Native grown and gathered foods.

Unrestrained by bureaucrats and free to roam their own lands, the tribes enjoyed a standard of material well-being that, while not ideal, was a far cry from the Third World conditions most Indian people live in today.

Over the course of 200 years this tradition has been replaced by rules and regulations that continue to stifle Indian entrepreneurship and instead promise cradle-to-grave ''security'' based on federal transfer payments. The practical results of federal domination is predictable: lifeless reservation economies and the absence of a private sector to create wealth and sustain employment for Indian people.

The current statistical profile of Indian people is poor and shows little sign of improvement. Despite the popular belief that gaming has made millionaires of all Indians, the reality is otherwise as most Indian gaming revenues are more like church bingo than like Las Vegas or Atlantic City.

In the Great Depression, the national unemployment rate was 20 percent and it was called a ''national crisis.'' Indian country has an unemployment rate running at 50 percent, and there are no comments, no sense of urgency and little attention being paid.

There are other reasons job opportunities are needed. In 1996, the Congress enacted a welfare reform law that provides transition assistance to welfare recipients and rightly requires able-bodied Americans to get and keep jobs. In rural areas, particularly on Indian reservations, the welfare reform will hit hard because employment opportunities are scarce.

The goal of this and future efforts is to increase value-added activities on reservations in such fields as manufacturing, energy, agriculture, livestock and fisheries, high technology, arts and crafts, and a host of service industries.

The United States has the responsibility to preserve, protect and maximize tribal assets and resources, and an obligation to improve the standards of living of Indian people. In this legislation, that responsibility is primarily in removing the barriers to success the federal government itself has created over the years.

The bill aims to make best use of and streamline existing programs to provide the necessary tools to enable tribes to attract outside capital and technical expertise. This model has proven highly successful in the self governance arena and in the Indian job training program, known as the ''477'' program. The bill would provide better coordination of existing business development programs in the Commerce Department and maximize the resources made available to tribes.

The tribes have a responsibility as well. As a matter of Indian self determination, the tribes are increasingly administering federal services, programs, and activities in lieu of the federal government. This has led to more capable and accountable tribal governments. A fundamental precept of self-government is a reduction in the dependence on the federal bureaucracy and federal funds and by assuming a greater role in funding their own self government.

The Committee on Indian Affairs recently held a hearing on economic development and one of the findings was that the tribes need to provide governance infrastructure and friendly business environments if they want to attract and retain investment. Whether by adopting commercial codes, or tribal courts that can address business issues, or regulations that do not repel the private sector, tribal efforts are critical if this effort is to succeed.

Under the bill, the Native American Business Development Office in the Commerce Department will coordinate existing programs, including those for international business and tourism, aimed at development on Indian lands. This bill does not create any new programs but rather is intended to achieve more efficiency in those that already exist within existing budget authority. The bill also prohibits assistance under the act from being used for gaming on Indian lands.

In addition, the bill directs the Secretary to create a task force on regulatory reform and business development to analyze existing laws and regulations that are restraining business and economic development on Indian lands. Again, the bill is not intended to create a new entity, but recognizes that there is great need to strip away the layers of unnecessary rules and regulations that stifle Indian businesses.

I urge those that are critical of Indian gaming to join me in providing alternatives to build strong and diversified tribal economies for the benefit of tribes, tribal members, and surrounding communities.

Mr. President, I ask unanimous consent that the provisions of the bill and an article written by James Gwartney for the Wall Street Journal dated April 10, 1998, entitled ''Less Government, More Growth'' be printed in the RECORD.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

S. 2010

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Native American Business Development, Trade Promotion, and Tourism Act of 1998''.

SEC. 2. FINDINGS; PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) clause 3 of section 8 of article I of the United States Constitution recognizes the special relationship between the United States and Indian tribes;

(2) beginning in 1970, with the inauguration by the Nixon Administration, of the Indian self-determination era of the Federal Government, each President has confirmed the special government-to-government relationship between Indian tribes and the United States;

(3) in 1994, President Clinton issued an Executive memorandum to the heads of departments and agencies that obligated all Federal departments and agencies, particularly those that have an impact on economic development, to evaluate the potential impacts of their actions on Indian tribes;

(4) consistent with the principles of inherent tribal sovereignty and the special relationship between Indian tribes and the United States, tribes retain the right to enter into contracts and agreements to trade freely, and seek enforcement of treaty and trade rights;

(5) Congress has carried out the responsibility of the United States for the protection and preservation of Indian tribes and the resources of Indian tribes through the endorsement of treaties, and the enactment of other laws, including laws that provide for the exercise of administrative authorities;

(6) the United States has an obligation to guard and preserve the sovereignty of Indian tribes in order to foster strong tribal governments, Indian self-determination, and economic self-sufficiency among Indian tribes;

(7) the capacity of Indian tribes to build strong tribal governments and vigorous economies is hindered by the inability of Indian tribes to engage communities that surround Indian lands and outside investors in economic activities on Indian lands;

(8) despite the availability of abundant natural resources on Indian lands and a rich cultural legacy that accords great value to self-determination, self-reliance, and independence, American Indians and Alaska Natives suffer higher rates of unemployment, poverty, poor health, substandard housing, and associated social ills than those of any other group in the United States;

(9) the United States has an obligation to assist Indian tribes with the creation of appropriate economic and political conditions with respect to Indian lands to—

(A) encourage investment from outside sources that do not originate with the tribes; and

(B) facilitate economic ventures with outside entities that are not tribal entities;

(10) the economic success and material well-being of American Indian and Alaska Native communities depends on the combined efforts of the Federal Government, tribal governments, the private sector, and individuals;

(11) the lack of employment and entrepreneurial opportunities in the communities referred to in paragraph (8) has resulted in a multigenerational dependence on Federal assistance that is—

(A) insufficient to address the magnitude of needs; and

(B) unreliable in availability; and

(12) the twin goals of economic self-sufficiency and political self-determination for American Indians and Alaska Natives can best be served by making available to address the challenges faced by those groups—

(A) the resources of the private market;

(B) adequate capital; and

(C) technical expertise.

(b) PURPOSES.—The purposes of this Act are as follows:

(1) To revitalize economically and physically distressed Indian reservation economies by—

(A) encouraging the formation of new businesses by eligible entities, the expansion of existing businesses; and

(B) facilitating the movement of goods to and from Indian reservations and the provision of services by Indians.

(2) To promote private investment in the economies of Indian tribes and to encourage the sustainable development of resources of Indian tribes and tribal and Indian-owned businesses.

(3) To promote the long-range sustained growth of the economies of Indian tribes.

(4) To raise incomes of Indians in order to reduce poverty levels and provide the means for achieving a higher standard of living on Indian reservations.

(5) To encourage intertribal, regional, and international trade and business development in order to assist in increasing productivity and the standard of living of members of Indian tribes and improving the economic self-sufficiency of the governing bodies of Indian tribes.

(6) To promote economic self-sufficiency and political self-determination for Indian tribes and members of Indian tribes.

SEC. 3. DEFINITIONS.

In this Act:

(1) BOARD.—The term ''Board'' has the meaning given that term in the first section of the Act entitled ''To provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry in the United States, to expedite and encourage foreign commerce, and for other purposes'', approved June 18, 1934 (19 U.S.C. 81a).

(2) ELIGIBLE ENTITY.—The term ''eligible entity'' means an Indian tribe, tribal organization, Indian arts and crafts organization, tribal enterprise, tribal marketing cooperative, or Indian-owned business.

(3) FEDERAL AGENCY.—The term ''Federal agency'' means an agency, as that term is defined in section 551(1) of title 5, United States Code.

(4) FOUNDATION.—The term ''Foundation'' means the Rural Development Foundation.

(5) INDIAN.—The term ''Indian'' has the meaning given that term in section 4(d) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(d)).

(6) INDIAN ARTS AND CRAFTS ORGANIZATION.—The term ''Indian arts and crafts organization'' has the meaning given that term under section 2 of the Act of August 27, 1935 (49 Stat. 891, chapter 748; 25 U.S.C. 305a).

(7) INDIAN GOODS AND SERVICES.—The term ''Indian goods and services'' means—

(A) Indian goods, within the meaning of section 2 of the Act of August 27, 1935 (commonly known as the ''Indian Arts and Crafts Act'') (49 Stat. 891, chapter 748; 25 U.S.C. 305a);

(B) goods produced or originating within an eligible entity; and

(C) services provided by eligible entities.

(8) INDIAN LANDS.—The term ''Indian lands'' has the meaning given that term in section 4(4) of the Indian Gaming Regulatory Act (25 U.S.C. 2703(4)).

(9) INDIAN-OWNED BUSINESS.—The term ''Indian-owned business'' means an entity organized for the conduct of trade or commerce with respect to which at least 50 percent of the property interests of the entity are owned by Indians or Indian tribes (or a combination thereof).

(10) INDIAN TRIBE.—The term ''Indian tribe'' has the meaning given that term in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e)).

(11) SECRETARY.—The term ''Secretary'' means the Secretary of Commerce.

(12) TRIBAL ENTERPRISE.—The term ''tribal enterprise'' means a commercial activity or business managed or controlled by an Indian tribe.

(13) TRIBAL MARKETING COOPERATIVE.—The term ''tribal marketing cooperative'' shall have the meaning given that term by the Secretary, in consultation with the Secretary of the Interior.

(14) TRIBAL ORGANIZATION.—The term ''tribal organization'' has the meaning given that term in section 4(*l*) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(*l*)).

TITLE I—TASK FORCE ON REGULATORY REFORM AND BUSINESS DEVELOPMENT

SEC. 101. ESTABLISHMENT OF TASK FORCE.

(a) IN GENERAL.—In order to identify and subsequently remove obstacles to the business development and the creation of wealth in the economies of Indian reservations, the Secretary, in consultation with the Secretary of the Interior and other officials whom the Secretary determines to be appropriate, shall, not later than 90 days after the date of enactment of this Act, establish a task force on regulatory reform and business development in Indian country (referred to in this title as the ''task force'').

(b) MEMBERSHIP.—The task force established under this section shall be composed of 16 members, of which 12 members shall be representatives of the Indian tribes from the areas of the Bureau of Indian Affairs and each such area shall be represented by such a representative.

(c) INITIAL MEETING.—Not later than 120 days after the date of enactment of this Act, the task force shall hold its initial meeting.

(d) REVIEW.—Beginning on the date of the initial meeting under subsection (b), the task force shall conduct a review of laws relating to activities occurring on Indian lands (including regulations under title 25 of the Code of Federal Regulations).

(e) MEETINGS.—The task force shall meet at the call of the chairperson.

(f) QUORUM.—A majority of the members of the task force shall constitute a quorum, but a lesser number of members may hold hearings.

(g) CHAIRPERSON.—The task force shall select a chairperson from among its members.

SEC. 102. REPORT.

Not later than 1 year after the date of enactment of this Act, the task force shall prepare and submit to the Committee on Indian Affairs in the Senate, and the Committee on Resources in the House of Representatives, and to the governing body of each Indian tribe a report that includes—

(1) the findings of the task force concerning the review conducted pursuant to section 101(d); and

(2) such recommendations concerning the proposed revisions to the regulations under title 25 of the Code of Federal Regulations and amendments to other laws relating to activities occurring on Indian lands as the task force determines to be appropriate.

SEC. 103. POWERS OF THE TASK FORCE.

(a) HEARINGS.—The task force may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the task force considers advisable to carry out the duties of the task force.

(b) INFORMATION FROM FEDERAL AGENCIES.—The task force may secure directly from any Federal department or agency such information as the task force considers necessary to carry out the duties of the task force.

(c) POSTAL SERVICES.—The task force may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(d) GIFTS.—The task force may accept, use, and dispose of gifts or donations of services or property.

SEC. 104. TASK FORCE PERSONNEL MATTERS.

(a) COMPENSATION OF MEMBERS.—Members of the task force who are not officers or employees of the Federal Government shall serve without compensation, except for travel expenses, as provided under subsection (b). Members of the task force who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(b) TRAVEL EXPENSES.—The members of the task force shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the task force.

(c) STAFF.—

(1) IN GENERAL.—The chairperson of the task force may, without regard to the civil service laws, appoint and terminate such personnel as may be necessary to enable the task force to perform its duties.

(2) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The chairperson of the task force may procure temporary and intermittent service under section 3109(b) of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay prescribed under GS–13 of the General Schedule established under section 5332 of title 5, United States Code.

SEC. 105. TERMINATION OF TASK FORCE.

The task force shall terminate 90 days after the date on which the task force has submitted, to the committees of Congress specified in section 102, and to the governing body of each Indian tribe, a copy of the report prepared under that section.

SEC. 106. EXEMPTION FROM FEDERAL ADVISORY COMMITTEE ACT.

All of the activities of the task force conducted under this title shall be exempt from the Federal Advisory Committee Act (5 U.S.C. App.).

TITLE II—NATIVE AMERICAN BUSINESS DEVELOPMENT

SEC. 201. OFFICE OF NATIVE AMERICAN BUSINESS DEVELOPMENT.

(a) IN GENERAL.—

(1) ESTABLISHMENT.—There is established within the Department of Commerce an office known as the Office of Native American Business Development (referred to in this title as the ''Office'').

(2) DIRECTOR.—The Office shall be headed by a Director, appointed by the Secretary, whose title shall be the Director of Native American Business Development (referred to in this title as the ''Director''). The Director shall be compensated at a rate not to exceed level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) DUTIES OF THE SECRETARY.—

(1) IN GENERAL.—The Secretary, acting through the Director, shall ensure the coordination of Federal programs that provide assistance, including financial and technical assistance, to eligible entities for increased business, the expansion of trade by eligible entities, and economic development on Indian lands.

(2) ACTIVITIES.—In carrying out the duties described in paragraph (1), the Secretary, acting through the Director, shall ensure the coordination of, or, as appropriate, carry out—

(A) Federal programs designed to provide legal, accounting, or financial assistance to eligible entities;

(B) market surveys;

(C) the development of promotional materials;

(D) the financing of business development seminars;

(E) the facilitation of marketing;

(F) the participation of appropriate Federal agencies or eligible entities in trade fairs;

(G) any activity that is not described in subparagraphs (A) through (F) that is related to the development of appropriate markets; and

(H) any other activity that the Secretary, in consultation with the Director, determines to be appropriate to carry out this section.

(3) ASSISTANCE.—In conjunction with the activities described in paragraph (2), the Secretary, acting through the Director, shall provide—

(A) financial assistance, technical assistance, and administrative services to eligible entities to assist those entities with—

(i) identifying and taking advantage of business development opportunities; and

(ii) compliance with appropriate laws and regulatory practices; and

(B) such other assistance as the Secretary, in consultation with the Director, determines to be necessary for the development of business opportunities for eligible entities to enhance the economies of Indian tribes.

(4) PRIORITIES.—In carrying out the duties and activities described in paragraphs (2) and (3), the Secretary, acting through the Director, shall give priority to activities that—

(A) provide the greatest degree of economic benefits to Indians; and

(B) foster long-term stable economies of Indian tribes.

(5) PROHIBITION.—The Secretary may not provide under this section assistance for any activity related to the operation of a gaming activity on Indian lands pursuant to the Indian Gaming Regulatory Act (25 U.S.C. 2710 et seq.).

SEC. 202. NATIVE AMERICAN TRADE AND EXPORT PROMOTION.

(a) IN GENERAL.—The Secretary, acting through the Director, shall carry out a Native American export and trade promotion program (referred to in this section as the ''program'').

(b) COORDINATION OF FEDERAL PROGRAMS AND SERVICES.—In carrying out the program, the Secretary, acting through the Director, and in cooperation with the heads of appropriate Federal agencies, shall ensure the coordination of Federal programs and services designed to—

(1) develop the economies of Indian tribes; and

(2) stimulate the demand for Indian goods and services that are available to eligible entities.

(c) ACTIVITIES.—In carrying out the duties described in subsection (b), the Secretary, acting through the Director, shall ensure the coordination of, or, as appropriate, carry out—

(1) Federal programs designed to provide technical or financial assistance to eligible entities;

(2) the development of promotional materials;

(3) the financing of appropriate trade missions;

(4) the marketing of Indian goods and services;

(5) the participation of appropriate Federal agencies or eligible entities in international trade fairs; and

(6) any other activity related to the development of markets for Indian goods and services.

(d) TECHNICAL ASSISTANCE.—In conjunction with the activities described in subsection (c), the Secretary, acting through the Director, shall provide technical assistance and administrative services to eligible entities to assist those entities with—

(1) the identification of appropriate markets for Indian goods and services;

(2) entering the markets referred to in paragraph (1);

(3) compliance with foreign or domestic laws and practices with respect to financial institutions with respect to the export and import of Indian goods and services; and

(4) entering into financial arrangements to provide for the export and import of Indian goods and services.

(e) PRIORITIES.—In carrying out the duties and activities described in subsections (b) and (c), the Secretary, acting through the Director, shall give priority to activities that—

(1) provide the greatest degree of economic benefits to Indians; and

(2) foster long-term stable international markets for Indian goods and services.

SEC. 203. INTERTRIBAL TOURISM DEMONSTRATION PROJECTS.

(a) IN GENERAL.—

(1) DEMONSTRATION PROJECTS.—The Secretary, acting through the Director, shall conduct a Native American tourism program to facilitate the development and conduct of tourism demonstration projects by Indian tribes, on a tribal, intertribal, or regional basis.

(2) PROJECTS.—

(A) IN GENERAL.—Under the program established under this section, in order to assist in the development and promotion of tourism on and in the vicinity of Indian lands, the Secretary, acting through the Director, shall, in coordination with the Foundation, assist eligible entities in the planning, development, and implementation of tourism development demonstration projects that meet the criteria described in subparagraph (B).

(B) PROJECTS DESCRIBED.—In selecting tourism development demonstration projects under this section, the Secretary, acting through the Director, shall select projects that have the potential to increase travel and tourism revenues by attracting visitors to Indian lands and in the vicinity of Indian lands, including projects that provide for—

(i) the development and distribution of educational and promotional materials pertaining to attractions located on and near Indian lands;

(ii) the development of educational resources to assist in private and public tourism development on and in the vicinity of Indian lands; and

(iii) the coordination of tourism-related joint ventures and cooperative efforts between eligible entities and appropriate State and local governments that have jurisdiction over areas in the vicinity of Indian lands.

(3) GRANTS.—To carry out the program under this section, the Secretary, acting through the Director, may award grants or enter into other appropriate arrangements with Indian tribes, tribal organizations, intertribal consortia, or other tribal entities that the Secretary, in consultation with the Director, determines to be appropriate.

(4) LOCATIONS.—In providing for tourism development demonstration projects under the program under this section, the Secretary, acting through the Director, shall provide for a demonstration project to be conducted—

(A) for Indians of the Four Corners area located in the area adjacent to the border between Arizona, Utah, Colorado, and New Mexico;

(B) for Indians of the northwestern area that is commonly known as the Great Northwest (as determined by the Secretary);

(C) for the Oklahoma Indians in Oklahoma; and

(D) for the Indians of the Great Plains area (as determined by the Secretary).

(b) STUDIES.—The Secretary, acting through the Director, shall provide financial assistance, technical assistance, and administrative services to participants that the Secretary, acting through the Director, selects to carry out a tourism development project under this section, with respect to—

(1) feasibility studies conducted as part of that project;

(2) market analyses;

(3) participation in tourism and trade missions; and

(4) any other activity that the Secretary, in consultation with the Director, determines to be appropriate to carry out this section.

(c) INFRASTRUCTURE DEVELOPMENT.—The demonstration projects conducted under this section shall include provisions to facilitate the development and financing of infrastructure, including the development of Indian reservation roads in a manner consistent with title 23, United States Code.

SEC. 204. REPORT TO CONGRESS.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Secretary, in consultation with the Director, shall prepare and submit to the Committee on Indian Affairs of the Senate a report on the operation of the Office.

(b) CONTENTS OF REPORT.—Each report prepared under subsection (a) shall include—

(1) for the period covered by the report, a summary of the activities conducted by the Secretary, acting through the Director, in carrying out this title; and

(2) any recommendations for legislation that the Secretary, in consultation with the Director, determines to be necessary to carry out this title.

SEC. 205. FOREIGN-TRADE ZONE PREFERENCES.

(a) PREFERENCE IN ESTABLISHMENT OF FOREIGN-TRADE ZONES IN INDIAN ENTERPRISE ZONES.—In processing applications for the establishment of foreign-trade zones pursuant to the Act entitled ''To provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes'', approved June 18, 1934 (19 U.S.C. 81a et seq.), the Board shall consider, on a priority basis, and expedite, to the maximum extent practicable, the processing of any application involving the establishment of a foreign-trade zone on Indian lands, including any Indian lands designated as an empowerment zone or enterprise community pursuant to section 1391 of the Internal Revenue Code of 1986.

(b) APPLICATION PROCEDURE.—In processing applications for the establishment of ports of entry pursuant to the Act entitled ''An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, nineteen hundred and fifteen, and for other purposes'', approved August 1, 1914 (19 U.S.C. 2), the Secretary of the Treasury shall, with respect to any application involving the establishment of a port of entry that is necessary to permit the establishment of a foreign-trade zone on Indian lands—

(1) consider on a priority basis; and

(2) expedite, to the maximum extent practicable, the processing of that application.

(c) APPLICATION EVALUATION.—In evaluating applications for the establishment of foreign-trade zones and ports of entry in connection with Indian lands, to the maximum extent practicable and consistent with applicable law, the Board and Secretary of the Treasury shall approve the applications.

[From the Wall Street Journal, Apr. 10, 1998]

LESS GOVERNMENT, MORE GROWTH

(By James Gwartney)

Propelled by a confidence that politicians could solve problems, government spending has soared in the U.S. and other Western

countries since 1960. Has wise ''government planning'' improved economic performance? Quite the opposite. Robert Lawson, Randall Holcombe and I recently completed a study on the size and functions of government for Congress's Joint Economic Committee. Here are some of our findings:

As the size of government has expanded in the U.S., growth of real gross domestic product has steadily fallen. Even though the U.S. economy is now moving into the eighth year of an expansion, the growth of real GDP during the 1990s is only about half what it was during the 1960s and well below even that of the turbulent 1970s. Likewise, as the size of government in other nations has increased, economic growth has declined. On average, government expenditures in the Organization for Economic Cooperation and Development's 23 long-standing members rose to 48% of GDP in 1996 from 27% in 1960. The average economic growth rate fell from 5.5% in the 1960s to 1.9% in the 1990s.

As the chart nearby shows, there has is a striking relationship between the size of government and economic growth. When government spending was less than 25% of GDP, OECD countries achieved an average real growth rate of 6.6%. As the size of government rose, growth steadily declined, plunging to 1.6% when government spending exceeded 60% of GDP.

While growth has declined in all of the OECD countries, those countries with the least growth of government have suffered the least. Between 1960 and 1996, the size of government as a share of GDP increased by less than 15 percentage points in the U.S., Britain, Iceland, Ireland and New Zealand. The average growth rate for these five countries was 1.6 percentage points lower in the 1990s than in the 1960s. In contrast, the size of government increased by 25 percentage points or more in Denmark, Finland, Greece, Portugal, Spain and Sweden. The growth rate of these six countries fell by 5.2 percentage points.

In the world's fastest-growing economies, furthermore, the size of government is small, and there is no trend toward bigger government. On average, government expenditures in 1995 consumed only 20% of GDP in the five economies with the most rapid real economic growth rates during 1980–95: Hong Kong, Singapore, South Korea, Taiwan and Thailand. In these countries, the size of government in 1995 was virtually the same as in 1975. When we looked at a diverse group of 60 nations, we found that the negative relationship between bigger government and economic growth is present in all types of economies.

Many policy-makers seem oblivious to these facts. Even though the evidence clearly shows that excessive government expenditures are retarding economic growth, politicians continue to focus on how to spend a possible surplus. What the U.S. and other nations need instead is a long-range strategy to reduce the size and scope of government.

Had the public-sector expansion of the past four decades accelerated economic growth, politicians would be rushing to take credit. Since the opposite has occurred, how can we fail to hold them accountable?

By Mr. LEAHY (for himself, Mr. DASCHLE, Mr. KOHL, Mrs. FEINSTEIN, and Mr. CLELAND):

S. 2011. A bill to strengthen the Federal prosecution and seizure of illegal proceeds of international drug dealing and criminal activity, and to provide for the drug testing and treatment of incarcerated offenders and reduce drug trafficking in correctional facilities, and for other purposes; to the Committee on the Judiciary.

THE MONEY LAUNDERING ENFORCEMENT ACT AND THE COMBATING DRUGS IN PRISONS ACT

Mr. LEAHY. Mr. President, today, joined by Senators DASCHLE, KOHL, FEINSTEIN, and CLELAND, I am introducing legislation which will provide state and federal governments with additional tools to fight drug trafficking, money laundering and drug use in prisons. This legislation is intended to complement the Administration's comprehensive 10-year National Drug Control Strategy by providing federal prosecutors with additional means to seize assets linked to illegal criminal and drug activity and prevent drug kingpins and others from engaging in money laundering. In addition, this legislation will allow states to use federal prison grant funds to test and treat drug-addicted inmates and parolees.

I note that the Speaker of the House today is hosting a Republican rally to proclaim fault with the Administration's comprehensive drug control strategy. Mr. President, the bill that we are introducing today is not the easy rhetoric that some have to offer in this crucial area of public policy. Here is a chance to actually make a difference. I do not find constructive the efforts of the other body's Republican leadership over the past few years to slash assistance for drug enforcement, prevention and treatment programs. Twice, in fact, they tried to cut the extremely effective Safe and Drug-Free Schools funding by 50 percent, just as they significantly reduced support for drug prevention and treatment programs when they assumed leadership of the Congress in 1995.

Nor do I consider it constructive for Speaker GINGRICH, as he did in his February radio address, to fault the Administration while at the same time claiming credit for such Administration strategies as a national youth-oriented anti-drug campaign and added support for community programs and schools. These are key components of the Administration's 1998 National Drug Control Strategy, including the highly effective radio and TV ads now airing in 12 pilot cities. To really make a difference in more than just the headlines, we need to work together to reduce the quantity of drugs coming into this country and the number of drug addicts both in prison and walking our streets.

MONEY LAUNDERING ACT OF 1998

This act will help prosecutors force international criminals out of the darkness and into the light by greatly reducing their ability to hide behind foreign banking laws or other procedural tricks. It will also ensure that defendants arrested overseas are no longer able to use the U.S. courts to their benefit while fighting against being extradited to the United States.

Another provision in this bill which allows federal prosecutors to temporarily seize U.S. assets owned by individuals arrested overseas will greatly enhance law enforcement's ability to shut down drug trafficking operations based outside the United States. National boundaries mean less and less to drug kingpins and other criminals today and this legislation will help us reform our Nation's laws to reflect this reality.

This bill would allow a brief ex parte seizure of assets while any arrest papers are in transit to prevent individuals arrested in another country from moving the fruits of their crimes from the United States to another country. Currently, foreign defendants often move their assets virtually instantaneously via electronic transfers while our prosecutors are waiting for the arrest records. In addition, defendants would no longer be able to hide behind foreign bank secrecy laws while they claim seized property in United States courts.

This bill makes important procedural changes for federal prosecutors: it extends U.S. jurisdiction over foreign banks; updates evidentiary rules regarding foreign records; allows federal prosecutors to charge defendants who engage in multiple illegal acts with course of conduct claims; and allows prosecutors to charge criminals with conspiracy to violate the laws.

This legislation also adds several new crimes to the list triggering asset forfeiture, including crimes of violence, additional foreign crimes, and crimes committed by or against foreign governments. While I believe that these provisions are necessary for prosecutors to carry out their important work, I realize that some of these provisions may need to be fine-tuned to accomplish their intended goal. I pledge to work with members on both sides of the aisle to ensure that this legislation is broad enough to meet these goals without being overly intrusive.

In drafting this bill, I have purposely avoided including several domestic asset forfeiture provisions. While we may have to face these thorny issues down the road, I decided to craft a bill which I believe can be supported by the majority of Senators. We can then bring up these more complicated issues after a fuller discussion has taken place.

THE COMBATING DRUG ABUSE IN PRISONS ACT

This act will allow states to use any of the funds they receive under the Violent Offender Incarceration and Truth in Sentencing grant programs to provide drug testing and treatment for inmates and other court-supervised individuals, such as probationers and parolees. With 80 percent of inmates reportedly linked to drug and alcohol activity and with a requirement in place that states develop and implement a drug testing and treatment plan for these individuals by September 1, 1998, it is critical that this federal funding be made available for these purposes.

According to a study recently released by the National Center on Addiction and Substance Abuse (CASA) based at Columbia University, 80 percent of individuals currently incarcerated either ''violated drug or alcohol

laws, were intoxicated at the time they committed their crimes, stole property to buy drugs, or are 'regular drug users'.'' This study also found that inmates who are illegal drug or alcohol abusers are the most likely to be repeat offenders. In fact, this study concluded that 61 percent of state prison inmates who have two prior convictions are regular drug users. Another recent study, conducted by the Bureau of Justice Statistics, found that over half of all convicted jail inmates in 1996 reported having used drugs in the month prior to their offense. Sixty percent of these inmates also reported using drugs or alcohol or both at the time of the offense for which they were charged.

If we want to stem the increase in our Nation's prison population, we must determine which inmates are addicted to drugs or alcohol, reduce the availability of drugs in prisons and ensure inmates have access to the treatment they need while incarcerated. This bill will help states meet all these goals by allowing them to use as much as they choose—or as little—of the federal prison funds they receive for drug testing and intervention and to develop strategies to reduce drug trafficking into prisons. As Joseph Califano, former Secretary of Health, Education and Welfare and president of CASA, noted when the CASA study was released: ''Releasing drug-addicted inmates without treatment helps maintain the market for illegal drugs and supports drug dealers.''

I realize some of my colleagues may be concerned about funds originally designated for prison construction costs being used for drug testing and treatment. Let me assure you that states will retain complete flexibility under this bill as to how they allocate their Truth in Sentencing and Violent Offender Incarceration grant funds. But, I'd also like to point out that according to the CASA study, it would cost states approximately $6,500 per year to provide comprehensive and effective residential drug treatment services to an inmate. While this figure may seem high, the study further determined that society will see an economic return of $68,800 for each inmate who successfully completes such a program and returns to the community sober and with a job. This figure represents the savings in the first year based on the much lower likelihood that the former inmate will be arrested, prosecuted or incarcerated and includes health care savings and the potential earnings of a drug-free individual.

James Walton, Vermont's Commissioner of Public Safety, wholeheartedly supports this legislation, and I have always valued his counsel. As the head of Vermont's law enforcement agency, he has first-hand knowledge of what the real needs are in my state. Clearly, he believes that this legislation will have a positive effect on ongoing law enforcement and drug control strategies in Vermont. I'm certain it will have the same effect across the country. I urge my colleagues to support this bill so our federal and state officials have the resources they need to combat our Nation's drug problems—both overseas and in our nation's prisons.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2011

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Money Laundering Enforcement and Combatting Drugs in Prisons Act of 1998''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—INTERNATIONAL MONEY LAUNDERING

Sec. 101. Short title.
Sec. 102. Illegal money transmitting businesses.
Sec. 103. Restraint of assets of persons arrested abroad.
Sec. 104. Access to records in bank secrecy jurisdictions.
Sec. 105. Civil money laundering jurisdiction over foreign persons.
Sec. 106. Laundering money through a foreign bank.
Sec. 107. Specified unlawful activity for money laundering.
Sec. 108. Criminal forfeiture for money laundering conspiracies.
Sec. 109. Fungible property in foreign bank accounts.
Sec. 110. Subpoenas for bank records.
Sec. 111. Fugitive disentitlement.
Sec. 112. Admissibility of foreign business records.
Sec. 113. Charging money laundering as a course of conduct.
Sec. 114. Venue in money laundering cases.
Sec. 115. Technical amendment to restore wiretap authority for certain money laundering offenses.

TITLE II—DRUG TESTING AND INTERVENTION FOR INMATES AND PROBATIONERS

Sec. 201. Short title.
Sec. 202. Additional requirements for the use of funds under the violent offender incarceration and truth-in-sentencing incentive grant programs.
Sec. 203. Use of residential substance abuse treatment grants to provide for services during and after incarceration.

TITLE I—INTERNATIONAL MONEY LAUNDERING

SEC. 101. SHORT TITLE.

This title may be cited as the ''Money Laundering Enforcement Act of 1998''.

SEC. 102. ILLEGAL MONEY TRANSMITTING BUSINESSES.

(a) CIVIL FORFEITURE FOR MONEY TRANSMITTING VIOLATION.—Section 981(a)(1)(A) of title 18, United States Code, is amended by striking ''or 1957'' and inserting '', 1957, or 1960''.

(b) SCIENTER REQUIREMENT FOR SECTION 1960 VIOLATION.—Section 1960 of title 18, United States Code, is amended by adding at the end the following:

''(c) SCIENTER REQUIREMENT.—For the purposes of proving a violation of this section involving an illegal money transmitting business—

''(1) it shall be sufficient for the Government to prove that the defendant knew that the money transmitting business lacked a license required by State law; and

''(2) it shall not be necessary to show that the defendant knew that the operation of such a business without the required license was an offense punishable as a felony or misdemeanor under State law.''.

SEC. 103. RESTRAINT OF ASSETS OF PERSONS ARRESTED ABROAD.

Section 981(b) of title 18, United States Code, is amended by adding at the end the following:

''(3) RESTRAINT OF ASSETS.—

''(A) IN GENERAL.—If any person is arrested or charged in a foreign country in connection with an offense that would give rise to the forfeiture of property in the United States under this section or under the Controlled Substances Act, the Attorney General may apply to any Federal judge or magistrate judge in the district in which the property is located for an ex parte order restraining the property subject to forfeiture for not more than 30 days, except that the time may be extended for good cause shown at a hearing conducted in the manner provided in Rule 43(e) of the Federal Rules of Civil Procedure.

''(B) APPLICATION.—An application for a restraining order under subparagraph (A) shall—

''(i) set forth the nature and circumstances of the foreign charges and the basis for belief that the person arrested or charged has property in the United States that would be subject to forfeiture; and

''(ii) contain a statement that the restraining order is needed to preserve the availability of property for such time as is necessary to receive evidence from the foreign country or elsewhere in support of probable cause for the seizure of the property under this subsection.''.

SEC. 104. ACCESS TO RECORDS IN BANK SECRECY JURISDICTIONS.

Section 986 of title 18, United States Code, is amended by adding at the end the following:

''(d) ACCESS TO RECORDS LOCATED ABROAD.—

''(1) IN GENERAL.—In any civil forfeiture case, or in any ancillary proceeding in any criminal forfeiture case governed by section 413(n) of the Controlled Substances Act (21 U.S.C. 853(n)), the refusal of the claimant to provide financial records located in a foreign country in response to a discovery request or take the action necessary otherwise to make the records available, shall result in the dismissal of the claim with prejudice, if—

''(A) the financial records may be material—

''(i) to any claim or to the ability of the government to respond to such claim; or

''(ii) in a civil forfeiture case, to the ability of the government to establish the forfeitability of the property; and

''(B) it is within the capacity of the claimant to waive his or her rights under such secrecy laws, or to obtain the financial records himself or herself, so that the financial records may be made available.

''(2) PRIVILEGE.—Nothing in this subsection shall be construed to affect the rights of a claimant to refuse production of any records on the basis of any privilege guaranteed by the Constitution of the United States or any other provision of Federal law.''.

SEC. 105. CIVIL MONEY LAUNDERING JURISDICTION OVER FOREIGN PERSONS.

Section 1956(b) of title 18, United States Code, is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively,

and indenting each subparagraph appropriately;

(2) by striking ''(b) Whoever'' and inserting the following:

''(b) CIVIL PENALTIES.—

''(1) IN GENERAL.—Whoever''; and

(3) by adding at the end the following:

''(2) JURISDICTION.—For purposes of adjudicating an action filed or enforcing a penalty ordered under this section, the district courts of the United States shall have jurisdiction over any foreign person, including any financial institution authorized under the laws of a foreign country, that commits an offense under subsection (a) involving a financial transaction that occurs in whole or in part in the United States, if service of process upon such foreign person is made in accordance with the Federal Rules of Civil Procedure or the laws of the foreign country in which the foreign person is found.

''(3) SATISFACTION OF JUDGMENT.—In any action described in paragraph (2), the court may issue a pretrial restraining order or take any other action necessary to ensure that any bank account or other property held by the defendant in the United States is available to satisfy a judgment under this section.''.

SEC. 106. LAUNDERING MONEY THROUGH A FOREIGN BANK.

Section 1956(c)(6) of title 18, United States Code, is amended to read as follows:

''(6) the term 'financial institution' includes—

''(A) any financial institution described in section 5312(a)(2) of title 31, or the regulations promulgated thereunder; and

''(B) any foreign bank, as defined in section 1(b)(7) of the International Banking Act of 1978 (12 U.S.C. 3101(7));''.

SEC. 107. SPECIFIED UNLAWFUL ACTIVITY FOR MONEY LAUNDERING.

(a) IN GENERAL.—Section 1956(c)(7) of title 18, United States Code, is amended—

(1) in subparagraph (B)—

(A) by striking clause (ii) and inserting the following:

''(ii) any act or acts constituting a crime of violence;''; and

(B) by adding at the end the following:

''(iv) fraud, or any scheme to defraud, committed against a foreign government or foreign governmental entity;

''(v) bribery of a public official, or the misappropriation, theft, or embezzlement of public funds by or for the benefit of a public official;

''(vi) smuggling or export control violations involving munitions listed in the United States Munitions List or technologies with military applications as defined in the Commerce Control List of the Export Administration Regulations; or

''(vii) an offense with respect to which the United States would be obligated by a multilateral treaty either to extradite the alleged offender or to submit the case for prosecution, if the offender were found with the territory of the United States;'';

(2) in subparagraph (D)—

(A) by inserting ''section 541 (relating to goods falsely classified),'' before ''section 542'';

(B) by inserting ''section 922(l) (relating to the unlawful importation of firearms), section 924(m) (relating to firearms trafficking),'' before ''section 956'';

(C) by inserting ''section 1030 (relating to computer fraud and abuse),'' before ''1032''; and

(D) by inserting ''any felony violation of the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.),'' before ''or any felony violation of the Foreign Corrupt Practices Act''; and

(3) in subparagraph (E), by inserting ''the Clean Air Act (42 U.S.C. 6901 et seq.),'' after ''the Safe Drinking Water Act (42 U.S.C. 300f et seq.),''.

SEC. 108. CRIMINAL FORFEITURE FOR MONEY LAUNDERING CONSPIRACIES.

Section 982(a)(1) of title 18, United States Code, is amended by inserting ''or a conspiracy to commit any such offense,'' after ''of this title,''.

SEC. 109. FUNGIBLE PROPERTY IN FOREIGN BANK ACCOUNTS.

Section 984(d) of title 18, United States Code, is amended by adding at the end the following:

''(3) In this subsection, the term 'financial institution' includes a foreign bank, as defined in section 1(b)(7) of the International Banking Act of 1978 (12 U.S.C. 3101(7)).''.

SEC. 110. SUBPOENAS FOR BANK RECORDS.

Section 986(a) of title 18, United States Code, is amended—

(1) by striking ''section 1956, 1957, or 1960 of this title, section 5322 or 5324 of title 31, United States Code'' and inserting ''section 981 of this title'';

(2) by inserting ''before or'' before ''after''; and

(3) by striking the last sentence.

SEC. 111. FUGITIVE DISENTITLEMENT.

(a) IN GENERAL.—Chapter 163 of title 28, United States Code, is amended by adding at the end the following:

''§ 2467. Fugitive disentitlement

''Any person who, in order to avoid criminal prosecution, purposely leaves the jurisdiction of the United States, declines to enter or reenter the United States to submit to the jurisdiction of the United States, or otherwise evades the jurisdiction of a court of the United States in which a criminal case is pending against the person, may not use the resources of the courts of the United States in furtherance of a claim in any related civil forfeiture action or a claim in any third-party proceeding in any related criminal forfeiture action.''.

(b) CONFORMING AMENDMENT.—The analysis for chapter 163 of title 28, United States Code, is amended by adding at the end the following:

''2467. Fugitive disentitlement.''.

SEC. 112. ADMISSIBILITY OF FOREIGN BUSINESS RECORDS.

(a) IN GENERAL.—Chapter 163 of title 28, United States Code, is amended by adding at the end the following:

''§ 2468. Foreign records

''(a) DEFINITIONS.—In this section—

''(1) the term 'business' includes business, institution, association, profession, occupation, and calling of every kind whether or not conducted for profit;

''(2) the term 'foreign certification' means a written declaration made and signed in a foreign country by the custodian of a record of regularly conducted activity or another qualified person, that if falsely made, would subject the maker to criminal penalty under the law of that country;

''(3) the term 'foreign record of regularly conducted activity' means a memorandum, report, record, or data compilation, in any form, of acts, events, conditions, opinions, or diagnoses, maintained in a foreign country; and

''(4) the term 'official request' means a letter rogatory, a request under an agreement, treaty or convention, or any other request for information or evidence made by a court of the United States or an authority of the United States having law enforcement responsibility, to a court or other authority of a foreign country.

''(b) ADMISSIBILITY.—In a civil proceeding in a court of the United States, including a civil forfeiture proceeding and a proceeding in the United States Claims Court and the United States Tax Court, unless the source of information or the method or circumstances of preparation indicate lack of trustworthiness, a foreign record of regularly conducted activity (or a duplicate of such record), obtained pursuant to an official request, shall not be excluded as evidence by the hearsay rule if a foreign certification, also obtained pursuant to the same official request or subsequent official request that adequately identifies such foreign record, attests that —

''(1) the foreign record was made, at or near the time of the occurrence of the matters set forth, by (or from information transmitted by) a person with knowledge of those matters;

''(2) the foreign record was kept in the course of a regularly conducted business activity;

''(3) the business activity made such a record as a regular practice; and

''(4) if the foreign record is not the original, the record is a duplicate of the original.

''(c) FOREIGN CERTIFICATION.—A foreign certification under this section shall authenticate a record or duplicate described in subsection (b).

''(d) NOTICE.—

''(1) IN GENERAL.—As soon as practicable after a responsive pleading has been filed, a party intending to offer in evidence under this section a foreign record of regularly conducted activity shall provide written notice of that intention to each other party.

''(2) OPPOSITION.—A motion opposing admission in evidence of a record under paragraph (1) shall be made by the opposing party and determined by the court before trial. Failure by a party to file such motion before trial shall constitute a waiver of objection to such record, except that the court for cause shown may grant relief from the waiver.''.

(b) CONFORMING AMENDMENT.—The analysis for chapter 163 of title 28, United States Code, is amended by adding at the end the following:

''2468. Foreign records.''.

SEC. 113. CHARGING MONEY LAUNDERING AS A COURSE OF CONDUCT.

Section 1956(h) of title 18, United States Code, is amended—

(1) by striking ''(h) Any person'' and inserting the following:

''(h) CONSPIRACY; MULTIPLE VIOLATIONS.—

''(1) CONSPIRACY.—Any person''; and

(2) by adding at the end the following:

''(2) MULTIPLE VIOLATIONS.—Any person who commits multiple violations of this section or section 1957 that are part of the same scheme or continuing course of conduct may be charged, at the election of the Government, in a single count in an indictment or information.''.

SEC. 114. VENUE IN MONEY LAUNDERING CASES.

Section 1956 of title 18, United States Code, is amended by adding at the end the following:

''(i) VENUE.—

''(1) IN GENERAL.—Except as provided in paragraph (2), a prosecution for an offense under this section or section 1957 may be brought in any district in which the financial or monetary transaction is conducted, or in which a prosecution for the underlying specified unlawful activity could be brought.

''(2) EXCEPTION.—A prosecution for an attempt or conspiracy offense under this section or section 1957 may be brought in the district in which venue would lie for the completed offense under paragraph (1), or in any other district in which an act in furtherance of the attempt or conspiracy took place.''.

SEC. 115. TECHNICAL AMENDMENT TO RESTORE WIRETAP AUTHORITY FOR CERTAIN MONEY LAUNDERING OFFENSES.

Section 2516(1)(g) of title 18, United States Code, is amended by striking ''of title 31, United States Code (dealing with the reporting of currency transactions)'' and inserting ''or 5324 of title 31 (dealing with the reporting and illegal structuring of currency transactions)''.

TITLE II—DRUG TESTING AND INTERVENTION FOR INMATES AND PROBATIONERS

SEC. 201. SHORT TITLE.

This title may be cited as the ''Combatting Drugs in Prisons Act of 1998''.

SEC. 202. ADDITIONAL REQUIREMENTS FOR THE USE OF FUNDS UNDER THE VIOLENT OFFENDER INCARCERATION AND TRUTH-IN-SENTENCING INCENTIVE GRANT PROGRAMS.

Section 20105(b) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 13705(b)) is amended—

(1) by striking ''(b) To be eligible'' and inserting the following:

''(b) ADDITIONAL REQUIREMENTS.—

''(1) ELIGIBILITY FOR A GRANT.—To be eligible'';

(2) by striking ''a State shall provide assurances'' and inserting the following: ''a State shall—

''(A) provide assurances'';

(3) by striking the period at the end and inserting ''; and''; and

(4) by adding at the end the following:

''(B) not later than September 1, 1998, have established and implemented, consistent with guidelines issued by the Attorney General, a program of drug testing and intervention for appropriate categories of convicted offenders during periods of incarceration and criminal justice supervision, with sanctions (including denial or revocation of release) for positive drug tests.

''(2) USE OF FUNDS.—Notwithstanding section 20102, amounts received by a State pursuant to section 20103 or section 20104 may be—

''(A) applied to the cost of offender drug testing and appropriate intervention programs during periods of incarceration and criminal justice supervision, consistent with guidelines issued by the Attorney General;

''(B) used by a State to pay the costs of providing to the Attorney General a baseline study, which shall be consistent with guidelines issued by the Attorney General, on the prison drug abuse problem in the State; and

''(C) used by a State to develop policies, practices, or laws establishing, in accordance with guidelines issued by the Attorney General, a system of sanctions and penalties to address drug trafficking within and into correctional facilities under the jurisdiction of the State.''.

SEC. 203. USE OF RESIDENTIAL SUBSTANCE ABUSE TREATMENT GRANTS TO PROVIDE FOR SERVICES DURING AND AFTER INCARCERATION.

Section 1901 of part S of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796ff) is amended by adding at the end the following:

''(c) ADDITIONAL USE OF FUNDS.—Each State that demonstrates that the State has established 1 or more residential substance abuse treatment programs that meet the requirements of this part may use amounts made available under this part for drug treatment and to impose appropriate sanctions for positive drug tests, both during incarceration and after release.''.

Mr. DASCHLE. Mr. President, drug trafficking, money laundering and drug use in prisons are significant problems that will continue to worsen unless local, state and federal governments can work more closely together to determine viable solutions. Drug trafficking and money laundering can negatively affect our society in many different ways, and the use of illegal drugs by prison inmates dramatically deceases any chance they have of getting their lives back on track after their release. Local, state and federal governments are already hard at work to determine solutions to these corrosive problems, and I am very pleased to join Senators LEAHY, CLELAND, FEINSTEIN, and KOHL in introducing The Money Laundering Enforcement and Combating Drugs in Prison Act of 1998, which will provide state and federal governments with additional tools to fight drug trafficking, money laundering and drug use in prisons.

This legislation will complement the Administration's comprehensive 10-year National Drug Control Strategy by providing federal prosecutors with additional means to seize assets linked to illegal criminal and drug activity and prevent drug kingpins and others from engaging in money laundering. Initiatives such as the Safe and Drug Free Schools Act, and the Administration's highly effective radio and TV ads currently airing in 12 pilot cities are sending the kind of anti-drug messages that must reach our young people. The Money Laundering Enforcement and Combating Drugs in Prison Act of 1998 adds to these efforts by reducing the demand for drugs by allowing states to use federal prison grant funds to test and treat drug-addicted inmates and parolees.

This legislation will greatly enhance the efforts of prosecutors to force international criminals out of hiding by reducing their ability to shield themselves behind foreign banking laws or use other procedural tricks. Moreover, the bill will ensure that defendants arrested overseas will no longer be able to take advantage of U.S. courts to fight against extradition to this country. It would allow federal prosecutors to temporarily seize U.S. assets owned by individuals arrested overseas and thus dramatically improve the ability of law enforcement agencies to shut down drug trafficking operation based outside the United States. Drug kingpins have little regard for nation boundaries, and our nations laws must provide us with the flexibility necessary to combat them.

Studies prove that an overwhelming majority of incarcerated individuals have been heavily influenced by drugs or alcohol, and those who are illegal drug or alcohol abusers are the most likely to be repeat offenders. If we want to stem the increase in our nation's prison population, we must determine which inmates are addicted to drugs or alcohol, reduce the availability of drugs in prisons and ensure inmates have access to the treatment they need while incarcerated. This legislation will help states meet all these goals by allowing them to use as much—or as little—of the federal prison funds they receive for drug testing and intervention and to develop a strategy to reduce drug trafficking in prisons.

State and federal governments are waging a battle against drug kingpins, and the Money Laundering Enforcement and Combating Drugs in Prison Act of 1998 will provide much-needed assistance to these ongoing efforts. By enacting this bill, I believe we will make great strides toward removing dangerous criminals and illegal drugs from our neighborhoods. I urge my colleagues to join me in support of this important legislation.

By Mr. GRAHAM (for himself and Mr. MACK):

S. 2012. A bill to name the Department of Veterans Affairs medical center in Gainesville, Florida, as the ''Malcolm Randall Department of Veterans Affairs Medical Center''; to the Committee on Veterans Affairs.

MALCOLM RANDALL DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER

Mr. GRAHAM. Mr. President, I rise today, joined by my esteemed colleague Senator MACK, to introduce legislation to rename the Gainesville, Florida Veterans Affairs Medical Center after its distinguished and longtime Director: Malcolm Randall.

After thirty-two years as Director of the Gainesville VAMC, and a total of fifty-nine years in federal service, Mr. Randall retires today. He leaves behind a long list of accomplishments and an even longer list of admirers—myself included.

Mr. President, allow me to take a few minutes to highlight the career of this visionary person—a man who has redefined the term ''public servant'' over the last half-century.

Malcolm Randall's accomplishments are far-reaching and are a testament to the loyalty and devotion he has shown the United States throughout his lifetime.

His extensive service to our nation began when he enlisted in the Navy in July of 1942 and was sent off to the South Pacific in the midst of World War II. While courageously fighting on PT boats and battleships in the first battle of the Phillipine Sea, Mr. Randall was injured in the line-of-duty. After four years of valiant active military service, Mr. Randall continued serving his country through his dedicated work in the Veterans' Administration. His outstanding accomplishments and achievements during his tenure at the VA have been recognized with the two highest awards that the VA offers: the Meritorious Service Award, and the Exceptional Service Award, both of which recognize his outstanding performance and exceptional contributions to the improvement of health care for veterans.

In 1984, President Reagan paid homage to Mr. Randall with the Presidential Rank Award for his extraordinary accomplishments in the administration of VA programs in Florida,

and for exemplifying the highest standards in leadership. Most flattering to Mr. Randall was that this award was recommended by dedicated public servants and local leadership from his own community. Indeed, it was this innovative and thoughtful style of leadership that allowed Mr. Randall to foresee the challenges and obstacles that the VA would face in the 21st Century.

Mr. Randall's dogged determination to serve the veterans of Florida, coupled with his visionary leadership, led to his most significant contribution to our nation's veterans: VA restructuring. As Chairman of the Florida Network of VA Hospitals and Outpatient Clinics, Malcolm Randall realized that the VA had to undergo a major transformation to continue to serve veterans well. He understood that the VA health care system needed to modernize, become more efficient with its resources, and adapt to a new method for health care delivery.

Mr. Randall saw the future—that the VA was moving towards a ''no-new-starts'' policy for major hospital construction—and he became an early advocate for a new model of VA health care: a strong network of outpatient clinics and hospitals, designed to serve veterans in remote areas more effectively. As a result, 7 new outpatient clinics were built in Florida, a development which has allowed many thousands of Florida veterans to get the health care they deserve but were previously denied.

Throughout his long and successful tenure as Director of the Gainesville VAMA, Malcolm Randall has also been a leader in introducing new medical technology to improve the quality of care for the heroes of our country. His responsibility for VA health planning throughout the entire state enabled Mr. Randall to initiate affiliations with three major teaching hospitals—the University of South Florida, the University of Florida, and the University of Miami—and several community colleges. These partnerships have allowed veterans to receive the finest care available from institutions renowned throughout the country.

Mr. Randall's excellence has not been limited to his professional service. His community service throughout the state of Florida, and especially in his hometown of Gainesville, has resulted in several tributes and distinctions being bestowed upon him, including being named Gainesville's Citizen of the Year in 1977. The University of Florida also recognized his lifetime devotion to public service by awarding him an honorary doctorate of Public Service.

Mr. President, it has been one of the great treasures of my life to have shared the friendship of Malcom Randall. As governor and now as a United States Senator from Florida, Malcom has allowed me to enter his classroom on health care policy and his heart, which is full of compassion for American veterans. All he has done has emanated from his depth of concern for American veterans, firmly attached to his rigorous mind and dedicated spirit to put ideas into action. Florida and America are fortunate to have had him as a fellow citizen.

Mr. President, I salute Malcom Randall for all that he has done on behalf of all of our veterans. It is fitting that one of the best medical centers in the country bear his name.

Mr. MACK. Mr. President, I am proud to support my friend and colleague from Florida, Mr. GRAHAM, as we introduce legislation to commemorate the retirement and life's work of Mr. Malcom Randall. Mr. Randall has served his country for 59 years, 55 of which were spent with the Department of Veterans Affairs.

A native of East St. Louis, Illinois, Mr. Randall graduated from St. Louis University with a master's degree in hospital administration. He was among a handful of medical leaders who began to transform the health care system for veterans at the end of World War II. Mr. Randall is the founding Director of the VA Medical Center in Gainesville, and he has served in that post for 32 years. During that time, he has also helped establish VA hospitals and outpatient clinics in other Florida cities. The VA Medical Center in Gainesville now serves 10,000 inpatients and handles 250,000 outpatient visits per year.

Mr. Randall is America's longest serving administrator of veterans' health care services. He has won numerous awards for his exceptional service, including recognition for ''most outstanding performance'' on two occasions. He is retiring today, and while I am pleased that he will be able to take some time off to enjoy his years, I am saddened that the Department and the Center will be losing one of its greatest champions, and one of its most dedicated public servants.

In further recognition of Mr. Randall's dedication to serving the needs of America's veterans, BOB GRAHAM and I are proposing legislation to rename the Veterans Affairs Medical Center in Gainesville, Florida as the ''Malcom Randall Department of Veterans Affairs Medical Center''. Our legislation is identical to legislation offered by Representative KAREN THURMAN in the House of Representatives, which is supported by most of the Florida Congressional delegation. I look forward to working with my Senate colleagues to recognize and honor the work and service of Malcom Randall, and I wish Mr. Randall well in his future pursuits.

By Mrs. FEINSTEIN:

S. 2013. A bill to amend title XIX of the Social Security Act to permit children covered under private health insurance under a State children's health insurance plan to continue to be eligible for benefits under the vaccine for children program; to the Committee on Finance.

CHILDREN'S HEALTH INSURANCE PROGRAM LEGISLATION

Mrs. FEINSTEIN. Mr. President, today I am introducing a bill to clarify that children receiving health insurance under the new Children's Health Insurance Program (CHIP) are eligible for free vaccines under the 1993 federal Vaccines for Children (VFC) program.

I want to especially commend the leadership of Congresswoman JANE HARMAN who is introducing an identical bill in the House today.

We are introducing these bills because the U.S. Department of Health and Human Services has apparently interpreted the law so narrowly that as many as 580,000 children in California will lose their current eligibility to receive free vaccines, under California's new Healthy Families program.

The federal Vaccines for Children program, created by Congress in 1993 (P.L. 105–33), provides vaccines at no cost to poor children. In 1997, as many 775,000 poor children in my state, who were uninsured or on Medicaid, received these vaccines. California received $60 million from the federal government to provide them.

Mr. President, what can be so basic to public health than immunization against disease? Do we really want our children to get polio, measles, mumps, chicken pox, rubella, and whooping cough—diseases for which we have effective vaccines, diseases which we have practically eradicated by widespread immunization? Every parent knows that vaccines are fundamental to children's good health.

Congress recognized the importance of immunizations in creating the program, with many Congressional leaders at the time arguing that childhood immunization is one of the most cost-effective steps we can take to keep our children healthy. It makes no sense to me to withhold them from children who (1) have been getting them when they were uninsured and (2) have no other way to get them once they become insured.

According to an Annie E. Casey Foundation report, 28 percent of California's two-year old children are not immunized. Add to that the fact that we have one of the highest uninsured rates in the country. Our uninsured rate for non-elderly adults is 22 percent, the third highest in the U.S., while the national uninsured rate is 17 percent. As for children, 1.7 million or 18 percent of our children are without health insurance, compared to 13 percent nationally, according to UCLA's Center for Health Policy Research. Clearly, there is a need.

In creating the new children's health insurance program in California, the state chose to set up a program under which the state contracts with private insurers, rather than providing eligible children care through Medicaid (Medi-Cal in California). Unfortunately, HHS appears to be interpreting this method of providing these children health insurance as making them ''insured,'' as

defined in the vaccines law, and thus ineligible for the federal vaccines. I disagree.

It is my view that in creating the federal vaccines program, Congress made eligible for these vaccines children who are receiving Medicaid, children who are uninsured, and native American children. I believe that in defining the term ''insured'' Congress clearly meant private health insurance plans. Children enrolled in California's new Healthy Families program are participating in a federal-state, subsidized insurance plan. Healthy Families is a state-operated program. Families apply to the state for participation. They are not insured by a private, commercial plan, as traditionally defined or as defined in the Vaccine for Children's law (42 U.S.C. sec. 1396s(b)(2)(B). On February 23, the California Medical Association wrote to HHS Secretary Donna Shalala, ''As they are participants in a federal and state-subsidized health program, these individuals are not ''insured'' for the purposes of 42 U.S.C. sec. 1396s(b)(B).''

The California Managed Risk Medical Insurance Board, which is administering the new program with the Department of Health Services, wrote to HHS on February 5, ''It is imperative that states like California, who have implemented the Children's Health Insurance Program (CHIP) using private health insurance, be given the same support and eligibility for the Vaccines for Children (VFC) program at no cost as states which have chosen to expand their Medicaid program.'' The San Francisco Chronicle editorialized on March 10, 1998, ''More than half a million California children should not be deprived of vaccinations or health insurance because of a technicality. . . ,'' calling the denial of vaccines ''a game of semantics.''

Children's health should not be a ''game of semantics.'' Proper childhood immunizations are fundamental to a lifetime of good health. I urge my colleagues to join me in enacting this bill into law, to help me keep our children healthy.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2013

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PERMIT CHILDREN COVERED UNDER PRIVATE HEALTH INSURANCE UNDER A STATE CHILD HEALTH PLAN TO CONTINUE TO BE ELIGIBLE FOR BENEFITS UNDER THE VACCINE FOR CHILDREN PROGRAM.

(a) IN GENERAL.—Section 1928(b)(2)(A)(ii) of the Social Security Act (42 U.S.C. 1396s(b)(2)(A)(ii)) is amended by inserting '', except that for purposes of this paragraph a child who is only insured under title XXI shall be considered as being not insured'' after ''not insured''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the enactment of the Balanced Budget Act of 1997.

By Mr. BIDEN:

S. 2014. A bill to authorize the Attorney General to reschedule certain drugs that pose an imminent danger to public safety, and to provide for the rescheduling of the date-rape drug and the classification of certain ''club'' drug; to the Committee on the Judiciary.

THE NEW DRUGS OF THE 1990S CONTROL ACT

Mr. BIDEN. Mr. President, the best time to target a new drug with uncompromising enforcement pressure is before abuse of that drug has overwhelmed our communities.

That is why I introduced legislation last Congress to place tight federal controls on the date rape drug Rohpynol—also known as Roofies—which was becoming known as the Quaalude of the Nineties as its popularity spread throughout the United States.

My bill would have shifted Rohpynol to schedule 1 of the Federal Controlled Substances Act. Rescheduling is important for three simple reasons:

First, Federal re-scheduling triggers increases in State drug law penalties, and since we all know that more than 95 percent of all drug cases are prosecuted at the State level, not by the Federal Government, it is vitally important that we re-schedule.

Second, Federal re-scheduling to schedule 1 triggers the toughest Federal penalties—up to a year in prison and at least a $1,000 fine for a first offense of simple possession.

And, third, re-scheduling has proven to work. In 1984, I worked to reschedule Quaaludes, Congress passed the law, and the Quaalude epidemic was greatly reduced. And, in 1990, I worked to reschedule steroids, Congress passed the law, and again a drug epidemic that had been on the rise was reversed.

Despite evidence of a growing Rohpynol epidemic, some argued that my efforts to re-schedule the drug by legislation were premature. Accordingly, I agreed to hold off on legislative action and wait for a Drug Enforcement Administration decision on whether to schedule the drug through the lengthy and cumbersome administrative process.

As I predicted, the DEA report on Rohpynol—handed down in November—correctly concludes that despite the rapid spread of Rohpynol throughout the country, DEA cannot re-schedule Rohpynol by rulemaking at this time.

The report notes, however, that Congress is not bound by the bureaucratic re-scheduling process the DEA must follow. Congress can—and in my view should—pass legislation to reschedule Rohpynol.

Specifically the report states: ''This inability to reschedule [Rohpynol] administratively . . . does not affect Congress' ability to place [the drug] in schedule 1 through the legislative process''—as we did with Quaaludes in 1984 and Anabolic Steroids in 1990.

Let me also note that the DEA report confirmed a number of facts about the extent of the Rohpynol problem:

DEA found more than 4,000 documented cases—in 36 States—of sale or possession of the drug, which is not marketed in the United States and must be smuggled in.

''In spite of DEA's inability to reschedule [Rohypnol] through administrative proceedings, DEA remains very concerned about the abuse'' of the drug.

''Middle and high school students have been known to use [Rohypnol] as an alternative to alcohol to achieve an intoxicated state during school hours. [The drug] is much more difficult to detect than alcohol, which produces a characteristic odor.''

''DEA is extremely concerned about the use of [Rohypnol] in the commission of sexual assaults.''

''The number of sexual assaults in which [Rohypnol] is used may be underreported''—because the drug's effects often cause rape victims to be unable to remember details of their assaults and because rape crisis centers, hospitals, and law enforcement have only recently become aware that Rohypnol can be used to facilitate sex crimes.

Nonetheless, ''DEA is aware of at least 5 individuals who have been convicted of rape in which the evidence suggests that [the Rohypnol drug] was used to incapacitate the victim.'' ''The actual number of sexual assault cases involving [the drug] is not known. It is difficult to obtain evidence that [the Rohypnol drug] was used in an assault.''

I would also note that my efforts to re-schedule this drug have already had beneficial results: The manufacturer of Rohypnol recently announced that it had developed a new formula to minimize the potential for abuse of the drug in sexual assaults.

This is an important step. But pills produced under the old Rohypnol formula are still in circulation, and pills made by other manufacturers can still be smuggled in. Furthermore, the new formula will not prevent kids from continuing to ingest this dangerous drug voluntarily for a cheap high.

In short, stricter, Federal controls remain necessary; and DEA is powerless to respond to Rohypnol abuse until the problem gets even worse.

Therefore, I am reintroducing my bill to re-schedule Rohypnol in schedule 1 of the Controlled Substances Act. I urge my colleagues to support this effort to take action against this dangerous drug now, rather than waiting for the problem to develop into an epidemic.

My bill also places ''Special K''—ketamine hydrochloride—a dangerous hallucinogen very similar to PCP, on schedule III of the Controlled Substances Act. Despite Special K's rising popularity as a ''club drug'' of choice among kids, the drug is not even illegal in most States. This has crippled State

authorities' ability to fight ketamine abuse.

For example, in February 1997, two men accused of stealing ketamine from a Ville Platte, Louisiana veterinary clinic and cooking the drug into a powder could not be prosecuted under State drug control laws because ketamine is not listed as a Federal controlled substance.

Similarly, a New Jersey youth recently found to be with possessing and distributing ketamine could be charged with only a disorderly persons offense.

Prosecutors are trying to combat increased Ketamine use by seeking lengthy prison terms for possession of the drugs—like marijuana—that users mix with Ketamine, but if it is just Special K, there's nothing they can do about it.

I am convinced that scheduling Ketamine will help our effort to fight the spread of this dangerous drug by triggering increases in State drug law penalties.

Without Federal scheduling, many States will not be able to address the Ketamine problem until it is too late and Special K has already infiltrated their communities.

Medical professionals who use Ketamine—including the American Veterinary Medical Association and the American Association of Nurse Anesthetists—support scheduling, having determined that it will accomplish our goal of ''preventing the diversion and unauthorized use of Ketamine'' while allowing ''continued, responsible use'' of the drug for legitimate purposes. [Letter from Mary Beth Leininger, D.V.M., President of the American Veterinary Medical Association]

And the largest manufacturer of Ketamine has concluded that ''moving the product to schedule III classification is in the best interest of the veterinary industry and the public.'' [Letter from E. Thomas Corcoran, President of Fort Dodge Animal Health, a Division of American Home Products Corporation].

Scheduling Ketamine will give State authorities the tools they desperately need to fight its abuse by young people—and end the legal anomaly that leaves those who sell Ketamine to our children beyond the reach of the law—even when they are caught ''red-handed''. I urge my colleagues to support this legislation.

In addition to raising controls on Rohypnol and Ketamine, the legislation I am introducing today would increase the ability of the Attorney General to respond to new drug emergencies in the future.

Our Federal drug control laws currently allow the Attorney General limited authority to respond to certain new drugs on an emergency basis—by temporarily subjecting them the strictest Federal control while the extensive administrative procedure for permanent scheduling proceeds.

But the Attorney General has not been able to use this authority to respond to the Rohypnol and Special K emergencies—because she does not have authority to—move drugs from one schedule to another, or to schedule drugs that the Food and Drug Administration has allowed companies to research but not to sell.

This amendment would grant the administration this important authority by—authorizing the Attorney General to move a scheduled drug—like Rohypnol—to schedule I in an Emergency; by applying emergency rescheduling authority to ''investigational new drugs''—like Special K—that the Food and Drug Administration has approved for research purposes only, but not for marketing.

And by providing that a rescheduling drug remains on the temporary schedule until the administrative proceedings reach a final conclusion on whether to schedule.

This legislation would give the Attorney General the necessary tools to respond quickly when evidence appears that a drug is being abused. I urge my colleagues to support the bill.

By Mr. BIDEN:

S. 2015. A bill to amend the Public Health Service Act and the Federal Food, Drug, and Cosmetic Act to provide incentives for the development of drugs for the treatment of addiction to illegal drugs, and for other purposes; to the Committee on Labor and Human Resources.

THE NEW MEDICINES TO TREAT ADDICTION ACT OF 1998

Mr. BIDEN. Mr. President, today I am introducing the New Medicines to Treat Addiction Act of 1998, legislation that builds upon my efforts in previous Congresses to promote research into and development of new medicines to treat the ravages of hard core drug addiction.

Since the first call to arms against illegal drugs in 1989, we have learned just how insidious hardcore drug addiction is, even as the ravages of substance abuse—on both the addict and his victims—have become ever more apparent. The frustration in dealing with a seemingly intractable national problem is palpable, most noticeably in the heated rhetoric as politicians blame each other for the failure to find a cure. What gets lost underneath the noise is the recognition that we have not done everything we can to fight this problem and that, like all serious ills, we must take incremental steps one at a time, and refuse to be overwhelmed by the big picture.

Throughout my tenure as Chairman of the Senate Judiciary Committee, I called for a multifaceted strategy to combat drug abuse. One of the specific steps I advocated was the creation of incentives to encourage the private sector to develop medicines that treat addiction, an area where promising research has not led—as one would normally expect—to production of medicines. The bill I am introducing today, the New Medicines To Treat Addiction Act of 1998, will hopefully change that. It takes focused aim at one segment of the drug-abusing population—hardcore addicts, namely users of cocaine and heroin—in part because these addicts are so difficult to treat with traditional methods, and in part because this population commits such a large percentage of drug-related crime.

In December, 1989, I commissioned a Judiciary Committee report, ''Pharmacotherapy: A Strategy for the 1990's.'' In that report, I posed the question, ''If drug use is an epidemic, are we doing enough to find a medical 'cure' for this disease?'' The report gave the answer ''No.'' Unfortunately, almost a decade later, the answer remains the same. Developing new medicines for the treatment of addiction should be among our highest medical research priorities as a nation. Until we take this modest step, we cannot claim to have done everything reasonable to address the problem, and we should not become so frustrated that we effectively throw up our hands and do nothing.

Recent medical advances have increased the possibility of developing medications to treat drug addiction. These advances include a heightened understanding of the physiological and psychological characteristics of drug addition and a greater base of neuroscientific research.

One example of this promising research is the recent development of a compound that has been proven to immunize laboratory animals against the effects of cocaine. The compound works like a vaccine by stimulating the immune system to develop an antibody that blocks cocaine from entering the brain. Researchers funded through the National Institute of Drug Abuse believe that this advance may open a whole new avenue for combating addiction.

Despite this progress, we still do not have a medication to treat cocaine addiction or drugs to treat many other forms of substance abuse, because the private sector is unsure of the wisdom of making the necessary investment in the production and marketing of such medicines.

Private industry has not aggressively developed pharmacotherapies for a variety of reasons, including a small customer base, difficulties distributing medication to the target population, and fear of being associated with substance abusers. We need to create financial incentives to encourage pharmaceutical companies to develop and market these treatments. And we need to develop a new partnership between private industry and the public sector in order to encourage the active marketing and distribution of new medicines so they are accessible to all addicts in need of treatment.

While pharmacotherapies alone are not a ''magic bullet'' that will solve our national substance abuse problem, they have the potential to fill a gap in

current treatment regimens. The disease of addiction occurs for many reasons, including a variety of personal problems which pharmacotherapy cannot address. Still, by providing a treatment regimen for drug abusers who are not helped by traditional methods, pharmacotherapy holds substantial promise for reducing the crime and health crisis that drug abuse is causing in the United States.

The New Medicines to Treat Addiction Act would encourage and support the development of medicines to treat drug addiction in three ways.

It reauthorizes and increases funding for the Medications Development Program at the National Institute of Health, which for years has been at the forefront of research into drug addiction.

The bill also creates two new incentives for private sector companies to undertake the difficult but important task of developing medicines to treat addiction.

First, the bill would provide additional patent protections for companies that develop drugs to treat substance abuse. Under the bill, pharmacotherapies could be designated ''orphan drugs'' and qualify for an exclusive seven-year patent to treat a specific addiction. These extraordinary patent rights would greatly enhance the market value of pharmacotherapies and provide a financial reward for companies that invest in the search to cure drug addiction. This provision was contained in a bill introduced by Senator KENNEDY and me in 1990, but was never acted on by Congress.

Second, the bill would establish a substantial monetary reward for companies that develop drugs to treat cocaine and heroin addiction but shift the responsibility for marketing and distributing such drugs to the government. This approach would create a financial incentive for drug companies to invest in research and development but enable them to avoid any stigma associated with distributing medicine to substance abusers.

The bill would require the National Academy of Sciences to develop strict guidelines for evaluating whether a drug effectively treats cocaine or heroin addiction. If a drug meets these guidelines and is approved by the Food and Drug Administration, then the government must purchase the patent rights for the drug from the company that developed it. The purchase price for the patent rights is established by law: $100 million for a drug to treat cocaine addiction and $50 million for a drug to treat heroin addiction. Once the government has purchased the patent rights, then it is responsible for producing the drug and distributing it to clinics, hospitals, state and local governments, and any other entities qualified to operate drug treatment programs.

This joint public/private endeavor will correct the market inefficiencies that have thus far prevented the development of drugs to treat addiction and require the government to take on the responsibilities that industry is unwilling or unable to perform.

America's drug problem is reduced each and every time a drug abuser quits his or her habit. Fewer drug addicts mean fewer crimes, fewer hospital admissions, fewer drug-addicted babies and fewer neglected children. The benefits to our country of developing new treatment options such as pharmacotherapies are manifold. Each dollar we spend on advancing options in this area can save us ten or twenty times as much in years to come. The question isn't ''Can we afford to pursue a pharmacotherapy strategy?'' but rather, ''Can we afford not to?''

Congress has long neglected to adopt measures I have proposed to speed the approval of and encourage greater private sector interest in pharmacotherapy. We cannot let another Congress conclude without rectifying our past negligence on this issue. I urge my colleagues to join me in promoting an important, and potentially ground breaking, approach to addressing one of our nation's most serious domestic challenges.

By Mr. D'AMATO (for himself, Ms. MIKULSKI, Ms. SNOWE, Mr. MOYNIHAN, Mr. CHAFEE, Mr. DASCHLE, Mr. INOUYE, Mr. BINGAMAN, Mr. JOHNSON, Mr. DODD, Mr. KENNEDY, Ms. MOSELEY-BRAUN, Mrs. FEINSTEIN, and Mrs. BOXER):

S. 2017. A bill to amend title XIX of the Social Security Act to provide medical assistance for breast and cervical cancer-related treatment services to certain women screened and found to have breast or cervical cancer under a Federally funded screening program; to the Committee on Finance.

THE BREAST AND CERVICAL CANCER TREATMENT ACT OF 1998

Mr. D'AMATO. Mr. President, I rise today to introduce bi-partisan legislation which will allow states the option of providing Medicaid coverage to women who have been diagnosed with breast and cervical cancer through the federal government's breast and cervical cancer early detection program.

Currently, the CDC breast and cervical cancer program provides low-income, uninsured women with coverage for cancer screening, covering mammographies and pap smears. While this program begins to fill a crucial need, this legislation allows Congress to make this program even better. The result has often been that uninsured women are diagnosed with cancer and then left to scramble to find treatment.

In 1990 Congress passed a bill that was a breakthrough for the early detection of breast and cervical cancer in women. The Breast and Cervical Cancer Mortality Prevention Act of 1990 authorized the Center for Disease control to increase screening services for women who are low-income. From July of 1991 to March of 1997, CDC's program provide mammography screening to over 500,000 women and diagnosed nearly 3,500 cases of breast cancer. During this same period, the program provided over 700,000 Pap tests and found more than 300 cases of invasive cervical cancer. This is good news for the early detection of cancers in women.

But the bad news is that all women are not getting treated for cancer. Screening does not prevent cancer deaths; it must be coupled with treatment. Congress tried to ensure that women would get treatment, by requiring that state programs seek out services for the women they screen. But wherever I've traveled in New York, I've been hearing reports that programs are over burdened. Volunteers are working over time. Program administrators are having to rely on public hospitals and charity care. Women are having to hold bake sales to get treatment. This is wrong. It's not what Congress intended when it passed the Cancer Prevention Act in 1990.

Now, a newly published study of the program documents that approaches for delivering treatment services are fragmented, and in danger of breaking down. I am very concerned, Mr. President, that the program is over burdened and needs help. The women of America need this program. Early detection saves lives. However, Mr. President, if we are unable to treat the women who are diagnosed with breast cancer, we have failed them.

I commend the local programs that are working hard to line up treatment services for women. These programs are doing whatever they can to see that women with cancer get care. But the fact is that these solutions are labor-intensive and have long-range consequences of the program itself. The CDC study shows that programs are having a hard time recruiting new providers and must limit the number of women screened. Today the program serves only 12 to 15% of all women who are eligible nationally. And this percentage is likely to decrease. The study also shows that fewer physicians will be able to offer free or reduced-fee services in the future, because of changes in the health-care system. My point is, and the study shows, that whatever fragile delivery systems for treatment are in place now are in jeopardy and overburdened. Women are not getting the treatment they need.

In June 1997, Senator MOYNIHAN and I were successful in including an amendment in the Budget Resolution that addressed this and would have solved this problem. Unfortunately, that amendment was passed by the Senate but later died in conference. Mr. President, we must not let these women fall through the cracks any longer. This legislation provides a mechanism to fix the problem that these under served women face.

Mr. President, I began the fight in 1992 for more research funding for breast cancer. With the help of the National Breast Cancer Coalition and the

women of New York—women like Barbara Balaban, Geri Barish, and Doctor Susan Love, Senator HARKIN and I started a research program in the Army that has grown to over $750 million and continues to provide research dollars for the latest, cutting edge technologies and research.

We must not abandon the women of America who are diagnosed with breast and cervical cancer, only to find that there is no way to pay for their treatment. Congress has responded to the call for more research money for breast cancer, we must now continue that fight to provide increased treatment for every woman diagnosed with breast and cervical cancer.

The National Breast Cancer Coalition has made me very aware of the problems that women are facing regarding treatment after diagnosis under the CDC program. And I am concerned that the problem is getting worse.

We make speeches and wear pink ribbons to show our commitment to fight breast cancer—but now is the time to act to support a simple amendment that will make real contribution to the fight against breast cancer. It will save lives and ensure that women, when diagnosed through the federal program, will not have to hold bake sales to get treatment.

I join my colleagues, Senator MOYNIHAN, Senator SNOWE, and Senator MIKULSKI, in sponsoring legislation that will establish a mechanism for women's treatment. This is a targeted measure that will allow states the option of providing Medicaid to women who have participated in the CDC program and have been diagnosed with breast and cervical cancer. I am determined to solve this problem before Congress is adjourned this year. It is irresponsible of the federal government to do otherwise.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2017

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Breast and Cervical Cancer Treatment Act of 1998''.

SEC. 2. OPTIONAL MEDICAID COVERAGE OF CERTAIN BREAST OR CERVICAL CANCER PATIENTS.

(a) COVERAGE AS OPTIONAL CATEGORICALLY NEEDY GROUP.—Section 1902(a)(10)(A)(ii) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(ii)) is amended—

(1) in subclause (XIII), by striking ''or'' at the end;

(2) in subclause (XIV), by adding ''or'' at the end; and

(3) by adding at the end the following:

''(XV) who are described in subsection (aa)(1) (relating to certain breast or cervical cancer patients);''.

(b) GROUP AND BENEFIT DESCRIBED.—Section 1902 of the Social Security Act (42 U.S.C. 1396a) is amended by adding at the end the following:

''(aa)(1) Individuals described in this paragraph are individuals who—

''(A) are not described in subsection (a)(10)(A)(i);

''(B) have not attained age 65;

''(C) satisfy income and resource requirements to be treated as a low-income woman for purposes of being given priority under section 1504 of the Public Health Service Act (42 U.S.C. 300n); and

''(D) are not otherwise covered under creditable coverage, as defined in section 2701(c) of the Public Health Service Act (45 U.S.C. 300gg(c)).

''(2) For purposes of this title, the term 'breast or cervical cancer-related treatment services' means services that are medically necessary or appropriate for the treatment of breast or cervical cancer and complications arising from such treatment and for which medical assistance is made available under the State plan to individuals described in subsection (a)(10)(A)(i).''.

(c) PRESUMPTIVE ELIGIBILITY.—

(1) IN GENERAL.—Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) is amended by inserting after section 1920A the following:

''PRESUMPTIVE ELIGIBILITY FOR CERTAIN BREAST OR CERVICAL CANCER PATIENTS

''SEC. 1920B. (a) STATE OPTION.—A State plan approved under section 1902 may provide for making medical assistance for breast or cervical cancer-related treatment services available to an individual described in section 1902(aa)(1) (relating to certain breast or cervical cancer patients) during a presumptive eligibility period.

''(b) DEFINITIONS.—For purposes of this section:

''(1) PRESUMPTIVE ELIGIBILITY PERIOD.—The term 'presumptive eligibility period' means, with respect to an individual described in subsection (a), the period that—

''(A) begins with the date on which a qualified entity determines, on the basis of preliminary information, that the individual is described in section 1902(aa)(1), and

''(B) ends with (and includes) the earlier of—

''(i) the day on which a determination is made with respect to the eligibility of such individual for services under the State plan, or

''(ii) in the case of such an individual who does not file an application by the last day of the month following the month during which the entity makes the determination referred to in subparagraph (A), such last day.

''(2) QUALIFIED ENTITY.—

''(A) IN GENERAL.—Subject to subparagraph (B), the term 'qualified entity' means any entity that—

''(i) is eligible for payments under a State plan approved under this title and provides breast or cervical cancer-related treatment services; and

''(ii) is determined by the State agency to be capable of making determinations of the type described in paragraph (1)(A).

''(B) REGULATIONS.—The Secretary may issue regulations further limiting those entities that may become qualified entities in order to prevent fraud and abuse and for other reasons.

''(C) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed as preventing a State from limiting the classes of entities that may become qualified entities, consistent with any limitations imposed under subparagraph (B).

''(c) ADMINISTRATION.—

''(1) IN GENERAL.—The State agency shall provide qualified entities with—

''(A) such forms as are necessary for an application to be made by an individual described in subsection (a) for medical assistance under the State plan, and

''(B) information on how to assist such individuals in completing and filing such forms.

''(2) NOTIFICATION REQUIREMENTS.—A qualified entity that determines under subsection (b)(1)(A) that an individual described in subsection (a) is presumptively eligible for medical assistance for breast or cervical cancer-related treatment services under a State plan shall—

''(A) notify the State agency of the determination within 5 working days after the date on which determination is made, and

''(B) inform such individual at the time the determination is made that an application for medical assistance under the State plan is required to be made by not later than the last day of the month following the month during which the determination is made.

''(3) APPLICATION FOR MEDICAL ASSISTANCE.—In the case of an individual described in subsection (a) who is determined by a qualified entity to be presumptively eligible for medical assistance for breast or cervical cancer-related treatment services under a State plan, the individual shall apply for medical assistance under such plan by not later than the last day of the month following the month during which the determination is made.

''(d) PAYMENT.—Notwithstanding any other provision of this title, medical assistance for breast or cervical cancer-related treatment services that—

''(1) are furnished to an individual described in subsection (a)—

''(A) during a presumptive eligibility period,

''(B) by a entity that is eligible for payments under the State plan; and

''(2) are included in the care and services covered by the State plan;

shall be treated as medical assistance provided by such plan for purposes of section 1903(a)(5)(B).''.

(2) PRESUMPTIVE ELIGIBILITY CONFORMING AMENDMENTS.—

(A) Section 1902(a)(47) of the Social Security Act (42 U.S.C. 1396a(a)(47)) is amended by inserting before the semicolon at the end the following: ''and provide for making medical assistance for breast or cervical cancer-related treatment services available to individuals described in subsection (a) of section 1920B during a presumptive eligibility period in accordance with such section''.

(B) Section 1903(u)(1)(D)(v) of such Act (42 U.S.C. 1396b(u)(1)(D)(v)) is amended—

(i) by striking ''or for'' and inserting '', for''; and

(ii) by inserting before the period the following: '', or for medical assistance for breast or cervical cancer-related treatment services provided to an individual described in subsection (a) of section 1920B during a presumptive eligibility period under such section''.

(d) ENHANCED MATCH.—Section 1903(a)(5) of the Social Security Act (42 U.S.C. 1396b(a)(5)) is amended—

(1) by striking ''an'' and inserting ''(A) an'';

(2) by adding ''plus'' after the semicolon; and

(3) by adding at the end the following:

''(B) an amount equal to 75 percent of the sums expended during such quarter which are attributable to the offering, arranging, and furnishing (directly or on a contract basis) of breast or cervical cancer-related treatment services; plus''.

(e) LIMITATION ON BENEFITS.—Section 1902(a)(10) of the Social Security Act (42 U.S.C. 1396a(a)(10)) is amended in the matter following subparagraph (F)—

(1) by striking ''and (XIII)'' and inserting ''(XIII)''; and

(2) by inserting before the semicolon at the end the following: '', and (XIV) the medical assistance made available to an individual described in subsection (aa)(1) who is eligible for medical assistance only because of subparagraph (A)(ii)(XV) shall be limited to medical assistance for breast or cervical cancer-related treatment services''.

(f) CONFORMING AMENDMENTS.—Section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)) is amended in the matter preceding paragraph (1)—

(1) in clause (x), by striking ''or'' at the end;

(2) in clause (xi), by adding ''or'' at the end; and

(3) by inserting after clause (xi) the following:

''(xii) individuals described in section 1902(aa)(1),''.

(g) EFFECTIVE DATE.—The amendments made by this section apply to medical assistance furnished on or after October 1, 1998, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

Ms. MIKULSKI. Mr. President, I rise today as an original cosponsor of a bill that will put an end to the half-promise the federal government has made to women screened under the National Breast and Cervical Cancer Protection Program. When Congress first passed this program as the Breast and Cervical Cancer Mortality Prevention Act in 1990, it was a breakthrough for early detection of breast and cervical cancer. And I was proud to be its chief Senate sponsor. There is still good reason to be proud of this program. By March of 1997, the program had provided mammography screening to over 500,000 women and Pap tests to over 700,000. Nearly 3,500 women have been diagnosed with breast cancer and an additional 300 women with invasive cervical cancer. In Maryland alone, by December 1996, the state had provided more than 35,000 mammograms and 21,000 Pap tests, and diagnosed nearly 300 women with breast cancer and 13 women with invasive cervical cancer.

But when we passed that program we expected—and demanded—assurances that women who are found to have breast cancer be provided the necessary diagnostic services, including breast biopsies and treatment services. The program has not lived up to the promise. While a variety of innovative strategies have emerged across the country at the state and local levels to help women get treatment, the reality is that the system is overloaded. Some state programs require providers to arrange for treatment before they can participate in the program; a very few like Maryland have been able to come up with a small pool of general revenues, but generally these funds are available for breast diagnostic services, not treatment. In others, program administrators have to rely on public hospitals, donated services and charity care. In the end, thousands of women who run local screening programs are spending countless hours finding treatment services for women diagnosed with breast cancer.

This is not what we had in mind. Not at all. The system for obtaining treatment services—which at its best was an ad-hoc patchwork—has broken down. Of those women diagnosed with cancer in the United States, nearly 3,000 women have no way to afford treatment—they have no health care insurance coverage or are underinsured. These women want to pay for their services, but they often simply don't have the financial resources on their own.

It's a cruel and heart breaking irony for the federal government to promise to screen low-income women for breast and cervical cancer, but not to establish a program to treat those women who have been diagnosed with cancer through a federal program. Screening alone does not prevent cancer deaths; but treatment can.

A recent study of the program done for the Centers for Disease Control and Prevention found that while treatment was eventually found for almost all of the women screened, some women did not get treated at all, some refused treatment, and some experienced delays. The study also underscores the terribly labor intensive efforts that go into finding treatment for these women—often at the expense of screening. The lack of coverage for diagnostic and treatment services has also had a very negative impact on the program's ability to recruit providers, further restricting the number of women screened. It is sad that 8 years after enactment, the program serves only 12 to 15 percent of all women who are eligible nationally. And this is likely to get worse. The study shows there are already additional stresses on the program as increasing numbers of physicians do not have the autonomy in today's ever increasing managed care system to offer free or reduced-fee services.

Breast cancer advocates from across the country are reporting that local programs are so badly strained that they have resorted to holding bake sales and community lunches to raise money for treatment services for the women they serve. Others have cobbled together the funds at great effort—when they are sickest—and most in need of taking care of their health. One woman in Massachusetts reported that she cashed in her life insurance policy to cover the costs of her treatment.

It is clear that the short-term, ad-hoc strategies of providing treatment have broken down: for the women who are screened; for the local programs that fund the screening program; and for the states that face increasing burdens. Because there is no coverage for treatment, state programs are having a hard time recruiting providers, volunteers are spending a disproportionate amount of time finding treatment for women, and fewer women are receiving treatment. We can't grow the program to serve the other 78 percent of eligible women if we can't promise treatment to those we already screen.

Women shouldn't have to hold a bake sale to get treated for breast cancer—especially if the federal government has held out the promise of early detection. It is an outrage that women with cancer must go begging for treatment. That's why I'm cosponsoring this bill. It will establish a mechanism for women to be treated. It will guarantee Medicaid coverage for necessary treatment services to women who are eligible for the CDC program, and found to have breast cancer or cervical cancer. Although I wish the bill would require the States to provide the benefit, the reality is such that we have made this program for now, an optional benefit, and place the responsibility on the States to choose to participate. By doing so, states would in effect, extend the federal-state partnership that exists for the screening services in the CDC program to treatment services.

This bill is the best long-term solution. It is strongly supported by the National Breast Cancer Coalition representing over 400 organizations and 100,000's of women across the nation. I urge my colleagues to join in and cosponsor this critical piece of legislation and make good on the promise of early detection.

Mr. MOYNIHAN. Mr. President, I rise today to introduce with my colleague Senator D'AMATO, and with Senators MIKULSKI and SNOWE, legislation important to ensuring that women with breast cancer and cervical cancer will receive coverage for their treatment. The Centers for Disease Control and Prevention (CDC) has a successful nationwide program—National Breast and Cervical Cancer Early Detection program—that screens low-income uninsured women for breast and cervical cancer. However, CDC's program does not have funding to treat these women after they are diagnosed.

The women eligible for cancer screening under the CDC program are low-income individuals and yet are not poor enough to qualify for Medicaid coverage. They do not have health insurance coverage for these screenings and for subsequent cancer treatment.

From July of 1991 to March of 1997, the CDC program provided mammography screening to almost 600,000 women and diagnosed nearly 3,500 cases of breast cancer. During this same period, the program also provided over 700,000 pap smears and found more than 300 cases of invasive cervical cancer.

The CDC screening program has had to divert a significant amount of time and funding in order to find treatment opportunities for the women found to have breast and cervical cancer. The lack of subsequent funding for treatment has, therefore, jeopardized the programs' primary function: to screen low-income uninsured women for breast and cervical cancer. Currently, the program screens about 12 to 15 percent of all eligible women.

A recent study conducted at Battelle Centers for Public Health Research and Evaluation and the University of Michigan School of Public Health on treatment funding for women screened

by the CDC program found that, although funding for treatment services were found for most of these women, they often experienced time delays. In addition, during the search for treatment funding, the CDC program lost contact with several women. The study also found that the sources of treatment funding are uncertain, tenuous and fragmented. The burden of funding treatment often fell upon providers themselves. The uncertainty and delays worsen the stress of coping with cancer. Some women, upon learning that they have cancer, must hold lunches and bake sales to raise funds to cover their needed treatment.

Our legislation would provide treatment coverage for the women screened and diagnosed through the CDC program and who are uninsured. States will have the option to provide this coverage through its Medicaid program. If a state chooses this option, they will receive an enhanced match for the treatment coverage, similar to the federal match provided to the sate for the CDC screening program.

Mr. President, the Senate has approved this proposal in the past. A similar provision was included in the Senate version of last year's Balanced Budget bill. It is my hope that the Senate will again support this important legislation.

By Mr. JOHNSON:

S. 2018. A bill to amend the Internal Revenue Code of 1986 to extend the work opportunity tax credit to employers providing employment in economically distressed communities; to the Committee on Finance.

THE REEMPLOYMENT TAX CREDIT ACT OF 1998

Mr. JOHNSON. Mr. President I am pleased to introduce legislation today that will foster job growth and job creation in distressed communities. This important legislation, the ''Reemployment Tax Credit Act of 1988,'' will provide needed assistance to communities when they are impacted by significant job losses.

Twice in the last year, communities in my state have suffered the difficult repercussions of massive job losses in the area. The circumstances in Huron and those in the Northern Hills region differed considerably, however, in both instances the job losses affected far reaching elements of the local economy. I proudly introduce this legislation to enhance the ability of distressed communities to address the challenges of sudden economic dislocation.

This bill will extend the existing Work Opportunity Tax Credit to include dislocated workers affected by plant closings or other events resulting in extensive job losses. This tax credit accelerates opportunities for business growth and expansion in distressed communities therefore decreasing unemployment insurance expenditures, reducing the flight of dislocated workers, allowing families to remain in their community and in their homes. It serves to stabilize the local economy and minimize the negative impacts on other local businesses.

The most successful and immediate action to address economic dislocation is to reemploy workers. The Reemployment Tax Credit Act of 1998 will make a serious and positive impact on the growth and prosperity of our communities. I urge my colleagues to support this effort to provide distressed communities with this critical assistance to help them recover from extraordinary economic hardship.

By Mr. ASHCROFT:

S. 2019. A bill to prohibit the use of Federal funds to implement the Kyoto Protocol to the United Nations Framework Convention on Climate Change unless or until the Senate has given its advice and consent to ratification of the Kyoto Protocol and to clarify the authority of Federal agencies with respect to the regulation of the emissions of carbon dioxide; to the Committee on Environment and Public Works.

THE ECONOMIC GROWTH AND SOVEREIGNTY PROTECTION ACT

Mr. ASHCROFT. Mr. President, I rise to introduce legislation to protect the strength and future growth of the American economy, and to uphold the system of checks and balances that is central to our government. The Clinton Administration's irresponsibility at the Kyoto Summit makes it necessary for Congress to act. On December 11, 1998, this administration agreed to an amendment to the United Nations Framework Convention on Climate Change.

An amendment that clearly did not meet the standards for ratification established by this body in the Byrd-Hagel Resolution by a vote of 95–0. The administration simply ignored the Senate's resolution—thereby ignoring the will of the American people. The resolution was clear and unmistakable it in its criteria. It stated that the administration should not agree to binding emission targets unless developing countries also were bound by the targets and that the administration must not agree to anything that severely damages the economy of the United States. The Kyoto Protocol fails both tests.

On the first criteria, the Kyoto Protocol does not include a single developing nation. One hundred and thirty-four developing nations, including China, Mexico, India, Brazil, and South Korea, many of whom compete with the United States for trade opportunities, are completely exempt from any obligations or responsibilities for reducing greenhouse gas emissions.

The Kyoto Protocol would legally bind the United States to reduce our greenhouse gas emissions to 7 percent below 1990 levels by the years 2008 to 2012. It even goes much further than President Clinton's own bottom line that he personally announced last October pledging would not accept a baseline below 1990 levels in greenhouse gas emissions. He also said there must be ''meaningful participation'' from all developing countries.

It is clear that the Protocol fails the second criteria. Numerous independent economic studies predicted serious economic harm even if the administration had held to its position that it enunciated last October. These studies found 2.4 million job losses, significant increases in energy costs, a 50-cent increase in gas prices per gallon, a drop in economic growth rates of more than 1 percent a year, and major American industries being driven out of business or driven out of the United States—industries like steel, aluminum, petroleum refining, chemicals, iron, paper products, and cement.

That is why American agriculture, American labor, American business and industry and many consumer groups have all united in opposition to this treaty. Yet, our negotiators in Kyoto—the ones who were supposed to be looking out for the American people—cut a deal that would have had an even more devastating and extreme impact on the U.S. economy and on the lives of the American people.

The administration's recent attempt to develop an economic analysis showing ''minimal'' harm to the U.S. economy clearly are flawed. No models, no numbers, no percentages, no economics. It is based on fabrication and vapor, on what Senator HAGEL called ''wildly optimistic assumptions'' such as China, India and Mexico agreeing to the binding commitments in this treaty.

This is what one observer in Kyoto—the leader on this issue in the United States Senate, along with Senator BYRD—Senator HAGEL, had to say about the administration's activities in Kyoto. ''After Vice President GORE came to Kyoto and instructed our negotiators to show 'increased flexibility' the doors were thrown open and the objective became very clear. The objective was: Let us get a deal at any cost. The clear advice of the U.S. Senate and the economic well-being of the American people were abandoned under pressure from the U.N. bureaucrats, international environmentalists and the 134 developing countries that were not even included—not even included—in the treaty. The United States of America was the only Nation to come out of these negotiations worse than it came in. In fact, there was no negotiation in Kyoto; there was only surrender.''

From an environmental standpoint, the Kyoto ''deal'' is completely inadequate. The treaty is so flawed that it will do virtually nothing to slow the growth of manmade greenhouse gasses in the atmosphere. Even if one accepts the validity of the science on global warming, which is still uncertain and at best contradictory, this treaty would do nothing to stop any of these emissions. The Kyoto ''deal'' excludes the very developing nations who will be responsible for more than 60 percent of the world's manmade greenhouse gas emissions early in the next century.

In fact, as more and more American scientists review the available data on global warming, it is becoming increasingly clear that the vast majority believe the commitments for reduction of greenhouse gas emissions made by the Administration in the Kyoto ''deal'' is an unnecessary response to an exaggerated threat—''to an exaggerated threat'' that the Vice President himself is caught up in making. Last week, more than 15,000 scientists, two-thirds with advanced academic degrees, released a petition they signed urging the United States to reject the Kyoto ''deal.'' The petition, expressly states that:

There is no convincing scientific evidence that human release of carbon dioxide, methane, or other greenhouse gases is causing or will cause catastrophic heating of the Earth's atmosphere and disruption of the Earth's climate.

The administration understands that the Kyoto ''deal'' does not meet these standards because they have made it clear that the President will not send this document to the Senate for ratification.

However, not only did the administration ignore the Senate when agreeing to this deal, they are continuing to ignore it even today. A number of my constituents, particularly farmers and small business owners, have come to me with grave concerns over the administration's ''back door'' implementation of the Protocol's requirements.

For example, the Administration has requested $6.3 billion in its 1999 budget in order to begin meeting its obligations under the Kyoto Protocol. This money would go to a number of federal agencies and departments including the Department of Energy, the Environmental Protection Agency, Housing and Urban Development, the Commerce Department, and the Department of Agriculture.

The administration, in a document relating to electricity restructuring, which was circulating through the Environmental Protection Agency, referenced reducing emission to ''meet our greenhouse gas emission budget under the Kyoto Protocol.'' The memorandum further states that electricity restructuring also should take environmental concerns into account in order to ''deliver on the President's commitments.''

Many federal agencies are in the process of establishing Kyoto implementation offices. The Environmental Protection Agency currently is discussing whether the agency has the power under the Clean Air Act or the Energy Policy Act to regulate carbon dioxide emissions—a key emission limited under the Kyoto Protocol.

In the news conference after cutting the deal in Kyoto, administration officials seemed to indicate that since the U.S. has ten years to meet the greenhouse gas emission targets established at Kyoto—the administration has ten years to involve the Senate in its activities.

Mr. President, the Constitution clearly states that while the Executive Branch has the authority to negotiate international treaties, that only the United States Senate has the authority to ratify such treaties. We cannot allow the Executive Branch to usurp the power of Congress by implementing the treaty—a treaty that will have such a devastating impact on the United States—without the Senate first being ratified by this body.

A treaty is the most solemn international obligation that can be entered upon by sovereign people. The sovereignty of the United States was purchased with the blood of patriots, and the Constitution defined the treaty making power with great care. The blood and treasure of our nation may not be placed at hazard by a treaty unless the President and Congress are in agreement. The Framers created this shared power in part because the United States intended to reject utterly the European tradition that invested the monarch with unfettered power to conduct foreign policy—even to the extremity of spending the lives of citizens in wars conducted to satisfy his vanity or dynastic ambition. Under our Constitution, the President may not on his own bind the sovereignty of the United States to the terms of a treaty unless that treaty has been ratified by two-thirds of the Senate.

The treaty making power, then is not only shared and checked, but ratification must meet the high standard of a two-third vote. The Administration's Kyoto agenda is constitutionally offensive in several respects. First, the President is not to behave like a predemocratic ruler who makes commitments at will that bind the nation. Second, the Executive branch is proceeding to inflict severe damage on our economy and our people, without deliberation by the Congress. Finally, the Administration is proceeding to impose an unratified—and therefore meaningless—treaty, a treaty so badly flawed that it would, on its face, be rejected by the Senate.

Unfortunately, it is unlikely that the administration's activities will stop merely because members of the Senate, members of the House of Representatives, or citizens of the United States point out the Constitutional implications. Therefore, today I am offering the Economic Growth and Sovereignty Protection Act. This act simply would prohibit any federal agency from spending federal funds on implementing the treaty until such time that it is ratified by the United States Senate.

In addition, since the EPA has raised the issue of whether it has the ability to regulate carbon dioxide emissions, this act would make it clear that no federal agency has such power without the express authority from the Congress.

Mr. President, the Constitution cannot be ignored. It established a system of checks and balances which must be preserved and protected. The interests and the sovereignty of this great Nation cannot be ignored. To allow other nations' interests to become more important—to dictate our domestic policy—would be unconscionable. The will of the American people cannot be ignored. To do so would crush the very foundation on which this democracy was established.

By Mr. HOLLINGS:

S. 2020. A bill to amend title 10, United States Code, to permit beneficiaries of the military health care system to enroll in Federal employees health benefits plans; to improve health care benefits under CHAMPUS and TRICARE Standard, and for other purposes; to the Committee on Armed Services.

THE MILITARY HEALTH CARE EQUALITY ACT

Mr. HOLLINGS. Mr. President, I rise today to introduce the Military Health Care Equality Act. Mr. President, it may come a surprise to many that the Department of Defenses has reneged on its promise to those who have honorably served in our military forces. That, Mr. President, is the promise of lifetime, quality healthcare for the military retiree and his family. I now introduce legislation that will offer all Senators the opportunity to join with me in righting this unconscionable wrong.

Today our military retirees feel betrayed. Before joining, and while serving, they were promised quality, lifetime healthcare. However, that promise is being broken. Military health care facilities have closed because of the downsizing of our military forces. Those military health facilities that remain can treat fewer and fewer retirees. The TRICARE system has high overhead and its provider fees are so low that many health care providers will not participate. In addition, in some areas, retirees do not have access to provider networks. Finally, the TRICARE system will not treat Medicare eligible retirees. Mr. President, it is just not right that the military retiree is the only Federal retiree who is prevented from using his employer provided health care when reaching Medicare age.

This legislation requires the DOD to provide all military retirees with health care that is comparable to the care provided by the Federal Employees Health Benefits Plan, or failing that, to make the FEHBP available. In addition, this legislation would require that TRICARE be improved to the FEHBP level. This Legislation will not prevent a retiree from using a military health care facility. However, it will improve and increase the health care choices for our retirees.

Our military men and women have given much to protect our country in time of peace and war. We must acknowledge this by providing them the available, affordable, quality health care that they were promised. No lesser measure will suffice.

Therefore, I urge my colleagues to join me in immediately enacting this

legislation so that we can now begin to care for military retirees, as promised, in a manner they so richly deserve for their service to our great Nation.

By Mr. SARBANES (for himself and Mr. LIEBERMAN):

S. 2021. A bill to provide for regional skills training alliances, and for other purposes; to the Committee on Labor and Human Resources.

THE TECHNOLOGY SKILLS PARTNERSHIP ACT OF 1998

Mr. SARBANES. Mr. President, today, joined with Senator LIEBERMAN, I am introducing legislation to provide our nation's workforce with the information technology and computer skills it needs to meet the emerging and rapidly changing requirements in our various technology sectors. I am delighted to have my distinguished colleague from Connecticut—whose efforts on behalf of the high technology sector and its workforce have been second to none—join as an original co-sponsor of the Technology Skills Partnership Act of 1998. The purpose of the Technology Skills Partnership Act is to establish regional initiatives to provide the skills that industry and workers require to remain competitive in the global, high technology marketplace.

The United States is currently the world's science and technology leader. Technical innovation, which according to a 1995 report by the President's Council of Economic Advisors has been responsible for more than half of America's productivity growth over the past fifty years, has positioned us at the forefront of the global economy. In my view, we could not have achieved this status without the most skilled, innovative, and competitive workforce in the world. The high tech global economy is evolving at such a rapid pace however, that if we fail to keep our workforce honed and highly skilled —whether in advanced computer programming or computer based manufacturing technology —we risk losing this edge.

A growing number of industries throughout the country are reporting serious difficulties in hiring workers with appropriate computer and information technology skills. Recent reports have estimated up to 190,000 unfilled information technology jobs in the United States due to a shortage of qualified workers. Many businesses point to the lack of skilled workers as a primary reason for their limited competitiveness and growth.

In my own State of Maryland, the high technology sector currently faces an estimated lack of 10–12,000 workers with appropriate technology skills. A recent Maryland Department of Business and Economic Development survey indicates that 80% of firms which hire manufacturing or skilled trades workers, reported significant difficulty in finding applicants with the required skills for technology intensive jobs. The same survey indicates that more than two thirds of businesses hiring computer technicians, engineers, analysts, or other technical or laboratory personnel experienced difficulty finding qualified workers. It also mentions that fifty-five percent of firms that hire college-level scientist or technical program graduates reported the same difficulty and that 62% of these firms reported that their need for hiring these types of graduates is expected to increase over the next five years.

Without the appropriate skills for the new economy, hundreds of thousands of American workers face stagnation in their jobs or worse. While well intentioned, most existing training programs are not structured in a way which addresses this problem from the perspective of industry and directly prepares our workers for these types of positions. To help meet the demand in this regard, a unique approach which is flexible enough to address the fluctuations and transitions of our high technology economy is required. In order to train and educate new entrants to the workforce, workers dislocated by economic change, and workers already in the workplace facing increased demands for higher levels of technology related skills, we must establish an industry driven framework which recognizes and addresses this need on a continuum. Without such a framework, this country and its workers stand to lose significant ground in the global economy.

While some post-secondary training institutions have reached out to industry and become more customer-focused, more still must identify ways to respond directly to the changing skills and needs of employers. Many community colleges, and even four-year colleges and universities, lack the resources to purchase up-to-date equipment on which to train workers in relevant knowledge and skills. In addition, while some colleges and universities have been able to establish partnerships with some larger firms that have human resource departments, building partnerships and a two-way dialogue with small and medium-sized firms has proven more difficult.

Relevant, focused and systematic training and upgrading of infotech skills is essential to linking and transitioning our supply of skilled American workers to the powerful and emerging demand of today's high tech economy. Without direct participation by industry, however, and an understanding of regional dynamics which help us identify specific solutions to address specific industry and regional needs, a significant portion of the U.S. workforce will be left behind.

Mr. President, having the appropriate information technology skills is becoming more and more important in all sectors of our economy, not only in high and biotech industries and the manufacturing sector, but also in the so-called low-tech industries. More than half of the new jobs created between 1984 and 2005 require or will require some education beyond high school. The percentage of workers who use computers at work has risen from 25% to 46% between 1984 and 1993. Moreover, firms today are not only using more technology, but are also reorganizing production processes in new ways, such as cellular production, use of teams, and other high performance structures and methods requiring higher levels and new kinds of skills.

According to the American Society for Training and Development, company spending on training has not kept up with today's evolving needs. In 1995, American businesses spent $55 billion a year upgrading the skills of their employees, 20 percent more than a dozen years ago. However, the number of employees has increased by 24 percent, meaning that private-sector spending hasn't kept pace. In order to bridge this gap, we need to pool our resources and coordinate our perspectives on this matter.

Most firms, but particularly small and medium-sized enterprises, have limited capacity to engage in significant and sustained workforce development efforts. Managers and owners of most firms are simply too busy running their business to develop training systems, especially for new or dislocated workers. Firms also often lack information on what kind of training their firms need and where to get it. As a result, most firms forego training initiatives and instead try to hire workers away from other companies in related fields.

Moreover, because workers are so transient, individual employers are reluctant to bear the burden of training employees, be they new or incumbent workers, simply due to the likelihood is that the employee will leave and go to work for a competitor. In light of this possibility, many firms simply cannot envision an adequate return on the investment for paying to train their employees. This, coupled with an increasingly competitive global marketplace, is one reason why many larger companies that once supported in-house training programs have since eliminated these efforts.

The legislation I am introducing would establish regional working groups across the country in which employers, public agencies, schools, and labor unions can pool resources and expertise to train workers for emerging job opportunities and jobs threatened by economic and technological transition. It will help develop targeted consortia of industry, workers and training entities across the country to assess where and what gaps in this regard exist and provide the skills that industry and workers require to remain competitive and get ahead.

Specifically, it would authorize a grants program—to be overseen by the Department of Commerce's National Institute of Standards and Technology—and provide up to a $1 million federal match, for every dollar invested by state and local governments and the private sector for these working

groups. The Department would budget $50 million annually for this purpose and funds would be allocated through a competitive grants process, with each consortia of firms as applicants.

Through a sector based approach, this legislation would direct meaningful participation in building an alliance by ensuring that each consists of at least 10 firms. These alliances would allow for participation from state and local officials, educational leaders, regional chapters of trade associations and union officials. However, each would be predominantly made up of industry, and as I have mentioned, would be industry driven. Indeed, if we are going to address the skills crisis in this country, industry must have a leadership role in establishing the means by which we continue to build and upgrade the skills of workers in technology related fields.

Smaller scale versions of the types of skills alliances which my legislation proposes to develop have already shown promise. In Wisconsin, metal-working firms got together with the AFL–CIO in a publicly sponsored effort that used an abandoned mill building as a teaching facility, teaching workers essential skills on state-of-the-art manufacturing equipment. Rhode Island helped develop a skills alliance among plastics firms, who then worked with a local community college to create a polymer training laboratory linked to an apprenticeship program that guarantees jobs for graduates. In Washington, DC telecommunications firms donated computers, and helped to set up a program to train public high school students to be computer network administrators and are now hiring graduates of the program at an entry-level salary of $25,000–30,000.

Each of these initiatives is an investment in our workforce for the 21st Century. If we are to truly transition the U.S. worker to a technology based economy, we must ensure that these best practice examples become standard practice. I urge my colleagues to join me in ensuring the swift enactment of this legislation. I ask that a copy of this legislation be printed in the RECORD.

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

S. 2021

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Technology Skills Partnership Act of 1998''.

SEC. 2. DEFINITION.

For purposes of this Act, the term ''Secretary'' means the Secretary of Commerce.

TITLE I—SKILL GRANTS

SEC. 101. AUTHORIZATION.

(a) IN GENERAL.—The Secretary of Commerce, acting through the Director of the National Institute of Standards and Technology, and in consultation and coordination with the Secretary of Labor, shall provide grants to eligible entities described in subsection (b) to assist such entities to aid workers in improving job skills necessary for employment in specific industries.

(b) ELIGIBLE ENTITIES DESCRIBED.—

(1) IN GENERAL.—An eligible entity described in this subsection is a consortium that—

(A) shall consist of representatives from not fewer than 10 businesses (or nonprofit organizations that represent businesses) in a common industry; and

(B) may consist of representatives from 1 or more of the following:

(i) Labor organizations.

(ii) State and local government.

(iii) Education organizations.

(2) MAJORITY OF REPRESENTATIVES.—A majority of the representatives comprising the consortium shall be representatives described in paragraph (1)(A).

(3) ADDITIONAL REQUIREMENT.—To the maximum extent practicable, each of the businesses, organizations, and governments whose representatives form an eligible entity under paragraph (1) shall be located in the same geographic region of the United States.

(c) PRIORITY FOR SMALL BUSINESSES.—In providing grants under subsection (a), the Secretary shall give priority to an eligible entity if a majority of representatives forming the entity represent small-business concerns, as described in section 3(a) of the Small Business Act (15 U.S.C. 632(a)).

(d) MAXIMUM AMOUNT OF GRANT.—The amount of a grant provided to an eligible entity under subsection (a) may not exceed $1,000,000 for any fiscal year.

SEC. 102. APPLICATION.

(a) CERTAIN STATES WITH MULTIPLE CONSORTIA.—In a State in which 2 or more eligible entities seek grants under section 101 for a fiscal year, as determined by the Governor of the State, the Governor may solicit proposals from the entities concerning the activities to be carried out under the grants. If the Governor solicits such proposals, based on the proposals received, the Governor shall submit an application on behalf of 1 or more of the entities to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require. The provisions of this title relating to eligible entities shall apply to each of the entities for which the Governor applies.

(b) OTHER STATES.—In a State in which only 1 eligible entity seeks a grant under section 101 for a fiscal year, as determined by the Governor of the State, or in which the Governor does not solicit proposals as described in subsection (a), the Secretary may not provide a grant under section 101 to the eligible entity unless such entity submits to the Secretary an application at such time, in such manner, and containing such information as the Secretary may reasonably require.

SEC. 103. USE OF AMOUNTS.

(a) IN GENERAL.—The Secretary may not provide a grant under section 101 to an eligible entity unless such entity agrees to use amounts received from such grant to aid workers in improving job skills (which may include skills related to computer technology, computer-based manufacturing technology, telecommunications, and other information technologies) necessary for employment by businesses in the industry with respect to which such entity was established.

(b) CONDUCT OF PROGRAM.—

(1) IN GENERAL.—In carrying out the program described in subsection (a), the eligible entity may provide for—

(A) an assessment of training and job skill needs for the industry;

(B) development of a sequence of skill standards that are correlated with advanced industry practices;

(C) development of curriculum and training methods;

(D) purchase or receipt of donations of training equipment;

(E) identification of training providers;

(F) development of apprenticeship programs;

(G) development of training programs for dislocated workers;

(H) development of the membership of the entity;

(I) provision of training programs for workers; and

(J) development of training plans for businesses.

(2) ADDITIONAL REQUIREMENT.—In carrying out the program described in subsection (a), the eligible entity shall provide for development and tracking of performance outcome measures for the program and the training providers involved in the program.

(c) ADMINISTRATIVE COSTS.—The eligible entity may use not more than 10 percent of the amount of a grant to pay for administrative costs associated with the program described in subsection (a).

SEC. 104. REQUIREMENT OF MATCHING FUNDS.

The Secretary may not provide a grant under section 101 to an eligible entity unless such entity agrees that—

(1) it will make available non-Federal contributions toward the costs of carrying out activities under section 103 in an amount that is not less than $2 for each $1 of Federal funds provided under a grant under section 101; and

(2) of such non-Federal contributions, not less than $1 of each such $2 shall be from businesses with representatives serving on the eligible entity.

SEC. 105. LIMIT ON ADMINISTRATIVE EXPENSES.

The Secretary may use not more than 5 percent of the funds made available to carry out this title to pay for Federal administrative costs associated with making grants under this title.

SEC. 106. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title $50,000,000 for each of the fiscal years 1999, 2000, and 2001.

TITLE II—PLANNING GRANTS

SEC. 201. AUTHORIZATION.

(a) IN GENERAL.—The Secretary of Commerce, acting through the Director of the National Institute of Standards and Technology, and in consultation with the Secretary of Labor, shall provide grants to States to enable the States to assist businesses, organizations, and agencies described in section 101(b) in conducting planning to form consortia described in such section.

(b) MAXIMUM AMOUNT OF GRANT.—The amount of a grant provided to a State under subsection (a) may not exceed $500,000 for any fiscal year.

SEC. 202. APPLICATION.

The Secretary may not provide a grant under section 201 to a State unless such State submits to the Secretary an application at such time, in such manner, and containing such information as the Secretary may reasonably require.

SEC. 203. REQUIREMENT OF MATCHING FUNDS.

The Secretary may not provide a grant under section 201 to a State unless such State agrees that it will make available non-Federal contributions toward the costs of carrying out activities under this title in an amount that is not less than $1 for each $1 of Federal funds provided under a grant under section 201.

SEC. 204. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title $5,000,000 for fiscal year 1999.

Mr. LIEBERMAN. Mr. President, I am pleased to rise in support as an

original cosponsor of my colleague Senator SARBANES' bill, the Technology Skills Partnership Act of 1998. I am delighted that Senator SARBANES has taken the initiative in developing this innovative approach to help solve one of the biggest problems this country is facing—an insufficiently skilled workforce. This bill has the bold but achievable goal of trying to change the mindset of U.S. companies in this country in favor of collaborating on training skilled workers for their industry.

We are facing a shortage of skilled workers in this country. Estimates are as high as 190,000 unfilled jobs in the information technology industry alone. But it isn't just the high-tech industry that needs workers with high-tech skills. All industries now need workers with computer literacy, including what we might consider ''lower-tech'' manufacturing and services such as auto repair shops.

In the long-term, we need to improve our students' education in the math and sciences and attract more students into these areas. Universities need to attract more college students into scientific, engineering, and technical fields. Ultimately, a large part of the responsibility will lie with industry to attract workers into these careers by creating attractive career paths and financial rewards that can compete for the best students.

In the short term, high-tech industry would like to raise H1–B visa caps. But we need to do something more than let foreign workers fill the gap in high-tech workers that now exists. We need to train our workforce with skills that fit industry's needs today. Industry must be a large part of the solution. Only with industry leading the skills training can we be sure that workers are being trained for jobs that actually exist. That is why this bill creates an industry-drive training program.

Why does the federal government need to be involved? Because industry does not normally cooperate in training workers. Small companies, and 90% of firms in the United States are small businesses, don't have the resources to invest in lengthy training. Larger companies used to provide training programs, but in the high-tech field, workers move quickly from one job to another chasing higher salaries. Many companies are reticent to invest in long-term training for employees that may quickly move on. Cooperation within an industry provides a solution to this problem.

The government's role in this bill would be to provide the catalyst to bring the companies together to cooperate on training. The federal funds are matched dollar for dollar by, first, funds from the state and, second, funds from a consortium of 10 or more companies. The federal funds are meant only to start the process—federal funding ends after three years—and then the states and industry continue the cooperative training programs alone.

Let me give you an example from my home state: Connecticut. A recent report prepared by Connecticut's Industry Cluster Advisory Board found that:

> . . . the demand for skilled manufacturing workers far exceeds the number of students graduating from manufacturing programs.'' There is a ''negative perception of manufacturing as a career choice.'' People ''still think of manufacturing as a dirty, low-paying environment with no hope for advancement. Today, manufacturing is clean, and typically a computer-based environment which pays an average annual wage in the $30,000 range or more with appropriate skills and training.''

The report continues:

> Substantial investment in training is necessary for companies to compete in this new environment. However, since most precision manufacturing companies are small businesses—of the 750 in the Hartford region only 7.4% have more than 100 employees—companies that are dependent upon their skilled workers for success are not prepared to support worker training.

The report says further:

> While Connecticut has a wealth of public technical training resources, these traditional programs cannot meet the current demand fast enough and do not have a direct link from training to employment.

By stimulating industry-led training, we can guarantee a direct link from training to employment that is missing is traditional public sector training programs. In addition, most public sector training programs are focused on unemployed, dislocated, or disadvantaged workers. This program is open to all workers, including incumbent workers who want to improve their skills and increase their opportunities for higher wages and advancement. Further, this program is specifically created to allow participation by small and medium-sized companies.

In the last few years, a small number of regional and industry-based training alliances in the United States have emerged, usually in partnership with state and local governments and technical colleges. In Rhode Island, with help from the state's Human Resource Investment Council, plastics firms developed a skills alliance. The Wisconsin Regional Training Partnership, metal-working firms in conjunction with the AFL–CIO, set up a teaching factory to train workers. While some partnerships have emerged around the country, there are documented difficulties in fostering this kind of collective action without some federal backing. Without some kind of support to create alliances, small- and medium-sized firms just don't have the time or resources to collaborate with anybody on training. In fact, almost all the existing regional skills alliances report that they would not have been able to get off the ground without an independent, staffed entity to operate the alliance. Widespread and timely deployment of these kinds of partnerships is simply not likely to happen without the incentives established by a federal initiative. This can help create successful models and templates that others can replicate across the nation.

I am proud to support the Technology Skills Partnership Act of 1998 and urge my colleagues to join me in taking this step toward an immediate, short-term solution to the shortage of skilled workers in our country.

By Mr. DEWINE (for himself, Mr. HATCH, Mr. LEAHY, Mr. ABRAHAM, and Mr. DASCHLE):

S. 2022. A bill to provide for the improvement of interstate criminal justice identification, information, communications, and forensics; to the Committee on the Judiciary.

THE CRIME IDENTIFICATION TECHNOLOGY ACT OF 1998

Mr. DEWINE. Mr. President, I rise today to introduce the Crime Identification Technology Act of 1998.

More than 20 years of experience working in the criminal justice system have taught me that information is absolutely crucial to successful law enforcement. As a prosecutor in Greene County, Ohio; as Lieutenant Governor overseeing Ohio's anti-crime and anti-drug efforts; and later as a member of the House and Senate Judiciary Committees, I have seen first-hand the importance of information and record-keeping to criminal justice.

Our state and local law enforcement organizations—as well as our courts—need to develop and upgrade their criminal information and identification systems. The Federal Government has already invested billions of dollars in information and identification systems whose benefits will go largely unrealized—unless states receive the resources to be able to participate in these systems. Our national data bases are only as good as the information in which the states provide by their participation.

Unfortunately, there is still a wide disparity between the criminal identification systems that are available—and the ability of state and local law enforcement to develop and use them. For example, while computer technology exists that allows law enforcement to match fingerprints electronically with criminal history databases, most states lack the equipment and resources necessary to connect on any broad scale with the databases operated by the Federal Bureau of Investigation (FBI).

Too many States lack the resources to contribute state criminal histories to the FBI criminal history database in a timely manner or in a computer-ready format, and have inadequate equipment to retrieve information from the database quickly or on a widespread geographic basis.

While we may disagree about the Brady Act, it funded the National Criminal History Improvement Program (N-CHIP), administered by the Bureau of Justice Statistics, which has successfully helped states prepare to perform background checks. Unfortunately, N-CHIP expires this year—but not all states are fully operational.

In addition, the FBI, the National Criminal Center (NCIC) 2000, and the Integrated Automated Fingerprint Identification System will be fully operational—and ready for states to participate—soon.

Also, DNA casework testing has more than doubled in the last three years because of demand by law enforcement to provide DNA analysis in violent crime cases. In 48 states convicted offender DNA analysis is mandated by statute. Further, advances in the use of DNA to solve crimes based on automated searches of State and National CODIS DNA profile databases are producing DNA matches, generating even more demand for rapid testing of convicted felon DNA samples for database input. The demand for casework results and the need for convicted offender database analysis continues to grow at a rate that outstrips the capacities and capabilities of state and local crime laboratories.

We need to make sure the states are able to make the fullest possible use of this breathtaking technology.

That's the idea behind the bill I am introducing today. It would provide $250 million in each of the next five years for grants to the states. The Attorney General, through the Bureau of Justice Statistics, is directed to make grants to each state to be used in conjunction with units of local government, and other states, to develop, update, or upgrade technologies, including the following:

Centralized, automated criminal history record information systems, including arrest and disposition reporting.

Automated fingerprint identification systems that are compatible with the Integrated Automated Fingerprint Identification System (IAFIS) of the Federal Bureau of Investigation. Finger imaging, live scan and other automated systems to digitize fingerprints and to communicate prints in a manner that is compatible with systems operated by states and the Federal Bureau of Investigation.

Systems to facilitate full participation in the Interstate Identification Index (III).

Programs and systems to facilitate full participation in the Interstate Identification Index National Crime Prevention and Privacy Compact.

Systems to facilitate full participation in the National Instant Criminal Background Check System (NICS) for firearms eligibility determinations.

Integrated criminal justice information systems to manage and communicate criminal justice information among law enforcement, courts, prosecution, and corrections.

Court-based criminal justice information systems to promote reporting of dispositions to central state repositories and to the FBI, and to promote the integration of court systems with other criminal justice information systems.

Ballistics identification programs that are compatible —and integrated— with the National Integrated Ballistics Network (NIBN).

Information, identification and communications programs for forensic purposes, including for crime laboratory accreditation.

DNA programs for forensic and identification purposes.

Sexual offender identification and registration systems.

Domestic violence offender identification and information systems.

Criminal justice information systems with a capacity to provide statistical and research products including incident-based reporting systems and uniform crime reports.

Online and other state-of-the-art communications technologies and programs.

Mr. President, all these proposals have one thing on common: they are based on the principle that technology is the future of police work. It is the number one edge our law enforcement officers are going to have in the struggle against criminals, well into the 21st century. In this sense, crime-fighting is a lot like baseball. It's a game of percentages—and everything we can do to boost the average helps the team.

We can continue to pursue increasingly sophisticated criminals with outmoded twentieth century technology—or we can substantially boost our team's average by providing states the Federal assistance required to effectively participate in these programs. If we are serious about reducing crime in America, the Federal Government has to step up to the plate on this key issue of promoting state and local use of available crime-fighting technology.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2022

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Crime Identification Technology Act of 1998''.

SEC. 2. STATE GRANT PROGRAM FOR CRIMINAL JUSTICE IDENTIFICATION, INFORMATION, AND COMMUNICATION.

(a) IN GENERAL.—Subject to the availability of amounts provided in advance in appropriations Acts, the Attorney General, through the Bureau of Justice Statistics of the Department of Justice, shall make a grant to each State, which shall be used by the State, in conjunction with units of local government, State and local courts, other States, or combinations thereof, to establish or upgrade an integrated approach to develop information and identification technologies and systems to—

(1) upgrade criminal history and criminal justice record systems, including systems operated by law enforcement agencies and courts;

(2) improve criminal justice identification;

(3) promote compatibility and integration of national, State, and local systems for—

(A) criminal justice purposes;

(B) firearms eligibility determinations;

(C) identification of sexual offenders;

(D) identification of domestic violence offenders; and

(E) background checks for other authorized purposes unrelated to criminal justice; and

(4) capture information for statistical and research purposes to improve the administration of criminal justice.

(b) USE OF GRANT AMOUNTS.—Grants under this section may be used for programs to establish, develop, update, or upgrade—

(1) State centralized, automated, adult and juvenile criminal history record information systems, including arrest and disposition reporting;

(2) automated fingerprint identification systems that are compatible with standards established by the National Institute of Standards and Technology and interoperable with the Integrated Automated Fingerprint Identification System (IAFIS) of the Federal Bureau of Investigation;

(3) finger imaging, live scan, and other automated systems to digitize fingerprints and to communicate prints in a manner that is compatible with standards established by the National Institute of Standards and Technology and interoperable with systems operated by States and by the Federal Bureau of Investigation;

(4) programs and systems to facilitate full participation in the Interstate Identification Index of the National Crime Information Center;

(5) systems to facilitate full participation in any compact relating to the Interstate Identification Index of the National Crime Information Center;

(6) systems to facilitate full participation in the national instant criminal background check system established under section 103(b) of the Brady Handgun Violence Prevention Act (18 U.S.C. 922 note) for firearms eligibility determinations;

(7) integrated criminal justice information systems to manage and communicate criminal justice information among law enforcement agencies, courts, prosecutors, and corrections agencies;

(8) noncriminal history record information systems relevant to firearms eligibility determinations for availability and accessibility to the national instant criminal background check system established under section 103(b) of the Brady Handgun Violence Prevention Act (18 U.S.C. 922 note);

(9) court-based criminal justice information systems that promote—

(A) reporting of dispositions to central State repositories and to the Federal Bureau of Investigation; and

(B) compatibility with, and integration of, court systems with other criminal justice information systems;

(10) ballistics identification and information programs that are compatible and integrated with the National Integrated Ballistics Network (NIBN);

(11) DNA programs for forensic and identification purposes, and identification and information programs to improve forensic analysis and to assist in accrediting crime laboratories;

(12) sexual offender identification and registration systems;

(13) domestic violence offender identification and information systems;

(14) programs for fingerprint-supported background checks capability for noncriminal justice purposes, including youth service employees and volunteers and other individuals in positions of responsibility, if authorized by Federal or State law and administered by a government agency;

(15) criminal justice information systems with a capacity to provide statistical and research products including incident-based reporting systems that are compatible with

the National Incident-Based Reporting System (NIBRS) and uniform crime reports; and

(16) multiagency, multijurisdictional communications systems among the States to share routine and emergency information among Federal, State, and local law enforcement agencies.

(c) ASSURANCES.—To be eligible to receive a grant under this section, a State shall provide assurances to the Attorney General that the State has the capability to contribute pertinent information to the national instant criminal background check system established under section 103(b) of the Brady Handgun Violence Prevention Act (18 U.S.C. 922 note).

(d) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to carry out this section $250,000,000 for each of fiscal years 1999 through 2003.

(2) LIMITATIONS.—Of the amount made available to carry out this section in any fiscal year—

(A) not more than 3 percent may be used by the Attorney General for salaries and administrative expenses;

(B) not more than 5 percent may be used for technical assistance, training and evaluations, and studies commissioned by Bureau of Justice Statistics of the Department of Justice (through discretionary grants or otherwise) in furtherance of the purposes of this section; and

(C) the Attorney General shall ensure the amounts are distributed on an equitable geographic basis.

Mr. LEAHY. Mr. President, I am proud to join Senator DEWINE in introducing legislation to authorize comprehensive Department of Justice grants to every state for criminal justice identification, information and communications technologies and systems. I applaud the Senator from Ohio for his leadership. I am also pleased that the Chairman of the Judiciary Committee and the Democratic Leader are original cosponsors of this bipartisan legislation.

I know from my experience in law enforcement in Vermont over the last 30 years that access to quality, accurate information in a timely fashion is of vital importance. As we prepare to enter the 21st Century, we must provide our state and local law enforcement officers with the resources to develop the latest technological tools and communications systems to solve and prevent crime. I believe this bill accomplishes that goal.

Our bipartisan legislation authorizes $250 million for each of the next five years in grants to states for crime information and identification systems. The Attorney General, through the Bureau of Justice Statistics, is directed to make grants to each state to be used in conjunction with units of local government, and other states, to use information and identification technologies and systems to upgrade criminal history and criminal justice record systems.

Grants made under our legislation may include programs to establish, develop, update or upgrade—

State, centralized, automated criminal history record information systems, including arrest and disposition reporting.

Automated fingerprint identification systems that are compatible with the Integrated Automated Fingerprint Identification System (IAFIS) of the Federal Bureau of Investigation.

Finger imaging, live scan and other automated systems to digitize fingerprints and to communicate prints in a manner that is compatible with systems operated by states and the Federal Bureau of Investigation.

Systems to facilitate full participation in the Interstate Identification Index (III).

Programs and systems to facilitate full participation in the Interstate Identification Index National Crime Prevention and Privacy Compact.

Systems to facilitate full participation in the National Instant Criminal Background Check System (NICS) for firearms eligibility determinations.

Integrated criminal justice information systems to manage and communicate criminal justice information among law enforcement, courts, prosecution, and corrections.

Non-criminal history record information systems relevant to firearms eligibility determinations for availability and accessibility to the NICS.

Court-based criminal justice information systems to promote reporting of dispositions to central state repositories and to the FBI and to promote the compatibility with, and integration of, court systems with other criminal justice information systems.

Ballistics identification programs that are compatible and integrated with the ballistics programs of the National Integrated Ballistics Network (NIBN).

Information, identification and communications programs for forensic purposes.

DNA programs for forensic and identification purposes.

Sexual offender identification and registration systems.

Domestic violence offender identification and information systems

Programs for fingerprint-supported background checks for non-criminal justice purposes including youth service employees and volunteers and other individuals in positions of trust, if authorized by federal or state law and administered by a government agency.

Criminal justice information systems with a capacity to provide statistical and research products including incident-based reporting systems and uniform crime reports.

Online and other state-of-the-art communications technologies and programs.

Multi-agency, multi-jurisdictional communications systems to share routine and emergency information among federal, state and local law enforcement agencies.

Let me just give a couple of examples from my home State of Vermont that illustrate how our comprehensive legislation will aid state and local law enforcement agencies across the country.

The future of law enforcement must focus on working together to harness the power of today's information age to prevent crime and catch criminals. One way to work together is for state and local law enforcement agencies to band together to create efficiencies of scale. For example, together with New Hampshire and Maine, the State of Vermont has pooled its resources together to build a tri-state IAFIS system to identify fingerprints. Our bipartisan legislation would foster these partnerships by allowing groups of States to apply together for grants.

Another challange for law enforcement agencies across the country is communication difficulties between federal, state and local law enforcement officials. In a recent report, the Department of Justice's National Institute of Justice concluded that law enforcement agencies throughout the nation lack adequate communications systems to respond to crimes that cross state and local jurisdictions.

A 1997 incident along the Vermont and New Hampshire border underscored this problem. During a cross border shooting spree that left four people dead including two New Hampshire state troopers, Vermont and New Hampshire officers were forced to park two police cruisers next to one another to coordinate activities between federal, state and local law enforcement officers because the two states' police radios could not communicate with one another.

The Vermont Department of Public Safety, the Vermont U.S. Attorney's Office and others have reacted to this communications problem by developing the Northern Lights proposal. This project will allow the northern borders States of Vermont, New York, New Hampshire and Maine to integrate their law enforcement communications systems to better coordinate interdiction efforts and share intelligence data seamlessly.

Our legislation would provide grants for the development of integrated Federal, State and local law enforcement communications systems to foster cutting edge efforts like the Northern Lights project.

In addition, our bipartisan legislation will help each of our States meet its obligations under national anti-crime initiatives. For instance, the FBI will soon bring online NCIC 2000 and IAFIS which will require states to update their criminal justice systems for the country to benefit. States are also being asked to participate in several other national programs such as sexual offender registries, national domestic violence legislation, Brady Act, and National Child Protection Act.

Currently, there are no comprehensive programs to support these national crime-fighting systems. Our legislation will fill this void by helping the each State meet its obligations under these Federal laws.

Our bipartisan legislation provides a helping hand with the heavy hand of a

top-down, Washington-knows-best approach. Unfortunately, some in Congress have pushed legislation mandating minute detail changes that States must make in their laws to qualify for Federal funds. Our bill rejects this approach. Instead, we provide the States with Federal support to improve their criminal justice idenfication, information and communication systems without prescriping new Federal mandates.

Mr. President, we have patterned the administration of the technology grants under our bill after the highly successful DOJ National Criminal History Improvement Program (N–CHIP), which was created by the 1993 Brady Act.

The Vermont Department of Public Safety has received funds under the N–CHIP program for the past three years and I have been proud to strongly support their efforts. With that Federal assistance, Vermont has been achieved acquiring the automated fingerprint identification system in conjunction with Maine and New Hampshire, upgrading its records repository computer systems, as well as extending their online incident-based reporting system to local jurisdictions throughout Vermont. Our bill builds on the Justice Department's existing infrastructure under the successful N–CHIP program to provide fair and effective grant administration.

I know that the Justice Department, under Attorney General Reno's leadership, has made it a priority to modernize and automate criminal history records. Our legislation will continue that leadership by providing each State with the necessary resources to continue to make important efforts to bring their criminal justice systems up to date.

I urge my colleagues to support our bipartisan bill to provide each State with the resources to capture the power of emerging information and communications technologies to serve and protect all of our citizens.

Mr. DASCHLE. Mr. President, law enforcement agencies in every state rely increasingly on criminal history record information. Suspected criminals cross state lines and move between communities, creating an unprecedented need for greater cooperation between the 50 states and between states and the federal government to share this information. It is imperative that each state be able to take advantage of emerging technologies that make this cooperation possible. It is for that reason that I am pleased to cosponsor the State Grant Program for Criminal Justice Identification, Information and Communication. This legislation will help states upgrade their criminal justice information and identification operations, assist in integrating those operations, and make those operations compatible with the FBI's communication technology.

Revolutionary technological improvements in communication systems allow localities separated by great distances to share information instantaneously. This communication between law enforcement agencies can make the difference between locating suspects and getting them off the streets, or leaving them free to commit more crimes. I believe we have a responsibility to ensure that states have full access to new criminal history record technologies. This legislation will provide the federal financial assistance and leadership that the states need by establishing a $1.25 billion, 5-year, comprehensive federal assistance program to provide grants to every state for criminal justice identification, information and communications technologies and systems.

In addition, grants provided under this legislation will assist states as they upgrade their fingerprint and other identification technologies so that they are compatible with the Federal Bureau of Investigation's (FBI) criminal history record information systems. The FBI will soon implement 2 major information and identification initiatives, the Integrated Automated Fingerprint Identification System (IAFIS) and NCIC 2000, that could dramatically improve the access law enforcement agencies have to criminal history record information. IAFIS, in particular, will greatly enhance the exchange of information between the FBI and the states, providing rapid electronic submission and transfer of fingerprint and criminal history information. The states will need the funding assistance provided by this legislation to obtain the equipment necessary to derive full benefit from these new systems.

In recent years, Congress has recognized the urgent need to secure the safety of our streets for our children and our families, and this has led to the enactment of federal initiatives, such as sexual offender registries, domestic violence initiatives, the National Child Protection Act, and the Brady National Instant Background Check System. Although these initiatives have done a great deal to protect adults and children in communities nationwide, additional steps need to be taken. The State Grant Program for Criminal Justice Identification, Information and Communication will provide assistance to states so they can take that next step.

Criminal tracking programs have been far more effective in identifying and apprehending dangerous criminals than any other programs in recent memory, but we have an opportunity to make these tracking programs much more effective. As technology continues to improve this country's communication systems, we must make sure the states are not left behind. If the states cannot access these systems, or do not have the funding to obtain them, then this revolutionary technology will be of little help. By enacting the State Grant Program for Criminal Justice Identification, Information and Communication, we have the opportunity to improve the cooperation between law enforcement agencies nationwide. This will be instrumental in getting criminals off the streets and away from our children, and I urge my colleagues to join me in support of this bill.

ADDITIONAL COSPONSORS

S. 472

At the request of Mr. CRAIG, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 472, a bill to provide for referenda in which the residents of Puerto Rico may express democratically their preferences regarding the political status of the territory, and for other purposes.

S. 885

At the request of Mr. D'AMATO, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S. 885, a bill to amend the Electronic Fund Transfer Act to limit fees charged by financial institutions for the use of automatic teller machines, and for other purposes.

S. 981

At the request of Mr. THOMPSON, the name of the Senator from Oklahoma (Mr. INHOFE) was added as a cosponsor of S. 981, a bill to provide for analysis of major rules.

S. 1220

At the request of Ms. MIKULSKI, her name was added as a cosponsor of S. 1220, a bill to provide a process for declassifying on an expedited basis certain documents relating to human rights abuses in Guatemala and Honduras.

S. 1252

At the request of Mr. GRAHAM, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. 1252, a bill to amend the Internal Revenue Code of 1986 to increase the amount of low-income housing credits which may be allocated in each State, and to index such amount for inflation.

S. 1291

At the request of Mr. HATCH, the name of the Senator from Wyoming (Mr. ENZI) was added as a cosponsor of S. 1291, a bill to permit the interstate distribution of State-inspected meat under certain circumstances.

S. 1321

At the request of Mr. TORRICELLI, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 1321, a bill to amend the Federal Water Pollution Control Act to permit grants for the national estuary program to be used for the development and implementation of a comprehensive conservation and management plan, to reauthorize appropriations to carry out the program, and for other purposes.

S. 1365

At the request of Ms. MIKULSKI, the name of the Senator from Iowa (Mr. HARKIN) was added as a cosponsor of S.

1365, a bill to amend title II of the Social Security Act to provide that the reductions in social security benefits which are required in the case of spouses and surviving spouses who are also receiving certain Government pensions shall be equal to the amount by which two-thirds of the total amount of the combined monthly benefit (before reduction) and monthly pension exceeds $1,200, adjusted for inflation.

S. 1391

At the request of Ms. MIKULSKI, her name was added as a cosponsor of S. 1391, a bill to authorize the President to permit the sale and export of food, medicines, and medical equipment to Cuba.

S. 1504

At the request of Mr. GRAHAM, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of S. 1504, a bill to adjust the immigration status of certain Haitian nationals who were provided refuge in the United States.

S. 1529

At the request of Mr. KENNEDY, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 1529, a bill to enhance Federal enforcement of hate crimes, and for other purposes.

S. 1677

At the request of Mr. CHAFEE, the names of the Senator from Minnesota (Mr. GRAMS) and the Senator from New Mexico (Mr. BINGAMAN) were added as cosponsors of S. 1677, a bill to reauthorize the North American Wetlands Conservation Act and the Partnerships for Wildlife Act.

S. 1723

At the request of Mr. ABRAHAM, the names of the Senator from Georgia (Mr. COVERDELL) and the Senator from Florida (Mr. GRAHAM) were added as cosponsors of S. 1723, a bill to amend the Immigration and Nationality Act to assist the United States to remain competitive by increasing the access of the United States firms and institutions of higher education to skilled personnel and by expanding educational and training opportunities for American students and workers.

S. 1748

At the request of Mr. MACK, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. 1748, a bill to amend the Internal Revenue Code of 1986 to provide that the reduced capital gains tax rates apply to long-term capital gain from property with at least a 1-year holding period.

S. 1864

At the request of Ms. MIKULSKI, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 1864, a bill to amend title XVIII of the Social Security Act to exclude clinical social worker services from coverage under the medicare skilled nursing facility prospective payment system.

S. 1900

At the request of Mr. DASCHLE, his name was added as a cosponsor of S. 1900, a bill to establish a commission to examine issues pertaining to the disposition of Holocaust-era assets in the United States before, during, and after World War II, and to make recommendations to the President on further action, and for other purposes.

S. 1924

At the request of Mr. MACK, the names of the Senator from Texas (Mrs. HUTCHISON), the Senator from Missouri (Mr. ASHCROFT), and the Senator from Oregon (Mr. SMITH) were added as cosponsors of S. 1924, a bill to restore the standards used for determining whether technical workers are not employees as in effect before the Tax Reform Act of 1986.

S. 1985

At the request of Mr. HATCH, the name of the Senator from Iowa (Mr. HARKIN) was added as a cosponsor of S. 1985, a bill to amend Part L of the Omnibus Crime Control and Safe Streets Act of 1968.

S. 1993

At the request of Ms. COLLINS, the name of the Senator from New Hampshire (Mr. GREGG) was added as a cosponsor of S. 1993, a bill to amend title XVIII of the Social Security Act to adjust the formula used to determine costs limits for home health agencies under medicare program, and for other purposes.

SENATE CONCURRENT RESOLUTION 75

At the request of Mr. FEINGOLD, the names of the Senator from Iowa (Mr. HARKIN), the Senator from New York (Mr. MOYNIHAN), the Senator from Michigan (Mr. ABRAHAM), the Senator from Minnesota (Mr. GRAMS), the Senator from South Carolina (Mr. THURMOND), the Senator from Hawaii (Mr. INOUYE), the Senator from Connecticut (Mr. LIEBERMAN), the Senator from Nevada (Mr. REID), the Senator from Minnesota (Mr. WELLSTONE), the Senator from Washington (Mrs. MURRAY), the Senator from Oregon (Mr. WYDEN), the Senator from Vermont (Mr. LEAHY), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Alaska (Mr. MURKOWSKI) were added as cosponsors of Senate Concurrent Resolution 75, a concurrent resolution honoring the sesquicentennial of Wisconsin statehood.

SENATE CONCURRENT RESOLUTION 83

At the request of Mr. WARNER, the names of the Senator from Oregon (Mr. SMITH) and the Senator from West Virginia (Mr. BYRD) were added as cosponsors of Senate Concurrent Resolution 83, a concurrent resolution remembering the life of George Washington and his contributions to the Nation.

SENATE RESOLUTION 175

At the request of Mr. ROBB, the name of the Senator from West Virginia (Mr. BYRD) was added as a cosponsor of Senate Resolution 175, a bill to designate the week of May 3, 1998 as ''National Correctional Officers and Employees Week.''

SENATE RESOLUTION 188

At the request of Mr. MOYNIHAN, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of Senate Resolution 188, a resolution expressing the sense of the Senate regarding Israeli membership in a United Nations regional group.

SENATE RESOLUTION 197

At the request of Mr. REID, the name of the Senator from Illinois (Ms. MOSELEY-BRAUN) was added as a cosponsor of Senate Resolution 197, a resolution designating May 6, 1998, as ''National Eating Disorders Awareness Day'' to heighten awareness and stress prevention of eating disorders.

SENATE RESOLUTION 220—EXPRESSING THE SENSE OF THE SENATE THAT THE EUROPEAN UNION SHOULD CANCEL THE SALE OF HEAVILY SUBSIDIZED BARLEY TO THE UNITED STATES

Mr. DORGAN (for himself, Mr. KEMPTHORNE, Mr. WYDEN, Mrs. MURRAY, Mr. JOHNSON, Mr. BAUCUS, Mr. CRAIG, Mr. BURNS, Mr. SMITH of Oregon, Mr. CONRAD, Mr. GORTON, Mr. DASCHLE, and Mr. ENZI) submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 220

Whereas, in an unprecedented sale, the European Union has entered into a contract with the United States to sell heavily subsidized European barley to the United States;

Whereas the sale of almost 1,400,000 bushels (30,000 metric tons) of feed barley would be shipped from Finland to Stockton, California;

Whereas news of the sale has already depressed feed barley prices by at least 24 cents per bushel in the California feed barley market;

Whereas, since this market sets national pricing patterns for both feed and malting barley, the sale would mean enormous market losses for barley producers throughout the United States, at a time when United States barley producers are already suffering from low prices;

Whereas the European restitution subsidies for this barley amounts to $1.11 per bushel ($51 per metric ton);

Whereas the price-depressing effects of this 1 sale would adversely affect market prices for at least a 9-month period as this grain moves through the United States marketing system;

Whereas this shipment would be part of about 9,000,000 bushels (200,000 metric tons) of European feed barley that has been approved for restitution subsidies by the European Union;

Whereas the availability of the additional subsidized European barley in the international market would not only continue to artificially depress market prices, but also would threaten to open a new channel of imports into the United States;

Whereas, as the world's largest feed grain producer and the world's largest exporter of feed grains, the United States does not require imported feed grains;

Whereas, at the same time that subsidized European barley is being imported into the United States, some United States feed grains are prevented from entering European markets under European Union food regulations;

Whereas United States barley growers are now feeling the negative impacts of the sale, regardless of whether the subsidized European barley was originally targeted for sale

into the United States and whether the subsidies comply with the letter of current World Trade Organization export subsidy rules; and

Whereas the sale not only undermines the intent and the spirit of free trade agreements and negotiations, but also moves away from the goals of level playing fields and fairness in trade relationships: Now, therefore, be it

Resolved,

SECTION 1. SENSE OF SENATE ON EXPORT OF EUROPEAN BARLEY TO THE UNITED STATES.

It is sense of the Senate that—

(1) the European Union should—

(A) take immediate steps to cancel the sale of European feed barley to the United States; and

(B) establish procedures to ensure that restitution and other subsidies are not used for sales of agricultural commodities to the United States or other countries of North America;

(2) the President of the United States, the United States Trade Representative, and the Secretary of Agriculture should immediately investigate the sale of European feed barley to the United States and prevent any future sale of European agricultural commodities to the United States or other countries of North America that is based on restitution or other subsidies; and

(3) not later than 60 days after approval of this resolution, the United States Trade Representative and the Secretary of Agriculture should report to Congress on—

(A) the terms and conditions of the sale of European feed barley to the United States;

(B) the steps that have been taken to cancel the sale and prevent any recurrence of similar types of sales; and

(C) any additional authorities that are necessary to carry out subparagraph (B).

Mr. DORGAN. Mr. President, periodically, there are events that help focus and define the problems that this nation faces in its trade relationships with the rest of the world. Today, we are facing another glaring example of how this nation becomes the dumping ground for subsidized exports that violates any reasonable understanding of fair trade and level-playing fields.

Earlier this month, a sale was made for the shipment of 1.4 million bushels of feed barley from Finland to Stockton, California. The irony and tragedy of this sale is that the United States is the world's largest producer of feed grains, as well as the world's largest exporter of feed grains. There is absolutely no reason for this nation to import a single grain of feed barley.

The only reason that this sale was feasible was that this shipment is heavily subsidized to the tune of at least $1.11 per bushel through the European Union's restitution system of subsidies.

At a time when farmers across this country are facing some very serious economic challenges, including low prices, escalating production costs, and adverse weather conditions, it is a serious economic blow for them to be undercut by the import of subsidized feed grains. At a time when many farmers are having difficulty getting credit to put in their spring crops because current farm prices do not cover production costs, we do not need unnecessary imports to put further downward pressure on our grain markets.

News of this sale of European barley has already depressed feed barley prices by at least 24 cents a bushel in the California feed barley market. Since this market sets pricing trends for both feed and malting barley, this sale of 1.4 million bushels is producing enormous market losses for barley producers throughout the country. Market experts indicate that this sale will adversely affect U.S. barley prices for at least a nine-month period as this barley moves through the U.S. marketing system. It particularly hits home in North Dakota, which is the nation's largest producer of barley and normally produces one-third of this nation's barley crop.

Compounding the pricing impact of this particular sale is the fact that there is something in the neighborhood of another 9 million bushels of feed barley that have been authorized for restitution subsidies by the European Union and which have not yet found a home.

This morning at a meeting in the office of Senator BAUCUS, I and other Senators from barley-producing states met with the Ambassador of the Organization of European Communities, Mr. Hugo Paeman. We asked him to convey to the European Union that this sale should be terminated and that the European Union should take immediate steps to prevent any future occurrence of such subsidized sales into the U.S. market. While Mr. Paeman sought to assure us that this sale was a very unusual circumstance and was not a precedent for additional sales of subsidized barley into the United States, we continue to be greatly concerned about the impact it has already had upon markets and the danger of this sale opening a new channel of unfair trade into the United States.

While I sincerely hope that the European Union will take our concerns seriously and take the appropriate actions to terminate this sale and prevent future sales, I also recognize that this nation also has a responsibility to fight for fair trade for our farmers. It's bad enough that the European Union would permit such an event to occur. It would be even worse if the United States took no action to stop it.

The real tragedy of this situation is that it is very likely that this shipment of highly-subsidized feed barley is permissible under current rules of the World Trade Organization. The possibility that this sale is WTO legal doesn't make it any more acceptable to the farmers who have already been hurt by the price reduction that this sale has caused.

This morning we were told that the European Union had not targeted the United States for this particular shipment of barley, and that it, in fact, had been intended for sale to Saudi Arabia. Yet, the reality is that this sale is currently scheduled to be shipped to Stockton. California. Again, it makes little difference to U.S. barley growers whether this shipment was originally destined for the United States. The effect on their prices is the same. The damage to our markets is the same.

While this sale of heavily-subsidized European barley is unprecedented, once a channel of commerce is opened it is often extremely difficult to put the genie back in the bottle. That is why that I and my colleagues from other barley producing states are so deeply concerned about this particular event. We have seen a trickle of Canadian grain moving across our borders change into a perpetual avalanche. We have seen assurances and good intentions become the grease by which unfair trade policies have become structural.

This particular sale of European barley is another example of many of the ongoing problems that our nation has in achieving fair trade with level playing fields and reciprocal market access. While I hope that this sale can be terminated and resolved quickly and effectively, I also believe this sale should become a rallying point for not only American farmers, but the entire nation in demanding fairness and justice in our trade policies and relationship.

I am pleased that I have been joined by twelve of my colleagues in submitting a sense of the Senate resolution which calls upon both the European Union and our own nation to take the appropriate steps to not only terminate this sale, but also to ensure that such a sale will never occur again.

Mr. KEMPTHORNE. Mr. President, I rise today to declare my concern over the dumping of barley into the American market by a European producer.

I share the Idaho barley producers' outrage about the current unprecedented movement of heavily subsidized European Union feed barley into the California feed markets. Last week, a 30,000 metric ton cargo of European feed barley was sold into the Stockton, California feed market. As expected, this sale has caused a tremendous ripple in American barley prices. In fact, this action has caused the price of barley to drop 34 cents a bushel after the subsidized European Union feed barley sale was announced. This sale undermines both the intent and spirit of trade agreements with Europe and contradicts the goals of trade fairness.

Any time there is a drastic drop in the price of any commodity, America's agriculture community and leaders must take notice. Whether the dumping was intentional or not, we must not allow it to go unchallenged and the practice cannot be allowed to continue. American barley producers can compete with any in the world, but there must be a level playing field. The European Union must now take steps to level that field.

I, along with my some of my colleagues, have met with European Union Ambassador Hugo Paeman about the problem. Ambassador Paeman has assured us that the European Union countries will not repeat the recent sale of subsidized barley into the

United States. That would be a disaster for Idaho and American producers. The ambassador also assured us that this is in no way a precedent, and in fact is a unique and isolated event. However, if this sale is still allowed to go through, it could create a real concern that this deal will set a precedent.

Barley is very important to the economy of my home state. Idaho produces 60 million bushels of barley a year, worth $155.3 million annually. We are the second largest barley producer in the U.S. and barley is the state's fifth largest crop.

Mr. Chairman, I call for termination of this sale of European Union barley and also for assurances from the European Union that U.S. grain markets will not be disrupted by unfair trade practices. That is why I am submitting a resolution calling on the European Union to halt this shipment and for the administration to investigate this unfair practice.

Mr. WYDEN. Mr. President, I join with my colleagues in submitting this resolution condemning the subsidized sale of European barley into the California barley market.

Today several of us met with the European Union Ambassador, Mr. Hugo Paemon, to express our extreme concern about this shipment and about the future it bodes for the trade relationship between the United States and the European Union. Quite frankly, Mr. President, I think that we were heard but I am not sure, in the American vernacular, that Mr. Paemon quite ''gets it.''

Mr. President, I want to suggest that whether this is just a skirmish, or whether it is the first battle in what many believe could become a rapidly escalating conflict over trade in agricultural goods, for barley producers in Oregon and across America, there has been no more serious matter in the past decade.

My language is strong, Mr. President, because it is very important that Senators understand that if this shipment proceeds it sets an extremely dangerous precedent for our agricultural trade practices.

There is a very real concern in Oregon that if we allow this shipment of grain, the shipment of which would simply not be possible without an extraordinary level of European Union subsidy, then we will have opened the door to further shipments that could have devastating effects on our domestic commodity prices.

For my colleagues who have not yet heard about this issue, a shipment of European Union barley, at a restitution subsidy rate of $51 per metric ton, that was originally targeted into the Saudi Arabian market was not sold. In search of a buyer, this shipment was subsequently sold into the California feed barley market at a price well below the then-current market price.

Mr. President, the United States is the world's largest producer of feed grains and the world's largest exporter of feed grains. Were this European barley not subsidized at half of its value, we would not be having this discussion because there is no way it could have been priced competitively with domestic feed barley.

I met this weekend with barley producers in Klamath Falls, Oregon. These folks are already seeing very tough barley prices this season, down about $5 a metric ton from what they have normally received over the decade. They are taking some hits as a consequence of our national policy through the Farm bill of phasing out income maintenance programs. And now the European Union is sending us a heavily subsidized shipment that is causing collapse of the market. Enough is enough.

This European Union shipment, because it has the capacity to flood the California market for the next 9 months, has caused prices to drop $10 per ton in one week. One individual who operates a grain elevator in the Klamath described telling a local producer that he had lost some $20,000 in 48 hours as a result of this dumping of this subsidized barley into California.

These farmers ask, correctly, that if ever there was a time for the federal government to come to the defense of American agriculture, now is that time. We face collapse of our American barley market because of this relatively unique occurrence; now is the time to go to the mat in defense of our producers against wholly subsidized foreign dumping.

Mr. President, we should also recognize, and thank, the larger wholesalers of barley in California who passed up this sale, which to them represented I'm sure a very lucrative marketing opportunity. These companies understood the damage that the sale would do to their customers and most reliable suppliers, the U.S. barley producers. But surely if this sale is allowed to go forward, and other fire sales are allowed to follow, those firms will no longer be able to afford that posture.

Mr. President, as a supporter of free trade, and of providing fast track authority, if we are to retain our credibility with American farmers then we must show the ability to act forcefully when faced with these sorts of irritants to free trade. There is no precedent for this sale, and if we allow it to go forward then those of us who believe in the promise of freer trade will have some difficulty explaining to our farmers that greater trade freedom is in their best interest.

Mr. President, It is very important to all Oregon producers that the U.S. Senate act quickly to respond to this unprecedented attack on one segment of our agriculture industry. I urge the swift adoption of this resolution.

SENATE RESOLUTION 221—DESIGNATING APRIL 30, 1998, AS ''NATIONAL ERASE THE HATE AND ELIMINATE RACISM DAY''

Mr. BURNS (for himself, Mr. BAUCUS, Mr. ABRAHAM, Mr. ALLARD, Mr. CAMPBELL, Ms. COLLINS, Mr. CRAIG, Mr. ENZI, Mr. GORTON, Mr. GRAMM, Mr. GRAMS, Mr. GRASSLEY, Mr. HAGEL, Mr. HATCH, Mrs. HUTCHISON, Mr. KEMPTHORNE, Mr. MACK, Ms. SNOWE, Mr. THURMOND, Mr. WARNER, Mr. BINGAMAN, Mr. CONRAD, Mr. DASCHLE, Mr. DODD, Mr. DORGAN, Mr. DURBIN, Mr. GLENN, Mr. JOHNSON, Mr. KENNEDY, Mr. KERRY, Mr. LAUTENBERG, Mr. LIEBERMAN, Ms. MOSELEY-BRAUN, Mr. MOYNIHAN, Mrs. MURRAY, Mr. REID, Mr. ROBB, Mr. SARBANES, Mr. TORRICELLI, Mr. WYDEN, Mr. INOUYE, Mr. KERREY, Mr. KOHL, Ms. LANDRIEU, Mr. LEVIN, Mr. SPECTER, Mr. MURKOWSKI, Mr. DEWINE, Mr. AKAKA, Mrs. BOXER, and Mrs. FEINSTEIN) submitted the following resolution; which was considered and agreed to:

S. RES. 221

Whereas the term 'hate crime' means an offense in which one or more individuals, commits an offense (such as an assault or battery (simple or aggravated), theft, criminal trespass, damage to property, mob action, disorderly conduct, or telephone harassment) by reason of the race, color, creed, religion, ancestry, gender, sexual orientation, physical or mental disability, or national origin of another individual or group of individuals;

Whereas there are almost 8,000 hate crimes reported to the Department of Justice each year, and the number of hate crimes reported increases each year;

Whereas hate crimes have no place in a civilized society that is dedicated to freedom and independence, as is the United States;

Whereas the people of the United States must lead and set the example for the world in protecting the rights of all people;

Whereas the people of the United States should take personal responsibility for and action against hatred and hate crimes;

Whereas the Members of Congress, as representatives of the people of the United States, must take personal responsibility for and action against hatred and hate crimes;

Whereas the laws against hate crimes, which have been passed by Congress and signed by the President, must be supported and implemented by the people of the United States and by Federal, State, and local law enforcement officials and other public servants: Now, therefore, be it

Resolved, That the Senate—

(1) designates April 30, 1998, as 'National Erase the Hate and Eliminate Racism Day'; and

(2) requests that the President issue a proclamation calling upon the people of the United States and throughout the world to recognize the importance of using each day as an opportunity to take a stand against hate crimes and violence in their nations, states, neighborhoods and communities.

SENATE RESOLUTION 222—COMMENDING STUART FRANKLIN BALDERSON

Mr. LOTT (for himself, Mr. THURMOND, Mr. DASCHLE, Mr. STEVENS, Mr. BYRD, Mr. WARNER, and Mr. FORD) submitted the following resolution; which was considered and agree to:

S. RES. 222

Whereas Stuart F. Balderson became an employee of the United States Senate on May 23, 1960, and since that date has ably and faithfully upheld the high standards and traditions of the staff of the United States Senate for a period that included 19 Congresses;

Whereas Stuart F. Balderson has served as Financial Clerk of the United States Senate from August 1, 1980 to April 30, 1998;

Whereas Stuart F. Balderson has faithfully discharged the difficult duties and responsibilities of his position as Financial Clerk of the United States Senate with great pride, energy, efficiency, dedication, integrity, and professionalism;

Whereas he has earned the respect, affection, and esteem of the United States Senate; and

Whereas Stuart F. Balderson will retire from the United States Senate on April 30, 1998, with 40 years of Government service—38 years with the United States Senate and 2 years with the United States Navy: Now, therefore, be it

Resolved, That the United States Senate commends Stuart F. Balderson for his exemplary service to the United States Senate and the Nation, and wishes to express its deep appreciation and gratitude for his long, faithful, and outstanding service.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to Stuart F. Balderson.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. ABRAHAM. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be allowed to meet during the session of the Senate on Thursday, April 30, 1998 at 9 a.m. in SR–328A. The purpose of this meeting will be to examine agricultural transportation issues.

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. ABRAHAM. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet in executive session during the session of the Senate on Thursday, April 30, 1998, to conduct a mark-up of H.R. 1151, the ''Credit Union Membership Access Act''.

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

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. ABRAHAM. Mr. President, I ask unanimous consent that the Senate Committee on Commerce, Science, and Transportation be authorized to meet on Thursday, April 30, 1998, at 9:30 a.m. on the nomination of James Loy to be admiral and James Card to be vice admiral of the United States Coast Guard.

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

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. ABRAHAM. Mr. President, I ask unanimous consent that the Senate Committee on Commerce, Science, and Transportation be authorized to meet on Thursday, April 30, 1998, at 10 a.m. or immediately following the nomination hearing, on pending committee business.

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

COMMITTEE ON FINANCE

Mr. ABRAHAM. Mr. President, the Finance Committee requests unanimous consent to conduct a hearing on Thursday, April 30, 1998 beginning at 9 a.m. in room 215 Dirksen.

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

COMMITTEE ON THE JUDICIARY

Mr. ABRAHAM. Mr. President, I ask unanimous consent that the Committee on the Judiciary, be authorized to hold an executive business meeting during the session of the Senate on Thursday, April 30, 1998, at 10 a.m., in room 226 of the Senate Dirksen Office Building.

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

COMMITTEE ON THE JUDICIARY

Mr. ABRAHAM. Mr. President, I ask unanimous consent that the Committee on the Judiciary, be authorized to meet during the session of the Senate on Thursday, April 30, 1998, at 10:30 a.m. in room 226 of the Senate Dirksen Office Building to hold a hearing on ''Raising Tobacco Prices: New Opportunities for the Blackmarket?''

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

SUBCOMMITTEE ON AVIATION

Mr. ABRAHAM. Mr. President, I ask unanimous consent that the Aviation Subcommittee on the Seante Committee on Commerce, Science, and Transportation be authorized to meet on Thursday, April 30, 1998, at 2 p.m. on AIP reauthorization (COMMITTEE PROPOSAL).

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

SUBCOMMITTEE ON FORESTS AND PUBLIC LAND MANAGEMENT

Mr. ABRAHAM. Mr. President, I ask unanimous consent that the Subcommittee on Forests and Public Land Management of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, April 30, for purposes of conducting a subcommittee hearing which is scheduled to begin at 9:30 p.m. The purpose of this hearing is to receive testimony on S. 1253, the Public Land Management Act of 1997.

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

SUBCOMMITTEE ON NATIONAL PARKS, HISTORIC PRESERVATION, AND RECREATION

Mr. ABRAHAM. Mr. President, I ask unanimous consent that the Subcommittee on National Parks, Historic Preservation, and Recreation of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, April 30, for purposes of conducting a subcommittee hearing which is scheduled to begin at 2 p.m. The purpose of this hearing is to receive testimony on title IV of S. 1693, the Vision 2020 National Park Restoration Act; and S. 624, the National Park Service Concession Policy Reform Act of 1997.

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

SUBCOMMITTEE ON PUBLIC HEALTH AND SAFETY

Mr. ABRAHAM. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources, Subcommittee on Public Health and Safety, be authorized to meet for a hearing on Agency for Health Care Policy Research during the session of the Senate on Thursday, April 30, 1998, at 11 a.m.

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

ADDITIONAL STATEMENTS

IN RECOGNITION OF JEWISH HERITAGE WEEK

• Mr. LEVIN. Mr. President, it is with great pride and pleasure that I rise today to call my colleagues attention to Jewish Heritage Week, which is being recognized this year from April 26 through May 2.

Each spring since 1976, during the season in which Jewish people commemorate Passover, Yom Hashoah (Holocaust Memorial Day) and Yom Ha'atzmaut (Israel independence Day), a week is set aside to celebrate the significant contributions Jewish people have made to American history and culture. This year is of special significance to Jews in the United States and throughout the world as the State of Israel celebrates its 50th anniversary on April 30.

On the day following the establishment of the State of Israel, Prime Minister Ben-Gurion reminded the people of Israel what had been accomplished. He said, ''whatever we have achieved is the result of the efforts of earlier generations no less than those of our own. It is also the result of an unwavering fidelity to our precious heritage, the heritage of a small nation that has suffered much, but at the same time has won for itself a special place in the history of mankind because of its spirit, faith, and vision.'' Today, American Jews maintain the same rich heritage of which Prime Minister Ben-Gurion spoke. And just as our brothers and sisters in Israel, we owe much to our forebears who paved the way in the United States.

Mr. President, the contributions of Jewish Americans to the life of our nation are undeniable. Virtually every area of American culture has benefitted from the talents of Jewish people, including science, medicine, business, government, literature and the arts. I know my colleagues join me and the millions of others who mark this special week to pay tribute to the countless people of Jewish faith who have contributed so much to the definition of our nation and the world.•

TRIBUTE TO LAWRENCE CENTRAL HIGH SCHOOL

• Mr. COATS. Mr. President, this weekend, students from Lawrence Central High School in Indianapolis will be competing in the ''We the People . . . The Citizen and the Constitution'' National Finals here in Washington, D.C.

After winning the Indiana state competition last December, these students from Lawrence Central (Kari Amos, Robert Baker, Kari Buis, Julie Burton, Sheila Cardinal, Haley Carney, Mark Davis, Justin Gray, Amber Gross, Shawn Haislip, Kristen Halligan, Seth Higgins, Megan Lott, Les Jahnke, Kelly Khoury, Ted Kieffer, Justin Lane, Jolene McClusky, Joyce McCoy, Courtney Mills, Aaron Moberly, Galan Moore, Jon Owens, Chris Recktenwall, Eric Reissner, Kelly Richardson, Lisa Schubert, Tara Sheets, Jennifer Staresnick, Shane White) and their teacher, Drew Horvath, have been eagerly preparing to represent our great Hoosier state here in Washington.

Mr. President, I am proud of the dedication and the accomplishments of these Hoosier students. As I have stated before, I strongly believe that educational programs, such as the ''We the People . . .'' competition, are excellent tools for enhancing the education of our children.

The ''We the People . . .'' program is the most extensive program to educate our youth about our Constitution and the Bill of Rights. I am pleased to welcome these students to our nation's capital. Through the ''We the People . . .'' program these students have taken the extra step to learn first hand about our government by bringing the pages of their textbooks to life.

Mr. President, I would like to congratulate the students of Lawrence Central High School for their accomplishments and wish them luck in the national competition. I know they will represent our great state of Indiana well.•

GARRETT ACADEMY OF TECHNOLOGY VARSITY BOYS BASKETBALL TEAM

• Mr. HOLLINGS. Mr. President, I am pleased to rise today in homage to an extraordinary group of young people, the Garrett Academy of Technology Varsity Boys Basketball Team. On January 2, 1998, these young men made 32 3-point shots in one game—a new national record. South Carolina takes tremendous pride in their accomplishment, which they achieved with teamwork and individual excellence.

In the last two years, this team has set many individual and personal records. The Falcons are the defending 7–AA Region Champions and their coach, Michael Bayne, has been named Coach of the Year more than fifteen times in various sports. These athletes set a standard of excellence for every field of endeavor.

The members of the Garrett Falcons are as follows:

Robert Seabrook, who set a State record last year by making 12 3-point shots in one game. Robert, a Senior electronics student plans to attend Anderson College on a basketball scholarship.

Wil Gibbs, an electricity student, is a Senior and will attend college in the Fall.

Hashem Richardson, a plumbing student, is a Senior and will attend preparatory school.

Josh Davis, a drafting student, is a Senior and will attend Spartanburg Methodist College.

Hassan Bartley, an automotive student, is a Senior and will attend Spartanburg Methodist College.

Kyren Ancrum, a plumbing student, is a Junior and plans to attend Denmark Technical College.

Ralph Pressley, a plumbing student, is a Sophomore.

Louis McCullough, a drafting student, is a Sophomore.

Brandon Fields is a Freshman and undecided in his concentration of study.

Mr. President, I ask that the newspaper account of this victory, ''Garrett Tech's 3-point Baskets Make History'' which appeared in the January 8, 1998 issue of Charleston's The Post and Courier be printed in the RECORD.

The article follows:

[From The Post and Courier, Charleston, S.C., January 8, 1998]

GARRETT THREES MAKE HISTORY

(By Jeff Hartsell)

Robbie Seabrook learned how to shoot a basketball on the hoop at his cousins' house.

''They were all so tall,'' said Seabrook, ''that I had to shoot from outside all the time.''

Now that Seabrook is all grown up—he's a 6–3 senior for the Garrett Tech basketball team—the outside shooting touch his cousins forced on him is paying off in a big way.

Seabrook is the leading 3-point shooter on a Garrett team that set a national high school record for most 3-point baskets in a game last week.

During their own Wall of Fame Invitational last Friday, the Falcons made 32 of 79 shots from 3-point range in a 117–39 victory over Bowman Academy.

That performance bettered the 29 treys (in 94 attempts, still a record) made in a game last year by Alexandria High of Juniata Valley, Pa., according to the National Federation of State High School Associations.

''It was pure energy that night,'' said Seabrook, who made nine 3-pointers against Bowman Academy. ''All I know is I didn't get tired in that game.''

Neither did his teammates. Point guard Hashem Richardson also made nine 3-pointers, while Will Gibbs added eight and Louis McCollough, Damien Jackson and Brandon Fields had two each.

For the season, Garrett (9–2) has made 98 3-point shots in 11 games, led by Seabrook, who has hit 52 of 137 treys (37.9 percent) and will play next year at Anderson College, an NCAA Division II school in Anderson.

Seabrook, averaging 22 points per game, set a state record last year by making 12 3-point shots in one game and made 34 straight free throws at the end of last season and start of this season.

Obviously, Garrett coach Michael Bayne believes in the power of threes.

''Robbie has the green light at any time,'' said Bayne, 60–31 in his fourth season at Garrett after stints at Cardinal Newman in Columbia and Denmark-Olar.

''Most of the other guys have green lights only after penetration. We want to get it inside and dish it out for the square-up three.''

That job generally falls to point guard Richardson, a 6–2 senior averaging 31.5 points per game. McCullough, a 6–4 sophomore, scores about 15.8 points per game.

Garrett's success in basketball—the girls' team also is doing well at 9–2—has come despite some problems that are unique to the school, known as Garrett Academy of Technology. Garrett reopened as a technical school four years ago after the old Garrett High was closed.

Garrett draws students from all over Charleston County, which makes it hard for some players to make it to practices and games. For example, Gibbs, a 6–4 senior, lives in McClellanville, about an hour's drive from the school.

And Bayne said many athletes who already have played sports for another school are reluctant to leave that school for Garrett. He said nine of his 12 players had never played organized basketball before they got to Garrett.

''A lot of kids who would like to play sports at Garrett are unable to, because they don't have a way home,'' Bayne said. ''And we only have two players that have played at another school.

''A lot of kids feel a loyalty to a team they've already played for, so we are trying to teach a system to kids that have never played on an organized team before.''

With the High School League due to reclassify member schools soon, Garrett has applied to move down to Class A from AA, Bayne said. Garrett has about 675 students.

''I think overall that is the right place for us in athletics,'' said Bayne, who also is athletic director. ''That's due to the lack of numbers that are actually able to participate in athletics. Garrett and the Academic Magnet (also in Class AA) are the only two schools in the state that don't have middle-school feeder programs designated to them.

''Until then, we are being a little cheated. The basketball programs have been able to win, but it's a very large hardship on some of our other programs.''

No matter what their classification, Bayne's Falcons have made their mark on the national record book.

''I'm very pleased for these young men,'' Bayne said. ''The national record is important in a lot of ways, but what these kids do after high school is what's important, and I just hope they remember that Garrett Tech taught them a lot.''•

LATIN-AMERICANS FOR SOCIAL AND ECONOMIC DEVELOPMENT, INC.

• Mr. ABRAHAM. Mr. President, I rise today to recognize a very important organization in the State of Michigan. Latin-Americans for Social and Economic Development (LA SED), is an advocacy agency that has served the Latino/Southwest area of Detroit, Michigan for twenty-nine years. LA SED has made tremendous contributions to the Detroit area and should be commended.

LA SED will be hosting their Annual Recognition Luncheon on Wednesday, May 20, 1998 at the International Market Place in Greektown, Detroit. The theme of the lunch is ''Corporate Volunteerism—Giving Back.'' This event will undoubtedly be a great success.

At this time I want to extend my warmest regards and appreciation to my good friend, Jane Garcia who is the chairperson for the luncheon. I would also like to express my appreciation to everyone who is involved in making this organization so effective. I wish LA SED continued success.●

JULES AND HELEN RABIN

● Mr. LEAHY. Mr. President, I rise today to say a few words about Jules and Helen Rabin who are long-time, respected Vermonters. Marcelle and I are proud to call them our friends. The Rabins exhibit what so many Vermonters have: a sense of what is valuable and important in life. With hard work, dedication, and a great deal of patience, Jules and Helen have built up a successful family bakery, serving the needs of their community. Over the last 20 years they have become masters of their craft. Recently, one of our local newspapers wrote an excellent article about the Rabins and their bakery. I ask that the article be printed in the RECORD so that all Senators may read about this fine family.

The article follows.

[From the Rutland Herald and the Sunday Times Argus, Mar. 8, 1998]

IN SEARCH OF SOURDOUGH—A VERMONT BAKER SETS OUT TO FIND—AND MAKE—THE PERFECT LOAF

(By Kathleen Hentcy)

When you bite into sourdough bread, your teeth meet with a worthy substance: Crackling hard crust, the bread inside chewy almost to the point of toughness, a sour tang. And once you've chewed and swallowed a few times, a satisfaction that few other breads deliver.

Real bread, for my money or effort, must meet this test. And it must proudly withstand toasting and slathering with sweet butter, not in the least smashed, or lessened in its big-holed texture. It should produce a clean crunch when bitten, and when chewed, remain substantial food, not melting into a gooey mash.

Overall, bread must take effort to cut, and time to chew and digest. It must, truly, be the ''staff of life.''

But buying good sourdough bread can eat up the grocery budget; the loaves typically cost more than $3 each. Besides, I find baking bread to be an almost spiritual experience. And eating fine bread that you made yourself, listening to friends' compliments, is gratifying.

I've baked bread since my teen years. Some of what I make is outstanding. Some loaves I give to the sheep.

Lately, I've returned to baking sourdough. Sourdough, made with only the wild yeasts that choose to set up home in a culture of water and flour you provide, is wild, unruly bread, its flavor distinctive to the region where it is made. You don't know how the bread dough will behave from baking to baking, since the leavening agent—the sourdough—is very sensitive to atmospheric conditions and room temperature. From my experience, I'd say the baker's temperament is included under ''atmospheric conditions'' and can greatly influence the outcome.

I've made attempts at sourdough breads before, keeping a liquid starter in the refrigerator for months. I'd use it for a while, then forget about it and later find a dried-up mass that I'd have to throw out, jar and all. But the loaves I made from those starters never compared to the bread I found at the local food coop.

THE SEARCH GETS SERIOUS

Last fall, I was bitten by a new ambition: To bake the ultimate ''peasant bread.'' Sourdough French country bread. Pain de Campagne. Those lordly loaves with chestnut-brown crusts that crackle, the trademark large-textured chewy centers, and the sour tang.

This bread, and all French sourdough, is made using a doughy sourdough starter rather than a liquid. Once the starter is prepared and a batch of dough is made up, the baker takes off about a cup of dough—called levain, from the old French word for rise, or leaven—to store in the refrigerator. That piece, allowed to warm to room temperature and refreshed with flour and water, provides the basis for the next batch of bread, and so on as long as the baker doesn't forget to take the levain from subsequent batches.

Can making that bread be difficult enough to warrant a price of $3 a loaf? If peasants baked these glorious loaves in wood-fired ovens with no refrigeration for the starter, surely I ought to be able to figure this out. Look at the ingredients: flour, salt, water. Some note ''sourdough,'' which, technically, is only more of the first and last ingredients, flour and water. Adding commercial yeast to sourdough is sacrilege.

So I got out my bread books, and read about sourdough. I read magazine stories about sourdough. I bought many loaves of sourdough made by several different Vermont bakeries. I made sourdough starter and baked loaves of bread on a baking stone. I didn't feed it to the sheep, but I didn't give it to friends, either.

I went back to the books, and finally, to two bakers nearby who make five wonderful kinds of sourdough. I'll tell you what I learned up front: good sourdough bread is definitely worth $3 a loaf. But baking it is worth more.

IN THE BAKERY

In a small building in the backyard of Helen and Jules Rabin's house, the Rabins continue the tradition of baking the community bread. Helen pulls large hunks of dough off a slouching 75-pound mass on the wooden counter. She places each chunk on a scale and adds enough to make the scale level out at one and three-quarter pounds, then drops the measured blob onto the counter, and starts the process anew. Once she has six or so lumps of dough, she kneads them one by one, shaping them into slender loaves about eight inches long. These are ''French white sourdough,'' or batards, the shorter, fatter version of the popular baguette. In little more than an hour, she will have weighted and shaped 65 batards.

Helen and Jules have done this work nearly every week, two days a week, for 20 years. While she mills the grains, mixes the dough and forms the loaves, he builds the fire that heats the oven and eventually bakes the bread.

The Rabins began baking bread in 1978, shortly after Jules was laid off from his job teaching anthropology at Goddard College in Plainfield. Five years earlier, after visiting friends who were trying to recreate the lives of 19th-century peasants in the south of France, the Rabins decided to build a massive stone wood-fired oven like those that once dotted the European continent.

The Rabins' oven is large enough to bake 250 loaves a day. They bake two days a week, producing 500 loaves out of 750 pounds of dough. When they started making sourdough bread, they had no competition.

''We had an easy ride when we began—people around here had not had such bread,'' Jules says. That meant when they delivered their first loaves, which were dense, unrisen and hard, people still snapped them up. The taste was good, and slowly the texture improved.

A FEW SECRETS FOUND

''It took over five years to develop our loaves,'' Jules told me during an earlier visit. This gave me great hope. These people, who routinely make excellent sourdough bread, had once produced loaves similar to what I started with.

''Sourdough is very tricky stuff to work with,'' Jules said, making me feel even better. ''To get even, well-raised loaves is very difficult with sourdough.''

But did they seek out instruction in books or from other bakers? No. They figured it out themselves.

''We set ours elves the challenge to bake without yeast,'' he said.

The Rabins got their ideal for the kind of bread they wanted from European breads, and Helen once spent a night in a French bakery, watching. But she received no instructions.

''We fiddled and mixed to arrive at what we have today,'' Jules said. He credits Helen with all the brain work in the operation, from building the oven to figuring out how long the bread should rise.

And so, on a mild March day, I stand inside the bakery, careful to stay out of the way, and watch, much as I imagine Helen watched those French bakers many years ago. I'm allowed questions, but I avoid direct queries regarding the secrets of sourdough. Not only are the Rabins offering Upland Bakers for sale, and so have to protect their system, but I want to figure out at least some of this process for myself.

My time with the Rabins revealed two important lessons. The first is that baking good sourdough requires time. Let the levain warm for a few days after refreshing it, and before mixing the dough. Then, allow the dough to rise for four to six hours, punch it down and form the loaves, and allow those to rise for another four to six hours. The variation in rising times has to do with those atmospheric conditions, and you will know only by trial and error when to bake at four hours and when to wait for six.

The other important detail I learned is that sourdough does not have to be babied like yeasted bread dough. The risen loaves can be picked up and placed on the baking surface without worrying about flattening them. Go ahead and slash the tops deeply, to allow the loaf to expand as the hard crust develops.

These may sound like trivial details, but on my counter this morning sit the two best loaves of sourdough I have made to date. I haven't yet developed quite the sour tang I like, but the texture and volume of the loaves is beautiful. Toast and tea this morning was especially pleasing.

And the Rabins ''refreshed'' this lesson for me: Having the answer as quickly as possible isn't always best. Sometimes it's the process of looking that is the most fun.

CBO COST ESTIMATE FOR THE IRS RESTRUCTURING AND REFORM ACT OF 1998

● Mr. ROTH. Mr. President, on April 22, 1998, the Finance Committee filed Report 105–174 to accompany H.R. 2676. At the time the report was filed, the required Congressional Budget Office statement was not available.

I ask that the Congressional Budget Office statement that I have recently received be printed in the RECORD.

The material follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 30, 1998.

Hon. WILLIAM V. ROTH, Jr.,
Chairman, Committee on Finance,
U.S. Senate,
Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2676, the Internal Revenue Service Restructuring and Reform Act of 1998.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are John R. Righter (for federal costs), who can be reached at 226-2860, Marc Nicole (for the impact on state and local governments), who can be reached at 225-3220, and Matthew Eyles (for the impact on the private sector), who can be reached at 226-2469.

Sincerely,

JUNE E. O'NEILL,
Director.

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE, APRIL 30, 1998

H.R. 2676: INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1998 (AS REPORTED BY THE SENATE COMMITTEE ON FINANCE ON APRIL 22, 1998)

SUMMARY

H.R. 2676 would make a number of changes to the management and oversight of the Internal Revenue Service (IRS), add or amend more than 70 taxpayer rights, and require the IRS to implement several changes designed to increase the number of forms filed electronically by taxpayers. The Joint Committee on Taxation (JCT) estimates that this act would increase governmental receipts (revenues) by $582 million in fiscal year 1998 and would decrease receipts by a net amount of about $1 billion over the 1998–2003 period. (The act would result in higher receipts for the first three years, but would lead to a gradually increasing loss of receipts in each year after 2000.) Over the 1998–2007 period, JCT estimates that enacting this legislation would decrease governmental receipts by about $9 billion.

In addition, CBO estimates that enacting H.R. 2676 would increase direct spending by $7 million in fiscal year 1998, about $330 million over the 1998–2003 period, and about $750 million over the 1998–2008 period. Because enacting this legislation would affect both direct spending and receipts, pay-as-you-go procedures would apply. H.R. 2676 also would affect discretionary spending, subject to the availability of funds. At this time, CBO cannot estimate the act's total effect on discretionary spending because the extent and results of efforts by the Treasury and the IRS under current law to increase the availability and use of electronic filing by taxpayers are very uncertain, because the Administration has already begun implementing many of the act's procedures, and because we have not had sufficient time to fully review the more than 70 provisions that would affect taxpayer rights. The increase in discretionary spending necessary to implement H.R. 2676 could be substantial. JCT has determined that H.R. 2676 contains five new private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA). Title V of H.R. 2676, Revenue Provisions, contains all five mandates. JCT estimates that the cost to the private sector to comply with the new mandates would be $7.1 billion over the 1998–2003 period, which is equal to the increase in tax revenue from provisions that would impose the mandates. The act contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

DESCRIPTION OF MAJOR PROVISIONS

H.R. 2676 would make a number of changes to the management and oversight of the IRS and to the rights of taxpayers. Specifically, the act would: establish a nine-member Internal Revenue Service Oversight Board within the Department of the Treasury to oversee the service's management, planning, budgeting, and operations; provide the IRS with the flexibility to reorganize its organizational structure and many of its personnel policies; eliminate the IRS Office of the Chief Inspector and transfer most of its responsibilities and resources to a new, independent Treasury Inspector General for Tax Administration within the Department of the Treasury; require the IRS to begin developing a paperless tax return system and authorize it to offer certain incentives to encourage taxpayers to file tax returns electronically; require the IRS, subject to the proper safeguards, to create a system under which taxpayers could review their own IRS files electronically by calendar year 2007; add or amend more than 70 provisions affecting taxpayer rights, including shifting the burden from the taxpayer to the IRS in certain court cases, making it easier for taxpayers to recover court costs and to sue the IRS for civil damages, increasing the amount of interest paid by the federal government to noncorporate taxpayers for overpayments of taxes, suspending the time limit for disabled individuals to file for a refund, and requiring that the IRS provide additional notification to taxpayers of certain rights and deadlines; impose several new reporting requirements on the IRS and JCT; clarify employer deductions for vacation pay and add other measures to raise governmental receipts and partially offset the cost of other provisions; and make numerous technical corrections to the Taxpayer Relief Act of 1997.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 2676 is shown in Table 1. The costs of this act fall within budget function 800 (general government).

TABLE 1—ESTIMATED COST TO THE FEDERAL GOVERNMENT [1]

[By fiscal year in millions of dollars]

	1998	1999	2000	2001	2002	2003
CHANGES IN REVENUES						
Estimated Revenues	582	814	654	−663	−1,052	−1,328
CHANGES IN DIRECT SPENDING						
Estimated Budget Authority	7	55	62	66	69	73
Estimated Outlays	7	55	63	66	69	73

[1] Implementing the act would also require increases in spending subject to appropriation, but CBO cannot estimate these costs at this time.

In addition to the above effects, the act also would impose costs on the IRS and JCT, subject to the availability of funds, to carry out various requirements. Those increases—for the IRS only—would probably be substantial, but CBO cannot estimate the act's likely effect on discretionary spending at this time. The major provisions that could affect discretionary spending are discussed in detail below.

BASIS OF ESTIMATE

For purposes of this estimate, CBO assumes that H.R. 2676 will be enacted by July 1, 1998.

Revenues

H.R. 2676 would make numerous changes to the Internal Revenue Code. The major provisions affecting receipts are summarized in Table 2.

TABLE 2.—ESTIMATED CHANGES IN REVENUES

[By fiscal year, in millions of dollars]

	1998	1999	2000	2001	2002	2003
Clarify Deduction for Accrued Vacation Pay	603	1,141	1,160	141	148	156
Modify Foreign Tax Credit Carryover Rules	76	525	468	441	416	390
Make Certain Trade Receivables Ineligible for Mark-to-Market Treatment	33	317	500	333	117	70
Suspend Accrual of Interest and Penalties When IRS Fails to Contact Individual Taxpayer	0	0	−438	−529	−596	−636
Innocent Spouse Relief	−58	−350	−288	−273	−346	−480
Eliminate Penalties on Unpaid Taxes During Period of Installment Agreements	−29	−272	−287	−302	−317	−338
Burden of Proof	−1	−221	−232	−243	−256	−269
Mitigate Penalty for Failure to Deposit Payroll Taxes	0	−47	−64	−64	−65	−66
Software Trade Secrets Protection	0	−26	−32	−39	−45	−53
All Other Provisions Affecting Revenues	−42	−253	−133	−128	−108	−102
Total Estimated Revenues	582	814	654	−663	−1,052	−1,328

Direct Spending

Increase in the Interest Rate IRS Pays Certain Taxpayers on Overpayments. Most of the projected increase in direct spending would result from the provision that would increase by 1 percentage point the amount paid by the federal government to noncorporate taxpayers who overpay their taxes. Based on our estimate of the amount of annual overpayments by taxpayers of individual income, estate, and gift taxes, CBO estimates that increasing the rate of interest by 1 percent

would increase direct spending by $7 million in fiscal year 1998, by $310 million over the 1998–2003 period, and by about $700 million over the 1998–2008 period.

Taxpayer Bill of Rights. The act would increase the amount of penalties (payments covering attorneys' fees and administrative costs) and civil damages that courts could award to taxpayers in certain cases brought against the federal government. For penalties, H.R. 2676 would: (1) lengthen the period of time over which taxpayers who substantially prevail against the IRS could recover administrative costs, (2) remove the hourly rate caps limiting the amount of reasonable fees that attorneys can collect in such cases, (3) permit the award of reasonable attorneys' fees to pro bono attorneys, and (4) allow taxpayers to recover reasonable costs and attorneys' fees in cases where an offer to settle the case is made, the IRS rejects the offer, and the IRS later obtains a judgment against the taxpayer in an amount that is equal to or less than the taxpayer's offer.

For civil damages, that act would: (1) provide for the payment of up to $100,000 in civil damages to taxpayers in cases where a court finds that officers or employees of the IRS negligently disregarded provisions of the Internal Revenue Code or regulations, (2) provide for the payment of up to $1 million in civil damages to taxpayers in cases where an office or employee of the IRS willfully violates certain provisions of the Bankruptcy Code, and (2) allow individuals other than the taxpayer to sue for civil damages as a result of unauthorized collection actions. Courts could award the damages only after the taxpayer had exhausted all administrative remedies at the IRS. Under current law, taxpayers may receive payments for damages in cases where a court finds that an IRS officer or employee has recklessly or intentionally disregarded provisions of the Internal Revenue Code. The government would pay the additional penalties and damages from the permanent, indefinite appropriation for claims and judgments.

Although considerable uncertainty exists as to how the courts would determine and award penalties and damages under H.R. 2676, CBO estimates that the provisions would increase direct spending by $23 million over the 1998–2003 period and by $56 million over the 1998–2008 period. This estimate assumes that broadening and increasing the amount of allowable penalties and lowering the standard for civil damages would result in awards of additional penalties and damages to taxpayers by the courts. Because the provisions affecting penalties would not take effect until 180 days after enactment and because the provisions affecting damages would apply to new actions and would require taxpayers to first exhaust administrative remedies, CBO expects that these provisions initially would have no significant impact on direct spending, but would result in a steady increase in penalties and damages awarded beginning in 1999. On average, we estimate that they would increase direct spending by about $4 million annually over the 1998–2003 period.

Spending Subject to Appropriation

Electronic Filing. The act's biggest potential impact on discretionary spending involves its requirements to increase the availability and use of electronic filing. H.R. 2676 would generally require the IRS to study and implement several major changes to the way taxpayers file their returns each year. Specifically, the act would: (1) require the Secretary of the Treasury to develop a strategic plan to eliminate barriers and provide incentives to increase the number of returns filed electronically to at least 80 percent of all returns, (2) beginning in fiscal year 2000, extend the due date for electronic filers of information returns from February 28 to March 31, (3) require the Treasury to develop procedures for accepting signature information from electronic filers in a digital or other electronic form, (4) require the Treasury to develop procedures for implementing a return-free tax system beginning with tax years that begin after 2007, and (5) provided the necessary safeguards are in place, require the Treasury to develop procedures to enable taxpayers to review their account information electronically by 2007.

The Treasury is already developing or studying most of these proposals. For instance, according to the Department of the Treasury, the IRS currently is using some signature alternatives and studying others. The Treasury also has already awarded a contract to design and develop a large educational campaign to encourage taxpayers to file electronically. In addition, the IRS is implementing new payment methods and preparing its systems to accept new forms that should reduce the amount of paper filed by taxpayers each year. Finally, the Treasury is studying alternatives for allowing taxpayers to eventually review account information electronically. This, even though CBO expects that implementing the act's procedures would increase costs for the Treasury subject to the availability of funds, we cannot estimate the amount that such costs would increase. The amount of the costs would depend, in part, on the overall effort at the IRS to modernize its information systems, for which the Congress has appropriated about $4 billion over the last decade.

In general, receiving and processing forms electronically should reduce costs of the IRS in the long run. The IRS has estimated that it costs at least two and one-half times more to process such forms by paper, since the data must be input manually into IRS's systems, the error rate in processing such forms is significantly higher, and the papers require handling and storage. Thus, if enacting H.R. 2676 results in an increase in the number of taxpayers that file electronically with the IRS each year—in fiscal year 1997, 19.1 million of the estimated 120 million individual income tax returns were filed with the IRS by computer or phone—then the act should eventually reduce the government's annual costs to process tax information.

IRS Oversight Board. H.R. 2676 would establish a nine-member management board within the Department of the Treasury to oversee the management and operations of the IRS. Its responsibilities would include reviewing and approving the agency's strategic plans and annual budget request. The board would consist of six members from outside the federal government, the Secretary of the Treasury, a union representative, and the IRS Commissioner. The act would compensate the nonfederal members at a rate of $30,000 per year, except for the chair, who would receive an annual salary of $50,000. The members also could receive reimbursement for any travel expenses incurred in performing official board work. In addition, the act would allow the board to hire permanent staff. The board would be required to meet at least once a quarter. Upon enactment, the President would have six months to submit nominations to the Senate.

Based on the act's requirements and specifications for compensation, CBO estimates that the board would cost less than $500,000 in fiscal years 1998 and 1999 and between $500,000 and $1 million in each of fiscal years 2000 through 2003. That estimate assumes the board would not meet until the beginning of fiscal year 1999.

IRS Management and Personnel Flexibilities. The act would allow the IRS to change its organizational structure and would provide it with significant flexibility in how it compensates, trains, and organizes its workforce. In January, the Commissioner announced plans to reorganize the agency along customer service lines. Because the act would simply allow the IRS to carry out the reorganization plans that are already under development, that provision would impose no additional costs on the IRS. In the case of the personnel flexibilities, the additional costs would likely be significant, although it is difficult to predict how much the IRS would employ such flexibilities and whether the Commissioner could reach agreement with the employees' union, as required by the legislation, regarding measures that would affect its members.

CBO estimates that the measures allowing the IRS to increase pay and other forms of compensation could increase annual payroll costs of the IRS by at least several million dollars. In addition, providing the IRS with the authority to offer buyouts without necessarily reducing the total number of positions through calendar year 2002 also could increase its personnel costs by tens of millions of dollars over the 1998-2003 period.

Treasury Inspector General for Tax Administration. The legislation would eliminate the IRS Office of the Chief Inspector and transfer most of its responsibilities and resources to a new, independent Treasury Inspector General (IG) for Tax Administration within the Department of the Treasury. The new I.G. for Tax Administration would assume responsibility for the duties currently assigned to the Treasury (IG) with respect to the IRS and for the duties currently delegated to the IRS Office of the Chief Inspector. CBO estimates that this provision would have no significant budgetary effect.

Taxpayer Bill of Rights. H.R. 2676 would add or amend more than 70 taxpayer rights. In most cases, the new rights would result in minimal additional costs for the IRS to write regulations and procedures, provide additional information to taxpayers, and create or amend tax forms and other tax-related documents, although the sheer magnitude of the number of such changes would likely result in a significant increase in administrative costs, particularly if the changes would require a significant computer reprogramming effort on the part of the IRS. Similarly, the totality of such changes could result in a substantial increase in the workload of the offices of Appeals and Taxpayer Advocate at the IRS. CBO, however, has not had sufficient time to review these provisions and estimate their impact.

Complexity Analyses and Studies. H.R. 2676 would expand the responsibilities of the JCT. It would require JCT to prepare a detailed ''Tax Complexity Analysis'' for proposed legislation amending tax laws and to conduct two studies within one year from the date of enactment. The act also would require the IRS to report annually to the House Committee on Ways and Means and the Senate Committee on Finance regarding sources of complexity in the administration of federal tax laws and the Department of the Treasury to conduct the same pair of studies required of JCT.

CBO estimates that implementing H.R. 2676 would cost JCT less than $500,000 a year, assuming appropriation of the necessary amounts. Depending upon the amount and nature of tax legislation considered by the Congress, analyzing the complexity of legislative initiatives could increase this cost somewhat. In addition, CBO estimates that requiring the IRS to report annually on the complexity of tax laws would cost less than $500,000 a year. Finally, CBO estimates that the two reporting requirements would cost the Treasury less than $500,000 over fiscal

years 1998 and 1999. (The Administration is already planning to conduct at least one of the studies.)

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act of 1985 specifies procedures for legislation affecting direct spending and receipts. The projected changes in direct spending and receipts are shown in the following table for fiscal years 1998 through 2008. For purposes of enforcing pay-as-you-go procedures, however, only the effects in the current year, the budget year, and the succeeding four years are counted.

TABLE 3.—SUMMARY OF EFFECTS ON DIRECT SPENDING AND RECEIPTS

[By fiscal year, in millions of dollars]

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Changes in outlays	7	55	63	66	69	73	77	80	84	88	92
Changes in receipts	582	814	654	−663	−1,052	−1,328	−1,713	−1,908	−2,080	−2,269	NA

N.A.=Not available (JCT has estimated revenue effects through 2007 only.)

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 2676 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. The bill would allow the IRS to collect and remit (from overpayments) certain past-due income tax obligations owed to state governments and would authorize grants for low-income taxpayer clinics operated by institutions of higher education (public or private) and tax-exempt organizations.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

JCT has determined that H.R. 2676 contains five new private-sector mandates, as defined in UMRA. Title V of the act, Revenue Provisions, contains all five mandates. JCT estimates that the cost to the private sector to comply with the new mandates would be $7.1 billion over the 1998–2003 period, which is equal to the increase in tax revenue from provisions that would impose the mandates.

First, the provision clarifying the deduction for deferred compensation is estimated by JCT to increase tax revenue by $3.3 billion over fiscal years 1998 through 2003. Second, the act would change the carryback period and carryforward period for foreign tax credits, which is estimated to increase tax revenue by $2.3 billion between 1998 and 2003. Third, H.R. 2676 would freeze the grandfathered status of stapled or paired-share real estate investment trusts (REITs). As a result of the proposed freeze, JCT estimates that tax revenue would increase by $34 million over the 1998–2003 period. Fourth, the act would make certain trade receivables ineligible for mark-to-market treatment, which is estimated to increase tax revenue by $1.4 billion over the six-year period. Finally, H.R. 2676 would add vaccines against rotavirus to the list of taxable vaccines, thus increasing tax revenue by an estimated $15 million over fiscal years 1998 through 2003.

COMPARISON WITH OTHER ESTIMATES

The committee report filed on April 22, 1998, included an estimate by JCT that enacting H.R. 2676 would increase direct spending by $409 million over the 1998–2002 period and by $989 million over the 1998–2007 period. According to JCT, that estimate would result from enacting three provisions affecting taxpayer rights: (1) increasing by 1 percent the interest rate paid by the government to noncorporate taxpayers who overpay their taxes, (2) expanding the court's authority to award taxpayers costs and certain fees, and (3) adding or increasing civil damages for certain collection actions by the IRS.

By comparison, CBO estimates that enacting the three provisions would increase direct spending by $260 million over the 1998–2002 period and by $662 million over the 1998–2007 period. In total, CBO's estimate of the increase in direct spending is about $150 million lower than JCT's over the 1998–2002 period and about $330 million lower over the 1998–2007 period. The difference between JCT and CBO estimates results from three factors. First, according to JCT, part of its estimated increase in direct spending includes effects on revenues (about $110 million over the 1998–2002 period and about $220 million over the 1998–2007 period). Second, JCT and CBO have different estimates of the extent to which the provision expanding the court's authority to award taxpayers costs and certain fees would increase payments from the Claims and Judgment Fund. JCT estimates an additional $55 million in such payments over the 1998–2002 period and about an additional $150 million over the 1998–2007 period. Finally, JCT and CBO make different assumptions as to the taxes that would be affected by the provision increasing the rate of interest on overpayments. CBO assumes that the provision would apply to estate and gift tax overpayments in addition to individual income tax payments, which increased our estimate of direct spending by about $20 million over the 1998–2002 period and by about $40 million over the 1998–2007 period.

PREVIOUS CBO ESTIMATE

On October 31, 1997, CBO prepared a cost estimate for H.R. 2676, the Internal Revenue Service Restructuring and Reform Act of 1997, as ordered reported by the House Committee on Ways and Means on October 22, 1997. For the House version of H.R. 2676, JCT estimated that the legislation would have no net effect on governmental receipts over the 1998–2002 period and would decrease them by $2.9 billion over the 1998–2007 period.

The Senate version of H.R. 2676 includes several additional measures that would add to the government's revenues, but also includes a more extensive set of new and revised taxpayer rights. In total, JCT estimates that the Senate version would bring in about $0.3 billion more in revenues over the 1998–2002 period, but would decrease governmental receipts by about $6 billion more over the 1998–2007 period.

CBO estimated that enacting the House-reported version of H.R. 2676 would increase direct spending by $5 million in fiscal year 1998, $25 million over the 1998–2002 period, and $50 million over the 1998–2007 period. CBO's estimate of the increase in direct spending for the Senate version of H.R. 2676 is higher, mostly because we reestimated and reclassified the budgetary effects of several provisions included by JCT as decreases in governmental receipts for the House version of H.R. 2676. Thus, the increase in direct spending estimated by CBO for the Senate version is more than offset by a corresponding reduction in JCT's estimate of reduced governmental receipts. The increase in the rate of interest on taxpayer overpayments is the main provision projected to cause an increase in direct spending in this estimate rather than a decrease in governmental receipts, as was reported for the House version.

In addition, the House version would have required that the Secretary make $3 million in annual grants to low-income taxpayer clinics, whereas the Senate version would make such payments subject to appropriation. Finally, this estimate reflects a slight, upward revision in the annual estimate of new payments from the Claims and Judgment Fund for penalties and civil damages. In total, our estimate for the Senate version of H.R. 2676 reflects an increase in direct spending over the 1998–2007 period that is about $610 million higher than the estimate for the House version.

Estimate prepared by: Federal Costs: John R. Righter (226–2860); Impact on State, Local, and Tribal Governments: Marc Nicole (225–3220); and Impact on the Private Sector: Matthew Eyles (226–2649).

Estimate approved by: Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

CHEBOYGAN RIGHT TO LIFE FIRST ANNUAL FUNDRAISING DINNER

• Mr. ABRAHAM. Mr. President, I rise today to recognize a very special event in the State of Michigan. Cheboygan Right To Life will host their first annual fundraising dinner to benefit the educational efforts of Right to Life Michigan on May 7, 1998.

An event like this one is very important for the pro-life movement. It reinforces the fact that at every level, we have people who value the sanctity of life working together. This is very encouraging. All who are involved with this event should be commended not only for their efforts in planning it but for their efforts in promoting this very important cause. I extend my best wishes for a successful event as well as my appreciation to Cheboygan Right To Life.•

1998 FRANK D. FITZGERALD LIFETIME ACHIEVEMENT AWARD HONOREE

• Mr. ABRAHAM. Mr. President, I rise today to acknowledge a good friend of mine. Ed Wyszynski is this year's recipient of the Frank D. Fitzgerald Lifetime Achievement Award. Ed has made tremendous contributions to the Michigan Republican party over the last thirty years. In 1968 he co-chaired the Nixon for President youth effort in Macomb county. From that point up until now, Ed has worked in presidential, senatorial, congressional and gubernatorial campaigns. In addition to his campaign activity, he has chaired four Lincoln Day dinners, been a county finance chairman, and has served on party executive committees for over 20 years. The Michigan Republican Party has recognized his efforts, three times naming him to its #1 Republican Club. Ed has relentlessly and

unselfishly contributed his time and efforts to the Republican party.

In addition to his work for the Republican party, Ed finds the time to be treasurer of the Eaton Area Habitat for Humanity's Board of Directors and member of the Board of the Detroit College of Law National Alumni Association. Ed lives in Grand Ledge, Michigan with his wife Kay and their son James.

I want to commend Ed for all of his service to the Republican Party and for all of his other contributions. I also want to congratulate him on winning this year's Frank D. Fitzgerald Lifetime Achievement Award. He should be very proud of this accomplishment.●

IN APPRECIATION OF SERVICE

● Mr. ASHCROFT. Mr. President, I rise today to extend appreciation to Anne Feygina for her service as an intern in my office during the Spring of 1998.

Since I was elected in 1994, my staff and I have made a pledge of service, commitment, and dedication. We dedicate ourselves to principled public policy. We believe that Americans are endowed by their Creator with certain unalienable Rights, and among these are life, liberty, and the pursuit of happiness. The power we exercise is granted by Missourians and the American people; we serve to secure their rights. We also dedicate ourselves to quality service. America's future will be determined by the character and productivity of our people. In this respect, we seek to lead by our example. We strive to lead with humility and honesty. We will work with energy and spirit. We will represent the American people with loyalty and integrity. Our standard of productivity is accuracy, courtesy, efficiency, integrity, validity, and timeliness.

It is with much appreciation that I recognize Anne's contribution to our effort to fulfill this pledge and to serve all people by whose consent we govern.●

IN APPRECIATION OF SERVICE

● Mr. ASHCROFT. Mr. President, I rise today to extend appreciation to Neil Kulkarni for his service as an intern in my office during the Spring of 1998.

Since I was elected in 1994, my staff and I have made a pledge of service, commitment, and dedication. We dedicate ourselves to principled public policy. We believe that Americans are endowed by their Creator with certain unalienable Rights, and among these are life, liberty, and the pursuit of happiness. The power we exercise is granted by Missourians and the American people; we serve to secure their rights. We also dedicate ourselves to quality service. America's future will be determined by the character and productivity of our people. In this respect, we seek to lead by our example. We strive to lead with humility and honesty. We will work with energy and spirit. We will represent the American people with loyalty and integrity. Our standard of productivity is accuracy, courtesy, efficiency, integrity, validity, and timeliness.

It is with much appreciation that I recognize Neil's contribution to our effort to fulfill this pledge and to serve all people by whose consent we govern.●

IN APPRECIATION OF SERVICE

● Mr. ASHCROFT. Mr. President, I rise today to extend appreciation to Scott Borger for his service as an intern in my office during the Spring of 1998.

Since I was elected in 1994, my staff and I have made a pledge of service, commitment, and dedication. We dedicate ourselves to principled public policy. We believe that Americans are endowed by their Creator with certain unalienable Rights, and among these are life, liberty, and the pursuit of happiness. The power we exercise is granted by Missourians and the American people; we serve to secure their rights. We also dedicate ourselves to quality service. America's future will be determined by the character and productivity of our people. In this respect, we seek to lead by our example. We strive to lead with humility and honesty. We will work with energy and spirit. We will represent the American people with loyalty and integrity. Our standard of productivity is accuracy, courtesy, efficiency, integrity, validity, and timeliness.

It is with much appreciation that I recognize Scott's contribution to our effort to fulfill this pledge and to serve all people by whose consent we govern.●

IN APPRECIATION OF SERVICE

● Mr. ASHCROFT. Mr. President, I rise today to extend appreciation to Nikhil Patel for his service as an intern in my office during the Spring of 1998.

Since I was elected in 1994, my staff and I have made a pledge of service, commitment, and dedication. We dedicate ourselves to principled public policy. We believe that Americans are endowed by their Creator with certain unalienable Rights, and among these are life, liberty, and the pursuit of happiness. The power we exercise is granted by Missourians and the American people; we serve to secure their rights. We also dedicate ourselves to quality service. America's future will be determined by the character and productivity of our people. In this respect, we seek to lead by our example. We strive to lead with humility and honesty. We will work with energy and spirit. We will represent the American people with loyalty and integrity. Our standard of productivity is accuracy, courtesy, efficiency, integrity, validity, and timeliness.

It is with much appreciation that I recognize Nikhil's contribution to our effort to fulfill this pledge and to serve all people by whose consent we govern.●

IN APPRECIATION OF SERVICE

● Mr. ASHCROFT. Mr. President, I rise today to extend appreciation to Mandy Piper for her service as an intern in my office during the Spring of 1998.

Since I was elected in 1994, my staff and I have made a pledge of service, commitment, and dedication. We dedicate ourselves to principled public policy. We believe that Americans are endowed by their Creator with certain unalienable Rights, and among these are life, liberty, and the pursuit of happiness. The power we exercise is granted by Missourians and the American people; we serve to secure their rights. We also dedicate ourselves to quality service. America's future will be determined by the character and productivity of our people. In this respect, we seek to lead by our example. We strive to lead with humility and honesty. We will work with energy and spirit. We will represent the American people with loyalty and integrity. Our standard of productivity is accuracy, courtesy, efficiency, integrity, validity, and timeliness.

It is with much appreciation that I recognize Mandy's contribution to our effort to fulfill this pledge and to serve all people by whose consent we govern.●

IN APPRECIATION OF SERVICE

● Mr. ASHCROFT. Mr. President, I rise today to extend appreciation to Bethany Cooper for her service as an intern in my office during the Spring of 1998.

Since I was elected in 1994, my staff and I have made a pledge of service, commitment, and dedication. We dedicate ourselves to principled public policy. We believe that Americans are endowed by their Creator with certain unalienable Rights, and among these are life, liberty, and the pursuit of happiness. The power we exercise is granted by Missourians and the American people; we serve to secure their rights. We also dedicate ourselves to quality service. America's future will be determined by the character and productivity of our people. In this respect, we seek to lead by our example. We strive to lead with humility and honesty. We will work with energy and spirit. We will represent the American people with loyalty and integrity. Our standard of productivity is accuracy, courtesy, efficiency, integrity, validity, and timeliness.

It is with much appreciation that I recognize Bethany's contribution to our effort to fulfill this pledge and to serve all people by whose consent we govern.●

IN APPRECIATION OF SERVICE

● Mr. ASHCROFT. Mr. President, I rise today to extend appreciation to Gavin

Gilmore for his service as an intern in my office during the Spring of 1998.

Since I was elected in 1994, my staff and I have made a pledge of service, commitment, and dedication. We dedicate ourselves to principled public policy. We believe that Americans are endowed by their Creator with certain unalienable Rights, and among these are life, liberty, and the pursuit of happiness. The power we exercise is granted by Missourians and the American people; we serve to secure their rights. We also dedicate ourselves to quality service. America's future will be determined by the character and productivity of our people. In this respect, we seek to lead by our example. We strive to lead with humility and honesty. We will work with energy and spirit. We will represent the American people with loyalty and integrity. Our standard of productivity is accuracy, courtesy, efficiency, integrity, validity, and timeliness.

It is with much appreciation that I recognize Gavin's contribution to our effort to fulfill this pledge and to serve all people by whose consent we govern.●

IN APPRECIATION OF SERVICE

● Mr. ASHCROFT. Mr. President, I rise today to extend appreciation to Joshua Summers for his service as an intern in my office during the Spring of 1998.

Since I was elected in 1994, my staff and I have made a pledge of service, commitment, and dedication. We dedicate ourselves to principled public policy. We believe that Americans are endowed by their Creator with certain unalienable Rights, and among these are life, liberty, and the pursuit of happiness. The power we exercise is granted by Missourians and the American people; we serve to secure their rights. We also dedicate ourselves to quality service. America's future will be determined by the character and productivity of our people. In this respect, we seek to lead by our example. We strive to lead with humility and honesty. We will work with energy and spirit. We will represent the American people with loyalty and integrity. Our standard of productivity is accuracy, courtesy, efficiency, integrity, validity, and timeliness.

It is with much appreciation that I recognize Joshua's contribution to our effort to fulfill this pledge and to serve all people by whose consent we govern.●

IN APPRECIATION OF SERVICE

● Mr. ASHCROFT. Mr. President, I rise today to extend appreciation to Jenny Behm for her service as an intern in my office during the Spring of 1998.

Since I was elected in 1994, my staff and I have made a pledge of service, commitment, and dedication. We dedicate ourselves to principled public policy. We believe that Americans are endowed by their Creator with certain unalienable Rights, and among these are life, liberty, and the pursuit of happiness. The power we exercise is granted by Missourians and the American people; we serve to secure their rights. We also dedicate ourselves to quality service. America's future will be determined by the character and productivity of our people. In this respect, we seek to lead by our example. We strive to lead with humility and honesty. We will work with energy and spirit. We will represent the American people with loyalty and integrity. Our standard of productivity is accuracy, courtesy, efficiency, integrity, validity, and timeliness.

It is with much appreciation that I recognize Jenny's contribution to our effort to fulfill this pledge and to serve all people by whose consent we govern.●

TRIBUTE TO ISRAEL'S 50TH ANNIVERSARY

Mrs. FEINSTEIN. Mr. President, I rise today to pay tribute to the 50th anniversary of the State of Israel, and the enduring, unshakable friendship that has been built between the United States and Israel during those 50 years.

Fifty years ago today, according to the Hebrew calendar, David Ben-Gurion told the world that the State of Israel was born. In that moment, one of the greatest events in the life of the Jewish people took place. Since the Jewish people were expelled from their ancient homeland nearly 2,000 years ago, the desire to return had remained in the hearts and prayers of Jews throughout the world.

In the early decades of this century, the Zionist movement brought thousands of young, idealist Jews back to Palestine, which was at the time controlled by the Turks, and then the British. They returned to the land, establishing kibbutzim and agricultural settlements, and reinvigorated ancient cities. They built the foundations for a state, joined during and after the Holocaust by other Jewish immigrants, fleeing unprecedented persecution.

Supported by Jewish communities around the world, their efforts, and the burning need for a Jewish homeland, were recognized by the United Nations in the Partition Plan of November 29, 1947, which called for the creation of a Jewish and an Arab state in Palestine. Six months, later, on May 14, 1948, the State of Israel was formally established.

Much like the United States, Israel is a nation of immigrants. The establishment of Israel has provided a home and refuge for more than 2.6 million immigrants since its inception. They came to escape persecution, to build a better life, or simply to participate in the rebuilding of a nation.

Jews from every continent and dozens of countries, speaking nearly every language on earth, have returned to their ancient homeland: from Russia fleeing first pogroms and then Communism; from Germany, Austria, Poland, Hungry, Romania, and Czechoslovakia fleeing the Holocaust; from Iraq, Syria, Yemen, and North Africa fleeing Arab anti-Zionism; from Iran fleeing the Ayatollahs; and from Latin America fleeing cruel military regimes.

In the 1990's Israel has seen the largest wave of immigration in its history. 757,000 immigrants, some 700,000 of them leaving behind the chaos of the former Soviet Union, and 14,000 of whom were rescued in one day in a daring airlift from Ethiopia. Israel has served as a model for ethnic diversity as Jews from all parts of the world have ascended to the highest levels of the public and the private sector.

Within minutes of Israel's founding in 1948, President Harry Truman recognized the new state. But there was little time for celebration, because within 24 hours, Israel was attacked by Arab forces from all sides. Immigrants who had just fled the horrors of the Holocaust were given guns and instructions to fight, in languages they did not understand.

In that desperate War of Independence, Israel lost nearly 1% of its population defending itself. But the military acumen and spirit of sacrifice that made that victory possible presaged the building of the Israel Defense Forces—a true citizen army—into one of the world's most respected militaries. In subsequent wars when Israel's survival was threatened—in 1956, 1967, and 1973, Israel fought off seemingly insurmountable odds to retain its statehood.

As spelled out in its Declaration of Independence, the state was formed adhering to democratic and Jewish values, recognizing the freedom of all individuals who reside within it. Israel's vibrant democratic system embodies many of the same values that America holds so dear, including: the separation of powers; concern for human rights; an independent judiciary; a representative parliament (the Knesset) with 11 political parties representing Jews, Arabs, Christians, Druze, men and women; a free press with the highest percentage of newspapers and readers per capita in the world; an average of 80% voter turnout in national elections; and, guaranteed civil liberties.

Over the years, the United States and Israel have built a deep and multi-faceted friendship. Based on common values of democracy and peace, and backed by the United States' ironclad commitment to help Israel safeguard its security, the U.S.-Israel relationship is poised to develop into an even more intimate one in Israel's next 50 years.

In science and technology, trade, culture, and of course, security cooperation, the ties grow deeper every year. Most recently Israel and the U.S. have moved to deepen their defense cooperation by expanding the Arrow anti-missile program, developing the Theater High Energy Laser designed to defend

against Katyusha rockets, and by the U.S. providing $25 million for anti-terrorism assistance.

Thanks to the industriousness of its people, and with the help of American financial assistance and free trade agreements with both the United States and the European Union, Israel has transformed itself from a small, agriculturally-based economy in a largely desert climate into a modern, successful, high-tech economy.

Israel's industrial exports are today 1,380 times what they were 47 years ago. Its Gross Domestic Product has risen from $2.5 billion in the 1960s to $90.6 billion last year. Its computer industry and agricultural technology are some of the most successful and innovative in the world.

Israel has also seen phenomenal growth in health care and education. More than 33% of Israelis have formal schooling of 13 years compared from 6% in the 1960's and the life expectancy of Israelis is among the longest in the world. It is a sign of Israel's economic maturation that in January of this year, Israel and the United States began to discuss proposals to reduce and phase out U.S. economic aid to Israel.

For Israel's long-term security and economic success, there is no higher priority than the achievement of a permanent peace settlement with all of its neighbors. The peace treaties with Egypt in 1979 and Jordan in 1994 were the first steps in that process. The United States has stood by Israel in its desire to achieve peace with its neighbors, and will continue to work to help Israel achieve peace with Syria, Lebanon, other Arab nations, and, perhaps most urgently, to fulfill the promise of the handshake between the late Yitzhak Rabin and Yasser Arafat on the White House lawn in 1993 by achieving a final peace agreement between Israel and the Palestinians.

For all of us who care so deeply for Israel's security, who long to see Israel achieve peace with its neighbors, the current peace process has reached a critical juncture. Since Israel's security can best be guaranteed by peace between it and its neighbors, the United States must remain prepared to do everything we can to help reach a successful conclusion to this peace process. That is the best 50th birthday present we can give the people of Israel.

On this historic occasion, I would like to offer my utmost congratulations to President Weizman, Prime Minister Netanyahu, and the people they represent, and express my deep admiration for the accomplishments of the State and people of Israel, a nation that has risen from the darkest moments of history to rebuild itself as an example of the capabilities of the human spirit, the unbreakable ties that exist among a people, and the great justice of democracy. May Israel's next 50 years bring it even greater success.●

FIFTIETH ANNIVERSARY OF ISRAELI INDEPENDENCE

● Ms. MIKULSKI. Mr. President, today we are celebrating one of the greatest achievements of the twentieth century—the founding of the state of Israel. I rise to congratulate the people of Israel for a half century of independence—and to look forward to a future of peace and prosperity.

The story of Israel is unique. A people forced into exile, who endured centuries of persecution, rebuilt their ancient homeland. They forged a nation where they could practice their ancient faith and traditions. They created an open and free democratic society. And always, they offer a home to Jewish immigrants from around the world.

The founding of Israel followed the most incomprehensible and evil event of the twentieth century, when the Nazis—with the complicity of so many others—sought to exterminate a people. The survivors of the Holocaust helped to build modern Israel. Never again will the Jewish people be dependent on anyone else for their security.

At first Israelis envisioned an agrarian society. But today, Israel is a center for technology and science. American scientists and engineers are working as partners with Israelis to develop the innovations of the next century. Our great federal laboratories, like the National Institutes of Health, are now working with Israeli scientists on a cure for cancer and other deadly diseases.

America's relationship with Israel is also unique. We share common goals, values and interests. We stand by each other in good times and bad.

Israel has had to endure five wars and live in constant readiness for battle. They live with the constant threat of terrorism. America must continue to stand by Israel—to make sure they have what they need to protect themselves. We must also stand by them in stopping their enemies from developing the weapons of mass destruction—and the missiles to deliver these deadly weapons.

We all hope that the next century will bring peace to Israel and its neighbors. Five years ago, we witnessed the famous handshakes on the White House lawn. These handshakes heralded a new commitment toward peace.

The peace process is now stalled. There is a crisis of confidence and a lack of trust. There has been a lot of finger-pointing about who is to blame. But let's remember how much Israel has given up for peace. Let's remember the Sinai and Hebron. No victorious power has ever given up more for peace.

Mr. President: I salute the people of Israel as they celebrate fifty years of independence, and I look forward to a future of peace, prosperity and friendship.●

50TH ANNIVERSARY OF THE STATE OF ISRAEL

● Mr. FRIST. Mr. President, in recognition of the warm bonds of affection that exist between the people of Israel and the people of the United States, and the enduring friendship that unites our two nations, I rise today to congratulate the State of Israel on the 50th Anniversary of its birth as an independent nation.

Mr. President, no people in the world have more in common with Americans than the people of Israel. No two nations are more committed to freedom, to justice, and to peace than Israel and the United States.

As nations of immigrants, we cherish our common culture and honor the rich traditions that make us one. We revere our families, nourish our faith, and never hesitate to make sacrifices in the present if they will secure a better future for our children.

As such, we make loyal friends and determined adversaries—as both our friends and our foes around the world have learned throughout the years.

Mr. President, those shared values and similar heritage have made us more than fellow democracies. They've made us fast friends, valued trading partners, and strategic allies. And I pray that nothing ever happens to change that relationship.

These things were never clearer to me than they were when I visited Israel last year. It was, in fact, my first foreign visit as a member of the Senate Foreign Relations Committee. What I learned and saw there will remain with me for the rest of my life.

Together with my wife, Karyn, I visited Jericho, Haifa and Tel Aviv. I traveled to the Golan Heights, spent a night on a kibbutz, and stood on the shores of the Sea of Galilee. I met with diplomats and military leaders, visited industries and hospitals, and throughout it all I was excited by Israel's economy and impressed with its commitment to technological excellence.

But my most memorable moments had nothing to do with international politics or diplomacy. They came from my contact with a people whose spirit is as strong and unshakable as the 3,000 years of history that lies beneath every step one takes in that holy land.

Mr. President, in preparing for my trip to Israel, and especially to Jerusalem, I read a lot about its topography, its history, its climate, and its culture. But nothing prepared me for its incomparable beauty. It is a place whose sights and melodies permeate your being and leave an indelible mark on your soul.

After experiencing it first-hand, it is not at all hard to imagine why this 3,000-year-old link—unmatched in all of history—exists between a place and a people, and why—even through centuries of war, oppression, exile and dispersion—that link has never been severed.

But Israel is much more than its collected history, as the last five decades

have decidedly proven. It is a demonstration of what can be accomplished when a people are determined to overcome every obstacle to freedom and self-determination. Although young—50 years is but a moment in the long history of the Jewish people—Israel is today a vibrant, thriving democracy whose achievements in science, technology, agriculture, industry, and trade are a match for any nation centuries older.

Yet while the land of Israel is the land of the Jewish people, it is also the land of us all—as the more than two and a half million tourists who visit Israel every year will attest. Few places on earth have been as cherished and as loved by so many millions throughout the world as the places of Israel. It is, as one writer described it, ''a symphony of voices, heard by all the people of the world.''

Today, Mr. President, I know all those whose hearts have been touched by the music of Israel, join me in wishing her well. Together, we congratulate her on her remarkable achievements, we thank her for her friendship, and we pray for the day when all who dwell within her boundaries will, as St. Augustine prayed,

''. . live in such delight,
such pleasure and such play
As that to them a thousand years
Doth seem as yesterday.''●

ISRAEL REACHES ITS 50TH YEAR RISING OUT OF THE ASHES OF WORLD WAR II

● Mr. LEVIN. Mr. President, like the Phoenix, the nation of Israel rose out of the ashes of the Holocaust 50 years ago and the 2000 year search for a Jewish homeland ended. But, the birth of Israel was far from easy on that day. Prime Minister David Ben-Gurion made his first radio broadcast from an air raid shelter as the precarious new nation came under immediate attack.

Israel's founding father took the time to remind the first citizens of Israel what had been accomplished and what it would take to defend their dream. Ben-Gurion said, ''whatever we have achieved is the result of the efforts of earlier generations no less than our own. It is also the result of an unwavering fidelity to our precious heritage, the heritage of a small nation that has suffered much, but at the same time has won for itself a special place in the history of mankind because of its spirit, faith, and vision.''

In January of this year, I went to Israel for an international conference of Jewish legislators from around the world. In our discussions of the faith that we shared and Israel's 50th anniversary, I saw and heard the achievements of the ''spirit, faith and vision'' of which David Ben-Gurion spoke. That same ethos that was also embraced by such visionary leaders as Moshe Dyan, Golda Meir, Menachem Begin and Yitzhak Rabin has helped Israel become a dynamic democracy with a thriving economy. I came away from the conference secure in the knowledge that Israel's faith and fortitude remain as strong today as they were when the dream was realized five decades ago.

I believe it is also important to acknowledge the role the United States has played in the development of Israel over the past 50 years. President Harry S. Truman, the first head of state to grant Israel diplomatic recognition, expressed its special place in the hearts of Americans as he declared, ''I had faith in Israel before it was established, I have faith in it now. I believe it has a glorious future before it-not just another sovereign nation, but as an embodiment of the great ideals of our civilization.''

This special partnership which began with Israel's creation has been repeatedly tested since 1948. The United States has been unwavering in our commitment to helping the people of Israel develop their own economy and secure their own peace. We have helped give them the time that their founding fathers knew would work in their favor. Mr. President, it is for these reasons that I was delighted to be a cosponsor of House Joint Resolution 102, which the Senate unanimously passed last night. The resolution acknowledges the 50th Anniversary of the founding of the State of Israel and reaffirms the bonds of friendship and cooperation between the United States and Israel. This is a fitting tribute to the history of Israel and I am proud that today we can celebrate this special, half century milestone together. ●

50TH ANNIVERSARY OF THE FOUNDING OF ISRAEL

● Mrs. BOXER. Mr. President, it is my honor today to offer my congratulations to the State of Israel on the 50th anniversary of its independence. I am a great supporter and admirer of our close friend and ally, and I am proud it has survived and prospered to see this momentous day.

In 1948, the modern State of Israel was created as a symbol of hope for the Jewish people—a people who had suffered through the horror and pain of the Holocaust. We will never forget the terrible evil the Nazis inflicted on the world and we will always remember the dangers of ignoring and appeasing fanatic leaders who climb the ladder by trampling on the innocent.

What emerged from 3,000 years of persecution and the nightmare of the Holocaust is the greatest tribute to the perseverance of the Jewish people, the State of Israel. Israel has persevered through war, through the murder of its citizens by cowardly terrorists, and through the assassination of its leaders.

I am proud to say that the United States has helped Israel survive and become the strong nation it is today. The United States has a special relationship with Israel. As two of the world's leading democracies, we share many of the same values: promoting democracy, personal freedom, and human rights throughout the world. We owe the Israeli people our moral support, for weathering as a free state under the most dangerous conditions. As Americans, we must admire their tenacious dedication to the principles of freedom articulated in our own country so long ago.

Fifty years ago, Israel's first Prime Minister, David Ben-Gurion, broadcast this statement to the Israeli people:

> Something unique occurred yesterday in Israel, and only future generations will be able to evaluate the full historical significance of the event. It is now up to all of us, acting out of a sense of Jewish fraternity, to devote every ounce of our strength to building and defending the State of Israel, which still faces a titanic political and military struggle.
>
> Now is not the time for boasting. Whatever we have achieved is the result of the efforts of earlier generations no less than our own. It is also the result of unwavering fidelity to our precious heritage, the heritage of a small nation that has suffered much, but at the same time has won for itself a special place in the history of mankind because of its spirit, faith and vision.

To me, the spirit, faith and vision of the Israeli people is what makes this celebration of Israel so special and remarkable. I congratulate Israel on the 50th anniversary of its founding.●

ISRAEL'S 50TH ANNIVERSARY

● Mr. DURBIN. Mr. President, I rise today to congratulate the people of Israel and all my friends in the American Jewish community on the occasion of the 50th anniversary of the creation of the State of Israel.

This significant milestone in Israel's history offers all of us an opportunity to reflect on what makes that country so special. Israel remains the most important U.S. ally in the Middle East and the only multiparty democracy in the region. The strong and stable friendship between our two countries, built on a solid foundation of shared values, mutual support and trust, is in the fundamental interest of both nations. Ensuring the security of Israel will remain one of our most important foreign policy priorities.

Transcending political considerations, however, are the profound ties with Israel and pride in its accomplishments felt by Jews worldwide. The State of Israel was created in the wake of the Holocaust and the tragic deaths of more than 6,000,000 Jews. Israeli society and its democratic institutions have been forged under the most difficult historical circumstances imaginable. Israel continues today to embody the aspirations of Jews from the northernmost villages of the Newly Independent States of the former Soviet Union to the tip of South America. The struggle of all Jews helped to create the State of Israel, and all Jews have reason to celebrate the country's 50th birthday.

It is my hope that Israel's next 50 years will see the establishment of a

permanent and secure peace in the Middle East, with Israel and its Arab neighbors working together to build a better future for all the citizens of the region. This would truly fulfill Israel's promise and its destiny.●

ISRAEL'S 50TH ANNIVERSARY

● Mr. HELMS. Mr. President, there is a notable chorus of Senators congratulating the people of Israel and their government on the occasion of the 50th anniversary of Israel's birth. There are few things that have not been said on the subject of Israel—friend, ally, democracy. The Congress has spoken on countless occasions about Jerusalem, our commitment to Israel's security, and to peace in the Middle East.

In the end, however, all these expressions, as heartfelt as they are, pale beside the real miracle of the Jewish people, in exile for 2000 years, having returned to the land of Israel. And on that tiny piece of land, smaller than the State of New Jersey, an incredible nation has been built—a nation that has survived five wars, untold numbers of terrorist attacks, and the hostility of most of its neighbors.

Israel has absorbed millions of immigrants, providing homes, and jobs, and schools and freedom. Year to year, day to day, Israel may not look precisely like a land of milk and honey, but for the Jews of Europe who survived the Holocaust, and the Russians who survived Communism, it is the Promised Land.

Israel is great, not merely because its creation is the fulfillment of a biblical promise, or because it is a faithful friend to the United States. It is great because the people of Israel are great people. I congratulate my friend, Prime Minister Benjamin Netanyahu and all the people of Israel.●

50TH ANNIVERSARY OF THE FOUNDING OF THE STATE OF ISRAEL

● Ms. MOSELEY-BRAUN. Mr. President, today is the 50th anniversary of the founding of the State of Israel. I would like to take a moment to reflect upon the significance of this historic event.

For the nearly two millennia that preceded the founding of Israel, Jews across the globe had experienced unrelenting persecution, culminating in the previously unimaginable apocalypse of the Holocaust. In the wake of Adolph Hitler's effort to exterminate all of the Jews of Europe, and his success murdering six million of them, the moral imperative of establishing a Jewish state became clear. And so the Jewish people battled to create that which had only been dreamed of for 19 centuries: a nation of their own.

Their triumph marked the beginning of one of the most inspiring stories of the 20th century. That Israel would survive to see today's anniversary was far from certain. It's founding brought about the first of four wars in which outnumbered Israeli forces somehow managed to defeat or hold off the armies of its hostile neighbors. Israel's courage and ingenuity in the face of overwhelming odds is, quite simply, unparalleled in the modern world.

Despite the constant threat to its security, out of the desert, Israel has created a flourishing, democratic society, home to innovative science, cutting-edge technology, and rich culture. Today, its economy rivals that of Western Europe in terms of per capita wealth.

I am proud of the role that the United States has played in helping to keep this brave nation alive. To this day, the preservation and maintenance of Israel's national security remains the foundation upon which U.S. policy in the Middle East rests. Israel remains one of America's most trusted allies—a nation with which we have cooperated to resolve a variety of regional and global issues. Time and again over the last 50 years, Israel and the United States have demonstrated that we share a special relationship that transcends parochial and short-term policy objectives.

I have always believed that there can be no real peace in the Middle East unless Israel's security is guaranteed. That is why, throughout my career, I have supported strong U.S. economic and military support for Israel. As the greatest democratic nation on the planet, I believe that the United States must do everything in its power to ensure that Israel—the only multi-party democracy in the Middle East—survives.

Currently, the best way for the United States to ensure the future security and prosperity not only of Israel but of the entire region is for it to play a strong role in keeping the Middle East Peace Process alive. If further strife and sorrow in the region is to be avoided, dialogue between Israel and her historic enemies must be maintained. Although the Peace Process has stalled recently, I believe that it can be revived if the United States remains committed to serving as an honest intermediary between Israel and the Palestinian Authority. Key to the effort to see the participants through this difficult period is President Clinton's commitment to provide financial and technical assistance to Israel to help fight terrorism and to monitor the Palestinian Authority's compliance with the Oslo Accords.

Mr. President, the Israeli people have demonstrated countless times that they are willing to take risks for peace. That is why I am confident that they will face the challenges of implementing the Oslo Accords and the Declaration of Principles with fortitude and creativity. The United States must stand shoulder to shoulder with them as they make this effort. Working together, I am confident that we can forge a peace that will guarantee that Israel will live to celebrate its centennial in 2048.●

ISRAEL'S 50TH ANNIVERSARY

● Mr. SARBANES. Mr. President, 50 years ago the State of Israel proclaimed its independence as a homeland and beacon of hope to Jews around the world. At 4:06 p.m. on April 30, 1948, David Ben-Gurion declared that the establishment of Israel would be effective at midnight the same day. Eleven minutes into the next day, the United States became the first country to extend recognition to the State of Israel when President Truman declared to the American people:

> This government has been informed that a Jewish State has been proclaimed in Palestine and recognition has been requested by the provisional government thereof. The United States recognizes the provisional government as the de facto authority of the new State of Israel.

The ensuing rejection of Israel's appeal for peace expressed in its 1948 Declaration of Independence represented a missed opportunity of historic proportions. The Declaration stated: ''We extend our hand to all neighboring states and their people in an offer of peace and unity and appeal to them to cooperate with the independent Jewish nation for the good of all.'' Yet for 50 years, the people of Israel have endured war and violent conflict, including a war of independence, the Six Day War, and the Yom Kippur War, weathered constant challenges to their survival, faced isolation, an economic boycott, and struggled against terrorism.

To build an independent Jewish nation on a small piece of land would have been difficult even under the most ideal conditions. For Israel to have done so while the country's very existence was constantly being threatened is truly a tremendous accomplishment. In the face of hostility and adversity, Israel has persevered and developed into a thriving and diverse nation.

The special relationship between the United States and Israel is fundamentally based on shared values and experiences. As a vibrant democracy like our own, and despite the heavy burdens imposed on the country by war, Israel is a land of immigrants and pioneers whose democratic achievements reflect the hard work, sacrifice, courage, devotion, and self-discipline of its people. Few societies have sustained such pressure and kept their commitment to a strong democracy as Israel has done. In just 50 years the Israeli people have built modern cities and prosperous farms, and established high quality educational and medical institutions. Israel has accomplished this while remaining a refuge for Jews fleeing oppression and persecution around the world, as earlier Israel offered a new life to the survivors of the Holocaust.

In keeping with its earliest hopes, Israel has been successful in forging ties with some of its neighbors and former adversaries, and sought to strengthen its security by ending the cycle of conflict and violence marking its first 50 years. Israel's willingness to take risks for peace has been borne out

in the Camp David Peace Accord which settled the state of war with Egypt, in Israel's recognition of a Palestinian Authority, and in the 1994 agreement ending war between Israel and Jordan.

Throughout these years, through good and difficult times, the United States and Israel have maintained an enduring strategic partnership which has served us well. The United States commitment to Irsael's strength and security remains firm. As President Clinton declared before the Knesset in 1994, ''The survival of Israel is important not only to our interests, but to every value we hold dear as a people. Our role in war has been to help you defend yourself by yourself. That is what you have asked. Now that you are taking risks for peace, our role is to help you to minimize the risks of peace.''

Today, on the fiftieth anniversary of the Jewish state, we recognize the tremendous achievements of the Israeli people and commemorate the fruitful and enduring partnership between our two nations. We wish for Israel the lasting peace and stability its people have long sought and offer our congratulations on the inspiring example they have set.●

ISRAEL INDEPENDENCE DAY

● Mr. KOHL. Mr. President, today is Israel's Independence Day marking the 50th anniversary of the founding of the modern state of Israel. The last fifty years have fascinated and captivated many of us as we have watched and supported this country in its struggle for survival. Out of the ashes of the Holocaust, Jews from around the world converged on this small but holy land to build a modern state in a place where Jews had maintained a presence for thousands of years. From the first days of statehood in 1948 when its neighbors declared war and attempted to obliterate it from the map, Israel has defied the odds and endured in the most dangerous of neighborhoods. Each decade since 1948 Israel has survived a major war with its neighbors: Suez in 1956, the Six Day War in 1967, the 1973 Yom Kippur War, the war in Lebanon in 1982 and then the deadly Iraqi Scud missiles launched against its people in 1991. Yet in the midst of all these wars, tens of murderous terrorist attacks, and a crippling Arab economic boycott, Israel has built a vibrant democracy and a robust economy.

The United States has not been a bystander in this remarkable transformation. We have provided needed assistance, in recognition of our shared democratic values, and we have benefited from a close strategic alliance. There is a special and enduring relationship between the United states and Israel dating back to the days when the United States was the first nation to recognize Israel when it declared its independence. As Israel marks its jubilee year, we celebrate that relationship.

Mr. President, I want to salute the people of Israel for all they have achieved in the last fifty years. I join with the Jewish community around the world, which has provided support and received moral and spiritual sustenance from Israel, in wishing them well. May they go from strength to strength.●

ISRAEL'S BIRTHDAY

● Mr. KERRY. Mr. President, today we celebrate the 50th birthday of the State of Israel, a birthday reached after half a century of struggle, of perseverance, and on too many occasions, for too many families, of pain. We also celebrate half a century of vision—and hope above all else that when we join together to recognize the 100th birthday of the State of Israel we will do so in an age of lasting peace.

It is only fitting that the sense of joy that has accompanied this historic milestone for Israel here in the United States is exceeded only within the borders of Israel itself. Israel and the United States share great ideas as well as a great alliance; and the security of Israel is indispensable to the security of the United States.

We accept this fact as central to our foreign policy, to our national interests, and to our view of the world itself. It has been true since the day of Truman and we pray this truth will guide us through the next millennium.

But we sometimes forget that these two great nations—the United States of America and the State of Israel—share another rare quality, as Prime Minister Netanyahu stated so eloquently. Neither country is just a spot on the map, a piece of geography; both are founded on a shining vision of human dignity and purpose.

It was an American poet who wrote, ''Nothing grows, unless first a dream.'' Those like Elie Weisel remind us that not even dreams survive without a great struggle. The Jewish people have taught us much about dignity and purpose because they have preserved their dream and their undying vision through two thousand years in exile and persecution. To arrive at this historic day they had to outlast history's fiercest fires of hate.

That resilience is testimony to a vision forged in adamantine; to the strongest wills and the bravest hearts; an unbreakable spirit that keep Israel alive and daring even into the twenty-first century. It is that same will that we all pray will guide Israel to an era of peace in the Middle East.

Tonight we pay tribute to those who will never see that era of harmony, that day when Israel is a homeland and a safe haven for all who share in that vision. We remember those who died in the hope that even if they could not know peace and safety, those who bore their name might live the dream for them. That sacrifice inspires us all to push forward.

I will never forget that when, addressing age old violence and the awful spectacle of man's inhumanity to man, Prime Minister Rabin exclaimed ''Enough is enough.'' He touched a chord within anyone who mourns an innocent life lost, who thinks about the future doctor, teacher, nurse, scientist, poet, diplomat, or artists that will never be. Behind all the words and diplomatic documents, shrouded by the haze of the gunfire, that is the reality that must be changed before it happens again and again.

On my first trip to Israel, I toured the country from Kibbutz Mizgav Am to Masada to the Golan. I stood in the very shelter in a kibbutz in the north where children were attacked and I looked at launching sites and impact zones for Katousha rockets. Like many visitors, I was enthralled by Tel Aviv, moved by Jerusalem and inspired by standing above Capernaum, looking out over the Sea of Galilee, where I read aloud the Sermon on the Mount. I met people of stunning commitment, who honestly and vigorously debated the issues as I watched and listened intently. I went as a friend by conviction; I returned a friend at the deepest personal level.

That understanding, that sense of kinship, is shared not just between a set of leaders or between families, but by two nations with a shared faith in the power of the human spirit. The United States and Israel will walk forward together

Herzl's famous words, ''If you will it, it is no dream,'' signify the promise and the greatest power of Israel—and the hope, after half a century, that a fair and secure peace is finally within reach. For our part as Americans, we must dedicate ourselves to pushing ahead in the coming years more committed than ever to support Israel in the exacting, essential, and sometimes tense search for that dream.

A pain which the heart can never forget reminds us that the ashes of Holocaust victims were scattered on the wind. But that wind also carries on it their prayers and purpose—above mountains and sea, across hundreds or thousands of miles, so that the pain of history is redeemed in the land of Israel. It is a sacred place—for those who have made it their home and for all the world. So let us now resolve again that in the next fifty years, as in the past five decades, we will make our best efforts to keep secure this sacred land.

In many respects, our task as Americans, as a good ally and a committed world neighbor, appears easier in the reflection of history. The memory will never escape me, the emotions that touched me on top of Masada, when I stood on that great plateau where the oath of new soldiers used to be sworn against the desert backdrop and the test of history. I had spent several hours with Yadin Roman debating whether or not in fact Josephus Flavius was correct in his account of the siege—whether these really were the last Jews fighting for survival—

whether they had escaped since no remains were ever found. Finally, after our journey through history, which we resolved with a vote in favor of history as recorded, we stood as a group at the end of the cliff and altogether we shouted across the chasm—across the desert and across time—Am Yisrael Chai. And across the silence we listened as voices came back; faintly we heard the echo of the souls of those who perished—Am, Yisrael Chai. The State of Israel lives. The people of Israel live.

We must do our part to see that future generations are born into and live in a peace that will never be questioned.

We celebrate half a century of struggle and victory for the people of Israel, living every day in a dream that is timeless. We pray tonight for a peace for all the ages.●

NATIONAL ERASE THE HATE AND ELIMINATE RACISM DAY

Mr. ENZI. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 221 submitted earlier today by Senators BURNS and BAUCUS.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 221) to designate April 30, 1998 as National Erase the Hate and Eliminate Racism Day.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. BURNS. Mr. President, I rise today, along with Senator BAUCUS and 48 other of our fellow colleagues, to a resolution to designate April 30 as ''National Erase the Hate and Eliminate Racism Day.'' As you know, we introduced a similar resolution last year, which the Senate passed through unanimous consent. In order to continue eliminating racism and hate crimes, we must again recognize April 30 as a day to stop racism and hate crime. Through recognition of such a day, we as citizens can stand together in order to prevent future crimes from occurring.

According to the United States Department of Justice, there were over 8,000 racially and biased crimes committed last year. Because of this high number, my colleagues and I have stood up to recognize, for a second year, the importance of preventing such crimes from continuing. We must work together, as adults and children, to bring our Nation back to its origin, freedom of religion, freedom of speech, freedom of press and freedom of thought.

We as an elected body must promote this recognition by passing this resolution again this year. We must remember that diversity has been a cornerstone of our Nation's heritage and should continue to be. An understanding of individual differences promotes unity throughout our communities and States. We must take it upon ourselves to promote these diversities and pass this Senate resolution.

I would like to thank the YWCA and many organizations throughout the United States for their assistance in supporting diversity throughout this year and every year. I would also like to thank all of my colleagues that have joined and will join us in recognizing a way to eradicate the forces that divide our country.

Mr. BAUCUS. Mr. President, I rise today to recognize the second anniversary of National Erase the Hate and Eliminate Racism Day. Earlier today, I introduced with my colleague from Montana, Senator BURNS, along with many others from across the nation, a resolution marking this notable occasion.

In 1964, Mike Mansfield of Montana, then majority leader of the United States Senate, ushered through this body the landmark Civil Rights Act. It is his tradition of integrity and foresight in both Montana and the nation that inspires us in our actions today.

In the last several years, however, Montanans of a different generation have come under the microscope of less favorable scrutiny. The reputation of Montana as a state of forward-thinkers and tolerant individuals was marred by the standoff between the FBI and the so-called Freemen outside Jordan, and a series of hate crimes in some of our cities.

What has frustrated me and many other Montanans, however, is the lack of attention to the vast majority of Montanans—the people who are willing to stand up to bigots and hate groups. It is these folks who provide us with stories of hope and courage and let us know that our communities and our neighbors will not stand for bias and hate-motivated behavior.

It is important because these encouraging stories are becoming commonplace in Montana. Whether it is a community like Billings that stands up to a group of skinheads, or a Missoula high school class that devotes an entire project to studying the holocaust, Montanans are making a real and positive difference in our society.

There is no doubt that we have come a long way as a nation. But with 8,000 hate crimes reported to the U.S. Department of Justice each year, it is clear we still have much more work to do.

In addition to taking this day to recognize the importance of the fight, we must continue to support groups like the Northwest Coalition Against Malicious Harassment, the Montana Human Rights Network, the Leadership Conference on Civil Rights and the many other groups and individuals who continue this work every day.

I know a simple Senate resolution, or even a national conference, will not end the problems we still have. A piece of paper alone cannot teach a child that hate is wrong. But I do believe a piece of paper can make people think. A conference will not end intolerance. But it can make people talk about hate crimes. Designating today as a day to address these important problems is a first step and it can light a spark of hope in people's hearts and minds.

Again, perhaps our predecessor in the Senate, Mike Mansfield, when speaking about the task in 1964, said it best when he noted:

> What we do here in the . . . Congress will not, of itself, correct these faults, but we can and must join the wisdom—the collective wisdom of this body—to the efforts of others in this Nation to face up to them for what they are—a serious erosion of the fundamental rock upon which the unity of the Nation stands.

Tolerance and respect are our nation's bedrock. Today we can join together to renew the fight for a better America. And if we continue to look at the good, courageous, decent things our neighbors are doing, the sparks of hope we light just might catch fire, in Montana and all across the country.

Mr. ENZI. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motion to reconsider be laid upon the table.

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

The resolution (S. Res. 221) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

Whereas the term 'hate crime' means an offense in which one or more individuals, commits an offense (such as an assault or battery (simple or aggravated), theft, criminal trespass, damage to property, mob action, disorderly conduct, or telephone harassment) by reason of the race, color, creed, religion, ancestry, gender, sexual orientation, physical or mental disability, or national origin of another individual or group of individuals;

Whereas there are almost 8,000 hate crimes reported to the Department of Justice each year, and the number of hate crimes reported increases each year;

Whereas hate crimes have no place in a civilized society that is dedicated to freedom and independence, as is the United States;

Whereas the people of the United States must lead and set the example for the world in protecting the rights of all people;

Whereas the people of the United States should take personal responsibility for and action against hatred and hate crimes;

Whereas the Members of Congress, as representatives of the people of the United States, must take personal responsibility for and action against hatred and hate crimes;

Whereas the laws against hate crimes, which have been passed by Congress and signed by the President, must be supported and implemented by the people of the United States and by Federal, State, and local law enforcement officials and other public servants: Now, therefore, be it

Resolved, That the Senate—(1) designates April 30, 1998, as 'National Erase the Hate and Eliminate Racism Day'; and (2) requests that the President issue a proclamation calling upon the people of the United States and throughout the world to recognize the importance of using each day as an opportunity to take a stand against hate crimes and violence in their nations, states, neighborhoods and communities.

COMMENDING STUART FRANKLIN BALDERSON

Mr. ENZI. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 222 submitted earlier today by Senator LOTT and others. I further ask unanimous consent that the clerk read the resolution and the preamble.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 222) to commend Stuart Franklin Balderson.

Whereas Stuart F. Balderson became an employee of the United States Senate on May 23, 1960, and since that date has ably and faithfully upheld the high standards and traditions of the staff of the United States Senate for a period that included 19 Congresses;

Whereas Stuart F. Balderson has served as Financial Clerk of the United States Senate from August 1, 1980 to April 30, 1998;

Whereas Stuart F. Balderson has faithfully discharged the difficult duties and responsibilities of his position as Financial Clerk of the United States Senate with great pride, energy, efficiency, dedication, integrity, and professionalism;

Whereas he has earned the respect, affection, and esteem of the United States Senate; and

Whereas Stuart F. Balderson will retire from the United States Senate on April 30, 1998, with 40 years of Government service—38 years with the United States Senate and 2 years with the United States Navy: Now, therefore, be it

Resolved, That the United States Senate commends Stuart F. Balderson for his exemplary service to the United States Senate and the Nation, and wishes to express its deep appreciation and gratitude for his long, faithful, and outstanding service.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to Stuart F. Balderson.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, I want to take just a moment on the passage of this important resolution to thank Stewart Balderson for his nearly four decades of distinguished service, as has been referenced in the resolution, and wish him well as he begins the next chapter of his life.

Stuart Balderson truly is an institution within an institution.

He began his career in the Senate finance office when he was 22—and Lyndon Johnson was still the Majority Leader.

He has stayed there for 38 years—through the tenure of 12 Senate Secretaries—working in every department: payroll, accounting, retirement and benefits, and legislative budgeting.

In 1980, he assumed the top position in that office, Financial Clerk of the United States Senate.

I first came to the Senate in 1973, as a staffer for another South Dakota Senator.

As anyone who has ever worked here knows, the finance office is one of the first offices you visit after you're hired. You go there to fill out your W4 and your insurance forms and other necessary pieces of paper.

From that day until today, I have been impressed with the efficient and friendly service in that office. And I believe that is a direct reflection of the man who has run it so well, and for so long.

I am not alone in my admiration.

In 1992, Stuart Balderson was named ''Congressional Staffer of the Year,'' by Roll Call newspaper. He was given the award at the Senate Staff Club Dinner Dance.

That night, in his acceptance speech, he said of this Senate, ''I love the institution, and I work very, very hard for its financial integrity.''

He went on to regale his fellow diners with his recollections of what the Senate was like back in 1960, when he came here.

He recalled how giants like Everett Dirksen, Hubert Humphrey and Sam Ervin used to drop by the finance office just to chat. There was a real ''sense of family'' on the Hill back then, he said. Everyone knew everyone.

He said he also remembered thinking that he would ''never get anywhere here, because it looked to me like everyone had been here forever, and wouldn't leave until they died at their desks.

''But, I quickly found out,'' he added, ''that these people were the sources of knowledge and wisdom, and I found myself calling on them constantly.''

Clearly, Stuart Balderson was wrong in thinking he'd never go anywhere in the Senate finance office.

But he was right about another thing: The dedicated men and women who have served this Senate for years truly are sources of knowledge and wisdom—for all of us.

They are our institutional memory, and our connection to a different time—a time when people on the Hill focused less, perhaps, on party labels, and more on common goals.

Over the years, Stuart Balderson has earned his place among those sages.

I know I speak for countless Senators and Senate staffers when I say, we will miss his professionalism, and dedication, and his ever-friendly manner.

We thank him for his many years of impeccable service to this great institution. And we wish him all the best on his retirement.

I yield the floor. I thank my colleague.

Mr. ENZI. Mr. President, I ask unanimous consent that the resolution that was read be agreed to, the preamble be agreed to, and the motion to reconsider be laid upon the table.

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

The resolution (S. Res. 222) was agreed to.

The preamble was agreed to.

ORDERS FOR FRIDAY, MAY 1, 1998

Mr. ENZI. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9:30 a.m. on Friday, May 1. I further ask that on Friday, immediately following the prayer, the routine requests through the morning hour be granted and the Senate proceed to the consideration of S. 1186, the job training partnership bill, under the previous time agreement of 4 hours equally divided.

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

Mr. ENZI. I further ask that any votes ordered with respect to S. 1186 or amendments thereto be stacked to occur at 5:30 p.m. on Tuesday, May 5.

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

Mr. ENZI. I further ask that at the conclusion of the consideration of S. 1186, during Friday's session, the Senate begin a period of morning business with Senators permitted to speak for up to 10 minutes each, with the following exceptions: Senator COVERDELL, 1 hour; Senator DASCHLE or his designee, 1 hour.

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

PROGRAM

Mr. ENZI. For the information of all Senators, tomorrow the Senate will begin consideration of S. 1186, the job training partnership bill. Under the previous consent agreement, there will be 4 hours of debate equally divided on several amendments to be offered to the bill. As a reminder, any votes ordered with respect to S. 1186 will be stacked to occur at 5:30 p.m. on Tuesday, May 5. Members should also be aware that on Monday, May 4, the Senate will begin consideration of the IRS reform bill. It is hoped that Members will come to the floor to debate the IRS bill and to offer amendments to that legislation. Again, as with the Job Training Partnership Act, any votes ordered with respect to the IRS reform bill will be postponed to occur beginning at 5:30 p.m. on Tuesday.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. ENZI. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 11:11 p.m., adjourned until Friday, May 1, 1998, at 9:30 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 30, 1998:

FEDERAL DEPOSIT INSURANCE CORPORATION

DONNA TANOUE, OF HAWAII, TO BE CHAIRPERSON OF THE BOARD OF DIRECTORS OF THE FEDERAL DEPOSIT INSURANCE CORPORATION FOR A TERM OF FIVE YEARS.

DONNA TANOUE, OF HAWAII, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE FEDERAL DEPOSIT INSURANCE CORPORATION FOR THE REMAINDER OF THE TERM EXPIRING OCTOBER 3, 2000.

IN THE COAST GUARD

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT AS COMMANDANT OF THE UNITED STATES COAST

GUARD, AND FOR APPOINTMENT TO THE GRADE INDICATED UNDER TITLE 14, U.S.C., SECTION 44:

To be admiral

VICE ADM. JAMES M. LOY, 0000.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT AS VICE COMMANDANT, UNITED STATES COAST GUARD, AND TO THE GRADE INDICATED UNDER TITLE 14, U.S.C., SECTION 47:

To be vice admiral

VICE ADM. JAMES C. CARD, 0000.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

IN THE COAST GUARD

THE FOLLOWING-NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES COAST GUARD RESERVE TO THE GRADE INDICATED UNDER TITLE 14, U.S.C., SECTION 729:

To be rear admiral

REAR ADM. (LH) J. TIMOTHY RIKER, 0000.

To be rear admiral (lower half)

CAPT. CARLTON D. MOORE, 0000.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT AS COMMANDER, PACIFIC AREA, UNITED STATES COAST GUARD, AND TO THE GRADE INDICATED UNDER TITLE 14, U.S.C., SECTION 50:

To be vice admiral

REAR ADM. (LH) THOMAS H. COLLINS, 0000.

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. HAL M. HORNBURG, 0000.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. MICHAEL C. SHORT, 0000.

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be major general

BRIG. GEN. NANCY R. ADAMS, 0000.

THE FOLLOWING ARMY NATIONAL GUARD OF THE UNITED STATES OFFICER FOR APPOINTMENT IN THE RESERVE OF THE ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be major general

BRIG. GEN. JOHN F. KANE, 0000.

THE FOLLOWING-NAMED RESERVE OFFICER FOR APPOINTMENT AS CHIEF OF ARMY RESERVE UNDER TITLE 10, U.S.C., SECTION 3038:

To be chief, Army Reserve, United States Army

MAJ. GEN. THOMAS J. PLEWES, 0000.

IN THE MARINE CORPS

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES MARINE CORPS TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

LT. GEN. CARLTON W. FULFORD, JR., 0000.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES MARINE CORPS TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. MICHAEL J. WILLIAMS, 0000.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES MARINE CORPS TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. BRUCE B. KNUTSON, JR., 0000.

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be vice admiral

REAR ADM. JOHN R. RYAN, 0000.

IN THE AIR FORCE

AIR FORCE NOMINATION OF RITA A CAMPBELL, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MARCH 13, 1998.

AIR FORCE NOMINATION OF CHRISTIANNE L. COLLINS, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 1, 1998.

AIR FORCE NOMINATIONS BEGINNING ALTON G. CHERNEY, AND ENDING KEVIN L. TOY, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 1, 1998.

AIR FORCE NOMINATIONS BEGINNING ALMA J. ABALOS, AND ENDING VICTORIA G. ZAMARRIPA, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 1, 1998.

AIR FORCE NOMINATIONS BEGINNING DONALD S. ABEL, AND ENDING FREDERICK M. WOLFE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 2, 1998.

IN THE ARMY

ARMY NOMINATIONS BEGINNING MICHAEL H ABREU, AND ENDING X2056, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 6, 1998.

ARMY NOMINATIONS BEGINNING RONALD V. DUNCAN, AND ENDING LYNN H. WITTERS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 13, 1998.

ARMY NOMINATIONS BEGINNING RICHARD A. CLINE, AND ENDING * SONJA S. THOMPSON, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 1, 1998.

ARMY NOMINATIONS BEGINNING RUBY T. BADDOUR, AND ENDING NOEL L. WOODWARD, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 2, 1998.

IN THE NAVY

NAVY NOMINATIONS BEGINNING WILLIAM T. D'AMICO, AND ENDING JOSE PUBILLONES, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 1, 1998.

NAVY NOMINATION OF ROBERT A. WULFF, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 1, 1998.

NAVY NOMINATION OF LYNNEANN PINE, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 1, 1998.

NAVY NOMINATIONS BEGINNING BRIAN W. DAUGHERTY, AND ENDING MICHAEL CRICCHIO, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 1, 1998.

EXTENSIONS OF REMARKS

THE 23RD ANNIVERSARY OF THE TRAGIC FALL OF SOUTH VIETNAM TO COMMUNISM

HON. LORETTA SANCHEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Ms. SANCHEZ. Mr. Speaker, today it seems fitting that with the 23rd anniversary of the fall of Saigon to Communism, special recognition of the memories, feelings, and introspections regarding April 30, 1975, are in order. We must pay special tribute and remember the sacrifices of our soldiers and our Vietnam Veterans who fought and died in the name of freedom and democracy.

Many Vietnamese experienced first hand the deprivation, humiliation, and fear associated with losing their country, their way of life, and their freedom. But all who left their Vietnamese homeland to come to the United States chose a life filled with uncertainty, change, and struggle over a life in their homeland under a Communist thumb.

While I am at home visiting with my constituents, I am disheartened by the stories of their experiences during that conflict. It is often difficult to fully appreciate the extent to which these diligent people have survived all manner of disasters and trauma and have gone on to lead civil and productive lives.

Mr. Speaker, we must continue to be vigilant to keep this memory alive in our hearts. We must tell the story of their brave sacrifices to our children and our children's children. We must ensure that the important cause that we fought for is not forgotten by future generations.

COMBATING TERRORISM: TESTIMONY BEFORE THE SUBCOMMITTEE ON NATIONAL SECURITY, INTERNATIONAL AFFAIRS, AND CRIMINAL JUSTICE; COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. SKELTON. Mr. Speaker, on Thursday, April 23, 1998, I testified before the Subcommittee on National Security, International Affairs, and Criminal Justice; Committee on Government Reform and Oversight. On this occasion, I discussed a series of reports, prepared at my request by the General Accounting Office (GAO). These reports detail the United States' substantial efforts to combat terrorism. I share my remarks with the Members of the House.

TESTIMONY BEFORE THE SUBCOMMITTEE ON NATIONAL, INTERNATIONAL AFFAIRS, AND CRIMINAL JUSTICE COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT, APRIL 23, 1998

Chairman Hastert, members of the subcommittee, it gives me great pleasure to appear before you today. I appreciate the opportunity not only to speak about an important issue to our nation but also to bring attention to a substantial body of work produced by the General Accounting Office (GAO). This ''work in progress''—to date, a series of four report—will eventually produce the most comprehensive overview of our nation's effort to combat terrorism. As Chairman Hastert knows all too well, this is a daunting task. Without his leadership and effort, we would have a far more vague picture of our government's activities. Let me briefly review these recent findings.

First, GAO released a July 1997 report entitled, ''Combating Terrorism: Status of DoD Efforts to Protect Its Forces Overseas.'' Dealing with Anti-terrorism, this report concluded that uniform security standards were necessary to assure the safety of Americans around the world.

Second, GAO released a September 1997 report entitled, ''Combating Terrorism: Federal Agencies' Efforts to Implement National Security Policy and Strategy.'' Focused on Counterterrorism—or those offensive measures for deterring, resolving, and managing terrorist acts—this second report represents the first comprehensive examination of federal activities to combat terrorism. It pointed out that more than 40 federal departments, agencies, and bureaus, are involved in this activity. It also outlined specific roles and responsibilities of federal agencies, as well as their respective capabilities.

GAO released its third report in December of 1997. Focused on total government-wide spending levels to combat terrorism, this product—and the process leading up to its publication—closely tracked with congressional interest in the subject. As many of you know, during floor consideration of the fiscal year (FY) 1998 Defense Authorization Bill, an amendment—my amendment—was accepted to require the Office of Management and Budget (OMB) to disclose overall spending levels directed against terrorism. Known as Section 1051 and taken together with GAO's third report, enough evidence surfaced to offer both encouragement and concern. Although it seemed that a significant amount of resources were annually committed to combat terrorism, the following inefficiencies were exposed:

No regular government-wide collection and review of funding data existed;

No apparent government-wide priorities were established;

No assessment process existed to coordinate and focus government efforts; and

No government office or entity maintained the authority to enforce coordination.

As a result, the third report recommended that the National Security Council (NSC), OMB, the departments, and agency heads—such as the State Department and the Federal Bureau of Investigation (FBI)—build upon the new statutory requirement embodied in Section 1051. I am also pleased to report that this remains an annual obligation, requiring by March of each year an annual overview of government-wide efforts to combat terrorism around the globe.

Finally, at the request of Chairman Hastert and myself, GAO has recently released its fourth and latest product on the subject, entitled ''Combating Terrorism: Threat and Risk Assessments Can Help Prioritize and Target Investments.'' Again, enough evidence has been provided to question the federal government's level of funding. This last report—responsible for reviewing the implementation of the Nunn-Lugar-Domenici domestic response program—hopefully will assist with the establishment of consistent national standards and priorities.

THE THREAT

Mr. Chairman, members of the committee:

In your mind's eye, join me and imagine what it was like in 1995 for the Senior Airman at a remote location in a foreign land, relaxing after a long, hot, stressful day in the Arabian desert;

Imagine, too, what it was like in 1996 for the federal employee beginning the day in Oklahoma, pouring coffee, grabbing a breakfast snack, and preparing for morning briefings;

Imagine what it was like in 1993 for Americans—businesswomen, diplomats, tourists, visitors—milling innocently about in the heart of New York City, one of our nation's busiest locations;

Imagine, if you can, what it was like for these individuals before these three locations became infamous for the catastrophic events that followed. To a person, none expected anything but completion of an average day; yet all experienced a jolt, a shock, a sense of horror, as chaos and bedlam brought an abrupt halt to their respective routines.

The bombing victims at Khobar Towers in Saudia Arabia were trained military professionals in a foreign land. The bombing victims at the Oklahoma City Federal Building and the World Trade Center, were average American citizens—civilians—at home in their communities, totally unprepared for the violence they were forced to experience.

Despite the different circumstances, all three events share in common one unavoidable, tell-tale truth: Americans died brutally, without warning, unnecessarily, and in a manner that will almost certainly be imitated in the future. In 1995 and 1996, about one-fourth of all international terrorist acts were against U.S. targets; and although the number of terrorist incidents both worldwide and in the United States has declined in recent years, the level of violence and lethality of attacks has increased. Violent events in the past, may encourage further attempts to strike America in places such as our own yards, back home in our districts, and other places where attacks might be least expected. Enemies of the United States, I fear, have adopted effective methods and means to strike against America.

Surely, enemies to America—both foreign and domestic—recognize the military capabilities of the United States. It is hard to ignore our successes throughout history and around the globe; it is difficult not to marvel at our technological advancements; and it is nearly impossible to overlook our massive military might at sea, in the air, and on the ground. Our naval, air, ground, and Marine forces remain superior and unmatched in today's world.

Further, enemies to America—both foreign and domestic—almost certainly recognize

the capabilities of our domestic law enforcement and emergency response officials. The Federal Bureau of Investigations, or FBI, the U.S. Secret Service, the Bureau of Alcohol, Tobacco and Firearms (ATF), U.S. Customs, and the Federal Emergency Management Agency (FEMA) are highly respected worldwide. Their standards currently set those of the international community.

But what of the point at which the responsibilities of these two communities intersect? Do our domestic law enforcement capabilities effectively coordinate with those of the Department of Defense? In the case of another incident on American soil, are Defense Department officials prepared to effectively support local officials? Are existing programs—such as the Emergency Response Assistance program, the Rapid Response Information System, and the Nunn-Lugar-Domenici ''First Responder Training'' program—adequately funded to handle a future incident, particularly one involving a weapon of mass destruction (WMD) such as a biological or chemical agent, or nuclear device?

We better be sure.

Is the threat real? I believe wholeheartedly that it is.

Are we in danger of overstating the threat? I am not sure. But, let me share with you something about which there is no doubt. I implore you to consider two lists, one based on capabilities, the other based on alleged activities. I ask you first to consider the list of nations around the globe known to either possess or nearly possess the capability to produce chemical and biological weapons—you are, of course, familiar with the unclassified list: North Korea, China, India, Pakistan, Iran, Iraq, Libya, Syria, and Russia. Second, I ask you to consider the group of nations singled out by the State Department for engaging in state-sponsored terrorism. Again, you are familiar with the list's membership: Cuba, Iran, Iraq, Libya, North Korea, Sudan, and Syria. Finally, I ask you to look at the correlation between these lists and ask you to decide. Are you willing to risk the potential consequences of not being prepared?

THE RESPONSE

To properly prepare for potential terrorist acts we must set forth with a political commitment to attain both efficiency and adequate resource levels across the entire federal government.

The recent past offers a bit of optimism. A relatively high level of Congressional support has existed:

The 1994 National Defense Authorization Act expressed a sense of Congress that the President should strengthen federal interagency response planning for early detection and warning of—and response to—potential use of chemical or biological agents and weapons.

The Defense Authorization Act for Fiscal Year 1996 required the Secretary of Defense and the Secretary of Energy to submit to Congress a joint report on military and civil defense response plans.

The 1997 National Defense Authorization Act required the President to take immediate action to enhance the capability of the Federal Government to prevent and respond to terrorist incidents involving WMD and to provide enhanced support to improve both the response and deterrent capabilities of state and local emergency response agencies. More than $50 million in assistance was authorized.

And just this past year, the budget request for the Defense Department included $49.5 million for support of the domestic emergency preparedness program. The resulting 1998 authorization provided for this request as well as an additional $10 million for equipment for the Marine's Chemical-Biological Incident Response Force and $10 million to support development of a domestic/biological counter-terrorism mission for the National Guard.

But I am concerned about our nation's ability over the next few years to attain efficiency or to sustain such a commitment. The Defense Department rightly assumes a supportive role during a terrorist incident within the United States, leaving the Department of Justice the primary responsibility for response and coordination. Yet even a role supportive in nature has come at a great cost—in both manpower and dollars. Much of the highly specialized expertise resides in DoD; and most of the highly-trained individuals necessary for such tasks are also from the Department of Defense. Unfortunately—for them, for their families, and for our nation—these same individuals are often needed elsewhere, in overseas contingencies around the world. In these strict budgetary times, support and training assistance to domestic authorities is placing Defense personnel under a terrible strain.

This year's budgetary constraint is particularly tight and I have not received information to cause me to believe that anything might be different in the near future. This is not to say there aren't several matters to provide encouragement, such as the recent announcement to authorize 10 Rapid Assessment and Initial Detection (RAID) teams within the Guard and Reserve components. Indeed, the collocation of these teams with FEMA regional offices just might provide the necessary ''bridge'' between federal and state officials and spawn better coordination.

Yet, I am aware of the Defense Department's budgetary struggle to meet existing requirements and must assume that this new effort might also find itself at risk of receiving inadequate resources. We should look closely at this recommendation before committing a large sum of our precious—and increasingly scarce—financial resources. And we should recognize that this resource pool is declining further now that FEMA has recently decided to withdraw itself from any lead-agency role. Without its assistance, the Defense Department must now find additional, previously unanticipated budget authority over the next 4 years to support this requirement.

As the work of GAO has helped us discover, our approach may be fundamentally flawed: perhaps too many different federal agencies and local governments possess existing or emerging capabilities for responding to a WMD attack; uneven and nearly incompatible levels of expertise often exists; duplication and poor communication may complicate our effort; and public complacency may threaten to weaken our overall capability. To be sure, if I must leave only one message today, let it be this: coordination problems may exist; but these problems pale in comparison with the potential problems resulting from public complacency.

Mr. Chairman, there is a Chinese proverb that states, ''May you live in interesting times.'' We should be thankful that we do. We also live during challenging times. At a time of budget cuts, force drawdowns, streamlining, and reductions in military personnel endstrength levels, we are faced with a familiar threat that is growing in importance. To counter the terrorist threat—to provide as much safety to Americans at home and abroad—we may need to not only strengthen and reinforce existing capabilities but legislate additional resources. If we fail in this calling, we may face another day when—without warning—an innocent American again falls victim to such evil.

TRIBUTE TO BERNARD B. KERIK

HON. BILL PASCRELL, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. PASCRELL. Mr. Speaker, I would like to call to your attention Bernard B. Kerik, who was officially sworn-in as Commissioner for the City of New York's Department of Corrections.

On December 23, 1997, Mayor Rudolph W. Giuliani announced the appointment, effective January 1, 1998, of the Department of Correction's First Deputy Commissioner, Bernard B. Kerik, as Commissioner.

Mr. Kerik, as Commissioner, oversees an annual budget of approximately $792 million, a civilian and uniformed workforce of about 13,000 and an inmate population of some 133,000 admissions yearly in the Department's 16 jails, 15 court detention pens and four hospital prison wards. As First Deputy Commissioner, he was responsible for the day-to-day operation of the Department. He has been appointed by Mayor Giuliani to the position of First Deputy Commissioner January 24, 1995, Mr. Kerik served in prior positions with the Department as Executive Assistant to the Commissioner and as Director of the Investigations Division.

Prior to DOC, Mr. Kerik served with the New York City Police Department for eight years. After uniformed and plain clothes duty with anti-crime and narcotics units in Midtown South and Manhattan North commands, he was assigned to the U.S. Justice Department's New York Drug Enforcement (DEA) Task Force. There, he helped direct one of the most substantial narcotics investigations in the history of that office, resulting in the conviction of more than 60 members of the Cali Cartel. Mr. Kerik received 28 citations for meritorious and heroic service during his tenure with NYPD, including that Department's Medal of Valor.

Before joining NYPD, Mr. Kerik was the Warden of the Passaic County Jail, the largest county adult correctional facility in the State of New Jersey, responsible for the administrative direction of the 265 uniformed and civilian staff and an annual budget of $7.2 million. He also served as that Department's Training Officer, assistant commander of the Sheriff's Emergency Response Team, and commander of the Special Weapons and Operations Units.

Mr. Kerik spent nearly four years in various security assignments in Saudi Arabia, training Saudi and other nationals in physical security and police patrol operations. Before that, he served as an MP for three years in the U.S. Army, assigned to the 18th Airborne Corp where he trained Special Forces personnel at the John F. Kennedy Unconventional Warfare Center, Fort Bragg, North Carolina. He was also a member of an all-Army martial arts team.

Mr. Kerik has a diverse background and education in international and domestic anti-terrorism, personal protective security and special weapons and operations. He has been commended for heroism by President Ronald Reagan and the Cities of Paterson and Passaic, New Jersey. He has received the DEA Administrator's Award, the Medal of Valor from the International Narcotic Enforcement Officers' Association, and a Special Achievement Award from the Special Narcotics Prosecutor for the City of New York.

In December, 1997, he was appointed by the Mayor as a member of the newly-formed New York City Gambling Control Commission. The five-member Commission is charged with establishing and enforcing regulations for shipboard gambling to ensure that consumers are protected from fraudulent practices and to prevent the influence of organized crime.

Mr. Kerik is vice chairman of the Boy Scouts' Greater New York Councils Law Enforcement Exploring Division. He also chairs the Michael John Buczek Foundation's annual fundraiser that honors law enforcement heroes across the nation. Named in memory of a 34th Precinct, officer slain in the line of duty, the Foundation provides financial assistance to youth foundation in that neighborhood and to the law enforcement community in New York and New Jersey.

Mr. Speaker, I ask that you join me, our colleagues, the family and friends of Commissioner Kerik's, and the City of New York, in recognizing the many outstanding and invaluable contributions Bernard B. Kerik has made to public safety through his distinguished career in law enforcement.

SENSE OF CONGRESS ON 50TH ANNIVERSARY OF FOUNDING OF MODERN STATE OF ISRAEL

SPEECH OF

HON. OWEN B. PICKETT

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1998

Mr. PICKETT. Mr. Speaker, Rabbi Zoberman, the spiritual leader of Congregation Beth Chaverim in Virginia Beach, Virginia and past President of the Hampton Roads Board of Rabbis and the Virginia Beach Clergy Association, made the following statement on the occasion of the 50th anniversary of the State of Israel:

The Jubilee anniversary of the State of Israel is not an ordinary occasion. Rather it is a poignant reminder of the durability of a dream; reflecting the daring of a people small in physical size but large in vision, not to depart from history's stage in spite of immense and harassing pressure to the contrary.

Throughout the two millennia of dispersion following the Roman devastation, the Jewish people skillfully integrated their longing for Zion into their spiritual quest and way of life, bonding themselves to the land where they came to be and which served as the dramatic setting for fashioning a transforming Biblical legacy that continues to inspire as well as challenge humanity.

Israel was driven not only by its particular agenda of uniqueness and survival, attempting to transcend both geographic and tribal boundaries in a fervent embrace of a universal message of shalom unshaken by its painfully experienced lack of it. Thus its undying hope for the welfare of the human family became a source of consolation and strength in its struggle to persevere in face of terrifying odds. Its welcomed return into the family of nations came only after the tragedy of the Holocaust deprived it of a third of its people, destroying European Jewry and threatening the very continuity of an ancient folk, ironically entering the period of modernity with enormous trust in the inevitable progress of the human species and its ability to overcome past limitations.

Colonial rule over Palestine first by the Turks for four hundred years and then, from 1917 to 1948 under the British Mandate, coupled with growing Arab antagonism and hostility toward the Jewish presence, made the fulfillment of the prophetic promise of return so much more trying. Winning independence following the support of the United Nations and the defeat of the invading Arab armies by the meager and ill-equipped Israeli forces, was the beginning to an arduous journey of absorbing millions of Jewish refugees from decimated Nazi-Europe and persecuting Arab lands. My own family of Polish survivors was among them, seeking the blessing of healing in rebuilding shattered lives while giving birth to a dynamic democratic society, still the only one in the Middle East, with the demanding agenda to be faithful to the noble principles of its great legacy of values and vast suffering.

How remarkable are the accomplishments of the reborn entity in light of a constricting environment of mighty obstacles, constantly exposed to moral danger! It has managed to create, out of necessity, one of the best militaries in the world in the context of a vibrantly flourishing Western culture, establishing renowned institutions of higher learning, rescuing and integrating immigrants from multiple and diverse backgrounds such as Ethiopia and the former Soviet Union, reaching out to help Asian and African countries, developing a significant hi-tech industry and offering new models of creative communal living, most notably the kibbutz.

Israel's stamina and determination to prevail and thrive, demonstrated also on the battlefield, time and again, finally convinced its largest Arab foe of the wisdom of concluding peace in 1979 and Jordan followed suit in 1994, in the wake of the 1993 rapprochement with the Palestinians. The Peace Process already proven beneficial to both sides, economically and diplomatically, has dangerously slowed down given the watershed assassination of Prime Minister Rabin who suffered the fate of martyred President Sadat, acts of wanton terrorism against Israelis, and the election into power of Prime Minister Netanyahu who represents a different ideological bent from that of his predecessor in office. However, the Peace Process is bound to eventually gather momentum and actively involve the essential partnerships of Syria and Lebanon in an irreversible historical movement to advance the families of the region exposed to the threat of Fundamentalism and the likes of Saddam Hussein, toward a future free from the stranglehold of bloodshed, ignorance, prejudice and poverty. The role of the United States, the sole left superpower, as broker, in the unfolding destiny of the Middle East, remains of critical importance. It has stood by Israel, its trusted and faithful friend and ally, in times of war and in search for peace, continuing to be a beacon of hope at the crossroads of historic change and uncertainty with both opportunity and risk. American Jewry being a pivotal position, has been entrusted to serve as a proud bridge, connecting a mighty nation and a small but enduring people, bound together by a common yearning to hallow the human experience and consecrate the divine gift of life.

HONORING THE HONORABLE FRED LIPPMAN UPON HIS RETIREMENT

HON. PETER DEUTSCH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. DEUTSCH. Mr. Speaker, I rise today to honor the career of a respected and admired public servant from Florida: The Honorable Fred Lippman. Representative Lippman announced recently his retirement from the Florida House of Representatives.

Representative Fred Lippman, who represents most of Hollywood and parts of Hallandale Beach, has been a member of the Florida Legislature since 1978. After attending the Graduate School of Pharmacy at Columbia University in New York, Representative Lippman moved to South Florida and opened several pharmacies. It was at this time that he became active in community affairs. For two decades as a public servant Representative Lippman has fought for legislation to protect children, senior citizens, and to improve Florida's health care systems.

Representative Lippman was vital in the effort to pass the country's first laws to mandate the use of child-safety seats; the design of Healthy Kids health insurance program for children; and revising Florida's child abuse laws. The Lippman Family Center and the Lippman Shelter, both in Broward County, were named after Representative Lippman in honor of his work on behalf of Florida's troubled youth and families. Representative Lippman's efforts to provide care for Florida's needy children and adults have earned him numerous awards and honors from organizations such as the American Lung Association, American Jewish Congress, Florida's teachers, professional firefighters, children's advocates, Chambers of Commerce, public health providers, Jaycees, and many others.

I believe Representative Lippman leaves the state house with the knowledge that Florida is better for him having served. I thank him today for his work.

TRIBUTE TO JAMES J. VERLOTTE

HON. RON KLINK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. KLINK. Mr. Speaker, I rise today to honor a great citizen of Pennsylvania, James J. Verlotte. James Verlotte retired on June 30, 1997, after forty-three years of service to the Mohawk Area School District.

Jim Verlotte began his service as an educator in 1954. Over the next four decades, he made an impact on the lives of so many young people in Lawrence County. In addition to his career as an elementary school principal, Jim took the time to make a difference in other areas of the state and local community. He has been a member of the Pennsylvania Association of Elementary Principals, the Pennsylvania Association of School Administrators, and the Pennsylvania Association of Federal Program Coordinators. At the local level, Jim Verlotte has served as the Assistant Director of the Lawrence County GED Test Center and is an active volunteer at St. Anthony's Church in Bessemer.

His commitment to his career in education is rivaled only by his commitment to the children of Pennsylvania. James Verlotte has earned the respect among his peers that can only be achieved after a lifetime of service to others. He has touched the lives of a great number of people, both young and old, throughout his years as an educator and fellow citizen.

Mr. Speaker, I ask my colleagues to join me in thanking James J. Verlotte for his years of

service. We wish you the best in your retirement. Thank you.

TRIBUTE TO LEN SHERRY

HON. JOHN F. TIERNEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. TIERNEY. Mr. Speaker, I rise to salute Mr. Len Sherry of Danvers, Massachusetts who is retiring from the town's Housing Authority Board after more than 20 years of devoted service, having served 14 years as its Chairman.

During his tenure on the Housing Authority Board, Mr. Sherry was a leader in persuading the community at large of its obligation to provide much needed support for housing programs, and his efforts resulted in the addition of elderly and family units to Danvers' housing stock. Mr. Sherry was also instrumental in the expansion of rental assistance and community-residence programs.

Those who worked at and were served by the Danvers Housing Authority were not the only ones to benefit from Mr. Sherry's community spirit. He was also a Town-meeting member, school committeeman, Little League coach and Sunday school teacher. He used his skills as a communicator to promote partnerships within the community that served to better the lives of everyone. Very few, if any, people in Danvers have not been touched in some way by Len Sherry.

Indeed, Mr. Sherry has been an inspiration to his friends and family. Mr. Speaker, I am proud to stand here to recognize the accomplishments of Len Sherry; his dedication to the Town of Danvers is to be commended. I hope my colleagues will join with me today in wishing Mr. Sherry the very best as he begins his retirement.

TRIBUTE TO JOHN RYLAND EDWARDS

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. SKELTON. Mr. Speaker, today, I wish to say a few words in tribute to John Ryland Edwards, a superb soldier and educator, who is retiring after 22 years of service to Wentworth Military Academy.

Born in Lexington, MO, John Edwards graduated from the University of Missouri with a BS in Education. In 1955, he became a teacher and coach at Henrietta, MO, High School, but joined the United States Army one year later. From 1956 to 1976, Mr. Edwards served his country in the U.S. Army while stationed in Texas, Alaska, Colorado, Indiana, Washington, DC, Vietnam, and Okinawa. During his tenure in the Army, he worked as an Adjutant General Corps Sports Director, an Assistant Army Service Officer, a Special Service Officer, an Administrative Officer, a Recreational Services Officer, an Adjutant General, the Director of Armed Forces Professional Entertainment Office, Army Project Officer for the Presidential Reception honoring Vietnam veterans, Director of U.S. Army Sports Program, Officer in Charge of U.S. Armed Forces basketball team, and the Army Representative to the 1976 Olympics. John Edwards retired from active duty in 1976, with the Legion of Merit award, a Bronze Star, Meritorious Service Medal (with Oak Leaf Cluster), Air Medal, Army Commendation Medal (with two Oak Leaf Clusters), National Defense Service Medal, Vietnam Service Medal, and the Vietnam Campaign Medal.

Following his active duty career, John Edwards moved back to his hometown of Lexington, MO, to serve at Wentworth Military Academy. During his 22-year tenure at Wentworth, John served as Operations Officer, Special Events Coordinator, Project Officer, Athletic Director and basketball coach, Alumni Director, Adult Education Director, and Interim Superintendent. John has provided superior leadership at Wentworth, and has worked with every department on campus. He served as the man behind the scenes who made every event work with precision.

In addition to his military career, John Edwards has participated in many community activities. He is a member of the Lexington, MO, Lions Club, Lafayette Regional Health Center Board of Trustees, Lexington Area Chamber of Commerce Board (serving as President for one term), Lafayette County Health Department Board, and Member of Turners. He has received the Melvin Jones Fellow Award and Lion of the Year Award, as well as the Lexington Outstanding Leadership Award.

Mr. Speaker, I am certain that my colleagues will join me in paying tribute to John Ryland Edwards, an outstanding Missourian. His career in the United States Army and at Wentworth Military Academy, combined with superb community service, make him a role model for young military and civic leaders.

TRIBUTE TO WALTER HOFFMAN

HON. BILL PASCRELL, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. PASCRELL. Mr. Speaker, I would like to call to your attention Walter Hoffman of Wayne, New Jersey, who is being honored by the Wayne Democratic Organization.

Walt was born in Newark, New Jersey on December 21, 1924. He was raised in Glen Ridge and East Orange, and was active in scouting activities, including Assistant Scout Master and Explorer Adviser. Walt was also co-captain of his high school's track team.

Walt is a Marine Corps veteran, having served his country during World War II in the Pacific Threatre of Operations from 1943 to 1946. Upon leaving the Marines, Walt attended the University of Michigan where he earned a Bachelor of Arts degree in Political Science in 1948. Pursuing a career in law, he attended the University of Chicago Law School and earned his J.D. in 1950. He was also Associate Editor of the law school's Law Review.

Walt has an accomplished and distinguished career in both law and public service. He was a trial attorney for the National Labor Relations Board in 1951 and a staff attorney for the House Ways and Means Subcommittee Investigating Administration of Internal Revenue Laws from 1951–52. From 1955 to 1985, Walt sought out the private practice of law and was a senior partner in his own firm for 26 of those years. During this time, however, he still remained active in public matters. Walt served as Chair of the Arms Control and Disarmament Committee and Vice-Chair of the International Courts Committee from 1974–78. He was founder and Executive Vice-President of the Campaign for United Nations Reform from 1975–91 and Executive Director and Executive Vice-President of the World Federalist Association from 1985–93. Walt also was appointed by House Speaker Thomas Foley to the United States Commission on Improving the Effectiveness of the United Nations, serving from 1992–93, Chair of the International Organizations Interest Group from 1995–96, and President of the Center for U.N. Reform Education from 1993–96.

In addition to his vast experience in governmental affairs, Walt also has a strong teaching background. He has taught courses on Political Science, American Government, Political Theory, and Law at such institutions as William Paterson College and Ramapo College. Currently he is an Adjunct Professor of American and International Studies at both Ramapo College and William Paterson University. Walt is also serving as Legal Counsel to the World Federalist Association and Treasurer of the Center for U.N. Reform Education.

Walt has also been active politically, having served as Councilman for the Township of Wayne from 1964–71. He was also a Democratic candidate for Mayor in Wayne as well as the State Assembly, and served in numerous capacities for Presidential candidates Eugene McCarthy and Norman Cousins.

Walt is married to the former Lois Johnson, and together they will celebrate their 50th Wedding Anniversary this June. They have three adult children: Anne Ferruggio, who is Minister of St. Paul's United Church of Christ in Allentown, PA; Laura Calixte, who is the Chief Window Clerk at the Pequannock Post Office; and Charles Hoffman, who is a mortgage banker with Northwest Mortgage Company. Walt and Lois also have three grandchildren: Sylvianne Calixte, who is a student at William Paterson and Raymond and Gregory Hoffman, who are in the 4th and 1st grades respectively, in Havertown, PA.

Mr. Speaker, I ask that you join me, our colleagues, Walt's family and friends, and the Township of Wayne in recognizing Walter Hoffman's many outstanding and invaluable contributions to our society as he is being honored this evening by the Wayne Democratic Organization.

HONORING THE HONORABLE JACK TOBIN UPON HIS RETIREMENT

HON. PETER DEUTSCH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. DEUTSCH. Mr. Speaker, I rise today to honor the career of a respected and admired public servant from Florida: The Honorable Jack Tobin. Representative Tobin recently announced his retirement from the Florida House of Representatives.

Representative Tobin, who represents parts of Broward County, has served in the state legislature since 1983. During his sixteen

years in the legislature and another four as a city official and Mayor in Margate, Representative Tobin has carved out a reputation as a strong consumer advocate. His legislation has protected car buyers, cracked down on fraudulent telemarketers, and protected travelers from travel agencies that go out of business. Representative Tobin was also a champion of issues important to older Americans such as Alzheimer's patient care and Medicare protection. Most important to Representative Tobin were his efforts on the Clean Indoor Air Act, the Foster Care Statute and the Major Telecommunications Acts of 1989 and 1996.

Representative Tobin has enjoyed his 20 years in public service and although he will be entering the business world, and will no longer be a public official, I know he will continue serving the people of Broward County and Florida as ably as ever.

TRIBAL TRUST FUND SETTLEMENT ACT OF 1998

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. MILLER of California. Mr. Speaker, today I am introducing, by request, the Tribal Trust Fund Settlement Act of 1998. This legislation sets up a process through which Indian Tribes could enter into negotiations with the Department of Interior in order to agree on account balances for some 1,500 trust fund accounts held in trust by the United States.

Since the early 1900's the Department of Interior has managed funds derived from land resources for Indian tribes and individual Indians. These funds have been badly mismanaged and the Department can not verify account balances. After a 5-year and $21 million attempt to reconcile accounts, it became clear that because of the volume of missing documents, reconciliation would be impossible.

This legislation is a good step in the right direction by admitting mistakes and moving forward to clean up the problems of tribal trust fund accounts. Under the legislation, the Department of Interior would make an offer to settle each tribal account. If the offer is rejected, both parties would enter into informal dispute resolution in order to try to come to agreement without the cost and time incurred by litigation. If agreement cannot be reached, tribes would be free to pursue recourse through court action. I am hopeful that we can reach some agreement during the legislative process that provides tribes with a guarantee that if they choose to go to court, they will have swift access to the courts.

Settlement funds agreed to under this legislation would come from the judgment fund made available for judgments against the United States and not from the already strapped tribal programs in the Interior Department. I commend Secretary Babbitt for his diligent work and commitment and hope hearings will be held immediately so that we may hear from the affected Indian tribes on this proposal.

IN MEMORY OF CONGRESSMAN STEVE SCHIFF

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. COSTELLO. Mr. Speaker, I want to join my colleagues today in honoring our colleague, Congressman Steve Schiff of New Mexico.

Steve was a friend to me and many others in this chamber. His down-to-earth manner and conscientious approach to Congressional service were welcome attributes to this body. He fought his illness courageously, never allowing it to interfere with his friendships or his devotion to the issues he cared about.

I had the privilege of traveling to the Middle East with Steve Schiff during the Persian Gulf crisis of 1991. We shared stories and common perceptions about how difficult it will be to achieve a lasting peace in such a complex and varied region. He was a thoughtful, intelligent companion and I am sure his constituents will miss his service as much as I will miss his friendship.

At a time when the public is looking for leadership and understanding from its elected officials, Steve Schiff was a model. He conducted himself with a quiet grace, even when his illness took a fatal turn. I know my colleagues will join me in marking his contributions to this House, his civility and his friendship. We will miss his service very much.

MEDICARE PSYCHIATRIC HOSPITAL PROSPECTIVE PAYMENT SYSTEM ACT OF 1998

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. CARDIN. Mr. Speaker, today I am pleased to join my colleague JIM MCCRERY in introducing the Medicare Psychiatric Facility Payment Reform Act of 1998. This legislation would improve care provided to Medicare beneficiaries by reforming how Medicare pays for services in free-standing psychiatric hospitals and distinct-part psychiatric units of general hospitals. Our bill proposes to move psychiatric facilities to a prospective payment system (PPS) while phasing in substantial reductions in payments to these providers as required by the Balanced Budget Act (BBA) of 1997. Currently psychiatric hospitals and units are exempt from PPS and their costs are reimbursed under provisions in the 1982 Tax Equity and Fiscal Responsibility Act, or TEFRA.

Because last year's cuts were so deep and sudden, with no transition period to allow psychiatric facilities to adapt to the changes, I am concerned that patient care will be jeopardized. Clearly something needs to be done. Our proposal provides a workable solution. It joins psychiatric facilities with other providers in the Medicare program that are paid on a prospective basis, a reimbursement system that will be more efficient, allow for better planning, and lead to improved patient care. Our bill also ensures that, in the interim, inpatient psychiatric care is not compromised or disrupted because of precipitous budget reductions.

I urge my colleagues to join me in co-sponsoring this important piece of legislation.

TRIBUTE TO WILLIAM MCLUCAS, DIRECTOR OF ENFORCEMENT, U.S. SECURITIES AND EXCHANGE COMMISSION

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. DINGELL. Mr. Speaker, it is my honor and privilege today to commemorate the career of a remarkable public servant.

Bill McLucas, the Director of Enforcement at the U.S. Securities and Exchange Commission, will soon be leaving his important post after twenty-two years of distinguished service to his country with eight of those years as this country's chief securities enforcer.

The Enforcement Division protects the nation's investors by uncovering and prosecuting fraud in our financial markets. Under Bill's leadership, the SEC's Enforcement Division has secured its place as one of the crown jewels in the country's ongoing efforts to combat white collar crime. Tens of millions of investors have benefited from Bill's fierce commitment to fighting fraud.

In 1995, Bill gave a speech in San Diego warning the municipal market that the SEC was planning to ''tack a few hides to the shed door''—a remark for which he was teased and criticized for years afterwards. However, I come to the House Floor to praise him. His remarks were dead on the mark.

Pensioners, retirees, widows with insurance proceeds, parents trying to help their kid pay for college, couples saving for their first home—these are the people Bill McLucas thinks about and works for every day. And, Bill has done the right thing for the right reasons for a very long time.

His remarkable record of accomplishment includes: the unprecedented resolution of the Prudential limited partnership scandal; the vigorous prosecution of insider traders on Wall Street who abused their positions of trust; the complex actions against major firms that helped rig auctions for government securities; and the discovery of abuses on NASDAQ that for many years harmed investors in the over-the-counter market.

Though his Division seems always to have had limited resources, Bill seems always to have found a way to bring small scale frauds to justice as well.

Although he is moving on, Bill has left an indelible mark on the SEC and the Enforcement Division that should last for generations. His integrity, decency, commitment to fair play, and inherent sense of justice have made an extraordinary contribution to the success of our markets—success that can't be measured on a profit and loss statement or a balance sheet. We owe him our profound thanks.

TRIBUTE TO THOMAS E. HARDY AND ANN CESTARO

HON. BILL PASCRELL, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. PASCRELL. Mr. Speaker, I would like to call to your attention Thomas E. Hardy of Prospect Park, New Jersey and Ann Cestaro of Totowa, New Jersey. Tom and Ann were honored at the Passaic Valley Elks Lodge 2111 Awards Dinner.

Tom was born on December 16, 1947 in Paterson, New Jersey. As a resident of Paterson, he attended the local public schools, including P.S. No. 5 and Central High School, where he graduated in 1965. Upon graduating from high school, Tom was drafted into the United States Navy and served his country with honor.

As an Aviation Gunners Mate, 2nd Class during the Vietnam War, Tom received numerous medals and commendations, including the National Defense Service Medal, the Vietnam Service Medal, the Vietnam Campaign Medal, the Navy Unit Commendation, and the Armed Forces Expeditionary Medal (Korea). He was honorably discharged in 1970.

After leaving the U.S. Navy, Tom decided to further his education. He attended Southwestern College from 1970 to 1972, earning an Associate's degree in Finance. From 1973 to 1976, he attended San Diego State, earning a Bachelor of Science degree in Finance. Upon graduating from San Diego State, Tom then attended Florida State, and in 1980 earned an M.B.A. degree in Finance.

During the years 1970 to 1982, he worked for Martin Marietta, in both California and Florida. Starting out as a senior buyer, Tom worked his way up to become chief of procurement, responsible for purchasing and establishing out-of-town representation for the company. In 1982, Tom came back to New Jersey and was employed by the Kearfott Guidance and Navigation Corporation. As a senior buyer, he was responsible for contracts relating to computer hardware and software, as well as government contracts. Tom also was responsible for the inspection of facilities, production ability, and financial worthiness of all sub-contractors utilizing company and customer personnel. In 1994, Tom was employed as a senior buyer by DRS Military Systems of Oakland. He was responsible for the procurement of materials for the ASVS program, and operating on strict budget, was able to save the company more than $265,000.

Tom was a Scout Master from 1986 to 1989 for BSA Troop 2, St. Paul's Church, Prospect Park. He is a member of V.F.W. Post 5084, Elmwood Park and has been a member of the Passaic Valley Elks Lodge since 1991. As an active member of the Elks, Tom has served as Memorial Service Chairman, Parade Chairman, Charity Ball Chairman, and Flag Chairman. He is also the Lodge's Past President and Exalted Ruler.

Ann Cestaro is a resident of Totowa, having lived there for 40 years. Having been married for 33 years, she has three married daughters and three grandchildren. She is employed by Cestaro's Furniture Refinishing, a 25 year-old family-owned business.

Ann is a member of the Passaic Valley Elks Lodge Ladies Auxiliary for 30 years. She has served twice as President and in many other capacities. She is also active with the Veterans Committee and the Handicapped Committee.

Mr. Speaker, I ask that you join me, our colleagues, Tom and Ann's family and friends, and the members of the Passaic Valley Elks Lodge 2111 in recognizing the many outstanding and invaluable contributions Thomas E. Hardy and Ann Cestaro have made to our community.

HONORING THE HONORABLE DEBBIE HORAN UPON HER RETIREMENT

HON. PETER DEUTSCH

OF FLORDIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. DEUTSCH. Mr. Speaker, I rise today to honor the career of a respected and admired public servant from Florida: The Honorable Debbie Horan. Representative Horan recently announced her retirement from the Florida House of Representatives.

Representative Horan, of Key West, was first elected in 1994 at the young age of 31. While serving in the state house she has made education her top priority. For her efforts to improve education in Florida, Representative Horan was named Legislator of the Year by the Florida Association of District School Superintendents, as well as the Florida School Boards Association. Representative Horan was also recognized as the Outstanding Young Floridian by the Florida Jaycees.

For Representative Horan, her service to the people in Key West has been a great honor and a tremendous opportunity to be an advocate for better education in Florida. Although Representative Horan is leaving to spend more time with her two young daughters, Lindsey and Kelsey, I hope she will one day return to public service. She will be missed.

''MY VOICE IN OUR DEMOCRACY''

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. FRANK of Massachusetts. Mr. Speaker. I remember from my own High School days the benefit I gained from participating in the Voice of Democracy contest, and I am therefore particularly pleased to share here with our colleagues the winning Massachusetts entry in the 1997–1998 VFW Voice of Democracy scriptwriting competition.

The winner, Leah Makuch, did an excellent job of expressing her understanding of the democratic system in which we Americans are fortunate enough to live. I am sometimes disappointed that more teenagers do not take advantage of the opportunities which our democratic system offers them, and thus I was particularly pleased to read Leah Makuch's excellent exposition on this subject, and I am for this reason very happy to have a chance to make it widely available.

''MY VOICE IN OUR DEMOCRACY''

1997–98 VFW VOICE OF DEMOCRACY SCHOLARSHIP COMPETITION MASSACHUSETTS WINNER

(By Leah Makuch)

So many parts of this world are silent. So many people are silenced by governments afraid of the power of speech, afraid of the people they seek to control. They use their governmental power against the members of their own country.

On the contrary, I live where I am allowed to speak, encouraged to speak, even required to speak by my human responsibilities. I live in a country of loud voices shouting their opinions, in a country where this is expected. I live in a democracy, and my voice counts.

On the literal level, my voice is rather quiet. Yet I have the power to speak loudly and firmly, to shout my beliefs unto listening ears. My words reverberate through the great Rocky mountains and are projected over the marquee in Times Square, carried along every television network and telephone line, even electronically transmitted to millions of computers all over America. When I choose not to buy a particular product because its manufacturer endorses something I oppose, I am speaking my message to this manufacturer. When I petition against a congressional bill, I speak my opposition loudly and clearly. And although I cannot legally vote, my voice is heard through the votes of my parents and family members. I am a member of a democracy, and it is my responsibility to make myself heard.

Here I stand, right now, on the soapbox of this cassette tape, confident that when I speak about democracy, someone is listening. The ears upon which my words fall are not deaf to my message. I am being listened to at this very moment, and my voice as an American, as a member of a democracy, is respected as being worth hearing. For this reason, if for no other, I should speak. I should speak, I must speak, for that which I believe in and against that which I oppose, because in my heart I know that someone will hear my words. I live in a great democratic puzzle, and my piece fits where no other can. I am not excluded because I am young. I am included because I am worth listening to.

The American Heritage Dictionary defines democracy as ''the common people, considered as the primary source of political power.'' I am a member of this common people, this source of power. What other united, non-democratic peoples would not scoff at my words proclaiming myself as such? This democracy in which I live sees me as this, however. This democracy recognizes my voice as a consumer, future voter, a thinker, and, most importantly of all, as a human being.

As a human being, I have been granted inalienable rights, most notably the rights to life, liberty, and the pursuit of happiness. Primarily, my right to life. Is my life complete, if I have no say in how it is led? Therefore, my voice is a central part of my right to life. I have the right to liberty. This liberty is a liberty of the mind, heart, and soul, a liberty to make my wishes known and live in fear of being persecuted. My voice is my liberty. I have the right to the pursuit of happiness. I have the right to seek out that which makes me happy and support it with the God-given voice inside of me. My voice is the means by which I can pursue my happiness. Therefore, with my voice being a central theme in my rights as a human being, I have four primary inalienable rights: life, liberty, the pursuit of happiness, and the voice by which to fulfill these. My voice is my right as a human being.

On face value, it sounds like a right that can be taken lightly. Freedom of speech.

This first amendment should read: ''responsibility of speech.'' I have the right and the responsibility to speak in support of goodness and truth, to speak for those who have no voices.

By these standards, who would oppose this democracy? Who would oppose a family of people with voices, who exercise their natural rights and speak directly to their government for the good of all? My voice in our democracy speaks loudly, and with the same weight as all other voices carry, whether they belong to bodies older, younger, or of a different color than my own. It baffles me why so many people have no pressing desire to become a citizen of this fine democracy. The chance to have a voice in one's own country, to influence the world with what one has to say, is a powerful opportunity. Presented to many countries of the world, this tantalizing chance would be fought for like it was at our country's birth, when the first Americans would not let their voices go unheard. How fortunate to live in a country where lives are not lost searching for their voices!

I am lucky to live in such a democracy. I am fortunate to be able to speak without fear of persecution, to voice my message to the world. So many voiceless people do not have this chance. And as I speak on the importance of my voice and the voice of others, I have already made the first step . . . and I am being heard.

SUNSHINE IN THE COURTROOM

SPEECH OF

HON. WILLIAM D. DELAHUNT

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 23, 1998

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1252) to modify the procedures of the Federal courts in certain matters, and for other purposes:

Mr. DELAHUNT. Mr. Chairman, I am strongly opposed to H.R. 1252, the Judicial Reform Act, but would like to say a few words about one provision of the bill that merits strong bipartisan support.

I refer to Section 8 of the bill, which would allow Federal appellate judges, in their sole discretion, to permit televised transmission of court proceedings. It would also allow Federal district court judges to permit televised proceedings on a three-year experimental basis.

Americans have always taken a strong interest in the workings of the justice system. Yet those who have had little direct exposure to the process derive their impressions largely from fictional courtroom dramas and sensational coverage of high-profile trials. It is little wonder that many lack a proper understanding of the process by which justice is meted out in our society, and hold in scant regard the judicial officers upon whom the integrity of that process depends.

Cameras in the courtroom offer the public an alternative: an unfiltered, unedited, unvarnished glimpse of the judicial process as it really is. Like C-SPAN, which enables viewers to interpret legislative proceedings for themselves, free of intrusive commentary, televised trials allow viewers to make their own judgments regarding the fairness of the judge, the competence of counsel, the credibility of witnesses, and the quality of the evidence presented. Through first-hand observation, the average citizen can develop a greater respect for the requirements of due process, and a fuller appreciation of the importance of an independent judiciary in preserving the rule of law.

The 48 states that permit broadcast coverage of court proceedings have also found that the presence of cameras has a salutary effect on the proceedings themselves, exposing the trial process to public scrutiny and encouraging fair play, professionalism and decorum. Even judges who were hesitant to authorize television coverage have generally found the experience to be a positive one. Concerns that the media would detract from the solemnity of the proceedings and would violate the sensibilities of the participants have generally proven to be unfounded.

As a district attorney, I strongly supported the introduction of cameras into Massachusetts courtrooms, and chose to participate in the pilot program which Massachusetts undertook in the 1980s. In fact, I prosecuted the first case to go to trial under the program in 1980. The Massachusetts experiment was an enormous success, and led to the adoption of a court rule instructing judges to permit electronic coverage of public proceedings, subject to various limitations designed to ensure fairness to the parties and to safeguard the integrity of the proceedings.

From 1991–93, the Judicial Conference of the United States conducted a pilot program in six U.S. district courts and two U.S. courts of appeals which yielded similar results. A 1994 evaluation by the Federal Judicial Center concluded that cameras should be permitted in all Federal civil proceedings.

Naturally, there are some cases in which trial participants have an overriding need for anonymity, and in such cases the judge must have the discretion to bar cameras form the courtroom. Some 15 years after that first televised trial, I was the prosecutor in a highly publicized trial involving the murder of two women at a family planning clinic. In order to protect the victims' families and witnesses who were clinic patients and employees, I filed a motion asking the court to exercise its discretion to exclude cameras from the trial. The judge granted our motion based on the special circumstances of the case.

The bill provides for such situations by giving Federal judges unfettered discretion to exclude cameras at any time and for any reason.

Mr. Chairman, an educated and informed citizenry is essential to a healthy, functioning democracy. This measure will enhance public understanding of a central pillar of our democracy, and deserves our support. While I regret that it was attached to a highly controversial bill whose other provisions I could not support, I very much hope that it can be included elsewhere on our legislative agenda.

HONORING ANTHONY HARRIS ON THE 30TH ANNIVERSARY OF STONEY'S RESTAURANT

HON. RON KLINK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. KLINK. Mr. Speaker, I rise today to recognize a very dear friend, Anthony Harris and a Washington, D.C. restaurant institution. On Friday, May 1, 1998 Anthony ''Boss of the Sauce'' Harris will celebrate the 30th Anniversary of Stoney's Restaurant.

Located at 1307 L Street in Northwest Washington, DC, Stoney's has faithfully served its clientele, 365 days a year. Over the last 30 years there have been many changes in Washington, but one thing that has remained the same is Stoney's. Whether you are there for the half priced burgers, chopped salads, or simply the conversation, Tony and his staff do not disappoint. The food at Stoney's is tremendous, the service friendly and the atmosphere is genuine. Stoney's has a familiar Pittsburgh aura, the kind of place where you always feel at home.

I applaud Anthony Harris for his hard work and dedication. His success and commitment are one that few in this fine city can claim. It is with great pride that I rise before you and ask my colleagues to join me in congratulating Stoney's on their 30th Anniversary. I wish Anthony Harris, Mo, Sandy and all of the employees at Stoney's the best of luck for thirty more years of success.

TRIBUTE TO THE LINCOLN FIRE COMPANY

HON. BILL PASCRELL, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. PASCRELL. Mr. Speaker, I would like to call to your attention the momentous occasion of the 90th Anniversary of the Borough of Totowa's Lincoln Fire Company.

The Lincoln Fire Company was formed in 1908 by a group of civic minded citizens who met at the Willard Park Hotel. The corporation papers were filed and recorded on April 23, 1908. In that same month the governing body of the Borough passed an ordinance that established the Borough of Totowa Fire Department and included the Lincoln Fire Company as one of two companies in the Borough. In July of that same year a committee was appointed for the election of a chief and assistant chief. The first elected Chief was George McCrea and the first Assistant Chief Thomas Dunkerly.

In the early years of the Company the engine was attached to passing wagons to get it to a fire. The engine carried fire pails, ladders, lanterns, hose and the firefighters' gear. Alarms were sounded by striking large steel gongs with hammers made available to citizens located in strategic areas. Whenever available, citizens who owned horses would bring them to the fire house, hitch them to the apparatus and bring it to the fire scene. For this favor a citizen was paid the sum of $2.00.

Lincoln's headquarters have been located in what is now known as the ''Old Borough Hall'' since it acquired space on the ground floor of the building on Lincoln Avenue somewhere around 1910. The front part of the building housed the apparatus and the rear section of the building provided space for the Company members to hold their meetings. Additional space was acquired when the Police Department moved to the new municipal building in 1969. The meeting room has been completely remodeled and now serves as a place to hold social functions as well as meetings.

Through the years Lincoln has had a number of different fire trucks. Present members recall a Reo, a 1937 Ford '85, a 1950 Mack and the present 1967 Mack Thermodyne. All of these units were pumpers. Prior to the 20's it appears that the Company was equipped with horse hand-drawn chemical apparatus.

Active membership has averaged between twenty-five and thirty members in recent years. Membership also includes Junior Members, Social Members, Honorary Members and Life Members. The members and their families gather several times a year to celebrate special occasions such as the installation of officers, St. Patrick's Day, Halloween and the traditional Christmas Party at which the members' children and grandchildren are paid a visit by Santa Claus.

Mr. Speaker, I ask that you join me, our colleagues, and the Borough of Totowa in recognizing the many outstanding and invaluable contributions the members of the Lincoln Fire Company provide to the public safety of our citizens. On this the 90th Anniversary of the Lincoln Fire Company, the members take great pride in providing volunteer fire service on a round-the-clock basis, 365 days a year, to Borough residents. In the future, as in the past and present Lincoln will continue to be the ''First, Last and Always.''

CONGRATULATING DR. ABRAHAM S. FISCHLER

HON. PETER DEUTSCH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. DEUTSCH. Mr. Speaker, I rise today to honor the extraordinary achievements in education, public service, and leadership of Dr. Abraham S. Fischler, and to extend my sincere congratulations to him on his retirement from a long and distinguished career.

Abe is a long-time personal friend whom I admire for his vision and his commitment to serving South Florida in many capacities. He was President of Nova Southeastern University, in Fort Lauderdale, from 1970 to 1992 and currently serves as President Emeritus and University Professor. He is a member and past Chair of the Broward County School Board and is a past state-wide appointee to the Florida Education Foundation. In addition, Abe has served on the Chambers of Commerce for Fort Lauderdale, Hollywood, and Davie/Cooper City. His leadership with the Hollywood Medical Center, United Way, Southeast Florida-Holocaust Memorial Center, and Overall Economic Development Committee has been a vital asset to South Florida.

Upon earning his doctorate in education from Columbia University, Abe accepted professorships at both Harvard University's Graduate School of Education and the University of California at Berkeley. He has been awarded an honorary Doctor of Laws from Nova University and several national honors for his leadership in science, education, and humanitarian involvements. Abe has served as a consultant to the Ford Foundation, various state departments of education, and school districts throughout the United States in addition to publishing several books, text books and numerous articles in professional journals and newspapers nationwide.

HIGHER EDUCATION AMENDMENTS OF 1998

SPEECH OF

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1998

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 6) to extend the authorization of programs under the Higher Education Act of 1965, and for other purposes:

Mr. GILMAN. Mr. Chairman, I rise today in support of the Lazio-Gilman-Tauscher amendment to H.R. 6, the Higher Education Act. This amendment will provide loan forgiveness for full time child care providers across the country.

The combination of skyrocketing college tuition costs and the drastically low average salary of child care providers often prevents the most qualified college graduates from pursuing careers in child care. The average child care worker earns about $12,000 a year while the average outstanding loan total for a college graduate ranges between $11,000 and $14,000, depending on geographic location. New graduates cannot afford to work in a day care center with these types of loans looming over them, and many look to teaching and other professions that given them the opportunity to earn more money.

Those who do choose to work in a day care setting quickly discover that they cannot continue to work in centers, and use their positions to help catapult them into full time teaching positions in public and private schools.

This amendment will give child care workers the incentive to remain in the child care field and will provide a similar loan forgiveness to the program already in effect for teachers, doctors and Peace Corps volunteers. This amendment provides incentives that encourage stable, highly educated, and better trained staff members in America's child care facilities. Additionally, the program is designed so that the loan forgiveness is directly related to the number of years of service in child care thus ensuring stability and continuity of providers at day care centers.

Accordingly, I urge my colleagues to join us in supporting the Lazio-Gilman-Tauscher amendment in helping to provide assistance to child care workers and to ensure that our Nation's children are being cared for by trained staff in day care centers across America.

THE RETIREMENT OF HEINZ POLL FROM THE OHIO BALLET

HON. THOMAS C. SAWYER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. SAWYER. Mr. Speaker, I rise today to praise one of the best teachers that I have ever known. The classroom has not been his stage. Rather the stage has been his classroom.

Heinz Poll, the founding artistic director of Ohio Ballet, taught choreography to dancers; he taught dance to an audience that expanded from Akron, to the Northeast Ohio region, then nationally and internationally; and he taught everyone in the dance world that the province of ballet is not solely New York and Paris.

I know it seemed improbable to many of us in Akron, Ohio, 30 years ago when Poll founded the precursor Chamber Ballet, that this company would become a national asset. But Heinz Poll's vision and drive soon made it evident that what was Akron's treasure could be shared with the world.

We are grateful that Heinz Poll will be leaving to his dancers many of his works. He has also spent his last years with the Ohio Ballet setting the stage for those who follow in his steps. They will be hard to fill.

I ask that Monday's article from the Cleveland Plain Dealer detailing Mr. Poll's work be included in the RECORD.

HEINZ POLL TO RETIRE FROM OHIO BALLET

[From the Cleveland Plain Dealer, Monday, Apr. 27, 1998]

By Wilma Salisbury

Heinz Poll, founding artistic director of Ohio Ballet, will step down next spring after 31 years at the helm of Akron's nationally renowned dance company. He announced his retirement Saturday before the final performance of the company's 30th anniversary season at the Ohio Theatre in Playhouse Square.

''This is the right time,'' he said. ''I can help the company in transition. It's much better if it's a slow transition. I'll be around to help if they wish so.''

Poll, 72, said he has spent two years working on strategic plans for the company's future. Board president D. Lee Tobler said the trustees are dedicated to protecting Poll's legacy.

''Heinz's contribution to the world of dance is truly remarkable,'' Tobler said. ''His work is full of life and true artistry. He has created an outstanding national as well as regional company which will be perpetuated in the coming years.''

Tobler will head a committee of board members that will launch a national search for Poll's successor.

The new artistic director is expected to be in place by January. Poll will stay on until the end of the 1998–99 season.

''They will want someone who appreciates Heinz's vision and will keep his major works alive. I don't think anyone is looking for a big change,'' said associate director Barbara Schubert, longtime trustee and a member of the search committee.

Staff members realize, however, that it will not be easy for someone else to fill Poll's shoes.

''Most people came to see Heinz's company,'' said artistic administrator Jane Startzman, a former Ohio Ballet dancer. ''It's going to be a whole different thing. There will be a new artistic director with his own vision.''

The announcement of Poll's retirement comes at a time of transition for Ohio Ballet. General manager Howard Parr left the company two weeks ago to take a position with Akron Civic Theatre. A new general manager has been selected and will be announced this week. Eleven members of the company will not return next season. But six dancers and two key members of the artistic staff—ballet master Richard Dickinson and rehearsal assistant David Shimotakahara—will stay.

Poll has hired nine new dancers and two apprentices for the 1998–99 season. They will begin rehearsals in June for the company's annual Summer Festival.

''The new dancers coming in are strong people. I'm eager to work with them,'' Poll said.

Born in Germany and trained at the famed Folkwang School, Poll started his international career with German ballet companies, then worked for 11 years with the National Ballet of Chile. He spent two years with a French ballet company before coming to the United States to perform, choreograph and teach.

An invitation to teach in Akron led to the founding of the Chamber Ballet, the eight-member student company that developed into Ohio Ballet. The company made its debut in 1968 dancing Poll's ''Elegiac Song,'' an anti-war ballet that was lighted by Thomas R. Skelton, the internationally renowned lighting designer who served as the company's associate director until his death in 1994.

Over the last 30 years, Poll has choreographed more than 60 works for Ohio Ballet. To make his work available after his retirement, he has willed 17 of his best ballets to 10 past and present members of the company.

''These dancers have given of themselves for so many years. They are faithful to the company. They deserve something,'' Poll said. ''They should earn the money from the ballets. They have not made that much as dancers.''

In retirement, Poll plans to divide his time between his farm in northern New Jersey and an apartment in Northeast Ohio. He intends to travel the world, write his memoirs and possibly choreograph new ballets. ''If I feel I want to do something, I will propose it here or maybe for another company,'' he said.

Poll also joked that he has a secret ambition. ''I'm going to become a ballet critic,'' he said.

TRIBUTE TO ARIS AND CAROLYN ANAGNOS

HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. SHERMAN. Mr. Speaker, I rise to pay tribute to Carolyn and Aris Anagnos, two preeminent philanthropists and community leaders, for their tireless efforts on behalf of Hellenic American causes and human rights and democracy across the world.

For decades, Aris and Carolyn have worked to advance the political, social, educational and cultural interests of the Hellenic American community in Southern California. The Hellenic American Council has given the community an effective voice in domestic and foreign policy, championing freedom and sovereignty in Cyprus, the Aegean and Northern Greece and promoting awareness of Turkish injustices, past and present. The Caloyeras Center for Modern Greek Studies at Loyola Marymount University, the Archbishop Makarios Center of St. Sophia Senior Citizens Residence and a host of other community organizations have benefited from their philanthropy.

This weekend the Friends of Hellenic Studies and the Basil E. Caloyeras Center at Loyola Marymount University are honoring Carolyn and Aris for their years of service to the Hellenic-American community and their exemplary support of Modern Greek Studies at Loyola Marymount. I would like to underscore the importance of supporting Hellenic Studies programs and the teaching of Modern Greek history, culture and language in our universities.

In addition to being great Hellenes, Carolyn and Aris are great democrats and humanitarians. It is not incidental that those who uphold the Hellenic ideals of democracy would be champions of peace, human rights and civil liberties, both here in the United States and abroad. As board members and executive officers of the American Civil Liberties Union and the Southern California Americans for Democratic Action, Aris and Carolyn have worked to promote democracy and human rights in all parts of the world.

Mr. Speaker, we owe a debt of gratitude to Carolyn and Aris for their dedication and their humanity.

TRIBUTE TO THE 40TH ANNIVERSARY OF ''THE EMERALDS''

HON. BILL PASCRELL, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. PASCRELL. Mr. Speaker, I would like to call to your attention the momentous occasion of the 40th Anniversary of ''The Emeralds'', greater Paterson, New Jersey's premier rock and roll band.

''The Emeralds'' got their start in 1958. George Gerro and Joe Zisa met one day on a city bus while on their way to high school. As they spoke with one another, they realized they shared a common bond: music! George played guitar with the early inception of ''The Emeralds'' while Joe sang and played the saxophone with other local musicians. George took down Joe's number and promised to call if he ever needed a saxophone player. Within time that phone call came and the rest is history.

''The Emeralds'' now consisted of George on Guitar, Joe on vocals and saxophone, Charlie Lombardo on bass, and Jack Sliker on drums. The band rehearsed diligently in George's garage at 205 Emerson Avenue in Paterson. Performing many of the current hits of the day, ''The Emeralds'' were quickly booked to play school dances and one Saturday a month the John Raad American Legion Post in south Paterson. No matter where you went, be it St. Mary's C.Y.O., Central High School, or the Lincoln Club on West Broadway, ''The Emeralds'' were there!

In 1960, ''Lightning'' Lenny Conforti, Joe's best friend, joined the group on drums replacing Jack Sliker who had joined the Army. The bank also added Bernie LaPorta from Central High on guitar. During the 1960s the band members paid their dues to ''Uncle Sam'', but still managed to keep the group together. ''The Emerald Experience,'' as they were now called went through additional lineup changes, with Bernie and Lenny taking an opportunity to go on the road with ''The Happenings.'' They were replaced by Joe Collucci on keyboards, who stayed with the band for three years, and Ron Tattersall on drums, who remained with the band until 1976 when Lenny returned. Bernie came back in 1973.

Nineteen sixty-six was the year that Sal Sellitto became an ''Emerald.'' Returning home from his recent tour of duty in Vietnam, Sal met up with his old friend, Joe Zisa. Knowing of Sal's vocal talents, Joe proposed to the rest of the band that Sal take over on lead vocals. The band was very skeptical at first. But, one night ''The Emeralds'' were performing at the Four Winds in Verona. The band asked the audience if they would like to hear Sal sing with the group. With some coaxing and encouragement, Sal eventually made his way to the stage and the band promptly broke out into ''Expressway To Your Heart.'' When the song ended, the audience roared its delight and from then on Sal was an official ''Emerald.''

Celebrating their 25th Anniversary, the band was booked for a big show at the Imperial Manor. For the show, the group added John Lepore on keyboards and he soon became the sixth ''Emerald.'' John had a 14-year tenure with the group until he decided to go on his own; he was then replaced by Joe Shamah. In 1989, Marie Fernandez joined the band and became the first female member of the ''Emerald Experience.'' Marie was a graduate of the Berkeley School of Music and took over on lead vocals and harmonies. After a brief stint with the band, Marie got married and with her husband, moved to Maryland. Replacing her on vocals was Sherry Piero, who had the right chemistry, personality, and above all, a great voice.

Mr. Speaker, I ask that you join me, our colleagues, the members (past and present) of the ''Emeralds,'' and their families and friends, in recognizing the many outstanding and invaluable contributions the band has made to not only music history but to the history of New Jersey.

50TH ANNIVERSARY OF KSTP–CHANNEL 5

HON. BRUCE VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. VENTO. Mr. Speaker, I rise today to honor the 50th Anniversary of the Twin Cities' oldest television station, KSTP–Channel 5. As the first television station in Minnesota and surrounding areas in the Upper Midwest, KSTP holds a special place in Minnesota broadcast history.

Radio pioneer Stanley E. Hubbard launched Channel 5 on April 27, 1948. Over the years, KSTP played a leadership role in shaping news reporting and what was to become modern broadcast journalism. In 1950, KSTP become the first station in the country to offer a 10:00 PM newscast seven days a week. Two years later, KSTP introduced investigative reporting to television news. In 1961, KSTP made history again, by being the first station to go all-color, and in 1974 KSTP introduced electronic news gathering, making film clips a thing of the past. One of the proudest moments for the station was in 1993 when KSTP won a Peabody Award for ''Who's Watching the Store?'', an investigative report about racially biased security at Carson Pirie Scott department stores. Today the enterprise has flourished with broadcast franchises in several key markets. The pioneer quality of the Hubbard business acumen is evident in the satellite transmission joint venture that is leading the wave of modern communications.

When Stanley E. Hubbard died in 1992, the state of Minnesota mourned the loss of this television pioneer. His legacy, Channel 5, has done Minnesota proud and has been a real

trail blazer in television news over the years. I would like to take this opportunity to congratulate KSTP on fifty years of journalistic excellence and technical innovation, and offer my best wishes for continued success in the future.

At this time, I would like to share with my colleagues an article highlighting the many achievements of KSTP from the Minneapolis Star Tribune [April 26, 1998]. I ask the Chair that this article be included in the RECORD with my remarks.

A LOOK BACK AT KSTP

The first 50 years of KSTP–TV have been nothing if not eventful. Here are some of the milestones and defining moments in its history.

April 27, 1948—Twin Cities radio pioneer Stanely E. Hubbard launches Channel 5, the first television station in Minnesota and the surrounding Upper Midwest. First-day programming includes a Minneapolis Millers game from Nicollet Park, a 10-minute evening newscast and ''Sunset Valley Barn Dance,'' KSTP's local version of Nashville's ''Grand Ole Opry.'' The station subsequently becomes the first NBC affiliate not owned by the network.

1950—KSTP becomes the first station in the country to offer a 10 p.m. newscast seven days a week.

1950—KSTP engineers begin a bitter wage-related strike that lasts three years. Station is still nonunion.

1952—KSTP introduces investigative reporting to TV news.

1953—KSTP broadcasts the first color TV program in the Upper Midwest, a Christmas episode of NBC's ''Dragnet.''

1961—KSTP is the first station in the nation to go all-color.

1967—Stanley S. Hubbard, the founder's son, assumes the KSTP presidency. Stanley E. Hubbard remains Hubbard Broadcasting chairman.

1970—Appalled by anti-war protests at the University of Minnesota and other campuses, KSTP officials announce an on-air campaign to rekindle patriotism and respect for the flag.

1970—Hubbard Broadcasting becomes a client of Frank Magid & Associates, an Iowa firm that consults TV stations and networks about how to make newscasts viewer-friendly.

1971—To combat WCCO–TV's ''The Scene Tonight,'' which has pulled ahead of KSTP's 10 p.m. news, the station introduces ''The World Today,'' with an all-new on-air team: anchor Ted O'Brien, sportscaster Tom Ryther and ''peek-a-boo''weatherman Barry ZeVan.

1973—''The World Today'' gives way to Eyewitness News.''

1974—KSTP introduces electronic news-gathering (ENG), making news ''film'' obsolete.

1974—With the arrival of new anchorman Ron Magers, a Magid discovery from California, KSTP begins to reassert its dominance over WCC–TV, Channel 4, in news.

1975—KSTP hires the Twin Cities TV's first degreed meteorologist, University of Wisconsin-Milwaukee professor Walt Lyons.

1975—KSTP preempts the NBC News special, ''A Shooting Gallery Called America,'' saying it was biased in favor of gun-control proponents and might influence a handgun bill under consideration in the Legislature.

1977—Dave Dahl joins the weather staff.

1979—After 31 years with NBC, KSTP switches affiliation to ABC, which has surged to prime-time prominence on the strength of shows such as ''Laverne & Shirley,'' ''Three's Company'' and ''Charlie's Angels.''

1980—Ron Magers leaves KSTP for Chicago's WMAQ–TV.

1982—KSTP launches ''Good Company,'' a daily talk-service show starring Sharon Anderson and Steve Edelman.

1987—KSTP finishes third in the 10 p.m. news competition for the first time.

1990—KSTP introduces ''Eyewitness News All-Night,'' a wee-hours news service.

1992—Stanley E. Hubbard dies.

1993—The station wins a Peabody Award for ''Who's Watching the Store?'', an investigative report about racially biased security at Carson Pirie Scott department stores.

1994—''Good Company'' is replaced by the syndicated ''Regis & Kathie Lee.''

1998—General manager Ed Piette and news director Scott Libin are hired.

INTRODUCTION OF LEGISLATION TO INCREASE THE AVAILABILITY, AFFORDABILITY, AND QUALITY OF SCHOOL-BASED CHILD CARE PROGRAMS FOR CHILDREN AGED 0 THROUGH 6 YEARS

HON. THOMAS H. ALLEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. ALLEN. Mr. Speaker, I am today introducing legislation which I developed with Representative SNYDER of Arkansas. This bill aims to improve working families' access to affordable, reliable child care. The Education-Child Care Partnership Act earmarks funds within the Child Care and Development Block Grant (CCDBG) for states to fund Local Education Agencies (LEAs) which choose to provide full-day, year-round school-based child care for children aged 0 to 6.

The Education-Child Care Partnership Act develops a seamless system of early childhood education. Under this legislation, funds would be funneled through the states to LEAs to be used for (1) operation of a qualified school-based child care program, (2) hiring and training child care personnel, (3) construction, expansion, or rehabilitation of facilities for school based child care. Because child care is such a local concern, this bill gives the states and LEAs the maximum flexibility in how they choose to administer the grants made available under this program.

The breakthroughs in research on brain development in the early years of a child's life strongly underscores the need for quality child care. Now is the time to focus our attention on education, and quality health and child care.

Utilizing our existing resources, our schools, for child care can enhance the affordability, accessibility, and quality of child care. School-based care is an accessible alternative of child care as local schools are often community centers. For families with more than one child, transportation issues are made simpler if they can drop their children off at one place. Some school-based programs extend the use of school bus services to children participating in the child care programs. The programs that would be eligible under this legislation are full day, year round programs. This helps parents who often face child care difficulties during school vacations and summer breaks.

School-based care programs are able to provide quality programs by utilizing existing resources at the schools such as art supplies, sports equipment, playgrounds, etc. Many collaborate with other community resources such as school employees and social service agencies to further enhance the quality of their programs. Many programs are eligible to participate with the USDA Child and Adult Food Program and/or allow parents to purchase school lunches and snacks for the children in child care.

There are currently a number of school-based programs for before and after school care for school aged children. These programs should be supported and expanded. I believe that school-based care makes logical sense for both school-age children as well as preschool children.

Recent research suggests that the first years of life are crucial for a child's emotional and intellectual development. As recently as 15 years ago, neuroscientists assumed that brain structure was genetically determined at the time of birth. They did not recognize that a child's early years have a tremendous impact on the structure of his or her brain. Neuroscientists have found that throughout development, even prior to birth, the brain is affected by environmental conditions, such as nourishment, care, surroundings, and stimulation. The human brain is constructed to benefit from experience and quality teaching, particularly in the first years of life.

Teachers and principals at Maine elementary schools tell me that in the last 5 years especially, but also for the last 10 or 15 years, they have seen a significant increase in 5 and 6 year old children with little or no capacity to play with other children or to participate in class. These kids lack the basic social skills that allow ordinary interaction with others. Consequently, they are extraordinarily difficult to teach. Many get their only real meals at school. Teachers and principals do not know how to deal with them. The explanation is always the same. They come from families where substance abuse is chronic, and neglect follows. If we miss early opportunities to promote healthy development and learning, later remediation may be more difficult and expensive.

Mr. Speaker, it is imperative that as we debate education, health, and child care issues that we take into account the compelling evidence regarding early childhood development. I urge my colleagues to support the Education-Child Care Partnership Act in the months to come.

TRIBUTE TO VICTIMS OF ARMENIAN GENOCIDE

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. SCHUMER. Mr. Speaker, I rise this day to add my voice to the chorus of my colleagues in remembering the atrocious massacre of the Armenian people during World War I, the first genocide of the 20th century. I have always held that if the world had recognized this tragedy then, and learned from it, a step would have been taken toward preventing later massacres committed by the likes of Adolf Hitler and Pol Pot.

With every voice we lift, the Armenian people gain more strength to press for the acknowledgement of this genocide committed by

the Ottoman empire. Americans, as a humanitarian people, must work with the Armenian communities to restore the names and faces of Armenian victims and honor their memories. We commemorate this anniversary to show that we have not forgotten, and will not forget what has taken place. We recognize this anniversary to say that we will resist the efforts of some to distort the truth about this genocide hoping to thereby minimize its significance.

Our efforts to remember must be matched by our actions to prevent genocides from ever again being committed in this world. Eighty-three years after Turkey's holocaust of the Armenians and fifty-three years after Hitler's holocaust of the Jews, we are still combating religious and ethnic intolerance and the attempts by despotic governments to silence unwanted minorities with bullets and fire. With the survivors of these genocides now few in number, it is our task, as those who know those survivors, to educate our children so that these killings will not be forgotten. If we fail in this task, our children may very well come to have new genocides to remember.

It is because of this duty to history that I commend the efforts of the Armenian community to shed light on the genocide which wiped out so many of their people. Without their strength and perseverance the full truth about the Armenian people and their struggle would be unknown to many today. Because of all this, it is vital for everyone today to commemorate the survival of the Armenian people in spite of what happened, and through that commemoration, to help prevent such crimes from ever happening again.

COUPLE DOTES ON FAMILY OF 10

HON. DONALD A. MANZULLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. MANZULLO. Mr. Speaker, what is right with America?

So often we heard about what is wrong with American families. Let me tell you what is right about one family in particular. Dan and Julie Danielowski. Dan and Julie have a total of five children, and that's a house full. But this loving couple, who live in Byron, Illinois, decided that there are some really needy kids in America. That's why Dan and Julie became foster parents to Jasmine and Jaminique, seven years and 18 months ago respectively. When Dan and Julie discovered these two girls had three siblings in another foster home, Dan and Julie worked on keeping the family together through regular visits.

The generous hearts of Dan and Julie became even more evident when they agreed to adopt all five of these children. That's a total of ten children. And they raise these kids on Dan's salary as a public school principal.

Their story is told in the April 23, 1998 edition of the Oregon (IL) Republican Reporter, which is attached.

Who says people in American don't care anymore? Just ask Dan and Julie Danielowski. They'll tell you what America is really about.

[From the Oregon (IL) Republican Reporter]

COUPLE DOTES ON FAMILY OF 10

(By Vinde Wells)

Julie Danielowski was miraculously still smiling as she loaded three baskets full of wet laundry into her van on a rainy afternoon in preparation for a trip to the laundromat.

''This isn't exactly how I'd planned the evening,'' she said with a grimace, ''but the dryer is on the blink, and they say it will take two days to get the part we need.''

The dryer is just one component crucial to the smooth operation of Danielowski's household—she and her husband Dan are the parents of 10 children ranging in age from four to 18.

Added to that are three dogs and an undetermined number of cats. ''We just had two new litters so we aren't exactly sure,'' Dan said.

The Danielowskis live near Byron. The house they built themselves is situated on a large, wooded lot with plenty of elbow room.

The couple's family officially doubled March 5 when the adoption of their youngest five children became final.

Every aspect of Dan and Julie's lives attests to the fact that they like children.

Dan is the principal of Roosevelt Community Education Center, Rockford, which includes the Rockford School District's alternative high school and adult education center.

Julie is a secretary at Mary Morgan Elementary School, Byron.

When they married eight and a half years ago they blended their children from both their previous marriages. Dan had two and Julie had three, one of whom was adopted.

Dan said he really likes having kids around—lots of kids. ''When it was just the two kids and I for a year or so, I really liked it when they had friends over.''

Julie had previously been a foster parent, and Dan realized the need for foster care while he was an assistant high school principal.

He said he waited for several hours on one occasion with a student and a Department of Children and Family Services worker while the case worker searched for a place for the student to spend the night.

Dan said the case worker called numerous foster parents only to be repeatedly turned down.

He said they were interested in providing temporary foster care—a place for children to stay overnight or for a few days until more permanent arrangements can be made.

''We had foster care in mind when we built the house,'' Dan said. He said the house is designed in a modular fashion which allows for easy conversion of space from one use to another and for easy expansion.

The home has three bathrooms, six bedrooms and two family rooms. Dan is in the process of adding a deck on the back.

Adoption wasn't really part of the plan.

''With five kids I figured our lives would be crazy enough,'' Dan said with a laugh.

All that changed in August of 1995 when Julie got a call from Lutheran Social Services Inc. (LSSI) asking if they could take two girls for the night.

''We had a foster care license to do short term care,'' Julie said. ''We thought it would be two days or couple of weeks.''

The oldest and the youngest girls—Jasmine and Jaminique—arrived. They were seven years and 18 months respectively.

Dan and Julie soon learned that their two little girls came from a family of five. The other three children had been placed in another foster home.

Julie said that after six months they started providing weekend visits at their home for the other three children so all five children could be together.

Dan said that sometime within that time it became apparent that the youngsters could not return to their mother's care.

The situation was complicated because three agencies were involved. The Danielowskis were licensed through LSSI, and were working with both LSSI and DCFS for Jasmine and Jaminique.

The other three siblings—Jarmanda, Joe and Jovana—were under the supervision of the Children's Home and Aid Society.

Julie said adopting the children gradually became the obvious solution as the agencies involved searched for a permanent foster home.

Julie said Jasmine and Jaminique had been in five homes in the previous six months. She said she believed another move would be too much for Jasmine, who had taken on the role of mother to her sisters and brother.

Dan said that when they learned that all five children might be moved to yet another foster home they decided to act.

''LSSI offered to go to bat for us if we were interested in taking all five,'' he said.

Jamanda, Joe and Jovana came to live with the growing Danielowski family in August of 1996.

''It's something I don't think we could have done without the help of our older kids,'' Julie said.

Julie's day begins a little before 6 a.m. when she gets up. She makes sure everyone else is up by 6:30.

''You have to be organized, of course,'' she said, ''but it's just what we do.''

The family frequently sits down together for meals, she said. That alone is no small feat considering work, school and activities schedules.

All the children are involved in sports, and other school activities.

Dan and Julie are on the board of the Byron Civic Theatre, and Dan is currently directing the spring production of ''Little Shop of Horrors''.

Melissa, Jasmine, Jarmanda, Joe, Jovana and Jaminique swim with the Tiger Sharks.

Megan has a part-time job at a nearby veterinary clinic.

She and Kate will both graduate from Byron High School this spring and are headed for college in the fall. The two fifteen-year-olds, Ben and Riley, will start driving in the fall.

Before all that, however, is a matter of greater urgency—getting five ready for the prom.

The four high school age children are attending the event and Jovana, who is a first grader, will be the prom princess.

''Dan asked what this is going to cost us, and I said don't even go there,'' Julie said.

THE DRUG ABUSE PROBLEM

HON. CASS BALLENGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. BALLENGER. Mr. Speaker, since the early 1990s, Americans have witnessed staggering increases in illegal drug use, especially among our nation's youth. Marijuana experimentation is beginning at an earlier age, and as a result, our children are turning to deadly drugs like LSD, heroin, crack and cocaine at progressively earlier ages. Drug abuse also expands our crime problem and is related to about half of all street crime.

And what is being done to solve this horrendous problem? Unfortunately, nothing by the Clinton Administration. In fact, one of President Clinton's first acts in office was to cut the Drug Czar's office by 83 percent. Since 1993, funding for drug interdiction programs has been reduced by roughly $1 billion and federal

drug prosecutions and arrests have plummeted.

In comparison, the Republican Congress has provided effective leadership in the war on drugs by providing resources for law enforcement and increased funding for DEA anti-drug initiatives such as combating Caribbean and Southwest border drug trafficking. In addition, we have provided ample funding for the Safe and Drug Free Schools program to establish comprehensive, integrated approaches to drug and violence prevention at our nation's schools.

Eliminating America's drug problem, especially the curse of drug use among our nation's youth, should be one of the federal government's top priorities. I applaud the House's passage yesterday of legislation prohibiting federal funding for needle exchange programs and I hope the Congress will continue to work to eradicate the scourge of drug abuse that continues to eat away at our homes, schools and neighborhoods.

A SPECIAL TRIBUTE TO RON LEHMAN ON THE OCCASION OF HIS RETIREMENT

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. GILLMOR. Mr. Speaker, I rise today to pay special tribute to an outstanding individual from Ohio's Fifth Congressional District, Mr. Ron Lehman.

Today, Thursday, April 30, 1998, Mr. Lehman will retire from his position as bailiff for the Sandusky County Court of Common Pleas in Fremont, OH. Ron, a highly regarded and distinguished law enforcement officer, will be retiring after 30 years of exemplary community service to the citizens of Sandusky County.

Thirty years ago, Ron began his career in law enforcement as a Police Officer for the City of Fremont. He later worked as a Deputy with the Sandusky County Sheriff's Department. In 1976, Ron began working as the bailiff for the Honorable Harry Sargeant at the Municipal Court. Three years later, in 1979, Ron continued his service with Judge Sargeant becoming the bailiff for the Court of Common Pleas, where he has served for the past 22 years.

Ron's dedication to law enforcement and to Judge Sargeant and the Court is surpassed only by his unwavering commitment to his family and his friends. To all those who know him, Ron is a wonderful person and a caring and loving husband.

They say that America works because of the unselfish acts of her citizens. No where is that more evident than with the actions and contributions that Ron Lehman has given to his family, his profession, and his community.

Mr. Speaker, I would urge my colleagues to stand and join me in paying special tribute to Ron Lehman on the occasion of his retirement, and in wishing him the very best in the future.

SENSE OF CONGRESS ON 50TH ANNIVERSARY OF FOUNDING OF MODERN STATE OF ISRAEL

HON. THOMAS M. BARRETT

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. BARRETT of Wisconsin. Mr. Speaker, it is a special privilege for me today to honor the nation of Israel on its 50th birthday. On May 14, 1948—the fifth day of Iyar, 5708 under the Jewish calendar—after years without a national homeland, the Jewish people established a new country and the historic nation of Israel was reborn. As Israelis celebrate their country's 50th anniversary, the international community is celebrating with them 50 years of independence.

In the 5th Congressional District of Wisconsin, the Milwaukee Jewish Federation, the Hillel Foundation-Milwaukee, the Jewish Community Center, the University of Wisconsin-Milwaukee Center for Jewish Studies, the Coalition for Jewish Learning, and other organizations have scheduled a series of events to commemorate this occasion. On May 15th, the Consul General of Israel to the Midwest, Tzipora Rimon, will come to Milwaukee to participate in a forum called ''Israel at 50! Taking Her Place in the Global Economy.'' I look forward to participating in that important conference.

As someone with a great interest in Israel, Middle Eastern affairs and world peace, I believe that the political transformations in this region during the past few years have been dramatic. I was deeply saddened when Prime Minister Yitzhak Rabin was felled by an assassin's bullet on November 4, 1995. I met with Prime Minister Shimon Peres in February, 1996, during a visit to Israel with the group Milwaukee-Jerusalem 3000. And I listened as his successor Benyamin Netanyahu addressed a joint session of Congress, in July 1996. We have come a long way, despite attempts by extreme factions to harm Israel and the cause of peace in the region.

I would like to quote an excerpt from Israel's ''declaration of independence,'' published 50 years ago as the British mandate over the area drew to an end: ''We extend our hand in peace and neighbourliness to all the neighbouring states and their peoples, and invite them to cooperate with the independent Jewish nation for the common good of all.''

It is in that spirit, and with that faith, that I will continue to work with the administration to ensure the United States remains firm in its commitment to the security of Israel and to those principles necessary to guarantee the success of the Arab-Israeli peace process.

HIGHER EDUCATION AMENDMENTS OF 1998

SPEECH OF

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1998

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 6) to extend the authorization of programs under the Higher Education Act of 1965, and for other purposes:

Ms. DELAURO. Mr. Chairman, I rise today in support of the reauthorization of the Higher Education Act. A college education has become a virtual necessity for success, but the rising cost of tuition has put that diploma further and further out of reach for many students.

I am particularly glad that this bill makes more funds available for financial aid programs, and especially Pell Grants, which help open the doors of college to America's neediest students. Increasing the maximum Pell Grant from $3,000 to $4,500 may not sound like a lot, but to many students it makes all the difference in the world.

Now that we have authorized more funds for Pell Grants, I encourage my colleagues to work together to support a budget that makes that money available to students who are depending on this financial aid to pay for their college education. It does no good to authorize increases if we do not make the money available to make those increases real.

I am also pleased that we have worked out a compromise that will lower the interest rates on student loans. But I am concerned about the billion dollar pay off we are giving to lending institutions. This money will actually make student loans more profitable for banks than the typical loan portfolio.

We should put that funding toward financial aid programs and helping students—not bankers. But overall, I believe this bill does the right thing in making college accessible to more Americans, and I urge my colleagues to support it.

TRIBUTE TO THE FRANKLIN TOWNSHIP LIONS CLUB ON THEIR 50TH ANNIVERSARY

HON. MICHAEL PAPPAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. PAPPAS. Mr. Speaker, I rise today to pay tribute to the Franklin Township Lions Club which is celebrating its 50th anniversary this year.

Having served as a Lion myself since 1982 in this very club, I am well aware of the important role and contribution that the Lions Club makes in so many communities around our country especially in the Township of Franklin, New Jersey. As the former Mayor of the Township, I can personally attest to the numerous activities and the community involvement of the Lions.

In particular, the Franklin Lions helped to found the Township's Little League, funded the scoreboard at the High School, hosted a Halloween parade, and raised money for the High School seniors to go on to college through scholarships. They have also provided eye glasses, eye exams, hearing tests and a host of other health related screenings to all the members of the community. And it was the Lions who raised the funds for a sensory garden for the handicapped and blind. Their fund raising efforts have also served members of the community in need. In one such instance, the Lions worked tirelessly to help raise the necessary funds to help a young man in the community who was in need of a liver transplant.

I would like to congratulate the Club's current officers, Joseph Bocklage, President and Treasurer, Julius Schwartz, First Vice President, Upendra Chivukula, Second Vice President, John Dutkowski, Secretary, Mario Zanon, Tail Twister/Lion Tamer, Lou Agg and Harold Rosenzweig who act as first year directors, Kevin Hrabinski and Bernie Rubin who serve as second year directors and Brendan Nihill the Membership Chairman. Each of these men and all of the other men and women of the club have selflessly given of their time and resources to serve their community.

As this Congress continues to emphasize the need for service organizations and volunteers to assume a greater role in one Society, it will be organizations like the Lions that year after year continue to bring about positive change. On Saturday night, the Franklin Township Lions Club will hold the 50th anniversary dinner and I would like to extend my best wishes. The people of your community, the people of New Jersey and the people of America thank you for your service.

As America looks toward the 21st century, Lion's Clubs around the nation stand ready and committed, full of energy, creativity and solutions to help us become a better society and solve the problems that face our nation. The Lion's motto, ''We serve'' is an inspiration to us all because it epitomizes this organization's commitment to their fellow man.

TRIBUTE TO HENRY AND JANET ROSMARIN

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. BERMAN. Mr. Speaker, my colleague Mr. WAXMAN and I rise today to pay tribute to Henry and Janet Rosmarin, who are actively involved with Temple Ner Maarav and the Survivors of the Shoah Visual History Project. Their interest in the latter is more than historical; Henry and Janet are survivors themselves.

Henry, born Henryk Rosmarin, and Janet, born Jadzia Jakubowicz, met in her father's apartment in the shtetl of Czeladz in Poland. Henry came to High Holiday services, illegal under the rules of the conquering Nazi powers. Two years later the Gestapo rounded up all the Jews in the village.

As the Nazis closed in, Henry, displaying remarkable bravado and optimism, turned to Janet and said, ''When this is all over we should find each other and we should get married and make a life together.'' She promised to meet him back in the same town when they were free.

A few weeks later they were deported to the death camps. During the war Janet was an inmate at Auschwitz and Birkenau; Henry at Gross-Rosen, Buchenwald and a few others. One of the ways Henry survived was with his harmonica. He entertained his captors in return for his life.

Most of Henry's family and most of Janet's family were murdered in the camps. Despite his grief, Henry kept his promise. He returned to Czeladz and waited for Janet. After several months a young woman came to town and happened to ask a cousin of Henry's what had become of Henryk Rosmarin. ''You must be Jadzia Jakubowicz,'' was the startled reply.

Fifty years ago, Henry and Janet were married. They raised a family and settled in Southern California. The Rosmarins have somehow retained the values of the shtetl—family and community—while living in an entirely different and more complex world.

We ask our colleagues to join us in honoring Janet and Henry Rosmarin, whose story is testimony to the power of the human spirit. Their will to live is a stirring example for us all.

TRIBUTE TO THE CEA

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. GEJDENSON. Mr. Speaker, I rise today to pay tribute to a fine organization that represents the teachers of my state, the Connecticut Education Association. 1998 marks the 150th anniversary of the CEA, an advocate of teachers and public education that represents not only the 30,000 teachers in its ranks but the hundreds of thousands of children they instruct.

We in Congress all know the crucial role that teachers play in educating our nation's children. We as legislators and parents count on them to do their job with enthusiasm, vigor, and skill. We value them as important factors in our children's well-being, and we treat them as such.

However, respect for teachers has not always been as high as our beliefs would suggest. For many decades, teacher pay and benefits were lower than in most other occupations. Society did not reward teachers properly for their performance nor were they provided with much needed support.

Organizations such as the CEA have enlightened the public and its legislators about the need to attract and keep excellent teachers, the need to compensate them appropriately for their toils, and the need to provide them with a supportive work environment that helps them do their job at the level we expect. The CEA has worked and is still working to advance the teaching profession and accordingly, advance the children they instruct.

When the CEA was formed in 1848, teachers in Connecticut's small towns, many of which are in my district, were typically versatile young women who made education come alive from bland textbooks. They taught in one-room schoolhouses in which all of the town's children attended, they formulated lesson plans for each child, catering to individual needs.

The CEA came about as a means of helping teachers with their tasks. As Connecticut grew and modernized, the CEA took action to improve teacher's pay and establish teaching as a profession. Salaries rose, benefits grew, and the requirements that were placed on teachers were expanded. Because of these hard fought efforts, the quality of instruction in our classrooms has increased. Today's teachers benefit from predecessors who sacrificed pay and time so that our children would benefit from high-quality teachers and a high-quality environment.

Today's public school teachers are just as versatile as their 19th century counterparts. A typical Connecticut teacher today must deal with as many as 150 or more students in one day, students from a variety of backgrounds, from a variety of family structures, with a variety of interests, and deal with a variety of pressures. Despite the enormity of their task, teaches regularly deliver. The CEA serves as their partner in their efforts, providing services and assistance to its members.

I commend the CEA on its proud history and congratulate it on the milestone is has reached. Connecticut, and the nation, is undoubtedly better off because of the CEA.

TRIBUTE TO BELLEFONTE AREA HIGH SCHOOL

HON. JOHN E. PETERSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. PETERSON of Pennsylvania. Mr. Speaker, I rise today to acknowledge the accomplishments of a dedicated group of young people who worked together to achieve something no one in the Bellefonte Area High School has ever done. I wish to pay tribute to students and their faculty advisors who participated in the Central District History Day Project Competition. They won first and third places in the Senior's Group Project Division.

This year's History Day Project theme was Migration. First place went to Kamal Aboul-Hosn, Justin Miller, and Ben Spicer for their project entitled ''Communism: Rise, Reign & Fall.'' Third place went to Stacey Waksmonski, Jessica Rhoads, Jessica Benson, Jeremy Acker, and Daria Cramer for their project entitled ''Women of the West—Travels and Changes.''

Today's youth are our leaders of tomorrow. They will become some of the very best leaders because of examples like the faculty members of the Bellefonte Area High School. Faculty advisors Ed Fitzgerald, Martha Nastase, and Tricia Steckel are to be especially commended for their encouraging efforts which led to the above awards. When we hear about the poor state of education or educators in our country, we need to think about success stories such as these. Hard work and commitment will achieve much as these students and faculty members demonstrate.

I extend my warmest congratulations and best wishes to these Bellefonte Area High School students as they compete in the State Championship Competition at State College on May 13–14. Their enthusiasm for this project and desire to share history is commendable and should be encouraged by all.

HIGHER EDUCATION AMENDMENTS OF 1998

SPEECH OF

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1998

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 6) to extend the authorization of programs under the Higher Education Act of 1965, and for other purposes:

Mr.

PAYNE. Mr. Chairman, I would like to thank both the Chairman and the Ranking Member of the Education and the Workforce Committee, along with both the Chairman and Ranking Member of the Subcommittee on Postsecondary Education for including many of the provisions in a bill I introduced, H.R. 3311, to improve International Education pro rams in H.R. 6. As a member of the International Relations Committee and the Education and Workforce Committee, I am well aware that if we are to be competitive in this global economy then we must continue to encourage and support programs designed to educate our students in foreign languages, diplomacy and international affairs. Throughout the years, Title VI has been extremely effective in helping colleges and universities reach that goal. In order to encourage higher education institutions to give greater support to undergraduate international relations and foreign language programs, a provision from my bill was included in H.R. 6 to give the Secretary the authority to fund Undergraduate International Studies and Foreign Language Programs up to 10% of all Part B funds. Also included was an optional, non-federal match of one-third cash from the private sector to encourage more applicants to leverage funding from private sector corporations or foundations. The inclusion of Technological Innovation and Cooperation for Foreign Information Access grants in H.R. 6 enables institutions and libraries to engage in collaborative international education projects utilizing innovative technology. This kind of program is timely as universities and libraries are faced with the escalating costs of access to international resources. In light of the enormous need to expand leadership in international affairs and language study at minority institutions, the new Institutional Development grant program was created to strengthen international affairs programs and curricula by providing subgrants to Historically Black Colleges and Universities, Hispanic Serving Institutions, and Tribally Controlled Community Colleges. Also included in H.R. 6 are changes that were in my bill to the Institution for International Public Policy to expand the current junior year abroad program to permit summer abroad experiences. H.R. 6 also specifically provides for post baccalaureate internships to provide Institute fellows with quality work experience prior to pursuing Masters degree study. To assist in the coordination of Federal support for the Institute/minority international affairs programs, H.R. 6 also created a seven member Interagency Committee on Minority Careers in International Affairs. I would finally like to urge the Committee to consider separating the International Education programs and Graduate School programs in to separate titles as the Senate bill does. The inclusion of both programs in one title is unnecessary and causes difficulty in ensuring that both programs are funded properly. Thank you again for your work on this important title.

HIGHER EDUCATION AMENDMENTS OF 1998

SPEECH OF

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1998

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 6) to extend the authorization of programs under the Higher Education Act of 1965, and for other purposes:

Mr. PACKARD. Mr. Chairman, I am worried about education in this country. America spends far more on public education than any other country in the world, yet our students have fallen far behind those in other nations in actual educational achievement. Since 1960, government spending on elementary and secondary education has increased nearly threefold. However, test scores have plummeted, and the high school drop-out rate is higher than ever.

As a father of seven, grandfather of thirty-four, and former school board member, I have a personal interest in seeing that all children have equal access to a good education. Mr. Chairman, today we will have the opportunity to take a big step forward in this effort.

The truth is, education is no longer affordable for many families. Between 1987 and 1996, the actual cost of educating a student rose 57 percent while the tuition charge rose even faster, at rate of 132 percent. H.R. 6 will help make college more affordable by simplifying the student aid system, stressing academic quality for students, and providing superior training for teachers.

Mr. Chairman, H.R. 6 brings us closer to our goal of ensuring that every student who seeks a quality education will be able to receive it. I commend Congressman MCKEON and Congressman GOODLING for their leadership on this most important issue, and I urge my colleagues to support the Higher Education Amendments.

SENSE OF CONGRESS ON 50TH ANNIVERSARY OF FOUNDING OF MODERN STATE OF ISRAEL

SPEECH OF

HON. JANE HARMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1998

Ms. HARMAN. Mr. Speaker, I rise today to commemorate the 50th anniversary of the establishment of the modern State of Israel, and I commend my colleague, Mr. LANTOS, for introducing this resolution that reaffirms the strong bond of friendship and cooperation between Israel and the United States.

Mr. Speaker, 50 years ago, when David Ben Gurion proclaimed the State of Israel, the world was still reeling from a devastating conflict, and from the realization that more than six million Jews had perished in an orchestrated extermination campaign. The embryonic State of Israel gave hope to Jews everywhere that safety, freedom, and justice could be found at last—and in the ancient cradle of their religion and civilization. And so they have.

And, in the 50 years since its establishment, Israel has accomplished much more than providing a haven for Jews around the world. It has become a vibrant pluralistic democracy—indeed still the only fully realized democracy in the Middle East—and has enjoyed dramatic economic success, even as it sought to achieve security and peace with its neighbors. Throughout these five decades, it has remained a stalwart U.S. ally in one of the most unstable regions in the entire world.

Mr. Speaker, a half-century of friendship and cooperation between Israel and the United States began with President Truman's recognition of Israel shortly after its establishment. It continues today, with our common search for security and peace in the Middle East.

I extend my heartfelt congratulations to the people of Israel on the occasion of this memorable milestone.

HONORING SISTER LUCIA CECCOTTI

HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mrs. MEEK of Florida. Mr. Speaker, on Saturday, May 2, 1998, Sister Lucia Ceccotti will retire after 35 years of caring from her duties as Principal and Executive Director of the Marian Center, which is located in my Congressional district. The Marian Center has educated and trained since 1963, many of the mentally handicapped young men and women of South Florida. Her devotion to her children is evidence of her commitment to the ideals of God.

Born in Pisa, Italy, Sister Lucia Ceccotti joined the Institute of the Sisters of St. Joseph Cottolengo at the age of 18. In Italy, she served as principal of a high school, Mistress of the Postulants, Visitor General, and General Secretary and Counselor of her beloved congregation.

In addition to certificates and degrees in teaching, nursing, and Italian language from various Italian institutions, Sister Lucia holds a Master of Science degree in Administration and Special Education from St. Thomas University in Miami.

Outside of the Marian Center, Sister Lucia has served the parish of St. Philip in various capacities since November 1985. She has given her services, love, and dedication to all with whom she has had contact.

Were all people as humble and loving as Sister Lucia, this world would certainly be a better place. We are each blessed to have had Sister with us and we have all benefited, directly or indirectly, from her efforts.

I thank Sister Lucia for her work and wish her Godspeed in her new endeavors. I am certain that the Lord will watch over you every step of the way.

LEGISLATION INTRODUCED TO REMEDY SPECIAL USE PERMITS PROBLEM

HON. ROBERT SMITH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. SMITH of Oregon. Mr. Speaker, today I am introducing legislation to remedy a problem that affects several thousand holders of special use permits in our national forests. These permits have been authorized since 1915, and many of these permits have been passed down through families over those years.

For several months now, the Forest Service has been reappraising the cabins and other recreational homes on these sites, and as the appraisal process continues, I am concerned that the Forest Service has gone far afield in its real estate valuations in determining what are typical categories of lots occupied by recreational special use permittees.

For example, reports of reappraisals and new fees coming from the Sawtooth National Recreation Area in Idaho show that more than one-third of permittees will have their fees increased in a range of 100 to 500 percent. Reports of fees ranging from a few hundred dollars into the tens of thousands do not appear to be fair, nor related to the true costs to the government of running the permit program, and may not generally reflect the value of the permit to the holder.

A permit holder has limited use of the cabin or recreational home; the facility may not be used as a year-round residence or used for any commercial purpose, and permittees certainly will never own the property in the same sense any other person obtains title in fee simple to a property. In fact, a holder is liable to lose the occupancy permit at the Forest Service's discretion, including the Forest Service deciding just not to renew the permit.

Other limitations apply: the number and type of improvements are restricted, direct permit transfers are not allowed; and the land may only be used for personal recreation. There are no services such as fire protection, road maintenance, water or sanitation services offered.

As mentioned above, the current reappraisal process has problems. These cabins are not owned in the usual sense but rather are constructed for a use that is specified and prescribed by the Forest Service. So, there are problems with appraising these sites at what the Forest Service believes to be their fair market value.

The five percent assessment rate also is a problem. And, it has been reported the Forest Service understands there are questions about applying a five percent multiplier to the property valuation and whether or not it is a valid method for determining the fee.

The bill I am introducing today seeks to fix the problem of exorbitant permit holder fees.

The bill covers all special use permits for recreational homeowners on National Forest System lands; it establishes a base fee as that fee in effect on January 1, 1998 or the fee in effect upon enactment; it increases the fee annually based on the inflation rate; it allows for transfers of the permit by a permit holder to a spouse, child or grandchild without requiring a change to the permit; it requires any other transfer of a permit to be subject to a fee adjustment in a manner otherwise prescribed by law or regulation; and it allows permit renewals after enactment to be issued using the permit fee that was last in effect.

HONORING THE WEQUONNOC SCHOOL

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1998

Mr. GEJDENSON. Mr. Speaker, I rise today to pay tribute to a school in my district, the Wequonnoc School of Norwich, Connecticut. On May 5th of 1998, the Wequonnoc School will receive a national award for excellence through the Title I Recognition Program at the International Reading Association Annual Convention.

Only two schools in Connecticut and one hundred and nine schools around the nation will receive the Title I Recognition Award. I am proud of Wequonnoc's membership in this elite group. This is especially commendable considering the special challenges Wequonnoc faces in Norwich. Just 39 percent of Wequonnoc's students attended preschool, compared with 55 percent of Norwich's students and 69 percent of the state's students. Wequonnoc clearly proves that every student can succeed in an excellent school.

Wequonnoc has maintained its high educational standard by encouraging strong family participation in the educational process.

Continuing their good work, the school is studying new parent empowerment strategies in an effort to involve even more parents in their children's education.

In 1994 Wequonnoc initiated a Family Resource Center that offers a wide range of services including year round preschool and school-aged child care, adult education, and a variety of other services. These services are essential if we are going to make it possible for young people to be successful in life.

Wequonnoc is ultimately successful because the administration, teachers, students and families take education seriously and are willing to work hard to help all of their students succeed.

The Wequonnoc School is a model for the nation in how to educate students from every background. I congratulate the students, teachers, families and administrators of Wequonnoc for their tremendous work in educating the young people of Connecticut.

Thursday, April 30, 1998

Daily Digest

HIGHLIGHTS

Senate agreed to NATO Enlargement Treaty.

Senate agreed to Emergency Supplemental Appropriations Conference Report.

Senate

Chamber Action

Routine Proceedings, pages S3809–S3960

Measures Introduced: Thirteen bills and three resolutions were introduced, as follows: S. 2009–2022, and S. Res. 220–222. **Page S3919**

Measures Reported: Reports were made as follows:

S. Res. 175, A bill to designate the week of May 3, 1998 as ''National Correctional Officers and Employees Week.''

S. 1900, to establish a commission to examine issues pertaining to the disposition of Holocaust-era assets in the United States before, during, and after World War II, and to make recommendations to the President on further action, and for other purposes, with an amendment in the nature of a substitute.

Special Report entitled ''Developments in Aging, Volume 3''. (S. Rept. 105–36)

Special Report entitled ''Further Revised Allocation to Subcommittees of Budget Totals''. (S. Rept. 105–179) **Page S3918**

Measures Passed:

National Erase the Hate and Eliminate Racism Day: Senate agreed to S. Res. 221, to designate April 30, 1998, as ''National Erase the Hate and Eliminate Racism Day''. **Page S3959**

Commending Stuart Balderson: Senate agreed to S. Res. 222, to commend Stuart Franklin Balderson. **Page S3960**

Resolution of Ratification Approved: By 80 yeas to 19 nays (Vote No. 117), two thirds of the Senators present having voted in the affirmative, Senate agreed to the resolution of ratification to the Protocols to the North Atlantic Treaty of 1949 on Accession of Poland, Hungary, and the Czech (Treaty Doc. 105–36, after agreeing to the committee declarations and conditions, and after taking action on amendments proposed thereto, as follows: **Pages S3810–S3907**

Adopted:

Stevens Modified Amendment No. 2066, to express the sense of the Senate regarding the United States share of NATO's common-funded budgets, and to require an annual limitation on the amount of United States expenditures for payments to the common-funded budgets of NATO. **Page S3847**

Stevens Modified Amendment No. 2065, to require a prior specific authorization of funds before any United States funds may be used to pay NATO enlargement costs. **Pages S3845–47, S3859**

Nickles/Smith Amendment No. 2327, to require that the President report on the Strategic Concept of NATO. **Pages S3867–68**

Rejected:

By 20 yeas to 80 nays (Vote No. 110), Craig Amendment No. 2316, to condition United States ratification of the protocols on specific statutory authorization for the continued deployment of United States Armed Forces in Bosnia and Herzegovina as part of the NATO mission. **Pages S3810–17, S3840, S3843**

By 17 yeas to 83 nays (Vote No. 111), Moynihan/Warner Amendment No. 2321, to express a condition regarding deferral of ratification of NATO enlargement until admission of Poland, Hungary, and Czech Republic to the European Union. **Pages S3817–26, S3843–44**

By 41 yeas to 59 nays (Vote No. 112), Warner/Moynihan Amendment No. 2322, to provide for a three-year pause in further NATO expansion after admission of Poland, Hungary, and the Czech Republic. **Pages S3826–44**

By 16 yeas to 84 nays (Vote No. 113), Conrad/Bingaman Amendment No. 2320, to express the sense of the Senate regarding discussions with Russia on tactical nuclear weapons, increased transparency

about tactical nuclear weapons, data exchange, increased warhead security, and facilitation of weapons dismantlement. **Pages S3810, S3851–54, S3860**

Ashcroft Amendment No. 2318, to require a Presidential certification that NATO is and will remain a defensive military alliance. (By 82 yeas to 18 nays (Vote No. 114), Senate tabled the amendment.)

Pages S3810, S3860–62

By 23 yeas to 76 nays (Vote No. 115), Bingaman Amendment No. 2324, to require a certification of United States policy not to support further enlargement of NATO (other than Poland, Hungary, and the Czech Republic) until revision of the Strategic Concept of NATO is completed.

Pages S3854–56, S3862–63

By 16 yeas to 83 nays (Vote No. 116), Smith (of New Hampshire) Amendment No. 2328, to condition United States ratification of the protocols on specific legislative action for the continued deployment of United States Armed Forces in Bosnia and Herzegovina as part of the NATO mission.

Pages S3899–S3902, S3904

Withdrawn:

Harkin Amendment No. 2326, to urge the examination of the compatibility of certain programs involving nuclear weapons cooperation with the obligations of the United States and other NATO members under the Treaty on the Non-Proliferation of Nuclear Weapons. **Pages S3863–66**

Inhofe Amendment No. 2325, to require the President to submit the Kyoto Protocol to the United Nations Framework Convention on Climate Change to the Senate for its consideration under the Treaty Power of the Constitution. **Pages S3902–03**

Emergency Supplemental Appropriations—Conference Report: By 88 yeas to 11 nays (Vote No. 118), Senate agreed to the conference report on H.R. 3579, making emergency supplemental appropriations for recovery from natural disasters, and for overseas peacekeeping efforts, for the fiscal year ending September 30, 1998, clearing the measure for the President. **Pages S3907–13**

Job Training Partnership Act—Agreement: A unanimous-consent agreement was reached providing for the consideration of S. 1186, to provide for education and training, on Friday, May 1, 1998.

Page S3960

Messages From the President: Senate received the following messages from the President of the United States:

Transmitting the report concerning the Australia Group and the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction; to the Committee on Foreign Relations. (PM–118).

Page S3917

Nominations Confirmed: Senate confirmed the following nominations:

Donna Tanoue, of Hawaii, to be Chairperson of the Board of Directors of the Federal Deposit Insurance Corporation for a term of five years.

Donna Tanoue, of Hawaii, to be a Member of the Board of Directors of the Federal Deposit Insurance Corporation for the remainder of the term expiring October 3, 2000.

2 Air Force nominations in the rank of general.

1 Army nomination in the rank of Chief, Army Reserve, United States Army.

2 Army nominations in the rank of general.

3 Marine Corps nominations in the rank of general.

1 Navy nomination in the rank of admiral.

Routine lists in the Air Force, Army, Coast Guard, Navy. **Pages S3914, S3960–61**

Messages From the President: **Page S3917**

Messages From the House: **Page S3917**

Measures Referred: **Page S3917**

Communications: **Pages S3917–18**

Executive Reports of Committees: **Pages S3918–19**

Statements on Introduced Bills: **Pages S3919–43**

Additional Cosponsors: **Pages S3943–44**

Authority for Committees: **Page S3947**

Additional Statements: **Pages S3947–59**

Record Votes: Nine record votes were taken today. (Total—118)

Pages S3843–44, S3860, S3862–63, S3904, S3907, S3913

Adjournment: Senate convened at 11 a.m., and adjourned at 11:11 p.m., until 9:30 a.m., on Friday, May 1, 1998. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on page S3960.)

Committee Meetings

(Committees not listed did not meet)

AGRICULTURAL TRANSPORTATION

Committee on Agriculture, Nutrition, and Forestry: Committee concluded hearings to examine the role that transportation plays in allowing U.S. producers to retain their position in global food and agricultural markets, after receiving testimony from Representative Nick Smith; Dan Glickman, Secretary of Agriculture; John Bratton, Central Soya Company, Inc., Fort Wayne, Indiana, on behalf of the National

Grain and Feed Association; Gary Hall, Kansas Farm Bureau, Manhattan, on behalf of the American Farm Bureau Federation; Charles D. Rosas, Farmland Industries, Inc., Kansas City, Missouri, on behalf of the Fertilizer Institute; Allen Anderson, Harvest States Cooperative, St. Paul, Minnesota, on behalf of the National Council of Farmer Cooperatives and the Midwest Area River Coalition 2000; and Thomas A. Allegretti, American Waterways Operators, Arlington, Virginia.

APPROPRIATIONS—CUSTOMS SERVICE

Committee on Appropriations: Subcommittee on Treasury, Postal Service, and General Government held hearings on proposed budget estimates for fiscal year 1999 for the United States Customs Service, focusing on programs to deter pornography on the Internet, receiving testimony from Samuel Banks, Acting Commissioner, United States Customs Service, Department of the Treasury; and Ernie Allen, National Center for Missing and Exploited Children, Arlington, Virginia.

Subcommittee will meet again on Thursday, May 7.

APPROPRIATION—EPA

Committee on Appropriations: Subcommittee on VA, HUD, and Independent Agencies held hearings on proposed budget estimates for fiscal year 1999 for the Environmental Protection Agency, receiving testimony from Carol M. Browner, Administrator, Environmental Protection Agency.

Subcommittee will meet again on Thursday, May 7.

NOMINATIONS

Committee on Armed Services: Committee ordered favorably reported 1,288 military nominations in the Army, Navy, Marine Corps, and Air Force.

CREDIT UNION MEMBERSHIP ACCESS ACT

Committee on Banking, Housing, and Urban Affairs: Committee ordered favorably reported H.R. 1151, to amend the Federal Credit Union Act to clarify existing law and ratify the longstanding policy of the National Credit Union Administration Board with regard to field membership of Federal credit unions, with an amendment in the nature of a substitute.

BUSINESS MEETING

Committee on Commerce, Science, and Transportation: Committee ordered favorably reported the following business items:

S. 1325, to authorize appropriations for the Technology Administration of the Department of Commerce for fiscal years 1998, 1999, and 2000, with amendments; and

The nominations of Vice Adm. James M. Loy, USC, to be Commandant, Vice Adm. James C. Card, USC, to be Vice Commandant, Rear Adm. Thomas H. Collins, USC, to be Commander, Pacific Area, and a promotion list, all of the United States Coast Guard.

Prior to this action, committee concluded hearings on the aforementioned nominations of Messrs. Loy and Card, after the nominees testified and answered questions in their own behalf. Mr. Loy was introduced by Senators Inouye and Stevens.

AUTHORIZATION—FAA

Committee on Commerce, Science, and Transportation: Subcommittee on Aviation held hearings on proposed legislation authorizing funds for programs of the Federal Aviation Administration and on implementation of the recommendations of the National Civil Aviation Review Commission, recessing testimony from Jane F. Garvey, Administrator, Federal Aviation Administration.

Hearings were recessed subject to call.

PUBLIC LANDS MANAGEMENT

Committee on Energy and Natural Resources: Subcommittee on Forests and Public Land Management resumed hearings on S. 1253, to provide to the Federal land management agencies the authority and capability to manage effectively the federal lands in accordance with the principles of multiple use and sustained yield, receiving testimony from John R. McGuire, Gaithersburg, Maryland, R. Max Peterson, Washington, D.C., F. Dale Robertson, Sedona, Arizona, and Jack Ward Thomas, Florence, Montana, each a former Chief, Forest Service, Department of Agriculture; and Cy Jamison, Washington, D.C., former Director, Bureau of Land Management, Department of the Interior.

Hearings continue on Tuesday, May 5.

PARK CONCESSIONS

Committee on Energy and Natural Resources: Subcommittee on National Parks, Historic Preservation, and Recreation held hearings on proposals to improve the management of concession operations at national parks, focusing on title IV of S. 1693, to renew, reform, reinvigorate, and protect the National Park System, and S. 624, to establish a competitive process for the awarding of concession contracts in units of the National Park System, receiving testimony from Denis P. Galvin, Deputy Director, National Park Service, Department of the Interior; William J. Bissett, Delaware North Companies, Inc., Buffalo, New York; Philip H. Voorhees, National Parks and Conservation Association, and David L. Brown, America Outdoors, both of Washington, D.C.; Andrew N. Todd, Amfac Parks and Resorts,

Aurora, Colorado, on behalf of the National Parks Hospitality Association; Craig Mackey, Outward Bound USA, Golden, Colorado; Curtis E. Cornelssen, Horwath Landauer, Boston, Massachusetts; and Robert J. Gersack, First Interstate Bank of Commerce, Livingston, Montana.

Hearings continue on Thursday, May 7.

IRS

Committee on Finance: Committee continued oversight hearings on the operation of the Internal Revenue Service, focusing on ethics and allegations of abuses and improper conduct by high-level agency officials, receiving testimony from former Senator Howard H. Baker, Jr.; former Representative James H. Quillen; Tommy A. Henderson, Special Agent, Criminal Investigation Division, Michael Ayala, Analyst (Georgia District), Minh Thi Johnson, Revenue Agent (Los Angeles, California District), Maureen O'Dwyer, International Examiner, and Ginger Mary Jarvis, Acting Team Coordinator (both of the Manhattan, New York District), and Patricia J. Gernt, former Special Agent, and Barbara Latham, former Tax Fraud Investigative Aide, both of the Criminal Investigation Division (both of the Nashville, Tennessee District), all of the Internal Revenue Service, Department of the Treasury; and David Crockett, First District Attorney General of Tennessee.

Hearings continue tomorrow.

BUSINESS MEETING

Committee on the Judiciary: Committee ordered favorably reported the following business items: The nominations of Susan Oki Mollway, to be United States District Judge for the District of Hawaii, and Arthur A. McGiverin, of Iowa, to be a Member of the Board of Directors of the State Justice Institute;

S. Res. 175, to designate the week of May 3, 1998 as ''National Correctional Officers and Employees Week''; and

An original bill to amend title 17, U.S. Code, to implement the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty, to provide limitations on copyright liability relating to material online.

TOBACCO INDUSTRY

Committee on the Judiciary: Committee held hearings to examine the impact on the tobacco industry of proposed legislation relating to the increase in the price of tobacco products, focusing on whether new opportunities for the black market would be prevalent if tobacco prices rise, receiving testimony from Lawrence H. Summers, Deputy Secretary of the Treasury; John W. Hough, Senior Assistant Attorney General, Olympia, Washington; Ron J. Martelle, FIA Specialist Investigations Group Inc., Cornwall, Ontario, Canada; David J. Adelman, Morgan Stanley Dean Witter, New York, New York; and David Sweanor, Smoking and Health Action Foundation, Ottawa, Ontario, Canada.

Hearings were recessed subject to call.

HEALTH CARE TECHNOLOGY

Committee on Labor and Human Resources: Subcommittee on Public Health and Safety concluded hearings on proposed legislation authorizing funds for the Agency for Health Care Policy and Research, focusing on the Agency's contribution to technology assessment and health care quality improvement, after receiving testimony from John M. Eisenberg, Administrator, Agency for Health Care Policy and Research, Department of Health and Human Services; David A. Kindig, University of Wisconsin, Madison, on behalf of the Association for Health Services Research; Elizabeth A. McGlynn, RAND, Santa Monica, California; Gerben DeJong, National Rehabilitation Hospital Research Center, Washington, D.C.; Phil B. Fontanarosa, Northwestern University Medical School, and J. Dunkin Moore, Jr., on behalf of the Association of Health Care Journalists, both of Chicago, Illinois; and Susan Dentzer, Chevy Chase, Maryland.

INTELLIGENCE

Select Committee on Intelligence: Committee held closed hearings on intelligence matters, receiving testimony from officials of the intelligence community.

Committee will meet again on Tuesday, May 5.

House of Representatives

Chamber Action

Bills Introduced: 23 public bills, H.R. 3764–3786; 4 private bills, H.R. 3761–3763; and 6 resolutions, H.J. Res. 117, H. Con. Res. 268–270, and H. Res. 417, 418 were introduced. **Pages H2705–06**

Reports Filed: Reports were filed as follows:

Conference report on H.R. 3579, making emergency supplemental appropriations for the fiscal year ending September 30, 1998 (H. Rept. 105–504); and

H. Res. 416, waiving points of order against the conference report to accompany H.R. 3579, making emergency supplemental appropriations for the fiscal year ending September 30, 1998 (H. Rept. 105–505). **Pages H2629–51, H2705**

Guest Chaplain: The prayer was offered by the guest Chaplain, the Rev. Thomas Kuhn of Centerville, Ohio. **Page H2611**

District of Columbia Student Opportunity Scholarship Act of 1997: The House passed S. 1502, entitled the ''District of Columbia Student Opportunity Scholarship Act of 1997'' by a recorded vote of 214 ayes to 206 noes with 1 voting ''present'', Roll No. 119—clearing the measure for the President. **Pages H2623–29, H2651–71**

Rejected the Norton motion to commit the bill to the Committee on Government Reform and Oversight by a recorded vote of 198 ayes to 224 noes, Roll No. 118. **Pages H2669–70**

H. Res. 413, the rule that provided for consideration of the bill was agreed to earlier by yea and nay vote of 224 yeas to 199 nays, Roll No. 117. **Pages H2614–23**

Recess: The House recessed at 3:14 p.m. and reconvened at 4:02 p.m. **Page H2672**

Expedited Procedures—Emergency Appropriations: The House agreed to H. Res. 414, waiving a requirement of clause 4(b) of rule XI with respect to consideration of certain resolutions reported from the Committee on Rules by yea and nay vote of 211 yeas to 196 nays, Roll No. 120. **Pages H2671–72**

Emergency Supplemental Appropriations: The House agreed to the Conference Report on H.R. 3579, making emergency supplemental appropriations for the fiscal year ending September 30, 1998 by a yea and nay vote of 242 yeas to 163 nays with 2 voting ''present'', Roll No. 121. **Pages H2675–91**

Agreed to H. Res. 416, the rule that provided for consideration of the conference report by a voice vote. **Pages H2673–75**

Late Report: The Permanent Select Committee on Intelligence received permission to have until midnight on Monday, May 4 to file a report on H.R. 3694, to authorize appropriations for fiscal year 1999 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System. **Page H2691**

Legislative Program: The Majority Whip announced the Legislative Program for the week of May 4. **Page H2692**

Meeting Hour—Monday, May 4: Agreed that when the House adjourns today, it adjourn to meet at 2 p.m. on Monday, May 4. **Page H2692**

Meeting Hour—Tuesday, May 5: Agreed that when the House adjourns on Monday, it adjourn to meet at 12:30 p.m. on Tuesday, May 5 for Morning Hour debates. **Page H2692**

Calendar Wednesday: Agreed that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, May 6. **Pages H2692–93**

Presidential Message: Read a message from the President wherein he transmitted his certification in connection with condition (7)(C)(i), Effectiveness of Australia Group, of the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction—referred to the Committee on International Relations and ordered printed (H. Doc. 105–246). **Page H2693**

Senate Messages: Message received from the Senate today appears on pages H2611–12.

Amendments: Amendments ordered printed pursuant to the rule appear on pages H2707–37.

Quorum Calls—Votes: Three yea-and-nay votes and two recorded votes developed during the proceedings of the House today and appear on pages H2622–23, H2670, H2670–71, H2672, and H2690–91. There were no quorum calls.

Adjournment: Met at 10:00 a.m. and adjourned at 7:42 p.m.

Committee Meetings

LABOR-HHS-EDUCATION APPROPRIATIONS

Committee on Appropriations, Subcommittee on Labor, Health and Human Services continued appropriation

hearings. Testimony was heard from Members of Congress.

HOME IMPROVEMENT FINANCING—CONSUMER ABUSES

Committee on Banking and Financial Services: Subcommittee on Housing and Community Opportunity held a hearing on Consumer Abuses in Home Improvement Financing. Testimony was heard from Representatives Fox of Pennsylvania and Bentsen; Stanley J. Czerwinski, Associate Director, Resources, Community, and Economic Development Division, GAO; Kathryn Kuhl-Inclan, Assistant Inspector General, Audit, Department of Housing and Urban Development; and public witnesses.

ELECTRONIC COMMERCE

Committee on Commerce: Held a hearing on Electronic Commerce: The Marketplace of the 21st Century. Testimony was heard from public witnesses.

ISSUANCE OF SUBPOENAS

Committee on Commerce: Subcommittee on Oversight and Investigations met and authorized the issuance of subpoenas in connection with the Subcommittee's Portals investigation.

REFORMING BILINGUAL EDUCATION

Committee on Education and the Workforce: Subcommittee on Early Childhood, Youth, and Families held a hearing on Reforming Bilingual Education. Testimony was heard from Representatives Livingston and Becerra; and public witnesses.

TEAMSTERS INVESTIGATION

Committee on Education and the Workforce: Subcommittee on Oversight and Investigations continued hearings on the Teamsters Investigation. Testimony was heard from John J. Sweeney, President, AFL–CIO.

VENEZUELAN MONEY AND THE PRESIDENTIAL ELECTION

Committee on Government Reform and Oversight: Held a hearing on ''Venezuelan Money and the Presidential Election''. Testimony was heard from the following officials of the District Attorney's Office, New York County: Richard T. Preiss, Assistant District Attorney, Senior Investigative Counsel; and Joseph J. Dawson, Assistant District Attorney; and a public witness.

CAUCASUS AND CENTRAL ASIA—U.S. ROLE

Committee on International Relations: Held a hearing on the U.S. Role in the Caucasus and Central Asia. Testimony was heard from Frederico Peña, Secretary of Energy; the following officials of the Department of State: Steve Sestanovich, Ambassador at Large for the Independent States; and Ambassador Richard Morningstar, Special Advisor to the President and the Secretary of State and Coordinator of Assistance to the Newly Independent States; and Don Pressley, Acting Assistant Administrator, Europe and the New Independent State, AID, U.S. International Development Cooperation Agency.

U.S. POLICY OPTIONS TOWARD CHINA

Committee on International Relations: Subcommittee on Asia and the Pacific held a hearing on U.S. Policy Options Toward China: Rule of Law and Democracy Programs. Testimony was heard from public witnesses.

PRIVATE TRUSTEE REFORM ACT

Committee on the Judiciary: Subcommittee on Commercial and Administrative Law approved for full Committee action H.R. 2592, Private Trustee Reform Act of 1997.

CITIZEN PROTECTION ACT

Committee on the Judiciary: Subcommittee on the Constitution approved for full Committee action amended H.R. 3168, Citizen Protection Act of 1998.

MISCELLANEOUS MEASURES

Committee on the Judiciary: Subcommittee on Courts and Intellectual Property approved for full Committee action amended the following bills: H.R. 3723, United States Patent and Trademark Office Authorization Act, Fiscal Year 1999; and H.R. 1690, to amend title 28 of the United States Code regarding enforcement of child custody orders.

CHILD PROTECTION AND SEXUAL PREDATOR PUNISHMENT ACT

Committee on the Judiciary: Subcommittee on Crime held a hearing on H.R. 3494, Child Protection and Sexual Predator Punishment Act of 1998, and related measures. Testimony was heard from Representatives Franks of New Jersey, Pryce of Ohio, Riley, Weller, Gutknecht, Lampson and Slaughter; Kevin DiGregory, Deputy Assistant Attorney General, Criminal Division, Department of Justice; and a public witness.

MISCELLANEOUS MEASURES

Committee on the Judiciary: Subcommittee on Immigration and Claims approved for full Committee action the following bills: H.R. 2431, amended, Freedom From Religious Persecution Act of 1997; and H.R. 3736, Workforce Improvements and Protection Act of 1998.

NATIONAL DEFENSE AUTHORIZATION ACT

Committee on National Security: Subcommittee on Military Personnel approved for full Committee action

amended H.R. 3616, National Defense Authorization Act for Fiscal Year 1999.

NATIONAL DEFENSE AUTHORIZATION ACT

Committee on National Security: Subcommittee on Military Readiness approved for full Committee action amended H.R. 3616, National Defense Authorization Act for Fiscal Year 1999.

OVERSIGHT—WEST COAST GROUNDFISH ISSUE

Committee on Resources: Subcommittee on Fisheries Conservation, Wildlife and Oceans held an oversight hearing on West Coast Groundfish Issue. Testimony was heard from Senator Wyden; Rolland Schmitten, Assistant Administrator, Fisheries, Department of Commerce; and public witnesses.

MISCELLANEOUS MEASURES

Committee on Resources: Subcommittee on Water and Power held a hearing on the following: H.R. 1282, to authorize the Secretary of the Interior to convey certain facilities of the Minidoka project to the Burley Irrigation District, and for other purposes; H.R. 1943, Carlsbad Irrigation Project Acquired Land Transfer Act; H.R. 2161, to direct the Secretary of the Interior to convey the Palmetto Bend Project to the State of Texas; H.R. 2506, Collbran Project Unit Conveyance Act; H.R. 3056, to provide for the preservation and sustainability of the family farm through the transfer of responsibility for operation and maintenance of the Flathead Indian Irrigation Project, Montana; H.R. 3677, to authorize and direct the Secretary of the Interior to convey certain works, facilities, and titles of the Gila Project, and Designated Lands within or adjacent to the Gila project, to the Welton-Mohawk Irrigation and Drainage District; H.R. 3687, to authorize prepayment of amounts due under a water reclamation project contract for the Canadian River Project, Texas; H.R. 3706, Clear Creek Distribution System Conveyance Act; and H.R. 3715, Pine River Project Conveyance Act. Testimony was heard from Representative McInnis; the following officials of the Department of the Interior: Eluid Martinez, Commissioner, Bureau of Reclamation; and Ross Mooney, Acting Director, Office of Trust Responsibilities, Bureau of Indian Affairs; and public witnesses.

CONFERENCE REPORT—EMERGENCY SUPPLEMENTAL APPROPRIATIONS

Committee on Rules: Granted, by a vote of 6 to 4, a rule waiving all points or order against the conference report accompanying H.R. 3579, making emergency supplemental appropriations for the fiscal year ending September 30, 1998, and against its consideration. The rule provides that the conference report shall be considered as read. Testimony was heard from Chairman Livingston and Representative Obey.

AVIATION MATTERS

Committee on Transportation and Infrastructure: Subcommittee on Aviation continued hearings on the impact of recent alliances, international agreements, DOT actions, and pending legislation on air fares, air services, and competition in the airline industry. Testimony was heard from Charles A. Hunnicutt, Assistant Secretary, Aviation and International Affairs, Department of Transportation; John Nannes, Deputy Assistant Attorney General, Anti-Trust Division, Department of Justice; and public witnesses.

MISCELLANEOUS MEASURES

Committee on Transportation and Infrastructure: Subcommittee on Public Buildings and Economic Development approved for full Committee action the following measures: H.R. 2730, to designate the Federal building located at 309 North Church Street in Dyersburg, Tennessee, as the ''Jere Cooper Federal Building;'' H.R. 2225, to designate the Federal building and United States courthouse to be constructed on Las Vegas Boulevard between Bridger Avenue and Clark Avenue in Las Vegas, NV, as the ''Lloyd D. George Federal Building and United States Courthouse;'' H.R. 3453, to designate the Federal Building and Post Office located at 100 East B Street, Casper, Wyoming, as the ''Dick Cheney Federal Building;'' H.R. 3295, to designate the Federal building located at 1301 Clay Street in Oakland, California, as the ''Ronald V. Dellums Federal Building;'' H.R. 3504, amended, John F. Kennedy Center for the Performing Arts Authorization Act; H. Con. Res. 255, amended, authorizing the use of the Capitol grounds for the Greater Washington Soap Box Derby; H. Con. Res. 265, authorizing the use of the East Front of the Capitol Grounds for performances sponsored by the John F. Kennedy Center for the Performing Arts; H. Con. Res. 262, amended, authorizing the 1998 District of Columbia Special Olympics Law Enforcement Torch Run to be run through the Capitol Grounds; and H. Con. Res. 263, amended, authorizing the use of the Capitol Grounds for the seventeenth annual National Peace Officers' Memorial Service.

U.S. CUSTOMS SERVICE ISSUES

Committee on Ways and Means: Subcommittee on Trade held a hearing on U.S. Customs Service Issues. Testimony was heard from the following officials of the Department of the Treasury: Samuel H. Banks, Acting Commissioner, U.S. Customs Service; and

Dennis Schindel, Assistant Inspector General, Audit; and public witnesses.

Joint Meetings

EMERGENCY SUPPLEMENTAL APPROPRIATIONS

Conferees agreed to file a conference report on the differences between the Senate-and House-passed versions of H.R. 3579, making emergency supplemental appropriations for the fiscal year ending September 30, 1998.

ISTEA

Conferees continued to resolve the differences between the Senate-and House-passed versions of H.R. 2400, to authorize funds for Federal-aid highways, highway safety programs, and transit programs, but did not complete action thereon, and recessed subject to call.

COMMITTEE MEETINGS FOR FRIDAY, MAY 1, 1998

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Finance, to continue oversight hearings to examine the operation of the Internal Revenue Service, 9:30 a.m., SH–216.

House

No Committee meetings are scheduled.

Next Meeting of the SENATE

9:30 a.m., Friday, May 1

Senate Chamber

Program for Friday: Senate will consider S. 1186, Job Training Partnership Act.

Next Meeting of the HOUSE OF REPRESENTATIVES

2 p.m., Monday, May 4

House Chamber

Program for Monday: Pro Forma Session.

Extensions of Remarks, as inserted in this issue

HOUSE

Allen, Thomas H., Maine, E726
Ballenger, Cass, N.C., E727
Barrett, Thomas M., Wisc., E728
Berman, Howard L., Calif., E729
Cardin, Benjamin L., Md., E721
Costello, Jerry F., Ill., E721
Delahunt, William D., Mass., E723
DeLauro, Rosa L., Conn., E728
Deutsch, Peter, Fla., E719, E720, E722, E724
Dingell, John D., Mich., E721
Frank, Barney, Mass., E722
Gejdenson, Sam, Conn., E729, E731
Gillmor, Paul E., Ohio, E728
Gilman, Benjamin A., N.Y., E724
Harman, Jane, Calif., E730
Klink, Ron, Pa., E719, E723
Manzullo, Donald A., Ill., E727
Meek, Carrie P., Fla., E730
Miller, George, Calif., E721
Packard, Ron, Calif., E730
Pappas, Michael, N.J., E728
Pascrell, Bill, Jr., N.J., E718, E720, E722, E723, E725
Payne, Donald M., N.J., E729
Peterson, John E., Pa., E729
Pickett, Owen B., Va., E719
Sanchez, Loretta, Calif., E717
Sawyer, Thomas C., Ohio, E724
Schumer, Charles E., N.Y., E726
Sherman, Brad, Calif., E725
Skelton, Ike, Mo., E717, E720
Smith, Robert, Ore., E731
Tierney, John F., Mass., E720
Vento, Bruce F., Minn., E725

Congressional Record The public proceedings of each House of Congress, as reported by the Official Reporters thereof, are printed pursuant to directions of the Joint Committee on Printing as authorized by appropriate provisions of Title 44, United States Code, and published for each day that one or both Houses are in session, excepting very infrequent instances when two or more unusually small consecutive issues are printed at one time. ¶Public access to the Congressional Record is available online through *GPO Access,* a service of the Government Printing Office, free of charge to the user. The online database is updated each day the Congressional Record is published. The database includes both text and graphics from the beginning of the 103d Congress, 2d session (January 1994) forward. It is available on the Wide Area Information Server (WAIS) through the Internet and via asynchronous dial-in. Internet users can access the database by using the World Wide Web; the Superintendent of Documents home page address is http://www.access.gpo.gov/su_docs, by using local WAIS client software or by telnet to swais.access.gpo.gov, then login as guest (no password required). Dial-in users should use communications software and modem to call (202) 512–1661; type swais, then login as guest (no password required). For general information about *GPO Access,* contact the *GPO Access* User Support Team by sending Internet e-mail to gpoaccess@gpo.gov, or a fax to (202) 512–1262; or by calling Toll Free 1–888–293–6498 or (202) 512–1530 between 7 a.m. and 5 p.m. Eastern time, Monday through Friday, except for Federal holidays. ¶The Congressional Record paper and 24x microfiche will be furnished by mail to subscribers, free of postage, at the following prices: paper edition, $150.00 for six months, $295.00 per year, or purchased for $2.50 per issue, payable in advance; microfiche edition, $141.00 per year, or purchased for $1.50 per issue payable in advance. The semimonthly Congressional Record Index may be purchased for the same per issue prices. Remit check or money order, made payable to the Superintendent of Documents, directly to the Government Printing Office, Washington, D.C. 20402. ¶Following each session of Congress, the daily Congressional Record is revised, printed, permanently bound and sold by the Superintendent of Documents in individual parts or by sets. ¶With the exception of copyrighted articles, there are no restrictions on the republication of material from the Congressional Record.