Mr. VOLKMER. Mr. Chairman, even if the sale is to one of our friendly allies or NATO allies or anything, then we still have to go through this process?

Mr. MURPHY. They would run it through the Secretary of Defense. The whole Department of Defense, not the Secretary's desk. If it were one desk, I would not object, but it is not one desk. It is a series of bureaucratic levels in the bureaucracy.

Mr. GEJDENSON. Mr. Chairman, will the gentleman yield?

Mr. MURPHY. I yield to the gentleman from Connecticut.

Mr. GEJDENSON. Mr. Chairman, bank cards were tied up from being sent to London. We had an American company that wanted to send 50,000 bank cards to London. Under this kind of provision they wanted to have 50,000 background checks on people in England.

They decontrolled machine tools at a time when nobody wanted to buy those machine tools anymore. We now have the Defense Department saying they want to buy Japanese machine tools because American machine tool makers do not make the quality they want anymore.

We are trying to set up a process here that is not much different than the one that exists presently. If we accepted the gentleman's amendment, and this is a very complicated area, we will have a more complicated export law now than when the Berlin Wall was standing. It is counter intuitive. It makes no sense at all.

Mr. KASICH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me speak to this issue of America's inability to have economic growth because we are somehow restricting exports.

First of all, we are asking under the Hunter amendment to make a decision about whether an item has military use in a period of 40 days. That is what we are asking for. We are not asking to hold it up for 4 years, but 40 days.

This idea somehow that we ought to put profit ahead of international security is bogus. We have this technology spreading throughout this world, putting sophisticated technology in the hands of Third World dictators who want to use that technology to develop weapons that they want to use to fight wars.

I cannot believe that this House, who is concerned about our defense budget, and let me tell Members what I mean by this, we are trying to struggle to put a defense budget together to meet the threat, and we are trying to do it in a rational way under the leadership of our chairman, the gentleman from Wisconsin, Mr. LES ASPIN.

As Members know, what we are doing is trying to defend our enemies and defend the threat, while at the same time allowing technology to be spread across this world that will empower tinhorn dictators to threaten the security of the United States and their neighbors. You want us to put a defense budget together that restricts the amount of resources we spend on this country to defend ourselves, while at the same time you want to let the flow of technology go across the world to empower the very people that we are protecting ourselves against, and it is absolutely a bogus argument to say that somehow we are shutting down exports because we see something that has a military application and we want to hold back the reins. We do not want that technology that could give somebody a military capability to flow out of here without slowing it down, and that is the problem with this bill.

Come on, folks, this is a new day in America. JACK MURTHA is trying to design an appropriation bill that defends the threat.

□ 2040

How can he define the threats against a moving target of a President of a country that is interested in building weapons of mass destruction? So we have to support the Hunter amendment. This is not overregulation or overkill. This is putting peace ahead of profit, and I think we should put peace ahead of profit and not let people dictate the movement of this House so that the military-industrial complex will get their way again.

Support the Hunter amendment.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I am happy to yield to the gentleman from California.

Mr. HUNTER. Mr. Chairman, it is interesting. All we are doing here is saying let us let the Secretary of Defense in an area where you have items that have a defense capability, let us let him share in the determination as to whether or not they should be on the list or not.

The other side says no, that is ridiculous, let us let Commerce analyze these things from a defense perspective, and they will decide if there is a national security problem. That makes no sense at all. They are trying to shove the Secretary of Defense out of the way.

You know, it is interesting, the same debate 2 years ago before the Persian Gulf situation, and the other side got up and talked about old gym socks and all these old things that were not being transferred. When our people got to the Middle East, they did not meet gym socks. They met a lot of high-technology equipment that had gotten through this network, because we did not have an effective system to stop it.

This is a very well balanced amendment, very reasonable. It just says let us let the Secretary of Defense share in the determination with the Secretary of Commerce.

What is wrong with that?

Mr. KASICH. The reason why people do not want the Secretary of Defense to weigh into this debate is because the Secretary of Defense may put national security ahead of some company's profits. Do you know what, in a changing world, and the threat is not like the Soviet threat of the past, it is the emerging threat. It is the Third World countries that are trying to build very powerful weapons. That is the threat.

If we let technology flow throughout the world, we are going to empower Third World countries to act against the United States and their friends, and the reason why they do not want the Secretary of Defense in this fight is he may put national security ahead of profits, and you now what, I think we ought to put global security ahead of profitmaking.

We learned that lesson. Eisenhower warned us about it, and we ought to enact the Hunter amendment.

Ms. OAKAR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, what the gentleman is asking us to do that I just heard is to trust the Secretary of Defense and the Secretary of Commerce.

I want to tell you a little story about that, because I used to chair a subcommittee that had oversight over something called the Defense Production Act. That act is the act that says that in a time of crisis, do we have the industrial base to produce our own defense equipment, in other words, to be able to protect ourselves?

We asked in our legislation for a simple list of necessary items that we felt were inherently dependent on production in the United States of America. The fact is they were very reluctant to say that.

Meanwhile, we saw Japan being able to bid on defense contracts to protect our country, getting those contracts, billions of dollars, let me tell you. We saw all kinds of memorandums of understanding that were signed off without really congressional oversight that was necessary in which we gave thousands of jobs away to other countries.

What we are now saying is what happens if we have products to sell that produce jobs in our own country?

I want to tell you this one quick story about not the current Secretary of Defense or the current Secretary of Commerce but during the Reagan administration. Here is the scenario that happened: We were told in a report they made that our country did not have to produce metal fasteners for our defense products. Now, you know, there are over 100,000 metal fasteners in a typical small-size airplane, and my region of the country used to be the metal-fastener capital of the world.

So they put out this report indicating that we, in a time of crisis, could go to Japan, to Germany, to Canada, to

other countries and import those metal fasteners, that we should not have to produce those in the United States of America.

My friends, something that simple, but so necessary to our defense strategy. So I asked for a GAO report on their report. Do you know what they did? Because they did not want the American people to know the answer, and I obviously cannot say the answer publicly, they stampled it "Confidential." They stamped it "Confidential" because they did not want the American people to know the answer as to whether or not in a time of crisis we could have the leisure, the leisure to import metal fasteners from Japan.

I say it is a two-way street. We subcontract all of the way down the line to foreign countries. Is it not about time that the American people be able to produce products in this global economy without having these levels of bureaucracy on reasonable items? I think it is imperative that we defeat this amendment, because more than anything it is symbolic of what is wrong in this philosophy, and that is it is about time we take care of our own people and let our economy take off by producing our jobs and letting our people fairly compete.

If you put all of these levels on our business community and our labor community, you will not see a job left in America, and you will not see an industrial base left in America.

So I hope that we follow the chairman's leadership on this and defeat the Hunter amendment.

Mr. HOUGHTON. Mr. Chairman, I move to strike the requisite number of words.

I would like to just talk for 1 minute, Mr. Chairman, about this issue of profits as contrasted to security.

I mean, it almost seems as if the pyromaniacs are posing as the firefighters here. They are accusing the people who are trying to create jobs in the United States, as contrasted to other countries, and that is our responsibility, as being less patriotic, and I resent that. I think it is wrong. I do not think it has anything to do with the issue.

The provision in this bill has nothing to do with that issue. It only is what is on the list.

Really, it is a matter of attitude. The President, if he wants to decide anything, can decide it.

We are really in two wars. We have done pretty well militarily, and that is the military aspect. The other war is the economic war, and we are not doing very well there.

The attitude of this Government has to change. Since 1945, the last person into the President's office has been either the Secretary of the Treasury, the Secretary of Defense, or the Secretary of State, never the Secretary of Commerce.

We are asking for the attitude change to be put in the hands of somebody who can fight that economic war, and it is not unpatriotic.

Mr. HUNTER. Mr. Chairman, I ask unanimous consent to proceed for 1 minute.

The CHAIRMAN. Without objection, the gentleman from California [Mr. HUNTER] will be recognized for 1 minute.

There was no objection.

Mr. HUNTER. Mr. Chairman, we are going to move this amendment quickly, but I just wanted to say to my colleagues that we have really gotten off track here.

We are talking about a list that several years ago we said we have to cut down, and we have to get it down so we have a manageable number of items. We did that. We cut this list of controlled items in half, and we said, now, what is left we are really going to manage well; we are really going to take care of it. All we are saying is with this list of items that have a military capability as well as a commercial capability, we are going to let the Secretary of Defense share with the Secretary of Commerce the responsibility for adding or subtracting items from the list. If they do not agree, the President makes the decision.

Now, when we had this debate several years ago, all the Members that wanted to cut the list down said:

By gosh, if we cut this list down, we are really going to concentrate on what we have left, because that really will be militarily critical technology.

So let us let the guy that knows about the military, the Secretary of Defense, just share 50/50 with the Secretary of Commerce in deciding whether an item is listed or taken off the list.

Mr. MILLER of Washington. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think we all know we are trying to balance competing concerns, interests in national security with interests in American business, staying competitive.

But my distinguished colleague from Ohio, for whom I have the greatest respect, earlier talked with great alarm about technology going all around the world, that this bill would allow technology from the United States to flow around the world.

□ 2050

Mr. Chairman, let us think about that. Is that bad?

I mean, technology is where the United States has had the lead. Technology is becoming more and more important in the world economy. It is becoming more and more important in export.

What we have got to realize is that this munitions list, poorly named, not only included traditionally many products having dual civilian and military use that were very complex, but also included products such as a Microsoft electronic mail system here, the Word Perfect has been mentioned.

Now, what you have to understand about the changing world economy is that these products are not only used by millions of people today, these products constantly change. American companies that produce them realize that they may only have an edge for 1 year, 9 months, or 6 months, so when you talk about adding another layer of bureaucracy, you say 20 or 40 days, but of course once something goes to a Department and they keep it 60 or 90 days, not every business can bring a lawsuit to compel them to obey the deadline. When you start talking about 20, 60, or 90 days, you are talking about whether American business is going to be able to compete with our competitors, Britain, Japan, Germany, in entering new markets.

If American business is going to have technology and be a leader in technology 10 and 15 years after we finish this debate, they have got to make sales in these markets. They have got to have customers.

So we are trying to draw a balance. We are trying to set up a process where Commerce and Defense and the administration are involved in drawing up a munitions list. We are trying to make sure that that munitions list does not, as it did in the past, include a lot of items you could get at Radio Shack.

We are trying to make sure that when an item is either about to go on or go off that munitions list, particularly a new product, that there is not a lengthy delay.

We want to have national security. We want to have peace. We want to have business. We want to have a strong economy. We do not want to have a situation where we create a bureaucracy which overrides all those interests.

So Mr. Chairman, I urge support for the committee bill and defeat of the Hunter amendment.

Mr. HUNTER. Mr. Chairman, I ask unanimous consent to proceed for 1 minute to respond.

The CHAIRMAN. Without objection, the gentleman from California is recognized for 1 minute.

There was no objection.

Mr. HUNTER. Mr. Chairman, let me just respond to my friend. I just want to make sure that my friend realizes that we are not talking about all the commodities that are sold in the world. We are only talking about commodities that have a military use. We are saying that if they have a military use and we are going to take them off the list, we want the Secretary of Defense to share in that decision.

The other thing is that the Hunter amendment says you have got 20 days. If the Secretary of Defense does not

want an item coming off the list, he has got 20 days to object, and if he cannot get together with the Secretary of Commerce, they take it to the Office of the President and the Office of the President has 20 days to make a decision. That is not 60, 90, or 120 days.

Once again, we have cut that list down to half of what it was, and we all agreed the items that are left are very critical items.

This is not a burden on the American business people. It simply is not.

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I am happy to yield to the gentleman from Ohio.

Mr. KASICH. Mr. Chairman, nobody is talking about restricting credit cards and nobody is talking about restricting telephones. That is not what we are interested in.

The CHAIRMAN. The time of the gentleman from California [Mr. HUNTER] has expired.

Mr. HUNTER. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. SMITH of Florida. Reserving the right to object, Mr. Chairman, I am not going to object this time, but I have an amendment, too. We have a finite amount of time to debate all these amendments.

Mr. HUNTER. Mr. Chairman, this is our last speaker.

Mr. SMITH of Florida. The gentleman has debated a number of amendments a significant number of times. I want everybody to be able to participate in the debate, but the gentlewoman from Miami, FL, and myself and others have an interest in an amendment that we also feel is important and we would like to be able to get to it before we are excluded by time.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The gentleman from California [Mr. HUNTER] is recognized for 2 minutes.

Mr. HUNTER. Mr. Chairman, I appreciate the gentleman's concern. This is our last speaker, and I yield to the gentleman from Ohio.

Mr. KASICH. Mr. Chairman, I certainly appreciate the gentleman's concern and respect it.

It is not our intent to do that. It is our intent to restrict the quick sale of equipment that can have military use around the world. We do not want to talk about cards that have hollow phones on them for Christmas. We are not talking about credit cards. We are talking about clear technology that can be used to make big weapons. That is why the gentleman's amendment deserves to be supported. To distort it is not fair to him and we ought to slow down the sales of this stuff. We ought to include the Secretary of Defense in the decisionmaking. That is not an unreasonable request to make.

Mr. GIBBONS. Mr. Chairman, I move to strike the requisite number of words. I will be brief, because I know everybody is getting tired.

Mr. Chairman, this is just a case of the gentleman from California [Mr. HUNTER] trying to run the executive branch. The President did not ask for this. If he did, he would have let Congress know about it and he would have taken some position on it.

All we are talking about here is a simple list. I am sure the Secretary of Defense has a copy of the list. I am sure when the Secretary of Commerce gets ready to delete items from the list, the Secretary of Defense knows about it, and if he has got any objection he calls up the Secretary of Commerce on the phone and says, "Hey, Mr. Secretary, I think you ought to drop that."

And if he cannot get it dropped, he will just go to the President himself and get it dropped or get a Presidential decision about it being dropped.

We do not need to tell the President of the United States, who has not asked for the amendment of the gentleman from California [Mr. HUNTER], how to run his office or how to run his branch of Government. What we really are objecting to here is the over-bureaucratization of this whole process. If we pass the Hunter amendment, the Secretary of Defense will set up a bureaucracy over there to do all of this. They will feel greatly put upon if they do not turn down about two-thirds of what the Secretary of Commerce suggests and we will go through all of that.

Let them handle it informally, as they do now. Let the President run the executive branch.

Mr. GEJDENSON. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, let us get something straight here. We are not talking about weapons in this amendment. Weapons are dealt with completely differently.

We are talking about bank cards. We are talking about telephones. We are talking about software. We are talking about computers.

Now, if you think America is going to stay strong with yesterday's technology, then take a look at what the Defense Department says about purchasing machine tools. The Defense Department does not want to buy American machine tools anymore. Yes, Mr. Chairman, the Secretary of Defense said, "Don't sell those machine tools overseas because we still give away our technology."

And yes, we handcuffed American machine tool companies. We told them they could not sell overseas because they could give away our military edge.

Well, the good news is out, I say to the gentleman from California [Mr. HUNTER]. We cannot give away that edge anymore because we do not have it. The edge in machine tools is now in Japan. The Defense Department prefers Japanese machine tools.

OK. We have done in the machine tool business. Let us see if we can do it to software. Let us see if we can tie this system up, because let me tell you, Mr. Perle is gone, but somebody is gong to replace him and they are going to find out that that software in the bag of the gentleman from Washington [Mr. MILLER] could potentially have some military application. Where? Maybe it could have an application in East Germany—— Oh, East Germany is not here anymore. They might have a hard time getting it to Europe, we believe, but we could send it over a line.

Now, if the Russians want to invade the Germans who are giving them economic aid today, let us remember that the Russians have got to go through the Ukraine, the Baltic States, and Poland, but that is going to be easier than the nightmare you are setting up for American industry.

Saddam Hussein did not get his technology because of a failure in the Commerce Department. The talk at the door about stop it from getting to Saddam Hussein is frankly dishonest. The hardware and software that got to Saddam Hussein got there because President Bush wanted him to have it. The letter on the floor indicates it was national policy to aid and abet the survival of Saddam Hussein. Do not leave at the door of the Commerce Department what was policy from the White House.

Now, this is a great game here. We have lost the Soviet Empire as an adversary, so we have got to find a place to be tough. The bill is tougher than the administration or the gentleman's amendment. To terrorist countries, we send nothing.

□ 2100

To nuclear facilities in countries that do not accept nuclear nonproliferation, we send them nothing.

The question is what do we sell to England? What do we sell France?

Now, the easy vote here may be, "Oh, it is too complicated, let's go with the Secretary of Defense." How many people go on the unemployment lines? How many companies close their doors in America and move to Europe because of your amendment? How many more Americans lose their mortgages, their homes and pull their kids out of school before we figure out it is enough?

Now, there is a balance between coming up with rational security, and we

have that in this bill. This bill has adequate security, more than the administration has.

What we need to make sure is that we do not devastate our own capabilities, worried about the Soviets coming over to get us.

We have got prohibitions against terrorist countries in the bill. It is not a debate, it does not take the Secretary of Defense; it bars those sales. It bars sales to unreliable end users.

Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. MAVROULES] with whom we resolved all of these issues at the beginning of the day.

Mr. MAVROULES. I want to thank the gentleman for yielding.

Mr. Chairman, I was listening to this debate in the office, and I must reiterate for those who are here and those who might be listening and watching this debate, when this bill came on the floor we had reached agreement that we, being the Committee on Armed Services—and I represented the chairman—with the Committee on Foreign Affairs, we reached agreement on those problems that we thought were very important to our committee.

What is happening here all of a sudden—and I give Mr. KYL credit—he came in the back door and he won his amendment. I am not going to argue about that point.

But once there is an honor system within this House, there is an honor system within this House. When you reach agreement, you bring it to the floor, you vote on it and that agreement passes, then we ought to honor it. there is an integrity issue here this evening.

The point is, under the agreement which we reached, let no one kid you, nobody, we give plenty of cover to the Secretary of Defense, absolutely plenty of cover to the Secretary of Defense.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. GEJDENSON. I yield to the gentleman from California [Mr. HUNTER].

The CHAIRMAN. The time of the gentleman from Connecticut [Mr. GEJDENSON] has expired.

Mr. MAVROULES. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

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

Mr. HUNTER. I thank the gentleman for yielding.

Let me remind my friend that he brought the amendment from the Committee on Armed Services, he wanted me to take a look at it along with the gentleman from Arizona [Mr. KYL] and the gentleman from Ohio [Mr. KASICH]. We did that. We said, "What do you think?" We said, "We have four amendments here. Your amendment takes care of what we think is one of them, and we still want to offer the other three."

The gentleman from Massachusetts said that is fine.

Mr. MAVROULES. Let me reclaim my time so that I can make a correction. During that discussion that you and I had, it was my impression that there would be two amendments, one by Mr. KYL and one by you. All of a sudden, we have ended up with three or four amendments. that was the agreement that I agreed to.

Mr. HUNTER. Let me just ask my friend if he had a misimpression. I said I would withdraw one amendment, not that I would offer one.

Let me say further that was not—at least it was apparent to me—that the agreement that the gentleman entered into as a representative of the Committee on Armed Services was not the full agreement, because the chairman of the committee voted in fact for the first Hunter amendment that was offered.

Mr. MAVROULES. And the chairman of the committee has made many mistakes before.

Mr. HUNTER. Let us give him another opportunity.

Mr. KYL. Mr. Chairman, will the gentleman yield to me?

Mr. MAVROULES. I yield to the gentleman from Arizona [Mr. KYL].

Mr. KYL. I think I can clear this up.

The gentleman from Massachusetts will recall that two different people, one was me, asked, in a reservation of the right to object, on whether or not we would have the right to offer this particular amendment, and we are assured by the parliamentarian and by the gentleman that this particular amendment could be offered. So we should all understand that it was always contemplated that this amendment would in fact be offered.

Mr. MAVROULES. As a matter of fact, any amendment could be offered, but I thought we had an agreement. Now let us put that aside for a moment, let us just put it aside.

The gentleman from Arizona personally was very effective in coming forth with his amendment, and he carried the House. No argument, no argument whatsoever. I did not support him. Although I believe in what he was doing and what he was saying, I could not support him because I had an agreement with the chairman of the subcommittee.

The point is now that we have given to the Secretary of Defense more than enough cover, more than enough cover.

You know, we have to think of the business people in our country. We are no longer the champion, the heavyweight champ of the world. If you believe that, you are mistaken.

There are other countries throughout the world who have good high technology. If they do not get it from the United States, if we do not help our own people, they will buy it from other countries.

In the meantime, we have given the cover that we requested. We have agreed to, they have agreed to. I do not know why we are trying to come in the back door now so that the Secretary of Defense has the sole power within 20 days to make a recommendation.

In my judgment, it is wrong. It is going overboard, in my opinion.

Mr. KYL. Mr. Chairman, will the gentleman yield briefly?

Mr. HUNTER. That is not what the amendment says.

Mr. MAVROULES. I yield to the gentleman from Arizona.

Mr. KYL. I thank the gentleman for yielding further.

No, it does not say that. There is exactly equal authority between the Department of Defense and Commerce. Because the gentleman said there is a matter of honor here, I just want to make it very clear that from the very beginning it was clear, from our parliamentary request, that this amendment was going to be offered.

So I would hope the gentleman would appreciate that that was never in doubt.

Mr. MAVROULES. It is my understanding that it was the other one that Mr. HUNTER offered before and was defeated. This is a second amendment.

However, bottom line, when Mr. GEJDENSON got up before and he articulated for the House and all those who might be listening or who are listening and watching the action on the floor, the responsibility ultimately is not Commerce, it is not Defense, it is the President of the United States. That ultimately is the power as to whether or not an export is going to take place. That is the bottom line.

My goodness, they certainly have enough coverage here. I do not know why we have to overkill.

Mr. HUNTER. Mr. Chairman, will the gentleman yield just briefly?

Mr. MAVROULES. I yield to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. I thank the gentleman for yielding further.

Mr. Chairman, I just want to ask the gentleman to yield me 1 minute to close debate for my amendment and let us have a vote on it. I want to assure the gentleman that what I related to him was my understanding of our deal.

Mr. MAVROULES. I will yield 30 seconds to the gentleman so that I can close debate.

Mr. HUNTER. That is fine.

Mr. MAVROULES. Go ahead.

Mr. HUNTER. I say to my friend that we had this debate several years ago. And having had that debate and talking about how important it was to sell overseas and how we really have a pretty good security system and to have that absolutely revealed as a sham in the Persian Gulf war, with all of this

equipment coming back at American young people, should change this House in the sense that we should realize we have to change things, we have to give the Secretary of Defense more power. All he is doing in this amendment is sharing the power with the Secretary of Commerce.

The CHAIRMAN. The time of the gentleman, the 30 seconds, has expired.

The gentleman from Massachusetts has 30 seconds remaining.

(On request of Mr. GEJDENSON and by unanimous consent, Mr. MAVROULES was allowed to proceed for 1 additional minute.)

Mr. GEJDENSON. Mr. Chairman, will the gentleman yield to me?

Mr. MAVROULES. I yield to the gentleman from Connecticut.

Mr. GEJDENSON. I thank the gentleman for yielding.

Mr. Chairman, I would like to ask the gentleman from California: This provision has been in law since 1988. Can the gentleman give me one example where the Secretary of Defense has had a problem?

Mr. HUNTER. If the gentleman will yield, I can give an example of missile systems that were sent to Iraq.

Mr. GEJDENSON. No, no, no, that is not the issue here. The gentleman is confusing the issue.

What came off the list since 1988, when this has been law, that has troubled the Secretary of Defense?

Mr. HUNTER. Furnaces came off the list, and that was the first item that the gentleman talked about.

Mr. GEJDENSON. The Secretary of Defense agreed to the furnaces coming off the list. It is, frankly, not accurate. The Joint Chiefs of Staff agreed to it.

Mr. HUNTER. If I might tell, remind the gentleman he is the guy that said that the furnaces came off the list.

Mr. GEJDENSON. It was agreed to by the Secretary of Defense and the Joint Chiefs of Staff. How much inclusion do you want?

Mr. MAVROULES. Mr. Chairman, may I reclaim my time? These gentlemen have been fighting all afternoon. Let me just finish it off here.

The CHAIRMAN. The House will suspend. The gentleman from Massachusetts has the time, he has 30 seconds remaining.

Mr. MAVROULES. Mr. Chairman, I think both the gentlemen have talked out quite frankly, and I think they have done a good job. I am going to finish it off.

Mr. Chairman, you really want to make some changes in this House? Let us not refer to Commerce, let us not refer to DOD; let us refer and be accurate and change some attitudes within the administration, whether it be Democrat or Republican. That is where you are going to make a change. And until you make that change, this will not be effective. Your amendments are not going to be effective, whatever we are doing here today will be effective. You change attitudes.

Mr. MINETA. Mr. Chairman, I rise in oppostion to the amendment.

The only reason for controlling dual-use technology is to prevent the technology from being put to military use—not to prevent it from being put to civilian use.

Overbroad and unilateral export controls by the United States serve only to harm industry.

The Omnibus Export Amendments of 1991 provides for a presumption of approval for items to be exported. Yet, the bill continues to give the Department of Defense the opportunity to weigh-in if there is the potential for diversion of a technology. The bill continues to give DOD the ability to hold up a license if they deem necessary.

By further enhancing the role of the Department of Defense beyond the provisions of the bill, the amendment fails to recognize the need to change United States export control policy to respond to the political reforms on Eastern Europe and what used to be the Soviet Union.

It is time to follow the advice of the recent National Academy of Sciences report, "Finding Common Ground," and replace the denial regime that has existed for more than 40 years with an approval regime based on mutually agreed and verifiable end-use conditions.

I strongly urge my colleagues to oppose the amendment.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from California [Mr. HUNTER].

The question was taken, and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. HUNTER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 135, noes 270, not voting 28, as follows:

[Roll No. 357]

AYES—135

Andrews (ME)	Davis	Hyds
Armey	Dickinson	Inhofs
Aspin	Doolittls	Ireland
Bacchue	Dornan (CA)	Jamee
Baker	Drsisr	Johnson (TX)
Ballsngsr	Duncan	Kaptur
Barnard	Edwards (OK)	Kasich
Barton	Edwards (TX)	Kyl
Bateman	Emerson	Lagomarsino
Beilenson	Evane	Lancaster
Bennett	Ewing	Laughlin
Bsntlsy	Fawell	Lewie (CA)
Bilirakie	Gallegly	Lewie (FL)
Bliley	Gekas	Lightfoot
Boehner	Gilman	Lipinski
Broomfield	Gingrich	Livingston
Bunning	Goss	Lowery (CA)
Burton	Gradison	Machtley
Byron	Hall (TX)	Marlsnee
Callahan	Hancock	Martin
Cobls	Hansen	McCandless
Colsman (MO)	Hastert	McCollum
Combest	Hefley	McCrery
Condit	Hsrger	McEwen
Coetello	Hoagland	McMillan (NC)
Cox (CA)	Hobson	Michsl
Crane	Hochbrueckner	Miller (OH)
Cunningham	Holloway	Molinari
Dannemeyer	Hunter	Moorhead
Darden	Hutto	Myers
Oxley	Schaefer	Taylor (MS)
Packard	Schiff	Taylor (NC)
Pallone	Shaw	Thomas (CA)
Panstta	Sisisky	Thomas (GA)
Patterson	Skeen	Thomas (WY)
Paxon	Slattery	Torricelli
Payns (VA)	Smith (TX)	Vandsr Jagt
Peterson (MN)	Snows	Vucanovich
Rhodee	Solomon	Walker
Rigge	Spence	Waxman
Ritter	Stearns	Wsldon
Rogers	Stenholm	Wilson
Rohrabacher	Stump	Wolf
Ros-Lshtinen	Tallon	Wylis
Sangmeister	Tauzin	Young (FL)

NOES—270

Abercrombie	Frank (MA)	Mfume
Ackerman	Franke (CT)	Miller (CA)
Alexander	Frost	Miller (WA)
Allard	Gallo	Mineta
Anderson	Gaydos	Mink
Andrewe (NJ)	Gejdenson	Moakley
Andrewe (TX)	Gephardt	Mollohan
Annunzio	Geren	Moody
Anthony	Gibbons	Moran
Applegate	Gilchrest	Morella
Archsr	Gillmor	Morrison
Atkins	Gonzalez	Murtha
AuCoin	Gordon	Nagle
Barrett	Grandy	Natcher
Bereuter	Green	Neal (MA)
Berman	Guarini	Neal (NC)
Bevill	Gunderson	Nichols
Bilbray	Hall (OH)	Nowak
Boehlert	Hamilton	Nussle
Bonior	Hammsrschmidt	Oakar
Borski	Harris	Oberstar
Bouchsr	Hatchsr	Obsy
Breweter	Hayee (IL)	Olin
Brooks	Hayss (LA)	Olvsr
Browder	Hefner	Ortiz
Bruce	Henry	Orton
Bryant	Hertel	Owene (NY)
Bustamante	Horn	Owene (UT)
Camp	Horton	Parker
Campbell (CA)	Houghton	Pastor
Campbell (CO)	Hoyer	Payne (NJ)
Cardin	Hubbard	Pease
Carper	Huckaby	Penny
Carr	Hughes	Perkine
Chandler	Jacobs	Pstsrson (FL)
Chapman	Jsnkins	Petri
Clay	Johnson (CT)	Pickett
Clsment	Johnson (SD)	Pickls
Clingsr	Johnston	Porter
Colsman (TX)	Jones (GA)	Poshard
Colline (IL)	Jones (NC)	Price
Collins (MI)	Jontz	Pursell
Conyers	Kanjorski	Quillen
Cooper	Kennedy	Rahall
Coughlin	Kennslly	Ramstad
Cox (IL)	Kildee	Rangel
Coyns	Kleczka	Ravenel
Cramer	Klug	Ray
ds la Garza	Kolbs	Reed
DeFazio	Kolter	Regula
DeLauro	Kopetski	Richardson
DeLay	Kostmayer	Ridge
Dsllums	LaFalce	Rinaldo
Derrick	Lantos	Roberts
Dicks	LaRocco	Roe
Dingsll	Leach	Roemer
Dixon	Lehman (CA)	Roee
Donnelly	Lehman (FL)	Roth
Dooley	Levin (MI)	Roukema
Downey	Lsvins (CA)	Roybal
Durbin	Lewis (GA)	Russo
Dwyer	Long	Sabo
Dymally	Lowey (NY)	Sanders
Early	Luken	Santorum
Eckart	Manton	Sawyer
Engel	Markey	Saxton
English	Martinez	Schroedsr
Erdreich	Matsui	Sensenbrenner
Espy	Mavroules	Ssrrano
Fascell	Mazzoli	Sharp
Fazio	McCloskey	Shays
Feighan	McCurdy	Sikorski
Fields	McDermott	Skaggs
Fish	McGrath	Skelton
Flake	McHugh	Slaughter (NY)
Foglietta	McMillen (MD)	Smith (FL)
Ford (MI)	McNulty	Smith (IA)
Ford (TN)	Meyers	Smith (NJ)

Smith (OR)	Thornton	Waters
Solarz	Torres	Weiss
Spratt	Towns	Wheat
Staggers	Traficant	Whitten
Stallings	Unsoeld	Wise
Stark	Upton	Wolpe
Stokes	Valentine	Wyden
Studds	Vento	Yates
Sundquist	Visclosky	Yatron
Swett	Volkmer	Young (AK)
Swift	Walsh	Zeliff
Synar	Washington	Zimmer

NOT VOTING—28

Boxer	McDade	Schulze
Brown	Montgomery	Schumer
Dorgan (ND)	Mrazek	Shuster
Edwards (CA)	Murphy	Slaughter (VA)
Glickman	Pelosi	Tanner
Goodling	Rostenkowski	Traxler
Hopkins	Rowland	Weber
Jefferson	Sarpalius	Williams
Lent	Savage	
Lloyd	Scheuer	

□ 2127

Mr. HOAGLAND and Mr. EWING changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. BROOMFIELD. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take the floor at this time to indicate that, when we return to the full House I will offer a straight motion to recommit this bill to the Committee on Foreign Affairs.

This does not mean that I am against reforming our export laws. Far from it. I believe that we need fundamental changes in our export control system.

The problem with this bill is that it does not represent a comprehensive change in the current law. Instead, it is a partial, piecemeal approach that would not result in any real benefit.

Industry is not united behind this bill. This is because although it would liberalize East-West trade, it would also add sweeping new unilateral controls on exports to certain Third World countries.

The administration is strongly opposed. In fact, the Statement of Administration Policy identifies three major items that would result in a Presidential veto. These include: Liberalized exports of telecommunications equipment to the Soviet Union; a new, unilateral nuclear control program; and removal of controls on commercial computer software.

In addition, the administration has stated its opposition to several other provisions. Subject to the order of the House of Representatives, I ask that the Statement of Administration Policy be made part of the RECORD at this point.

The issues addressed by this bill are big issues that deserve serious consideration. They need to be thought out again by the Committee on Foreign Affairs.

Failure to act realistically at this time will simply mean that Congress has again failed to make a meaningful input into this process. Export controls will continue in effect under Executive order.

We need to do a better job, one that will lay a basis for future changes. I urge Members to join me in opposing this bill.

Mr. Chairman, I include a copy of the Statement of Administration Policy for the RECORD.

STATEMENT OF ADMINISTRATION POLICY

The Administration supports enactment of legislation renewing the Export Administration Act, and will continue to work with Congress to craft a mutually satisfactory bill. It is essential that such legislation provide flexibility if the United States is to continue its role as a leader in a changing world. This is particularly important as we work to strengthen non-proliferation export controls and shape the response of the Coordinating Committee on Multilateral Export Controls (COCOM) to the changes in the Soviet Union and Eastern Europe.

However, H.R. 3489 contains several seriously objectionable provisions. If they are retained in a bill presented to the President, his senior advisers would recommend he veto it. These include:

Controls on Telecommunications (section 108), which are intended to require the United States to propose to COCOM that certain controls on telecommunications technology exported to the Soviet Union be removed. The intent of this provision is to undo control levels the United States and its COCOM partners recently agreed are necessary to protect critical security interests. At a time of great turmoil and unpredictability in the Soviet Union, there must be flexibility to determine the control levels that will satisfy continuing national security concerns while supporting the democratization movement in that country.

Nuclear controls (Title III), which would effectively block nuclear safety cooperation with certain East European countries, the Soviet Union, and Mexico, and would limit nuclear-related dual-use exports to U.S. friends, such as Israel. It would also impose sanctions against foreign nations for carrying out nuclear commerce that is fully compatible with existing multilateral nuclear control regimes. Title III would undermine multilateral efforts to control dual-use exports to nuclear-related end-users and would weaken, rather than strengthen, International Atomic Energy Agency (IAEA) safeguards.

Section 107, which includes a provision that prohibits controlling mass market software with encryption under the Arms Export Control Act. This provision is of particular national security concern and would micromanage a vitally important Executive branch process.

The Administration also opposes a number of provisions in H.R. 3489 that dictate internal Executive branch procedures and decision processes. (The Administration would oppose any similar amendments.) These include provisions on: exports of satellites for launch by the PRC (section 125), commodity jurisdiction (section 107), terrorist countries (section 119), exports to Eastern Europe (section 105), items intended for civil end-use (section 105(b)), the Commerce Department representative to COCOM (section 116), supercomputers (section 104(b)), and control list review (section 111). These provisions interfere with the President's ability to conduct foreign policy or enter into international agreements, and in some instances are incompatible with important national security interests.

In addition, the Administration opposes, as disruptive and unnecessary: section 123(b), which would create the right to appeal export licensing and commodity classification decisions to an Administrative Law Judge; and earmarking of the International Trade Administration (ITA) appropriation authorization, which would further limit funds for export promotion programs (section 206). Further, the Administration strongly opposes Title IV, relating to economic cooperation projects in China and Tibet, which will undermine our efforts to seek Chinese cooperation and willingness to address our concerns and develop procedures for investigating allegations of prison labor exports.

The Administration also opposes those provisions which intrude on the President's constitutional authority by purporting to mandate or restrict negotiations with foreign governments or countries.

SCORING FOR THE PURPOSE OF PAYGO AND DISCRETIONARY CAPS

H.R. 3489 would increase receipts; therefore, it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act (OBRA) of 1990. OMB's preliminary scoring estimates of this bill are presented in the table below. Final scoring of this proposal may deviate from this estimate. If H.R. 3489 is enacted, final OMB scoring estimates would be published within five days of enactment, as required by OBRA. The cumulative effects of all legislation on direct spending and revenue will be issued in monthly reports transmitted to Congress.

Estimates for pay-as-you-go

[Receipts in millions of dollars]

1992	1.9
1993	2.9
1994	2.9
1995	2.9
1991–95	10.6

□ 2130

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding to me. I rise to support the gentleman's motion to recommit.

Mr. Chairman, I rise in support of the motion to recommit H.R. 3489 by the distinguished ranking Republican member of our committee, the distinguished gentleman from Michigan [Mr. BROOMFIELD] and for his work on the export administration authorization bill. I would also like to associate myself with the comments made by our distinguished ranking Republican member in acknowledging the good efforts of Chairman GEJDENSEN and Ranking Republican Member ROTH, the two principal members of the Subcommittee on International Economic Policy and Trade.

We are all aware of the need to make American business more competitive. Some of our Members have already pointed out the need to remove as many impediments as possible to U.S. business competing in the emerging world market. The emerging Democracies of Eastern Europe represent fertile, untapped resources for our business community.

It is clear that the political sea-change in Eastern Europe has necessitated the need to reduce the list of controlled items to the nations of Eastern Europe.

Simultaneously, other concerns have developed over the last few years, particularly those noted most eloquently by the gentleman from

Michigan—namely the need to prevent the proliferation of technologies of mass destruction. For 4 years I have reminded our colleagues of the need to combat the scourge of chemical weapons in the Middle East, and only now, have I been assured that some strong legislation may be considered by the Ways and Means Committee.

The realities of Iraq's nuclear program speak to the issue of the spread of nuclear technology.

As on many other issues, the Congress and the administration do not agree on precisely how to adapt our export control laws. I believe we must work closely with our Cocom allies to reconcile any differences we may have, either between branches of our Government, or within that important technology control regime.

Mr. Chairman, as Mr. BROOMFIELD has enumerated, the President has threatened a veto of this bill on three separate provisions. Since it is highly doubtful these issues will be resolved this evening, let me join with my colleague, the gentleman from Michigan, in calling for a recommittal of the export control laws. The prospects for this bill are not good, accordingly, Mr. Chairman I must urge our colleagues to oppose it.

Mr. GEJDENSON. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Connecticut.

Mr. GEJDENSON. Mr. Chairman, I have the greatest respect for the gentleman from Michigan. American industry is for this bill, as it originally came out of committee: the American Aerospace Industry, American Business Conference, the American Electronic Association, the AFL–CIO, the Computer Communication Industry, the Computer Business Industry.

This is a prowork, probusiness bill that takes care of national security. It ought to pass.

The CHAIRMAN. Are there other amendments to title I?

If not, the Clerk will designate title II.

The text of title II is as follows:

TITLE II—EXPORT PROMOTION

SEC. 201. UNITED STATES AND FOREIGN COMMERCIAL SERVICE.

(a) MINISTER-COUNSELORS.—Section 2301(d)(1) of the Export Enhancement Act of 1988 (15 U.S.C. 4721(d)(1)) is amended in the first sentence by striking "8" and inserting "20".

(b) REPORT ON TRAINING.—The Secretary of Commerce shall, not later than 6 months after the date of the enactment of this Act, submit to the Congress a report on the adequacy of the training of officers and employees of the United States and Foreign Commercial Service in the following areas: writing of commercial reports, language skills, cultural awareness, and public speaking.

(c) USE OF PERSONAL SERVICES.—The following offices of the International Trade Administration in the Department of Commerce may acquire personal services by contract to assist such offices in their export promotion programs and in their automation efforts: the Office of Trade Development, the Office of International Economic Policy, and the Office of the United States and Foreign Commercial Service.

(d) INCREASE IN COMMERCIAL SERVICE OFFICERS IN CERTAIN COUNTRIES.—The Secretary of Commerce shall increase the number of Commercial Service Officers in Taiwan, Japan, and Canada by 3 over the number of such officers assigned to each of such countries in calendar year 1989.

SEC. 202. MARKET DEVELOPMENT COOPERATIVE PROGRAM.

(a) QUALIFICATIONS FOR PROGRAM.—Section 2303(c)(2) of the Export Enhancement Act of 1988 (15 U.S.C. 4723(c)(2)) is amended by striking "and computer data bases" and inserting "computer data bases, and methods of distribution of goods and services".

(b) REPORTS ON THE PROGRAM.—Section 2303 of the Export Enhancement Act of 1988 (15 U.S.C. 4723(c)(2)) is amended by adding at the end the following:

"(e) REPORTS TO CONGRESS.—The Secretary of Commerce shall report every 6 months to the Committee on Foreign Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate on the progress the Department of Commerce has made in implementing the Market Development Cooperator Program.".

SEC. 203. COUNTRY REPORTS ON TRADE PRACTICES.

Section 2202 of the Export Enhancement Act of 1988 (15 U.S.C. 4711) is amended in the first sentence by striking "January" and inserting "May".

SEC. 204. REPORT ON EXPORT POLICY.

(a) IN GENERAL.—The Secretary of Commerce shall submit to the Congress, not later than May 31 of each year, a report on the international economic position of the United States and shall, not later than June 30 of each year, appear before the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Foreign Affairs of the House of Representatives to testify on issues addressed in such report.

(b) CONTENTS.—(1) Each report under subsection (a) shall address the following:

(A) The state of United States international economic competitiveness, focusing, in particular, on Department of Commerce efforts to—

(i) encourage research and development of technologies and products deemed critical for industrial leadership;

(ii) promote investment in and improved manufacturing processes for such technologies and products; and

(iii) increase United States industrial exports of products using the technologies described in clause (i) to those markets where the United States Government has sought to reduce barriers to exports.

(B) The current Department of Commerce export development strategy, including the implementation of the United States and Foreign Commerce Service Strategic Review and the activities of the Trade Promotion Coordinating Committee.

(C) Other specific Department of Commerce recommendations to improve the United States balance of trade.

(2) The first report provided under this section shall also address Government export financing programs and actions planned or underway to improve them.

(3) Portions of each report under this section may be based upon relevant reports and testimony produced by the Department of Commerce or other agencies, but the policy views shall be those of the Secretary of Commerce.

SEC. 205. TRADE PROMOTION COORDINATING COMMITTEE.

(a) ESTABLISHMENT AND PURPOSE.—The President shall establish the Trade Promotion Coordinating Committee (hereinafter in this section referred to as "TPCC") which shall be chaired by the Secretary of Commerce. The purpose of the TPCC shall be to unify and streamline international trade promotion activities of the United States Government.

(b) DUTIES.—The TPCC shall be responsible for the following activities:

(1) The collection, analysis, and dissemination to United States businesses of information on foreign markets for United States goods and services.

(2) Providing to United States businesses information on export financing.

(3) Representing United States business interests with foreign governments, international banks, and other international organizations.

(4) Providing to United States businesses information on potential joint venture partners in foreign countries.

(5) Counseling United States businesses on foreign standards, testing, and certification requirements and procedures.

(6) Coordinating international trade events, including trade shows and trade missions.

(7) Identifying trade agents and distributors in foreign countries to distribute United States goods and services abroad.

(c) MEMBERSHIP.—Members of the TPCC shall include representatives of the Departments of Commerce, State, Treasury, and Agriculture, the Office of the United States Trade Representative, the Small Business Administration, the Trade and Development Program, the Overseas Private Investment Corporation, and the Export-Import Bank of the United States. Representatives of other departments or agencies may be included in TPCC as necessary, at the discretion of the Chair.

(d) REPORT TO CONGRESS.—The Comptroller General of the United States shall prepare and submit to the Congress, not later than June 30, 1992, a report analyzing the ability of the TPCC to carry out its duties under subsection (b), and describing what additional resources, if any, the TPCC needs to carry out such duties effectively.

SEC. 206. REPORT ON EXPORT PROMOTION.

The Comptroller General shall, not later than June 30, 1992, prepare and transmit to the Committee on Foreign Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, a report that analyzes the—

(1) progress made in strengthening coordination of Federal export promotion efforts,

(2) efforts made to improve coordination of Federal export promotion activities with the States,

(3) efforts made to improve export promotion coordination and cooperation with private industry groups, and

(4) adequacy of Federal, State, and private sector export financing programs.

SEC. 207. EXPORT PROMOTION AUTHORIZATION.

Section 202 of the Export Administration Amendments Act of 1985 (15 U.S.C. 4052) is amended to read as follows:

"SEC. 202. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to the Department of Commerce—

"(1) to carry out export promotion programs, $166,000,000 for the fiscal year 1992; and

"(2) to carry out section 2303 of the Omnibus Trade and Competitiveness Act of 1988, $5,000,000 for fiscal year 1992.".

The CHAIRMAN. Are there amendments to title II?

If not, the Clerk will designate title III.

The text of title III is as follows:

TITLE III—NUCLEAR NONPROLIFERATION

SEC. 301. SHORT TITLE.

This title may be cited as the "Nuclear Proliferation Prevention Act of 1991".

SEC. 302. PURPOSE.

It is the purpose of this title to strengthen both domestic and international controls over the transfer of facilities, materials, equipment,

and technology which may contribute to nuclear proliferation by—

(1) prohibiting all nuclear commerce (except that authorized under general license) by the United States with non-nuclear-weapon states which do not maintain international safeguards on all of their nuclear facilities and in cases in which there is no agreement for nuclear cooperation under which such commerce would be conducted;

(2) restricting United States exports of weapons-useable, highly enriched uranium;

(3) mandating negotiation of a multilateral mechanism for assuring that no facilities, materials, equipment, or technology which may contribute to nuclear proliferation are transferred by any nation or group of nations to any non-nuclear-weapon state which does not maintain international safeguards on all its nuclear facilities, that exports of highly enriched uranium are curtailed, and that all nuclear commerce is halted with those non-nuclear-weapon states which pose significant threats to regional or global peace and security;

(4) assuring that meaningful and appropriate trade sanctions are imposed by the United States on any foreign entity that engages in nuclear trade in contravention of the principles described in this section, and on any nation or group of nations which does not subscribe to such principles; and

(5) providing for the United States to enter into negotiations with other nations and groups of nations to improve significantly the effectiveness of the safeguards of the International Atomic Energy Agency.

SEC. 303. RESTRICTIONS ON NUCLEAR EXPORTS.

(a) RESTRICTIONS.—Chapter 11 of the Atomic Energy Act of 1954 (42 U.S.C. 2151 and following) is amended by adding at the end the following:

"SEC. 134. FURTHER RESTRICTIONS ON EXPORTS.—

"a. (1) In addition to any other requirement of this Act, none of the following actions may be taken until the conditions set forth in paragraph (2) are met:

"(A) Issuing a license required under the Export Administration Act of 1979 for the export of any item or related technical data which, as determined under section 309(c) of the Nuclear Non-Proliferation Act of 1978, could be of significance for nuclear explosive purposes, if the item or technical data—

"(i) is intended for use in connection with the physical construction, operation, or maintenance of a nuclear production or utilization facility, or

"(ii) is intended for an unreliable end user, as specified on a list developed and maintained by the Secretary of Commerce, so that the export would result in a likelihood of diversion of the item or technical data for use in a production or utilization facility, or for research on, or for the design, development, or fabrication of or other use in, any nuclear explosive device.

"(B) Issuing a license under section 109b. for the export of any component, substance, or item that is subject to such license requirement under such section.

"(C) Approval by the United States, as required under the Export Administration Act of 1979 or section 109b.(3), of the retransfer of any item, technical data, component, or substance described in subparagraph (A) or (B).

"(D) Authorizing, as required by section 57b.(2), any person to engage, directly or indirectly, in the production of special nuclear material.

"(2) The conditions referred to in paragraph (1) are the following:

"(A) If the export, retransfer, or activity involves a non-nuclear-weapon state, such state—

"(i) maintains International Atomic Energy Agency safeguards on all its peaceful nuclear activities, or

"(ii) is a party to—

"(I) a regional agreement providing for International Atomic Energy Agency safeguards on all of its peaceful nuclear activities, or

"(II) a regional, bilateral, or multilateral agreement providing for safeguards, that are verified by the International Atomic Energy Agency, on all of its peaceful nuclear activities, and such safeguards are certified by the President to the Congress to be substantially equivalent or superior to the safeguards regime implemented by the International Atomic Energy Agency for nations which are parties to the Treaty on the Non-Proliferation of Nuclear Weapons.

"(B) An agreement for cooperation arranged pursuant to section 123 is in effect which governs nuclear activities in the recipient nation.

"(3) Nothing in this subsection shall preclude an export, retransfer, or activity for which a general license or general authorization has been granted by the Commission, the Department of Commerce, or the Department of Energy.

"(4) The condition referred to in paragraph (2)(B) shall not apply for a period of 24 months after the effective date of this section to any nation which, within 6 months after such effective date, has entered into, or has initiated negotiations to enter into, an agreement for cooperation with the United States.

"(5) The President may waive any condition required by paragraph (2) (except as provided in clause (iii)) for an export, retransfer, or activity—

"(A) if the President determines that—

"(i) the export, retransfer, or activity involves radiation protection or health physics, decontamination, or other assistance needed solely to prevent or correct imminent radiological hazards that pose a danger to the public health or safety at an operating nuclear reactor;

"(ii) the export, retransfer, or activity is essential for the achievement of United States nuclear nonproliferation objectives and the export, retransfer, or activity would not result in any material contribution to the ability of the recipient nation to acquire a nuclear explosive device; or

"(iii) only in the case of a waiver of the condition required by paragraph (2)(B), the export, retransfer, or activity is so remote or inconsequential from the standpoint of nuclear proliferation as to make the application of the condition required by paragraph (2)(B) unnecessary;

"(B) the government of the recipient nation has provided a guaranty to the United States Government that the item, technical data, component, or substance described in paragraph (1) (A) or (B), or the special nuclear material described in paragraph (1)(D), will be used only for peaceful purposes;

"(C) if the item, technical data, component, or substance described in paragraph (1) (A) or (B) is used in a production or utilization facility, or if the special nuclear material described in paragraph (1)(D) is produced or used in a production or utilization facility, the government of the recipient nation has provided a guaranty to the United States Government that such facility is under safeguards described in paragraph (2)(A) (i) or (ii), and adequate physical security will be maintained in the facility so that the item, technical data, component, substance, or special nuclear material will not be used for nuclear explosive purposes;

"(D) the government of the recipient country has provided a guaranty to the United States Government that the prior approval of the United States Government will be obtained for any retransfer of the item, technical data, component, or substance described in paragraph (1) (A) or (B) or the special nuclear material described in paragraph (1)(D);

"(E) the United States has the right to require the return of the item, technical data, component, or substance described in paragraph (1) (A) or (B), or the special nuclear material described in paragraph (1)(D), if the recipient country detonates a nuclear explosive device or if the production or utilization facility described in subparagraph (C) ceases to be under safeguards described in paragraph (2)(A) (i) or (ii); and

"(F)(i) before the waiver takes effect, the President submits the proposed waiver, together with a report containing the reasons for the waiver, to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate; and

"(ii) a period of 30 days of continuous session (as defined in section 130g. of this Act) has elapsed and the Congress has not, during that 30-day period, adopted a joint resolution, which is thereafter enacted into law, stating in substance that it does not favor the waiver.

Any such proposed waiver shall be considered pursuant to the procedures set forth in section 130i. of this Act, except that for purposes of such section each reference to an agreement for cooperation submitted under section 123 of this Act shall be deemed to be a reference to the waiver under this paragraph.

"(6) For purposes of this subsection—

"(A) the term 'non-nuclear-weapon state' means any nation that is not a nuclear-weapon state within the meaning of the Treaty on the Non-Proliferation of Nuclear Weapons; and

"(B) the term 'unreliable end user' means an end user with respect to whom there is clear and convincing evidence of prior or potential diversions by that end user to prohibited end uses.

"b. (1) The Commission may issue a license for the export of highly enriched uranium to be used as a fuel or target in a nuclear research or test reactor only if, in addition to any other requirement of this Act, the Commission determines that—

"(A) there is no alternative nuclear reactor fuel or target enriched in the isotope 235 to a lesser percent than the proposed export, that can be used in that reactor;

"(B) the proposed recipient of that uranium has provided assurances that, whenever an alternative nuclear reactor fuel or target can be used in that reactor, it will use that alternative in lieu of highly enriched uranium; and

"(C) the United States Government is actively developing an alternative nuclear reactor fuel or target that can be used in that reactor.

"(2) As used in this subsection—

"(A) the term 'alternative nuclear reactor fuel or target' means a nuclear reactor fuel or target which is enriched to less than 20 percent in the isotope U–235;

"(B) the term 'highly enriched uranium' means uranium enriched to 20 percent or more in the isotope U–235; and

"(C) a fuel or target 'can be used' in a nuclear research or test reactor if—

"(i) the fuel or target has been qualified by the Reduced Enrichment Research and Test Reactor Program of the Department of Energy, and

"(ii) use of the fuel or target will permit the large majority of ongoing and planned experiments and isotope production to be conducted in the reactor without a large percentage increase in the total cost of operating the reactor.

"c. The President shall, as soon as possible after the enactment of this section, undertake negotiations with those foreign nations which participate in the Nuclear Suppliers Group to—

"(1) establish a list of those facilities, materials, equipment, and technology of significance for nuclear explosive purposes which, when they are intended or likely to be diverted for a nuclear end use, may not be transferred to any non-nuclear-weapon state unless such state—

"(A) maintains International Atomic Energy Agency safeguards on all its nuclear facilities, or

"(B) is a party to—

"(I) a regional agreement providing for International Atomic Energy Agency safeguards on all of its peaceful nuclear activities, or

"(II) a regional, bilateral, or multilateral agreement providing for safeguards that are verified by the International Atomic Energy Agency on all of its peaceful nuclear activities, and such safeguards are substantially equivalent or superior to the safeguards regime implemented by the International Atomic Energy Agency for nations which are parties to the Treaty on the Non-Proliferation of Nuclear Weapons;

"(2) prohibit the export of uranium enriched to greater than 20 percent or more in the isotope U-235 under conditions less stringent than those set forth in subsection b.;

"(3) with respect to those non-nuclear-weapon states which are determined to pose significant threats to regional or global peace and security—

"(A) terminate all exports to such states of any item or related technical data which could be of significance for nuclear explosive purposes and—

"(i) is intended for use in a nuclear production or utilization facility, or

"(ii) is likely to be diverted for use in such a facility, or for research on, or for the design, development, or fabrication of or other use in, any nuclear explosive device;

"(B) terminate all exports to such states of any component, substance, or item which is determined to be especially relevant from the standpoint of export control because of its significance for nuclear explosive purposes;

"(C) terminate all retransfers to such states of any item, technical data, component, or substance described in subparagraph (A) or (B);

"(D) terminate all authorizations for any person to engage, directly or indirectly, in the production of special nuclear material in such states;

"(E) terminate all exports or retransfers to such states of any production or utilization facility or of any source material or special nuclear material; and

"(F) refuse to negotiate any proposed agreement for cooperation or approve any subsequent arrangement with such states; and

"(4) institute appropriate procedures for that Group under which the participating nations may raise and satisfactorily resolve questions related to any proposed export, retransfer, or activity which, if authorized, might be inconsistent with the principles set forth in paragraphs (1) through (3).

For purposes of this subsection, the term non-nuclear-weapon state has the meaning given that term in subsection a.(6).

"d. (1) Subject to paragraphs (2) through (6), if the President determines that a foreign person, after the date of the enactment of this section, knowingly—

"(A) exports, transfers, or otherwise engages in the trade of any nuclear facilities, materials, equipment, or technology in contravention of measures adopted pursuant to paragraphs (1) through (3) of subsection c.;

"(B) conspires to or attempts to engage in such export, transfer, or trade, or

"(C) facilitates such export, transfer, or trade by any other person,

then the President shall, for a period of not less than 2 years, prohibit the export from the United States to such person of all nuclear facilities, materials, equipment, and technology.

"(2) Paragraph (1) does not apply to any export, transfer, or trading activity that is authorized by the laws of a nation participating in the Nuclear Suppliers Group and adhering to all measures adopted pursuant to paragraphs (1) through (3) of subsection c., if such authorization is not obtained by misrepresentation or fraud.

"(3) Sanctions set forth in paragraph (1) may not be imposed under this subsection on a person with respect to acts described in such paragraph or, if such sanctions are in effect against a person on account of such acts, such sanctions shall be terminated, if a nation participating in the Nuclear Suppliers Group is taking judicial or other enforcement action against that person with respect to such acts, or that person has been found by the government of a nation participating in the Nuclear Suppliers Group to be innocent of wrongdoing with respect to such acts.

"(4) Upon the request of any person, an agency or official responsible for carrying out any measure adopted pursuant to paragraphs (1) through (3) of subsection c. may, in consultation with the Secretary of State and the Secretary of Defense, issue an advisory opinion to that person as to whether a proposed activity by that person would subject that person to sanctions under this subsection. Any person who relies in good faith on such an advisory opinion which states that the proposed activity would not subject a person to such sanctions, and any person who thereafter engages in such activity, may not be made subject to such sanctions on account of such activity.

"(5) Not later than 15 days before imposing sanctions under this subsection, the President shall notify the Congress of the actions to be taken.

"(6) The President shall not be required to apply or maintain sanctions under this subsection to—

"(A) spare parts;

"(B) component parts, but not finished products, essential to United States products or production;

"(C) routine servicing and maintenance of products, to the extent that alternative sources are not readily or reasonably available; or

"(D) medical or other humanitarian items.

"(7) For purposes of this subsection—

"(A) the term 'foreign person' means any person other than a United States person;

"(B) the term 'United States person' has the meaning given that term in section 16 of the Export Administration Act of 1979;

"(C)(i) the term 'person' means a natural person as well as a corporation, business association, partnership, society, trust, any other nongovernmental entity, organization, or group, and any governmental entity operating as a business enterprise, and any successor of any such entity; and

"(ii) in the case of countries where it may be impossible to identify a specific governmental entity referred to in clause (i), the term 'person' means all activities of that government relating to the development or production of any nuclear facilities, materials, equipment, or technology; and

"(D) the term 'otherwise engaged in the trade of' means, with respect to a particular export or transfer, to be a freight forwarder or designated exporting agent, or a consignee or end user of the item to be exported or transferred.

"e. (1) If the President determines that any foreign nation or group of nations, whether or not participating in the Nuclear Suppliers Group has, on or after the effective date of this section, permitted any nuclear-related export, retransfer, or activity which would contravene any prohibition, restriction, or other measure adopted by the Nuclear Suppliers Group, including, but not limited to, any measure adopted pursuant to paragraphs (1) through (3) of subsection c., the President shall immediately take one or more of the actions described in paragraph (2), depending upon the degree of proliferation risk associated with the act by the nation or group of nations involved.

"(2) The actions referred to in paragraph (1) are to—

"(A) terminate some or all nuclear-related exports, retransfers, authorizations, and activities to, for, in, or with the foreign nation or group of nations,

"(B) terminate some or all assistance to that nation or group of nations under the Foreign Assistance Act of 1961, except for urgent humanitarian assistance and food or other agricultural commodities or products,

"(C) terminate—

"(i) some or all sales to that nation or group of nations under the Arms Export Control Act of any defense articles, defense services, or design and construction services, and

"(ii) some or all licenses for the export to that nation or group of nations of any item on the United States Munitions List,

"(D) terminate some or all foreign military financing for that nation or group of nations under the Arms Export Control Act, and

"(E) use the authorities of section 6 of the Export Administration Act of 1979 to prohibit some or all exports to that nation or group of nations of other goods and technology (excluding food and other agricultural commodities and products).

"(3) Not later than 15 days before taking the actions required under paragraph (2), the President shall notify the Congress of the actions to be taken.

"(4) The President may waive the imposition of any sanction under paragraph (2) if—

"(A) the President determines that to impose the sanction would be seriously prejudicial to the achievement of United States nonproliferation objectives or would have a serious adverse effect on vital United States interests;

"(B) before the waiver takes effect, the President submits that determination, together with a report containing the reasons for the determination, to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate; and

"(C) a period of 60 days of continuous session (as defined in section 130g. of this Act) has elapsed and the Congress has not, during that 60-day period, adopted a joint resolution, which is thereafter enacted into law, stating in substance that it does not favor the determination.

Any such determination shall be considered pursuant to the procedures set forth in section 130i. of this Act, except that for purposes of such section each reference to a proposed agreement for cooperation submitted under section 123 of this Act shall be deemed to be a reference to the determination submitted under this paragraph.".

(b) CLERICAL AMENDMENT.—The table of contents of the Atomic Energy Act of 1954 is amended by adding at the end of the items relating to chapter 11 the following:

"Sec. 134. Further restrictions on exports.".

SEC. 304. NEGOTIATIONS.

Section 203 of the Nuclear Non-Proliferation Act of 1978 (22 U.S.C. 3243) is amended—

(1) by inserting "(a)" after "SEC. 203."; and

(2) by adding at the end the following:

"(b) In order to improve significantly the effectiveness of the safeguards of the IAEA, the United States shall seek to negotiate with other nations and groups of nations, including the IAEA Board of Governors and the Nuclear Suppliers Group, to—

"(1) improve the access of the IAEA within nuclear facilities that are capable of producing, processing, or fabricating weapons-capable nuclear materials;

"(2) facilitate the exercise by the IAEA of its right to conduct special inspections of facilities

capable of producing, processing, or fabricating weapons-capable nuclear materials, including those facilities in which nuclear materials may not yet have been introduced or have not been declared to the IAEA;

"(3)(A) facilitate the IAEA's efforts to meet and to maintain its own goals for detecting the diversion of nuclear materials and equipment, giving particular attention to facilities in which there are bulk quantities of plutonium; and

"(B) if it is not technically feasible for the IAEA to meet those detection goals in a particular facility, require the IAEA to declare publicly that it is unable to do so;

"(4) apply the IAEA's mandatory safeguards to tritium and natural uranium concentrate and increase the scope of such safeguards on heavy water; and

"(5) provide the IAEA the additional funds, technical assistance, and political support necessary to carry out this subsection.

"(c) The President shall report to the Speaker of the House of Representatives and the President of the Senate—

"(1) within 6 months after the date of the enactment of this subsection, on the steps he has taken to implement subsection (b), and

"(2) annually thereafter, on the progress that has been made and the obstacles that have been encountered in seeking to meet the objectives set forth in subsection (b).".

SEC. 305. REPORTS TO CONGRESS.

Section 601(a) of the Nuclear Non-Proliferation Act of 1978 (22 U.S.C. 3281(a)) is amended—

(1) in paragraph (4) by striking "and" after the semicolon;

(2) in paragraph (5) by striking the period and inserting a semicolon; and

(3) by adding after paragraph (5) the following:

"(6) a summary and analysis of the particular arrangements made by the IAEA for the application of safeguards on specific nuclear materials and equipment;

"(7) a summary and analysis of the results of individual inspections by the IAEA of nuclear materials and equipment subject to IAEA safeguards, including measurements of materials subject to such safeguards;

"(8) an analysis of the problems encountered by the IAEA in the implementation of safeguards, such as failures of IAEA safeguards equipment and lack of cooperation by operators of nuclear facilities and recipient nations, including those problems set forth in the Safeguards Implementation Report of the IAEA; and

"(9) a description of the implementation of nuclear and nuclear-related dual-use export controls in the preceding calendar year, including a description of—

"(A) each transaction for which—

"(i) a determination was made under section 134a.(1)(A) of the 1954 Act that the controlled item or technical data was not—

"(I) intended for use in a nuclear production or utilization facility, or

"(II) intended for an unreliable end user, as described in section 134a.(1)(A)(ii) of the 1954 Act;

"(ii) an export license was issued under section 109b. of the 1954 Act;

"(iii) approvals were issued under the Export Administration Act of 1979, or section 109b.(3) of the 1954 Act, for the retransfer of any item, technical data, component, or substance to which section 134a. of the 1954 Act applies; or

"(iv) authorizations were made as required by section 57b.(2) of the 1954 Act to engage, directly or indirectly, in the production of special nuclear material;

"(B) each instance in which a waiver of a condition was made under section 134a.(5) of the 1954 Act; and

"(C) each instance in which a sanction has been imposed under subsection d. or e. of section 134 of the 1954 Act, a sanction has not been imposed by reason of paragraph (3) or (6) of subsection d. of such section, or a waiver of a sanction has been made under subsection e.(4) of such section.

Portions of the information required by paragraph (9) may be submitted in classified form, as necessary. Any such information that may not be published or disclosed under section 12(c)(1) of the Export Administration Act of 1979 shall be submitted in classified form.".

Mr. SCHUMER. Mr. Chairman, I rise in strong support of this bill and especially its title III provisions to inhibit the scourge of nuclear proliferation. I commend my colleagues Mr. GEJDENSON, WOLPE, MARKEY, FASCELL, BROOMFIELD, and ROTH, and their staffs, for their great effort on this important bill. I would also like to thank them for incorporating, during committee consideration, the legislative provisions of my bill H.R. 3527, the Bomb-Grade Uranium Export Restriction Act of 1991. I submit the "Findings" section of that bill—which was not included in the bill before us—to be printed at this point in the RECORD.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Bomb-Grade Uranium Export Restriction Act of 1991".

SEC. 2. FINDINGS.

Congress finds the following:

(1) Highly enriched uranium exported for civilian research purposes readily can be utilized to make nuclear weapons, if diverted for such purposes or intercepted by terrorists.

(2) It has been the stated policy of the United States since 1978 to reduce exports of highly enriched uranium to the maximum extent possible in order to reduce this risk.

(3) At least one foreign reactor operator has applied for a United States export of highly enriched uranium fuel despite the fact that the reactor can use non-weapons-grade, low-enriched uranium.

(4) The Reduced Enrichment Research and Test Reactor (RERTR) Program, created in 1978, has developed high-density low-enriched uranium fuels that have enabled the United States to reduce exports of highly enriched uranium from six hundred kilograms annually to less than one hundred fifty kilograms annually.

(5) Remaining annual United States exports of highly enriched uranium are still sufficient for at least five nuclear weapons if diverted for such purposes.

(6) The RERTR Program is likely to develop low-enriched uranium fuels and targets capable of replacing remaining exports of weapons-grade uranium within approximately five years, if adequately funded during that time, which would allow the United States to terminate all exports of highly enriched uranium.

(7) Long-standing United States nuclear nonproliferation policy dictates the United States should export highly enriched uranium only if a low-enriched alternative does not exist, the recipient has committed to convert to such an alternative when it does become available, and the United States is actively developing such an alternative.

Mr. Chairman, if there is one lesson we should have learned from Iraq, it is just how potent and dangerous bomb-grade uranium is. A mere 20 to 40 pounds is all that stood between Saddam Hussein and a nuclear weapon, according to a U.N. report released last week. We can only imagine how differently the gulf war might have gone if Saddam had obtained this small cache of explosive material.

The lesson from Iraq is clear: bomb-grade uranium is not steel, it's not corn, it's not Wheaties—it is not a routine commodity that should be shipped willy-nilly thousands of miles around the world where it is vulnerable to diversion or interception by terrorists.

Incredibly, Mr. Chairman, despite this object lesson, the United States remains the world's No. 1 exporter of bomb-grade uranium, shipping more than 250 pounds overseas every year, for use as fuel in research reactors. That's enough bomb-grade uranium for at least six nuclear weapons annually, if diverted for such purposes.

Mr. Chairman, let there be no doubt in anyone's mine as to whether this material can be fabricated into a nuclear weapon. Manhattan Project physicist Luis Alvarez gave a chilling assessment of the threat in his 1987 memoirs, writing: "With modern weapons-grade uranium, the background neutron rate is so low that terrorists, if they had such material, would have a good chance of setting off a high-yield explosion simply by dripping one half of the material onto the other half. Most people seem unaware that if separated [bomb-grade uranium] is at hand it's a trivial job to set off a nuclear explosion * * * even a high school kid could make a bomb in short order."

Mr. Chairman, some will claim the dangers of such commerce can be eliminated by requiring physical security measures. Certainly, such measures can mitigate the threat in the short term, but does anyone believe they are 100 percent foolproof? Didn't we learn from the Marine barracks in Lebanon and from a Pan Am flight over Lockerbie that physical protection measures can be defeated? Mr. Chairman, this bill makes clear, once and for all, that bomb-grade uranium is simply too dangerous to continue shipping overseas for nonmilitary purposes.

This is not a new idea. As early as 1978, the United States recognized that civilian commerce in bomb-grade uranium should be phased out. Throughout the 1980's, we developed alternate, nonweapons-usable fuels, and managed to reduce bomb-grade exports by 80 percent, from 1,500 pounds annually down to the current level. But several years ago, the progress stopped. Development of alternate fuels halted. And every year, since the administration has tried to shutter the program that converts overseas reactors to safer fuels, only to be rebuffed by Congress.

Mr. Chairman, the bill now before us would jump start the Alternate Fuel Program and put into law what was, until recently, longstanding policy of both Democratic and Republican administrations—banning bomb-grade exports unless three conditions are met:

First, no alternate fuel is available;

Second, the reactor operator has committed to use alternate fuel when it does become available; and

Third, the United States is actively developing alternate fuel.

Under these provisions, Mr. Chairman, the United States should be able to phase out all exports of bomb-grade uranium within 5 years. Such a historic step will go a long way toward making the United States—and the rest of the world—less vulnerable to the next Saddam who comes along.

REMAINDER OF TITLE III

I would like to turn for a few moments to the rest of title III. Mr. Chairman, as the principal authors of this section will agree, title III is not a panacea for the problem of nuclear proliferation. Rather, it is a first step, intended to take lessons from our past mistakes, and to close loopholes that actually have been used by countries to proliferate.

From Iraq, which acquired its massive nuclear weapons program while remaining a member in good standing of the Nuclear Non-Proliferation Treaty and submitting to international "safeguards" inspections—we learned that today's safeguards are not worth the paper they are written on. In response, the bill directs the President to push for meaningful improvements at the International Atomic Energy Agency, including provisions for "snap" inspections of facilities that may not even have been declared to the Agency.

From Pakistan, which successfully developed a nuclear bomb relying mainly on equipment and technology supplied from European companies—which went largely unpunished—we learned that meaningful sanctions against outlaw companies are needed as an effective deterrent to further proliferation. Accordingly, this bill for the first time imposes sanctions on foreign companies and countries that violate international nuclear export controls.

Finally, to prevent any further U.S. contribution to nuclear proliferation, the bill bans U.S. exports of nuclear technology, nuclear components, and dual-use items intended for nuclear end-use to any country that fails to submit to international inspections on all its nuclear facilities. Hopefully, this baseline requirement will serve as an example to the world's other nuclear suppliers.

As I said, Mr. Chairman, this bill is only a first step. Much of it merely directs the President to negotiate improved safeguards and international export control standards. Congress will be watching very closely in the months after its enactment to see what progress the President and his State Department are making to meet the mandates of this bill. If progress is slow or nonexistent, you can be sure we will be back with legislation that leaves the President much less discretion to decide which sanctions to impose and which exports to restrict.

In closing, Mr. Chairman, I again congratulate the authors of title III and Mr. GEJDENSON for their fine work and dedication in shepherding this legislation through committee to the floor.

The CHAIRMAN. Are there amendments to title III?

If not, the Clerk will designate title IV.

The text of title IV is as follows:

TITLE IV—ECONOMIC COOPERATION PROJECTS IN CHINA AND TIBET

SEC. 401. STATEMENT OF PRINCIPLES.

(a) PURPOSE.—It is the purpose of this title to create principles governing the conduct of United States economic cooperation projects in the People's Republic of China and Tibet.

(b) PRINCIPLES.—It is the sense of the Congress that any United States economic cooperation project in the People's Republic of China or Tibet should adhere to the following principles:

(1) Seek to ensure that decisions concerning employment in the United States economic cooperation project do not entail discrimination based on sex, religion, ethnic or national background, political belief, nonviolent political activity, or political party membership.

(2) Ensure, through consultation with relevant government authorities where appropriate, that methods of production used in the United States economic cooperation project do not pose an unnecessary physical danger to workers, to neighboring populations and property, and to the surrounding environment.

(3) Ensure that no convict or forced labor under penal sanctions is knowingly used in the United States economic cooperation project.

(4) Ensure that no goods that are mined, produced, or manufactured, in whole or in part, by convict or forced labor under penal sanctions are knowingly used in the United States economic cooperation project.

(5) Undertake to protect freedom of assembly and association among the employees of the United States economic cooperation project, and to foster positive and constructive consultation between employees and management of the United States economic cooperation project.

(6) Promote the training of employees of the United States economic cooperation project, in particular the training of Chinese employees in managerial positions in the principles of market-oriented business management.

(7) Undertake to protect freedom of expression for the employees of the United States economic cooperation project, including the freedom to seek, receive, and impart information and ideas of all kinds.

(8) Discourage compulsory political indoctrination on the premises of the operations of the United States economic cooperation project.

(9) Attempt to raise with the relevant agencies of the Chinese Government those individuals detained, arrested, or convicted since March 1989 solely for nonviolent expression of their political views, and to urge the officials concerned to release publicly a list of the names of those individuals.

(c) PROMOTION OF PRINCIPLES TO OTHER NATIONS.—The Secretary of State shall forward a copy of the principles set forth in subsection (b) to the member nations of the Organization for Economic Cooperation and Development and encourage them to promote principles similar to these principles.

SEC. 402. REGISTRATION REQUIREMENT.

(a) IN GENERAL.—The United States parent company of each United States economic cooperation project in the People's Republic of China or Tibet shall register with the Secretary of State and indicate whether the United States economic cooperation project will implement the principles set forth in section 401(b). No fee shall be required for registration under this subsection.

(b) EFFECTIVE DATE.—The registration requirement of subsection (a) shall take effect 6 months after the date of the enactment of this Act.

SEC. 403. REPORTING REQUIREMENT.

(a) REPORT.—The United States parent company of each United States economic cooperation project in the People's Republic of China or Tibet shall report to the Department of State describing the United States economic cooperation project's adherence to the principles set forth in section 401(b). The United States parent company providing such report shall do so by completing and submitting a reporting form furnished by the Department of State. The first report shall be submitted not later than 1 year after the date on which the United States economic cooperation project registers under section 402 and not later than the end of each 1-year period occurring thereafter.

(b) REVIEW OF REPORT.—The Secretary of State shall review each report submitted under subsection (a) and determine whether the United States economic cooperation project which is the subject of the report is adhering to the principles. In order to verify the information submitted, the Secretary may request additional information from the United States parent company submitting the report and from other sources.

(c) ANNUAL REPORT.—The Secretary of State shall submit to the Congress and to the Secretariat of the Organization for Economic Cooperation and Development a report describing the level of adherence to the principles by United States economic cooperation projects subject to the reporting requirement of subsection (a). Such report shall be submitted not later than 2 years after the date of the enactment of this Act and not later than the end of each 1-year period occurring thereafter.

(d) ASSISTANCE FROM PRIVATE PARTIES.—The Secretary of State may use funds otherwise available to the Secretary for such purposes to enter into contracts with one or more private organizations or individuals to assist the Secretary in carrying out this section.

SEC. 404. DEFINITIONS.

For purposes of this title—

(1) the terms "adhere to the principles", "adhering to the principles" and "adherence to the principles" mean—

(A) agreeing to implement the principles set forth in section 401(b);

(B) implementing those principles by taking good faith measures with respect to each such principle; and

(C) reporting accurately to the Department of State on the measures taken to implement those principles;

(2) the term "United States economic cooperation project" means—

(A) an enterprise legally incorporated in the People's Republic of China or Tibet—

(i) which is either—

(I) a wholly owned subsidiary of a corporation, partnership, or other business association organized under the laws of the United States; or

(II) a joint venture undertaken by 2 or more persons, at least 1 of which is a wholly owned subsidiary of a corporation, partnership, or other business association organized under the laws of the United States; and

(ii) which employs more than 50 individuals in the People's Republic of China or Tibet; or

(B) a branch office or representative office of a corporation, partnership, or other business association organized under the laws of the United States, which employs more than 25 employees in the People's Republic of China or Tibet;

(3) the term "United States parent company of a United States economic cooperation project" is a corporation, partnership, or other business association organized under the laws of the United States, of which—

(A) the United States economic cooperation project, or (in the case of a United States economic cooperation project that is a joint venture) 1 of the persons undertaking such project, is a wholly owned subsidiary; or

(B) the United States economic cooperation project is a branch office or representative office; and

(4) the term "organized under the laws of the United States" means organized under the laws of the United States, any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, or any other territory or possession of the United States.

SEC. 405. ENFORCEMENT OF CURRENT LAW.

Beginning 3 months after the date of the enactment of this Act, and every 12 months thereafter, the Secretary of State shall submit to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate a report describing—

(1) enforcement procedures with respect to the implementation of section 307 of the Tariff Act of 1930 (19 U.S.C. 1307);

(2) steps taken to investigate which goods, wares, articles, or merchandise are mined, produced, or manufactured, in whole or in part, by convict labor or forced labor in the People's Republic of China and Tibet; and

(3) the results of such investigations.

The CHAIRMAN. Are there amendments to title IV?

If not, the Clerk will designate title V.

The text of title V is as follows:

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 501. SOVIET MILITARY ASSISTANCE TO CUBA.

It is the sense of the Congress that—

(1) continuing Soviet military assistance provided to Cuba remains a serious problem in United States-Soviet relations; and

(2) the Soviet Union or any successor confederation or entity should, in reexamining its relationship with Cuba, cease military assistance to the Castro regime and take all other possible steps to further the policies of Glasnost and Perestroika by adopting policies supporting the political, economic, and human rights of the Cuban people.

SEC. 502. ATTACKS AGAINST ISRAELIS AND ILLEGAL ACTIVITIES IN THE UNITED STATES.

(a) REPORT ON IMPACT OF ATTACKS AGAINST ISRAELIS ON PEACE EFFORTS.—Not later than 60 days after the date of the enactment of this Act, the President shall submit to the Congress an analysis of the impact on efforts to achieve peace in the Middle East of the following recent attacks against Israelis:

(1) On May 28, 1989, an attack by the Popular Front for the Liberation of Palestine and the Palestine Liberation Front, both PLO-affiliated organizations, in which a one-year-old Israeli was injured by a Katyusha rocket.

(2) On August 7, 1989, a rocket attack on the settlement of Maoz Haim by members of the PLO-affiliated Popular Front for the Liberation of Palestine.

(3) On September 6, 1989, a rocket attack by the PLO-affiliated Popular Front for the Liberation of Palestine aimed at Kibbutz Tel-Katzir that fell on Kibbutz Sha'ar Hagolan.

(4) On October 7, 1989, an attempted raid on Kibbutz Misgav-Am by a squad of terrorists armed with machine guns and anti-tank missiles from the PLO-aligned Palestine Liberation Front.

(5) On January 26, 1990, an attack on an Israeli Army patrol by at least three terrorists of the PLO-affiliated Democratic Front for the Liberation of Palestine headed for Kibbutz Misgav-Am.

(6) On February 4, 1990, an unprovoked ambush by the Popular Front for the Liberation of Palestine-General Command on an Israeli tour bus in Egypt that killed 9 and wounded 15 Israelis.

(7) On April 13, 1990, an attempted infiltration into northern Israel by boat by four terrorists of Yasser Arafat's Al-Fatah, equipped with machine guns and grenades.

(b) REPORT ON ILLEGAL ACTIVITIES IN THE UNITED STATES.—Not later than 60 days after the date of the enactment of this Act, the Director of the Federal Bureau of Investigation shall submit to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate a report, based on information available to the Director—

(1) outlining illegal activities being undertaken in the United States by the Palestine Liberation Organization or on behalf of the Palestine Liberation Organization, including such activities as illegal drug trafficking, money laundering, weapons purchases, and arms shipments;

(2) estimating the amount of funds associated with such activities; and

(3) describing the extent to which members of the Executive Committee of the Palestine Liberation Organization, the Central Council of the Palestine Liberation Organization, and the Palestine National Council are aware of or are involved in such illegal activities.

Information contained in the report required by this subsection, including information based on reports of foreign law enforcement agencies, shall protect intelligence sources and methods and may be classified to the extent necessary, consistent with existing law, to prevent the public disclosure of such information.

AMENDMENT OFFERED BY MR. SMITH OF FLORIDA

Mr. SMITH of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Florida: Add the following at the end of title V:

SEC. 503. PROHIBITION ON CERTAIN TRANSACTIONS BETWEEN CERTAIN UNITED STATES SUBSIDIARIES AND CUBA.

Notwithstanding any other provision of law, no license may be issued for any transaction described in section 515.559 of title 31, Code of Federal Regulations, as in effect on July 1, 1989.

Mr. SMITH of Florida (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. SMITH] for 5 minutes in support of his amendment.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield for a parliamentary inquiry.

Mr. SMITH of Florida. Mr. Chairman, I will not yield for a parliamentary inquiry.

The CHAIRMAN. The Chair recognizes the gentleman from Florida.

Mr. SMITH of Florida. Mr. Chairman, this is probably the only bipartisan amendment we are going to get this evening. We are seeking to restore the law as it was when the original law was passed in 1960 by the gentleman from Florida [Mr. FASCELL], chairman of the Committee on Foreign Affairs. This closes the loophole that has existed in the law for a number of years that should not be there, especially now.

It allows, under the Trading with the Enemy Act, only one of the four countries listed, Cuba, to be serviced by foreign subsidies of United States corporations who last year sold over 700 million dollars' worth of goods by virtue of taking advantage of this loophole. This needs to stop.

The gentleman from Florida knew what he was doing back then. Since the time that the loophole was opening up, Castro has been able to hold on longer and longer by virtue of the fact that he was being supplied these foreign goods.

The interesting thing is that much of the foreign goods are being shipped but never get to the Cuban people. I will give my colleagues an idea of what we are talking about.

Seagram's liquor, they do not have the money, nor do they have the capability to buy it as average Cubans. Air-conditioning, it goes to the tourist hotels, but it does not go to the average Cuban. Assorted soft drinks, which they cannot buy in their own stores. Naphtha, which may press Castro's fatigues in the dry cleaning store but never gets to the average Cuban. And 4-door GM sedans which come out of Canada but which never wind up being driven by average Cubans.

This is the right thing to do. Let us close the door once and for all and get rid of the last Communist dictator on the face of the Earth and in our own hemisphere. This is absolutely right.

Ms. ROS-LEHTINEN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Florida. I yield to the gentlewoman from Florida.

Ms. ROS-LEHTINEN. Mr. Chairman, despite a long-standing United States trade embargo, American companies have increased trade with Cuba through their foreign subsidiaries, and this has helped Fidel Castro survive catastrophic losses. The Department of the Treasury indicates that trade with Cuba by over 190 United States subsidiaries increased from $332 million in 1989 to $705 million in 1990.

In 1963, the original language of the Trading with the Enemy Act prohibited all United States subsidiaries to trade with Cuba. Due to the illegal seizure and nationalization of all United States properties in Cuba and other hostile actions, the United States initiated a series of actions which implemented the embargo. Embargo sanctions included: a freeze on Cuban assets in the United States; prohibitions on imports and exports; and the ending of financial and transportation-related transactions.

In 1975, however, a loophole in the embargo allowed trade through U.S. subsidiaries. The erroneous Cuba assets control regulations allows subsidiaries of United States corporations to apply with the Office of Foreign Assets Control, in the Department of the Treasury, for a license to trade with Cuba. Ironically, of the four countries that the United States has a trade embargo with, under the Trading with the Enemy Act, Cambodia, Vietnam, North Korea, and Cuba—only Cuba benefits from the subsidiary trade loophole. Does this make sense?

Just where did these ridiculous gestures of goodwill and diplomatic efforts get us? Castro became a major player in the international terrorist network and the international drug network. And, Castro was instrumental in desta-

bilizing governments in this hemisphere, and other areas throughout the world. For years and countless dollars, the United States has worked to correct the damages that Castro has created.

The U.S. Congress has overwhelmingly supported ending this trade loophole to stop this practice since 1989. Last year, the United States Senate passed the Mack amendment with a 87 to 13 vote, which aimed at tightening the Cuba assets control regulations by eliminating the subsidiary loophole and returning to the original language and intent of the embargo. This is nothing new. Time and time again, Members of Congress have spoken loudly to correct this horrible loophole that was created.

If raising the ante has worked in other countries, why can't it work for Cuba? We must raise the stakes and make it more expensive than Castro can afford.

The United States should also encourage those trading nations used by U.S. subsidiaries to assist in this effort. The Department of Treasury lists 21 nations used by United States subsidiaries to conduct trade with Cuba, primarily Switzerland, Argentina, England, and Canada. Each one of these nations gains very little from either direct trade, or by allowing subsidiary trade, with Cuba. Castro's regime, with an external debt owed to Western creditors at an estimated $7 billion, has never been a worthwhile investment or trading partner. It would stand to reason that our allies would not want to risk their very substantial economic relationship with the United States and would be willing to cooperate with our efforts to eliminate Cuba's tyrannical dictatorship.

In the interest of human rights and ensuring security of the Western Hemisphere, we must reinforce the message. For the first time in many years, the fall of Castro is a reality.

The moment has come to further isolate the inhumane regime of Fidel Castro. In a hemisphere of almost all freely elected democratic leaders, Castro remains a fossil, a leftover dinosaur who is ruthless in his treatment of anyone who would dare to speak out for democracy, for human rights, for freedom, and for liberty.

How can we allow this loophole to remain open? How can we stand silently as U.S. companies use a technicality to get around the embargo? We have the ability, we have the tool, to stop propping up Castro in power. We can do it and we can do it today.

Please help in bringing democracy to my native homeland.

Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Florida. I yield to the gentleman from Florida.

Mr. GOSS. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I rise in support of the amendment offered by my colleagues from Florida, and I commend them on their tireless efforts to bring this motion to the floor.

As democracy takes hold throughout our hemisphere, and the world, Castro's repressive totalitarian regime 90 miles off our coast remains a lonely throwback to an obsolete economic and political system. This amendment is about taking responsible, economic steps toward ensuring that this regime doesn't last a day longer than it has to, and more importantly, to ensure that any crutch holding it up isn't American made.

With the previous steady stream of Soviet aid slowing to a trickle, Castro's regime is becoming increasingly isolated from international trading partners. Who will he turn to now? Will he turn to the Chinese hardliners? Or, perhaps the North Koreans?

The United States has rightly been committed to making sure that he can't turn to the United States or U.S. corporations since 1961, and this amendment will go a long way toward shoring up and reaffirming this effort to economically isolate Castro. By prohibiting United States firms from allowing their subsidiaries abroad to trade with Cuba, we do two things: We deprive Cuba a great source of hard currency, and we get a little closer to the day where the United States and a Cuba without Castro at the helm can begin a prosperous economic relationship. I urge my colleagues to support this amendment.

Mr. ROHRABACHER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Florida. I yield to the gentleman from California.

Mr. ROHRABACHER. Mr. Chairman, the most brutal and resilient dictatorships left in the world, outside of Africa and the Middle East, can be counted on our fingers: China, Burma, Afghanistan, North Korea, Serbia, Vietnam, Laos, and, of course, Cuba.

The agony continues in Cuba because Castro continues to rule. Castro's communism has wrought severe damage and evil in this hemisphere and in Africa. The time for Castro to pass from the scene in Cuba has come. The democratization of Latin America which occurred during the Reagan administration and the collapse of communism in Eastern Europe and the Soviet Union has left Castro isolated.

Conditions are worsening in Cuba, and Castro is beginning to feel the heat. Castro's barter arrangements with his former Communist conspirators are no longer possible. He can't get cheap oil from the Soviet Union and he can't trade his sugar to Czechoslovakia for Semtex.

Let's give courage to our friends in Mexico and Venezuela to not give in to Castro's demand for oil because of his threats of terrorism. Let's not allow what the Vietcong termed "the Third Current of Revolution," namely resources from the West that sustain tyranny in Cuba.

Let's not let the loophole, which enables foreign subsidiaries of United States firms to engage in trade with Cuba, keep Castro in power longer than necessary. We must cut it off every foreign currency earner Castro has.

Castro is the head of the Communist snake in Cuba. We must cut it off—now. Support the amendment of the gentlewoman from Florida.

Mr. SMITH of Florida. Mr. Chairman, reclaiming my time, I just want the Members of this House to know that this does not create any problem for any country where there is a host country law that conflicts with ours. I urge my colleagues to vote for the amendment.

Mr. GUARINI. Mr. Chairman, along with my distinguished colleagues Mr. SMITH of Florida and Ms. ROS-LEHTINEN of Florida, I rise in support of our amendment to prohibit foreign subsidiaries of United States firms from trading with Cuba.

Currently, the United States enforces an embargo on all trade with Cuba. Some countries are getting around this embargo by routing their goods through their foreign subsidiaries. If we are serious about ensuring that Fidel Castro will not be a threat to our national security and will not violate human rights, we must close this gaping loophole in our export laws.

With the former Communist regimes of the Soviet Union and the Eastern bloc cutting back on their exports to Cuba, more and more United States companies are taking advantage of this loophole. This is not an activity that the U.S. Government should encourage. Rather, we should block all efforts to aid the Cuban regime as long as Fidel Castro maintains his iron grip on the freedoms of Cuban citizens. This includes doing business with his government.

Just as we should not be giving trade preferences or aid to the Soviets while they are aiding Castro, we should not allow subsidiaries of United States firms to trade with the Cuban regime. It is outrageous to think that American companies are able to thwart the clear intent of Congress on trade with Cuba by sneaking in through the back door using their foreign subsidiaries.

Mr. Chairman, perhaps these United States firms do not realize the role they are playing in propping up the tyrannical regime of Fidel Castro. With the loss of many Soviet and East European suppliers, Castro is relying more than ever on trade with foreign subsidiaries of United States firms. Since the exports are coming from foreign countries, we have no way of monitoring what kinds of high technology may be falling into Castro's hands. This is a risk we cannot afford to take.

Fidel Castro's military-oriented economy has lowered the standard of living of the Cuban people. As everyone knows, he has no regard for internationally accepted human rights standards or the promotion of democratic values, and has instigated guerrilla activities in Latin America and other parts of the world for years. Mr. Castro allows no freedom of the press, no religious activities, no workers' rights, and no criticism of his regime.

The Cuban people who live under this despot yearn for freedom. They endure harsh prison sentences merely for seeking the same fundamental human rights that people in most nations take for granted. Each year, thousands of Cubans risk their lives crossing by boat or on home-made rafts to Florida to escape this ruthless dictator, while millions more continue their daily drudgery, working for a failed system.

We must learn a lesson from history. This same man is far more desperate today than

he was in the 1960's. He is cornered, he has ruined the economy, and he is increasingly isolated in a world that has all but abandoned a fatally flawed Communist ideology.

Over the past few years, we have watched one Communist government after another being swept aside, giving rise to democracy, freedom, human rights, and economic opportunity. Eastern Europe is now free. The Baltic States are free. The Soviet Union is collapsing into loosely associated republics with newfound rights and economic opportunities for their citizens.

But, unfortunately for the Cuban people, Fidel Castro stubbornly clings to his repressive Communist ideology. Cubans are no closer to true freedom today than they were in 1960, and Mr. Castro, a die-hard Marxist, is trying to keep it that way.

Mr. Chairman, every day that this tyrant stays in power, thousands of innocent Cubans languish in prison for no crime other than the desire to be free. Millions more suffer under the yoke of totalitarianism. If Congress does not seize every opportunity to effect change in Cuba, the pain and suffering of an entire country will be on our hands.

As long as this ruthless dictator clings to his repressive and outdated ideology, we must not assist him in any way, and we certainly must not permit American firms to assist him. For this simple reason, I implore all of my colleagues to support this vital amendment.

Mr. BUSTAMANTE. Mr. Chairman, I rise in support of this amendment.

If we are truly sincere in our commitment to impose an effective trade embargo against Fidel Castro's Cuba, then the Smith-Ros-Lehtinen amendment deserves our support.

America has imposed trade embargoes against four countries under the Trading With the Enemy Act: North Korea, Vietnam, Cambodia, and Cuba. But only Cuba benefits from a loophole that allows foreign subsidiaries of United States companies to engage in trade with Cuba.

We were unwavering in our resolve to defeat communism in the Soviet Union. Our resolve should be no less steadfast when it comes to fighting tyranny in Cuba. This amendment restores consistency in our policy with Cuba, and I urge its support.

Mr. ENGEL. Mr. Chairman, I rise in strong support of the Smith amendment. According to press reports, trade between foreign subsidiaries of American companies more than doubled in 1990, jumping from $332 million in 1989 to $705 million in 1990.

At a time when Soviet and Eastern European subsidies to Cuba are ending, and the Cuban economy is experiencing tremendous problems, the United States must not open up a loophole in its embargo. The embargo, combined with the inherent inefficiency of the Cuban command economy, have brought Castro's economy to its knees. If we do not pass the Smith amendment and the activities of foreign subsidiaries of American companies are not subject to our embargo of Cuba, this loophole will let Castro off the hook.

Castro is not someone the United States wants to let off the hook. His human rights record is atrocious and has been the target of criticism of human rights monitors for years. His abuse of psychiatry is well-documented and the results of the recent Communist Party Congress in Cuba gave no indication that Castro has any desire to change his dictatorial ways.

Other countries that we embargo, such as Cambodia, Laos, and North Korea, are not allowed to trade with foreign subsidiaries of American companies. I strongly believe that Cuba should be treated in a manner consistent with our treatment of these other outlaw nations and urge my colleagues to support the Smith amendment.

Mr. RAMSTAD. Mr. Chairman, among the many anticompetitive effects of this amendment, it puts subsidiaries of U.S. companies right smack in the middle between the laws of two countries. On the one hand, we are saying that our foreign subsidiaries cannot do this business. On the other hand, the foreign country where they are located is saying it's OK.

Moreover, this amendment would indeed force subsidiaries of U.S. companies to choose between the law of their host country and the law of the United States. Despite what has been suggested in a "Dear Colleague" letter you may have seen, there is a substantial conflict of laws problem posed by this amendment.

In addition, the Canadian Government's blocking law, which has been specifically designed to prevent application of this amendment to U.S. subsidiaries operating in Canada, makes a violation of that law an indictable offense, complete with penalties of up to 5 years in jail and $10,000 in fines.

The Canadian Government, Switzerland, the European Community, and the United Kingdom have all made clear to the United States Government their strongest objections to this provision. The amendment constitutes a violation of their sovereign right to control the actions of companies doing business within their borders.

If some other country were to try to impose its will on businesses operating inside our borders, this body would know no limits to its outrage. That is exactly the principle at stake here.

The President last year vetoed this bill with this provision, and he objected then that this provision constitutes an extraterritorial application of U.S. law that forces foreign subsidiaries of U.S. companies to choose between violation of U.S. or host country laws.

I urge my colleagues to vote down this well-intentioned but misguided provision. It will not hurt Fidel Castro. It will not hurt communism. It will only hurt the competitiveness of United States companies. We have been talking all evening about the need to eliminate barriers to trade. This amendment would have the opposite effect. I urge a "no" vote.

Mr. BEREUTER. Mr. Chairman, this Member wants Members to be informed about problems the Smith amendment causes foreign subsidiaries of U.S. companies before they cast their vote on it. The Smith amendment would prohibit such foreign subsidiaries of United States firms from obtaining a license to trade with Cuba. While this amendment may sound like a great opportunity to cause Fidel Castro difficulties, it will harm U.S. businesses and Members should be aware of that fact.

American experience with unilateral sanctions shows that they almost inevitably backfire against U.S. interests, often against U.S. agriculture. We saw it happen when President Carter imposed the grain trade embargo on the Soviet Union in 1980. All we did then was to sacrifice market share to foreign competitors. Now, we are being asked to sacrifice additional market share for U.S. business' foreign subsidiaries through this amendment.

Cuba can sell its sugar through foreign-owned firms and certainly do so to the exclusion of United States subsidiaries. If foreign subsidiaries of United States companies are denied the opportunity to compete for this business, our foreign competitors will once again be happy to step in and replace us in that share of Cuban business. That may be what Members desire, but they ought to do it with eyes wide open. However, in commodities trade, the implications go much further than just a ban on business transactions with Cuba. The mere chance that Cuban products could be part of a string of commodities transactions forces United States traders out of the marketplace altogether.

Furthermore, the Smith amendment would also place U.S. companies in the untenable position of having to choose between two countries' laws. U.S. subsidiaries operating overseas are subject to their host country's laws. For example, last year Canada adopted a blocking law that forbids United States companies operating in Canada from honoring a provision such as the Smith amendment. In addition, the Canadian Wheat Board has the authority to require United States companies operating in Canada to ship wheat to Cuba. The United Kingdom and France have similar laws to this Canadian measure. As another example, a refusal to trade with Cuba by an American subsidiary doing business in Switzerland would similarly violate Switzerland's constitutional neutrality.

In addition, the administration has indicated its strong opposition to the Smith amendment. In a recent letter to the congressional leadership, Deputy Secretary of State Lawrence Eagleburger made the following statement:

> The Administration strongly objects to the provision on exports to Cuba. As the President recently made clear, we are committed to placing the strongest appropriate pressure on Cuba to embrace reform. However, this provision would place U.S. owned, foreign-based corporate subsidiaries in the untenable position of choosing to violate U.S. law or a host country's law. These firms should not be punished because of the "catch 22" of this provision.

The feel-good but draconian approach against Cuba proposed by the Smith amendment will only hurt United States businesses in the international marketplace at a time when Congress has been urging United States companies to be more competitive in the face of global competition. Members should focus on whether the adoption is really effective in its intended impact on Cuba or only hurts United States businesses, and whether it is, therefore, good or bad public policy. This Member will vote "no" on the Smith amendment and suggests, without much hope, that his colleagues will also vote against the Smith amendment.

AMENDMENT OFFERED BY MR. GEJDENSON TO THE AMENDMENT OFFERED BY MR. SMITH OF FLORIDA

Mr. GEJDENSON. Mr. Chairman, I offer an amendment to the amendment, and I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The text of the amendment is as follows:

Amendment offered by Mr. GEJDENSON to the amendment offered by Mr. SMITH of Florida: In the text proposed to be inserted by the amendment, strike the period at the end and insert following: ", unless a license may be issued for such transaction if undertaken by a firm organized under the laws of any of the States of the United States, except that the prohibition contained in this section

(1) shall not apply to a foreign subsidiary or affiliate to whom section 515.559 of title 31, Code of Federal Regulations applies to the extent such prohibition is inconsistent with the laws of the country in which the foreign subsidiary or affiliate is located; and

(2) shall apply only with respect to the export or import activities of such a foreign subsidiary or affiliate in the interstate or foreign commerce of the United States.

Mr. GEJDENSON. Mr. Chairman, this amendment simply says, if we have a law in Canada, that for a Canadian company that cannot comply with the boycott, we cannot force that Canadian company to be in conflict of both American law and Canadian law.

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Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. GEJDENSON. I yield to the gentleman from Nebraska.

Ms. ROS-LEHTINEN. Mr. Chairman, I object. I object.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. GEJDENSON to the amendment offered by Mr. SMITH of Florida: In the text proposed to be inserted by the amendment, strike the period at the end and insert following: ", unless a license may be issued for such transaction if undertaken by a firm organized under the laws of any of the States of the United States except that the prohibition contained in this section—

(1) shall not apply to a foreign subsidiary or affiliate to whom section 515.559 of title 31, Code of Federal Regulations applies to the extent such prohibition is inconsistent with the laws of the country in which the foreign subsidiary or affiliate is located; and

(2) shall apply only with respect to the export or import activities of such a foreign subsidiary or affiliate in the interstate or foreign commerce of the United States.

Mr. GEJDENSON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. GEJDENSON. Mr. Chairman, I yield to the gentleman from Nebraska.

Mr. WALKER. Regular order, Mr. Chairman.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Connecticut [Mr. GEJDENSON] to the amendment offered by the gentleman from Florida [Mr. SMITH].

The Chair will state the Chair did not hear an objection earlier to dispensing with reading.

Ms. ROS-LEHTINEN. Mr. Chairman, I objected at various times.

The CHAIRMAN. However, as soon as it was called to the Chair's attention that the gentlewoman from Florida had objected in a timely fashion the Clerk read the amendment in its entirety.

The question is on the amendment offered by the gentleman from Connecticut [Mr. GEJDENSON] to the amendment offered by the gentleman from Florida [Mr. SMITH].

Mr. SMITH of Florida. Mr. Chairman, I ask unanimous consent to speak out of order for 30 seconds.

The CHAIRMAN. Under the rule, all time has expired.

Mr. SMITH of Florida. Mr. Chairman, I ask unanimous consent to speak out of order for 30 seconds.

Mr. BEREUTER. Mr. Chairman, reserving the right to object, under my reservation I want to say to the gentleman from Florida [Mr. SMITH] that this gentleman, as a matter of comity, did not offer an amendment which I could have offered as member of the committee and precluded the gentleman from offering his amendment. But I did want to put that in the RECORD.

The CHAIRMAN. The gentleman from Nebraska must suspend.

Under the rule adopted by the House, the House established the time for consideration of all amendments to this measure. The Committee cannot extend that time and the time has now expired.

However, the Committee will proceed with votes on the amendments that have been offered. The limitation was on the consideration of amendments and debate on amendments, and the Committee will now proceed with the vote on the amendment offered by the gentleman from Connecticut [Mr. GEJDENSON].

Mr. GEJDENSON. Mr. Chairman, could I ask a parliamentary inquiry?

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Connecticut [Mr. GEJDENSON] to the amendment offered by the gentleman from Florida [Mr. SMITH].

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. SMITH].

The amendment was agreed to.

Mr. KOLBE. Mr. Chairman, I rise in support of H.R. 3489—the reauthorization of the Export Administration Act, which significantly reduces the controls on exports to the newly democratizing East European countries and to a lesser extent, the Soviet Union. Its passage is ever more important today now that the cold war is over and the Berlin Wall has come down.

I supported the bill when it came before the House last year and will support it again today in an effort to provide our industries with export opportunities that will bring money and jobs into the United States.

Commercial and national security interests today are probably more closely entwined than they have been at any other time since the end of World War II. Economic health and one's ability to trade competitively in the world market may be the single most important component of anyone's national security. The new war internationally—at least at present—is economic. The weapons are products, services, and finances. That is why I feel strongly about the rules and regulations under which we operate. They must work for us—not against us.

In the past, our export control policy has placed undue burdens on industry. The result has been confusion, delays, and lost sales. While adequate safeguards are essential to our national security interests, they should not be carried to such an extreme as to become an impediment to American competitiveness. The law should help remove barriers not place more in the path of industry. I believe this legislation does that.

Briefly, the bill recognizes the worldwide movement to democracy and free enterprise. It will allow goods and technology to flow to Poland, Hungary, Czechoslovakia, the Baltics and what used to be the Soviet Union, that have been restricted in the past. I would point out that this legislation presents us with a unique opportunity to provide assistance to the Soviet Union without costing American taxpayers a penny.

H.R. 3489 makes it easier to export goods and technology to our NATO allies and terminates the requirement for re-export licenses for same countries. It puts safeguards in place to prohibit sales to Iran, Iraq, Syria, and Libya. It restricts the sale of nuclear equipment and technology to safeguarded nuclear facilities.

H.R. 3489 limits bureaucratic infighting and inefficiency by distinguishing between dual use items controlled by the Department of Commerce and munitions controlled by the Department of State. It also includes a process for resolving disputes, with the President the final arbiter. This is important when businesses have lost untold millions because of turf battles, bureaucratic red tape and unjustified restrictions. In my book, this is not the way to gain a competitive edge.

If the equipment is out there and accessible, why should we restrict our industries from being the ones to close the sale? The relaxation of our export control laws will mean more jobs for the Americans and fewer going to the Japanese and other producers of advanced technology.

The time is now, not tomorrow, to make it easier for American companies who provide our foreign exchange to compete effectively in

the new world. Let's let exports continue to lead the way out of our recession. Let us pass this legislation to advance American's industrial opportunities beyond our own shores.

Mr. MINETA. Mr. Chairman, I rise today in strong support of Omnibus Export Amendments of 1991.

As a Representative from Silicon Valley, I am fully aware of the need to create an export control system that balances national security concerns with trade and economic opportunity.

The competitive position of U.S. industry, especially the U.S. high-technology industry, will depend on our ability to adapt export policy to reflect the political climate in Eastern Europe, the Baltics, and what used to be the Soviet Union.

The future of U.S. industry also depends on our ability to streamline a problematic U.S. export control policy.

The current export control system has become a model of inefficiency and bureaucratic wrangling for high-technology exporters.

Export license approvals for U.S. manufacturers take as long as 120 days. This time lag is unacceptable in high-technology industries that can witness the next generation of technology in as little as 6 months.

Of particular importance to electronics add aerospace industries is language in the Omnibus Export Amendments of 1991 that defines defense articles and technologies, and provides for a balanced commodity jurisdiction process within the executive branch. Currently, there are no clear standards to determine which agency has jurisdiction over items that fall between the commercial and munitions lists. Nor does a clear process to resolve disputes between agencies exist.

By distinguishing between dual-use items and munitions, the omnibus export amendments will limit bureaucratic disputes and simplify the decision-making process. By providing for indexing procedures, this bill also recognizes the rapid advancement of high-technology exports.

The Omnibus Export Amendments of 1991 will liberalize the system of export controls but still will allow for sufficient protection of U.S. national security. It recognizes the need to rebuilt the Baltics and Eastern European countries trying to make a successful transition to democracy.

Mr. Chairman, the Omnibus Export Amendments of 1991 will give U.S. industry the chance to go toe-to-toe with challengers in a fair fight.

Mr. MILLER of Washington. Mr. Chairman, I rise tonight in support of H.R. 3489, the Omnibus Export Act of 1991. This act brings timely and important improvements to our export control laws by acknowledging the enormous changes that have taken place throughout the world since we last considered our export control laws. This is very important: last year U.S. exports were responsible for 88 percent of the increase in our GNP. This is an act that will help our exporters bring growth back to our economy.

For our exporters to continue to compete, U.S. laws must catch up with rapid changes throughout the world. Our export control laws must reflect the failed coup in the Soviet Union this past August. This act begins to make those changes. For instance, the act liberalizes export controls to Eastern Europe, the Baltics, and the Soviet Union.

This act recognizes other dangers in our world. For instance, the bill tightens export controls for terrorist countries, such as Iran, Syria, Iraq, and Libya. The act also includes a provision I offered in committee, establishing a set of human rights principles for U.S. companies operating in China.

But for all this act's merits, we should remember that this is a short-term effort. Its intent is to help us now while we prepare to comprehensively rewrite our export control laws. The result is a slightly schizophrenic act. On the one hand, this act liberalizes exports to the Soviet Union and former Eastern bloc countries. On the other, it restricts exports to the Middle East and other dangerous regions.

Moreover, the act wants to make our export controls multilateral, and succeeds at this on an East-West basis, but fails on a North-South basis. This contradiction is a result of history: Our export controls were built around the cold war.

But the cold war has faded. While the fading of the cold war does not end the need for export controls, it does mean that our export controls must be reshaped from top to bottom. Cocom, the major multilateral export control mechanism designed for East-West controls, is rapidly losing its relevance. Congress and the administration must strive to establish effective multilateral export control regimes for the new world order. I beiieve a new, long-term approach is needed.

This act contains a provision that I worked on in subcommittee establishing a time-line for decontrolling the Baltic countries of Lithuania, Latvia, and Estonia. First, within 30 days after enactment of the act, the United States must ask Cocom to give the Baltics the status that Poland, Hungary, and Czechoslovakia had as of September 1990. That is, liberalization of telecommunications equipment and technology. second, the Baltics will be even further decontrolled once they meet these three conditions: First, implement an effective export control system; Second, adopt arrangements for end-use assurances and on-site inspection and verification; and third, terminate intelligence cooperation with other controlled countries; for instance, the remaining Soviet Union. Third, the act further directs the administration to provide technical assistance to aid the Baltics' in meeting these three conditions. Finally, 120 days after enactment of the act, the President must determine whether Latvia, Lithuania, and Estonia should be removed completely from the list of controlled countries.

We must move quickly to allow greater exports to the Baltics, both to help those countries, and to help our exporters. Without modern telecommunications equipment, it will be difficult for other United States, Baltic, and foreign countries to do business. If a company cannot call an employee in Lithuania, or send a fax from Latvia, or communicate to Estonia, they will not be able to do business in today's world. Without such business, the Baltics cannot hope to achieve the economic reform they are striving for. And in today's highly competitive world, we cannot penalize our exporters merely because it took us too long to change our export laws.

Some have urged caution in allowing exports to the Baltics and Eastern European countries. They are apparently worried that these countries will turn over technology to the Central Government of the Soviet Union. However, these countries are more likely to exercise care than our other European allies. The Baltics are more suspicious of the Soviet Union and rogue countries than we are ourselves.

Liberalizing our export controls to these countries will contribute to further democratization and free-market reforms there. Many have argued that we cannot afford to give aid to these countries. But allowing our exporters to do business in these countries is aid we can afford. It costs the taxpayers nothing, and, in fact, helps the American taxpayer. It helps American exporters who are the engine driving the U.S. economy.

This act also includes a provision I offered during the Foreign Affairs Committee's work on the act. My provision establishes a set of human rights principles for U.S. companies operating in China. The principles include asking U.S. companies not to use goods produced by forced labor and asking U.S. companies to raise the issue of political prisoners in their contacts. The United States has the power to influence positively events in China. My amendment does this by enlisting the powerful tool of U.S. businesses in the struggle for freedom and democracy in China. My amendment is based on legislation I introduced and is cosponsored by, among others, the cochairs of the Congressional Human Rights Caucus, Mr. LANTOS and Mr. PORTER.

Mr. Chairman, I am pleased to have helped keep the Levine language regarding mass-market software in the act. The Levine language stipulates that mass-marketed software is to be moved off the munitions list to the commodity list, which is overseen by the Commerce Department.

The Levine language benefits our software exporters because the Commerce Department must approve or deny export applications within 30 days. As a munitions item, overseen by the State Department, a decision on a license often takes much, much longer.

A software feature known as encryption is at the heart of the Levine language. Encryption is an increasingly popular software feature which scrambles the contents of a computer file for everyone but the designated user. Under present law, software with an encryption feature is treated as a munitions item.

Mr. Chairman, I could leave the floor now and be back within an hour having purchased and sent overseas, to any country in the world, via a computer modem, encryption software.

When a munitions item can be purchased at any retail software outlet anywhere in the country, by anyone, and transferred by phone anywhere in the world, then it clearly has become futile to consider this software a munitions item. Without helping national security, we are doing great harm to our exporters.

Mass-marketed software, by its very nature, is widely available and difficult, if not impossible, to control. This is a case where our export controls have become anachronistic. The Levine language cures this problem.

Mr. Chairman, this is a good act, worthy of passage. But for the sake of our economy, we must soon revisit this issue in a comprehen-

sive manner. Fortunately, we have in the chairman of the subcommittee, Mr. GEJDENSON, and the ranking Republican, Mr. ROTH, leadership up to the task. Washington State is the most trade-dependent in the Union; one in every five jobs is trade related. Washington State will be depending on our subcommittee's good work in the future.

Mr. ENGEL. Mr. Chairman, I rise in strong support of H.R. 3489, which reauthorizes the Export Administration Act. The threats that the United States now faces are very different than the ones we faced the last time the Export Administration Act was reauthorized. The bill we have before us today changes the focus of our export control policy away from what once was the Soviet Union and concentrates more on threats from terrorist nations like Iraq and Syria.

I believe this is entirely appropriate. The Soviet Union and its former satellites in Eastern Europe are now potential markets for many American products. We cannot forget, however, that these are also potential markets for our trade competitors and that getting in on the ground floor could have dramatic positive effects on our exports in the future. While there are aspects of this bill which I feel do not go far enough in relaxing our trade laws, it is a step forward and will allow American companies to help us out of the recession we are currently experiencing.

There are particular sections of this bill which I believe are of particular importance.

First, terrorist nations: Section 119 dealing with the export of items that are of use to both civilian and military end users to terrorist countries is intended to ensure that acquisition of militarily valuable dual-use items by terrorist countries is a thing of the past. Iraq's ability to obtain dual-use items virtually up to the day Saddam Hussein invaded Kuwait should never be repeated and many of us on the Foreign Affairs Committee are concerned that the administration is currently adopting a policy toward Syria that looks like its policy toward Iraq before the gulf war.

On September 1 of this year the administration changed its dual-use export policy toward Syria, making it easier for Syria to obtain these items, which can be used for military purposes. While Syria is a key player in the upcoming regional peace conference, this should not blind us to the fact that Syria remains on the State Department's list of countries supporting terrorism. It makes no sense to send a terrorist country items that could be useful militarily. Section 119 is not as strong as I would like it to be, but it does make it more difficult to send these items to Syria.

At the subcommittee level, I offered an amendment, which was unanimously adopted, directing the administration to urge our allies to adopt similar restrictions on exports to terrorist nations. This provision will not only strengthen U.S. sanctions, it will also help to ensure that our exporters are not frozen out of markets open to their international competitors.

Second, in addition, I authored the provisions in the bill concerning indexing of technologically obsolescent products. When a product is no longer on the cutting edge of technology it generally becomes less important to control its export. In the past, the administration has left items on the control list that were of no concern for national security reasons. The indexing provisions I offered to this bill will correct this problem and allow American manufacturers to export items as soon as their export poses no threat to our national security.

Mr. DICKS. Mr. Chairman, I want to commend the chairman and the members of the Foreign Affairs Committee for the excellent work they have done on this legislation. These amendments are a critical step in recognizing that the nations of Eastern Europe stand at the threshold of becoming constructive partners in the world market economy. Achieving this potential, and avoiding economic stagnation that could undercut the revolutionary collapse of Communist dictatorship, will depend on a reassessment of the balance between security risks associated with trade of high technology, and the mutual economic benefits that increased exports of such technologies can provide both to these nations and to the United States.

I am especially pleased that the committee has included as Title III of this bill, the Nuclear Proliferation Prevention Act of 1991. As a cosponsor of this legislation, I also want to commend the hard work performed by the gentleman from Massachusetts, Mr. MARKEY, and the gentleman from Michigan [Mr. WOLPE] in developing this balanced approach to a more aggressive fight against nuclear proliferation.

The courageous efforts of U.N. inspectors affiliated with the International Atomic Energy Agency to uncover the unsettling progress that Iraq had made toward developing a nuclear weapons capability are an inspiration to all of us. But the difficulties they have faced, and the fact that Iraq was able to get so close to acquiring nuclear weapons under the current antiproliferation regime, is a clear illustration that international controls of technologies that could be used to develop nuclear weapons need to be strengthened.

Iraq is not alone as a nation with the deadly potential combination of a renegade regime and the financial resources to acquire such weapons capability. North Korea is increasingly a focus of proliferation concerns. And it is also resisting efforts to apply inspections of its developments. Pakistan has been a continuing concern, and has in fact been subject to specific restrictions on foreign assistance provided by the United States based on its nuclear program. Reports in today's Washington Post highlight the ongoing efforts of Iran to develop this capability. Finally, Libya and Syria have both expressed interest in developing such capabilities. And the list goes on.

This concern has produced a reevaluation of the necessity for a limited strategic missile defense system, and a growing consensus that meeting the third nation threat should be the focus of our strategic defense research efforts. But while strategic defenses may play a role in countering what could be a new and unprecedentedly dangerous international arena, efforts to make certain that rogue nations do not acquire these capabilities through export controls is even more important.

Enacting the Nuclear Proliferation Prevention Act is an important first step toward this goal. It will apply to nuclear components, nuclear technology transfers, highly enriched uranium and dual use nuclear materials and technologies—the same controls that currently apply only to exports of nuclear fuel and facilities. Specifically, such exports would be banned to countries that have not placed all of their nuclear facilities under international safeguards and concluded nuclear cooperation agreements with the United States. This will provide a strong incentive for nations, including those in Eastern Europe, to conclude nuclear cooperation agreements.

It also directs the President to negotiate with the nuclear supplier group nations to adopt similar controls and to terminate all nuclear trade with nations seen as major security threats. This is critical if the restrictions we are placing on our own exports are to be effective. And I reject the argument that by taking a strong stand ourselves we will somehow undercut these negotiations.

Finally, the legislation places real sanctions on any nation or group of nations that engage in nuclear-related exports in contravention of any prohibition, restriction or other measure adopted by the nuclear suppliers group. These sanctions, which could include ending all nuclear trade, cutting off all nonhumanitarian foreign assistance, or terminating arms sales, will for the first time provide real incentives for others not to simply look the other way when firms seek to go for the quick profit over international safety and security.

The President would retain authority to waive specific restrictions, but only after findings that it does not undermine nonproliferation policy, and only after notification and review by Congress.

Curbing proliferation of weapons of mass destruction could well be the most important international security issue of the next decade. This act is an important first step that complements arms control efforts which can reduce the incentive to develop these weapons. It demonstrates that we are serious about the issue, and willing to back up our rhetoric with real action.

Ms. PELOSI. Mr. Chairman, today the House is considering the reauthorization of the Export Administration Act. I support this bill and support the provisions in this bill that seek to improve U.S. export controls. I believe, however, that this legislation does not go far enough in reforming U.S. export policy.

For this reason, I am introducing the Nonproliferation And Export Control Act Of 1991. This legislation would provide for a more thorough review in the export of dual-use items.

Dual-use items are those items that are primarily designed for civilian uses, but can be instrumental in the design and construction of weapons of mass destruction. Examples are; very high speed computers, electronic components, high-tech ovens and more. It is these dual-use items that played an instrumental role in Iraq's ability to advance their weapons programs beyond our estimates.

Under current U.S. law, the Department of Commerce has the sole responsibility on approving dual-use export licenses. Since the Department of Commerce is responsible for promoting U.S. trade, it is contradictory to also require them to restrict goods on the basis that they may have military significance.

My legislation would require the Commerce Department to consult with experts in the State Department and the Department of De-

fense on the granting of dual-use export licenses. This more thorough review would only apply to countries of concern—countries that do not have a bilateral or multilateral agreement with the United States on the item in question.

The Senate passed Export Administration Act contains language requiring increased review of U.S. export licenses for biological, chemical and missile dual-use items. My bill includes these items, but also adds dual-use nuclear goods to the list of items that would be subject to increased review.

Mr. Chairman, the United States must ensure that expert and thorough review is made on export decisions that have very real implications for our national security.

I urge my colleagues to support this reasonable and logical change in U.S. export policy by cosponsoring my bill, the Nonproliferation and Export Control Act.

Mr. SMITH of Florida. Mr. Chairman, I—along with the gentlewoman from Florida and the gentleman from New Jersey—offer this amendment to prohibit foreign subsidiaries of United States companies from trading with Cuba.

This amendment seeks to return the embargo on Cuba to its original language of 1961—its principal author then was the present chairman of the Foreign Affairs Committee. It would give the Office of Foreign Assets Control [OFAC] in the Treasury Department the enforcement power originally intended.

This amendment is especially timely, since the trade of subsidiaries of United States firms with Cuba has reached a whopping $705 million for 1 year—1990—an increase of 112 percent over the previous year. Any cutback in this trade would hasten Castro's demise.

The issue we are addressing here is the closing of a loophole to an embargo that has been in place since 1961.

The Trading With the Enemy Act includes four countries that have full United States trade embargoes: North Korea, Vietnam, Cambodia, and Cuba. Of these, Cuba is the only country to which a loophole enabling trade with foreign subsidiaries of United States firms was offered. The loophole resulted from an effort during the Ford administration to provide Cuba with an incentive to improve its relationship with the United States by allowing foreign subsidiaries of United States firms to apply for a license with OFAC to trade with Cuba.

But, during the ensuing years, Cuba continued its hardline, anti-United States policies. In 1976 it began to send troops to Angola. In 1978, it increased its military aid to the Sandinistas. These are hardly attempts to take advantage of a unilateral gesture by the United States to improve bilateral relations.

Worse, the past decade has seen only a further hardening of Cuba's totalitarian hardline and may be summed up with the phrase Castro is so apt to repeat these days, "Socialism or death." The loophole without question no longer serves any legitimate foreign policy purpose. Our amendment recognizes that and takes the adequate measure of closing the loophole.

Our amendment would not prevent any foreign subsidiary of a United States-based company from obtaining a license to trade with Cuba from its host country. All we are seeking is a consistent policy: United States-based firms are not allowed by United States law to trade with Cuba. Foreign subsidiaries of these firms also should not be allowed under United States law to trade with Cuba.

Mr. Speaker, there is a simple solution to the so-called Catch–22 these subsidiaries will experience if our amendment should pass: Don't trade with Cuba. Stop propping up an entrenched dictator of 32 years. But I would like my colleagues to understand something very clearly: No foreign country can force any company on its soil to trade with Cuba. Canada can't do it. Great Britain can't do it. To suggest otherwise is just plain wrong.

Only North Korea, China, and Vietnam remain Cuba's Communist brethren. Castro's revolution is at an historical low. His former allies have practically abandoned him, and the Soviets are about to end their economic subsidization. The Cuban people in record numbers are escaping the island's political persecution and economic misery in handmade rafts. As international communism breathes its last breaths, we should not try to keep it afloat in the Caribbean.

Some may argue that the ultimate beneficiaries of this subsidiary trade are the Cuban people. Denying the people of Cuba these goods are benefits of trade, they argue, hurts the very people we want to free. With all due respect, do these people have any idea of the absolutely miserable conditions that the majority of the Cuban people are now enduring? If you want some indication, just consider that this year alone the U.S. Coast Guard has already picked up more than 2,000 Cubans off the shores of Florida escaping their homeland in flimsy homemade rafts. And those are the ones that were lucky enough to make it.

Such an argument is irrelevant anyway. This amendment is consistent with the provisions of the embargo under American law. That embargo and this amendment seek to penalize the dictatorial Castro government, not the people that it subjugates.

The following goods constitute part of the trade we oppose via the amendment. The Cuban people certainly have no access to these goods:

Seagram's assorted liquors: The average Cuban has trouble enough getting Cuban rum, which is now rationed. Only the party elite or tourists can buy Chivas Regal.

Air-conditioning provided by the Carrier Corp. Dollar-toting western tourists and party bigwigs benefit—not the Cuban people.

Assorted soft drinks from the Del Monte Corp.

Naphtha, a chemical used for dry cleaning, is imported by Dow Chemical and then re-imported into Cuba. It may be used to press Fidel's fatigues, but certainly is not used by people who cannot even get laundry detergent.

A four-door GM sedan from General Motors Switzerland is for the use of the Permanent Mission of Cuba to the United Nations in Geneva.

Let us send this strong message to Castro. We certainly came close in may, 1990, when the House Foreign Affairs Committee unanimously passed this same subsidiary amendment as part of the fiscal year 1990–91 State Department authorization bill. The House Foreign Affairs Committee has also convincingly passed other pieces of Cuba-related legislation this year.

The subsidiaries may conduct their trade elsewhere in the international market. A free and independent Cuba would provide them better opportunity tomorrow. A free Cuba also will remember who traded with Castro today. That is why we should protect future trade by plugging up the loophole that allows subsidiaries to trade with Castro.

I urge my colleagues to support this amendment.

Mr. FIELDS. Mr. Chairman, I rise today in support of comments that I heard expressed by the Congresswoman from Kansas [Mrs. MEYERS], about a funding limit in title II for the Commerce Department's International Trade Administration. In short, title II includes a $5 million earmark for a program called the Market Development Cooperator Program.

I would not comment on the merits of that program. However, I do want to point out that the Commerce Department's appropriations bill, already passed by the Congress and signed by the President, did not include any funds for this program. This means that ITA will be forced to cut $5 million from its base export promotion programs.

I, for one, am surprised that the Congress is interested in restricting ITA's programs at a time when exports are the only thing that have been driving the economy.

Recently, I attended a national export seminar in Houston where Secretary Mosbacher highlighted the many resources and programs available through the Department of Commerce for small- and medium-sized businesses interested in exporting. This is just one way the International Trade Administration is helping people with exporting. If we lower ITA's spending today, ITA may not be able to continue to offer some of these valuable services I heard about at this seminar.

Countless times I hear from business men and women in my district that the United States does not do enough to help American firms export their products. I have heard this from large companies, but in particular I hear if from the smaller companies who really are the ones that need the assistance.

And, Mr. Chairman, I note that I have heard it in this Chamber time after time that our competitors spend several times as much as the United States does to help its manufacturing and service companies get their products onto shelves overseas.

Mr. Chairman, $5 million means a lot in an agency the size of the International Trade Administration. And it means a lot to the businesses—especially small businesses—who need help in exporting their products.

I—and I think the American business community would agree—believe that we need more staff in ITA's Foreign Commercial Offices overseas. The Congress has agreed with this and given the United States and Foreign Commercial Service almost $3 million in fiscal year 1992 to increase staff in the Far East—such as Japan and Taiwan—in Eastern Europe and the Soviet Union, and in Latin America. This increase will be negated, wiped out, by this $5 million earmark.

I would also like to see ITA's domestic offices, 47 of them all across the United States,

and its foreign commercial offices have the technological capability to transmit trade data and information back and forth, to give trade leads to U.S. companies looking for new markets. The Congress has agreed with this and has given the United States and Foreign Commercial Service several million dollars to outfit each office with computer systems to give them access to the National Trade Data Bank. This increase will be negated, wiped out, by the $5 million earmark.

Mr. Chairman, I urge our colleague, the distinguished chairman of the Foreign Affairs Subcommittee on Trade, to think again on the merits of this remark. This is a time when we should be giving more money to the agency that provides the principal support for small businesses across the country who are trying to export.

To cut the International Trade Administration now would be wrong.

Mr. FEIGHAN. Mr. Chairman, I want to commend our subcommittee chairman, Mr. GEJDENSON, our ranking minority member, Mr. ROTH, as well as the other minority members of the committee in working to put together an excellent bill.

H.R. 3489 strikes the appropriate balance between national security concerns and improving America's ability to compete in a global marketplace. I think our success in finding that balance can be measured in the overwhelming support that we had for the earlier version of this bill which passed overwhelmingly in the House last fall.

As the gentleman from Connecticut noted, those items that were on the President's veto list have either been revised or taken up in other legislation, and other obsolete provisions have simply been removed—all in an effort to make sure that we produce a consensus document that will become law.

Let me just highlight a few aspects of the bill that go right to the heart of the debate over making America more competitive, yet ensuring our national security.

First, we call for the establishment of a license-free zone among our Cocom allies. This reform reflects two primary changes in the international landscape: First, we must realize that the basis for Cocom—keeping sensitive technology out of the hands of the Soviets and the Eastern bloc—has largely been overtaken by events, the Soviet coup being the latest example of those changes. Second, we face a dramatically different situation in Europe with the movement to a unified market by 1992.

These changes call for a dramatic reevaluation of our export controls to these countries. The bill before us represents a major step in retooling our export control regime so that it focuses more on problem countries and less on those countries who are now our closest allies and trading partners. The result will be vastly expanded trade opportunities without compromising safeguards that protect our national security.

In similar fashion, the bill takes into account the changes that have taken place in Eastern Europe and the Soviet Union. Embedded in this bill is the philosophy that the free flow of ideas is the engine of democracy. And that every fax machine, every telephone system and every home computer that we export assists the transformation of these former Communist states into more responsive, more representative democracies.

This bill represents a win-win situation for us—by opening doors for U.S. exports; by protecting our national security; and by putting U.S. technology in the service of the democratic revolutions that continue to unfold across the globe.

I urge my colleagues to support H.R. 3489.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BONIOR) having assumed the chair, Mr. THORNTON, Chairman of the Committee of the Whole House on the State of the Union reported that that Committee, having had under consideration the bill (H.R. 3489) to reauthorize the Export Administration Act of 1979, and for other purposes, pursuant to House Resolution 259, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. BROOMFIELD

Mr. BROOMFIELD. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. BROOMFIELD. Yes, I am, in its present form, Mr. Speaker.

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

The Clerk read as follows:

Mr. BROOMFIELD moves to recommit the bill, H.R. 3489, to the Committee on Foreign Affairs.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

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

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. FIELDS. Mr. Speaker, I was unavoidably detained. Had I been here, I would have voted in favor of the Hunter amendment (Sec. 120. Review of licenses) to H.R. 3489, the Export Administration Act reauthorization.

PERSONAL EXPLANATION

Mr. GOODLING. Mr. Speaker, I was unavoidably detained and was unable to vote on several amendments pertaining to H.R. 2508, the reauthorization of the Export Administration Act.

Had I been present, I would have voted as follows: Rollcall No. 355, "yea"; rollcall No. 356, "yea"; rollcall No. 357, "yea."

AUTHORIZING THE CLERK TO MAKE CORRECTION IN ENGROSSMENT OF H.R. 3489, OMNIBUS EXPORT AMENDMENTS ACT OF 1991

Mr. GEJDENSON. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 3489, the Clerk be authorized to make technical and conforming changes.

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

There was no objection.

GENERAL LEAVE

Mr. GEJDENSON. Mr. Speaker, I ask unanimous consent that all Members may have 3 legislative days in which to revise and extend their remarks on H.R. 3489, the bill just passed.

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

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Without objection, the vote on the motion to suspend the rules and pass H.R. 2454 will be postponed until tomorrow.

There was no objection.

□ 2150

FINANCIAL INSTITUTIONS SAFETY AND CONSUMER CHOICE ACT OF 1991

The SPEAKER pro tempore (Mr. BONIOR). Pursuant to House Resolution 264 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 6.

The Chair designates the gentleman from Michigan [Mr. CARR] as Chairman of the Committee of the Whole and requests the gentleman from Oregon [Mr. AUCOIN] to assume the chair temporarily.

□ 2151

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House

on the State of the Union for the consideration of the bill (H.R. 6) to reform the deposit insurance system to enforce the congressionally established limits on the amounts of deposit insurance, and for other purposes, with Mr. AUCOIN (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Texas [Mr. GONZALEZ] will be recognized for 30 minutes, the gentleman from Ohio [Mr. WYLIE] will be recognized for 30 minutes, the gentleman from Texas [Mr. DE LA GARZA] will be recognized for 22½ minutes, and the gentleman from Missouri [Mr. COLEMAN] will be recognized for 22½ minutes.

The Chair recognizes the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Chairman, I yield myself 12 minutes.

Mr. Chairman, H.R. 6 strengthens the entire financial community. It opens new markets for commercial banks. It provides new regulatory approaches and it establishes protections for the public and the deposit insurance funds.

H.R. 6 gives the banking industry its long-sought flexibility. In return, H.R. 6 demands that the banks and their regulators adhere to a strong set of safeguards that ensure that the institutions will operate in a safe and sound manner and in a manner that reduces the risk of future raids on the U.S. Treasury by the industry.

The real test on this floor over the next 2 days will be whether the Members of this House will let the banking industry grab new powers and run, or whether we, as representatives of the people, will demand safeguards for the public and for the billions of dollars of the public's funds that could be placed at risk.

Mr. Chairman, the special interests are hard at work, spreading confusion, creating doubt, and seeking every possible advantage as we near a vote on the biggest single banking bill to come before this Congress since the 1930's.

I hope that the Members of the House will be able to cut through these special pleadings and exhibit the courage to place the interests of the public up front.

The American Bankers Association wants the industry flexibility provided in H.R. 6. It just doesn't like the idea that its banks should be required to pay attention to something called public responsibility. Flexibility without responsibility is a fast and straight route to financial disaster.

It is not surprising that the ABA wants only the benefits. That's their job—to walk up here and demand the maximum for their dues-paying members. Congress' job, I hope, is regarded differently.

It is very unfortunate, Mr. Chairman, that the Bush administration told the banking industry earlier this year that it could create subsidiaries to deal in securities without requiring any statutory firewalls to separate insured deposits from volatile securities activities. The administration suggested that the Federal Reserve could worry about this later, not the Congress.

Mr. Chairman, the Banking Committee rejected this new emergence of laissez-faire and constructed a series of high, tight and solid walls between the insured banks and the securities operations. The Energy and Commerce Committee added an identical set of firewalls on the securities side and the combined approach provides the American public, the deposit insurance funds and, most of all, the U.S. Treasury with the maximum protections.

It is these protections that have now sent the ABA and its big banks into a near panic and a massive lobbying campaign. The industry says public protections are just too onerous and too costly. So, "forget the public or drop the idea of securities subsidiaries" is the message from the industry and the administration. That's why we'll be seeing those amendments to strike titles from H.R. 6. If its not their ballgame, their rules, and their umpires, the industry just says "forget it"—well, at least forget the safeguards.

There is another big force behind the strike-the-title advocates—a desire to preserve special treatment for banks that have slipped around the Glass-Steagall prohibitions through regulatory loopholes and laxness. H.R. 6 would sweep all those operations—approved by the Office of the Comptroller of the Currency and the Federal Reserve Board—under regulation and behind firewalls. The ABA and the banks operating under these loopholes are trying to hide the true reasons behind their later and much-ballyhooed support for striking title IV.

So, my colleagues, watch out for those benign reasons being peddled for striking title IV. The real reasons are, first, a hope that the safeguards can be defeated in some future securities powers bill; and second, an effort to preserve special treatment for some big operators who used loopholes to escape Glass-Steagall. The effort to strike has special interest written all over it.

In the 1980's, the savings and loan industry was up here on Capitol Hill with many of the same messages. "Give us lots of new powers, don't mess with regulation, and we'll make lots of profits and everyone will live happily ever after" was the theme of the U.S. Savings and Loan League and its bigger members. President Reagan was delighted with the idea and when the deregulation bill was signed at the White House, he declared it a jackpot for the American people.

That jackpot is now costing the taxpayers between $500 billion and $750 billion. And we'll have the same wonderful reverse jackpots if we let banks operate securities subsidiaries and enter other nonbanking activities without firewalls and other protections. If we don't vote safeguards, as contained in the joint Banking Committee-Energy and Commerce Committee proposal, then the only question remaining will be the size of President Bush's banking jackpot. The American people really can't afford too many of these Presidential jackpots. They're bankrupting the country.

Mr. Chairman, we need to deal with the issues now, not postpone the hard decisions. The proponents of so-called narrow bills may forget that these measures leave many present activites—volatile activites—unregulated. While much of the discussion has revolved around title IV and the securities powers, H.R. 6 deals with a broad set of issues and among other things:

First, refinances the Bank Insurance Fund [BIF]—allowing $30 billion of borrowings from the U.S. Treasury to keep the bank deposit insurance system solvent.

Second, installs an early intervention regulatory system which requires regulators to take action when the condition of a bank deteriorates—no more regulatory wishful thinking and wringing of hands while the costs rise for the insurance fund and the taxpayers.

Third, provides uniform accounting standards and greatly improved internal controls of banks—a major step for safety and soundness.

Fourth, upgrades regulation of foreign banks operating in the United States no more free-wheeling entities like BCCI and BNL allowed to launder money and engage in other criminal activity.

Fifth, requires that resolutions of failed institutions be carried out at the least cost to the taxpayers.

Sixth, allows banks to extend their operations interstate in an effort to stabilize the industry and provide access to new markets.

Seventh, establishes criteria for the use of the Federal Reserve discount window, preventing secret and expensive bailouts of banks at the taxpayers' expense.

Mr. Chairman, four other committees, in addition to Banking, have worked on sections of this bill through sequential referrals. The energy and Commerce Committee, under the leadership of Chairman JOHN DINGELL, worked with us closely to develop the compromise on title IV. JOHN DINGELL's cooperation was magnificent and the compromise is a strong public interest plank in this legislation.

I also want to thank the other committees that worked on parts of the bill—Judiciary, Ways and Means, and

Agriculture. They are all part of the successful effort to bring this legislation to the floor.

In closing, Mr. Chairman, I want to remind the Members of the House that the banking industry—now knocking on our doors for new benefits—will almost certainly be up here next year asking for a major multi-billion dollar bailout of banks. Some in the industry are in bad shape and there is little chance that we will be able to escape taxpayer-financed bank bailouts down the road.

When the bank bailout legislation arrives on Capitol Hill and becomes headlines across the Nation, Members are going to be asked how they voted on H.R. 6. Did they insist on safeguards for the insurance funds? Or did they vote the ABA line and let deregulation go forward without protections? The questions will be asked—that is a certainty. No Member will escape scrutiny or the spotlight when the taxpayers learn they will be forced to reach into their pockets again—this time to help out the banks.

Congress accepted the savings and loan industry's demand a decade ago for new powers without crafting a stronger regulatory structure or demanding safeguards for the American public. The result was a financial disaster that is costing the taxpayers from $500 billion to $750 billion.

The lobbyists for the American Bankers Association and the big banks are singing the identical song today "deregulation without safeguards". They are asking the House of Representatives to roll the dice once more with the public's money on the table.

Mr. Chairman, I hope the Members of this House will resist the temptation to accept the gamble. There is already one tombstone in the financial graveyard marked Garn-St Germain. There's room for another if the Congress is foolish enough to eliminate regulatory protections in H.R. 6.

□ 2200

Mr. WYLIE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I favor H.R. 6, the bill which was reported from the Banking Committee that was a comprehensive reform and modernization banking bill, which I thought the Banking Committee had really done a splendid job on.

For nearly a decade now, Congress and our committee has been struggling with some major issues which we addressed in that bill. With bipartisan support and with administration support, we reported out a comprehensive bill, which as I say, I thought was a good bill.

Secretary Brady submitted the administration's legislative recommendations back in March and we had reported the bill out of the Banking Committee by July 4. We acted on it promptly and in good fashion.

The bill as reported out of the Energy and Commerce Committee was changed in some very serious aspects in title IV, and subsequently was changed by the Dingell-Gonzalez compromise, and deletes key provisions of the bill which I thought were critical to the Banking Committee bill, and adds very cumbersome firewalls and negates much of the good work which I thought we had done in the Banking Committee to give banks more flexibility in financial transactions and by that process would strengthen their place in the financial world.

I regret that the Dingell-Gonzalez compromise will be made in order as original text so that we will not get a vote on title IV as we reported out of our Banking Committee.

Having said that, what this bill does in other aspects is that it recapitalizes the bank insurance fund, which has to be capitalized. The bank insurance fund desperately needs more funds. It is estimated there is about $2.2 billion in the fund right now, and by the end of the year that will be zero, and if we do not recapitalize it, the taxpayers are going to have to come forward for another bailout. This bill would allow for $25 billion in recapitalization.

Beyond that, H.R. 6 makes key reforms that are much needed so that we will not repeat some of the mistakes of the past. For example, H.R. 6 will authorize early intervention procedures for the regulators if a bank is in trouble, annual exams by the regulators, annual outside audits for banks, market value disclosure of bank assets, and elimination of the too-big-to-fail policy after 1994.

With respect to some of these reforms which were contained in an amendment which was sponsored by the gentleman from Texas [Mr. GONZALEZ] and myself and also supported by the gentleman from Georgia [Mr. BARNARD] who I see here on the floor, the Comptroller General of the United States, Mr. Bowsher sent me a letter today and he said,

I want to emphasize the importance of the accounting and auditing reforms contained in H.R. 6, title I. As you know, these safety and soundness reforms were sponsored by you and Chairman Gonzalez and added by unanimous vote to the bill. Our studies of failed banks have shown repeatedly that weak internal controls contribute significantly to bank failures.

So we need those provisions that are in the bill.

Also we would limit Federal Reserve discount window lending and require the FED to share losses with the FDIC.

We limit brokered deposits to level 1 and level 2 institutions.

□ 2210

That is an improvement as far as deposit insurance coverage is concerned. We have no deposit insurance coverage for foreign deposits. Risk-based deposit insurance assessments are provided for banks. The FDIC has veto authority over risky State bank activities. Insured State banks and their subsidiaries cannot underwrite insurance. I think all of these reforms in titles III and IV of H.R. 6 could provide the means for greater stability and flexibility and profitability in our banking system.

Title III will permit nationwide banking and branching in 3 years. I strongly support title III of our bill. I believe that if we had nationwide banking throughout the 1980's, we might not now be facing the need to recapitalize the bank insurance fund. And I say this seriously. Banks and thrifts would have been able to diversify their risks. They would have been insulated from regional economic problems in Texas and New England. My own home State of Ohio was one of the first States to permit nationwide banking. Currently, Ohio has one of the strongest and healthiest banking systems of any of the States. By permitting banks to expand interstate by branching, it is estimated that billions of dollars can be saved through the elimination of duplicative costs.

Currently, all bank expansion is conducted through separate corporate entities. Each bank has to have its own board of directors, back-office operations, overhead, paperwork requirements, and so forth. Branching is easier and less costly. Moreover, it makes it easier for the consumer to take advantage of nationwide banking.

Chairman GONZALEZ and I have filed an amendment to limit the number of insured accounts an individual can have at any one institution. Under our amendment, an individual could have two insured accounts per institution, one a regular savings or checking account and one a $100,000 IRA account. This is a very important amendment, and I hope that we can have this adopted.

When the Treasury Department proposed this bill, this was part of their recommendations for deposit insurance changes. Regrettably, this was struck from our bill.

Deposit insurance was created to protect the small saver, not the rich investor. In 1933, deposit insurance coverage was $2,500. Now it is $100,000, a fourfold increase when adjusted for inflation, in deposit insurance coverage. Ninety-seven percent of America will not be affected by permitting only $200,000 of Federal deposit insurance coverage at any one institution.

Mr. Chairman, in conclusion, this bill reforms the banking system. I emphasize the word "reform." This bill is truly an improvement over the present law. I do hope that we can make some changes, as I suggested a little earlier, in title IV. I hope that before the end of the day on Friday we can pass a good banking bill.

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

Mr. GONZALEZ. Mr. Chairman, I yield 8 minutes to the gentleman from Georgia [Mr. BARNARD].

Mr. BARNARD. I thank the chairman very much for yielding this time to me.

I do appreciate that at this particular hour of the evening, as we discuss a very, very important piece of legislation that comes before us.

Mr. Chairman and Members of the House, I am very pleased with the product of the House Banking Committee. We worked long and hard. The product that we produced came after 18 months of study of the deposit insurance industry and the financial services marketplace.

And as we proceeded to pass the six titles of the bill, we came out at the end with a positive vote of the committee, thinking that we had done a pretty good job. Unfortunately, since we have passed our bill, certain provisions of it, referred to the Committee on Energy and Commerce, have been drastically changed.

We expected that when we came to the floor with H.R. 6 that we would have a reason to be supporting our bill and, hopefully, in opposition to the amendments against it from the Committee on Energy and Commerce.

But lo and behold, we did not have that opportunity. A compromise was worked out in the meantime. Mr. GONZALEZ, Mr. DINGELL, Mr. MARKEY, Mrs. COLLINS and the staffs of both committees got together and they reached an agreement about the House Banking Committee bill and the Energy and Commerce bill.

The Banking Committee passed out a brochure this morning which I think is very interesting. It itemizes the differences between the Committee on Energy and Commerce and the Committee on Banking, Finance and Urban Affairs, and then it indicated what the decisions of the agreement were.

In those instances, Members of Congress, those instances which were somewhat different, I would like to indicate to you that in not one instance where there was a difference of opinion did the Banking Committee's proposal prevail.

Now, I want to say that again because I want to be understood: In not one instance where there was a difference did the House Committee on Banking, Finance and Urban Affairs prevail. In every instance where there was a difference of opinion, the compromise included the language of the Committee on Energy and Commerce.

Consequently, the hard work that had been devoted to the banking bill has now gone down the drain. We will not even be able to offer title IV of the House Banking Committee as an amendment to the original language which will be the agreement worked out by the very distinguished people, very capable people, people for whom I have a lot of respect, but unfortunately their agreement did not come back to the Committee on Banking, Finance and Urban Affairs for approval, not did it go back to the Committee on Energy and Commerce for approval.

Now, my friends, as hard as I have worked for structural reforms, which I think have been reasonable, I have not in one instance given banks any more powers, not in one instance have I promoted or suggested that banks have additional powers. But, my friends, for banks to survive in this environment, they have got to be profitable, they have got to have strong capital. That is what we tried to do in title IV, provide them profitability, provide them an opportunity to make it.

Since that is not going to be possible under the bill that will come before us, I very reluctantly, very reluctantly will introduce amendments to strike title IV.

You are going to hear a lot about that. The chairman of the committee has already referred to that, that this is no way to go, it is a copout, that we will not get our way so therefore we want to withdraw it.

That is not the reason. The reason is that a narrow bill is the best for us at this time. I do not think that many of us are real comfortable with these issues at the present time. It is better to deal with those areas in which there is general agreement: BIF recapitalization, early intervention, least-cost resolution, and the other titles which our distinguished chairman spoke about. Those are very important. Titles V and VI are very importation to this bill. But where the reform process has gone astray with, I might say, great assist from the media, is in the search for the causes for bank failures.

We have a tremendous number of explanations: Oil prices, bad regulation, bad accounting, brokered deposits, fraud, and, finally, the old standby when all of these other explanations fail.

So, my friends, in this environment, I think it is only best that we step back and take another look at what we are doing because what we are doing today is turning the clock back with title IV.

Yes, I do not know why, but it seems that some in Congress are offended because the fact is the Federal Reserve saw fit to interpret the Bank Holding Company Act, especially paragraphs 23 and 28, which prevent bank holding companies, by friends, not banks, but bank holding companies to do those things closely related to banking.

So, when the Federal Reserve permits some bank holding companies to underwrite mutual funds and to underwrite commercial paper, underwrite municipal revenue bonds, all of a sudden we are aghast because of the fact that these profits are now coming in. All of that is reversed in title IV.

□ 2220

We not only stretch higher and bigger and more fierce firewalls, but we are saying, "Oh, no, you can't do that which the regulators have already permitted you to do. That's bad."

But I want my colleagues to know that there is not a single bank that is owned by a bank holding company yet that has these powers that have gone under. So, what we have done; we have not been reckless. We are not just giving away the store with the financial services holding company, but we are permitting the banking industry for once in many, many years to address the real financial services marketplace.

What does it look like today? The financial services marketplace today is more than just commercial loans. Where is the best credits going today? It is going to the investment houses. It is going to the underwriting of commercial paper. That is nothing more than a commercial loan. It is going into underwriting of corporate debt, which is nothing more than a commercial loan, and yet banks cannot reach it.

So, my colleagues, I will just close by saying that now is not the time to move backwards. If we want another bank bailout, let us move backwards. Let us restrict them more and more and more, but, if we will give them an opportunity to make a profit, they will attract private capital, and we will not have to subsidize a banking industry, and that is what it is with government guaranteed taxpayers deposit insurance. We need to wean the banks away from it, as well as our customers, and I thank the gentleman from Texas [Mr. GONZALEZ] very much for this time.

Mr. WYLIE. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. LEACH].

Mr. LEACH. Mr. Chairman, I thank the gentleman from Ohio [Mr. WYLIE] for yielding, and let me just say that by background to the House that this is a very extraordinary bill brought before the House in an unusual way, and I stress the background of banking legislation, particularly this legislation, reflects on the committees of jurisdiction.

Mr. Chairman, the Committee on Banking, Finance and Urban Affairs in particular is kind of a refereeing committee, as is the Committee on Energy and Commerce. As the bill came out of the Committee on Banking, Finance and Urban Affairs, we were, quite frankly, as a committee, a little too generous, in my opinion, to the powers we grant America's commercial banks, and it is one of the reasons this gentleman voted against the bill. Particularly I thought it was a mistake that we integrated commerce and banking, something that was unprecedented in the history of this century. When the bill went over to the Committee on En-

ergy and Commerce, the Committee on Energy and Commerce corrected one of the errors that I thought was in the Committee on Banking, Finance and Urban Affairs' bill, but then it went a little bit too far, and it in effect had the end result of taking the American commercial banking industry actually backwards, taking away powers that currently existed and, in the guise of repealing Glass-Steagall, has produced a Glass-Steagall son that in some ways is more powerful than Glass-Steagall itself.

So, Mr. Chairman, it is my own personal view that, as we look at this in a congressional setting, that given the fact that somewhat extraordinarily the Committee on Rules did not even allow the Committee on Banking, Finance and Urban Affairs to offer their amendment at least for an up or down vote, that this Congress would be wise simply to say that neither the Committee on Banking, Finance and Urban Affairs, nor the Committee on Energy and Commerce's approach is the appropriate one at this time and that we ought to vote in effect to simply recuse judgment on title IV and eliminate it.

Now, coming back to the rest of the bill, it is this gentleman's judgment that, as we move toward consolidation in banking, move toward interstate banking, with or without legislation, one of the great problems is: Is it going to be with or without adequate capital to protect the taxpayer? so, I will be offering an amendment that will increase capital standards in those situations where interstate banking occurs and possibly in the event that Glass-Steagall reform takes place and title IV is kept for banks that want to enter into the investment banking business. I would hope that the Congress would look sympathetically on this kind of approach because in my judgment, unless we pay closer attention to capital, we are going to have a system in which there will be many larger American banks, more thinly capitalized, and instead of a too-big-to-fail system, we are going to have a much-too-big-to-fails system with the taxpayer put in even more grievous jeopardy.

Mr. GONZALEZ. Mr. Chairman, I yield 6 minutes to the gentleman from Kentucky [Mr. HUBBARD], a distinguished member of the Committee on Banking, Finance and Urban Affairs.

Mr. HUBBARD. Mr. Chairman, I would first like to thank Chairman GONZALEZ for allowing me the time to give my remarks. While we may not happen to agree on every issue, your exhaustive efforts in bringing this bill to the floor in an expedient manner are to be commended.

The bill we consider today, tomorrow and Friday—the Financial Institutions Safety and Consumer Choice Act of 1991, H.R. 6—has been called the most significant piece of legislation affecting our Nation's financial services industry since the Great Depression. Indeed, in the 17 years I have been a member of this body, no legislation considered on the floor of the House of Representatives has proposed changes in the way American financial institutions are operated and regulated to the extent that H.R. 6 does.

However, rather than reviewing the countless changes embodied in this legislation, I believe it is of the utmost importance that we take note of one area of current law that H.R. 6 does not make significant changes to—the level of deposit insurance coverage.

At the outset, I would note that the absence of significant changes to current deposit insurance coverage cannot be attributed to a lack of effort by opponents of current law. This legislation, as originally proposed, would have restricted deposit insurance coverage. However, these provisions were stricken from the bill by an amendment I offered during subcommittee markup. Subsequent attempts to alter current deposit insurance coverage were repeatedly—and, I would emphasize, overwhelming—defeated 4 times by my colleagues on the House Banking Committee.

There is a simple reason why a significant majority of my colleagues on the House Banking Committee have rejected changes in this area—altering deposit insurance coverage is bad public policy.

The fact of the matter is the reduction of deposit insurance coverage would be ineffective at best. At worst, it would be a tragic mistake that would result in significant, nationwide harm to our already fragile economy. Nonetheless, amendments may be offered during floor consideration of H.R. 6 that would restrict deposit insurance coverage.

I urge my colleagues to oppose any such amendment for three reasons: First, any such amendment will not reduce losses experienced by the Federal deposit insurance funds; second, any such amendment will heighten public anxiety; and third, it will destabilize financial institutions and be detrimental to the American economy.

I urge my colleagues to oppose the Wylie amendment to restrict deposit insurance coverage.

What do the New York Times, the Washington Post, the American Association of Retired Persons, the U.S. Chamber of Commerce, and the National Association of Home Builders have in common? Each opposes new restrictions on existing deposit insurance coverage.

Their opposition is based on the fact that to reduce deposit insurance is ineffective at best. At worst, it would be a mistake that would result in significant, nationwide harm to our already fragile economy.

Consider, if you will, the following quotes:

"I don't think changing the amount of deposit insurance will make a big difference as to what the liability is that the Federal Government is looking at," said Comptroller General Charles Bowsher. Restricting coverage would cause nothing more than an inefficient shuffling of funds between institutions—without reducing the risk to the deposit insurance funds.

In an article entitled "Banking Reform Proposals Are Already Rattling The System and Making The Credit Crunch Worse," the Wall Street Journal noted:

> Even the chance of change is prompting many businesses and individuals to reduce the amount of deposits they are holding * * * Some small banks say the departure of their largest deposits is crimping their ability to make loans—and, as a result, hindering the economic recovery.

What's why U.S. Chamber of Commerce President Richard Lesher wrote in a recent letter:

> Restricting the number of accounts covered by deposit insurance or simply cutting back federal deposit insurance guarantees would make the banking industry far less viable than it is today.

I challenge my colleagues to name one bank that's failed because of multiple accounts.

Jerry Knight in last Sunday's Washington Post wrote an article about the banking industry problems:

> The banking industry is in trouble because of a series of ill-fated decisions over the last decade to lend money to Third World countries, corporate takeover artists and real estate developers who ended up not being able to repay their loans. Those bad loans have caused nearly 1,000 banks to fail, left hundreds more on the brink of failure and badly eroded the capital reserves of another 2,000 banks.

It's universally agreed that the banking industry is not in trouble because of multiple accounts. It's in trouble because of ill-fated decisions to lend money to Third World countries, corporate takeover artists and real estate developers who cannot repay their loans.

What will happen if you restrict multiple accounts? Many will take their money out of the banking system entirely, which means less money for loans to small business and consumers, and will add to our economic problems. My constituents in western Kentucky will possibly consider moving their money to banks that might be considered too big to fail, and let me add there are no too-big-to-fail banks in western Kentucky.

Let me conclude by sharing a portion of an editorial from the Washington Post entitled "Don't Cut Deposit Insurance":

> While many things need to be changed in the American banking system, the basic system of deposit insurance is not one of them. As Congress goes to work on the banking bill this week, it would be wise to leave deposit insurance alone. The purpose of this bill is to produce stronger and more stable banks.

Cutting back the insurance of depositors would do just the opposite.

I again urge my colleagues to vote against the Wylie amendment to restrict multiple accounts.

□ 2230

Mr. LEACH. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from North Carolina [Mr. MCMILLAN], one of the leading authorities on financial issues in the House.

Mr. MCMILLAN of North Carolina. Mr. Chairman, as a former member of the Banking Committee, I am no stranger to the subject of banking reform. And in my former life as investment banker and the financial officer of a major corporation, I know firsthand the critical role banks play in financing U.S. business growth, particularly the needs of small- and medium-sized businesses, as well as providing consumer services. To best meet these needs it is crucial at this point in time to create a national environment, like that which exists in my State of North Carolina, where strong diversified financial services providers compete statewide and nationally.

North Carolina offers a perfect example of the advantages of competitive financial services resulting from functional and geographical diversification. North Carolina has a long history of intrastate branching, which subsequently led to regional interstate branching. As larger banks grew more competitive and profitable in this regulatory climate, smaller independent banks not only survived, but new independents started up and thrived. Strong diversified banks meant more competitive choice for consumers and business.

North Carolina's State-chartered banks have the power to underwrite and sell insurance. They have limited securities powers and do a hefty discount brokerage business, private capital placements, mergers and acquisitions, and municipal underwriting. Yet, independent insurers and securities firms have flourished in the middle of the largest regional banks in the nation.

That is the issue before us today—the future competitiveness and effectiveness of U.S. financial institutions.

Competitiveness means the capacity to attract adequate capital in public markets to enable banks and financial institutions to finance domestic business growth, while at the same time providing broader consumer services.

Competitiveness means allowing other businesses to invest in failing banks to meet tighter capital standards.

Competitiveness means being able to logically respond to business and consumer needs without artificial legal barriers which do little other than protect someone else's turf.

Competitiveness means being able to diversify those risks inherent in banking—geographically and economically.

Competitiveness means the ability to attract stronger management.

Finally, competitiveness means enabling financial service providers to create more diversified entities competing directly with one another across the country, rather than through a multiplicity of units protected by arbitrary geographic and functional lines.

The proposal made to Congress by the administration earlier this year and H.R. 6 were designed to enhance competitiveness by reforming America's financial services. That reform would create a national financial services marketplace similar to that which has excelled in my State of North Carolina for years. It was this competitive strength which allowed North Carolina banks to rescue troubled banks in other States which did not allow such geographic and functional diversification, most notably in the cases of NCNB's acquisition of First Republic in Texas and First Union's acquisition of South East Bank in Florida.

Mr. Chairman, this legislation, although badly weakened, is a step in the right direction. It strengthens regulation and the insurance fund, and allows interstate branching. But the Dingell-Gonzalez compromise falls short in expanding insurance-securities powers in title IV, actually weakening current law. In addition, the Rinaldo amendment will allow commercial investment in failing banks should be approved to protect the American taxpayer.

Mr. Chairman, North Carolina does not have some magical secret which has allowed its financial services market to thrive while others fail. Rather, the experience of North Carolina shows that the fewer barriers to competition, the more likely it is that banks will deliver consumers the greatest choice of financial services at the lowest prices, and at the lowest risk to the taxpayer.

I urge my colleagues to support this crucial legislation, if properly amended.

The CHAIRMAN. The Chair would announce that the rule gives control of the time to the ranking minority member. Without objection, control of the time will be transferred to the gentleman from Iowa [Mr. LEACH].

There was no objection.

Mr. LEACH. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from New Jersey [Mrs. ROUKEMA], one of the most thoughtful Members of this body, and particularly of the Committee on Banking, Finance and Urban Affairs.

Mrs. ROUKEMA. Mr. Chairman, I rise in support of H.R. 6 the Financial Institutions Safety and Consumer Choice Act of 1991.

I want to commend the Treasury Department, and Secretary Brady, for working so long and hard on the development of basic banking reform and for keeping the process moving forward.

I also want to congratulate the chairman of the Banking Committee for his perseverance and persistence in seeking this final debate on this banking reform bill.

PURPOSE OF BANKING REFORM

Mr. Chairman, up until recent years, our Nation's banking system has been a safe and reliable place to keep the hard-earned savings of the American people. The banking laws of the 1930's have served the system well, and depositors have slept well knowing their money was secure.

However, as we witnessed in the savings and loan crisis, times have changed and, for the first time in almost 50 years, record numbers of bank failures have occurred exposing the American taxpayer, who is already overwhelmed with the cost of the S&L bailout, to substantial losses through the Federal deposit insurance guarantee.

As Secretary Brady stated in submitting the administration's banking proposal earlier this year:

A sound, competitive banking system is critical to the Nation's economic vitality and the financial well-being of our citizens.

But, the federal safety net has been overextended, and the taxpayers are now exposed to substantial losses through federal deposit insurance. * * * In the end, the most effective way to minimize taxpayer exposure is through a strong, competitive, well-capitalized banking system.

This, my colleagues, means that real banking reform must be adopted by the Congress. And, real banking reform means that:

Deposit insurance reforms must restrain excessive bank risk, and insurance premiums should be assessed on risk;

There must be better supervision;

There must be better incentives to maintain strong capital positions;

There must be increased market discipline;

There must be direct restrictions on excessively risky activities; and,

Where practical, there must be incentives to assist bank competitiveness and profitability.

Financial services modernization, with appropriate safeguards, will make banking organizations stronger, better capitalized, and less likely to create costly failures for the deposit insurance fund and the taxpayer.

H.R. 6 accomplishes this by addressing four fundamental goals.

THE FOUR FUNDAMENTAL REFORMS

1. BIF RECAPITALIZATION

The BIF is currently at its lowest level in history as a percentage of insured deposits—approximately $4 billion. It was predicted that the BIF could become insolvent by the end of 1991 if bank failures continued at their current rate or if a few additional failures the size of the Bank of New England took place.

H.R. 6 authorizes the FDIC to borrow up to $30 billion from the Treasury to

be repaid by increases in deposit insurance premiums. It authorizes short-term borrowing from Federal Financing Bank with funds secured by assets taken over from failed banks and removes the cap on insurance premiums the FDIC can charge to replenish the BIF. Current rate is $.23 per $100.

2. BASIC DEPOSIT INSURANCE REFORM

In addition to higher capital requirements for banks, as established by the Basel Accords, the legislation:

Rolls back the doctrine of "too-big-to-fail" by prohibiting the payment of uninsured accounts over $100,000.

Authorizes risk-based premiums.

Limits pass-through deposit insurance for pension funds to only the highest capitalized banks.

Limits brokered deposits to only the highest capitalized banks.

Prohibits the FDIC from covering foreign deposits after 1992.

3. STREAMLINED REGULATORY SYSTEM

The Administration felt that a streamlined, efficient regulatory system would further supplement market discipline and apply prompt, decisive corrective action to weak and unsound institutions.

Although the Financial Institutions Subcommittee created a special task force to come up with a new regulatory scheme, the committee could not agree on any new regulatory structure.

However, the bill does adopt several regulatory measures designed to strengthen the ability of the Federal regulators to act promptly when trouble develops. It does this by:

Requiring annual on-site examinations and reforms auditing standards;

Mandating prompt corrective actions for problem banks;

Requiring early intervention with failing banks;

Limiting direct investment of insured deposits and limits risky State powers;

Granting additional powers to monitor activities of foreign banks in this country.

In the wake of the Bank of New England and BCCI scandals, these have become more important.

4. RESTORING COMPETITIVENESS

The administration argued that nationwide banking and branching would make banks safer through diversification and more efficient through substantially reduced operating costs.

The administration also felt that commercial and financial firms must be allowed to affiliate and that banks should be permitted to engage in the full range of financial services—securities, insurance—as long as it was outside the bank itself and not covered by the Federal safety net.

H.R. 6 permits highly capitalized banks to diversify into new powers such as securities and insurance subject to strict firewalls such as the creation of separately capitalized financial services holding companies, restrictions on loans to affiliates and underwriting of affiliate securities, and restrictions on cross marketing and tie-ins.

I have always supported the repeal of Glass-Steagall so long as adequate fireballs were developed to protect insured deposits. This legislation accomplishes that. It is a shame that the banks don't see it that way and are complaining that the firewalls established to protect the deposit insurance fund and the taxpayer are too tough. But just let me remind my colleagues that it was precisely our failure to err on the side of toughness which gave us the S&L debacle.

Insurance activities were restricted to the sales of insurance by the bank in towns of 5,000 or less and existing activities were rolled back. Now, I have felt that insurance sales are not a threat to the deposit insurance fund and should not be restricted. However, insurance underwriting is risky and should only be done through a separate affiliate, if at all.

Finally, the bill authorizes interstate banking and branching within 3 years. I support this effort.

SUMMARY

Overall, I believe H.R. 6 represents a strong effort to effect banking reform.

It is regrettable that of all the positive reform initiatives contained in this bill, most of which meet the original intent of this legislation—to recapitalize the BIF; reduce taxpayer exposure; and to make deposit insurance reforms—that the industry, the administration, and many of the Members of this body are now opposing the bill based on three provisions, including:

The elimination of the mixing of banking and commerce.

The adoption of additional firewalls on securities activities, and

The additional restrictions on insurance activities.

Mr. Chairman, my colleagues should realize that too much work went into this bill and too much is at stake with the future of the Nation's banking industry to turn down this legislation now.

I urge passage of H.R. 6.

Mr. LEACH. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Florida [Mr. MCCOLLUM], one of the distinguished leaders of this Congress in financial matters.

Mr. MCCOLLUM. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, it has been indeed a pleasure working with the gentleman from Iowa [Mr. LEACH] and other Members, including the gentleman from Texas [Mr. GONZALEZ], on this bill in this committee. A lot of hours have been put into this matter, and many words will go under the bridge, I suppose, in the next few days about it.

But I think the perspective that I would like to bring to this tonight is where we were and what we were trying to do, and what I think all of us wanted to do with this.

Mr. Chairman, I think there were really two things. One of them was to replenish the Deposit Insurance Fund, which we do in this bill by expanding the borrowing capacity to some $70 billion, which we all hope is never needed, and we do it without taxpayer funds being used. We do it with a guarantee program involving bank contributions to this fund.

The second thing we were trying to do, which I think is the onerous burden of all of this, is to expand the competitive position of banks to allow capital to come into those institutions at a greater amount than it has been, to make those institutions in this Nation, that are so important to the functioning and well-being of our country, sound in a way that will not require in the future the contribution of American taxpayers into failing institutions, as has tragically occurred with our savings and loans.

Mr. Chairman, when we put it in perspective, I think it is important to contrast the status of commercial banks today with the status of savings and loans. They are not comparable institutions. They have not been. We do not have the same kind of threat to the commercial banking world that we had to the thrift industry, because the thrift industry was never designed to compete in the world's marketplace and to compete in today's age.

Commercial banks have been designed that way, and as a general rule, are quite healthy today, but they are threatened, and are going to continue to be threatened, unless we do something about it, which is what the bill is about.

For example, in terms of today's modern competition, we can look back in 1960 and be reminded of the fact that the value of banks' industrial loans was nearly 10 times that of commercial paper outstanding in this country.

Today, at least by 1989, and I think still today, the ratio is roughly equal. The same amount of money is involved in an industry financing itself with respect to commercial paper as it is with loans.

□ 2240

Banks today need to be assisted in the sense of broadening the base and going out into the future. Title IV of the bill we drafted was designed to do that, to expand that, to have a financial holding company, and then above that, to have a diversified holding company, to let industry come in to be able to own banks with firewalls and so forth.

Unfortunately, the compromise version of the Committee on Energy and Commerce not only destroys the symmetry that the Committee on Banking, Finance and Urban Affairs creates in

this area, they have indeed set up a situation in which virtually the existing structure of the banking community would be adversely affected and we would not see the kind of competition increase. Instead, in my judgment, it would decline.

Sadly, I do support the efforts of the gentleman from Georgia that we will make to strike title IV from this bill.

That leaves us with interstate branching. I urge my colleagues to sustain that against the attacks that will occur on it. It is important, and it will not threaten the small banks, as some of them fear. It will allow for banks to diversify the regions in which they operate and hopefully bring more stability into the entire process by doing that.

I think that is exceedingly important.

In addition to that, we will have an opportunity, I hope, after the debate over title IV is completed or perhaps even in the first title of the bill before that, to vote on a very narrow area where failed banks can be acquired by commercial institutions, when they are failed or failing. It seems to me that is a sensible approach, although it is a small approach that does protect the taxpayer. We do not have to get into that situation we might otherwise go into.

All in all, I think the bill is moving in the right direction in terms of what we were attempting to do, but it is going to wind up, in my judgment, being a much narrower bill, much more specific bill, but I hope when it is finished here on the floor in the next 2 days, it will be a good bill.

I urge my colleagues to consider it in that light.

Mr. LEACH. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from California [Mr. MCCANDLESS], one of the most prescient observers of finance on the west coast.

Mr. MCCANDLESS. Mr. Chairman, can you imagine running a business in 1991 the same way that you did in 1936?

Yet, as we head into the 21st century, our banks must operate under laws that were passed during the Depression.

Fifty-five years ago, when people looked for a place to invest their savings, they basically had two choices—a savings account or the stock market.

Today, there are literally hundreds of alternatives, many of which banks cannot offer because of Depression era laws.

The world has changed since then. Advances in technology, changes in lifestyles, and many new financial products and services make the marketplace of the 1990's very different from that of the 1930's.

As a result of outdated laws, our banking system has become weak, inefficient, and uncompetitive, especially when it comes to competing in the international market.

In FIRREA, we asked the Treasury Department to review our banking laws and make recommendations on how they could be improved and strengthened.

As a result, Treasury proposed legislation that had six major objectives:

First, to maintain the solvency of the FDIC;

Second, to make the regulatory structure more effective;

Third, to allow banks to attract domestic capital;

Fourth, to allow banks to diversify their products and geographic location;

Fifth, to reform the deposit insurance system; and

Sixth, to increase consumer choice and convenience.

The Banking Committee's version of H.R. 6 retained most of those objectives. While I was disappointed by the lack of real deposit insurance reform, the Banking Committee produced a bill worthy of support.

The bill would strengthen the Bank Insurance Fund, create a more effective regulatory structure, and provide financial institutions with the opportunity to better serve their customers and compete in the world economy.

Banks that are financially healthy should be able to offer their customers additional financial services, provided that those services are offered through a separate subsidiary so that federally insured deposits are not at risk.

Some have attempted to characterize this as deregulation. Nothing could be further from the truth.

Strengthening the regulatory structure, modernizing financial services, and moving more risky activities out of a bank and into a separately capitalized subsidiary, is not deregulation.

One of the lessons we learned from the S&L crisis is that financial institutions should be diversified.

Because strict Federal laws limited the activities of S&L's to making long-term fixed-rate mortgages, S&L's could not keep pace with outside economic pressures, such as high interest rates, falling real estate prices, and weaknesses in regional economies.

Diversification of assets and location would have greatly reduced the number of failures and the cost of the S&L crisis.

The importance of having a diverse market was demonstrated by the recent failure of the Bank of New England.

By only having branches in New England, the bank was not able to withstand the effects of a weak regional economy, and failed.

Had the bank been geographically diversified, it would have been better able to withstand a regional economic downturn.

The same was true of financial institutions in the Southwest which were heavily dependent on the oil industry boom of the late 1970's.

When it comes to interstate banking and branching, there seems to be a tremendous fear of the unknown.

In the spirit of Halloween, some community banks see interstate banking as a bogey-man that can only be killed by driving a stake through the heart of this bill.

Such a view is unfortunate and extremely short-sighted.

In my State of California, small community banks are competing head-to-head with large banks, and are doing quite well.

The secret of their success is, in reality, no secret.

Most small community banks offer a level of customer service that is unmatched by the larger banks.

When you foster competition, the marketplace will provide the highest level of consumer choice.

Another lesson we have learned from the S&L crisis is that financial institutions must increase their capital.

Depression era laws lock 80 percent of our Nation's available capital out of our financial institutions.

The Banking Committee version of the bill addresses that problem.

In contrast, the Energy and Commerce version will mean that our financial institutions will not have access to adequate domestic capital, and that they will have to continue to rely on foreign investment.

Many of us in Congress have strongly advocated and worked for fundamental banking reform legislation for several years.

Unfortunately, in the past, the legislation has been derailed by special interests. We cannot afford to squander the opportunity that we now have to produce comprehensive reform legislation.

We have three options: First, we can turn the hands of time back to the 1930's; second, we can continue to do nothing except watch an increasing number of financial institutions collapse; or third, we can reform the system and enable it to meet the needs of the 21st century.

Of the three, the first is impossible, the second is irresponsible, and the third is essential.

Because they have not kept pace with the times, our current laws have brought our financial industry to the brink of disaster. The status quo of the Energy and Commerce bill will push them over the edge.

We need real banking reform and restructuring. We need the Banking Committee bill.

Mr. LEACH. Mr. Chairman, I yield 4 minutes to the gentleman from Louisiana [Mr. BAKER], the extraordinary new leader of the South.

Mr. BAKER. Mr. Chairman, I thank the gentleman for yielding time to me.

I am very concerned that our economy does not provide an opportunity for every American to have a decent

and profitable job. Many of us in the Congress have spent many hours concerning ourselves with how we can encourage domestic economic recovery. Small businesses in the United States were responsible for over 89 percent of employment opportunities, but yet small businesses today are being told that credit for business purposes is simply not available.

The reason is not a mystery. Higher regulatory standards, a slowing economy makes lenders very cautious about expanding their business scope. In fact, many are now shrinking in order to meet new regulatory requirments.

What is the solution to our domestic economic problems and providing opportunities for new employment and making our banks once again the sources of credit for business purposes? We simply have to find a way for our banks to survive in today's marketplace.

The current regulatory quagmire ensures that banks will not succeed in the future.

Banks now face even tougher competition from nonbank, nontraditional lending sources. For instance, many large corporations who were once the most significant customers of commercial banking activity now sell their own commercial paper, and the banks have lost the revenue from those transactions. We simply have to find a way to replace the lost revenue that reasonable and sound banking practices must engage in.

If we do allow a broader base of business activity, it does not correspondingly mean that taxpayers should be responsible for the risk associated for those new busines ventures. We must limit taxpayer exposure through the Federal Deposit Insurance Fund to only those essential banking services that make our financial system sound and safe for each of us.

Simply expanding the scope of business activity while limiting taxpayer exposure is not enough. For some we must find new ways to spread the risk geographically. For many, in my region of the country, who are limited to the oil patch and their lending practices, if they had the opportunity to engage in financial activities in other regions of the country perhaps they would have not found themselves in a condition of insolvency.

Finally, that may not be the last step. Commercial ownership of financial institutions should not be precluded. We simply cannot find ways for banks to sell stock in a depressed economy. We simply cannot tell banks who are struggling to increase their retained earnings, make more profit in a market which simply will not allow it. Commercial ownership of banking institutions is the way to bring new capital into financial institutions that are troubled rather than continuing to return to the taxpayer.

Outside investors can protect taxpayers from losses. The bill as reported unfortunately by the Committee on Rules tonight does not allow progressive reform of our banking industry. It says to the banking community of 1992, "You cannot engage in activities you engaged in in 1991. We are going to raise your regulatory requirements. We are going to add to the number of regulators who will be looking over your shoulders. We are going to increase your costs to do business. We are going to say you must engage in more community and social service activities and spend dollars and perhaps extend credit where you know loans will not be repaid."

□ 2250

Unfortunately, the bill we will have before us tomorrow, purported to be the solution to our Nation's economic problems, may well be responsible for even greater financial difficulty in the coming months. It may well result in making the credit crunch of 1991 look like cereal. We will find ourselves in financial jeopardy, going back one more time to the taxpayers for additional dollars and pointing the finger at each other saying, "How is this possible?" It is simply a fact of life. Congress cannot properly legislate and we certainly should not make it illegal.

Mr. LEACH. Mr. Chairman, I yield 1½ minutes to the thoughtful gentleman from California [Mr. CAMPBELL], who may well be one of the standard bearers for the Republican Party in the not too distant future.

Mr. CAMPBELL of California. Mr. Chairman, I thank my colleague for his kind words.

Mr. Chairman, in the bill we will consider tomorrow, one critical point is important and worth consideration. Let us not stampede the depositors. Consumer confidence right now in the United States is at a very serious ebb. We just saw that reported.

I am concerned that if we touch the level of insurance on depositors we might stampede depositors out of the system at a time when we cannot afford a further shrinking of the capital available to investment in our country. Therefore, I rise to urge opposition to the amendment to be offered by my colleague and friend, the gentleman from Ohio, [Mr. WYLIE] the ranking member for whom I have the highest esteem. If we remove the $100,000 per deposit insurance and instead make it $100,000 per deposit per institution, we will set off a fear in depositors' minds that Congress is messing around with deposit insurance. And who are we uncovering, who are we exposing by this action? Someone who is both wealthy and stupid, wealthy enough to have a more than a $100,000 account, and stupid not to figure out that all you have to do is put each $100,000 account in a different bank.

This is a serious mistake. It could result in an erosion of consumer confidence at a critical time, and I urge my colleagues to oppose it.

Mr. LEACH. Mr. Chairman, I yield myself such time as I may consume.

In these last few seconds, Mr. Chairman, I simply would like on behalf of the distinguished ranking member, the gentleman from Ohio [Mr. WYLIE] to extend our appreciation to the majority and say that the gentleman from Texas [Mr. GONZALEZ] in our judgment is frankly the fairest chairman that I can conceive of working with. Also, as this may be the last principal bill that the gentleman from Georgia [Mr. BARNARD] works with, I would like to say that we will miss him. DOUG has been one of the truly fine lights in the House Committee on Banking, Finance and Urban Affairs and one of the distinguished Members that all of us have enjoyed working with for all of his time here.

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

Mr. GONZALEZ. Mr. Chairman, I yield my remaining 4½ minutes to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Chairman, I rise in support of H.R. 6 as it is presented to the House this evening. I ask Members to carefully consider in the days ahead the amendments that will be offered on this floor.

Frankly, I think the issue that we have today is one of crisis. It is one of great concern for the American people and the American economy. Basically it hearkens back to the problems with the deposit insurance system and the commitment that was made some 50 years ago to try and meet the needs and to insure the deposits of people across this country.

That deposit insurance system today, in my judgment, has been turned on its head. That which was intended to protect depositors has been used as a basic insurance tool for whole segments of our economy and for the largest of the largest banks. Clearly during the decade of the 1980's there were a series of things that led to this: the lack of adequate regulation, the dearth of commercial industrial property that makes up the portfolios of banks. There are a lot of things the Congress can do in terms of public policy, in terms of trying to gain back the control that the regulators have had over the banks and try to set the banks on a policy path that is profitable.

But what we cannot do is we cannot legislate, we cannot legislate or regulate away the problems that are inherent in banking portfolios as we stand here today in 1991. Those problems are a combination of tax and policy issues that simply are going to be with us for some time.

What the Committee on Banking, Finance and Urban Affairs tried to do,

and I think tried valiantly to do, and has finally succeeded in an agreement that we have before us in H.R. 6, is to try and gain back some real regulatory reforms to deal with the problems of "too big to fail," to deal with the problem of least cost resolution, and to of course provide the borrowing authority for the bank insurance fund, some $70 million in borrowing authority so we will be able to meet the needs. That is important.

First of all I want to suggest that the process that has been followed here is exactly the process that has been followed throughout the tradition of this House when one or more committees, in this case four committees were working on a bill and the leaders of those committees, in this case the gentleman from Texas, Mr. GONZALEZ, and the gentleman from Michigan, Mr. DINGELL, of the leading or two principal committees met and resolved differences that they had where there was shared jurisdiction.

We are quick to point out the integration of the financial marketplace. We should also recognize the integration of our jurisdiction that occurs during these circumstances. What they did is came before us and ironed out their differences in a way that I think is satisfactory.

Quite candidly, I think that much of what the administration has proposed as solution here is sort of the consequence of chasing rainbows and looking for the pot of gold at the end of that rainbow.

Does anyone believe that if banks are not going to be profitable that somehow we are going to be able to get businesses to buy banks to put their money in these banks so that they can lose it? I do not believe that, and I do not believe that the combination of commerce and banking, for that reason, will work. If they are a profitable entity, they can put out stock and raise money on that basis. That is what call the marketplace, the free enterprise system. It works. A lot of people give speeches about it, but apparently they do not like to practice what they theorize about.

Does anyone really believe that we can merge our way out of this particular issue? I do not. I do not see anyone buying these franchises. We tried that with the S&L's, and it failed, and surely it would fail in this particular instance.

I know the grass always looks greener on the other side of the fence. So if banks are not making money in banking, perhaps they can make money in insurance and other types of activities. But clearly these areas which are losing money in some instances in 1990 are not likely to turn around and help the banks pull themselves out. No, my friends, there is no magic in this, and I would hope that we would uphold the version of the bill as it has been presented to us, and work hard in the days ahead to resolve and address this problem.

Mr. Chairman, I want to urge my colleagues to pay close attention to the amendments and the debate during our consideration of H.R. 6 in the days ahead. The legislation currently under consideration by the House could well affect the lives of virtually every American for well into the 21st century by determining how financial services will be provided to the American people as well as setting in place the foundation for a financially solvent deposit insurance fund. The House will have to consider and vote on amendments that will determine the basic direction under which the reforms in H.R. 6 will proceed.

The House will have to determine what new services, if any, a bank may offer; what firewalls will be in place to protect the deposit insurance fund and the American taxpayer; what the appropriate role for the State will be with the implementing interstate branching; and who may own a bank. These decisions are crucial and I urge all Members to carefully consider the ramifications of our actions.

As a member of the House Banking Committee, I voted against reporting H.R. 6 from the committee. I believed that when considered in total, the measure went too far in deregulating our financial services industry without adequately protecting the bank deposit insurance fund and the American taxpayer from a major future bail-out of the fund.

In my view, the major flaw of the administration's legislation was that it failed to come to grips with the reality of the marketplace. The proposal continued the policy path of private gain and profit with the public, the taxpayer, bearing the risk. The President offered a deregulation solution for the banks in the hopes that they would grow out of the problems. Mr. Speaker, that is simply chasing rainbows. The Bush administration urges a policy that would facilitate megabank mergers, combined with new and riskier activities for banks. Those policies, combined with the merger of commerce and banking would, for all practical purposes, stretch the bank deposit insurance safety net to cover all the assets and the new activities. With the bank insurance fund already running on empty, the failure of banks owned by businesses will leave the taxpayers at risk with even bigger bills to pay. There is no pot of gold at the end of this rainbow, only an I.O.U. that will unfortunately be another bill sent the taxpayer. The way the Bush administration behaves the free enterprise system apparently is only to be used as a rhetorical flashpoint in speeches and not to be seriously practiced.

They apparently like free enterprise in theory but not in practice. Amendments which hopefully will be made in order under the rule will provide the House with a voice in restoring a level of protection for the deposit insurance fund and assuring that the fund and the American taxpayer will be insulated, to the greatest extent possible, against the reality of today's and tomorrow's marketplace and the exercise of the new powers by financial institutions.

Of particular importance, I would like to call to the attention of my colleagues two amendments. The first is the bipartisan amendment that I, Congressman BEREUTER and nine other Democrats and Republicans of the Banking Committee will offer on interstate branching and interstate banking, a major compromise.

As my colleagues may be aware, H.R. 6, in its current version, provides for nationwide interstate branching with no role for the State government. Efforts in the committee by myself and other members to provide for an appropriate State role were not accepted. Following the committee's action, the supporters of a State role worked to develop a compromise approach. The bipartisan consensus amendment is the result of that effort.

The Vento-Bereuter amendment recognizes that savings for banks may be realized through interstate branching. However, the amendment importantly recognizes that branching is not a panacea as others may claim and that interstate branching does pose risks to he insurance fund, the institution, and the States and local communities and to the consumer through unfettered interstate branching.

To address these issues, the consensus Vento-Bereuter amendment restores an appropriate voice into the decisionmaking process by permitting States to opt out of any nationwide interstate branching system as well as setting responsible conditions for a bank to branch in that State.

In addition, the consensus amendment establishes a concentration limit and would prohibit acquisitions that would exceed that concentration levels. In light of the serious concerns that we all have regarding the "too big to fail" policy, the modest restrictions in our amendment are warranted. At the national level, the concentration limit in our proposed amendment and in the Senate bill is 10 percent of all insured deposits. Based on the latest information available to my office if that standard would have be in place, Citicorp, Bankamerica, Chase Manhattan could have all merged together and formed one bank. At the State level the threshold is 30 percent. That threshold only applies to acquisitions, not growth, and can be waived by the State. This concentration concern is real with the advent of interstate banking and branching. Numerous mega-mergers have been advanced and when this measure becomes law that trend will accelerate. Frankly, some guidelines and thresholds are necessary, hence, the concentration limits of Vento-Bereuter.

The issue of interstate branching is more than a regulator's turf fight. It is more than a big bank versus small bank debate. The decision that Congress makes on interstate branching will affect how financial services are provided to many of our constituents. The consensus proposal is a balanced approach that best meets the needs of the banks and the local communities. I hope that my colleagues will support this approach.

In addition, I would like to express my strong support for the work of Chairman GONZALEZ and Chairman DINGELL. The package that they have presented the committee does set in place safeguards that were sorely lacking in the banking version of H.R. 6. The incorporation of this agreement is crucial to protecting the insurance fund and the taxpayer.

Mr. Chairman, Congress must act to stop the hemorrhage of the bank insurance fund. Any action should include meaningful reforms

to the deposit insurance fund, elimination of "too big to fail" loophole and restoration of the deposit insurance fund to its original purpose of protecting the deposits of the average working American family. The improved opportunity for bank profitability must be accompanied by strong regulatory authority to insure that the insurance fund and the taxpayer are not left holding the bag for new or old megabanks. Finally, Congress must reinstall the free enterprise mentality in the financial world so that decisions are made on the basis of market discipline and private risk rather than assuming that the Government will pay for bad business decisions.

Mr. BUSTAMANTE. Mr. Chairman. I have had many calls come into my office regarding the provisions of H.R. 6. The most resounding comments I have heard are support for title III of the bill, to permit interstate banking and branching.

Interstate banking is not a controversial issue. For some years now Texas, along with 47 other States, has permitted interstate banking. Interstate branching is new in its name, however I believe that it is only an extension of interstate branching.

Interstate branching will allow multi-state banks to operate more efficiently. The need for duplicate boards of directors, computers, and audits will be eliminated, saving the industry and its customers billions of dollars. I believe interstate branching will allow banks to serve their customers more effectively through greater efficiency. Therefore, I support the provision of title III of H.R. 6 and I urge you to join me.

The CHAIRMAN. Under the rule, all time of the Committee on Banking, Finance and Urban Affairs has expired.

Under the rule, the chairman and ranking member of the Committee on Agriculture will equally divide 45 minutes. The Chair observes that the chairman and ranking minority member of the Committee on Agriculture are not present, and thus the time of the Committee on Agriculture designated under the rule is considered as yielded back.

All time for general debate under the rule has expired.

Under the rule, the Committee rises.

□ 2300

Accordingly the Committee rose; and the Speaker pro tempore (Mr. PARKER) having assumed the chair, Mr. CARR, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6) to reform the deposit insurance system to enforce the congressionally established limits on the amounts of deposit insurance, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks in general debate on H.R. 6, the bill just considered.

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

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR FURTHER CONSIDERATION OF H.R. 6, FINANCIAL INSTITUTIONS SAFETY AND CONSUMER CHOICE ACT OF 1991

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 102-281) on the resolution (H. Res. 266) providing for the further consideration of the bill (H.R. 6) to reform the deposit insurance system to enforce the congressionally established limits on the amounts of deposit insurance, and for other purposes, which was referred to the House Calendar and ordered to be printed.

NAVY BABIES

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute, to revise and extend his remarks and to include extraneous material.)

Mr. DORNAN of California. Mr. Speaker, one of the issues that the U.S. military is very loath to discuss is the rising rate of pregnancy in the military of unmarried young enlisted people and officers, I might add. It is servicewide, but the Navy is particularly resistant to really facing up to this.

I hope the conferees on the Defense bill between the House and the Senate will leave in the Senate language about a serious commission forming to determine just what happened during the gulf war in this one very unreported area.

The sole exception of good reporting was an article by Alecia Swasy, a front-page story in the Wall Street Journal of October 3.

Here are just the subheadlines:

Although sex aboard ships is taboo, births indicate rule is widely flouted. Life on board the "Love Boat."

The U.S.S. *Acadia*, 16 percent of all Navy women who go to sea end up pregnant.

Hanky-panky—hetero and homo—is a problem. Propinquity breeds romance.

Now, the statistics from the U.S.S. *Opportune* are particularly interesting and the U.S.S. *Yellowstone*.

Mr. Speaker, I hope we will have a serious commission on this serious problem. These are pregnancies, not abortions.

Mr. Speaker, I include the Wall Street Journal article as follows:

NAVY BABIES: SHIPBOARD PREGNANCIES FORCE THE MANLY NAVY TO COPE WITH MOMS—ALTHOUGH SEX ABOARD SHIPS IS TABOO, BIRTHS INDICATE RULE IS WIDELY FLOUTED—LIFE ON BOARD THE "LOVE BOAT"

(By Alecia Swasy)

SAN DIEGO, CA.—Dressed in a crisp white uniform trimmed in navy blue, Kathleen is the picture of Navy spit and polish. Except for one thing: She's wearing maternity issue because she's eight months pregnant.

While the 25-year-old petty officer from Boston, who asked that her last name not be used, is happy about the birth of her first child later this month, the Navy doesn't share her joy. Kathleen got pregnant while deployed on the U.S.S. Acadia during the Persian Gulf War.

Kathleen was one of 36 Navy women who returned home pregnant from their tour on the Acadia. The ship was dubbed "The Love Boat" in a newspaper cartoon, which showed women sailors saluting the rabbits who had sacrificed their lives as pregnancy testers during the war, and the nickname was picked up by the national media.

But to the Navy, the spate of births coming roughly nine months after the war isn't funny. Women today make up 30% of the Navy's crews, a figure that is expected to rise to 50% by 1996. And despite the Navy's strict rules against "fraternization," about 16% of the 8,600 Navy women on ship duty get pregnant each year.

"Hanky-panky—hetero and homo—is a problem," says Charles Moskos, a military sociologist at Northwestern University. "Propinquity breeds romance." Yet nobody in the macho military world "really wants to look at it," he says.

Although all branches of the military—indeed, most places where men and women work together—are crucibles for office romance, the Navy throws the sexes together in tight quarters for months at a time. Life on the floating factories is often described as drudgery. During the day, sailors jobs keep them busy, but at night there's little to do. Sailors say the food on board is so bad they call hamburgers "sliders" because they're so greasy. On some ships, sailors sleep in huge rooms stacked with tiny berths.

SIDE BY SIDE

On the Acadia, about 360 of the ship's 1,250 crew were women. Some, like Kathleen, processed paperwork, while others worked alongside men in every function, making pipes, repairing equipment and working in the foundry. Women are still not allowed on combat ships or submarines.

Although men and women used separate bunks and bathrooms on different decks of the Acadia, they ate, watched television and played cards together. And while the bunks themselves are only two feet wide and offer little privacy, there's a maze of places to hide on board.

To the Navy, a pregnant sailor represents the loss of a trained worker, sometimes in an extremely technical position, as well as a potential health problem. Once a woman's pregnancy is known, she is quickly dispatched to a job on shore. The Navy used to routinely discharge pregnant women, but now, after a six-week paid maternity leave, they are expected to come back to work. Four months after giving birth, they are expected to resume their sea duty, which typically totals three years. Many ask for discharges instead, and because it's a volunteer force, most get them.

The military's record on sex issues has long been spotty. Fifteen years after women were first admitted to West Point and the Naval Academy in Annapolis, complaints of sexual harassment still crop up. Enforcement of "no fraternization" rules isn't consistent. The military's stand against letting homosexuals serve has been challenged repeatedly in court. So far, it has prevailed.

But even more than the other branches of the military, the Navy has resisted confront-

ing women's issues and the management of a co-ed fleet, asserts Rep. Patricia Schroeder of Colorado. "It takes very strong women to go into the Navy. They're not getting any support." Rep. Schroeder also says Navy women feel they have "to have sex or you get labeled as a lesbian. So women are damned if they do and damned if they don't."

WOMEN'S PROBLEMS

In a report on women in the Navy, which was prepared in 1987 and updated last year, the service acknowledged major problems in its handling of women's issues. The report said Navy women complained about sexual harassment, rape ("seriously underreported") and lack of day care.

Yet even some women have doubts about whether motherhood and the military mix. Some privately fear the soft image of motherhood makes others take women less seriously as sailors. "Motherhood is natural, but there's a time and place for it," says Commander Darlene Iskra, the first woman commander of a naval ship, the U.S.S. *Opportune*, a rescue and salvage ship that patrolled the Mediterranean during the war. Another woman gets angry about the pregnancies. "If one female does something wrong, we all get labeled," says Kathleen Smith, a 24-year-old ensign from Buffalo assigned to the U.S.S. *Yellowstone*.

Sailors are allowed to date each other, but sex on ships is considered "detrimental to good order and discipline," says Lt. Commander Maureen Davidovich, who works on women's policy issues for the Navy. Acknowledging that many sailors will have sex somewhere, the Navy has begun offering more sex education classes and free birth-control pills and condoms. Yet the Navy report said women sailors complained of long waits to see gynecologists or to get contraception. And some women told the Navy that the pills they got were dispensed beyond their expiration date.

To enforce the no-sex rules aboard ship, watches include checks of dark corners and locked rooms. Shay Holliday is a 21-year-old sailor on board the USN *Joshua Humphreys*, an oiler that provided fuel and moved cargo in the Gulf. Men and women aboard the *Joshua Humphreys* are allowed to visit each other's private rooms until 11 p.m. But last year Ms. Holliday and her boyfriend, a civilian mariner assigned to the military sealift command, returned to her stateroom after an evening of drinking in port. "I was very drunk and he was too," she says. "And we got caught."

Her penalty for the tryst was stiff: She was restricted to the ship for a week and lost $200 in pay. In August, Ms. Holliday and her boyfriend were married.

Navy rules say that anyone who is caught in physical contact with another sailor must be punished. Sailors can lose a stripe or get kicked out of the service. Two male officers on shore duty at an East Coast base last year were fined $30,000 because of "inappropriate relations" with enlisted women, according to the Navy. But depending on the commanding officer, the sanctions can vary widely. "If they look the other way when grab-assing is going on, they'll look the other way when more serious things go on," says Ms. Iskra, the U.S.S. *Opportune's* commander.

Because of the rules, many women sailors say they try to avoid romantic relationships with people on the same ship. "I won't date somebody I work with," says Nancy Murray, an electronics technician on the *Yellowstone*. Twenty of the ship's 479 women came home pregnant from the Gulf.

Others say women have to guard against becoming targets of shipboard scuttlebutt about who's sleeping with whom. "Rumors spread like wildfire," says Monique Code, Petty Officer, 3rd Class, on the *Yellowstone*. "People get labeled as being easy."

Kathleen's relationship with her now-husband, Ed, on board ship was strictly platonic, she says during an interview surrounded by two fidgeting Navy public affairs officers and her supervisor. She sits with arms folded and answers briefly.

The Navy says most wartime pregnancies began on shore, and that's where Kathleen says hers began—on liberty in Dubai in the United Arab Emirates. When her pregnancy was revealed, she was immediately reassigned to shore duty in March. "I got on my hands and knees and begged to stay" on the ship, she says. But even though her pregnancy wouldn't seem to interfere with her shipboard job as a personnel clerk, her plea was rejected. She was sent to San Diego, where she works in the same kind of job. Ed, a 29-year-old boiler repairman and nine-year Navy veteran, stayed with the ship. The *Acadia* docked a month later.

Couples were common on the *Acadia*, Kathleen says; at least four planned to marry after the war. Indeed, statistics indicate Navy marriages have been commonplace: Dr. Moskos says three-quarters of the married women in the Navy are married to Navy men.

Some sailors suspect that some women get pregnant just to escape the drudgery of Navy life. But Kathleen says leaving the ship was traumatic. "It really upset me to see the ship come in and I wasn't on it," she says, recalling how she stood on the pier watching the *Acadia* dock in San Diego last April.

Kathleen plans to remain in the Navy after her baby is born, at least until her tour of duty is up in 1993. But that's not easy to do. Carolyn Judah, a 28-year-old electronics specialist on the *Joshua Humphreys* who is a single mother, had to leave her two-year-old daughter with friends for three months during the war. "The separation is real difficult," she says, describing herself as "lucky" to be able to call home once a month.

Meantime, Kathleen is trying to adhere to the Navy's rules on pregnancy, which are spelled out in a 35-page manual called "Management of Pregnant Servicewomen." "During the last three months of pregnancy, the servicewomen shall be allowed to rest 20 minutes every four hours," says the manual. "Sitting in a chair with feet up is acceptable."

THE FINANCIAL INSTITUTIONS SAFETY AND CONSUMER CHOICE ACT OF 1991

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. KLECZKA] is recognized for 5 minutes.

Mr. KLECZKA. Mr. Speaker, I remained in the Chamber tonight hoping to get some time on our side of the aisle on the banking rule or on the 1-hour debate that we had allotted, but because of the numerous Members who wanted to speak, the chairman did try to accommodate my request and was unable to do so, so I take this opportunity, which is rare, indeed, because I am one who thinks that after the House adjourns, it is time for Members to go home and to return fresh tomorrow and start a new day. But I think that this issue is so important that I beg the indulgence of our Speaker tonight and those who are in the Chamber to allot me 5 minutes so I can state my views on what is transpiring here on probably the most important bill we are going to face this session, and that is the banking bill, H.R. 6.

We started debate tonight at 10 p.m. when most Members, after a long day in the Chamber, were headed home, and so basically those who were allotted time under the 1 hour given to the Committee on Banking, Finance and Urban Affairs, were Banking members sitting in the Chamber who have listened to this issue ad nauseam for the last 3, 4, 5, 6 months, and the people who we want to convince and to convey our opinions to are the ones who actually went home. That is a real travesty.

However, tomorrow under the rule that was just filed, we will get more debate time and hopefully more of the Members will stick around to listen to those of us on the Committee on Banking, Finance and Urban Affairs, the Committee on Energy and Commerce, the Committee on Agriculture and other committees who dealt with this bill, to give their ideas of what is transpiring.

You will be told over the next 2 or 3 days that if we do not pass this bill in the form that the administration wants us to pass it, that we will promote a bank crisis. I will tell you today, and I told my caucus earlier this morning, and I will repeat this every time I get to a microphone, my friends, whether or not we pass this bill, the banking crisis is upon us. Whether or not we pass this bill tomorrow or the next day, the FDIC, the bank insurance fund, is broke. That is a fact we cannot change at this point.

So know full well that no matter what form this bill passes, we are already involved in a bank crisis.

We are further told by our regulators that some 300 banks per year are failing, and based on the banks that have failed today, the money that we are providing, the $70 billion Treasury loan will not be sufficient to handle the problem.

In fact, we are told that this $70 billion loan will not last the entire year 1992, and this Congress will have to come back and provide more money to it.

Well, what does that sound like to you? That sounds like something we have been going through since 1985. It is called the savings and loan bailout or crisis, and that goes back 10 years ago when this Congress deregulated the S&L's, raised deposit insurance, laid off many regulators, and then we found out that the whole S&L industry was going down the tubes.

We appropriated back, I think in 1985 or 1986 some $10.8 billion. We came

back earlier this year, we came back in the spring of this year and appropriated another $40 billion, and before we leave there on Thanksgiving we are asked to appropriate another $80 billion.

So for those who say that this problem is nothing like the S&L's, they are wrong. They are wrong. I say to you it is history revisited. It is a carbon copy.

Whether or not we pass this bill tonight, it is not going to change the fact that there is a bank crisis upon us, that the fund is broke, and that the $70 billion we are going to appropriate or loan from Treasury is going to be insufficient.

We are also told that the banks are going to pay this back. Well, my friends, let me tell you that unless we double or triple the current assessment on their premiums for deposit insurance, they are not going to pay it back. In fact, the provision provides that they have 15 years, the banks have 15 years to pay it back. They are asking for 30. But even over the 15 or 30, they are not going to pay it back.

Who is going to actually foot the bill? It is the taxpayers. Let us not kid ourselves about that whatsoever.

I approach the Committee on Rules and asked that we be permitted to vote on a narrow bill, a narrow bill which would do two or three things, No. 1, recapitalize the bank insurance fund, provide some regulatory changes like early intervention for banks which are failing and provide some meager, meager changes in the deposit insurance system. The Committee on Rules, in their wisdom, or lack thereof, chose not to permit that amendment. So the House of Representatives will not have the option of going a narrow bill or a broad bill.

The die, my friends, has been cast, and the only option that we will have in the coming days will be to debate a broad bill, a broad bill which, in my estimation, vastly expands the powers of the banks.

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I say, Mr. Speaker, that is asking for trouble, although there are ways, I think, that we could avert that trouble, if in fact we do some things, the first of which is to support the Gonzalez-Dingell substitute for compromise on title IV. Title IV deals with the new powers of banks.

We find now that the industry for the most part is violently, vehemently opposed to title IV. Why? Because it does not give them the powers they ask for? No, it does.

What they are objecting to is that it is too tough. It is too tough, and so there will be attempts on the floor to pull that title out of the bill.

The administration, I should add, also opposes it.

Well, Mr. Speaker, let me say that if we do pull title IV out, we have before us an empty shell because at that point we have current law which is a hodgepodge, which is helter-skelter, giving up powers to the major banks of this country and some 35 major banks have the power already, but it is not given to the banks by the legislature. It is given by the regulators and the courts, and that is the most serious mistake.

INTRODUCTION OF CONSTITUTIONAL AMENDMENT TO GUARANTEE ALL AMERICANS ACCESS TO HEALTH CARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. STARK] is recognized for 5 minutes.

Mr. STARK. Mr. Speaker, I am today introducing a constitutional amendment to require that all Americans be guaranteed access to health care.

This bill will help give force of law to the President's State of the Union Address where he said that "Good health care is every American's right."

I believe that good health care ought to be every American's right—but clearly that is just a dream today. This year, over 60 million Americans will be without health insurance sometime during the year. Between 30 and 40 million Americans are without health insurance today. And we know frorn many detailed studies that those without health insurance are more reluctant to seek medical help when they need it. Their health and the health of their children suffers. For example, according to a just-published study of nearly 600,000 patients nationwide, the uninsured enter a hospital much sicker than insured people of the same age, sex, and race, and they were 44 to 124 percent more likely to die during their stay.

The idea of a free nation founded for life, liberty and the pursuit of happiness must seem like a mockery to those who are denied health care because of lack of money.

Actually, there is one group of Americans who already have a constitutional right to health care. Under the eighth amendment, it is unconstitutional to deny prisoners medical care, for that would be considered cruel and unusual punishment. In my county, It is easier for a prisoner to get a medical checkup than it is for a poor person on MediCal or a person without health insurance.

It is time that we ended this perverse situation: Honest, law-abiding citizens should have at least the level of access to health care that we provide prisoners in our society.

This amendment is difficult to draft in a way that answers all questions: What level of health care do we guarantee? For example, there is basic primary care to keep a cold from becoming pneumonia. And then there is a heart-lung transplant. Do we guarantee heroic measures of preserving life to everyone, or do we accept limits as the State of Oregon has proposed for its Medicaid patients? Do we cover preventive health care, maintenance of the chronically ill, or do we just cover acute care needs? Who is to ensure the delivery of care? Who is to pay for it and how?

Basically, this constitutional amendment is offered to advance the debate and to force the development of implementing legislation. Thus it contains a provision making it effective 5 years after ratification. This will give us time to pass the implementing legislation and to put the necessary programs in place. Passage of the amendment will place the legal pressure on us to come together as a society and adopt implementing legislation.

We are the only industrialized nation other than South Africa that fails to ensure its citizens health care. This is the year 1991. You want a lesson in humility? Go read Chancellor Bismarck's debates in the German Parliament in which he offered a health plan for all Germans in the early 1880's—including eyeglasses and eye care. Obviously, Germany is a highly competitive economic society and from their example—and the example of other industrialized nations—it is clear that we can provide health insurance to our citizens without threatening the economic competitiveness of our industries.

Indeed, a national program—as Medicare is now showing—can impose cost controls that our current hodge-podge system cannot. A comprehensive national health care program is the best way to slow the rate of health inflation and make our society more competitive—and our work force healthier and more productive.

Each year we consider a number of constitutional amendments—to restrict flag-burning, to make English the official language of the Nation, to give President's line-item vetoes, et cetera. Surely this amendment is of more importance to a greater number of American people than almost any other we can consider.

Hippocrates told us that wise men consider health the greatest of human blessings. One hundred and twenty years ago a British Prime Minister said that the "health of the people is really the foundation upon which all their happiness and all their powers as a state depend." It is time we acted on these basic truths, time that we end the shame of leaving so many of our citizens uninsured, and time that we move forward to implement the right to health care.

H.J. RES. —

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE —

"SECTION 1. The right of citizens of the United States to medical care shall be guaranteed.

"SEC. 2. The Congress shall have the power to enforce, by appropriate legislation, the provisions of this article.

"SEC. 3. This amendment shall take effect five years after the date of ratification.".

NLRB JURISDICTION OVER JOHNSTON ISLAND

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

woman from Hawaii [Mrs. MINK] is recognized for 5 minutes.

Mrs. MINK. Mr. Speaker, today I have introduced legislation to correct an unfair situation for the civilian workers on Johnston Atoll. My bill would require the National Labor Relations Board to assert jurisdiction in a labor dispute which occurs on this atoll.

Johnston Atoll is an unincorporated territory of the United States, located 171 miles southwest of the Hawaiian Islands. This atoll is used for the sole purpose of housing a Department of Defense chemical weapons incinerator, where over 1,000 military and civilian employees work with hazardous material and under potentially dangerous conditions.

Some 425 of these workers are employed by a private contractor which maintains and operates the chemical disposal system for the Department of Defense. These workers are isolated on a remote island, work with highly toxic and radioactive materials, yet have no ability to organize as a bargaining unit and seek to protect their rights as workers.

In a recent petition before the National Labor Relations Board 185 employees of the civilian contractor were denied recognition as a bargaining unit by the Board. Despite the Board's acknowledgment that they have statutory jurisdiction over the atoll, the Board turned its back on the Johnston Atoll workers, and effect, denied them the same rights provided to other U.S. workers.

Mr. Speaker, the workers on Johnston Atoll are U.S. citizens, they are employed in what is probably the most hazardous line of work, the disposal of chemical weapons, which provides a service necessary for arms reduction in the United States and the world. And yet these workers are not guaranteed the right to stand up for safe working conditions, decent wages, and adequate health benefits.

The tradition of labor law in our country has been to balance the rights of the workers with the needs of employers. Under the current situation there is no balance for the Johnston Atoll workers. They have no recognized unit to voice their concerns, no one to listen, and no way to remedy unfair and harmful working conditions.

The one entity established by the Congress to protect them has declined to examine their situation. And unlike other employees in the United States, the Johnston Atoll workers have no State or local agencies to turn to and no courts to hear their appeal.

Mr. Speaker, this is a situation that we cannot and must not allow to continue. The workers on Johnston island are entitled to the same protections assured to all other U.S. workers. I urge my colleagues to rectify this blatant violation of justice and support this bill.

DOMESTIC VIOLENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington [Mr. MCDERMOTT] is recognized for 60 minutes.

Mr. McDERMOTT. Mr. Speaker, October is Domestic Violence Awareness Month. During this month, communities all over the Nation have taken time to recognize the widespread and painful problem of domestic violence and to speak out about it. I welcome the opportunity to discuss this issue here and to promote understanding of the special nature of this problem and efforts we can undertake to address it. The most important thing we can do is to talk about this issue, because it is a silent epidemic, a hidden catastrophe, that often makes women too fearful, ashamed, and isolated to tell anyone about it.

I have cosponsored H.R. 1502, the Violence Against Women Act, introduced in the House by the gentlewoman from California [Mrs. BOXER], and I commend her for her leadership on this issue. This bill is a comprehensive proposal to improve our law enforcement and judicial efforts to prevent and to prosecute all types of violence against women. The bill also provides critical support for battered women's shelters and for education efforts to combat the plague of violence against women. I also want to commend the Congresswoman from Maryland [Mrs. MORELLA] for her important work on other reforms to help victims of violence.

Such legislation is urgently needed because domestic violence is occurring in epidemic proportions across the country. The facts are shocking: In the United States, a woman is more likely to be assaulted, injured, raped, or killed by a male partner than by any other type of assailant. Each year, an estimated 3 to 4 million women are battered by their husbands or partners. FBI data indicate that 34 percent of female homicide victims are killed by their husbands or boyfriends; other research has put this figure as high as 50 percent.

The prevalence of domestic violence places an increasing burden on our criminal justice system to protect women and to prosecute abusers. I will leave it to others better qualified than I to discuss the reforms needed in our criminal justice system. But because battering often results in serious injury, it affects our public health system as well, and I want to say a few words about the role health care professionals must play in stopping this kind of violence.

I suspect that most people would be surprised to learn that domestic violence results in more injury to women than auto accidents, rape, and muggings combined. Battering accounts for roughly one-third of hospital emergency room admissions for women. A study in my district, in Seattle, found that families in which domestic violence occurs visit physicians eight times more often than the general population; visit emergency rooms six times more often; and use six times the prescription drugs of the general population. Women who are abused by their partners are under enormous stress, and suffer debilitating stress-related disorders as well as physical injury.

Yet, our health professionals often have little or no training to recognize violence as a cause of injury, and therefore are unable to offer the guidance, referral, or understanding that could help women begin the process of stopping abuse. One study indicates that perhaps as few as 5 percent of the injuries to adult women patients resulting from domestic violence are identified correctly by medical personnel.

The emergency room or the doctor's office can be an effective point of intervention to prevent further injury or death caused by battering. Health care professionals—our doctors, nurses, social workers, and others—need to be trained to recognize, treat, and refer their patients who have been battered so that we can curb this epidemic of violence against women.

Equally disturbing to me are the effects of domestic violence that extend beyond the physical injury its victims endure. Domestic violence is associated with substance abuse, severe psychological trauma, and suicide among its victims. It happens more often than we can imagine during pregnancy. In just one hospital emergency department, 21 percent of pregnant women had been battered and these women had twice as many miscarriages as nonbattered women. It is associated with child abuse as well: Children in homes where domestic violence occurs are physically abused or seriously neglected at a rate 1,500 percent higher than the national average in the general population. It is a factor in homelessness. The Children's Defense Fund reports that "studies of homeless families in communities throughout the nation consistently find that between 25 and 50 percent of these families left home to escape domestic violence." Domestic violence has profound impacts on our society that we have only recently begun to recognize.

Many myths about domestic violence must be dispelled if we are to understand its pernicious consequences. Many men and some women respond to stories of domestic violence with some form of an obvious question: "Why does she put up with the abuse? If it's so bad, why doesn't she just leave?" Survivors of violence can answer this question much better than I, but here are a few explanations.

First of all, you must understand the very real threat to their lives these women face. Battered women often face the greatest danger when they do try to leave. Some research indicates that women who leave are at a 75-percent greater risk of being killed by their batterer than those who stay. Think about that for a moment: Women who leave must face the prospect of being killed.

Many women do try to leave. In one study of over 6,000 women living in shelters in Texas, the battered woman

had, on average, contacted 5 different sources of help prior to leaving the home. Women who want to leave have a difficult time because they often lack the resources and the support systems to do so. In my city of Seattle, I am told that one shelter turns away five to six women for each one it can admit. Additionally, if the woman has children, she may not be able to support them financially. Sometimes these women have been completely isolated by their partners, so that they do not have access to bank accounts, to transportation, to family or friends, or to any form of independence. Sometimes they are effectively held prisoners in their own homes.

Another myth we must eliminate is our tendency to think of domestic violence as a problem confined to low-income groups. The fact is that it occurs among all races and socioeconomic groups. We also tend to think it occurs among women who are somehow weak or passive, who invite abuse, or who are too submissive to fight back. There is no stereotypical victim of domestic violence. It could happen to anyone.

In my State of Washington and my district, we have developed model programs and innovative approaches to addressing this crisis. We have shelters that offer comprehensive services, but there are not enough of them. We have made important reforms in our criminal justice system, but our courts are overwhelmed. We have developed protocols for health care professionals, but they are not widely implemented. This summer, the Washington State Domestic Violence Task Force issued its final report and recommendations. It noted the extraordinary progress that has been made in recent years. But, the report concluded: "The Task Force members were reminded again what their vast experience with domestic violence had already taught them—domestic violence is deeply rooted in social institutions as well as in family life * * * to end domestic violence, we must work with all parts of the system."

A cold, conspiratorial silence has long surrounded not only domestic violence but all forms of assault and harassment against women. The walls of that fortress of silence are starting to come down. It is imperative to understand that the abuse women suffer is real, it is widespread, it is personally devastating, and it is against the law. There is no excuse for it, ever. Domestic violence represents a serious threat to the health and well-being of millions of American women. We must work actively to replace that threat with the promise of safety and well-being that is the fundamental right of all Americans, both men and women.

I thank my colleagues for joining me in this special order, and I urge them to support efforts to combat all forms of violence against women.

Ms. SLAUGHTER of New York. Mr. Speaker, tonight, during this special order on domestic violence, Members of Congress are reaffirming their commitment to help families overcome an epidemic of violence that causes more injuries in the home than any other problem.

Indeed, every day, in every major city in the country, calls for help from victims of domestic violence are going unanswered. Last year alone an estimated 250,000 spouses were turned away from shelters because of lack of space.

The pressing need to make the public aware of this problem is something that is very much on my mind these days. Earlier this year, I stood on the floor of the House of Representatives and introduced a resolution, which the House passed, designating October as National Domestic Violence Awareness Month.

And this past Friday in Canandaigua, NY, I participated in a vigil conducted by dedicated volunteers who work for the House of Hope, a nonprofit group started by the Saint Mary's Church in Canandaigua.

Mr. Speaker, for the past 6 years these volunteers have addressed the needs of scores of battered spouses and their children. They have provided food, clothing, counseling, peer support, as well as medical assistance and job referrals. For many families trying to escape a life of violence, these efforts have meant the difference between hope and despair.

While I am proud to have participated in this vigil, I am also saddened that such efforts are still necessary—not only in Canandaigua, but in every community across the Nation. The heartbreaking reality is that nearly 4 million Americans—mostly women—will be injured and an estimated 4,000 will die as a result of domestic violence this year.

And, with the holidays fast approaching, the problems are going to get worse. Every year around Christmas time, the added pressures on families too often turn the holiday season into a nightmare of anger, abuse and violence. During the 6 weeks between Thanksgiving and New Years' Day, an estimated 450,000 spouses will be abused in their own homes. Each week during this 6-week period 30 spouses will be killed.

To meet this growing problem, i have joined my colleagues in the House in cosponsoring important new legislation, the Violence Against Women Act, that would provide additional protections for victims of domestic violence, promote the arrest of abusive spouses and provide more money for battered women's shelters.

This new legislation seeks to deter abusers from learning the whereabouts of a fleeing victim and creates Federal penalties for spouse abusers who cross State lines to continue their abuse. It also authorizes $25 million for prosecutors and courts to develop special spouse abuse units. And the bill would triple funding for shelters for abused spouses.

Many Americans do not want to think about the problem of domestic violence. They are convinced it cannot happen in their homes. They prefer not to think about what might be happening next door or down the block. In addition, many abusers are sadly unaware of their own violent behavior. Many are able to convince themselves that the abuse that their families must endure each day is not all that serious.

And yet the situation is not entirely bleak. Many families have persevered and overcome the daily threat of violence in their lives. Husbands and wives have successfully grappled with and controlled abusive behavior, breaking a pattern of violence that often is passed down from one generation to the next. These domestic victories deserve our recognition and support.

In addition, we also must commend the hard work and invaluable achievements of the thousands of volunteers who support and protect local families subjected to abuse.

Standing here together tonight we affirm every American's right to live a life free of abuse and violence. And by committing ourselves to help the victims of domestic violence, we commit ourselves to undoing the cycle of violence that has become a part of so many American families.

Mr. DINGELL. Mr. Speaker, during the month of October, we focus our national attention on one of the most pernicious forms of abuse, domestic violence. The single largest cause of injury to women in this country is abuse by the men they live with and often love. The National Coalition Against Domestic Violence reports that a woman is battered by her husband or boyfriend every 15 seconds, making domestic violence America's most common—but least reported—crime.

It is a social problem that belongs in the social domain. It is no longer considered a private problem that affects only the victim and the family. The violence spills over onto the streets and into our schools. It is time to recognize the needs of the victims, and their family members. Many women feel confined to their homes, fearing widespread crime on our streets. At least home should be a safe haven. Yet for victims of domestic violence, the home is often the most dangerous place of all. Each year 3 to 4 million American women are battered by their husbands or partners and 4,000 women are beaten to death.

The United States is today making a concerted public effort to help battered women, but this issue is still surrounded by myths. Only about 10 percent of domestic violence cases result in arrests, even though there are grounds for arrest in well over half of the cases. Paradoxically, 75 to 80 percent of battered women who go to trial for killing their abusers in self-defense are convicted and sentenced to jail terms of up to 10 or 15 years. If women are to gain the strength and courage to break away from domestic violence they must have faith that the law that is there to protect them, not their abusers.

Congress is becoming acutely aware of this serious problem. Several pieces of legislation have been introduced in the 102d Congress, designed to increase public awareness of the magnitude of the problem and enhance law enforcement and prevention efforts. October is Domestic Violence Awareness Month. We, in Congress, must prove our commitment to breaking down the barriers in dealing with cases of domestic violence and show women that we do care.

Mr. SIKORSKI. Mr. Speaker, behind the welcome mats and front doors of the homes in too many of our neighborhoods is the painful and frightening reality of domestic violence. For thousands of families across our Nation,

home is not where the heart is, home is where the hurt is.

Domestic violence is a serious problem in America. It is a problem that has tremendous personal costs—indeed a cost too many have paid with their lives.

In Minnesota this past summer, the cost of domestic violence has been high. Fourteen women and children died from domestic violence. Last year, domestic abuse contributed to the deaths of 22 Minnesotans and in 1989, 18 deaths. It is estimated that between 25 to 37 percent of Minnesota women experience battering. Some believe even that horrendous number underestimates the problem because domestic violence often goes unreported. Currently, 52 of 87 Minnesota counties have no State funded battered women's advocacy programs within the county. Existing shelters and programs lack funding to assist all those who seek help. The most recent statistics report about 65 percent of the total number of shelter requests in Minnesota are denied because of lack of space.

Statistics can be impersonal—and this is a very personal issue. The bottom line is domestic abuse is real, it is here, and it hurts. Combating this widespread problem is not only possible, it is absolutely critical for our families.

That's why I have joined my friend and colleague Congresswoman BARBARA BOXER of California in sponsoring the Violence Against Women Act. This bill will help address the rising tide of violence against women in America. It creates interstate enforcement of State-protective orders for battered women, and provides Federal grants to encourage States to employ mandatory arrest procedures against abusive spouses and partners. The Violence Against Women Act also provides assistance for battered women's shelters. This is the first bill to deal with violence against women in a comprehensive manner at the Federal level. It is needed legislation addressing the tragedy of domestic abuse.

Domestic abuse must be addressed head on. We cannot slam the doors on the victims of domestic abuse. We cannot pull the welcome mat out from under their feet. We must work together to make sure home sweet home also means home safe home.

Ms. NORTON. Mr. Speaker, we have an epidemic of domestic violence in our country. We cannot go on this way. Domestic violence remains one of those dirty little secrets that we try to sweep under the rug hoping that maybe, just maybe, it will go away by itself.

Far from going away, the rate of assaults against women increased 60 percent between 1984 and 1987. One out of every four children has been sexually abused by the age of 18. In 1989 there were 94,504 rapes reported to local authorities—approximately 1 every 6 minutes. One in seven married women will be a victim of sexual assault by their husbands. Sixty percent of all rapes are committed by acquaintances.

Here, in the Nation's Capital, we have only two shelters where victims of domestic violence can turn for help—My Sister's Place and Her Space, a part of House of Ruth. My Sister's Place reported 1,500 hotline calls last year. Both shelters must turn away approximately 10 women per week due to overcrowding.

The District government has taken steps to combat domestic violence. Although there is presently no recordkeeping system, a mandatory arrest law passed the City Council last year. Because of this law, the police department will be required to keep records of domestic violence beginning in January 1992. This law also requires that police make an arrest where they have probable cause of domestic violence and can identify a perpetrator. Under the previous law, the police were only encouraged to make an arrest.

Amazingly, former Surgeon General C. Everett Koop identified violence against women by their partners as the No. 1 health problem for women in the United States. Domestic abuse causes more injuries to women than automobile accidents, muggings, and rapes combined. Physical injuries sustained in domestic violence are at least as serious as those sustained in 90 percent of all violent felonies and, often, the emotional and psychological abuse that domestic violence victims experience is even more costly.

The cost, Mr. Speaker, is not only to the victims. On a national scale, domestic violence costs employers $3 to $5 billion attributable to worker absenteeism every year. Medical costs related to domestic abuse are estimated at $100 million per year.

It is time we stop talking about this national disgrace and take action. Our women and children need our help. Some of them will not survive without it.

Mrs. BOXER. Mr. Speaker, it is my pleasure to join my colleagues in this special order to promote understanding of the pervasive and brutal crime of domestic violence.

Each year, an estimated 3 to 4 million women are battered by their husbands or partners; 2,000 to 4,000 women are beaten to death. Approximately 20 percent of all female emergency room patients are abused women.

Domestic violence is not merely a spat or a lover's quarrel resulting in a push or a shove. It is physical violence which results in serious physical injury. In fact, one-third of all spouse abuse cases would be categorized as "felonious assaults" if reported to the police.

I believe that we, as a society, must change our perception of domestic violence which encourages people to view it as private and insignificant. As the statistics show, it is neither. That is why I have authored the Violence Against Women Act in the House.

If enacted, the Violence Against Women Act would take several important steps to help both the victims and survivors of domestic violence. My bill would make it a Federal crime for an abuser to cross State lines to continue the abuse, would require all States to enforce any restraining order that a woman receives to protect her from the abuser, and would offer incentives to States to implement policies mandating the arrest and prosecution of spouse abusers.

In addition, the Violence Against Women Act provides funding to educate State and Federal judges on domestic violence and its effect on women and their families, and it more than triples existing funding for battered women's shelters and the services which they provide.

Domestic violence is a serious problem with immense consequences for the health and well-being of American women. I am proud to join in this effort to bring attention to the issue, and hope that the House will move quickly to pass the Violence Against Women Act in the coming session of Congress.

Mr. TOWNS. Mr. Speaker, today I join my colleagues in commemorating October as Domestic Violence Awareness Month. Domestic violence is believed to be the most common, yet least reported, crime in our Nation. An estimated 3 to 4 million American women are beaten each year by their husbands or partners. Every 18 seconds in the United States a woman is battered. This amounts to 200 women being battered every hour. Two-thirds of all married women are battered at least once, while a quarter of them are battered severely. National Crime Survey data show that once a woman is victimized by domestic violence, her risk of being victimized again is high. During a 6-month time period following an incident of domestic violence, approximately 32 percent of women are victimized again.

Domestic violence occurs among all races and socioeconomic groups. There is no typical batterer. Ninety percent of abusers do not have criminal records but are generally law abiding outside the home. Battering is not a small illness that can be diagnosed, but rather a learned behavioral choice. Many batterers grew up in homes where their mother was abused by their father, or where they or a sibling were physically abused.

Regardless of whether children are physically abused, the emotional effects of witnessing domestic violence are very similar to the psychological trauma associated with being a victim of child abuse. Each year, an estimated minimum of 3.3 million children witness domestic violence. Witnessing domestic violence as a child has been identified as the most common risk factor for becoming a batterer in adulthood. Children may also receive injuries indirectly when household items are thrown or weapons are used. Older children may be hurt while trying to protect their mother. In addition, children from violent homes have high risks of alcohol/drug abuse and juvenile delinquency.

Domestic violence is seen by many as a private matter between couples, one in which outsiders hesitate to become involved. Unfortunately, this perception permeated our criminal justice system where traditionally the response has been nonintervention unless severe injury or death was involved. Yet without effective early intervention domestic violence can escalate in severity and lead to death. FBI data indicates that 30 percent of female homicide victims are killed by their husbands or boyfriends.

It is an abomination for me to state that there are more dog shelters in the United States than there are shelters for battered women. The most critical function of shelter programs is to provide crisis intervention and safety provision for battered women and their children. Most programs are inadequately funded and must turn away as many women as they report.

I am just astounded to tell you that there is only one statute on the books at the Federal level which relates to domestic violence. it provides grant moneys to women's shelters and so is a very important one, but this one law is

not enough. Designating October as Domestic Violence Awareness Month rightfully focuses the attention of Congress and the country on domestic violence as the serious social, health, and criminal problem that it is.

I am proud to say that I am a cosponsor of H.R. 1502, the Violence Against Women Act. This legislation does three things: First, it makes life outside the home safe for women; second, it makes life inside the home safer; and third, it protects women's rights by making sex crimes a violation of Federal civil rights. In addition, I am a cosponsor of H.R. 2334, the Domestic Violence Prevention Act of 1991. This legislation provides grants: First, to States to assist in developing effective law enforcement and prosecution strategies to combat domestic violence; and second, to public or private nonprofit entities to use in public information campaigns. This bill also provides victims of domestic violence with shelter and related assistance such as food, medical care, counseling, and legal assistance. I would urge my colleagues to give their full support to these legislative initiatives in an effort to combat the serious social problem of domestic violence.

Mrs. MORELLA. Mr. Speaker, 3 to 4 million American women will be battered this year not by unknown assailants but by the men who love them. Many of these women will return to live in homes of terror. Three to four thousand of them will die at the hands of their batterers. About 3.3 million children will watch their fathers batter their mothers.

Domestic violence is at epidemic proportions in the United States. It is a legal issue, a public health issue, a women's issue, and a children's issue.

Domestic violence affects all of us—no matter what our race, our ethnic background, our economic status, or our education. Battered women are blue-collar women who drive trucks and schoolbuses. They are white-collar women who carry briefcases into courtrooms, boardrooms, and schools. They are women who live in neighborhoods considered nice and in neighborhoods considered not-so-nice. They live in cities, in suburbs, and in rural areas.

For too long this country has regarded domestic violence as a private matter, to be handled at home and certainly not to be handled as a criminal matter by the police and the courts. Today, we are finally beginning to recognize domestic violence for what it is—a brutal criminal act.

There are many theories about batterers and why they resort to violence. These include career and economic stress, violence on TV and in the movies, poor socialization, and sexism in our society. Whatever the causes, battering continues because too many people—relatives, friends, neighbors, law enforcement personnel, district attorneys, and judges—have looked the other way.

Domestic violence is a means of establishing control over another human being through fear and intimidation. Generally, battering is physical, but it also includes emotional, economic, and sexual abuse and the kind of isolation experienced by prisoners-of-war and hostages.

"Why don't battered women just leave?" The question is asked over and over. Many women do leave their abusers. Yet, according to the National Woman Abuse Prevention project, battered women face the greatest danger when they try to leave and are often threatened with physical harm or with death. Most battered women are financially dependent on their abusive spouses and fear losing their homes and fear homelessness. Many battered women believe the abuse is their fault and that it is better to keep the family together no matter what.

We know that children growing up in battered homes are battered themselves, if not physically then certainly emotionally. We know that boys in these homes often grow up to become batterers themselves. These boys learn to cope through aggressive behavior and learn to use violence in school and on the streets to solve their problems. Girls who grow up in violent homes learn to cope through passive indifference and often resort to drug and alcohol abuse, pregnancy, and suicide.

October is "National Domestic Violence Awareness Month," a time to reflect on how we can put an end to terrorism in our homes. There are now 16 domestic violence bills before this Congress. These bills cover judicial and legal issues, public awareness and education programs, funding for shelter and long-term housing, and child custody.

Under our Constitution, the States have primary responsibility for family and criminal matters, and of course, domestic violence issues. However, the Federal Government, by allocating funds for prevention programs, training programs, and housing, and by focusing national attention on violence in the family can do a great deal to assist State governments.

I would like to take a few moments to tell you about the progress my State, Maryland, has made against domestic violence and how proud I am of the work of our Governor, William Donald Schaefer, who has made Maryland a national model.

With the support and assistance of the Governor, the Maryland General Assembly passed two bills this spring that will have long-term effects on the lives of women and children in our State. Maryland judges will be able to consider evidence of spousal abuse when determining child custody cases. And Maryland juries will now be able to hear a battered women's history of abuse and the effects of battering in a criminal trial. Maryland—and only four other States—by statue guarantee battered women a fair trial.

Because of the Governor's sense of justice and humanity, 10 formerly battered incarcerated women now lead productive lives and many others have new hope. Last winter, I invited Governor Schaefer to visit Maryland's prison for women at Jessup to meet with women who had killed their abusers and who were serving life terms. Because of his compassion, open-mindedness, and concern for the women of our State, Governor Schaefer came to Jessup and listened to five women tell of their journey to prison and of their lives of abuse, shame, isolation, and terror. He asked many questions. When he left the prison, he ordered a review of the cases and several others. A month later, in late February, Governor Schaefer commuted the sentences of eight women and this summer he released two others.

In addition, the Governor has mandated a statewide prevention and public awareness programs for adults and children and has ordered a review of orders of protection and law enforcement policies that relate to domestic violence.

I look at my State and the people who are working to end domestic violence: Nancy Nowak on the Governor's staff; Lorraine Chase and Sharon Grosfeld with the Maryland Network Against Domestic Violence; Judge Rosalyn Bell with the Maryland Court of Special Appeals; July Wolfer and Lesley Boyd Ford with the House of Ruth; Kathy Shulman and Phil Lee with the Public Justice Center; Angela Lee with the Unity Group; and Cindy Anderson and Nancy Schoenke with public and private groups in Montgomery County, MD. I know, one day, we can put an end to violence in our homes. Working together, Federal and State governments and public and private advocacy groups, we have already accomplished a great deal.

Still, there is more that needs to be done.

I have introduced 4 of the 16 domestic violence bills now before this Congress. House Concurrent Resolution 89, the "Fair Trial Bill," urges State courts to allow battered women to present evidence of their abuse or expert testimony about their battering in criminal cases. Only five States currently allow women charged with killing or assaulting their mates to present a history of prior abuse.

H.R. 1251, the Domestic Violence Housing Act, would provide $5 million in section 8 certificates and vouchers for transitional or long-term rental housing to families displaced by domestic violence.

H.R. 1252, the Battered Women's Testimony Act of 1991, would authorize funds to assist indigent women in presenting expert testimony about spousal abuse.

H.R. 1253, the Judicial Training Act, would provide funds to carry out research on state judicial decisions regarding child custody cases involving domestic violence and provides for the development of training programs for state court personnel on the impact of domestic violence and children.

As one of 29 women in the House of Representatives, I feel a special responsibility to work on issues that are crucial to the lives of women. I pledge to make the passage of domestic violence legislation a legislative priority.

We have come a long way from the days of the rule of thumb when it was acceptable for a man to beat his wife with a stick, as long as it was no wider than this thumb. But, we have a long way to go before all American homes are places of love and comfort, not places of terror and death.

Mr. MAZZOLI. Mr. Speaker, I am privileged to take part in this special order which seeks to focus attention on the tragedy of domestic violence in this country. The gentlewoman from New York is to be commended for spearheading the effort to pass House Joint Resolution 241, designating the month of October as "National Domestic Violence Awareness Month."

When confronted with the statistics on domestic violence, we have to accept that many men, women, children, and American families are affected by this terrible form of antifamily behavior.

My district in Louisville and Jefferson County, KY, is actively responding to the tragedy of domestic violence. In Louisville and Jefferson County, domestic violence is recognized as a community problem. Thus, the response is community in nature and scope.

For example, earlier this year, Jefferson County Judge-Executive David Armstrong opened the Jefferson County Office for Women. Examining the issue of domestic violence was the first task given the office's advisory committee. That examination is enabling the Jefferson County Office for Women to work to protect women from domestic violence, as well as to assist them with improving their economic status.

Judge Armstrong and city of Louisville Mayor Jerry Abramson, with the support of their police chiefs, have acknowledged the important role of law enforcement in combating domestic violence. Jefferson County Police Chief Leon Jones and Louisville Police Chief Douglas Hamilton have instituted domestic violence policies that make reporting cases a priority. Ultimately, it will make arrests and convictions more possible.

Furthermore, Commonwealth's Attorney Ernest Jasmin and Jefferson County Attorney Michael Conliffe, both advisory committee members, have been instrumental in the treatment and prosecution of domestic violence as a crime. This is clearly evidenced by the initiation of a no drop policy which states that prosecutors are not allowed to recommend dismissing cases or to plea bargain without the approval of the domestic violence unit chief.

Finally, Louisville and Jefferson County have a record of providing advocacy and support for women and children who have been battered. Its center for women and families offers comprehensive services for victims, including shelter, counseling, crisis telephone lines, and a public education campaign.

Mr. Speaker, while the efforts to help the victims of domestic violence greatly need to be expanded, I am proud to hold Louisville and Jefferson County up as a national model of cooperative effort to attack this grave problem. I am committed to working with my colleagues to enact legislation to address this issue.

Mr. ROEMER. Mr. Speaker, there are millions of Americans whose lives are devastated each and every day by those whom they love. These victims are women, and they suffer from a form of abuse we call domestic violence. To assist their struggle, October is now designated "Domestic Violence Awareness Month." it is our hope that increased awareness of this crime will help curb this abuse that plagues society.

According to statistics from the Congressional Caucus for Women's Issues, 3 to 4 million women are battered each year. What is even more alarming is that these women are more likely to be assaulted, raped, and even killed by their male partner than by any other assailant. For them, home is not a place of safety and comfort. Home is a prison of abuse.

Domestic violence is not characterized by infrequent or minor incidents of distress. It is a progression of increasingly violent assault that is both physical and psychological. And despite their suffering, most women remain with their persecutors for numerous reasons. They fear reprisal. They fear the loss of their family and home. And they fear the loss of employment and financial security.

The murder of Lisa Bianco of Elkhart, IN, in 1989, at the hand of her then ex-husband, is not an unfamiliar tragedy to us. Lisa did everything that a victim of domestic violence should. She notified the police when harmed, instructed her children on how to react, and confronted her anguish by working as a counsellor and program coordinator at the local women's shelter. But on March 4, 1989, she was bludgeoned to death by her ex-husband after he received an 8-hour pass from the Indiana Department of Corrections, who failed to inform her of his release.

Unlike other crimes, domestic violence has no methodology and there is no systematic way of helping its victims. Since many women view their abuse as a private matter, domestic violence is underreported. Furthermore, many victims continue to profess their love for their spouse. And as in Lisa Bianco's case, even if all the suggested precautions are followed, there is no guarantee that their lives will be saved. But abused women must be given the opportunity to help themselves.

In 1987, 375,000 battered women were helped at existing shelters and safe-houses. However, 40 percent of all women seeking help in that same year were turned away because the programs were greatly underfunded. Since then, the statistics have not receded.

In Indiana, there are 23 shelters for battered women which helped over 500 women in the past year. YWCA's throughout much of northern Indiana provide crisis intervention programs. These and other similar programs provide food, clothing, and shelter for up to 30 days so that brave women can put their lives back together.

It is my hope, Mr. Speaker, that these shelters will continue to provide the necessary assistance to the large and most overlooked group of victims in our country—women suffering from domestic violence.

GENERAL LEAVE

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that all Members be permitted 5 legislative days in which to extend their remarks and to include therein extraneous material on the special order tonight by the gentleman from Washington [Mr. MCDERMOTT].

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

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. JEFFERSON (at the request of Mr. GEPHARDT), for today, on account of death in family.

Mr. TANNER (at the request of Mr. GEPHARDT), for Tuesday, October 29 and the balance of week, on account of family business.

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. NICHOLS) and to include extraneous matter:)

Mr. LIVINGSTON, for 5 minutes each day, on Nov. 4 and 5.

Mr. MCCOLLUM, for 5 minutes, on October 31.

Mr. DELAY, for 60 minutes each day, on November 5, 6, 7, 8, 12, 13, 14, 15, 18, 19, 20, 21, and 22.

Mrs. BENTLEY, for 60 minutes, on November 1.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous matter:)

Mr. KLECZKA, for 5 minutes, today.
Mr. MORAN, for 5 minutes, today.
Mr. COYNE, for 5 minutes, today.
Mr. STARK, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mrs. MINK, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. SCHUMER in the House today on title III, H.R. 3489.

(The following Members (at the request of Mr. NICHOLS) and to include extraneous matter:)

Mr. CAMPBELL of California.
Mr. GOODLING.
Mr. PURSELL.
Mr. LAGOMARSINO, in two instances.
Mr. MACHTLEY.
Mr. MCGRATH.
Ms. ROS-LEHTINEN, in five instances.
Mr. BEREUTER.
Mr. GALLEGLY.
Mr. SCHULZE.
Mr. CUNNINGHAM.
Mr. DANNEMEYER.
Mr. LIGHTFOOT.
Mr. PACKARD.
Ms. SNOWE.
Mrs. BENTLEY.
Mr. WELDON.
Mr. HORTON.
Mr. MILLER of Washington.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. JACOBS.
Mr. DYMALLY.
Mr. KOLTER.
Mr. HAMILTON.
Mrs. BOXER.
Mr. ACKERMAN.
Mr. RANGEL.
Mr. SCHUMER.
Mr. COYNE.
Mr. TOWNS.
Mr. EDWARDS of California.
Mr. CLAY.
Mr. BERMAN.
Mrs. MINK.
Mr. LEVINE of California.

Mr. BORSKI.
Mr. FEIGHAN.
Mrs. KENNELLY.
Mr. DWYER of New Jersey.
Ms. PELOSI.
Ms. NORTON.
Mr. MCMILLEN of Maryland.
Mr. SIKORSKI in two instances.
Mr. DINGELL in two instances.
Ms. DELAURO.
Mr. ATKINS.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1823. An act to amend the Veterans' Benefit and Services Act of 1988 to authorize the Department of Veterans Affairs to use for the operation and maintenance of the National Memorial Cemetery of Arizona funds appropriated during fiscal year 1992 for the National Cemetery System.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 12 minutes p.m.), the House adjourned until tomorrow, Thursday, October 31, 1991, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2268. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-96, "District of Columbia Commission on Baseball Act of 1991," and report, pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

2269. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-95, "Residential Property Tax Relief Act of 1977 Application Deadline and Free Clinic Assistance Program Act of 1986 Extension Temporary Amendment Act of 1991," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

2270. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-93, "Closing of Glover Archbold Parkway, N.W., Temporary Act of 1991," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

2271. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-94, "Uniform Law on Notarial Acts Amendment Act of 1991," and report, pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

2272. A letter from the Secretary of Education, transmitting a copy of Final Regulations—Education of the Handicapped Act Amendments of 1990, Public Law 101-476, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

2273. A letter from the Acting Director, Defense Security Assistance Agency, transmitting the Department of the Navy's proposed lease of defense articles to Denmark (Transmittal No. 02-92), pursuant to 22 U.S.C. 2796a(a); to the Committee on Foreign Affairs.

2274. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notification of the Department of the Air Force's proposed Letter(s) of Offer and Acceptance [LOA] to Germany for defense articles and services (transmittal No. 92-07), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

2275. A letter from the Assistant Director, National Science Foundation, transmitting a report on activities under the Freedom of Information Act during calendar year 1990, pursuant to 5 U.S.C. 552(a); to the Committee on Government Operations.

2276. A letter from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

2277. A letter from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

2278. A letter from the Secretary of Interior, transmitting a copy of the Onshore Oil and Gas Leasing Report, fiscal year 1990, pursuant to 30 U.S.C. 226 note; to the Committee on Interior and Insular Affairs.

2279. A letter from the Assistant Secretary (Civil Works), Department of the Army, transmitting the views of the Secretary of the Army on a post authorization change report dated April 1990, revised July 1990, on Alenaio Stream, Hilo, HI; to the Committee on Public Works and Transportation.

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. ROSTENKOWSKI: Committee on Ways and Means. H.R. 3624. A bill to amend the Tariff Act of 1930 to provide appropriate procedures for the appointment of the Chairman of the United States International Trade Commission (Rept. 102-279). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on the Judiciary. H.R. 1537. A bill to revise, codify, and enact without substantive change certain general and permanent laws, related to transportation, as subtitles II, III, and V-X of title 49, United States Code, "Transportation", and to make other technical improvements in the Code; with an amendment (Rept. 102-280). Referred to the Committee of the Whole House on the State of the Union.

Mr. FROST: Committee on Rules. House Resolution 266. Resolution providing for the further consideration of H.R. 266, a bill to reform the deposit insurance system to enforce the congressionally established limits on the amounts of deposit insurance, and for other purposes (Rept. 102-281). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEVILL:

H.R. 3665. A bill to establish the Little River Canyon National Preserve in the State of Alabama; to the Committee on Interior and Insular Affairs.

By Mr. BROOKS:

H.R. 3666. A bill to amend title 28, United States Code, to provide for an additional place of holding court for the Eastern District of Texas; to the Committee on the Judiciary.

By Ms. DELAURO (for herself, Mrs. KENNELLY, Mr. GEJDENSON, Mrs. JOHNSON of Connecticut, Mr. SHAYS, and Mr. FRANKS of Connecticut):

H.R. 3667. A bill relating to the taxation of certain disability benefits received by former police officers or firefighters; to the Committee on Ways and Means.

By Mr. JAMES:

H.R. 3668. A bill to remove the President's authority to grant debt forgiveness to foreign countries; jointly, to the Committees on Foreign Affairs, Appropriations, and Agriculture.

By Mr. LEVINE of California (for himself and Mr. TORRICELLI):

H.R. 3669. A bill to provide for the transfer of certain military assistance funds allocated for El Salvador for fiscal year 1992 to the Demobilization and Transition Fund; to the Committees on Appropriations and Foreign Affairs.

By Mr. MAZZOLI:

H.R. 3670. A bill to make certain technical corrections relating to the immigration laws; to the Committee on the Judiciary.

By Mrs. MINK:

H.R. 3671. A bill to amend the National Labor Relations Act to require the National Labor Relations Board to assert jurisdiction in a labor dispute which occurs on Johnston Atoll, an unincorporated territory of the United States; to the Committee on Education and Labor.

H.R. 3672. A bill to provide reasonable fees to labor representatives that represent nonmember employees; to the Committee on Post Office and Civil Service.

By Mr. PACKARD (for himself, Mr. BOUCHER, Mr. RIGGS, Mr. CUNNINGHAM, Mr. ROHRABACHER, Mr. GALLEGLY, Mr. WALKER, Mr. BOEHLERT, Mr. LEWIS of Florida, and Mr. LOWERY of California):

H.R. 3673. A bill to authorize a research program through the National Science Foundation on the treatment of contaminated water through membrane processes; to the Committee on Science, Space, and Technology.

By Mr. PACKARD (for himself, Mr. RIGGS, Mr. CUNNINGHAM, Mr. LOWERY of California, Mr. DORNAN of California, Mr. DANNEMEYER, Mr. HUNTER, Mr. HERGER, Mr. GALLEGLY, and Mr. ROHRABACHER):

H.R. 3674. A bill to authorize the Secretary of the Army and the Administrator of the Environmental Protection Agency to conduct certain water reclamation projects, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Public Works and Transportation.

By Ms. PELOSI:

H.R. 3675. A bill to amend the Export Administration Act of 1979 with respect to dual-use items and enforcement, and for other purposes; to the Committee on Foreign Affairs.

By Mr. SCHULZE (for himself, Mr. ARCHER, Mr. SANTORUM, Mrs. JOHNSON of

Connecticut, Mr. GUARINI, Mr. PARKER, and Mr. CHANDLER):

H.R. 3676. A bill to prevent pension plans from becoming unable to pay benefits as they come due during bankruptcy cases; jointly, to the Committees on Education and Labor, the Judiciary, and Ways and Means.

By Ms. SNOWE (for herself, Mrs. KENNELLY, Mrs. JOHNSON of Connecticut, Mrs. MORELLA, Mr. BOEHLERT, Mrs. SCHROEDER, Mrs. MINK, and Mr. SUNDQUIST):

H.R. 3677. A bill to increase access of State child support enforcement agencies to certain financial information of noncustodial parents, and to encourage States to improve their enforcement of child support obligations; jointly, to the Committees on Banking, Finance and Urban Affairs and Ways and Means.

By Mr. WALKER:

H.R. 3678. A bill to provide incentives for work, savings, and investments in order to stimulate economic growth, job creation, and opportunity; jointly, to the Committees on Ways and Means, Banking, Finance and Urban Affairs, and the Judiciary.

By Mr. WISE (for himself and Mr. SYNAR):

H.R. 3679. A bill to declare as the policy of the United States cooperation with Western Hemisphere countries on energy issues, and for other purposes; to the Committee on Foreign Affairs.

By Mr. HOYER:

H. Res. 265. Resolution designating majority membership on certain standing committees of the House; considered and agreed to.

By Mr. STARK:

H.J. Res. 366. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing access to medical care to all citizens of the United States; to the Committee on the Judiciary.

By Mr. ROHRABACHER (for himself, Mr. ARMEY, Mr. CUNNINGHAM, Mr. SUNDQUIST, Mr. GILMAN, Mr. DUNCAN, Mr. HANCOCK, Mr. RITTER, Mr. CRANE, Mr. GALLEGLY, Mr. HUNTER, Mr. HERGER, Mr. MOORHEAD, and Mr. SOLOMON):

H. Con. Res. 228. Concurrent resolution concerning an international memorial to the victims of communism; to the Committee on House Administration.

By Mr. TAUZIN (for himself and Mr. FIELDS):

H. Con. Res. 229. Concurrent resolution to ensure that full restitution and reimbursement is made to the United States Coast Guard for its costs in the response to the oil-spill in the Arabian Gulf; and to instruct the United Nations to earmark a percentage of the moneys collected for the United Nations Compensation Fund toward Arabian Gulf oil-spill and Kuwaite oil well spill cleanup and environmental restoration; jointly, to the Committees on Foreign Affairs and Merchant Marine and Fisheries.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

305. By the SPEAKER: Memorial of the General Assembly of the State of Illinois, relative to drought aid; to the Committee on Agriculture.

306. Also, memorial of the Assembly of the State of California, relative to Federal labor laws; to the Committee on Education and Labor.

307. Also, memorial of the Assembly of the State of California, relative to Mifepristone (RU-486); to the Committee on Energy and Commerce.

308. Also, memorial of the Assembly of the State of California, relative to breast cancer research; to the Committee on Energy and Commerce.

309. Also, memorial of the Assembly of the State of California, relative to war reparations; to the Committee on Foreign Affairs.

310. Also, memorial of the Assembly of the State of California, relative to funding for programs for immigrants; to the Committee on the Judiciary.

311. Also, a memorial of the Assembly of the State of California, relative to reproductive rights; jointly, to the Committees on Armed Services, the District of Columbia, Foreign Affairs, Energy and Commerce, Interior and Insular Affairs, the Judiciary, and Post Office and Civil Service.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 50: Mr. BEILENSON, Mr. EVANS, Mr. FROST, Mr. HAYES of Illinois, Mr. LEVINE of California, Mr. SANDERS, Mr. MARKEY, Mr. SAVAGE, and Mr. STOKES.

H.R. 123: Mr. THOMAS of Georgia and Mr. ANDERSON.

H.R. 394: Mr. RINALDO.

H.R. 840: Mr. HALL of Texas.

H.R. 888: Mr. KLECZKA.

H.R. 945: Mr. GILCHREST, Mr. TOWNS, Mr. LIPINSKI, Mr. PERKINS, Mr. SAXTON, Mr. HUTTO, Mr. STAGGERS, Mr. LAROCCO, Mrs. LOWEY of New York, and Mr. NUSSLE.

H.R. 951: Mr. PAYNE of Virginia and Mr. NEAL of North Carolina.

H.R. 1147: Ms. LONG.

H.R. 1168: Mr. SLAUGHTER of Virginia.

H.R. 1241: Mr. DURBIN and Mr. NUSSLE.

H.R. 1318: Mr. GILLMOR.

H.R. 1430: Mr. GONZALEZ.

H.R. 1473: Mr. PETERSON of Florida, Mr. HOAGLAND, and Mr. SHAW.

H.R. 1527: Mr. VISCLOSKY.

H.R. 1618: Mr. BERMAN, Mr. LEWIS of Florida, Mr. LUKEN, Mr. SPRATT, Mr. WAXMAN, Mr. DOOLITTLE, Mr. DAVIS, Mr. JOHNSTON of Florida, Mr. PURSELL, Mr. ANDREWS of Maine, Mr. STALLINGS, Mr. SENSENBRENNER, Mr. LANTOS, Mr. ENGEL, Mr. OLVER, Mr. PAYNE of New Jersey, Mr. MORRISON, Mr. PETERSON of Florida, Mr. HUTTO, Mr. HERGER, Mr. CONYERS, Mr. CHAPMAN, and Mr. HATCHER.

H.R. 1900: Mr. DREIER of California.

H.R. 1970: Mr. GALLO, Mr. TALLON, and Mr. GEPHARDT.

H.R. 2059: Mr. BONIOR.

H.R. 2385: Mr. HAMILTON.

H.R. 2464: Mr. JOHNSON of Texas and Mrs. BRYON.

H.R. 2495: Mr. FISH.

H.R. 2565: Mr. MACHTLEY.

H.R. 2624: Mr. KOPETSKI.

H.R. 2693: Mr. HOBSON, Mr. SWETT, and Mr. LIPINSKI.

H.R. 2766: Mr. BOEHNER, Mr. JOHNSON of South Dakota, Mr. PETRI, and Mr. PETERSON of Minnesota.

H.R. 3070: Mr. ANDERSON and Mr. GILCHREST.

H.R. 3082: Mr. MCDERMOTT, Mr. BOUCHER, Mr. HORTON, Mr. WOLF, Mr. WILSON, Mr. JONTZ, Mr. SISISKY, Mr. BACCHUS, Mr. LEVIN of Michigan, Mr. LANCASTER, Mr. LEWIS of Florida, Mrs. COLLINS of Illinois, Mr. DOWNEY, Mr. SABO, and Mr. ROE.

H.R. 3185: Mr. BARNARD.

H.R. 3198: Mr. PAYNE of Virginia, Mr. MCCRERY, Mr. BOUCHER, Mr. VALENTINE, Mr. BALLENGER, Mr. JONES of North Carolina, Mr. MCCOLLUM, Mr. DICKINSON, Mr. NEAL of North Carolina, Mr. PETERSON of Florida, Mr. HAMMERSCHMIDT, Mr. VOLKMER, Mr. HATCHER, Mr. CLEMENT, Mr. HARRIS, Mr. PETERSON of Minnesota, Mr. LEWIS of California, Mr. SABO, Mr. PARKER, Mr. BROWDER, Mr. ERDREICH, Mr. CHAPMAN and Mr. JEFFERSON.

H.R. 3216: Mr. LAROCCO.

H.R. 3222: Mr. MCNULTY, Mr. MRAZEK, Mr. LIPINSKI, Mr. EDWARDS of California, Mr. RIDGE, Mr. RAHALL, Mr. PERKINS, Mr. WOLF, Mr. EDWARDS of Texas, Mr. DWYER of New Jersey, Mr. LEHMAN of Florida, and Mr. SPENCE.

H.R. 3242: Mrs. LLOYD, Mr. FAWELL, Mr. BOEHNER, Mr. OWENS of Utah, Mr. SCHAEFER, Mr. HERGER, and Mr. DELAY.

H.R. 3281: Mr. DORNAN of California.

H.R. 3319: Mr. KOSTMAYER, Ms. NORTON, Mr. FISH, Mr. FRANK of Massachusetts, Mr. TOWNS, Ms. SNOWE, Mr. FALEOMAVAEGA, Mr. DAVIS, and Mr. JEFFERSON.

H.R. 3349: Mr. HERGER and Mr. LAGOMARSINO.

H.R. 3420: Mr. RICHARDSON, Mr. AUCOIN, Mr. GORDON, Mr. BOEHLERT, Mr. OWENS of Utah, Mr. PETERSON of Minnesota, Mr. THOMAS of Wyoming, Mr. JONES of North Carolina, and Mr. EVANS.

H.R. 3463: Mr. MILLER of Washington.

H.R. 3501: Mr. STARK and Mr. DANNEMEYER.

H.R. 3506: Mrs. MORELLA, Mr. HENRY, Mr. HORTON, Mr. JEFFERSON, and Mr. WILSON.

H.R. 3518: Mr. ECKART and Mr. INHOFE.

H.R. 3550: Mr. ANDREWS of Texas, Mr. LANCASTER, Mr. DWYER of New Jersey, Mr. EDWARDS of Texas, and Mr. JEFFERSON.

H.R. 3595: Mr. RAVENEL, Mr. ANDREWS of Texas, Mr. HENRY, Mr. LIPINSKI, Mr. MILLER of Ohio, Mr. JACOBS, Mr. NOWAK, Mr. VOLKMER, Mr. EDWARDS of Texas, Mr. CLAY, and Ms. KAPTUR.

H.J. Res. 125: Mr. FRANKS of Connecticut, Mr. NEAL of North Carolina, Mr. BORSKI, Mr. ZIMMER, Mr. LANTOS, Mr. LEWIS of Georgia, Mr. DE LUGO, Mr. SLATTERY, Mr. DICKS, Mr. CRAMER, Mr. DIXON, Mr. BREWSTER, Mr. JACOBS, Mr. MOORHEAD, Mr. ROWLAND, Mr. SCHUMER, Mr. SISISKY, Mr. PORTER, Mr. ANDREWS of Maine, Mr. RAHALL, Mr. GEREN of Texas, and Mr. ANDERSON.

H.J. Res. 140: Mr. HENRY and Mr. NUSSLE.

H.J. Res. 177: Mr. KLUG, Mr. LEHMAN of California, Mr. BUNNING, and Mr. LEWIS of Florida.

H.J. Res. 198: Mr. NOWAK, Mr. BENNETT, Mr. PAYNE of Virginia, Mr. WAXMAN, Mr. DURBIN, Mr. MOORHEAD, Mr. SUNDQUIST, and Mr. GIBBONS.

H.J. Res. 293: Mr. NICHOLS, Mr. CALLAHAN, Mr. FISH, and Mr. CRAMER.

H.J. Res. 321: Mr. BENNETT, Mr. GREEN of New York, Mr. HOYER, Ms. KAPTUR, Mr. KLECZKA, Mr. RITTER, Mr. SERRANO, Mr. VENTO, Mr. WOLF, Mr. VOLKMER, Mr. WOLPE, Mr. HARRIS, Mr. DYMALLY, and Mrs. BENTLEY.

H.J. Res. 326: Mr. BILBRAY, Mr. CRAMER, Mr. PAXON, Mr. ANDREWS of New Jersey, Mr. MILLER of Washington, Mr. DOWNEY, MR. FRANK of Massachusetts. Mr. JONES of Georgia, Mr. PARKER, Mr. JONES of Georgia, Mr. CRANE, Mrs. VUCANOVICH, Mrs. KENNELLY, and Mr. HAYES of Louisiana.

H.J. Res. 351: Mr. HAMILTON.

H.J. Res. 356: Mr. LANCASTER, Mr. MCGRATH, Mr. LEHMAN of Florida, and Mr. WALSH.

H.J. Res. 362: Mr. KOSTMAYER, Mr. JENKINS, Ms. KAPTUR, Mr. LEWIS of Georgia, Mr. YATRON, and Mr. BUSTAMANTE.

H. Con. Res. 188: Mr. FISH, Mr. BERMAN, Mr. SMITH of New Jersey, Mrs. LOWEY of New York, Mr. SOLARZ, and Mr. MILLER of Washington.

H. Con. Res. 218: Mr. SENSENBRENNER, Mr. LEWIS of Florida, Mr. GOSS, Mr. BALLENGER, Mr. KLUG, Mr. STUMP, Mr. RIGGS, Mr. EWING, Mr. RAMSTAD, and Mr. SANTORUM.

H. Con. Res. 224: Mr. HYDE, Mr. LEHMAN of Florida, Mr. RIGGS, Mr. JEFFERSON, and Mr. RITTER.

H. Res. 257: Mr. ESPY, Mr. DURBIN, Mr. PETERSON of Minnesota, Mr. HATCHER, Mr. THORNTON, Mr. SPENCE, Mr. BENNETT, Mr. JEFFERSON, Mr. CAMP, Mr. THOMAS of Georgia, Mr. HAMMERSCHMIDT, Mr. MCDADE, and Mr. LAROCCO.

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. 371: Mr. CLEMENT.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

128. By the SPEAKER: Petition of the Legislature of Rockland County, New City, NY, relative to funds for research in mental illness; to the Committee on Energy and Commerce.

129. Also, petition of American Foreign Service Association, Washington, DC, relative to the Association's comments on the 9th Annual Report on Implementation of the Foreign Service Act of 1980, as required by section 2402 of the act; jointly, to the Committees on Post Office and Civil Service and Foreign Affairs.

EXTENSIONS OF REMARKS

BURDEN OF ILLEGAL IMMIGRATION DUMPED ON STATE AND LOCAL GOVERNMENTS

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Mr. GALLEGLY. Mr. Speaker, the problem of illegal immigration to the United States has reached crisis proportions. While there is no exact figure on the number of aliens who enter illegally each year and who currently reside in this country, in 1990 alone 1.2 million illegal aliens were apprehended at the border; and the Immigration and Naturalization Service estimates that for every one illegal apprehended by the Border Patrol, another two or three escape arrest. Thus, after several years of apparent decline, the number of arrests of illegals is soaring toward the pre-1986 level of 1.8 million a year—1986 was the year the Immigration and Naturalization Act was enacted and amnesty was granted to millions of illegals. Though estimates vary, some 200,000 to 300,000 illegal aliens settle permanently in this country each year. Most experts estimate that at least 4 million illegals currently reside in the United States; over one-half can be found in southern California alone.

This resurgent tide of illegal immigrants across our borders is creating severe economic, social, and law enforcement problems in many communities, adding to the welfare and unemployment rolls and straining the already tight budgets of State and local governments. Illegal aliens are using social services at the expense of eligible needy Americans—including those immigrants and their families who went through the process of entering this country legally—at a very high cost to this country's taxpayers. For instance, a study by the Center for Immigration Studies has estimated that U.S. taxpayers paid at least $5.4 billion in direct benefits to illegal aliens last year—excluding the costs of such often abused programs as Social Security, Medicare, food stamps, and unemployment compensation, as well as the costs of police, fire, courts, transportation, and other public services.

While it is true that those illegals who find employment pay taxes, their contribution in taxation does not come close to offsetting the costs to government in benefits and services that they utilize. For instance, according to Los Angeles County, during fiscal year 1990–91 illegal immigrants paid $137.6 million to the county in taxes, but they cost the county $413.8 million in services, a net loss of $276.2 million. Included in that cost is $203.1 million for health care services, $15.2 million for welfare services, and $95.6 million for judicial services.

The fact that the Congress has been unwilling to address this problem attests to the widespread ignorance among many Members who simply have not been confronted with demands for reform from angry constituents and for additional funds from exasperated mayors and county officials. Mr. Speaker, the people in my district are understandably upset that their elected officials seem unable to do something about the illegals that have invaded their communities. The State of California is overwhelmed by the burden of added costs of illegal immigration. This is not a racial problem; it is a matter of dollars and cents. And unless the Federal Government either radically changes its immigration policies or comes up with the funds to enable State and local governments to better cope with this problem, I foresee disaster, not merely in greater unemployment, added taxation, the forced cessation of essential services, or all three, but also in the form of a resurgence of xenophobia and antipathy toward all immigrants, legal as well as illegal.

I have tried to address the issue of illegal immigration with a series of bills which address various causes and aspects of the problem—inadequate Border Patrol and other Federal resources, documents fraud, lack of Federal enforcement and insufficient penalties, the need for programs by our neighbors to stop smuggling and harboring of illegals, the transportation of undocumented day workers, the attraction of generous welfare benefits, and automatic birthright citizenship for illegal aliens. At the same time I strongly support the efforts by this administration to negotiate a North American free trade agreement which should improve the economic conditions in Mexico and create jobs for citizens of both our countries.

Mr. Speaker, I wish to call the attention of my colleagues to a recent column by Robert J. Caldwell of the Copley News Service which presents a true picture of the crisis of illegal immigration and states clearly the case for taking immediate remedial action. I hope that all Members of the House will read this item carefully so that there will be a better understanding of what is happening and what is at stake in California, in the border States and throughout many areas of this country.

Mr. Speaker, I ask unanimous consent that the complete text of Mr. Caldwell's article be printed in the RECORD as it appeared in the Oxnard Press-Courier of October 1, 1991.

IMMIGRATION LOAD DUMPED ON STATE, LOCAL GOVERNMENTS

(By Robert J. Caldwell)

A frustrated Gov. Pete Wilson blamed much of California's budget crisis last spring on ballooning bills for education, Medi-Cal, welfare, and corrections. Each category, said the governor, had been significantly inflated by the heavy flow of immigration—legal and illegal—into California during the 1980s.

Wilson then put the responsibility for this where it belongs. The federal government has been generous in accepting legal immigrants and refugees. But it is failing to compensate state and local governments adequately for immigration-related costs. What is more, the federal government is failing to control illegal immigration across the U.S.-Mexico border.

Lest his complaints be misconstrued, or used as ammunition for nativist immigrant bashing, Wilson added the appropriate caveats. Immigration, including some illegal immigration, is not without benefits. Most immigrants, legal and illegal, work hard and contribute to America's economy. Immigrants pay taxes—even those here illegally pay some taxes. And the great bulk of immigrants, including those who come illegally, are well-motivated people seeking America's promise of opportunity and freedom.

Still, there is mounting evidence that too much immigration too fast is piling unsustainable burdens on state and local governments. This is especially true in California, home to half of all illegal immigrants in the United States and nearly a third of all refugees and legal immigrants.

To buttress Gov. Wilson's complaints, California's Department of Finance compiled the following:

Some 1.6 million legal foreign immigrants came to California during the 1980s.

An estimated 200,000 refugees originally resettled in other states subsequently migrated to California over the past decade.

California experienced an estimated net increase of 1 million illegal immigrants during the 1980s. About 85 percent of these immigrants are believed to be Hispanic; another 10 percent are Asian.

State officials estimate that one-third of all refugees admitted to the United States come to California and begin receiving public assistance within their first four months of residency.

The federal government's immigration and refugee policies have added $1.3 billion in mandated expenditures for California during the 1991–92 fiscal year alone. State-funded Medi-Cal services for pregnancy and emergency care for illegal immigrants will cost an estimated $395 million this year. Another $356 million in federal reimbursements will be needed.

The immigrant tide's budgetary impact is not limited to state government. Cities and counties with large, and growing, immigrant populations are hurting as well.

For example, Los Angeles County and its county and city school districts are currently paying an estimated $1.16 billion per year for services to illegal immigrants alone, according to Michael Antonovich, chairman of the Los Angeles County Board of Supervisors. The burden of educating immigrant children contributed substantially to the Los Angeles Unified School District's $274 million deficit this year.

No one, it seems, has a precise figure for San Diego County's immigration-related costs. But county officials estimate that the amnesty granted to many illegal immigrants in 1986 to date has cost up to $30 million in services. Most of this has gone unreimbursed by the federal government.

San Diego County's medical programs ran up a $7 million bill during 1989–90 for services to undocumented immigrants.

Among costs that are particularly relevant for San Diego County are refugee resettlement expenditures. In 1985, the federal government provided about $6,000 per refugee. This year, federal reimbursement is roughly $3,000 per refugee. Adjusted for inflation, this represents a two-thirds reduction in federal reimbursement.

Understandably, state and local officials are turning anew to the federal government for help. Wilson has threatened to sue Washington to obtain additional funds for state and local services to immigrants. While Wilson waits for an answer from Washington, the state is reimbursing counties for only 70 percent of their immigration-related expenditures.

San Diego County Supervisor John MacDonald led a large delegation of local officials to Washington last week to lobby Congress and the Bush administration for full reimbursement of immigration costs.

Although California's case is the most urgent, MacDonald's lobbying effort was endorsed by officials from 22 states. Florida, Texas, New York, and New Jersey also bear heavy immigration expenditures.

But however meritorious, requests for more money from Washington undoubtedly will prove a hard sell. With the federal budget deficit expected to jump from $270 billion this year to at least $350 billion in 1992, Congress will be hard pressed to find any additional funds for state and local governments.

Meanwhile, the immigration problem continues to grow.

Between 4.2 million and 4.5 million immigrants are residing illegally in the United States, according to David Simcox, executive director of the Center for Immigration Studies in Washington. This permanent population is conservatively estimated to grow by about 300,000 each year.

About half to two-thirds of these illegal migrants are believed to be from Mexico. Moreover, recent research is documenting the changing nature of migration from Mexico. Mexican immigrants who once came to the United States to work temporarily now come increasingly to stay. Once established, they bring their families.

The cost to taxpayers of undocumented immigration is variously estimated. Simcox puts it at about $5 billion to $6 billion a year. The Federation for American Immigration Reform (FAIR), a group favoring sharp reductions in both legal and illegal immigration, calculates the figure at approximately $13.5 billion.

If the federal government cannot reimburse state and local governments for these costs, it should adjust its immigration policies accordingly. At the very least, it must mount a more credible effort to limit illegal immigration across the United States-Mexican border.

Wilson argues that the 2,000-mile long border with Mexico "makes a fiction of the immigration law." He has a point, at least given the currently half-hearted efforts at border enforcement. About half of all illegal immigration into the United States occurs along a 14-mile stretch of the border between San Diego and Tijuana. Yet, on any given night, the U.S. Border Patrol has fewer than 150 agents along this sector, crossed nightly by several thousand undocumented immigrants.

Stronger fences, a border access road, lights, and electronic sensors all help. But the Border Patrol is still routinely overwhelmed.

Alan Nelson, who served as commissioner of the Immigration and Naturalization Service (INS) from 1982-89, recommends beefing up the Border Patrol. But he believes the best hope for curtailing illegal immigration lies in more effective enforcement of existing legal sanctions against employers who knowingly hire illegal immigrants.

"There is no question that most illegal aliens come to this country to better themselves and get jobs. If we can dry up the job market, that is our best deterrent. And (employer) sanctions are absolutely key. Every president since Truman advocated them and we finally got them in 1986 (in the Immigration Reform and Control Act).

"They (sanctions) are not perfect, but they worked well at the beginning and they certainly have the potential," Nelson said last week. But he charges that the INS has relaxed its enforcement of employer sanctions since the late 1980s.

"We need to be more aggressive in educating employers about the law," Nelson said. He also urged systematic efforts to recruit unemployed Americans to fill the entry-level jobs that often go to undocumented immigrants.

As yet, Congress and the Bush administration show little stomach for revisiting the wrenching immigration debate that produced IRCA in 1986. But doing nothing leaves hard-pressed state and local governments, notably California and counties such as Los Angeles and San Diego, holding the bill for Washington's failure to act.

BLANCA ROSA INSTALLED AS PRESIDENT OF CUBAN-AMERICAN CERTIFIED PUBLIC ACCOUNTANTS

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Ms. ROS-LEHTINEN. Mr. Speaker, it is my great pleasure to recognize Blanca Rosa Ortega who was recently installed as president of the Cuban-American Certified Public Accountants [CPA's] Association.

Ms. Ortega previously served as president-elect, 1990–91, of this association which was established in 1980. The association is a nonprofit organization of CPA's united in common heritage and interests, and sharing a commitment to the highest standards of professional and ethical conduct. The association provides CPA's of Cuban ancestry with continuing professional education, a forum for interaction with CPA's and other professionals, and an opportunity to participate in various community projects. Among the community projects with the association has sponsored are free tax return preparation for the underprivileged, funding of scholarships for students of Cuban ancestry, a voter registration drive, and a Christmas toy drive.

As the association's new president, Ms. Ortega brings a broad educational and professional background to this important position. In addition to having her own CPA practice, she has served as professor of accounting and international business at Miami-Dade Community College South Campus for the last 15 years. During the summer, she teaches international business in Aix-en-Provence, France. Ms. Ortega has a masters of science degree in management with a concentration on accounting from Florida International University.

Ms. Ortega is a member of both the American and Florida Institute of CPA's, the Cuban American National Foundation, the American Accounting Association, the Florida Association of Accounting Educators, the National Association of Cuban-American Educators, a number of other professional and community organizations.

Her many achievements include serving as past chairperson of the Florida Institute of CPA's committee on relations with colleagues and universities. In 1987, on the Outstanding Women's Day, she was honored by CAMACOL for a devoted service and outstanding contributions to the economic development of the community. She is listed in "Who's Who in the South and the Southwest" and "Who's Who in Florida's Latin Community."

I would like to take this opportunity to salute Blanca Rosa Ortega and the other board members who will serve this fine organization during 1991–92. They include Teresita Miglio, Armando Vizcaino, Issac Matz, Juan Godoy, Jesus Maceda, Frank Carballo, Pablo R. Llerena, Jose R. Travieso, and Linda Smukler-Soriano.

TRIBUTE TO DR. EDWARD GUINN

HON. PETE GEREN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Mr. GEREN of Texas. Mr. Speaker, on Thursday, October 24, I had the privilege to honor an outstanding member of my community, Dr. Edward Guinn. Dr. Guinn has served my community as a caring physician, public servant, and leading role model for Tarrant County's many young Afro-Americans.

The most striking characteristic that Dr. Guinn has demonstrated throughout his life is that of a trend setter and educator. Dr. Guinn comes from a long line of men and women who were committed to educating those around them, and he has continued in that tradition by teaching our community a thing or two about staying one step ahead in health care.

Always searching for ways to improve health care services to the people of Tarrant County, Guinn used his position as a Fort Worth city councilman to introduce the city to its first ambulance services. Understanding that the quality of emergency medical services available to a community often determines life or death for many citizens, he was one of the first in Tarrant County to support "911" emergency services.

Dr. Guinn has committed his life to ensuring that all Tarrant County citizens have access to quality health care services, but along the way, he never lost sight of the very special needs of those in his own minority community. After completing his time on the city council, he turned his energies toward improving health care services to the economically disadvantaged. Ever mindful of the future, he continues to dedicate much of his time to recruiting promising young minorities for careers in the health care field.

At the ceremony honoring his lifetime of achievements, the Fort Worth Star-Telegram

quoted Dr. Guinn as saying, "When I look back at the magnitude of the problem, I realize how little I've done."

When we look back at Dr. Guinn's life, however, we can only see how much he has done.

TRIBUTE TO JOHN AND REGINA SWEENEY

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Mr. FEIGHAN. Mr. Speaker, I rise today to pay tribute to two of northeast Ohio's finest people, John and Regina Sweeney. On Friday, John and Jean will receive the Henry Miller Busch Award for distinguished service to the Cleveland Chapter of Americans for Democratic Action.

My friendship with John and Jean began during my statehouse days with John in the early 1970's. We had a saying in Columbus that if you wanted to know which side was going to win a vote, all you had to do was find out which way the Speaker of the House voted. If you wanted to find out which side was right—which side was just—find out how John Sweeney voted.

What a wonderful irony it is that John and Jean will receive this award at the Roosevelt Day Dinner—for they have carried on the legacy of Franklin and Eleanor Roosevelt.

The Roosevelts came to the White House at a time when the reputation of the Government was at its lowest, when materialism reigned over humanitarianism, when self-interest was more important than interest in others. They were dark days indeed.

In his 1936 inauguration address, Franklin Delano Roosevelt made an impassioned plea to the American people—a call to action:

> We face the arduous days that lie before us in the warm courage of the national unity; with the clear consciousness of seeking old and precious moral values; with the clean satisfaction that comes from the stem performance of duty by old and young alike.

John and Jean took this call seriously and set out to answer it to the best of their abilities.

They stood at the forefront of the struggle for racial equality even before it was fashionable. They stood against the Vietnam war even as President Johnson and other Democrats saw a victory light at the end of the tunnel. In 1980, they warned of nightfall as Ronald Reagan proclaimed that it was "morning in America."

Through the years, John and Jean have fought for causes long before these causes were popular and long after the press lights and microphones had been turned off.

To figure out Jean and John, you need look no further than their choices in Presidential candidates. In the 1950's they backed Adlai Stevenson; in 1968—Eugene McCarthy, 1972—George McGovern, 1976—Mo Udall, 1980—Ted Kennedy, 1988—Bruce Babbit.

Not one of these candidates actually won, but that's not what mattered to the Sweeneys. What mattered was that these candidates stood for equality, conscience, and justice. What mattered was that these people represented the very best ideals that the Democratic Party could offer. Whether they won or not, they stood not for what was popular—but for what was right.

Their fundamental desire to make life better for others finds its root in their lives at home. Not only have John and Jean been married for 42 years, but they have raised 10 wonderful children—Jack, Mary, Cecile, Rosemary, Frank, Regina, Margaret, Julie, Terese, and Jim. All 10 have gone on to careers in fields such as medicine, government, law, and teaching.

This Friday, we have the opportunity to thank Jean and John for all that they have done. To thank them for crying out for justice when no one appeared to be listening. To thank them for giving so much of their time and energy while asking for so little in return. And to thank for their friendship, always unconditional and enduring. Congratulations on this well-deserved honor.

SELECTED QUESTIONS ON HEALTH CARE FROM THE WIRTHLIN GROUP'S NATIONAL QUORUM

HON. TOM CAMPBELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Mr. CAMPBELL of California. Mr. Speaker, it is vital that Congress act soon to authorize the Food and Drug Administration to conduct faster reviews of potentially life-saving therapies. I was interested to learn recently just how widespread this view is among the American public.

A survey, conducted by the Wirthlin Group, a public opinion research firm, has found that 75 percent of Americans believe a person should have the choice to use promising therapies for treating incurable illnesses such as cancer, AIDS, or Alzheimer's disease even if they are not yet approved by the FDA. Moreover, 88 percent of those in favor of such choice would want that freedom even if the drug had serious but reversible side effects. By illness, the respondents favored the choice of taking unapproved therapies as follows: patients with AIDS, 97 percent; cancer, 96 percent; Alzheimer's disease, 91 percent; diabetes, 84 percent; heart disease, 84 percent; and arthritis, 78 percent.

It is just plain common sense, Mr. Speaker: If you are suffering from a terminal or seriously debilitating illness, you will most likely be willing to take on greater risks in choosing to use promising, yet unproven, therapies. Under the current system for approving drugs and biologics, many people are dying while the FDA deliberates over whether promising therapies are both safe and effective, a process which can take as long as 12 years.

H.R. 2872, the Access to Life-Saving Therapies Act would authorize the FDA to grant an expedited approval to drugs and biologics that could help those with a life-threatening disease such as AIDS, Alzheimer's, cancer, and heart disease. Mr. Speaker, I urge my colleagues to weigh the significance of the Wirthlin Group study, and to cosponsor H.R. 2872.

I am submitting for the RECORD selected questions on health care from the Wirthlin Group's National Quorum:

SELECTED QUESTIONS ON HEALTH CARE FROM THE WIRTHLIN GROUP'S NATIONAL QUORUM, AUGUST AND SEPTEMBER, 1991

THE NATIONAL QUORUM

The National Quorum is a monthly opinion poll of approximately 1,000 adult Americans, conducted by The Wirthlin Group, a nationaly public opinion research firm headquartered in McLean, Virginia. The Quorum covers a variety of topics including the National outlook, health care, nutrition, the environment, and the S&L crisis. Every topic is not included every month.

METHODOLOGY

Quorum results are weighted by ethnicity and education to adjust for variations in the sample and more accurately reflect the population.

Quorum has a margin of sampling error of ± 3 percent. This means that, in theory, in 96 cases out of 100, Quorum results will differ by no more than three percentage points in either direction from what would have been obtained by seeking out all American adults.

In August and September 1991, the National Quorum contained a series of questions on health care issues, including questions on the terminally ill.

SUMMARY OF FINDINGS

Eighty-eight percent of Americans agree with the statement that life-sustaining medical treatment should be withheld or withdrawn from terminally-ill patients, provided that is what the patient wants or the family wants if the patient is unable to express his or her wishes.

Seventy-nine percent of Americans take the position that a person with a fatal and incurable disease should have the choice. In consultation with his or her physician, of using drugs while they are under review by the FDA. By contrast, only 19 percent take the position that patients should not be allowed to use a promising experimental drug unless it has been approved by the FDA.

Among those who believe the decision to use an experimental drug with fatal diseases should rest with patient and physician, there is nearly universal consent that cancer (96 percent), AIDS (97 percent) and Alzheimer's Disease (78 percent) fall into this category. Majorities also believe that such diseases as diabetes (84 percent), heart disease (84 percent), and arthritis (78 percent) should fall into this category. Nearly all (88 percent) of those who believe that choice should rest with the individual and physician say that choice should be available, even if serious but reversible side effects were known to be a risk associated with an unapproved drug.

FROM THE AUGUST NATIONAL QUORUM

Life sustaining medical treatment should be withheld or withdrawn from terminally ill patients, provided that is what the patients want or what the family wants if the patients are not able to express their wishes.

	Percent
Agree strongly	70
Agree somewhat	18
Agree total (net)	88
Disagree somewhat	5
Disagree strongly	5
Disagree total	10
Not sure	3
Refused	0

FROM THE SEPTEMBER NATIONAL QUORUM

If an individual has a fatal disease, for which there is no cure, and a drug that has been tested and shows promise in treating the disease is under review by the Food and Drug Administration, do you think—patients, in consultation with their doctors, should be allowed to make the decision about whether or not to try the drug before the FDA makes a decision about whether or not to approve it (79 percent) or—patients should not be allowed to use the drug unless it has been approved by the Food and Drug Administration (19 percent), don't know/refused (do not read) (2 percent).

For the same drug and the same fatal incurable disease, some people might suffer a serious side effect that is reversible once they stop the drug. Do you think the decision is still up to the patient and the doctor or do you think the government should NOT allow the use of the drug unless it has been approved by the Food and Drug Administration:

Still up to the patient and doctor (88 percent).

Should not be allowed unless approved by the FDA (10 percent).

Don't know/refused (do not read) (1 percent).

And which of the following diseases would you put in that category? In other words, if a promising drug for cancer, AIDS, alzheimer's, diabetes, arthritis, or heart disease was being evaluated but was not yet approved by the FDA, do you think individuals, in consultation with their doctors, should be allowed to try it?

And how about for—

	Percent
A. Cancer:	
Yes, allow to try	96
No, not allowed to try	4
Don't know refused (do not read)	1
B. Aids:	
Yes, allow to try	97
No, not allowed to try	2
Don't know refused (do not read)	1
C. Alzheimer's disease:	
Yes, allow to try	91
No, not allowed to try	8
Don't know refused (do not read)	0
D. Diabetes:	
Yes, allow to try	84
No, not allowed to try	16
Don't know refused (do not read)	1
E. Arthritis:	
Yes, allow to try	78
No, not allowed to try	21
Don't know refused (do not read)	1
F. Heart disease:	
Yes, allow to try	84
No, not allowed to try	15
Don't know refused (do not read)	1

SALUTE TO DAVID FLEMING

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Mr. GALLEGLY. Mr. Speaker, I rise today to honor a truly outstanding individual, David W. Fleming, for his invaluable contributions to the San Fernando Valley.

David Fleming is a highly successful business law attorney whose record of leadership and achievement is truly nothing short of extraordinary. Over the past 31 years, he has donated more than 12,000 hours of his time and has raised or donated more than $5 million to scores of Valley charities and civic organizations. Despite heavy demands on his time, he has chaired or served on more than 50 community boards and bodies, a record of accomplishment that he continues to increase.

I am pleased to share with my colleagues some of David's most important accomplishments.

As chairman of Los Angeles County's Blue Ribbon Children's Services Planning Commission, he overcame heavy bureaucratic opposition and persuaded the board of supervisors to create the children's planning council. The council, on which he serves, is composed of business, education, government, and social leaders and will, for the first time, plan and coordinate the spending of more than $4 billion each year through 1,200 different programs to help children in need. Because of his efforts, it is estimated that some 50,000 needy Valley children will soon, for the first time, receive help for abuse, neglect, mental and physical health, hunger, poverty relief, and juvenile crime prevention—without the need for new taxes.

As chairman of Valley Presbyterian Hospital, he has raised millions of dollars to expand the facility by 50 percent and to build the largest neonatal and pediatric intensive care unit in northern Los Angeles County.

As chairman of the Valley Industry and Commerce Association for the past 2 years, he greatly expanded VICA's size and scope, established its new education foundation and helped make VICA a potent political force for business and industry in the Valley.

As capital campaign chair for the school of education at California State University, Northridge, he is working on raising funds for the new $29 million business and education center.

In addition, he now serves as an officer or director of the Boy Scouts of America's Western Council, the United Way, the Valley Interfaith Council, the Valley Cultural Foundation, the 2000 Partnership, VICA, and Valley Presbyterian Hospital. He has also served dozens of other organizations, including Big Brothers, the Los Angeles Olympic Organizing Committee, the YMCA, the National Conference of Christians and Jews, the Red Cross, and the March of Dimes.

In recognition of David Fleming's long and successful record of service, he will be presented this week with the Fernando Award, given annually to the Valley's most outstanding individual. It is an honor that is long overdue.

Mr. Speaker, I ask my colleagues to join me in saluting David W. Fleming for his outstanding and selfless community service to the San Fernando Valley.

LUIS MARIO COMMENDED FOR HIS BOOK "CIENCIA Y ARTE DEL VERSO CASTELLANO"

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Ms. ROS-LEHTINEN. Mr. Speaker, "Ciencia y Arte del Verso Castellano," a book written by Mr. Luis Mario, is an informative work of art which focuses on Spanish literature as interpreted by one of the modern world's most respected poets.

Luis Mario, an expert in Spanish literature as well as a master of the language, shares with us the beauty of rhyme within poetry. He quotes Mr. Octavio Paz by stating that although rhyme is not essential to poetry, it is an important part of Castilian poetry.

He speaks also of the beauty which words create when used in verse and how this has affected the advancement of the Spanish language, and he demonstrates how metaphors—the use of words, which describe objects to characterize a feeling or a thought—are used to create beauty in poetry. He also speaks of the ability to create images with words as one of a poet's greatest attributes. Mr. Mario portrays one element in each chapter of his book, and with each one he brings his readers closer to understanding the structure and composition of poetry.

It is certainly appropriate, as we approach the quincentennial of the discovery of this area of our world, that Mr. Mario has presented us with his work "Ciencia y Arte del Verso Castellano." His book is a tribute to the first European language that was spoken in America. I commend this great work of literature to all.

TRIBUTE TO DR. MARION "JACK" BROOKS

HON. PETE GEREN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Mr. GEREN of Texas. Mr. Speaker, on Thursday, October 24, I had the privilege of honoring one of my community's finest leaders, Dr. Marion "Jack" Brooks. Dr. Brooks has dedicated his life to bringing a better life to the minority citizens of Tarrant County, as a physician, as a public official, and as leader on civil rights.

Chester Bowles once said, "Government is too big and important to be left to the politicians." Dr. Brooks personifies that statement in his tireless efforts to improve the quality of public services available to Tarrant County's minority community. Here are just a few of the achievements for which he will be remembered.

As the Tarrant County minority community was struggling in 1951 to find trained minority physicians, Dr. Brooks established his medical practice to give them the best health care available. When he discovered that the minority citizens of Tarrant County deserved much more from the local government services than they were receiving, he became one of the first African-Americans to be appointed to community boards and commissions.

When so many in his minority community could not make the long and expensive trip in 1963 to march with Dr. Martin Luther King on Washington, Dr. Brooks organized his own march—on Austin, TX. While others took the message of civil rights to the Federal Government, he made sure our State officials heard the message loud and clear.

Dr. Brooks also took this message to local officials when he cofounded the Tarrant County Precinct Workers Council in the 1960's, a grassroots caucus on civil rights that maintains its political power even today.

Dr. Brooks is a great American and a proud American. At the ceremony held in his honor on Thursday, he told of an encounter with a French soldier during World War II. When asked about his allegiance to his country, he told the soldier, "I would rather be a lamppost in Dime Box, TX, than the Prime Minister of France."

We are thankful he is a doctor in Fort Worth.

SYRIAN TERRORISM

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Mr. FEIGHAN. Mr. Speaker, last week I introduced a resolution concerning the Syrian connection to terrorism. Since 1979, successive administrations have determined that Syria is a state sponsor of international terrorism. Syria has been linked directly and indirectly to a series of terrorist attacks against Americans and other civilians, plays host to notorious terrorist organizations; and allows Syrian-controlled territory in Lebanon to be used as safe haven and training bases for international terrorists.

A few weeks ago, I had the opportunity to meet with several families of American victims of terrorism—families of victims of the Pan Am flight 103 bombing, the Marine barracks bombing, the parents of Navy diver, Robert Dean Stethem who was killed during the 1985 terrorist hijacking of TWA flight 847.

These families of victims are victims themselves. Tragedy has touched each and every one of them and they continue to search for some resolution, some measure of justice, to allow them to move on with their lives. They have put their trust in the U.S. Government to pursue these terrorists and to bring them to justice for the murder of their children.

Unfortunately, the wheels of justice in these cases don't seem to move. And to some of these families they appear to be moving in the wrong direction. The recent efforts by the Bush administration to seek better ties with Syria is a case in point. It is inexplicable to Pan Am 103 families that we would cozy up to a dictator like Hafez Assad, who continues to harbor international terrorists that have been linked to the December 1988 bombing. The families fear that the Libyan "triggermen" will soon be indicted and the investigation will end—never identifying the intellectual authors of this brutal and heinous act.

House Resolution 260 calls upon the administration to raise the issue of terrorism with the Syrians at the Madrid Peace Conference. It calls upon Syria to renounce terrorism, to end its support for terrorist groups, and to dismantle terrorist training bases under Syrian control.

I ask my colleagues to join me in this effort to strengthen our counterterrorism policy and move the wheels of justice in the right direction.

A copy of the resolution follows:

H. RES. 260

Whereas since December 1979 Syria has been determined to be a country supporting international terrorism under section 6(j) of the Export Administration Act of 1979;

Whereas Syria has been directly linked to the attempted bombing in 1986 of an El Al flight from London to Israel through its paid agent Nezar Hindawi;

Whereas Syria continues to sponsor the activities of Ahmed Jabril, a Syrian-born military officer and leader of the Popular Front for the Liberation of Palestine-General Command, who has been strongly linked, along with his Syrian sponsors, with the 1988 bombing of Pan Am Flight 103 over Lockerbie, Scotland, which resulted in the death of 270 people, including 188 Americans;

Whereas Syria has supported Abu Nidal, the man responsible for the simultaneous attacks on the Rome and Vienna airports in 1985, numerous assassinations of international officials as well as American citizens;

Whereas Syria participation in the drug trade out of Lebanon provides up to 20 percent of the hashish that enters the United States market and with Lebanon's prime growing areas under Syrian control, 40 percent of its opiate production is exported to the United States; and

Whereas these activities provide Syria with massive profits, reportedly as high as $1,000,000,000 a year, thereby enhancing Syria's ability to sponsor terrorism: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that—

(1) it should be the policy of the United States to pursue discussions regarding Syria and terrorism at the Middle East peace conference in Madrid, Spain, in October and November of 1991;

(2) Syria should, in this regard, completely renounce all forms of terrorism;

(3) Syria should cease all support of terrorism including financial, military, economic, and political aid to all terrorist groups; and

(4) Syria should close all terrorist training bases on Syrian territory and Syrian-controlled Lebanese territory, particularly that of the Bekaa Valley.

RONNIE C. DAVIS RIDGLE

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Mr. DYMALLY. Mr. Speaker, a young man whom I witnessed growing up as a young adult in junior and senior high school, then as a leader on his college campus, recently passed away after a long illness.

Ronnie Ridgle, as we called him, was the son of the first staffer, Dr. Louise Ridgle White, whom I hired after I was elected to the California Assembly in 1962.

Ronnie was recently buried in Los Angeles. His obituary captures his contributions during his very productive and young life. He will be missed by both his family and friends.

May God bless him, and may he rest in peace.

OBITUARY

Ronnie C. Davis Ridgle, a practicing attorney, and the first African-American elected as President of the Student Body at the University of California, Irvine, died September 30, 1991 at his San Francisco home after a lengthy illness.

Ronn earned his BA degree from the University of California, Irvine, where he opened doors for and recruited other African-American students to the campus. He went on to earn his Juris Dictorate in Law from the University of California at Davis, California.

He was born in England, Arkansas, and moved to Los Angeles, California, with his family when he was four years old. He attended elementary, junior and senior high school in Los Angeles.

Ronn was baptized at Zion Hill Baptist Church, Los Angeles, CA, where he was extremely active in youth development programs. As a young adult he became involved with the political and social issues of our times. As a college student he served on the Advisory Council to the Governor of the State of California and continued this interest in issues as a practicing attorney. He was a world traveler who enjoyed the love of people and the beauty of life.

Ronn was a member of the State Bar of California, the Lawyers Club of San Francisco, The Charles Houston Bar Association and the U.S. Supreme Court Bar.

Ronn was well liked by and loved by his family and friends. He leaves to cherish his memory a loving mother, Dr. Louise R. White of Washington, DC; grandmother, Mrs. Hattie M. Houston, Los Angeles; aunts: Mrs. Lilli Bryant, Los Angeles; Mrs. Genevieve Greene and Mrs. Rosie Pender, Memphis, TN; a great uncle, Mr. Eugene Dotson, a host of relatives and friends.

TRIBUTE TO DONALD W. WYATT

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Mr. MACHTLEY. Mr. Speaker, I rise today to recognize Donald W. Wyatt upon his retirement after nearly 19 years of service as U.S. marshal for Rhode Island. Donald Wyatt has been and continues to be an active and outstanding citizen on both the State and local level.

During his tenure as U.S. marshal, Donald Wyatt served on several committees, studying topics ranging from the Marshals Service Bicentennial to the northeast jail crisis. Over the same period of time he received three awards for sustained superior service as well as a director's award for his involvement with the Witness Security Program.

Donald Wyatt's involvement with politics has been profound. A resident of Warwick, he was the chairman of the commission which drafted the city's charter. Additionally, he chaired the Warwick Young Republicans, as well as the Warwick Republican City Committee. On the state level, Donald Wyatt served as then Gov. JOHN H. CHAFEE'S chief of staff for 6 years and as a staff assistant for Senator CHAFEE for 2 years.

Beyond the political spectrum, Donald Wyatt has been influential in the church as well. For 15 years, Donald Wyatt served as executive secretary for the Diocese of Providence Catholic Youth Organization. Winning awards, such as the CYO Youth Congress plaque, the

Catholic Young Adult Award, and the Catholic Broadcasters St. Gabriel Award, is further testament to Donald Wyatt's dedication.

Donald Wyatt is a member of the board of directors of Justice Assistance, the Circus Fans of America, the Circus Historical Society, the Rhode Island Historical Society, the Warwick Historical Society, and the Warwick Museum. In his retirement, Donald Wyatt is continuing his positive influence by writing commentaries on contemporary affairs, while simultaneously working on a novel.

Donald Wyatt deserves recognition and congratulations for his successful career. His contributions to the lives of many Rhode Islanders are countless, and his tireless participation stands as a model to all citizens. I extend my best wishes to Donald Wyatt in all of his future endeavors.

THE BIG WINNERS OF FREE TRADE

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Mr. BEREUTER. Mr. Speaker, this Member would ask to insert into the RECORD excerpts from an editorial from the October 25, 1991, Journal of Commerce, entitled "The Big Winners of Free Trade." Reduced tariffs, he contends, are bringing little, if any, reduction in retail prices. I commend this editorial to my colleagues.

THE BIG WINNERS OF FREE TRADE

(By Charles Bremer)

It has long been an article of faith in the world of international trade that anything that restricts the flow of imports into a market must be inefficient, expensive and inherently evil.

Tariffs on imports are blamed for nearly all of the failings of the free enterprise system. They are blamed for wasteful production, extravagant use of human and financial capital, reduced potential for exports, artificially inflated exchange rates and—the most often cited bugaboo—increased cost to the consumer.

Over and over again in editorials, monographs from academia, press releases and congressional testimony, pundits say that imports tariffs end up costing American consumers billions and billions of dollars annually. Remove these barriers to imports, they argue, and consumers will reap a windfall.

U.S. import tariffs clearly are an addition to the price of an imported product. Should it not follow that lower tariffs mean lower prices for consumers? It should, but it doesn't. Here are some examples of what happens in the real world.

On Sept. 1, 1985, the U.S.-Israel free-trade agreement went into effect and the cost of a woman's bathing suit imported from Israel suddenly dropped 22%. Was the retail selling price of those bathing suits reduced after Sept. 1? It was not. Well, if the consumer didn't put the 22% savings in her pocket, into whose pocket did it go? Importers pocketed the difference.

That consumers do not automatically gain from a lower tariff is the rule, rather than the exception. Last November, when Czechoslovakia received most-favored-nation tariff status—the standard low-tariff treatment for U.S. imports—the tariff on a six-pack of Pilsner Urquell beer was cut 88%; the tariff on a Supraphon compact disc of the music of Bohuslav Martinu was reduced 89% and the tariff on a set of Bohemia crystal champagne flutes was slashed from 60% to 14% ad valorem.

But last month, nearly a year after their import duties plummeted, there was no change in the retail prices of the Czechoslovakian beer, compact disks or stemware. Someone benefited, but it wasn't Mr. or Mrs. Consumer.

And this is nothing new. Twelve years ago, at the conclusion of the Tokyo Round of multilateral trade negotiations, the United States, ever eager to demonstrate its magnanimity and leadership in international trade, cut its import tariffs across the board. When I told a colleague in New York who imported large quantities of low-priced Chinese textile commodities that tariffs on the products he imported would be cut 25%, I remember him saying—these are his exact words—"Wow, are we gonna make money now!"

I know a man in New York who imports goods from the Soviet Union. He calls at least once a month to ask if I know exactly when the Soviet Union will be granted most-favored-nation status and thus receive the rather large tariff reductions that Czechoslovakia received last year.

I know this man and his company well enough to understand that they are eager to place big orders with their Soviet supplier for delivery immediately after most-favored-nation treatment goes into effect. I am sure they have absolutely no intention of passing any of this windfall on to their customers.

None of this is meant as an indictment of those two gentlemen in New York or anyone else who profits—and profits handsomely—from importing. That's capitalism at work. It is what defines us as a nation and as a society and is no cause for complaint.

What is cause for complaint is the notion that the United States is somehow best served by throwing open its doors to all imports without exception and without controls.

MIAMI'S FESTIVAL OF FAITH

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Ms. ROS-LEHTINEN. Mr. Speaker, His Excellency Edward A. McCarthy, Archbishop of Miami, and the Archdiocese of Miami, will celebrate a festival of faith, December 4–9, 1991, at the Miami Beach Convention Center. For these 6 days, thousands of Catholics and others will experience and observe the marvelous things that are being made available in living the faith out fully. The event, which is free and open to all people, will help build enthusiasm for the faith and renew pride as preparation for next year's fifth centennial observance of the arrival of Christianity to the Western Hemisphere.

The weeklong festival of faith will be marked by a hall of permanent exhibits from the Vatican Museum and Library, historical exhibits, Old and New Testament journeys with the Jewish and ecumenical communities, and a picture of the services of the Archdiocese of Miami and their involvement in the south Florida community. This will be connected by prayer and reflection through hundreds of workshops, in many languages, dealing with every phase of spiritual journey. Evangelization is the calling.

Mr. Speaker, this is the first time in history of this young diocese that they are gathering a high diversity of south Florida's multicultural, multilingual peoples for prayer, reflection, and to pause and thank God for being with us. I would like to praise Archbishop Edward McCarthy for his faith and his leadership in promoting the festival of faith. I would also like to recognize and commend Father Patrick H. O'Neill, festival director; Bishop Augustin P. Roman, Auxiliary Bishop of Miami; and Rev. Gerard LaCerra, Chancellor of the Archdiocese, for their untiring work toward making this festival a success.

Mr. Speaker, I ask my colleagues to join me in offering best wishes to the Archdiocese of Miami as they commemorate their faith and celebrate their history, its people and ministries.

NATIONAL HONOR

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Mr. CLAY. Mr. Speaker, I would like to call to the attention of my colleagues that the Wydown Middle School of Clayton, MO, has been recognized as one of five schools in the St. Louis area by the Department of Education for excellence and to the fact that Miss Aliceia Smith, a student from this institution, was selected to accompany Mr. Jere Hochman, principal of Wydown Middle School, to Washington to accept this award at the White House on September 25, 1991.

This exceptional award is a great honor for the Greater St. Louis area and is a district honor for Miss Smith to have been selected to participate in this event.

I am pleased to share with you an article that appeared in the St. Louis Post Dispatch on September 26, 1991.

[From the St. Louis Post Dispatch, Sept. 26, 1991]

MISS SMITH GOES TO WASHINGTON TO ACCEPT WYDOWN MIDDLE SCHOOL'S EXCELLENCE AWARD

(By Carolyn Bower)

Aliceia Smith, an eighth-grader at Wydown Middle School in Clayton, traveled to Washington this week to pick up an award for educational excellence.

Smith's name was drawn at random from a glass bowl containing names of 120 students beginning their third year at the school, said Jere Hochman, principal at the school.

"We decided to take a student along, because our students are the reason we will be in Washington," Hochman said. Smith, 13, lives in St. Louis.

Wydown is one of five schools in the St. Louis area that the U.S. Department of Education recognized for excellence.

Also getting awards at the White House for educational excellence will be administrators from Westminster Christian Academy in Creve Coeur, Cor Jesu Academy in the Affton area of south St. Louis County, Nerinx Hall High School in Webster Groves and Villa Duchesne High School in Frontenac.

"Our kids are energetic and hard-working," Hochman said. "Our teachers make us a blue-ribbon school. Our parents are supportive and have high expectations."

This is the second time Wydown Middle School has won the distinction, Hochman said.

But Wydown has become a different school since it won the award in 1985, Hochman said.

In the last five years, Wydown went from a two-year junior high school to a three-year middle school with 501 students. The school's building and curricula underwent major changes.

Smith's brown eyes shine when she talks about science and chemistry, some of her favorite courses at school. Smith wants to become a pediatric surgeon some day, because she likes children.

She particularly enjoyed a project teaching students about earthquakes. Students built boxes with balloons hooked by tubes to a pump. They covered the balloons with sand.

They pumped up the balloons, then measured cracks that formed in the sand to determine what type of earthquake had taken place.

Smith also spoke highly of a project to learn about politics. Students assumed the roles of senators and other government officials.

Smith, Hochman and Marilyn McWhorter, a teacher at Wydown, arrived in Washington Monday, visited congressmen Tuesday and went to the White House Wednesday.

SAN JOSE COMPANY WINS MALCOLM BALDRIGE AWARD

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Mr. EDWARDS of California. Mr. Speaker, it is a pleasure to share with my colleagues the news that Solectron Corp. of San Jose, CA, has been selected as a 1991 winner of the Malcolm Baldrige National Quality Award. Solectron, a circuit board manufacturer for such companies as Apple Computer and Hewlett-Packard, is the first bay area winner since the inception of the prestigous award in 1987.

The award is given, not for specific products or services, but for a company's method for assuring quality in those goods and services. Under the rigorous application process, candidates are evaluated on leadership, information and analysis, strategic quality planning, human resources utilization, quality results and customer satisfaction. Solectron has proven its excellence in each of these areas of quality assurance.

As our economy becomes more competitive and international in scope, American companies must strive to maintain responsiveness and provide the highest level of quality to consumers. Mr. Speaker, I proudly present Solectron to my colleagues as a fine example of such commitment to quality.

TRIBUTE TO MS. DORI PYE

HON. HOWARD L. BERMAN

OF CALIFORNIA

HON. HENRY A. WAXMAN

OF CALIFORNIA

HON. MEL LEVINE

OF CALIFORNIA

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Mr. BERMAN. Mr. Speaker, we rise today to express our admiration and pay tribute to a dear and valued friend, Ms. Dori Pye. Dori will be recognized by the City of Hope as this year's recipient of the prestigious "Spirit of Life" honor for her compassionate care and dedicated service to the community.

Dori's years of service have touched and enhanced the lives of many. As president of the Los Angeles Business Council, Dori has represented economic and commercial interests throughout Los Angeles, in Sacramento, and in Washington DC. Dori's savvy and organizational skills have helped establish the semiannual Westwood Art Show, the Urban Beautification Awards Program, which annually recognized outstanding construction and landscaping projects throughout the area, and she is responsible for the creation of the Leadership L.A. project, which uses intensive seminars on important community issues to prepare businessmen and businesswomen in assuming leadership roles in the community.

Throughout her entire lifetime, Dori has tirelessly and selflessly served her fellow citizens. She has always been a trailblazer. Dori Pye was the first woman chamber of commerce manager in the United States and the first chamber manager in the city of Los Angeles to achieve accreditation status for the chamber. She is the second woman in the Nation to have been awarded certified chamber executive status [CCE] by the National Association of Chamber of Commerce Executives. Dori has distinguished herself as a successful businesswoman working tirelessly to improve the well-being of her community.

Dori has been a major force in the success of numerous boards and advisory commissions, including board of commissioners/housing authority, LA International Airport Area Advisory Committee, art council/Loyola Marymount, and P.A.T.H. [People Assisting the Homeless].

Dori's outstanding community involvement, continuing support and commitment to humanitarian cause has allowed her to touch many lives. We ask our colleagues to join in saluting Dori Pye, an invaluable member of our community.

CHILD SUPPORT ENFORCEMENT IMPROVEMENT ACT OF 1991

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Ms. SNOWE. Mr. Speaker, most American parents agree that they have a moral, if not legal, responsibility to support their dependent children—even if the parents are not in the same household. In reality, however, of the 10 million women in 1990 living with children whose father was absent from the home, only 50 percent received child support awards.

Unfortunately, in too many cases, being awarded child support is not nearly the same as actually receiving child support payments. In fact, one-quarter of women awarded child support received no money at all, and another one-quarter received only partial payment.

Compounding the lack of monetary child support, medical support is awarded and provided even less frequently—even though it is crucial that children have access to health care, regardless of their parents' status. This absence of medical support for children in one-parent families endangers the child's health and frequently results in higher Medicaid costs.

Today I am introducing legislation to strengthen and improve child support enforcement mechanisms. First, my bill would require that, within 30 days of a court order for medical support, the noncustodial parent would have to provide proof that the child has been put on his or her insurance policy. If not, that parent would then be liable for the costs of all necessary medical services for the child.

In addition, my bill would increase access to financial institutions by State child support enforcement agencies when setting a child support award. Currently, a State child support agency can access financial institutions only after a court has determined a support award. However, in order to determine the most accurate award, the agency must first have access to these financial institutions. By holding harmless such institutions and credit reporting agencies, for disclosing information to authorized child support enforcement agencies, my bill means that a parent's full resources will now be evaluated.

My bill also expands the opportunities for a State child support agency to access a delinquent parent's IRS tax intecept refund check, one of the more simple and effective child support enforcement mechanisms.

Further, my legislation responds to the complaint that employers, who withhold wages of employees owing child support, often delay the transfer of the garnished wages in order to collect interest on the money or to aid a noncustodial parent owing the support. They are able to do so with impunity because there is no penalty for this practice. My legislation would require employers to turn over garnished wages to State child support enforcement agencies within 10 days or incur a $1,000 fine.

Finally, this bill establishes a national network to locate parents owing child support. The network would be developed by the Federal Office of Child Support Enforcement and would build on the comprehensive statewide child support enforcement computer systems which States are required to develop by 1994.

It is sad but true that many parents are not fulfilling their responsibilities to the children they bring into the world. It is my hope that when child support has been awarded, this legislation will help ensure that children do not suffer simply because child support laws aren't adequately enforced.

INTRODUCTION OF LEGISLATION TO PROMOTE THE DEVELOPMENT OF ALTERNATIVE WATER SOURCES

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Mr. PACKARD. Mr. Speaker, I ask that my remarks be submitted for the RECORD.

Today, Mr. Speaker, I, along with several of my colleagues, introduced legislation that would promote the development of new technologies for increasing the Nation's dwindling supply of clean water.

The two bills, known as the "Clean Water Package" commit the Federal Government to studying major water recycling and desalination projects. By studying comprehensive wastewater reclamation and desalination technology, we hope to refine technology to improve our water supply.

The quality and quantity of our Nation's water supply is increasingly threatened by pollution, drought and saltwater intrusion. Many communities have existing water supplies which contain contaminants that pose a significant health risk.

The two companion pieces of legislation make up a comprehensive package of solutions to California's serious water shortage problems. The Desalination Technology Act of 1991 establishes a desalination research program under the National Science Foundation for the development of efficient and cost-effective ways to remove salts and other impurities from water. My distinguished colleagues, Congressmen BOUCHER, RIGGS, LOWERY, CUNNINGHAM, ROHRABACHER, GALLEGLY, WALKER, BOEHLERT, and LEWIS of Florida, join me in introducing this legislation.

The Wastewater Reclamation Act of 1991 authorizes the study, design and construction of a regional water reclamation and reuse system for southern California. Reclamation refers to the process of treating previously used water in order to recycle it for agricultural, municipal, and recreational uses. Congressmen RIGGS, CUNNINGHAM, LOWERY, DORNAN, DANNEMEYER, HUNTER, HERGER, GALLEGLY, and ROHRABACHER join me in introducing this important bill.

The Desalination Technology Act and Wastewater Reclamation Act combine to provide an effective, viable solution to the water problems which threaten not only California and the Southwest, but the Nation as well.

Since water is a limited resource, we must not only concentrate on conservation of freshwater supplies, but seek alternative technologies which allow us to reuse wastewater and convert saltwater into a usable supply. Our plan is to incorporate this legislation into the Clean Water Act, which will be reauthorized next year.

Our critical need to develop alternative water sources prompted the introduction of this package of legislation. It provides, in part, a solution to a dire situation. I ask my colleagues to cosponsor this legislation and support this effort.

Thank you.

LIMITED TAX RELIEF FOR POLICE OFFICERS AND FIREFIGHTERS

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Mrs. KENNELLY. Mr. Speaker, I rise today to join my colleague from Connecticut, Representative ROSA DELAURO, in introducing legislation which would provide limited tax relief to police officers and firefighters who have become disabled because of heart disease or hypertension. This bill would not provide permanent tax relief for the disability benefits received by these employees; employees who often serve our cities and towns in the most hazardous of conditions. Rather, the bill would provide tax relief only for benefits received during 1989, 1990, and 1991.

These benefits were paid to police officers and firefighters who became disabled or died as a result of heart disease or hypertension. The municipalities that paid the benefits believed, in good faith, that the benefits were not taxable. The municipalities did not, therefore, report them as taxable income to the recipients or IRS. The disabled retirees and widows who received the benefits also believed, of course, that the benefits were not taxable.

Now IRS has ruled that the benefits are taxable because of an inadvertent technical flaw in the State statute under which the benefits are paid. IRS is seeking back taxes, penalty, and interest for 1989, 1990, and 1991 from these disabled workers or their widows. These are people caught in a technical mistake, not of their own making, who can ill afford the financial hardship the IRS ruling will cause. The technical mistake in the State statute can be fixed by 1992 so that future benefits will be indisputably tax exempt. This bill will give justified and fair tax relief to disabled police officers, firefighters, and their widows for the prior years over which they had no control. I urge my colleague's support.

THE 35TH ANNIVERSARY OF HUNGARIAN REVOLUTION

HON. BERNARD J. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Mr. DWYER of New Jersey. Mr. Speaker, as we know, in October of 1956, a student demonstration in Budapest started the Hungarian Revolution. The revolution was crushed by the Soviets within a matter of days and the aftermath for the participants involved in the uprising proved to be brutal.

It is estimated that 150,000 people were deported. Even today, the fate of many of these people can only be surmised. Many other freedom fighters were left no choice but to leave Hungary if they wanted to live.

As they were primarily students, the Hungarians who left were young people, some as young as 14 years of age. The choice they made was an extremely difficult one because they left their homes and their families. It is hard to conceive of our children or grandchildren in this same situation, forced to go to foreign countries in order to escape death.

Fortunately, many of these young men and women came to America. They began new lives in a land of freedom. And, because they were mostly alone, they gravitated to clubs where the newly arrived Hungarians could meet others in the same circumstances and maintain their ties with their rich cultural heritage.

In my congressional district one such club is the Hungarian American Athletic Club [HAAC]. Affectionately known throughout New Jersey as the HAAC's, the club has been a magnet for Hungarian Americans in central New Jersey. It was a haven for the freedom fighters who escaped the retribution of the Soviet Army. Over the years it has become a social club, continually meeting the needs of its members. It is a place where Hungarian Americans can maintain friendships and enjoy the activities sponsored by the HAAC's. And, it is still a place of refuge where Hungarian Americans can share in a common history, one which is not always a happy one; but one of which everyone can be proud.

Last Sunday, October 27, 1991, the Hungarian freedom fighters gathered at the HAAC to commemorate the 35th anniversary of the 1956 revolution. More than 200 people attended and New Jersey Governor Florio signed a proclamation marking October 23 as a historically significant day. Mr. Speaker, we are a richer nation for the contributions of Hungarian Americans and it is appropriate to share with them in the commemoration of their valiant struggle, which has certainly been a forerunner to the democratic change which has swept Eastern Europe.

U.S. POSTAL SERVICE MIAMI DIVISION HONORS THOSE WHO SERVED IN OPERATION DESERT STORM

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Ms. ROS-LEHTINEN. Mr. Speaker, it is my great pleasure to recognize the Miami division of the U.S. Postal Service which is honoring 77 of its employees who served in the Persian Gulf during Operation Desert Shield and Operation Desert Storm. The ceremony will take place on November 10, 1991 at the new South Florida Mail Processing Center in Pembroke Pines.

The 77 employees were among the more than 500,000 U.S. soldiers, sailors, and airmen who answered their country's call to duty by fighting for freedom in the Persian Gulf. These 77 Miami area postal workers were also among more than 2,500 postal employees nationwide who were members of military reserve units which served in the Persian Gulf.

The ceremony will begin with honor guards from American Legion Post No. 22 and National Guard Explorer Post No. 62, followed by the singing of the national anthem by Leon Gliatta, a retired postal employee and veteran from Miami. Miami Division Postmaster James Walton and two air force captains from Home-

stead Air Force Base, Glenn Lawson and Anthony Cerbins, are scheduled to speak. As part of the ceremony, each veteran will receive a first day cover of the stamp honoring those who served in Operation Desert Shield and Desert Storm which was issued by the U.S. Postal Service on July 2. There will also be a special ceremony for one of the veterans who passed away since returning from the Persian Gulf, Bonnie Olsen. The speech for a fallen comrade will be recited as taps are played in her memory.

I would also like to take this opportunity to thank those Miami area postal employees who served our Nation in the Persian Gulf. They include Robin Anderson, Luis T. Andrade, Robert G. Banks, Johnny F. Barber, Sylvester L. Barnes, Victor Binando, Joann Blake, John M. Boland, Willie F. Bradshaw, Carl E. Bullard, Andrew Canizares, Jerry G. Chapman, Joseph A. Cofelice, Louis C. Cooper, Stuart G. Coote, Paul V. Danyi, Michael Diaz, Thomas R. Dickie, Alan S. Dixon, Judy A. Evans-Goa, Giraldo Fernandez-Guerra, Paul V. Foote, Lolito U. Gapud, James A. Genna, James T. Glass, Robert L. Gooden, Edward B. Graham, Willie L. Hamilton, Jr., Donald Hammond, Vonnie L. Harps, Bruce K. Hayes, Gene V. Hayes, Ronald C. Hill, Curtis Hinson, Jr., James Hudson, Jennifer K. Hunter, Atilio Jarquin, Darryl K. Johnson, Gerald M. Jones, Michelle Y. Kunzig, Robert W. Long, Marc W. Malavasic, Ronald B. Mann, Charles S. McBride, Terrence F. McGrath, Carol E. Monday, Johnny D. Niedzwiedzki, Raul Oliverarivera, Bonnie Olsen, Terry L. Overly, Ana M. Pagan Vigay, Jimmie L. Persons, Jr., Jimmy L. Phinazee, Jesus O. Rizo, Bobby G. Roberts, Wrenford O. Rogers, Robert T. Ryan, Naomi R. Sandell, Beverly J. Sanders, Michael E. Sheely, John L. Simpson, Carlton Smith, Glenn R. Spear, Warren L. Steele, Sebron A. Thomas III, Billy J. Thornton, Orlando L. Torres, Joe Walker, Deloris M. Watson, Jackie R. Watson, James N. Watson, David E. Webb, Nathaniel White, Theodore Williams, Michael T. Woods, William T. Young, and John J. Zielsdorff.

VIOLENCE IN YUGOSLAVIA

HON. GERRY SIKORSKI

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Mr. SIKORSKI. Mr. Speaker, since June, the world has been watching the growing horror and bewilderment as the violence in Yugoslavia has exploded. Despite the efforts of the European Community to broker 10 cease-fire agreements between the Republic of Croatia and the Yugoslavian Army, we continue to witness the destruction of historic cities, and the slaughter of innocent men, women, and children. The savagery and deep-rooted hatred that has marked this conflict have clearly demonstrated that the price of American indifference and indecisiveness will be the continued destruction of human life.

I would like to take the opportunity to commend my colleagues, the gentleman from Pennsylvania [Mr. KANJORSKI], and the gentleman from Wisconsin [Mr. KLECZKA] for the timely and critically important resolution that they recently introduced in this body. This resolution is particularly helpful because it states unequivocally that the United States will not associate itself with any group that continues to perpetuate the fighting. The importance of this resolution—and the reason I am pleased to be one of its cosponsors—is that while it refuses to take sides in the underlying ethnic dispute in this crisis, it offers the Bush administration concrete options for taking decisive action against the perpetrators of this bloodletting. The resolution correctly points out that the United States is uniquely positioned to influence the United Nations and the various international financial institutions to level meaningful sanctions against aggressive and expansionist forces.

It is unbelievable that the United States administration can stand aside as the Yugoslavian Army systematically reduces the cities of Dubrovnik and Vukovar to rubble. I find it equally incomprehensible that the administration is apparently unmoved by the sight of humanitarian aid workers falling prey to snipers and mortar attacks as they attempt to rush food and medicine to the beleaguered cities. How many innocent civilians have to die? How many cities have to be devastated by artillery barrages? How many ambulances and humanitarian workers have to be strafed before President Bush decides that this crisis is worthy of his attention? While we should applaud the efforts of the European Community to broker an agreement, it is clear that the United States must play a much more creative and energetic role in this crisis.

It has been extremely sobering to watch the disintegration of Yugoslavia. It has been even more painful to watch the central government attempt to squeeze the life out of the Croatian Republic. We should not attempt to render judgment on the conflicting national and ethnic claims that swirl around this conflict. However, we have both a right and responsibility to demand that a peaceful settlement is pursued and fundamental human rights are protected. The price of America's silence has already been too high.

EDWARD SEGAL, GRAND CHANCELLOR OF THE PENNSYLVANIA KNIGHTS OF PYTHIAS

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Mr. BORSKI. Mr. Speaker, I rise today to honor Edward Segal, who will be honored by the Pennsylvania Knights of Pythias on November 2.

Mr. Speaker, the Order Knights of Pythias, to which Edward Segal gives his time and talent, was founded in Washington, DC in 1864. Established during the Civil War, it was hoped the Knights of Pythias might help to heal the wounds and allay the hatred of the war's conflict.

Edward Segal has dedicated his life to the service of others through the three cornerstones of Pythianism, which are friendship, charity, and benevolence. Edward has served as chairman of Kinkora Pythian Home for the Aged and has supported public awareness needs in safety poster, public speaking, and essay contests.

Edward Segal is a former police officer, deputy sheriff, and is presently a private investigator. He is an active citizen in his community and is dedicated to the principles of his religion.

All of this, plus many other contributions, led his peers to select Edward Segal as the grand chancellor of $10,000 members of the Pennsylvania Knights of Pythias.

On November 2, the Barbarossa Lodge No. 133 of the Knights of Pythias will honor Edward Segal for his service. I join the Barbarossa Lodge and all of Edward's friends in tribute to him.

A SALUTE TO THE HIGHLAND GUARD FLAG TEAM

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Mr. MAZZOLI. Mr. Speaker, I commend to the attention of my colleagues an article from the Courier-Journal of October 16, 1991, concerning the Highland Guard Unit from the American Legion Highland Post 201 of Louisville, KY.

The ceremony of "posting the flag"—putting the flag on display—has been perfected to such an extent by the Highland Post Guard Unit that this flag team captured the national American Legion title in the flag posting competition which took place over the Labor Day weekend. In the process, the Highland Post team beat out 13 competing teams from around the Nation.

The pride that the Highland Post Guard Unit demonstrates in putting "Old Glory" on display brings distinction to Louisville and Jefferson County, and illustrates the true meaning of the word "patriotism." Many who have seen this troop perform have said that their performance brings tears to the eyes of those who honor and respect the American flag.

I salute the members of the Highland Post Guard Unit: Mr. Russ Stone, Mr. Brent Bosler, Mr. Pat Conway, Mrs. Elaine Conway, and Mr. Roger Ballard.

Mr. Speaker, I place the Courier article in the RECORD at this point for the pleasure of my colleagues.

[From the Courier-Journal, Oct. 16, 1991]

LEGION SALUTES HIGHLAND FLAG TEAM

(By Martha Elson)

In its quest to "foster and perpetuate one hundred percent Americanism," as its constitution says, the American Legion places heavy emphasis on proper display and respect for the flag.

Posting the flag—the ceremony of putting it on display—isn't just a routine duty among Legionnaires. It's practically an art form, and it's given rise to colorful national competitions in which uniformed units try to outshine, outmarch and out-maneuver each other in carefully choreographed routines.

Over the Labor Day weekend, the five-member Highland Guard unit from Highland

Post 201, 2919 Bardstown Road, captured the national American Legion title in Phoenix, Ariz., beating 13 competitors.

"They're awesome, I tell you, if you ever see them perform," said Sue Wilcox of Jeffersontown, who makes sure everyone's epaulets are on straight and otherwise helps prepare them for competition. "These guys stand out wherever they go."

"I like putting on a show," said guard member Brent Bosler of Jeffersontown, who is also a musician in a local band. "What better way to do it than with flags?"

Guard member Russ Stone of Oldham County, a Vietnam veteran and Purple Heart recipient, said the unit's members knew they had done well at the national competition when the audience gave them a standing ovation after their final salute to the judges.

I even brought tears to one commander's eyes, said guard captain Pat Conway of Jeffersontown, also a Vietnam vet.

The guard wore attention-grabbing, full-dress Scottish army uniforms, complete with kilts. Each uniform cost about $1,000 and was authentic to the last detail.

The second-place finisher was an all-female team in Minuteman dress from Ames, Iowa.

A banner draped across the front of the Highland post announces the victory, and a celebration party is planned.

The Highland post also won national color-guard titles in 1983 and 1984 with a larger group that wore trousers instead of kilts and used the name of The Highlanders. The post's original color-guard unit was formed in about 1948.

The current unit won a plaque, a flag and $300 for the post, which underwrites the group's expenses.

"Quite naturally, I'm thrilled to death with it," said Highland post adjutant Les Brown, a past color-guard member and a World War II veteran.

The members of the Highland Guard are in their 30s and 40s. They march in local parades, such as the Fourth of July Defenders of Freedom parade in St. Matthews and the St. Patrick's Day parade in Louisville. They also post colors during opening ceremonies at events such as the annual tractor pull at the fairgrounds, and they serve as a firing squad at funerals.

"To have a group like this, to work year-round, to represent the post, makes us all proud," Brown said.

Guard member Stone, an electrician who has been a member of the unit for four years, also plays pipes and drums in the Louisville Pipe Band. Conway is a General Electric Co. employee who has been a guard member for 12 years.

The other members are his wife, Elaine Conway, an office manager for a printing company, who also has served 12 years; Roger Ballard of Buechel, a coffee salesman and another 12-year member; and Bosler. Bosler is marching in the footsteps of his father, who was a member of a Highland color guard in the 1950s.

As a video of a performance illustrates, the current guard executes a high-stepping, no-nonsense routine that requires grace, precision, poise—and the strength and agility to toss heavy rifles back and forth without clobbering each other.

"We never get too close," said Elaine Conway.

Brown said it's their military precision that makes them champions.

Elaine Conway said the Highland Guard is the only competitive American Legion group in the state.

Competitors are docked for such infractions as lint on uniforms, boot heels slightly apart or rifles held at the wrong angle.

Wilcox said it takes "total dedication," and Conway said people sometimes drop out of the group when they find out how much time and effort it takes. They are not paid by the post, and they donate any money they're paid to perform to the post or charity.

But despite the demands, the members of the group say it gives them a chance to represent America and honor their country.

Until Desert Storm, Roger Ballard said, he thought "patriotism was kind of slipping away." But, he said, "it's very important to keep it up."

POLISH-AMERICAN HERITAGE MONTH

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Mr. DINGELL. Mr. Speaker, late last month the House approved Senate Joint Resolution 125 which designated this October as "Polish-American Heritage Month." This resolution was signed into law, Public Law 102–115, by the President on October 3.

As a cosponsor of this resolution and as a proud Polish-American, I know that this resolution is very much appreciated by the millions of Polish-Americans who have helped to build our Nation. From hometowns from coast to coast, and throughout my home State of Michigan, the contributions of ethnic Poles deserve the recognition which is being given to them this month.

Over the past couple of years, Polish-Americans have felt a particular sense of pride as Poland led the democratic reform movement in Eastern Europe. Last week's Parliamentary elections are only the latest example of bold steps that Polish people have taken to ensure that our native homeland might find the opportunities that can only be afforded through democracy and a free market economy.

Mr. Speaker, the road that lies ahead for Poland is not a smooth one. There are many challenges that lie ahead, including the formation of a ruling coalition that can deal effectively to complete Poland's reform efforts. As the process goes forward, I urge all Polish people on both sides of the Atlantic to continue their faith in the principles that have delivered them from the grip of communism, and to personally dedicate themselves to supporting this transformation in the most effective possible manner.

FEES FOR UNION REPRESENTATION OF FEDERAL WORKERS

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Mrs. MINK. Mr. Speaker, it was my privilege today to introduce a bill long overdue across this land to remedy an unfairness endured by labor organizations that serve as exclusive representatives of Federal workers.

I refer to title V of the United States Code relating to Government organizations and employees—section 7114, on representation rights and duties.

Mr. Speaker, the civil service has a number of labor unions recognized as exclusive representatives of employees in clear and appropriate units as determined by the Federal Labor Relations Authority.

These unions are some of the proudest and most revered in the labor movement, fully knowledgeable, and capable of representing the best interests of its Government worker members. They are entitled to act for, and negotiate collective bargaining agreements covering all of their employees in a unit, without discrimination and without regard to labor organization membership.

What has occurred, however, is that thousands of nonunion member employees of civil service units have literally taken advantage of union representation services without charge or payment. In the meantime, actual union membership, which can be only a small proportion of the total workers in a particular trade, have supported the facilities, personnel, and services of the union through their membership dues month after month, year after year.

Mr. Speaker, it is only fair that these nonunion recipients of union representation be required to pay for such services. And that is the purpose of my legislation, that "in cases in which an exclusive representative represents a nonmember employee, such employee shall be required to pay such representative a reasonable fee as determined by the—Federal Labor Relations—Authority."

In order for all segments of our civil service to be fairly and effectively protected under the terms of title V of Labor-Management Relations in the Federal service, such payments for services is unquestionably necessary for this system to survive. It is unfair that nonmembers are allowed to drain the capacities of exclusive unions so everyone suffers. It is shortsighted that such a policy would be allowed to slowly but inexorably bleed the labor unions dedicated to the welfare, security, and benefit of Federal employees.

I urge my fellow members to apply common sense and fair play to this matter, and support this bill to require reasonable fees from nonunion members who utilize union services.

MIDDLE SCHOOL CHIEF CITES TEAM EFFORTS

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Mr. LEVINE of California. Mr. Speaker, I rise today to salute Ilene Straus, principal of Lincoln Middle School in Santa Monica. Ms. Straus was recently named outstanding secondary school principal for the State of California. This is a truly remarkable achievement, particularly because she was given the task, as principal, of turning a traditional junior high school into a reconfigured middle school without additional budget or staffing privileges. Because of her commitment to parental involvement, the community and the school are now part of one another. Every month 50 to 75

visitors come to Lincoln to observe middle school education at its finest.

Ms. Straus has moved Lincoln Middle School into the forefront of educational change in California. She has sought out and obtained free counseling for students from outside community agencies. She has succeeded in involving corporations such as Gillette-Papermate, which provides Lincoln with not only money, but human resources as well as including a pilot math tutoring program. Throughout her endeavors, she has enjoyed the support of her husband Joe, and her two children Julie and Andrew.

As a tribute to Ms. Straus, I would like to include in the RECORD the following article on her stellar accomplishments from the Santa Monica Evening Outlook of June 2, 1991. I ask that my colleagues join me in honoring Ilene Straus for a job well done.

SANTA MONICA'S LINCOLN MIDDLE SCHOOL

Principal Ilene Straus knew she created something good at Santa Monica's Lincoln Middle School, but she always insisted on sharing the credit for turning around the once troubled facility.

This week, however, Straus had trouble downplaying her efforts after being named the Outstanding Secondary School Principal for the State of California, an award given annually by the National Association of Secondary School Principals.

Still, she said the award was not all her doing.

"It's really this community, the parents, the kids and the school district all working together that made Lincoln what it is today," said Straus as she toured her campus commons during lunch hour Friday. "Everybody here shares in the success of this place."

She admits the award caught her off-guard.

"The truth is, you get nominated for awards all the time, but you never really except to win them."

Humble as she may be, the award is a coup for the 9,000-student Santa Monica-Malibu Unified School District. Straus, 41 was selected from a field of several hundred principals of middle schools and high schools to represent the state at a national conference—the Symposium for Excellence—in Washington, D.C., next fall.

This is the eigth year of the program, which selects the outstanding principal from each of the 50 states, the District of Columbia, Puerto Rico and American Samoa.

Criteria for being selected the outstanding principal include: Anticipating emerging problems and acts in an effective way to resolve them; working to improve the educational program and student achievement; creating a positive school climate that reflects high morale; moving actively to implement to goals and objectives of the school; and working to have the community involved in the life of the school and using the community resources for students.

"I'm really proud of that list," Straus said. "It shows the kind of place Lincoln has become."

When she arrived at Lincoln five years ago from the Lennox school district, things were not good at the 925-student school

There was a graffiti problem, its image was not the best and it was struggling amid a transition from a junior high—grades seven through nine—to a middle school—grades six through eight.

District officials credit Straus with turning Lincoln into a national model for middle schools.

The campus is clean, clear of graffiti and efficient.

Student test scores have risen dramatically. Each month about 100 educators from across the country visit the school to see what makes it tick.

"We've turned this place into a model," said Straus, who lives in West Los Angeles. "Everyone wants to know how we've done it. We've done it with hard work. And we've done it in time when education has been under the gun. We've really succeeded against the odds."

Though a national award may not mean a lot to her students, they have a great respect for Straus.

"She's very encouraging and always has something good to say," sand Glenda Tistaert, an eighth-grader.

"She talks to us and makes us feel good about ourselves," said Bonnie Gregory, also in eighth grade. "She's like a kid."

Lev Ginsburg, an eighth-grader, said Straus "get the job done."

"She's the kind of person who will step in and settle problems," he said. "And she gets to know everyone here. There are no blank faces, she knows us all."

Straus said she has no intention of moving on now that she has won national recognition for her work.

She says she loves her school and Santa Monica.

"This age group is by far the most challenging and most rewarding to work with," she said.

"Raging hormones can make life very interesting. Every day is something new. It's never the same thing twice, never boring. This job is by far the best of my career. I've never been happier with my life and my work."

BACARDI IMPORTS HONORED AS 1 OF TOP 10 HISPANIC BUSINESSES

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Ms. ROS-LEHTINEN. Mr. Speaker, it is my great pleasure to recognize Bacardi Imports, Inc., which was recently selected as 1 of the 10 most important Hispanic businesses in Dade County by the Greater Miami Chamber of Commerce and the Hispanic Heritage Council.

Along with the other businesses, Bacardi Imports was presented with this award at the Omni International Hotel at a luncheon honoring these distinguished firms. The businesses were selected from a list of the 100 most important Hispanic firms in the United States which was published in Hispanic Business magazine.

Greater Miami Chamber of Commerce President-elect Carlos Arboleya said that these firms were selected for their efforts for the Hispanic community and for their contribution to the economic development of Dade County.

Accepting the award for Bacardi Imports was Executive Vice President Steve Naclerio, who said he was very proud of all his firms's employees who had worked so hard to make it one of the most important businesses in Dade County.

I would like to take this opportunity to thank Bacardi Imports for the contributions it has made to the economy of south Florida, providing economic opportunity and development for the people of the Miami area.

THE FAIRNESS TO POLICE AND FIREFIGHTERS BILL

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Ms. DELAURO. Mr. Speaker, today, I am joined by the other Members of the Connecticut delegation in introducing a bill to protect certain retired police and firefighters from punitive action by the Internal Revenue Service [IRS]. My bill will stop unfair, retroactive prosecution of these retirees, and save hundreds of families from the possibility of financial ruin.

The IRS proceedings stem from an internal ruling that benefits paid to police and firefighters under, Connecticut's heart and hypertension statutes are not workers' compensation benefits and are therefore taxable. This decision contradicts the intent of the statutes and threatens over 1,000 unknowing Connecticut retirees or their widows with potentially devastating back taxes, interest, and penalties. The members of the Connecticut delegation find this unacceptable treatment for those who risked their leves every day to protect us and keep us safe in our homes.

Retirees who are receiving these benefits were never informed by their employers that their benefits were taxable and acted accordingly. Twenty years after the law was written, the IRS decided in July 1991, that the State's law is not in fact worker's compensation.

Connecticut cities have been ordered to submit to the IRS their complete heart and hypertension records as far back as 1988. Both present and past recipients are in danger of being held liable for thousands of dollars of back taxes and interest. If the retirees cannot pay these taxes, the IRS will levy penalties against them.

The Fairness to Police and Firefighters Act only asks what is fair: It instructs the IRS to end all retroactive prosecution of these retirees. The Connecticut State Legislature is working on altering the statute to satisfy the IRS, so this bill does not address the tax status of future payments. We are hopeful the IRS will see the injustice in retroactive proceedings and allow Congress the Opportunity to correct it.

I am happy to have the entire Connecticut delegation as original cosponsors.

REPORTS FROM THE THAI-CAMBODIAN BORDER

HON. CHESTER G. ATKINS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1991

Mr. ATKINS. Mr. Speaker, I rise today to share with my colleagues several recent reports from the Thai-Cambodian border. Many of you have seen the news reports about the refugee camp known as Site 8, where the