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House of Representatives

The House met at 10 a.m.

The Reverend B. William Vanderbloemen, Jr., Memorial Presbyterian Church, Montgomery, Alabama, offered the following prayer:

Eternal and everlasting God, we thank You that You have given us another day. And not only another day, O Lord, but a day in the greatest country in the world. Today we ask that You bless us, bless us indeed, and allow our Nation to prosper. We pray that You keep Your hand upon us, protect us from evil, and keep us from causing pain. Bless us O Lord.

Lord, we shudder to think that You have called us to be the leaders of this great Nation, and we humbly ask for Your help. If the task is left only to us and to our abilities, we will surely fail, O Lord. If we should seek to build this country on our own guidance, we will build only a house of cards. But You O Lord, are the rock; may You be our foundation and our help today.

We know O God, that You do not simply call the qualified to lead, but You qualify the called. So qualify us by Your grace. Empower us to follow the calling You have given us.

May we as individuals, as a deliberative body, and as a nation, follow You this and every day; so that one day, when time finally falls exhausted at Your gates of glory, we might hear You say, ''Well done, thou good and faithful servant.''

Bless us O Lord. Bless us indeed.

In the name of Your Son, Jesus Christ our Saviour, we pray.

Amen.

THE JOURNAL

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

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

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

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

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

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

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 368, nays 52, answered ''present'' 1, not voting 12, as follows:

[Roll No. 249]

YEAS—368

Abercrombie
Ackerman
Akin
Allen
Andrews
Armey
Baca
Bachus
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boswell
Boucher
Boyd
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Cox
Coyne
Cramer
Crenshaw
Cubin
Culberson
Cummings
Cunningham
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Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeGette
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Flake
Fletcher
Foley
Forbes
Ford
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Hall (OH)
Hall (TX)
Hansen
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Herger
Hill
Hobson
Hoeffel
Hoekstra
Holden
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inslee
Isakson
Israel
Issa
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Langevin
Lantos
Largent
Larson (CT)
Latham
LaTourette
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McGovern
McHugh
McInnis
McIntyre
McKeon
Meehan
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
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Mollohan
Moore
Moran (VA)
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Murtha
Myrick
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Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Rangel
Regula
Rehberg
Reyes
Reynolds
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Scarborough
Schakowsky
Schiff
Schrock
Scott

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Watson (CA)
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Wexler
Wilson
Wolf
Woolsey
Wu
Wynn
Young (FL)

NAYS—52

Aderholt
Baird
Borski
Brady (PA)
Capuano
Costello
Crane
Crowley
DeFazio
Delahunt
English
Filner
Fossella
Gephardt
Gillmor
Gutierrez
Gutknecht
Hefley
Hilleary
Hilliard
Hinchey
Holt
Hulshof
Kennedy (MN)
Kucinich
Larsen (WA)
Lee
LoBiondo
McDermott
McNulty
Menendez
Miller, George
Moran (KS)
Oberstar
Pallone
Peterson (MN)
Ramstad
Riley
Sabo
Schaffer
Slaughter
Stupak
Taylor (MS)
Thompson (CA)
Thompson (MS)
Udall (NM)
Visclosky
Wamp
Waters
Weller
Whitfield
Wicker

ANSWERED ''PRESENT''—1

Tancredo

NOT VOTING—12

Berkley
Engel
Harman
Hinojosa
Istook
Leach
McKinney
Meek (FL)
Meeks (NY)
Platts
Spence
Young (AK)

□ 1025

So the Journal was approved.

The result of the vote was announced as above recorded.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore (Mr. BONILLA). Will the gentlewoman from West Virginia (Mrs. CAPITO) come forward and lead the House in the Pledge of Allegiance.

Mrs. CAPITO led the Pledge of Allegiance as follows:

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

ANNOUNCEMENT BY SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain one 1-minute speech prior to the beginning of legislative business today.

THE REVEREND WILLIAM VANDERBLOEMEN

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

Mr. BURR of North Carolina. Mr. Speaker, today I rise to welcome the Reverend William Vanderbloemen to the House Chamber. I have known William's family since my football-playing days at Wake Forest, and it is a pleasure to have such a fine young man here to lead us in prayer as we begin this day's work.

William is a native of Lenoir, North Carolina, and attended Wake Forest University and graduated in 1992 with a degree in history. He then attended seminary at Princeton where he received his Masters in Divinity in 1995, with the goal of becoming a professor or scholarly author; but as his studies intensified, it became clear to him that he would call the pulpit his home.

Mr. Speaker, the Presbyterian faith is better because of his choice. Upon graduating Princeton, William took an associate pastorship at First Presbyterian Church in Hendersonville, North Carolina. After a successful campaign in the mountains of North Carolina, William received a call from Memorial Presbyterian Church in Montgomery, Alabama, to be its head minister.

Memorial Presbyterian Church is a church with a place in the history of the civil rights movement of the last half of the 20th century. Opening shortly after World War II, in the middle of the 1950s, it was the first church in Montgomery to desegregate by offering open seating to members of both races. During the last 5 decades, Memorial has seen many changes, some causing divisions within the church family. In fact, when Reverend Vanderbloemen took over Memorial in 1998, they were meeting in a local YMCA, and 150 members in attendance was a good Sunday. Since 1998, membership has tripled and Memorial Presbyterian opened the first building on its new location on the east side of Montgomery. William founded the InStep Ministries, a series of syndicated radio spots aired daily and on secular stations; and one of the radio pieces prevented a suicide and that person is now a member of Memorial Presbyterian.

William serves on the board of the Presbyterian Coalition, a national gathering of leaders within the Presbyterian Church U.S.A., as well as the Ministerial Board of Advisors to the Reformed Theological Seminary. He and his wife, Melissa, have three children, Matthew who is here with us today, as are Mary and Sarah Catherine.

Mr. Speaker, I know all my colleagues join me in welcoming Reverend Vanderbloemen and thanking him for offering this morning's prayer.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed a bill and concurrent resolutions of the following titles in which the concurrence of the House is requested:

S. 1190. An act to amend the Internal Revenue Code of 1986 to rename the education individual retirement accounts as the Coverdell education savings accounts.

S. Con. Res. 34. Concurrent resolution congratulating the Baltic nations of Estonia, Latvia, and Lithuania on the tenth anniversary of the end of their illegal incorporation into the Soviet Union.

S. Con. Res. 53. Concurrent resolution encouraging the development of strategies to reduce hunger and poverty, and to promote free market economies and democratic institutions, in sub-Saharan Africa.

□ 1030

COMMUNITY SOLUTIONS ACT OF 2001

Ms. PRYCE of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 196 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 196

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 7) to provide incentives for charitable contributions by individuals and businesses, to improve the effectiveness and efficiency of government program delivery to individuals and families in need, and to enhance the ability of low-income Americans to gain financial security by building assets. The bill shall be considered as read for amendment. In lieu of the amendments recommended by the Committees on Ways and Means and the Judiciary now printed in the bill, the amendment in the nature of a substitute printed in the Congressional Record and numbered 1 pursuant to clause 8 of rule XVIII shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) the further amendment in the nature of a substitute printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative Rangel of New York, Representative Conyers of Michigan, or a designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. BONILLA). The gentlewoman from Ohio (Ms. PRYCE) is recognized for 1 hour.

Ms. PRYCE of Ohio. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Ohio (Mr. HALL), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, to quote the chairman of the Committee on Ways and Means, House Resolution 196 is an ''appropriate'' and fair rule providing for the consideration of H.R. 7, the Community Solutions Act of 2001; and it is consistent with previous rules that our committee has reported and the House has adopted on legislation that amends

the Tax Code. This rule provides for 1 hour of general debate equally divided between the chairman and ranking minority member of the Committee on Ways and Means.

After general debate, it will be in order to consider a substitute amendment offered by the minority which is printed in the Committee on Rules report and will be debatable for 1 hour. Finally, the rule permits the minority another opportunity to amend the bill through a motion to recommit, with or without instructions. The rule waives all points of order against consideration of the bill as well as the amendment in the nature of a substitute.

Mr. Speaker, before I go any further, let me take this opportunity to congratulate the gentleman from Oklahoma (Mr. WATTS) and the gentleman from Ohio (Mr. HALL) for all their hard work on this legislation. They are certainly dedicated leaders in the quest to help the poor and the needy, both here and abroad. As our President, George W. Bush, has stated, the Community Solutions Act will allow us ''to enlist, equip, enable, empower, and expand the heroic works of faith-based and community groups all across America.''

The Community Solutions Act features three primary provisions to encourage charitable works. First, it provides important tax incentives to increase charitable giving by allowing more than 80 million taxpayers who do not itemize their returns to take a deduction for charitable contributions. In doing so, we are recognizing that generosity flows not only from the wealthy but just as often from the less affluent, some of whom have worked their way out of poverty and wish to give something back to struggling communities and families. It is not necessarily extra incentives these good souls need, but should we not at least show them appreciation for their philanthropy through equitable treatment under the Tax Code?

The bill goes further to encourage philanthropy by also permitting tax-free distributions from individual retirement accounts for donations to qualified charities.

In addition to individuals, there are businesses that stand ready and willing to help the less fortunate and lift up their communities. H.R. 7 enables this charity through commonsense policies that allow resources to be directed to the needy rather than being discarded. We are a wealthy Nation where resources abound, and we cannot succumb to the luxury of wastefulness. We must do better by our citizens in need, and this legislation embraces that principle.

For example, through an enhanced tax deduction, H.R. 7 encourages restaurants and small businesses to donate food to the hungry that might otherwise perish, uneaten, while children go to bed with empty bellies and seniors choose medicine over food. The bill also helps the business community fulfill their charitable missions by removing the threat of frivolous lawsuits that punish the good deeds of donating equipment, facilities, or vehicles to nonprofit organizations.

Mr. Speaker, these are commonsense, meaningful steps that we can take to make a real difference in people's lives.

''Charitable choice'' is another tenet of H.R. 7. As first established in 1996 and expanded in subsequent years, charitable choice applies to the Temporary Assistance for Needy Families program, or TANF, provisions of welfare and the social services block grant program. The Community Solutions Act appropriately expands charitable choice provisions to include nine new program areas, including juvenile delinquency and prevention, crime prevention, housing, job training, senior citizen programs, community development, domestic violence prevention and intervention and hunger relief.

The Community Solutions Act builds on these existing charitable choice provisions which were signed into law already on four separate occasions. I would note to my colleagues that each of these important laws passed this House with wide bipartisan support and well over 300 votes.

Mr. Speaker, the charitable choice provisions in this bill prohibit the government from discriminating based on religion against organizations that apply to provide services under specified federally funded programs. In other words, charitable choice provides a level playing field for any group, any group, religious or secular, that wishes to compete for Federal social service funding. Charitable choice says that what an organization believes has no bearing whatsoever on how it is evaluated regarding what it can do for the poor and the needy.

In my hometown of Columbus, Ohio, the historic parish of Holy Family Church under the direction of Father Kevin Lutz feeds over 500 people daily in its soup kitchen and provides clothing and needed medical care to those who might otherwise go without. But in addition to the food and the clothing and the medicine, Father Lutz and the many volunteers of Holy Family are proven providers of care and compassion. I am proud of the work they are doing at home in my community. They are able to touch the lives of the needy and the poor in ways that government never can, because those grounded in faith can often provide the steadiest helping hand for those in despair.

Of course, charitable choice and the Community Solutions Act maintain important safeguards to protect the fundamental character of these organizations and to prevent them from discriminating against or proselytizing to the individuals which they serve. As crafted under the bipartisan leadership of the gentleman from Oklahoma (Mr. WATTS) and the gentleman from Ohio (Mr. HALL) and honed by the Committee on the Judiciary, this bill strikes a careful balance between expanding the universe of social care and protecting individual and organizational religious freedom.

Finally, the Community Solutions Act creates individual development accounts which will allow low-income individuals to save and have matching funds so that they can accumulate a small nest egg, maybe enough to allow them to reach the dream of buying their first home or completing a college education or even starting a small business. It is a helping hand for those who need it most, who might never get a leg up any other way.

This is commonsense legislation that encourages charitable giving and enlists the strongest of our allies in our effort to provide desperately needed social services.

Mr. Speaker, we should never turn our backs on those who wish to help in the battle against despair, poverty, crime, and drug addiction. We should never turn our backs on those who have demonstrated an incredibly superior capacity to help over and over, one neighbor at a time. If we do turn our backs on those who seek to help, we turn our backs on those who need the help.

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

Mr. HALL of Ohio. Mr. Speaker, I want to thank the gentlewoman from Ohio (Ms. PRYCE) for yielding me the time, and I yield myself such time as I may consume.

This is what they call a modified closed rule that will allow for consideration of H.R. 7, the Community Solutions Act of 2001, which supports the President's faith-based initiative. As my colleague has described, this rule permits a Democratic substitute and a motion to recommit. This is similar to other rules for tax-related bills.

When the gentleman from Oklahoma (Mr. WATTS) and the White House asked if I would be interested in sponsoring this faith-based initiative, I did not hesitate. It was not much of a stretch for me. It was, as some people have said, a no-brainer. I did not have to think too long or hard about it because I have had a lot of experience with faith-based programs and people of faith. I admire them and what they do.

I am involved with this issue because I am determined to see an end to hunger in America.

My experience with faith-based programs in my hometown of Dayton, Ohio, in Appalachia, here in the District of Columbia and in other countries has shown me that people who work in the field are not just dedicated, they are inspired. They feel called by their faith to make a difference. One of the values of that calling is that it brings new perspectives and encourages creativity and ingenuity.

Over the July 4th recess, I traveled to East Timor and Indonesia and visited poverty alleviation projects. I toured squalid neighborhoods in Jakarta where hundreds of thousands of

people lived in dumps and in conditions not fit for humans. As I visited these projects where repugnant smells were everywhere and hunger and sickness were rampant, I asked the workers why they did this work that they did. I knew what they were going to say to me, because when I ask this question, whether I am in Indonesia; Dayton, Ohio; or rural Appalachia, I always get the same answer. They tell me what motivates them is their faith. I ask them if they tell people about their faith. They say, ''We don't have to.'' ''We don't have to proselytize or force a sermon on them,'' they answer. ''Our faith speaks for itself. We love the people. They respond to our love. And they respond to our programs. They recognize our faith by the work that we do without us forcing it down their throats.''

This bill specifically prohibits Federal funds from being used for sectarian purposes. We need to include everybody in this fight if we ever hope to win the battle against poverty. That means that everybody should have a chance to compete for Federal funds to address our problems. Existing government and nonprofit programs do not have all the answers to these problems. Some have done tremendous work, but we still have 25 million people in the country that are hungry, we have homeless people, we have domestic violence, we have a horrendous drug problem, we have millions of working families and senior citizens that are not making it. The list of challenges goes on and on and on.

Many large faith-based organizations have for years been receiving millions of government dollars, and we have been very happy with their efforts. But what about the thousands of smaller groups that cannot compete for Federal moneys because of burdensome red tape? These programs have few employees. They rely instead on volunteers. They have small budgets, barely keeping their heads above water financially. That is what this bill is about, including these smaller groups that are motivated by their love and faith to work in areas where nobody else will work.

In Vinton County which is one of Ohio's poorest counties, I recently visited CARE United Methodist Outreach. It is an organization that distributes food, household necessities, clothing; it gives help with job assistance, almost anything that a person might need. A long way from Vinton County, just a few minutes from here across the river in Anacostia, is a program called The House. It is an initiative that works with youth from Anacostia High School in one of the toughest neighborhoods in the District of Columbia.

□ 1045

These are just two of the thousands of examples of small faith-based community-minded organizations working where no one else will go. Actually, if these two groups were not there, nobody would be there.

This bill will allow these religious organizations to compete on a level playing field. This is not about favoring certain religions; it is about funding the groups that will get the best results in caring for the least, the last, and the lost.

Problems in our country are real, and many are getting worse; and none of them are going away without some response. If faith-based groups can respond effectively, I think we should encourage them to do so.

I urge my colleagues to make finding solutions to these problems a priority, and I hope that they will give faith-based groups no less a chance than their secular counterparts have.

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

Ms. PRYCE of Ohio. Mr. Speaker, I am very pleased to yield 2 minutes to the distinguished gentleman from Pennsylvania (Mr. GEKAS), a member of the Committee on the Judiciary.

Mr. GEKAS. Mr. Speaker, I rise in support of the rule that is before us and for the debate that follows.

At first I had been considering appearing before the Committee on Rules to try to make in order some kind of amendment that would prevent cults and other fringe groups or groups that would gather together and form for the purpose of trying to take advantage of the new programs, new spending programs, that would be accorded by this legislation. Since then, in reviewing the legislation and in conferences with other Members and with other individuals outside the Congress, I am convinced that a so-called cult cannot succeed in applying or qualifying for one of these programs.

Why? It is a certainty that these programs are going to be based on the experience and track records mostly of existing faith-based organizations, rather than doing the kind of work we contemplate for years. So we have a foundation upon which these programs can be based.

In conversations with the gentleman from Wisconsin (Mr. GREEN), who did an extensive study of these very same questions, he further satisfied me that my worries about cults being eligible for these programs is not founded on reality.

So, I have no need, did have no need, have no need now, to try to add provisions to this to guard specifically against the dangerous cult, as I view it.

Mr. Speaker, I am satisfied that the rule will allow for a full debate that will encompass all the purposes of the legislation, without indulging in allowing loopholes for fringe groups to enter the process.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK. Mr. Speaker, this rule is terribly unfair. The gentleman from Ohio said, well, this is how we treat tax bills. But this is hardly a tax bill. There is a very small piece of it that is tax related. The great bulk of it is the social service aspect. It is very important.

I am very proud of the work I have done with faith-based groups. I care a lot about housing, and the Catholic Archdiocese of Boston has a wonderful record in housing. In area after area, I have been proud to cooperate with them. But none of those organizations have told me that they needed the right to discriminate or ignore State and local anti-discrimination laws.

That is what this bill does. I will insert into the RECORD here pages from the transcript which will show the chairman of the committee acknowledging that it preempts State and local anti-discrimination laws, and the gentleman from Florida (Mr. SCARBOROUGH) explaining why it is important that Jewish groups be allowed to discriminate in the serving of soup by not hiring non-Jews. I disagree with both of those. I wish we had ample time to debate them.

Mr. FRANK. There are further questions that we have. There is also this list, the non-discrimination statutes, that must be followed. They are the Federal statutes. Some States have decided to go beyond what the Federal Government has done in preventing discrimination, and I would ask, because it's not clear to me, is this preemptive of State employment discrimination laws other than those which might track the Federal one? I would yield to anyone who could give me the answer to that. By specifying the Federal anti-discrimination laws that apply, does this mean that State anti-discrimination laws which cover subjects not covered under the Federal law, would be preempted in effect, and the religious organizations would not have to apply—follow them? I would yield to anyone who would answer that.

Chairman SENSENBRENNER. Will the gentleman yield?

Mr. FRANK. Yes, Mr. Chairman.

Chairman SENSENBRENNER. I'll answer the second part of our question and I'll seek my own time for the first part. The second part, relative to Federal preemption. Federal law applies where Federal funds go, and State law does not apply. If the religious organization accepted State funds, and by implication, local government funds, then State laws would apply to them as well.

Mr. FRANK. So it would preempt State laws or allow them to——

Chairman SENSENBRENNER. It would allow them to ignore State laws when Federal—only Federal funds are used, but would not allow them to ignore State laws when State funds are used.

Mr. FRANK. What if there was a mix of Federal funds and private funds?

Chairman SENSENBRENNER. Then they could ignore State laws.

Mr. FRANK. That seems to me to be a serious flaw and hardly consistent with the sporadic States' rights professions that we hear from the other side. The principle ought not to be that you can get out of following a State's enactment because you have accepted some Federal funds, and the Chairman has very straightforwardly made it clear. If you get some Federal funds and you have some of your own funds, you might—not might—you are then allowed to ignore a State law that would otherwise be binding on you. I do not think we ought to be embodying the principle that the acceptance of Federal funds somehow then cancels State law.

There are a number of things. For instance, the States get highway money from

the Federal Government. Does that principal apply? Should we then say that a State highway department can ignore its State's own laws with regard—or contractors getting the State highway money? That, really, frankly, surprises me in the very radical nature of a repudiation of what the State can do. In other words, you are in the State and you have set a policy that there will not be discrimination based on this or that or the other, other than what the Federal Government does. And an organization in your State, which decides to do a program, and it's got 70 percent of its money, and it gets 30 percent of the Federal money, that Federal money now becomes a license to ignore State anti-discrimination law. If there's a conflict between the laws, then the Federal would apply, but I had not previously thought it would be

Mr. SCARBOROUGH. I do believe, although it has not been articulated well, and I'm not trying to persuade you, I'm just merely saying that there are some of us that believe this that may not be able to articulate it very well, that there is a culture in, let's say, an urban Protestant Church that is separate from a culture in, let's say, an urban synagogue or in a Catholic Church that is separate from another.

And I see Ms. Waters. She's about to explode, and I'm sure I'm going to be a bigot, and this, that, and the other, but I'm just saying there is——

Chairman SENSENBRENNER. The Chair is prepared to declare a 30-second recess.

Mr. SCARBOROUGH. Why is that?

Chairman SENSENBRENNER. So that nobody explodes. We don't want that to happen.

Mr. SCARBOROUGH. I love Ms. Waters——

[Laughter.]

Mr. SCARBOROUGH. I love Ms. Waters, and Ms. Waters loves me. She hugs me on the floor every chance she gets. That's why she got up. She couldn't resist herself. [Laughter.]

But there is a culture, seriously, there is an inherent culture in these organizations, like, for instance, and I'll talk about my church. I'm Southern Baptist. I disagree with a lot of things they believe about people who are divorced not being able to be deacons or, or women not being able to preach, all right? But I do know that there are Southern—and if that offends me, I can, I can take a hike. But there are, even though I disagree with some of the things that people in the Southern Baptist Church believe in, they can effectively deliver services because of the culture of whether it's First Baptist Church of Pensacola or——

Mr. WEINER. Will the gentleman yield on that point?

Mr. SCARBOROUGH. Yes, sir, I will.

Mr. WEINER. Would the gentleman yield on that? And I'm convinced the Southern Baptist Church can deliver those under this bill.

Perhaps you can enlighten me, and using the example of the Southern Baptist Church or whatever you referred to, someone coming in for a job interview to work in a job training program to teach typing to someone who had been laid off——

Mr. SCARBOROUGH. Right.

Mr. WEINER. Why is it, give me an example, just so I can fully get my mind around it, why is it necessary that they be Baptist and why is it not only necessary, why is it so important to this program that it means offending 35 or 40 Members around here who might be willing to make this a bill that 300 people can vote for?

Mr. SCARBOROUGH. Yeah, well, I don't think it's—reclaiming my time—I don't think it's necessary. And, obviously, I think most of us on this panel, I would hope, would agree that it would be extraordinarily bigoted for any, any organization, be it a faith-based or secular organization, to prevent people from being hired. But I think the biggest concern is compelling, for instance, a synagogue in a certain area to hire a fundamentalist, right wing, religious, whatever, that would, after all——

Mr. WEINER. Typing teacher?

Mr. SCARBOROUGH. Hold on a second. Hold on a second.

Mr. WEINER. What does a right-wing typing teacher do, only type with the right hand?

Mr. SCARBOROUGH. We're talking about, and again——

[Laughter.]

Mr. SCARBOROUGH. Again, if you want to get laughs, that's fine, but, for instance, delivering soup, let's say, for instance, in an area that's heavily served, let's say a synagogue in an urban part of the area, listen, they want to get their soup. They don't want to hear somebody with views that's completely different from their own views. And I understand, I understand what the bill says that they're not allowed to do that. But, again, if you compel these organizations, again, whose culture, many Americans believe, allow faith-based organizations to deliver services more effectively than, say, the Department of HHS——

Chairman SENSENBRENNER. The time of the gentleman has expired.

Mr. SCARBOROUGH [continuing]. There's a risk of changing the very culture of those organizations.

Ms. LOFGREN. Mr. Chairman.

Chairman SENSENBRENNER. The time of the gentleman has expired.

Mr. SCARBOROUGH. Thank you.

Chairman SENSENBRENNER. For what purpose does the gentlewoman from California, Ms. Lofgren, seek recognition?

Ms. LOFGREN. To strike the last word.

Chairman SENSENBRENNER. The gentlewoman is recognized for 5 minutes.

Ms. LOFGREN. I—I was fascinated by the last exchange because, apparently, even though there is a prohibition on proselytizing, the reality would be that there would be proselytizing, and therefore we need to make sure that religious institutions can discriminate against people who are not of their religion so that they can violate this statute, which I think is a very odd proposition.

But I would just, going back to my experience in local government, I would just like to say I think this bill is a, is a solution in search of a problem. I mean, we used all kinds of contracts with religious-based organizations. Catholic Charities ran the Immigration Counseling Center. The only instance in my 14 years on the Board of Supervisors that ever came to my attention that someone, a religious group felt that they might not be—having treated fairly, was an evangelical church who wondered were they being treated fairly, and I met with them, and we made sure that they were brought into the opportunity to provide food through the food service, the largest faith-based group in Santa Clara County, PAC, which has, I think now, 17 parishes and churches. They provide homework centers, the biggest homework centers for all the kids after school. They wouldn't even consider discriminating against a tutor based on their religion, and Catholic Charities wouldn't even consider discriminating against a psychologist in hiring for one of the programs, the mental health programs they run. It would be inconceivable.

So I really strongly believe that Mr. Scott's amendment is necessary and that this bill is probably not, but I would like to yield to Mr. Scott, at this point.

Mr. Speaker, this rule does a terrible disservice to democracy. This is a fundamentally important issue. Many of us are in favor of helping the faith-based groups, but want to put some safeguards in. There are complicated issues. Instead, we are told we get one substitute and one recommittal. The recommittal gets 10 minutes of debate.

This forces fundamental, philosophical, constitutional, and moral issues of great importance into a shoehorn, apparently because the majority did not want to debate them.

We are going to be told, well, you should not lump all these things together. We only wanted four or five amendments. We are only getting a couple of hours of debate on this fundamental issue, when we spend much more time on things of less significance.

I will say this: Members who say, well, I could not vote for that recommittal, I could not vote for that substitute because it did not have everything I wanted, it had too much in there, then vote against the rule.

Let us vote down this rule, and let us take this bill up where we can offer amendments that deal with these serious moral and constitutional issues in a significant way. Unfortunately, we are going to have a debate in which there are going to be all kinds of charges of mission representation, because the rule does not allow us time to air them.

But I want to just close by saying again, the chairman of the committee honestly acknowledged that it preempts State and local anti-discrimination laws where they use Federal laws, and others have talked about the right to discriminate religiously in hiring for secular purposes. Those should not be allowed to stand.

Ms. PRYCE of Ohio. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from Wisconsin (Mr. GREEN).

Mr. GREEN of Wisconsin. I thank the gentlewoman for yielding me time.

I do agree with my colleague from Massachusetts that these are sensitive issues and weighty subjects that we debated today. Like everyone, when I first looked at this legislation, I had questions. It is complicated, it is complex, and it does touch upon delicate issues.

But I am proud of the work that has been done in this bill as it has moved forward. I am proud of the work that the gentleman from Wisconsin (Chairman SENSENBRENNER) and the gentleman from California (Chairman THOMAS) have done.

This bill is constitutional, this bill is workable, this bill is the right thing to do. It has strong accountability provisions. It requires separate accounts for the Federal dollars. It has opt-out provisions. It has secular alternative requirements.

This bill builds on current law. The religious exemption that we are going to hear about so often today is current law. It has been law for years. This body has reinforced this law on bipartisan votes several times.

In many ways, this bill is nothing new, because much of this is in current law; but in many ways, fundamental ways, it is new, because it opens up to new services, it opens up to new battles, it opens us up to new communities. With this bill, we can make a difference in lives, in neighborhoods, in communities all across America. This is the right thing to do.

Our President has pledged us as a Nation in his inaugural address that when we see that wounded traveler on the road to Jericho, we will not step to the other side. This legislation will ensure that that is the case.

I am proud of this legislation. I think this rule makes sense. I look forward to the debate, and I look forward to passing this law and sending it on to the Senate and the President's desk.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi (Mr. SHOWS).

Mr. SHOWS. Mr. Speaker, I thank the gentleman from Ohio for yielding me time.

Mr. Speaker, I appreciate the opportunity presented because of this bill being introduced. I rise today to express my strong support of H.R. 7, the Community Solutions Act of 2001. This bill is long overdue.

I come from a small town in rural Mississippi called Bassfield, population 350, which is home to a few hundred families who work hard every day. I invite you and my colleagues to visit Bassfield and see what it is like in a real small town outside the Beltway. In my town, churches and other houses of worship and religious institutions are the bedrock of the community. This is true in small towns and big cities across the country.

Where I come from, faith and family are common values; and, unlike Washington, when people in Bassfield need help, they do not look to the Government first, they look to the family and neighbors.

We cannot put a fence around the churches in Bassfield or anywhere else. It is impossible, because religious institutions are and will always be central to the lives of our communities. They do it because it is the right thing to do, and they do it well.

It does not make sense to reinvent the wheel to establish government programs to provide services in communities where services already exist in an overzealous effort to isolate religious from public policy.

We must respect the foresight of our Founding Fathers, who knew that our new democracy could not permit one religion to prevail over others. But they also knew that our country was funded on the basic freedom to express one's religion, not to silence it. While we must respect the separation of church and State, we must also respect the rights of people of faith.

Mr. Speaker, we always walk a fine line when we consider religion and public policy in the same breath; but in the Community Solutions Act, I believe we have crafted a bill that respects the separation of church and State, and, at the same time, tolerates the rights of all Americans to practice their religion.

We have crafted a measure that affords people in big cities and small towns across the country the opportunity to receive essential services from the people who know them best, their faith-based institutions that already are the core of their communities. In a civil society in our democracy we tolerate the views and religions of others. In this spirit, I believe we can allow faith-based institutions to be our partners in communities. Indeed, they already are.

Ms. PRYCE of Ohio. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from Florida (Mr. STEARNS).

(Mr. STEARNS asked and was given permission to revise and extend his remarks, and include extraneous material.)

Mr. STEARNS. Mr. Speaker, I thank the gentlewoman for yielding me time.

Mr. Speaker, let me address two points. I do not know if my colleague from Massachusetts is still in the Chamber, but this Charitable Choice exists in Federal programs already. In addition, the House has provided passage of Charitable Choice in child support, the Home Ownership Act, Fathers Count Act of 11/10/99, and also the Juvenile Justice bill. So we have four cases where Charitable Choice is already in place.

So for folks to come on the House floor and say vote against the rule because this is not fair, this is a great constitutional question, that is not true. However, President Clinton already signed into law four of these Charitable Choice pieces of legislation.

Mr. Speaker, I am here because contained in the base bill, I have a bill that was incorporated, and I want to thank the gentleman from California (Chairman THOMAS) and the gentleman from Oklahoma (Mr. WATTS) for giving consideration to my bill, which repeals the excise tax on the net investment income for private foundations. I would also like to thank my colleagues who have cosponsored this legislation.

Though, of course, full repeal of the 2 percent excise tax on private foundations would have been preferable, I want to thank my friends on the Committee on Ways and Means for eliminating the two-tier system and simplifying the tax to a flat 1 percent.

The tax was originally enacted in 1969 as a way to offset the cost of government audit of these charitable organizations. In 1990, the excise tax raised $204 million, and they conducted 1,200 audits of private foundations. Then in 1999, the excise tax raised $500 million, and the IRS only did roughly about 200 audits.

So private foundations generally must make annual distributions for charitable purposes equal to roughly 5 percent of their fair market value of the foundation's endowment assets. The excise tax acts as a credit in reducing this requirement.

So I am glad my bill is part of the base bill. It is a tax cut. I want to again remind my colleagues to vote for the rule.

Mr. Speaker, I first want to thank Chairman THOMAS, along with Congressman WATTS, for giving consideration to my bill H.R. 804—a bill to repeal the excise tax on the net investment income for private foundations. I would also like to thank my colleagues who have cosponsored this legislation.

Though, of course, full repeal of the 2 percent excise tax on private foundations would have been preferable, I want to thank my friends on the Ways and Means Committee for eliminating the two-tiered system and simplifying the tax to a flat 1 percent.

The tax was originally enacted in the Tax Reform Act of 1969 as a way to offset the cost of government audits of these organizations. In 1990, the excise tax raised $204 million and the IRS conducted 1,200 audits of private foundations. In 1999, the last year for which figures are available, the excise tax raised $499.6 million with the IRS conducting 191 audits.

Private foundations generally must make annual distributions for charitable purposes equal to roughly 5 percent of the fair market value of the foundation's endowment assets. The excise tax paid acts as a credit in reducing the 5 percent requirement.

By reducing the excise tax, we are placing needed money into the hands of our nation's charities. I thank Chairman THOMAS and Congressman WATTS for their leadership and support.

Across this country, faith-based charitable organizations have brought healing to broken lives and suffering communities by providing emergency services, drug treatment, after school programs, as well as many other vital services. However, too often the Federal Government has valued process over performance and not welcomed faith-based charities as partners in fighting social ills.

To address this bias Congress has repeatedly supported a program called Charitable Choice. This idea is not revolutionary. It has been adopted four separate times by bipartisan majorities and was signed into law by President Clinton each time, the first being the landmark welfare reform legislation in 1996. Charitable Choice is bipartisan, consensus law that expands options for needy Americans while safeguarding the character of faith-based charities and protects the rights of beneficiaries.

In fact, it already exists in Federal law and applies to three domestic programs. It enjoys broad support because it is not a special fund for religious charities; it simply makes faith-based groups eligible to compete for Federal dollars.

Charitable Choice corrects this prejudice that discriminates against charities on the sole basis of their belief system. This program because it is grounded in the Constitution, requires nondiscrimination. It includes all people of goodwill—whether Methodists, Muslim, Mormon, or good people of no faith at all.

It preserves the first amendment because it insists on a separation between programs operating on the Federal dollar and those operating on the private dollar. Faith-based organizations may make federal programs available

by advocating values but not engaging in religious worship.

The question then becomes, why would any faith-based group want to participate with these limitations. The answer is that the funding is always going to be there and therefore will we continue to discriminate or will we open the process and ferret out discrimination.

Charitable Choice is about funding affective public services, not religious worship. It explicitly states that no direct funds ''may be expended for sectarian worship, instruction or proselytization.'' While securing this separation, it also allows ''conversion-centered'' groups to participate via vouchers. This is nothing new in Federal law. Since 1990, low-income parents have used vouchers to enroll their children in thoroughly religious child-care services.

This voucher option is critical for beneficiaries because when helping needy Americans one size does not fit all.

Charitable Choice offers assistance in both the form of vouchers (to recipients) and grants (to organizations) to fund civic assistance programs. This variety expands service to needy Americans because it allows them to participate in a program that suits them without respect to religion.

The President established the office of Faith-based and Community Initiatives, which is the first of its kind, to correct this glaring discreptency. The purpose of this office is to devise a constitutional means by which religious organizations are brought to the table and allowed to compete for Federal moneys regardless of their belief system.

This is consistent with the President's objective to unleash private money for public good. It establishes charitable giving incentives for taxpayers to increase the level of money given directly to public service organizations.

Charitable Choice allows faith-based and secular civic organizations to compete on the basis of the same criteria. Charitable Choice asks the question, ''What can you do?'' rather than ''Who are you?'' It holds both the religious and secular civic organizations to the same standard: Results.

It is our responsibility to expand the range of care for people in crisis and Charitable Choice is an innovative way of achieving that goal. It is a way to empower that which is small and holistic.

American's deserve a variety of alternatives; the goal is not to favor one group or belief system over another but to simply level the playing field such that any effective social service is made eligible for Federal moneys already designated for public services. It doesn't favor any religious organization; it only ends some of the burdens that often impede them. Surely this is something that every American can support.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT. Mr. Speaker, I rise in opposition to the rule. It is clear that the majority is avoiding the amendment process because they cannot defend the underlying bill. I offered an amendment that was rejected in Rules that would have required agencies when making funding decisions to consider objective merits when they consider the proposals.

Now, I would like to ask, if you are not using objective merits, are the Federal officials supposed to just pick and choose between the religions based on the religion they like the best?

In addition to discriminating in the grant process, it prevents amendments on the issue of whether we ought to roll back civil rights by 60 years. The Leadership Conference on Civil Rights, the NAACP, a host of other organizations, oppose this bill because of what it does to civil rights.

We have heard we are not changing any present laws. Well, if you are not changing any present laws, you do not need a bill. This changes present laws, and that is the major controversy in the bill. We have not been able to discriminate in Federal contracts based on religion for decades. You can under this bill.

In fact, this bill is not about small organizations, and it is not about faith organizations. Any program that can get funded under this bill can get funded today, except those sponsored by organizations who insist on discriminating based on religion.

□ 1100

We ought to have a process where we can debate the question of discrimination in this bill. We ought to have a rule that allows that; this rule does not, and therefore, this rule ought to be rejected.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. SOUDER), my distinguished colleague.

Mr. SOUDER. Mr. Speaker, I thank the gentlewoman for yielding me this time.

First, I want to make a comment on the rule itself, which is this debate. The gentleman from Virginia just commented that he was frustrated that the rule does not allow for the ability to offer amendments. I cast a very difficult vote the other day. I do not favor campaign finance reform, but I believe that our leadership had been trying to work out a way for Shays-Meehan to have a straight up-or-down vote. In fact, this is what we need on charitable choice and this is what we need in health care.

I believe this rule is fair. Most Members of this House, in effect, both on this side and on the other side, argued for a rule that gave people who are arguing a position the ability to have a vote on their bill, and I believe this bill falls into the same category as campaign finance reform, the Fletcher medical bill, and other bills. When we have these conflicts where there are two clear sides, we ought to have straight up-or-down votes on those bills.

Secondly, while the gentleman from Virginia (Mr. SCOTT) is technically correct that this bill is different, it actually protects current religious exemptions. It does not change the religious freedom law. What we have done in this country is said that people who want to preserve their religious freedom are not eligible, even if they do not proselytize, even if they are just distributing soup to the hungry or if they are building a home for somebody who is homeless or if they are helping somebody who is dying of AIDS. Even if they do no evangelization, even if they do not pray with that individual, they are not allowed to build the house unless they change their entire religion or basic beliefs. That is what religious freedom is in this country, and that is what this bill is trying to uphold with current procedures as to how we do charitable work in this country so as to not step on religious freedom, and this bill attempts to rectify that.

Mr. HALL of Ohio. Mr. Speaker I yield 2 minutes to the gentleman from Tennessee (Mr. CLEMENT).

Mr. CLEMENT. Mr. Speaker, I thank the gentleman for yielding me this time. I might say about the gentleman, he is a champion, not only in the United States but worldwide, when it comes to hunger and fighting hunger.

I rise today in support of the rule, in support of H.R. 7, The Community Solutions Act of 2001. The heart of the so-called faith-based program would allow religious organizations to bid for Federal funds to feed the hungry, fight juvenile crime, assist older Americans, aid students, and help welfare recipients find work, among other charitable activities. I applaud the tremendous work that faith-based organizations have done to provide much-needed services to our communities.

Organizations such as the Nashville Rescue Mission in my district offer a hand up to those in need without any influx of Federal dollars. This legislation would give the mission and other groups the opportunity to compete for such funds should they so desire. These important faith-based service programs no doubt play an extremely important role in transforming lives as they daily reach out to the less fortunate in Tennessee and across the Nation. The time has come to recognize these unique entities by passing charitable choice legislation.

Charitable choice simply means equal access by faith-based organizations when they compete with other organizations for Federal social service contracts. Nothing is guaranteed. They must compete with everyone else and demonstrate their proven effectiveness in providing basic social services before they will be awarded Federal grants. Charitable choice is not a new idea. Existing charitable choice programs and national programs across the country have benefited thousands of people.

Faith-based organizations have long been on the front lines of helping our communities' most needy and broken. They have taken on the challenges of society that others have left behind. It is time that the Federal Government recognized the work they do and assist them in meeting these challenges. Let us improve our delivery system; let us support this bill and pass it.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 1½ minutes to the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Mr. Speaker, I would like my colleagues to join me in a little visualization, the Members that are gathered here and perhaps others here in the Chamber. This story, I will give credit, came from John Fund who is an editorial writer, and I would like you all to close your eyes for a minute if it makes it easier. Imagine for a minute that you go home today and open your mail and there is a letter there from an attorney who is a long ways away, and as you read that letter you realize that you have been named an heir to an enormous fortune that you did not even know existed and, all of a sudden, you are wealthy beyond your wildest dreams. Think about that for just a minute. You think, this is a windfall. I would like to take a significant portion of this money that I did not know I was going to get and I would like to put it into something that will help the less fortunate. Think about that for a minute. What would you do with that windfall? How would you help the less fortunate?

Now, be honest. How many of you, the first thing you thought of was, I know, I will give the money to the Federal Government.

Now, you might have thought about giving the money to the Salvation Army, you might have thought about giving it to the Red Cross, to a church group, to some other organization, but I will guarantee very few people gathered here in this Chamber today, very few Americans, the very first thing they would have said is, I know, I will give the money to the Federal Government.

That is what this bill is really all about. Let us give faith a chance. We all know deep down in our bones that we have wasted billions of dollars over the last 20 or 30 years in failed social programs run by the Federal bureaucracy. All this bill simply says is, give faith a chance.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, my husband, my children and I have among us 100 years of Catholic education. That education has taught us our responsibilities to the poor and the mission of the Gospel of Matthew. Indeed, the gentleman from Ohio (Mr. HALL) is the living embodiment of the gospel of Matthew to minister to the needs of the hungry, the homeless, and others in need. That Catholic education has also taught us to oppose discrimination in every place in our country. That is why I have to oppose this legislation, H.R. 7, that is before us today.

I am very proud that Catholic charities is the largest private network of social service agencies in the country, but in order to receive Federal funds, which they do now, Catholic charities and other religious affiliated nonprofits must agree to abide by all applicable antidiscrimination laws and to provide services without religious proselytizing. H.R. 7 would remove those important protections.

So as a Catholic and one driven by the Gospel of Matthew and proud of the work that our nonprofits and all denominations do, what is the problem with this bill? The problem is that today, this House will vote to legalize discrimination as we minister to the needs of the poor. I hope that course of action will not be taken, and I urge my colleagues to oppose this unfair rule and to oppose H.R. 7.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. SMITH), a member of the Committee on the Judiciary.

Mr. SMITH of Texas. Mr. Speaker, I thank the gentlewoman from Ohio (Ms. PRYCE), a member of the Committee on Rules, for yielding time to me.

Mr. Speaker, I am happy to support our Nation's faith-based organizations. I want to mention some people back home who are doing this kind of work. In downtown San Antonio at the Little Church of La Villita, for almost 40 years, people like Cleo Edmonds and David Gross have given their time and resources to feed the hungry. They feed about 100 people each day, primarily single mothers. Some people come in to get a meal; others to get groceries.

In addition to meeting the nutritional needs of those who come seeking help, the Little Church of La Villita meets the spiritual needs in our community, offering prayer and counseling to those who request it.

Some want to tell us that the faithful should leave their faith at the door. But, Mr. Speaker, everyone involved in serving the poor has faith; everyone has convictions. The only difference is that some believe in the power of God and some believe in the power of government.

The Constitution does not envision a government devoid of all religion; rather, it envisions a rich menagerie of faiths, a patchwork of beliefs and convictions, all under the protection of one Constitution.

Whether or not this bill becomes law, the Little Church of La Villita will continue its work. The question is not: Does the Little Church of La Villita need government money? The question is: Does the government need places like the Little Church of La Villita?

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, I feel like I am caught between a rock and a hard place. I say that because I support the concepts of faith-based initiatives. I support the elements of this legislation. I think it is going to go a long way towards finding solutions and helping address some of the many social ills and problems.

On the other hand, I do not believe that we can allow any hint of discrimination or the opportunity to discriminate against any segment of our population, no matter whether we are dealing with race, color, national origin, sexual orientation, it matters not. Each and every human being in this country must feel that they have equal protection under the law, must know that they are not going to be discriminated against.

While I hope that we will end up at the end of the day having passed this legislation, I hope we will end up at the end of the day sending a message to all of America that we will not allow discrimination in any shape, form, or fashion.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio (Mr. BOEHNER), the chairman of the Committee on Education and the Workforce.

Mr. BOEHNER. Mr. Speaker, let me thank the gentlewoman from Ohio for yielding me this time.

Mr. Speaker, I am pleased today to rise in support of President Bush's charitable choice initiative, the Community Solutions Act of 2001. I wish to thank the gentleman from Wisconsin (Mr. SENSENBRENNER) of the Committee on the Judiciary and the gentleman from California (Mr. THOMAS), the chairman of the Committee on Ways and Means, for their diligent efforts in crafting this legislation which has taken into account many different points of view.

As chairman of the Committee on Education and the Workforce, I am pleased that the legislation clearly indicates that faith-based organizations will be able to compete to provide services under several programs within our committee's jurisdiction. Every day throughout our Nation, community and faith-based organizations are playing a key role in meeting the needs of many Americans. Whether operating a soup kitchen, helping to build homes, providing child care, or providing training to welfare recipients, community and faith-based organizations are reaching out to others, and, in doing so, improving the quality of life for many Americans.

President Bush has called them ''armies of compassion''; and, indeed, these organizations have demonstrated compassion on many fronts: caring for children after school, providing emergency food and shelter, offering mentoring and counseling, uplifting families of prisoners, and helping to rescue young men and women from gangs and violence.

While many of these organizations have had success, some faith-based organizations have faced barriers in accessing Federal funds. H.R. 7, the Community Solutions Act, addresses this problem by making Federal programs friendlier to faith-based organizations. It will enable these organizations to compete for Federal funds and grants on the same basis as other organizations; and, in short, it will ensure that they have a seat at the table with other nonprofit providers.

Charitable choice is not a new idea, and over the past several years, Democrats and Republicans alike have voted for charitable choice in the Welfare Reform Act, the community services block grant law, and two substance abuse laws under the public health services act. The Community Solutions Act of 2001 represents a logical extension of these laws and would expand charitable choice to juvenile justice programs, housing programs, employment and training programs, child abuse, and violence prevention programs, hunger relief activities, high school equivalency and adult education programs, after-school programs and programs under the Older Americans Act, as well as many more.

□ 1115

For those who might be concerned about the excessive entanglement of religion in H.R. 7, it prohibits faith-based organizations from discriminating against participants on the basis of religion, a religious belief, or a refusal to hold a religious belief.

Other safeguards include a prohibition on using government funds for religious worship, instruction or proselytizing, and a requirement for separate accounting for the government funds.

Finally, if one objects to receiving services from a faith-based provider, alternative providers must be made available.

I think another important part of this legislation is the expansion of charitable deductions to those who do not itemize on their tax returns. One organization in my home State that would benefit from this change in tax law, as well as the charitable choice provisions, is Reach Out Lakota, located in West Chester, Ohio. This group began nearly 8 years ago after a one-time Christmas charity event, and now has expanded into a year-round organization which provides food, clothing, and other social services to about 45 families each month.

It is this kind of organization and this kind of involvement by community and faith-based organizations that I think is truly making a difference in the lives of many Americans. It is this kind of involvement that the Federal Government should be promoting and encouraging, the kind of involvement that H.R. 7 envisions.

I urge my colleagues to support President Bush in his efforts to transform cities and neighborhoods all across the land. I will ask all of my colleagues to vote for the rule and to vote for this most important bill.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. NADLER).

Mr. NADLER. Mr. Speaker, I rise in opposition to this rule because it forces Members who have genuine concerns about some very troublesome elements of the bill to raise all those concerns in a single substitute motion.

This rule permits not a single amendment to this bill to be heard on the floor. We will not be allowed to have clear votes on any of these questions, so the majority can shield from scrutiny the fiscal irresponsibility contained in this bill, the legislative green light in this bill for invidious discrimination, the nullification of State and local antidiscrimination laws contained in this bill.

Their effort to allow the administration to completely rewrite the billions of dollars of social service programs into vouchers, without any legislative investigation into what we are talking about there, without congressional consideration, and allowing religious groups to subject the most vulnerable in our society to religious pressure and proselytizing using Federal dollars.

Why are they so afraid of open and unstrained debate on this bill that makes such radical changes to our laws regarding religious freedom and the provision of social services? Why are they afraid to have clean up or down votes on these various issues? Does it have anything to do with the fear that those radical proposals considered one by one might not pass this body? Does it have anything to do with the fact that they are having trouble holding their own Members in line to vote for legalizing religious discrimination with taxpayer dollars?

This is compassion? This is what the majority thinks of our first freedom? This is what the Republican leadership and the compassionate conservative in the White House think of the merits of this proposal, that they will not permit amendments to be introduced on the floor and considered and voted on?

This House should have the chance to look carefully at each of these issues within this bill separately. We should have the chance to vote on these issues separately. We should have the chance to consider separately the several radical changes this bill would make in the very good and satisfactory way that religious organizations have been competing for and winning and using Federal funds for providing social services for the last 6 or 7 decades.

Ms. PRYCE of Ohio. Mr. Speaker, I am pleased to yield 1½ minutes to my distinguished colleague, the gentleman from Ohio (Mr. TRAFICANT).

Mr. HALL of Ohio. Mr. Speaker, I also yield 1 minute to the gentleman from Ohio.

The SPEAKER pro tempore (Mr. BONILLA). The gentleman from Ohio (Mr. TRAFICANT) is recognized for 2½ minutes.

Mr. TRAFICANT. Mr. Speaker, let us cut to the chase here. Opponents say that the Constitution separates church and State. Let us get down to business. But all legislative history clearly states and reflects the fact that the Founders' intent was only to prohibit the establishment of one state-sponsored religion.

The Founders put God on our buildings, the Founders put God on our currency, and the Founders never intended to separate God and the American people.

Think about what is happening in America. We have guns, drugs, murder in our schools, but prayer and God in our schools is actually prohibited by our government, we the people. Beam me up, Mr. Speaker. The Founders are rolling over in their graves.

I say today on the House floor, a nation that denies God is a nation that invites the devil and welcomes massive social problems, and that is exactly what is happening in America. Look around.

I stand here today in strong support of President Bush's initiative. I want to commend the gentleman from Oklahoma (Mr. WATTS) and the gentleman from Ohio (Mr. HALL) for their great leadership in taking America back to the intended course that our Founders had planned for our great Nation, founded on religious liberty.

We have let a few people in America decide what faith means. It is time to change that. This is the place to start. I commend those who are responsible for this great initiative.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Speaker, I thank the gentleman for yielding time to me.

Today I rise in strong opposition to this rule and this bill. As one who attended a Catholic school for 8 years, and a person of very deep faith, I believe faith-based organizations do enormous good in our communities, our country, and across the world helping millions of people. They feed the hungry, heal the sick, house the homeless.

Nonprofit religious organizations should be supported with increased funding and technical assistance. That is what charitable choice should do. There is not one cent in this bill to help these organizations in their noble work.

However, providing Federal funding directly to churches, synagogues, and houses of worships, mosques, which this bill does, represents direct government intrusion into matters of faith. Government cannot and government should not interfere with the practice of religion.

This bill subjects houses of worship to government control. Mr. Speaker, the IRS will have a field day. This bill will allow government-sponsored discrimination. It tramples State and local civil rights laws, and allows the use of Federal taxpayer dollars to fund discrimination in employment.

For example, it would allow organizations to refuse to hire Jews, Catholics, African American Baptists, depending on their religious policies and practices of their denomination. It would use taxpayer funds to fund that discrimination.

That is intolerable. Our government cannot turn its back on decades of fighting against discrimination and start funding discrimination. I urge Members to oppose this rule.

Ms. PRYCE of Ohio. Mr. Speaker, I am very pleased to yield 2 minutes to

my friend and distinguished colleague, the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Speaker, I thank the gentlewoman for yielding time to me.

Mr. Speaker, I stand in strong support of this rule. I am a little confused. Those who are against it are saying they are against it because they cannot get their amendments in. Yet, that same group last week, when the Committee on Rules said, let us have a campaign finance reform bill with lots of amendments, they were totally against that rule. So the reality is here they are against H.R. 7.

Let us review. In 1996, President Clinton, a liberal Democrat, signed into law welfare reform, welfare reform which said that faith-based organizations could participate in the delivery of some certain welfare services. The sky did not fall. For some reason, the sky is still up there.

All this does, H.R. 7, is say, we are going to take the 1996 bedrock signed by President Clinton and expand it to say that faith-based organizations who participate in some form of social services can be eligible to compete for Federal grants that fund such services.

Therefore, St. Paul's A.M.E. Church in Savannah, Georgia, run by Reverend Delaney, in all of his services of food and shelter and education and health care and family structure and family counseling, what they are saying to him is, ''Reverend Delaney, if you can divide the soup from the sermon, then what we will do is we will let you compete for a grant to feed the hungry. And what really matters is the full stomach here. That is the Federal Government's interest, not the conversion. You have to divide the soup in the sermon. But if you are doing a good job based on outcome, we are going to let you compete for that grant.'' That is what the Federal Government interest is, is the outcome.

If the Federal Government and all our Federal agencies were doing such a darned good job of delivering these services, we should have wiped out poverty, because since 1964 we have spent more on the war on poverty than we did to fight World War II.

It is not working. They need a helping hand. Let those who know the recipients, who live in the same ZIP Code and area code, let them compete for this money. They will do a good job.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina (Mr. WATT).

Mr. WATT of North Carolina. Mr. Speaker, I find it very interesting to serve in a body where the Committee on Rules 1 week decides that democracy is all about debating every single amendment separately, and then the very next week decides that it will not allow a separate debate on an amendment that would eliminate the ability of religious institutions to discriminate in their employment practices and remove the offensive provision that everybody is concerned about from this bill.

This is not a debate about government versus God. We made that choice when the Founding Fathers wrote into the Constitution ''one Nation, under God,'' and we have been living with that choice ever since.

But we made a different choice in 1965 when we outlawed discrimination in this country. It was not a unanimous decision by the Nation at that time, but I am appalled 20 or 40 years later now to be debating the issue of whether we will allow religious discrimination to be engaged in in the delivery of services by church institutions, and we are doing it in the name of God.

The gentleman from Pennsylvania (Mr. TRAFICANT) said, ''Beam me up.'' I want to be beamed up on that false choice. We should have a rule that allows us to offer an amendment to strike this offensive provision from this bill, and then we would have almost unanimous support for the bill. But they would rather have the issue than the support.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman from Ohio for yielding time to me. I thank the Speaker for the opportunity to characterize this date of history that we have today as a debate on a very crucial issue dealing with our view and commitment to the first amendment; that is, the idea of this government not establishing a specific religion for the nation.

□ 1130

I had hoped to offer the first amendment language as an amendment to this legislation, because I do not believe that we should be charged in this House with characterizing this debate as a question regarding our faith or our commitment in this Nation to our religious beliefs. I think it is important to understand that the Bill of Rights means something, that we cannot establish a religion through government. And certainly I think that as this legislation moves through this House today, giving direct funds to religious institutions makes this legislation as a violation of the Bill of Rights.

I believe if we pass legislation that gives direct funds to religious institutions and then affirms the right of these religious institutions to discriminate as it relates to employment, we are doing the contrary to what the Founding Fathers determined in those early years. Might I say that in the story of the Good Samaritan it was a diverse individual that helped a different individual, used his religion, his commitment of faith and charity, but I do not believe he needed to have an established law of providing Federal funds to a certain religion to make him charitable.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from Illinois (Ms. SCHAKOWSKY).

Ms. SCHAKOWSKY. Mr. Speaker, faith-based organizations currently play an important and vital role in providing needed social welfare programs; and we, as a government, wholeheartedly support this work.

In fiscal year 2000, faith-based organizations administered an estimated $1 billion in Housing and Urban Development assistance. Catholic Charities, Lutheran Services, Jewish Federation received substantial support from the Federal Government. But in order to get it, they agree not to discriminate. They simply comply with the structure established to comply with two of our Nations's most fundamental principles, equal protection of the law and separation of church and State.

I have helped to establish many 501(c)(3)'s and wonderful organizations who do this work. A thousand religious leaders and organizations are opposed to H.R. 7, including American Baptist Churches USA, Office of Government Relations, Jewish Council on Public Affairs, Presbyterian Church USA, Episcopal Church, Unitarian Universalist Church, United Church of Christ, United Methodist Church. Join with them to oppose H.R. 7.

Mr. HALL of Ohio. Mr. Speaker, I yield 1¼ minutes to the gentleman from North Carolina (Mr. PRICE).

(Mr. PRICE of North Carolina asked and was given permission to revise and extend his remarks.)

Mr. PRICE of North Carolina. Mr. Speaker, many citizens, including Members of this House, first got into politics and stay involved in politics because of their moral and religious convictions. Religious congregations and organizations are working in communities daily to reach out to those in need, through Meals-on-Wheels, housing complexes for the elderly and the disabled, after-school programs for at-risk youth; and they are often doing this with the help of public funds.

This concept of faith-based initiatives is not new. My experience has been that religious groups are eager and effective in delivering greatly needed social services. But, Mr. Speaker, these groups have willingly organized their activities so as to honor the constitutional injunction against the establishment of religion when administering government funds. They have kept sectarian and social service activities institutionally separate. And they have understood that the use of public funds carries with it an obligation to refrain from discrimination, both among those served and among those hired to provide the service.

While the Democratic substitute preserves these safeguards, the President's proposal threatens to break them down, and for that reason religious groups across the spectrum have raised red flags about the bill before us.

The dual constitutional prohibitions against establishing religion and prohibiting its free exercise protect fairness and freedom in the public realm and also the autonomy and integrity of

religious practice. We must maintain these safeguards, even as we encourage citizens to put their faith into action and thus to enrich our community life.

My colleagues, support the carefully crafted Democratic substitute.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio (Ms. KAPTUR).

Ms. KAPTUR. Mr. Speaker, I thank the gentleman for yielding me this time. Mr. Speaker, regarding the so-called faith-based initiative, if I were convinced that this initiative posed no threat to separation of church and State, I could support it. And if I were convinced it held no potential for the Government telling us what to believe, I could support it. But I am not convinced.

I just want to point to one particular provision in the bill that asks those receiving funds to set up not a separate 501(c)(3) to receive the dollars and be audited, but only a separate account. It specifically states that in the legislation. Religious organizations or any organization that is not for-profit receiving government money should be required to set up a separate 501(c)(3) to give them tax exempt status and to keep the distinction between the religious side of the organization and its social service activities.

In my district, the Lutheran Church already provides nursing home care, for example, through Wolf Creek Lutheran Home; but they have a separate 501(c)(3). Jewish Community Services, the same. Islamic Social Services, the same. The establishment of the 501(c)(3) principle in the base legislation is absolutely essential. I cannot support the faith-based initiative as currently constituted.

As a freedom lover who happens to be a Roman Catholic, I also know if our faith isn't deep enough, as sacrificing people, we don't need government money to subsidize us. We must give of our substance, not come to rely on a government subsidy.

But partnership between government and faith-based groups has its place. If this initiative—or any faith-based initiative—had the proper safeguards, I could give it my support. On page 29 of the bill, any funds received by religious groups under this program shall be placed in a ''separate account,'' not a separately incorporated 501(c)(3) legal entity. This means federal funds will be awarded directly to religious organizations. This simply defies our Bill of Rights and the separation of church and state so essential to the maintenance of our fundamental freedoms.

This bill should require religious organizations to establish separate 501(c)(3) organizations and give them a separate legal standing from the religious mission of the faith-based group and a tax-exempt status. Of course most involved in social services already do. In that way, they can take government money but maintain the separate legal structure that is necessary to protect religious freedom from government incursion.

Of course, grantees should employ strict prohibitions against discrimination in hiring and the provision of services and abide by all applicable federal, state and local laws prohibiting discrimination.

Of course, Mr. Speaker, religious organizations providing social services—augmented by taxpayer dollars—is hardly a new concept. And, we have learned an enormous amount from this rich and worthy experience. Let me give you some examples:

The Sisters of Mercy, the Franciscons, the Grey Nuns, the Dominicians and members of other orders minister to the needy in hospitals and hospices and homeless shelters throughout America. But they do so through non-profit organizations that are separate and legally distinct.

In my district, the Lutheran Church provides nursing home care and other service through Wolf Creek Lutheran Home. But they have a separate 501(c)(3).

Jewish Community Services throughout the nation offer social services, including federally-subsidized independent housing for elderly and handicapped people. But they keep a separate accounting through a 501(c)(3) status.

Islamic Social Services Association provides a wide range of social services to the growing Muslim population in North America—through its non-profit arm.

Certainly we want to encourage religious organizations to provide social services to our fellow Americans. And certainly we want to do nothing that would discourage such compassionate activity.

Priviate philantropy has its place, and we want to encourage our fellow citizens to give of their time and money to help the less fortunate. We know private philanthropy will never be a complete substitute for substantial social services funded by the U.S. Government. Our needs in America are so great, and many of the private groups boats are so small.

I believe it is crucial—in order to protect taxpayer dollars and also to protect religious institutions from government interference—to keep not just two separate accounts, but separate and distinct organizations legally incorprated with their mission clearly defined.

That is why the establishment of 501(c)(3) organizations is so crucial—not just for the integrity of government grant money but also for the independence of the religious organizations using it.

I cannot support the faith-based initiative as currently proposed. Please vote ''no'' on the rule and on the bill, unless amended.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. SCHIFF).

Mr. SCHIFF. Mr. Speaker, I rise in opposition to the rule and to H.R. 7. The Founding Fathers established a separation of church and State out of a solicitude for religion and for the State; and this initiative as drafted, I believe, is a threat to both. It is a threat to the State and the efficient operation of its services by preventing the State from ensuring that Federal funds are spent.

Who among us in this body is prepared to ask for an audit of a Jewish synagogue or the Catholic Church or the Mormon Temple for its expenditures of Federal funds? I would say probably none of us. And so the effective delivery of services cannot be effectively audited.

But more than that, the risk of excessive entanglement of religion, of having religious denominations compete with each other for Federal grants, becoming vendors of Federal services, of being told if they receive Federal money they cannot talk about faith being a necessary part of recovery, is this a position we want the Government to be in, saying if you take the Federal money, you cannot talk about faith, but if you do not, you can?

This is not in the best interest of either State or church, and I urge a ''no'' vote.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, as a person of faith, I believe in the power of faith to change lives, and I believe in the good work of faith-based groups. Yet today I join with over 1,000 religious leaders across America, and with civil rights groups, such as the NAACP, and educations groups, such as the National PTA and the National Association of School Administrators, who strongly oppose this bill.

Mr. Speaker, when Members cast their vote on this bill today, I hope they will ask themselves two fundamental questions: one, should citizens' tax dollars be used to directly fund churches and houses of worship? And, two, is it right to discriminate in job hiring when using Federal dollars?

I believe the answer to those two questions is no, and that is why I oppose this bill. Sending billions of tax dollars each year directly to churches is unconstitutional under the first amendment. It will lead to government regulation of our churches, which is exactly why our Founding Fathers rejected the idea of using tax dollars to fund our churches when they wrote the Bill of Rights.

It would be a huge step backwards in our Nation's march for civil rights to allow groups to fire employees from federally funded jobs solely because of their religious faith. Having a religious test for tax-supported jobs is wrong. No American citizen, not one, should have to pass someone else's religious test to qualify for a federally funded job.

Mr. Speaker, this idea was a bad idea when Mr. Madison and Mr. Jefferson and our Founding Fathers rejected it in writing the Constitution two centuries ago. It is a bad idea today. This bill will harm religion, not help it. I urge my colleagues to vote ''no'' on this unfair rule and ''no'' on this bill.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. HORN).

Mr. HORN. Mr. Speaker, I thank the gentlewoman for yielding me this time, and I rise today in support of H.R. 7 and encourage my colleagues to vote for this important legislation.

There is little doubt that faith-based organizations are often the most effective providers of social services in our communities. They are highly motivated, generous in spirit, and their motivation stems from a deep conviction about how one should live daily by giving to others in need. I have had a very

strong record in this Chamber of separation of church and State, but I think we should give the President a chance on this. If something goes awry, then let us change it. But I think it will not, and I think thousands of people will be able to help hundreds of people.

Through the welfare law passed in 1996, Congress provided opportunities for religious organizations, and I think there has been some very good language in H.R. 7. This program will work.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 2½ minutes to the gentleman from Mississippi (Mr. PICKERING).

Mr. PICKERING. Mr. Speaker, I rise today in proud support of both the rule and H.R. 7. I want to commend the gentleman from Ohio (Mr. HALL), who is an example to all of us, and the gentleman from Oklahoma (Mr. WATTS). They are the best of this institution.

I want to say that in my home State of Mississippi we have the proud distinction of being the most charitable State in the Nation, the most generous. And because of the faith-based initiative, we have had an effort that has brought our christian community together with the Jewish community, with Muslims, with black, with white, people of all ages to organize in support of this initiative, because we know in Mississippi, just as we know across this country, that for the addict, for the alcoholic, for the struggling family, for the hungry, for the prisoner, for those troubled, faith heals, faith renews, faith gives the hope that this country needs.

Our President has called on us to remove the hindrances, to remove the hostility to the faith-based approaches so that there can be neutrality between the secular and the religious in healing our land. It is to remove the discrimination that we now have against the faith-based solutions.

I believe this approach can help heal our land, can bring our people together. It is happening in my own State of Mississippi; it is happening all across this land. I believe this is the right way at the right time to stand with organizations from the Salvation Army to Catholic Charities, to Evangelical Christians, to groups that represent the full breadth of this land and the greatest traditions of our faith.

Our founders knew that faith needed to guide us to give us the political prosperity and the peace and the reconciliation and the renewal. May we rise to the occasion today and pass this great and good legislation.

□ 1145

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, before I yield back the balance of my time, I would simply say that if I were to believe what has been said in the past few days, even the past couple weeks, even some of the stories I have read in the news, if I were to believe it without reading the bill, I would probably vote against this bill, too. But I have read the bill.

I have lived and worked with some of these people that we are trying to help. It is time to reach out to them. It is time to encourage them, instead of beating them down. We beat them down. We turn them away from us when we have these kinds of discussions. It is time to reach out. That is what this bill does.

Vote for the rule. Vote for the bill.

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

Ms. PRYCE of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I ask my colleagues not to lose sight of our goal here to empower those organizations that can truly help in ways that the government could only wish, those organizations that are capable of really producing results in their own communities, neighbor to neighbor, one at a time. We need them far more than they need us.

Mr. Speaker, I urge my colleagues to support this rule and the underlying legislation so that we can join our President and heroes like the gentleman from Ohio (Mr. HALL) and the gentleman from Oklahoma (Mr. WATTS) and truly unleash the best of America.

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

The SPEAKER pro tempore (Mr. BONILLA). The question is on ordering the previous question.

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

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

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

The Sergeant at Arms will notify absent Members.

Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for electronic voting, if ordered, on the question of agreeing to the resolution.

The vote was taken by electronic device, and there were—yeas 228, nays 199, not voting 6, as follows:

[Roll No. 250]

YEAS—228

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Cubin
Culberson
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (OK)
Manzullo
Matheson
McCrery
McHugh
McInnis
McIntyre
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Wu
Young (AK)
Young (FL)

NAYS—199

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott

McGovern
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watson (CA)
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wynn

NOT VOTING—6

Bartlett
Engel
Hinojosa
McKinney
Norwood
Spence

□ 1207

Ms. JACKSON-LEE of Texas, Mr. LUCAS of Kentucky, Mr. CLEMENT, Ms. PELOSI, and Mr. WEXLER changed their vote from ''yea'' to ''nay.''

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

So the previous question was ordered.

The result of the vote was announced as above recorded.

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

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

RECORDED VOTE

Mr. CONYERS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 233, noes 194, not voting 6, as follows:

[Roll No. 251]

AYES—233

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Bishop
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Clement
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jackson-Lee (TX)
Jenkins
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
Matheson
McCrery
McHugh
McInnis
McIntyre
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOES—194

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Frank
Frost
Gephardt
Gonzalez
Green (TX)
Gutierrez
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watson (CA)
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—6

Engel
Hinojosa
Johnson (CT)
McKinney
Norwood
Spence

□ 1219

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. HINOJOSA. Mr. Speaker, I regret that I was unavoidably detained this last evening and this morning. Had I been present, I would have voted ''yes'' on rollcall 243, ''yes'' on rollcall 244, ''no'' on rollcall 245, ''no'' on rollcall 246, ''yes'' on rollcall 247, ''yes'' on rollcall 248, ''yes'' on rollcall 249, ''no'' on rollcall 250, and ''no'' on rollcall 251.

Mr. THOMAS. Mr. Speaker, pursuant to House Resolution 196, I call up the bill (H.R. 7) to provide incentives for charitable contributions by individuals and businesses, to improve the effectiveness and efficiency of government program delivery to individuals and families in need, and to enhance the ability of low-income Americans to gain financial security by building assets, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to House Resolution 196, the bill is considered read for amendment.

The text of H.R. 7 is as follows:

H.R. 7

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Community Solutions Act of 2001''.

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title; table of contents.

TITLE I—CHARITABLE GIVING INCENTIVES PACKAGE

Sec. 101. Deduction for portion of charitable contributions to be allowed to individuals who do not itemize deductions.

Sec. 102. Tax-free distributions from individual retirement accounts for charitable purposes.

Sec. 103. Charitable deduction for contributions of food inventory.

Sec. 104. Charitable donations liability reform for in-kind corporate contributions.

TITLE II—EXPANSION OF CHARITABLE CHOICE

Sec. 201. Provision of assistance under government programs by religious and community organizations.

TITLE III—INDIVIDUAL DEVELOPMENT ACCOUNTS

Sec. 301. Purposes.

Sec. 302. Definitions.
Sec. 303. Structure and administration of qualified individual development account programs.
Sec. 304. Procedures for opening and maintaining an individual development account and qualifying for matching funds.
Sec. 305. Deposits by qualified individual development account programs.
Sec. 306. Withdrawal procedures.
Sec. 307. Certification and termination of qualified individual development account programs.
Sec. 308. Reporting, monitoring, and evaluation.
Sec. 309. Authorization of appropriations.
Sec. 310. Account funds disregarded for purposes of certain means-tested Federal programs.
Sec. 311. Matching funds for individual development accounts provided through a tax credit for qualified financial institutions.

TITLE I—CHARITABLE GIVING INCENTIVES PACKAGE

SEC. 101. DEDUCTION FOR PORTION OF CHARITABLE CONTRIBUTIONS TO BE ALLOWED TO INDIVIDUALS WHO DO NOT ITEMIZE DEDUCTIONS.

(a) IN GENERAL.—Section 170 of the Internal Revenue Code of 1986 (relating to charitable, etc., contributions and gifts) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) DEDUCTION FOR INDIVIDUALS NOT ITEMIZING DEDUCTIONS.—In the case of an individual who does not itemize his deductions for the taxable year, there shall be taken into account as a direct charitable deduction under section 63 an amount equal to the lesser of—

''(1) the amount allowable under subsection (a) for the taxable year, or

''(2) the amount of the standard deduction.''

(b) DIRECT CHARITABLE DEDUCTION.—

(1) IN GENERAL.—Subsection (b) of section 63 of such Code is amended by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting '', and'', and by adding at the end thereof the following new paragraph:

''(3) the direct charitable deduction.''

(2) DEFINITION.—Section 63 of such Code is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

''(g) DIRECT CHARITABLE DEDUCTION.—For purposes of this section, the term 'direct charitable deduction' means that portion of the amount allowable under section 170(a) which is taken as a direct charitable deduction for the taxable year under section 170(m).''

(3) CONFORMING AMENDMENT.—Subsection (d) of section 63 of such Code is amended by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting '', and'', and by adding at the end thereof the following new paragraph:

''(3) the direct charitable deduction.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 102. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT ACCOUNTS FOR CHARITABLE PURPOSES.

(a) IN GENERAL.—Subsection (d) of section 408 of the Internal Revenue Code of 1986 (relating to individual retirement accounts) is amended by adding at the end the following new paragraph:

''(8) DISTRIBUTIONS FOR CHARITABLE PURPOSES.—

''(A) IN GENERAL.—No amount shall be includible in gross income by reason of a qualified charitable distribution from an individual retirement account to an organization described in section 170(c).

''(B) SPECIAL RULES RELATING TO CHARITABLE REMAINDER TRUSTS, POOLED INCOME FUNDS, AND CHARITABLE GIFT ANNUITIES.—

''(i) IN GENERAL.—No amount shall be includible in gross income by reason of a qualified charitable distribution from an individual retirement account—

''(I) to a charitable remainder annuity trust or a charitable remainder unitrust (as such terms are defined in section 664(d)),

''(II) to a pooled income fund (as defined in section 642(c)(5)), or

''(III) for the issuance of a charitable gift annuity (as defined in section 501(m)(5)).

The preceding sentence shall apply only if no person holds an income interest in the amounts in the trust, fund, or annuity attributable to such distribution other than one or more of the following: the individual for whose benefit such account is maintained, the spouse of such individual, or any organization described in section 170(c).

''(ii) DETERMINATION OF INCLUSION OF AMOUNTS DISTRIBUTED.—In determining the amount includible in the gross income of any person by reason of a payment or distribution from a trust referred to in clause (i)(I) or a charitable gift annuity (as so defined), the portion of any qualified charitable distribution to such trust or for such annuity which would (but for this subparagraph) have been includible in gross income—

''(I) shall be treated as income described in section 664(b)(1), and

''(II) shall not be treated as an investment in the contract.

''(iii) NO INCLUSION FOR DISTRIBUTION TO POOLED INCOME FUND.—No amount shall be includible in the gross income of a pooled income fund (as so defined) by reason of a qualified charitable distribution to such fund.

''(C) QUALIFIED CHARITABLE DISTRIBUTION.—For purposes of this paragraph, the term 'qualified charitable distribution' means any distribution from an individual retirement account—

''(i) which is made on or after the date that the individual for whose benefit the account is maintained has attained age 59½, and

''(ii) which is made directly from the account to—

''(I) an organization described in section 170(c), or

''(II) a trust, fund, or annuity referred to in subparagraph (B).

''(D) DENIAL OF DEDUCTION.—The amount allowable as a deduction under section 170 to the taxpayer for the taxable year shall be reduced (but not below zero) by the sum of the amounts of the qualified charitable distributions during such year which would be includible in the gross income of the taxpayer for such year but for this paragraph.''

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 103. CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.

(a) IN GENERAL.—Subsection (e) of section 170 of the Internal Revenue Code of 1986 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following new paragraph:

''(7) SPECIAL RULE FOR CONTRIBUTIONS OF FOOD INVENTORY.—For purposes of this section—

''(A) CONTRIBUTIONS BY NON-CORPORATE TAXPAYERS.—In the case of a charitable contribution of food by a taxpayer, paragraph (3)(A) shall be applied without regard to whether or not the contribution is made by a corporation.

''(B) LIMIT ON REDUCTION.—In the case of a charitable contribution of food which is a qualified contribution (within the meaning of paragraph (3)(A), as modified by subparagraph (A) of this paragraph)—

''(i) paragraph (3)(B) shall not apply, and

''(ii) the reduction under paragraph (1)(A) for such contribution shall be no greater than the amount (if any) by which the amount of such contribution exceeds twice the basis of such food.

''(C) DETERMINATION OF BASIS.—For purposes of this paragraph, if a taxpayer uses the cash method of accounting, the basis of any qualified contribution of such taxpayer shall be deemed to be 50 percent of the fair market value of such contribution.

''(D) DETERMINATION OF FAIR MARKET VALUE.—In the case of a charitable contribution of food which is a qualified contribution (within the meaning of paragraph (3), as modified by subparagraphs (A) and (B) of this paragraph) and which, solely by reason of internal standards of the taxpayer, lack of market, or similar circumstances, or which is produced by the taxpayer exclusively for the purposes of transferring the food to an organization described in paragraph (3)(A), cannot or will not be sold, the fair market value of such contribution shall be determined—

''(i) without regard to such internal standards, such lack of market, such circumstances, or such exclusive purpose, and

''(ii) if applicable, by taking into account the price at which the same or similar food items are sold by the taxpayer at the time of the contribution (or, if not so sold at such time, in the recent past).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

SEC. 104. CHARITABLE DONATIONS LIABILITY REFORM FOR IN-KIND CORPORATE CONTRIBUTIONS.

(a) DEFINITIONS.—For purposes of this section:

(1) AIRCRAFT.—The term ''aircraft'' has the meaning provided that term in section 40102(6) of title 49, United States Code.

(2) BUSINESS ENTITY.—The term ''business entity'' means a firm, corporation, association, partnership, consortium, joint venture, or other form of enterprise.

(3) EQUIPMENT.—The term ''equipment'' includes mechanical equipment, electronic equipment, and office equipment.

(4) FACILITY.—The term ''facility'' means any real property, including any building, improvement, or appurtenance.

(5) GROSS NEGLIGENCE.—The term ''gross negligence'' means voluntary and conscious conduct by a person with knowledge (at the time of the conduct) that the conduct is likely to be harmful to the health or well-being of another person.

(6) INTENTIONAL MISCONDUCT.—The term ''intentional misconduct'' means conduct by a person with knowledge (at the time of the conduct) that the conduct is harmful to the health or well-being of another person.

(7) MOTOR VEHICLE.—The term ''motor vehicle'' has the meaning provided that term in section 30102(6) of title 49, United States Code.

(8) NONPROFIT ORGANIZATION.—The term ''nonprofit organization'' means—

(A) any organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code; or

(B) any not-for-profit organization organized and conducted for public benefit and operated primarily for charitable, civic, educational, religious, welfare, or health purposes.

(9) STATE.—The term ''State'' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, any other territory or possession of the United States, or any political subdivision of any such State, territory, or possession.

(b) LIABILITY.—

(1) LIABILITY OF BUSINESS ENTITIES THAT DONATE EQUIPMENT TO NONPROFIT ORGANIZATIONS.—

(A) IN GENERAL.—Subject to subsection (c), a business entity shall not be subject to civil liability relating to any injury or death that results from the use of equipment donated by a business entity to a nonprofit organization.

(B) APPLICATION.—This paragraph shall apply with respect to civil liability under Federal and State law.

(2) LIABILITY OF BUSINESS ENTITIES PROVIDING USE OF FACILITIES TO NONPROFIT ORGANIZATIONS.—

(A) IN GENERAL.—Subject to subsection (c), a business entity shall not be subject to civil liability relating to any injury or death occurring at a facility of the business entity in connection with a use of such facility by a nonprofit organization, if—

(i) the use occurs outside of the scope of business of the business entity;

(ii) such injury or death occurs during a period that such facility is used by the nonprofit organization; and

(iii) the business entity authorized the use of such facility by the nonprofit organization.

(B) APPLICATION.—This paragraph shall apply—

(i) with respect to civil liability under Federal and State law; and

(ii) regardless of whether a nonprofit organization pays for the use of a facility.

(3) LIABILITY OF BUSINESS ENTITIES PROVIDING USE OF A MOTOR VEHICLE OR AIRCRAFT.—

(A) IN GENERAL.—Subject to subsection (c), a business entity shall not be subject to civil liability relating to any injury or death occurring as a result of the operation of aircraft or a motor vehicle of a business entity loaned to a nonprofit organization for use outside of the scope of business of the business entity, if—

(i) such injury or death occurs during a period that such motor vehicle or aircraft is used by a nonprofit organization; and

(ii) the business entity authorized the use by the nonprofit organization of motor vehicle or aircraft that resulted in the injury or death.

(B) APPLICATION.—This paragraph shall apply—

(i) with respect to civil liability under Federal and State law; and

(ii) regardless of whether a nonprofit organization pays for the use of the aircraft or motor vehicle.

(4) LIABILITY OF BUSINESS ENTITIES PROVIDING TOURS OF FACILITIES.—

(A) IN GENERAL.—Subject to subsection (c), a business entity shall not be subject to civil liability relating to any injury to, or death of an individual occurring at a facility of the business entity, if—

(i) such injury or death occurs during a tour of the facility in an area of the facility that is not otherwise accessible to the general public; and

(ii) the business entity authorized the tour.

(B) APPLICATION.—This paragraph shall apply—

(i) with respect to civil liability under Federal and State law; and

(ii) regardless of whether an individual pays for the tour.

(c) EXCEPTIONS.—Subsection (b) shall not apply to an injury or death that results from an act or omission of a business entity that constitutes gross negligence or intentional misconduct, including any misconduct that—

(1) constitutes a crime of violence (as that term is defined in section 16 of title 18, United States Code) or act of international terrorism (as that term is defined in section 2331 of title 18, United States Code) for which the defendant has been convicted in any court;

(2) constitutes a hate crime (as that term is used in the Hate Crime Statistics Act (28 U.S.C. 534 note));

(3) involves a sexual offense, as defined by applicable State law, for which the defendant has been convicted in any court; or

(4) involves misconduct for which the defendant has been found to have violated a Federal or State civil rights law.

(d) SUPERSEDING PROVISION.—

(1) IN GENERAL.—Subject to paragraph (2) and subsection (e), this title preempts the laws of any State to the extent that such laws are inconsistent with this title, except that this title shall not preempt any State law that provides additional protection for a business entity for an injury or death described in a paragraph of subsection (b) with respect to which the conditions specified in such paragraph apply.

(2) LIMITATION.—Nothing in this title shall be construed to supersede any Federal or State health or safety law.

(e) ELECTION OF STATE REGARDING NONAPPLICABILITY.—A provision of this title shall not apply to any civil action in a State court against a business entity in which all parties are citizens of the State if such State enacts a statute—

(1) citing the authority of this section;

(2) declaring the election of such State that such provision shall not apply to such civil action in the State; and

(3) containing no other provisions.

(f) EFFECTIVE DATE.—This section shall apply to injuries (and deaths resulting therefrom) occurring on or after the date of the enactment of this Act.

TITLE II—EXPANSION OF CHARITABLE CHOICE

SEC. 201. PROVISION OF ASSISTANCE UNDER GOVERNMENT PROGRAMS BY RELIGIOUS AND COMMUNITY ORGANIZATIONS.

Title XXIV of the Revised Statutes is amended by inserting after section 1990 (42 U.S.C. 1994) the following:

''SEC. 1994A. CHARITABLE CHOICE.

''(a) SHORT TITLE.—This section may be cited as the 'Charitable Choice Act of 2001'.

''(b) PURPOSES.—The purposes of this section are—

''(1) to provide assistance to individuals and families in need in the most effective and efficient manner;

''(2) to prohibit discrimination against religious organizations on the basis of religion in the administration and distribution of government assistance under the government programs described in subsection (c)(4);

''(3) to allow religious organizations to assist in the administration and distribution of such assistance without impairing the religious character of such organizations; and

''(4) to protect the religious freedom of individuals and families in need who are eligible for government assistance, including expanding the possibility of choosing to receive services from a religious organization providing such assistance.

''(c) RELIGIOUS ORGANIZATIONS INCLUDED AS NONGOVERNMENTAL PROVIDERS.—

''(1) IN GENERAL.—

''(A) INCLUSION.—For any program described in paragraph (4) that is carried out by the Federal Government, or by a State or local government with Federal funds, the government shall consider, on the same basis as other nongovernmental organizations, religious organizations to provide the assistance under the program, if the program is implemented in a manner that is consistent with the Establishment Clause and the Free Exercise Clause of the first amendment to the Constitution.

''(B) DISCRIMINATION PROHIBITED.—Neither the Federal Government nor a State or local government receiving funds under a program described in paragraph (4) shall discriminate against an organization that provides assistance under, or applies to provide assistance under, such program, on the basis that the organization has a religious character.

''(2) FUNDS NOT AID TO RELIGION.—Federal, State, or local government funds or other assistance that is received by a religious organization for the provision of services under this section constitutes aid to individuals and families in need, the ultimate beneficiaries of such services, and not aid to the religious organization.

''(3) FUNDS NOT ENDORSEMENT OF RELIGION.—The receipt by a religious organization of Federal, State, or local government funds or other assistance under this section is not and should not be perceived as an endorsement by the government of religion or the organization's religious beliefs or practices.

''(4) PROGRAMS.—For purposes of this section, a program is described in this paragraph—

''(A) if it involves activities carried out using Federal funds—

''(i) related to the prevention and treatment of juvenile delinquency and the improvement of the juvenile justice system, including programs funded under the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5601 et seq.);

''(ii) related to the prevention of crime, including programs funded under title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3701 et seq.);

''(iii) under the Federal housing laws;

''(iv) under title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.)

''(v) under the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.);

''(vi) under the Child Care Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.);

''(vii) under the Community Development Block Grant Program established under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.);

''(viii) related to the intervention in and prevention of domestic violence;

''(ix) related to hunger relief activities; or

''(x) under the Job Access and Reverse Commute grant program established under section 3037 of the Federal Transit Act of 1998 (49 U.S.C. 5309 note); or

''(B)(i) if it involves activities to assist students in obtaining the recognized equivalents of secondary school diplomas and activities relating to non-school-hours programs; and

''(ii) except as provided in subparagraph (A) and clause (i), does not include activities carried out under Federal programs providing education to children eligible to attend elementary schools or secondary schools, as defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

''(d) ORGANIZATIONAL CHARACTER AND AUTONOMY.—

''(1) IN GENERAL.—A religious organization that provides assistance under a program described in subsection (c)(4) shall retain its autonomy from Federal, State, and local governments, including such organization's

control over the definition, development, practice, and expression of its religious beliefs.

''(2) ADDITIONAL SAFEGUARDS.—Neither the Federal Government nor a State or local government shall require a religious organization in order to be eligible to provide assistance under a program described in subsection (c)(4)—

''(A) to alter its form of internal governance; or

''(B) to remove religious art, icons, scripture, or other symbols because they are religious.

''(e) EMPLOYMENT PRACTICES.—

''(1) IN GENERAL.—In order to aid in the preservation of its religious character, a religious organization that provides assistance under a program described in subsection (c)(4) may, notwithstanding any other provision of law, require that its employees adhere to the religious practices of the organization.

''(2) TITLE VII EXEMPTION.—The exemption of a religious organization provided under section 702 or 703(e)(2) of the Civil Rights Act of 1964 (42 U.S.C. 2000e–1, 2000e–2(e)(2)) regarding employment practices shall not be affected by the religious organization's provision of assistance under, or receipt of funds from, a program described in subsection (c)(4).

''(3) EFFECT ON OTHER LAWS.—Nothing in this section alters the duty of a religious organization to comply with the nondiscrimination provisions in title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) (prohibiting discrimination on the basis of race, color, and national origin), title IX of the Education Amendments of 1972 (20 U.S.C. 1681–1686) (prohibiting discrimination in educational institutions on the basis of sex and visual impairment), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) (prohibiting discrimination against otherwise qualified disabled individuals), and the Age Discrimination Act of 1975 (42 U.S.C. 6101–6107) (prohibiting discrimination on the basis of age).

''(f) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—

''(1) IN GENERAL.—If an individual described in paragraph (3) has an objection to the religious character of the organization from which the individual receives, or would receive, assistance funded under any program described in subsection (c)(4), the appropriate Federal, State, or local governmental entity shall provide to such individual (if otherwise eligible for such assistance) within a reasonable period of time after the date of such objection, assistance that—

''(A) is an alternative, including a nonreligious alternative, that is accessible to the individual; and

''(B) has a value that is not less than the value of the assistance that the individual would have received from such organization.

''(2) NOTICE.—The appropriate Federal, State, or local governmental entity shall guarantee that notice is provided to the individuals described in paragraph (3) of the rights of such individuals under this section.

''(3) INDIVIDUAL DESCRIBED.—An individual described in this paragraph is an individual who receives or applies for assistance under a program described in subsection (c)(4).

''(g) NONDISCRIMINATION AGAINST BENEFICIARIES.—

''(1) GRANTS AND CONTRACTS.—A religious organization providing assistance through a grant or contract under a program described in subsection (c)(4) shall not discriminate, in carrying out the program, against an individual described in subsection (f)(3)on the basis of religion, a religious belief, or a refusal to hold a religious belief.

''(2) INDIRECT FORMS OF DISBURSEMENT.—A religious organization providing assistance through a voucher, certificate, or other form of indirect disbursement under a program described in subsection (c)(4) shall not discriminate, in carrying out the program, against an individual described in subsection (f)(3) on the basis of religion, a religious belief, or a refusal to hold a religious belief.

''(h) ACCOUNTABILITY.—

''(1) IN GENERAL.—Except as provided in paragraph (2), a religious organization providing assistance under any program described in subsection (c)(4) shall be subject to the same regulations as other nongovernmental organizations to account in accord with generally accepted accounting principles for the use of such funds provided under such program.

''(2) LIMITED AUDIT.—Such organization shall segregate government funds provided under such program into a separate account or accounts. Only the government funds shall be subject to audit by the government.

''(i) LIMITATIONS ON USE OF FUNDS FOR CERTAIN PURPOSES.—No funds provided through a grant or contract to a religious organization to provide assistance under any program described in subsection (c)(4) shall be expended for sectarian worship, instruction, or proselytization. A certificate shall be signed by such organizations and filed with the government agency that disbursed the funds that gives assurance the organization will comply with this subsection.

''(j) EFFECT ON STATE AND LOCAL FUNDS.—If a State or local government contributes State or local funds to carry out a program described in subsection (c)(4), the State or local government may segregate the State or local funds from the Federal funds provided to carry out the program or may commingle the State or local funds with the Federal funds. If the State or local government commingles the State or local funds, the provisions of this section shall apply to the commingled funds in the same manner, and to the same extent, as the provisions apply to the Federal funds.

''(k) TREATMENT OF INTERMEDIATE CONTRACTORS.—If a nongovernmental organization (referred to in this subsection as an 'intermediate contractor'), acting under a contract or other agreement with the Federal Government or a State or local government, is given the authority under the contract or agreement to select nongovernmental organizations to provide assistance under the programs described in subsection (c)(4), the intermediate contractor shall have the same duties under this section as the government when selecting or otherwise dealing with subcontractors, but the intermediate contractor, if it is a religious organization, shall retain all other rights of a religious organization under this section.

''(l) COMPLIANCE.—A party alleging that the rights of the party under this section have been violated by a State or local government may bring a civil action pursuant to section 1979 against the official or government agency that has allegedly committed such violation. A party alleging that the rights of the party under this section have been violated by the Federal Government may bring a civil action for appropriate relief in Federal district court against the official or government agency that has allegedly committed such violation.''.

TITLE III—INDIVIDUAL DEVELOPMENT ACCOUNTS

SEC. 301. PURPOSES.

The purposes of this title are to provide for the establishment of individual development account programs that will—

(1) provide individuals and families with limited means an opportunity to accumulate assets and to enter the financial mainstream;

(2) promote education, homeownership, and the development of small businesses;

(3) stabilize families and build communities; and

(4) support United States economic expansion.

SEC. 302. DEFINITIONS.

As used in this title:

(1) ELIGIBLE INDIVIDUAL.—

(A) IN GENERAL.—The term ''eligible individual'' means an individual who—

(i) has attained the age of 18 years but not the age of 61;

(ii) is a citizen or legal resident of the United States;

(iii) is not a student (as defined in section 151(c)(4)); and

(iv) is a taxpayer the adjusted gross income of whom for the preceding taxable year does not exceed—

(I) $20,000, in the case of a taxpayer described in section 1(c) or 1(d) of the Internal Revenue Code of 1986;

(II) $25,000, in the case of a taxpayer described in section 1(b) of such Code; and

(III) $40,000, in the case of a taxpayer described in section 1(a) of such Code.

(B) INFLATION ADJUSTMENT.—

(i) IN GENERAL.—In the case of any taxable year beginning after 2002, each dollar amount referred to in subparagraph (A)(iv) shall be increased by an amount equal to—

(I) such dollar amount, multiplied by

(II) the cost-of-living adjustment determined under section (1)(f)(3) of the Internal Revenue Code of 1986 for the calendar year in which the taxable year begins, by substituting ''2001'' for ''1992''.

(ii) ROUNDING.—If any amount as adjusted under clause (i) is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50.

(2) INDIVIDUAL DEVELOPMENT ACCOUNT.—The term ''Individual Development Account'' means an account established for an eligible individual as part of a qualified individual development account program, but only if the written governing instrument creating the account meets the following requirements:

(A) The sole owner of the account is the individual for whom the account was established.

(B) No contribution will be accepted unless it is in cash.

(C) The holder of the account is a qualified financial institution.

(D) The assets of the account will not be commingled with other property except in a common trust fund or common investment fund.

(E) Except as provided in section 306(b), any amount in the account may be paid out only for the purpose of paying the qualified expenses of the account owner.

(3) PARALLEL ACCOUNT.—The term ''parallel account'' means a separate, parallel individual or pooled account for all matching funds and earnings dedicated to an Individual Development Account owner as part of a qualified individual development account program, the sole owner of which is a qualified financial institution, a qualified nonprofit organization, or an Indian tribe.

(4) QUALIFIED FINANCIAL INSTITUTION.—

(A) IN GENERAL.—The term ''qualified financial institution'' means any person authorized to be a trustee of any individual retirement account under section 408(a)(2).

(B) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed as preventing a person described in subparagraph

(A) from collaborating with 1 or more contractual affiliates, qualified nonprofit organizations, or Indian tribes to carry out an individual development account program established under section 303.

(5) QUALIFIED NONPROFIT ORGANIZATION.—The term ''qualified nonprofit organization'' means—

(A) any organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code;

(B) any community development financial institution certified by the Community Development Financial Institution Fund; or

(C) any credit union chartered under Federal or State law.

(6) INDIAN TRIBE.—The term ''Indian tribe'' means any Indian tribe as defined in section 4(12) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103(12), and includes any tribal subsidiary, subdivision, or other wholly owned tribal entity.

(7) QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAM.—The term ''qualified individual development account program'' means a program established under section 303 under which—

(A) Individual Development Accounts and parallel accounts are held by a qualified financial institution; and

(B) additional activities determined by the Secretary as necessary to responsibly develop and administer accounts, including recruiting, providing financial education and other training to account owners, and regular program monitoring, are carried out by the qualified financial institution, a qualified nonprofit organization, or an Indian tribe.

(8) QUALIFIED EXPENSE DISTRIBUTION.—

(A) IN GENERAL.—The term ''qualified expense distribution'' means any amount paid (including through electronic payments) or distributed out of an Individual Development Account and a parallel account established for an eligible individual if such amount—

(i) is used exclusively to pay the qualified expenses of the Individual Development Account owner or such owner's spouse or dependents, as approved by the qualified financial institution, qualified nonprofit organization, or Indian tribe;

(ii) is paid by the qualified financial institution, qualified nonprofit organization, or Indian tribe—

(I) except as otherwise provided in this clause, directly to the unrelated third party to whom the amount is due;

(II) in the case of distributions for working capital under a qualified business plan (as defined in subparagraph (B)(iv)(IV)), directly to the account owner;

(III) in the case of any qualified rollover, directly to another Individual Development Account and parallel account; or

(IV) in the case of a qualified final distribution, directly to the spouse, dependent, or other named beneficiary of the deceased account owner; and

(iii) is paid after the account owner has completed a financial education course as required under section 304(b).

(B) QUALIFIED EXPENSES.—

(i) IN GENERAL.—The term ''qualified expenses'' means any of the following:

(I) Qualified higher education expenses.

(II) Qualified first-time homebuyer costs.

(III) Qualified business capitalization or expansion costs.

(IV) Qualified rollovers.

(V) Qualified final distribution.

(ii) QUALIFIED HIGHER EDUCATION EXPENSES.—

(I) IN GENERAL.—The term ''qualified higher education expenses'' has the meaning given such term by section 72(t)(7) of the Internal Revenue Code of 1986, determined by treating postsecondary vocational educational schools as eligible educational institutions.

(II) POSTSECONDARY VOCATIONAL EDUCATION SCHOOL.—The term ''postsecondary vocational educational school'' means an area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4))) which is in any State (as defined in section 521(33) of such Act), as such sections are in effect on the date of the enactment of this Act.

(III) COORDINATION WITH OTHER BENEFITS.—The amount of qualified higher education expenses for any taxable year shall be reduced as provided in section 25A(g)(2) of such Code and may not be taken into account for purposes of determining qualified higher education expenses under section 135 or 530 of the Internal Revenue Code of 1986.

(iii) QUALIFIED FIRST-TIME HOMEBUYER COSTS.—The term ''qualified first-time homebuyer costs'' means qualified acquisition costs (as defined in section 72(t)(8) of such Code without regard to subparagraph (B) thereof) with respect to a principal residence (within the meaning of section 121 of such Code) for a qualified first-time homebuyer (as defined in section 72(t)(8) of such Code).

(iv) QUALIFIED BUSINESS CAPITALIZATION OR EXPANSION COSTS.—

(I) IN GENERAL.—The term ''qualified business capitalization or expansion costs'' means qualified expenditures for the capitalization or expansion of a qualified business pursuant to a qualified business plan.

(II) QUALIFIED EXPENDITURES.—The term ''qualified expenditures'' means expenditures included in a qualified business plan, including capital, plant, equipment, working capital, inventory expenses, attorney and accounting fees, and other costs normally associated with starting or expanding a business.

(III) QUALIFIED BUSINESS.—The term ''qualified business'' means any business that does not contravene any law.

(IV) QUALIFIED BUSINESS PLAN.—The term ''qualified business plan'' means a business plan which has been approved by the qualified financial institution, qualified nonprofit organization, or Indian tribe and which meets such requirements as the Secretary may specify.

(v) QUALIFIED ROLLOVERS.—The term ''qualified rollover'' means the complete distribution of the amounts in an Individual Development Account and parallel account to another Individual Development Account and parallel account established in another qualified financial institution, qualified nonprofit organization, or Indian tribe for the benefit of the account owner.

(vi) QUALIFIED FINAL DISTRIBUTION.—The term ''qualified final distribution'' means, in the case of a deceased account owner, the complete distribution of the amounts in an Individual Development Account and parallel account directly to the spouse, any dependent, or other named beneficiary of the deceased.

(9) SECRETARY.—The term ''Secretary'' means the Secretary of the Treasury.

SEC. 303. STRUCTURE AND ADMINISTRATION OF QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.

(a) ESTABLISHMENT OF QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.—Any qualified financial institution, qualified nonprofit organization, or Indian tribe may establish 1 or more qualified individual development account programs which meet the requirements of this title.

(b) BASIC PROGRAM STRUCTURE.—

(1) IN GENERAL.—All qualified individual development account programs shall consist of the following 2 components:

(A) An Individual Development Account to which an eligible individual may contribute cash in accordance with section 304.

(B) A parallel account to which all matching funds shall be deposited in accordance with section 305.

(2) TAILORED IDA PROGRAMS.—A qualified financial institution, a qualified nonprofit organization, or an Indian tribe may tailor its qualified individual development account program to allow matching funds to be spent on 1 or more of the categories of qualified expenses.

(c) TAX TREATMENT OF PARALLEL ACCOUNTS.—Any account described in subparagraph (B) of subsection (b)(1) is exempt from taxation under the Internal Revenue Code of 1986.

SEC. 304. PROCEDURES FOR OPENING AND MAINTAINING AN INDIVIDUAL DEVELOPMENT ACCOUNT AND QUALIFYING FOR MATCHING FUNDS.

(a) OPENING AN ACCOUNT.—An eligible individual may open an Individual Development Account with a qualified financial institution, a qualified nonprofit organization, or an Indian tribe upon certification that such individual maintains no other Individual Development Account (other than an Individual Development Account to be terminated by a qualified rollover).

(b) REQUIRED COMPLETION OF FINANCIAL EDUCATION COURSE.—

(1) IN GENERAL.—Before becoming eligible to withdraw matching funds to pay for qualified expenses, owners of Individual Development Accounts must complete a financial education course offered by a qualified financial institution, a qualified nonprofit organization, an Indian tribe, or a government entity.

(2) STANDARD AND APPLICABILITY OF COURSE.—The Secretary, in consultation with representatives of qualified individual development account programs and financial educators, shall establish minimum quality standards for the contents of financial education courses and providers of such courses offered under paragraph (1) and a protocol to exempt individuals from the requirement under paragraph (1) because of hardship or lack of need.

(c) STATUS AS AN ELIGIBLE INDIVIDUAL.—Federal income tax forms from the preceding taxable year (or in the absence of such forms, such documentation as specified by the Secretary proving the eligible individual's adjusted gross income and the status of the individual as an eligible individual) shall be presented to the qualified financial institution, qualified nonprofit organization, or Indian tribe at the time of the establishment of the Individual Development Account and in any taxable year in which contributions are made to the Account to qualify for matching funds under section 305(b)(1)(A).

(d) DIRECT DEPOSITS.—The Secretary may, under regulations, provide for the direct deposit of any portion (not less than $1) of any overpayment of Federal tax of an individual as a contribution to the Individual Development Account of such individual.

SEC. 305. DEPOSITS BY QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.

(a) PARALLEL ACCOUNTS.—The qualified financial institution, qualified nonprofit organization, or Indian tribe shall deposit all matching funds for each Individual Development Account into a parallel account at a qualified financial institution, a qualified nonprofit organization, or an Indian tribe.

(b) REGULAR DEPOSITS OF MATCHING FUNDS.—

(1) IN GENERAL.—Subject to paragraph (2), the qualified financial institution, qualified

nonprofit organization, or Indian tribe shall not less than quarterly (or upon a proper withdrawal request under section 306, if necessary) deposit into the parallel account with respect to each eligible individual the following:

(A) A dollar-for-dollar match for the first $500 contributed by the eligible individual into an Individual Development Account with respect to any taxable year.

(B) Any matching funds provided by State, local, or private sources in accordance to the matching ratio set by those sources.

(2) INFLATION ADJUSTMENT.—

(A) IN GENERAL.—In the case of any taxable year beginning after 2002, the dollar amount referred to in paragraph (1)(A) shall be increased by an amount equal to—

(i) such dollar amount, multiplied by

(ii) the cost-of-living adjustment determined under section (1)(f)(3) of the Internal Revenue Code of 1986 for the calendar year in which the taxable year begins, by substituting ''2001'' for ''1992''.

(B) ROUNDING.—If any amount as adjusted under subparagraph (A) is not a multiple of $20, such amount shall be rounded to the nearest multiple of $20.

(3) CROSS REFERENCE.—

For allowance of tax credit for Individual Development Account subsidies, including matching funds, see section 30B of the Internal Revenue Code of 1986.

(c) DEPOSIT OF MATCHING FUNDS INTO INDIVIDUAL DEVELOPMENT ACCOUNT OF INDIVIDUAL WHO HAS ATTAINED AGE 61.—In the case of an Individual Development Account owner who attains the age of 61, the qualified financial institution, qualified nonprofit organization, or Indian tribe which holds the parallel account for such individual shall deposit the funds in such parallel account into the Individual Development Account of such individual on the first day of the succeeding taxable year of such individual.

(d) UNIFORM ACCOUNTING REGULATIONS.—To ensure proper recordkeeping and determination of the tax credit under section 30B of the Internal Revenue Code of 1986, the Secretary shall prescribe regulations with respect to accounting for matching funds in the parallel accounts.

(e) REGULAR REPORTING OF ACCOUNTS.—Any qualified financial institution, qualified nonprofit organization, or Indian tribe shall report the balances in any Individual Development Account and parallel account of an individual on not less than an annual basis to such individual.

SEC. 306. WITHDRAWAL PROCEDURES.

(a) WITHDRAWALS FOR QUALIFIED EXPENSES.—To withdraw money from an individual's Individual Development Account to pay qualified expenses of such individual or such individual's spouse or dependents, the qualified financial institution, qualified nonprofit organization, or Indian tribe shall directly transfer such funds from the Individual Development Account, and, if applicable, from the parallel account electronically to the distributees described in section 302(8)(A)(ii). If the distributee is not equipped to receive funds electronically, the qualified financial institution, qualified nonprofit organization, or Indian tribe may issue such funds by paper check to the distributee.

(b) WITHDRAWALS FOR NONQUALIFIED EXPENSES.—An Individual Development Account owner may unilaterally withdraw any amount of funds from the Individual Development Account for purposes other than to pay qualified expenses, but shall forfeit a proportionate amount of matching funds from the individual's parallel account by doing so, unless such withdrawn funds are recontributed to such Account by September 30 following the withdrawal.

(c) WITHDRAWALS FROM ACCOUNTS OF NONELIGIBLE INDIVIDUALS.—If the individual for whose benefit an Individual Development Account is established ceases to be an eligible individual, such account shall remain an Individual Development Account, but such individual shall not be eligible for any further matching funds under section 305(b)(1)(A) during the period—

(1) beginning on the first day of the taxable year of such individual following the beginning of such ineligibility, and

(2) ending on the last day of the taxable year of such individual in which such ineligibility ceases.

(d) TAX TREATMENT OF MATCHING FUNDS.—Any amount withdrawn from a parallel account shall not be includible in an eligible individual's gross income.

(e) WITHDRAWAL LIABILITY RESTS ONLY WITH ELIGIBLE INDIVIDUALS.—Nothing in this title may be construed to impose liability on a qualified financial institution, a qualified nonprofit organization, or an Indian tribe for non-compliance with the requirements of this title related to withdrawals from Individual Development Accounts.

SEC. 307. CERTIFICATION AND TERMINATION OF QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.

(a) CERTIFICATION PROCEDURES.—Upon establishing a qualified individual development account program under section 303, a qualified financial institution, a qualified nonprofit organization, or an Indian tribe shall certify to the Secretary on forms prescribed by the Secretary and accompanied by any documentation required by the Secretary, that—

(1) the accounts described in subparagraphs (A) and (B) of section 303(b)(1) are operating pursuant to all the provisions of this title; and

(2) the qualified financial institution, qualified nonprofit organization, or Indian tribe agrees to implement an information system necessary to monitor the cost and outcomes of the qualified individual development account program.

(b) AUTHORITY TO TERMINATE QUALIFIED IDA PROGRAM.—If the Secretary determines that a qualified financial institution, a qualified nonprofit organization, or an Indian tribe under this title is not operating a qualified individual development account program in accordance with the requirements of this title (and has not implemented any corrective recommendations directed by the Secretary), the Secretary shall terminate such institution's, nonprofit organization's, or Indian tribe's authority to conduct the program. If the Secretary is unable to identify a qualified financial institution, a qualified nonprofit organization, or an Indian tribe to assume the authority to conduct such program, then any funds in a parallel account established for the benefit of any individual under such program shall be deposited into the Individual Development Account of such individual as of the first day of such termination.

SEC. 308. REPORTING, MONITORING, AND EVALUATION.

(a) RESPONSIBILITIES OF QUALIFIED FINANCIAL INSTITUTIONS, QUALIFIED NONPROFIT ORGANIZATIONS, AND INDIAN TRIBES.—Each qualified financial institution, qualified nonprofit organization, or Indian tribe that operates a qualified individual development account program under section 303 shall report annually to the Secretary within 90 days after the end of each calendar year on—

(1) the number of eligible individuals making contributions into Individual Development Accounts;

(2) the amounts contributed into Individual Development Accounts and deposited into parallel accounts for matching funds;

(3) the amounts withdrawn from Individual Development Accounts and parallel accounts, and the purposes for which such amounts were withdrawn;

(4) the balances remaining in Individual Development Accounts and parallel accounts; and

(5) such other information needed to help the Secretary monitor the cost and outcomes of the qualified individual development account program (provided in a non-individually-identifiable manner).

(b) RESPONSIBILITIES OF THE SECRETARY.—

(1) MONITORING PROTOCOL.—Not later than 12 months after the date of the enactment of this Act, the Secretary shall develop and implement a protocol and process to monitor the cost and outcomes of the qualified individual development account programs established under section 303.

(2) ANNUAL REPORTS.—In each year after the date of the enactment of this Act, the Secretary shall submit a progress report to Congress on the status of such qualified individual development account programs. Such report shall include from a representative sample of qualified individual development account programs information on—

(A) the characteristics of participants, including age, gender, race or ethnicity, marital status, number of children, employment status, and monthly income;

(B) deposits, withdrawals, balances, uses of Individual Development Accounts, and participant characteristics;

(C) the characteristics of qualified individual development account programs, including match rate, economic education requirements, permissible uses of accounts, staffing of programs in full time employees, and the total costs of programs; and

(D) information on program implementation and administration, especially on problems encountered and how problems were solved.

SEC. 309. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to the Secretary $1,000,000 for fiscal year 2002 and for each fiscal year through 2008, for the purposes of implementing this title, including the reporting, monitoring, and evaluation required under section 308, to remain available until expended.

SEC. 310. ACCOUNT FUNDS DISREGARDED FOR PURPOSES OF CERTAIN MEANS-TESTED FEDERAL PROGRAMS.

Notwithstanding any other provision of Federal law that requires consideration of 1 or more financial circumstances of an individual, for the purposes of determining eligibility to receive, or the amount of, any assistance or benefit authorized by such provision to be provided to or for the benefit of such individual, an amount equal to the sum of—

(1) all amounts (including earnings thereon) in any Individual Development Account; plus

(2) the matching deposits made on behalf of such individual (including earnings thereon) in any parallel account,

shall be disregarded for such purposes.

SEC. 311. MATCHING FUNDS FOR INDIVIDUAL DEVELOPMENT ACCOUNTS PROVIDED THROUGH A TAX CREDIT FOR QUALIFIED FINANCIAL INSTITUTIONS.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to other credits) is amended by inserting after section 30A the following new section:

''SEC. 30B. INDIVIDUAL DEVELOPMENT ACCOUNT INVESTMENT CREDIT FOR QUALIFIED FINANCIAL INSTITUTIONS.

''(a) DETERMINATION OF AMOUNT.—There shall be allowed as a credit against the applicable tax for the taxable year an amount

equal to the individual development account investment provided by an eligible entity during the taxable year under an individual development account program established under section 303 of the Community Solutions Act of 2001.

''(b) APPLICABLE TAX.—For the purposes of this section, the term 'applicable tax' means the excess (if any) of—

''(1) the tax imposed under this chapter (other than the taxes imposed under the provisions described in subparagraphs (C) through (Q) of section 26(b)(2)), over

''(2) the credits allowable under subpart B (other than this section) and subpart D of this part.

''(c) INDIVIDUAL DEVELOPMENT ACCOUNT INVESTMENT.—

''(1) IN GENERAL.—For purposes of this section, the term 'individual development account investment' means, with respect to an individual development account program of a qualified financial institution in any taxable year, an amount equal to the sum of—

''(A) the aggregate amount of dollar-for-dollar matches under such program under section 305(b)(1)(A) of the Community Solutions Act of 2001 for such taxable year, plus

''(B) an amount equal to the sum of—

''(i) with respect to each Individual Development Account opened during such taxable year, $100, plus

''(ii) with respect to each Individual Development Account maintained during such taxable year, $30.

''(2) INFLATION ADJUSTMENT.—

''(A) IN GENERAL.—In the case of any taxable year beginning after 2002, each dollar amount referred to in paragraph (1)(B) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section (1)(f)(3) for the calendar year in which the taxable year begins, by substituting '2001' for '1992'.

''(B) ROUNDING.—If any amount as adjusted under subparagraph (A) is not a multiple of $5, such amount shall be rounded to the nearest multiple of $5.

''(d) ELIGIBLE ENTITY.—For purposes of this section, the term 'eligible entity' means a qualified financial institution, or 1 or more contractual affiliates of such an institution as defined by the Secretary in regulations.

''(e) OTHER DEFINITIONS.—For purposes of this section, any term used in this section and also in the Community Solutions Act shall have the meaning given such term by such Act.

''(f) DENIAL OF DOUBLE BENEFIT.—No deduction or credit (other than under this section) shall be allowed under this chapter with respect to any expense which is taken into account under subsection (c)(1)(A) in determining the credit under this section.

''(g) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this section, including regulations providing for a recapture of the credit allowed under this section (notwithstanding any termination date described in subsection (h)) in cases where there is a forfeiture under section 306(b) of the Community Solutions Act of 2001 in a subsequent taxable year of any amount which was taken into account in determining the amount of such credit.

''(h) APPLICATION OF SECTION.—This section shall apply to any expenditure made in any taxable year beginning after December 31, 2001, and before January 1, 2009, with respect to any Individual Development Account opened before January 1, 2007.''.

(b) CONFORMING AMENDMENT.—The table of sections for subpart B of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 30A the following new item:

''Sec. 30B. Individual development account investment credit for qualified financial institutions.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

The SPEAKER pro tempore. In lieu of the amendments recommended by the Committee on Ways and Means and the Committee on the Judiciary printed in the bill, the amendment in the nature of a substitute printed in the CONGRESSIONAL RECORD and numbered 1 is adopted.

The text of the bill as amended by the amendment in the nature of a substitute printed in the CONGRESSIONAL RECORD and numbered 1 is as follows:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Community Solutions Act of 2001''.

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title; table of contents.

TITLE I—CHARITABLE GIVING INCENTIVES PACKAGE

Sec. 101. Deduction for portion of charitable contributions to be allowed to individuals who do not itemize deductions.

Sec. 102. Tax-free distributions from individual retirement accounts for charitable purposes.

Sec. 103. Increase in cap on corporate charitable contributions.

Sec. 104. Charitable deduction for contributions of food inventory.

Sec. 105. Reform of excise tax on net investment income of private foundations.

Sec. 106. Excise tax on unrelated business taxable income of charitable remainder trusts.

Sec. 107. Expansion of charitable contribution allowed for scientific property used for research and for computer technology and equipment used for educational purposes.

Sec. 108. Adjustment to basis of S corporation stock for certain charitable contributions.

TITLE II—EXPANSION OF CHARITABLE CHOICE

Sec. 201. Provision of assistance under government programs by religious and community organizations.

TITLE III—INDIVIDUAL DEVELOPMENT ACCOUNTS

Sec. 301. Additional qualified entities eligible to conduct projects under the Assets for Independence Act.

Sec. 302. Increase in limitation on net worth.

Sec. 303. Change in limitation on deposits for an individual.

Sec. 304. Elimination of limitation on deposits for a household.

Sec. 305. Extension of program.

Sec. 306. Conforming amendments.

Sec. 307. Applicability.

TITLE IV—CHARITABLE DONATIONS LIABILITY REFORM FOR IN-KIND CORPORATE CONTRIBUTIONS

Sec. 401. Charitable donations liability reform for in-kind corporate contributions.

TITLE I—CHARITABLE GIVING INCENTIVES PACKAGE

SEC. 101. DEDUCTION FOR PORTION OF CHARITABLE CONTRIBUTIONS TO BE ALLOWED TO INDIVIDUALS WHO DO NOT ITEMIZE DEDUCTIONS.

(a) IN GENERAL.—Section 170 of the Internal Revenue Code of 1986 (relating to charitable, etc., contributions and gifts) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) DEDUCTION FOR INDIVIDUALS NOT ITEMIZING DEDUCTIONS.—

''(1) IN GENERAL.—In the case of an individual who does not itemize his deductions for the taxable year, there shall be taken into account as a direct charitable deduction under section 63 an amount equal to the lesser of—

''(A) the amount allowable under subsection (a) for the taxable year for cash contributions, or

''(B) the applicable amount.

''(2) APPLICABLE AMOUNT.—For purposes of paragraph (1), the applicable amount shall be determined as follows:

''For taxable years beginning in:	**The applicable amount is:**
2002 and 2003	$25
2004, 2005, 2006	$50
2007, 2008, 2009	$75
2010 and thereafter	$100.

In the case of a joint return, the applicable amount is twice the applicable amount determined under the preceding table.''.

(b) DIRECT CHARITABLE DEDUCTION.—

(1) IN GENERAL.—Subsection (b) of section 63 of such Code is amended by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting '', and'', and by adding at the end thereof the following new paragraph:

''(3) the direct charitable deduction.''.

(2) DEFINITION.—Section 63 of such Code is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

''(g) DIRECT CHARITABLE DEDUCTION.—For purposes of this section, the term 'direct charitable deduction' means that portion of the amount allowable under section 170(a) which is taken as a direct charitable deduction for the taxable year under section 170(m).''.

(3) CONFORMING AMENDMENT.—Subsection (d) of section 63 of such Code is amended by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting '', and'', and by adding at the end thereof the following new paragraph:

''(3) the direct charitable deduction.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 102. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT ACCOUNTS FOR CHARITABLE PURPOSES.

(a) IN GENERAL.—Subsection (d) of section 408 of the Internal Revenue Code of 1986 (relating to individual retirement accounts) is amended by adding at the end the following new paragraph:

''(8) DISTRIBUTIONS FOR CHARITABLE PURPOSES.—

''(A) IN GENERAL.—No amount shall be includible in gross income by reason of a qualified charitable distribution.

''(B) QUALIFIED CHARITABLE DISTRIBUTION.—For purposes of this paragraph, the term 'qualified charitable distribution' means any distribution from an individual retirement account—

''(i) which is made on or after the date that the individual for whose benefit the account is maintained has attained age 70½, and

''(ii) which is made directly by the trustee—

''(I) to an organization described in section 170(c), or

''(II) to a split-interest entity.

A distribution shall be treated as a qualified charitable distribution only to the extent that the distribution would be includible in

gross income without regard to subparagraph (A) and, in the case of a distribution to a split-interest entity, only if no person holds an income interest in the amounts in the split-interest entity attributable to such distribution other than one or more of the following: the individual for whose benefit such account is maintained, the spouse of such individual, or any organization described in section 170(c).

''(C) CONTRIBUTIONS MUST BE OTHERWISE DEDUCTIBLE.—For purposes of this paragraph—

''(i) DIRECT CONTRIBUTIONS.—A distribution to an organization described in section 170(c) shall be treated as a qualified charitable distribution only if a deduction for the entire distribution would be allowable under section 170 (determined without regard to subsection (b) thereof and this paragraph).

''(ii) SPLIT-INTEREST GIFTS.—A distribution to a split-interest entity shall be treated as a qualified charitable distribution only if a deduction for the entire value of the interest in the distribution for the use of an organization described in section 170(c) would be allowable under section 170 (determined without regard to subsection (b) thereof and this paragraph).

''(D) APPLICATION OF SECTION 72.—Notwithstanding section 72, in determining the extent to which a distribution is a qualified charitable distribution, the entire amount of the distribution shall be treated as includible in gross income without regard to subparagraph (A) to the extent that such amount does not exceed the aggregate amount which would be so includible if all amounts were distributed from all individual retirement accounts otherwise taken into account in determining the inclusion on such distribution under section 72. Proper adjustments shall be made in applying section 72 to other distributions in such taxable year and subsequent taxable years.

''(E) SPECIAL RULES FOR SPLIT-INTEREST ENTITIES.—

''(i) CHARITABLE REMAINDER TRUSTS.—Distributions made from an individual retirement account to a trust described in subparagraph (G)(ii)(I) shall be treated as income described in section 664(b)(1) except to the extent that the beneficiary of the individual retirement account notifies the trustee of the trust of the amount which is not allocable to income under subparagraph (D).

''(ii) POOLED INCOME FUNDS.—No amount shall be includible in the gross income of a pooled income fund (as defined in subparagraph (G)(ii)(II)) by reason of a qualified charitable distribution to such fund.

''(iii) CHARITABLE GIFT ANNUITIES.—Qualified charitable distributions made for a charitable gift annuity shall not be treated as an investment in the contract.

''(F) DENIAL OF DEDUCTION.—Qualified charitable distributions shall not be taken into account in determining the deduction under section 170.

''(G) SPLIT-INTEREST ENTITY DEFINED.—For purposes of this paragraph, the term 'split-interest entity' means—

''(i) a charitable remainder annuity trust or a charitable remainder unitrust (as such terms are defined in section 664(d)),

''(ii) a pooled income fund (as defined in section 642(c)(5)), and

''(iii) a charitable gift annuity (as defined in section 501(m)(5)).''.

(b) MODIFICATIONS RELATING TO INFORMATION RETURNS BY CERTAIN TRUSTS.—

(1) RETURNS.—Section 6034 of such Code (relating to returns by trusts described in section 4947(a)(2) or claiming charitable deductions under section 642(c)) is amended to read as follows:

''SEC. 6034. RETURNS BY TRUSTS DESCRIBED IN SECTION 4947(a)(2) OR CLAIMING CHARITABLE DEDUCTIONS UNDER SECTION 642(c).

''(a) TRUSTS DESCRIBED IN SECTION 4947(a)(2).—Every trust described in section 4947(a)(2) shall furnish such information with respect to the taxable year as the Secretary may by forms or regulations require.

''(b) TRUSTS CLAIMING A CHARITABLE DEDUCTION UNDER SECTION 642(c).—

''(1) IN GENERAL.—Every trust not required to file a return under subsection (a) but claiming a charitable, etc., deduction under section 642(c) for the taxable year shall furnish such information with respect to such taxable year as the Secretary may by forms or regulations prescribe, including:

''(A) the amount of the charitable, etc., deduction taken under section 642(c) within such year,

''(B) the amount paid out within such year which represents amounts for which charitable, etc., deductions under section 642(c) have been taken in prior years,

''(C) the amount for which charitable, etc., deductions have been taken in prior years but which has not been paid out at the beginning of such year,

''(D) the amount paid out of principal in the current and prior years for charitable, etc., purposes,

''(E) the total income of the trust within such year and the expenses attributable thereto, and

''(F) a balance sheet showing the assets, liabilities, and net worth of the trust as of the beginning of such year.

''(2) EXCEPTIONS.—Paragraph (1) shall not apply in the case of a taxable year if all the net income for such year, determined under the applicable principles of the law of trusts, is required to be distributed currently to the beneficiaries. Paragraph (1) shall not apply in the case of a trust described in section 4947(a)(1).''.

(2) INCREASE IN PENALTY RELATING TO FILING OF INFORMATION RETURN BY SPLIT-INTEREST TRUSTS.—Paragraph (2) of section 6652(c) of such Code (relating to returns by exempt organizations and by certain trusts) is amended by adding at the end the following new subparagraph:

''(C) SPLIT-INTEREST TRUSTS.—In the case of a trust which is required to file a return under section 6034(a), subparagraphs (A) and (B) of this paragraph shall not apply and paragraph (1) shall apply in the same manner as if such return were required under section 6033, except that—

''(i) the 5 percent limitation in the second sentence of paragraph (1)(A) shall not apply,

''(ii) in the case of any trust with gross income in excess of $250,000, the first sentence of paragraph (1)(A) shall be applied by substituting '$100' for '$20', and the second sentence thereof shall be applied by substituting '$50,000' for '$10,000', and

''(iii) the third sentence of paragraph (1)(A) shall be disregarded.

If the person required to file such return knowingly fails to file the return, such person shall be personally liable for the penalty imposed pursuant to this subparagraph.''.

(3) CONFIDENTIALITY OF NONCHARITABLE BENEFICIARIES.—Subsection (b) of section 6104 of such Code (relating to inspection of annual information returns) is amended by adding at the end the following new sentence: ''In the case of a trust which is required to file a return under section 6034(a), this subsection shall not apply to information regarding beneficiaries which are not organizations described in section 170(c).''.

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to returns for taxable years beginning after December 31, 2001.

SEC. 103. INCREASE IN CAP ON CORPORATE CHARITABLE CONTRIBUTIONS.

(a) IN GENERAL.—Paragraph (2) of section 170(b) of the Internal Revenue Code of 1986 (relating to corporations) is amended by striking ''10 percent'' and inserting ''the applicable percentage''.

(b) APPLICABLE PERCENTAGE.—Subsection (b) of section 170 of such Code is amended by adding at the end the following new paragraph:

''(3) APPLICABLE PERCENTAGE DEFINED.—For purposes of paragraph (2), the applicable percentage shall be determined in accordance with the following table:

''For taxable years beginning in calendar year—	**The applicable percentage is—**
2002 through 2007	11
2008	12
2009	13
2010 and thereafter	15.''.

(c) CONFORMING AMENDMENTS.—

(1) Sections 512(b)(10) and 805(b)(2)(A) of such Code are each amended by striking ''10 percent'' each place it occurs and inserting ''the applicable percentage (determined under section 170(b)(3))''.

(2) Sections 545(b)(2) and 556(b)(2) of such Code are each amended by striking ''10-percent limitation'' and inserting ''applicable percentage limitation''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 104. CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.

(a) IN GENERAL.—Paragraph (3) of section 170(e) of the Internal Revenue Code of 1986 (relating to special rule for certain contributions of inventory and other property) is amended by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

''(C) SPECIAL RULE FOR CONTRIBUTIONS OF FOOD INVENTORY.—

''(i) GENERAL RULE.—In the case of a charitable contribution of food, this paragraph shall be applied—

''(I) without regard to whether the contribution is made by a C corporation, and

''(II) only for food that is apparently wholesome food.

''(ii) DETERMINATION OF FAIR MARKET VALUE.—In the case of a qualified contribution of apparently wholesome food to which this paragraph applies and which, solely by reason of internal standards of the taxpayer or lack of market, cannot or will not be sold, the fair market value of such food shall be determined by taking into account the price at which the same or similar food items are sold by the taxpayer at the time of the contribution (or, if not so sold at such time, in the recent past).

''(iii) APPARENTLY WHOLESOME FOOD.—For purposes of this subparagraph, the term 'apparently wholesome food' shall have the meaning given to such term by section 22(b)(2) of the Bill Emerson Good Samaritan Food Donation Act (42 U.S.C. 1791(b)(2)), as in effect on the date of the enactment of this subparagraph.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

SEC. 105. REFORM OF EXCISE TAX ON NET INVESTMENT INCOME OF PRIVATE FOUNDATIONS.

(a) IN GENERAL.—Subsection (a) of section 4940 of the Internal Revenue Code of 1986 (relating to excise tax based on investment income) is amended by striking ''2 percent'' and inserting ''1 percent''.

(b) REPEAL OF REDUCTION IN TAX WHERE PRIVATE FOUNDATION MEETS CERTAIN DISTRIBUTION REQUIREMENTS.—Section 4940 of such Code is amended by striking subsection (e).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 106. EXCISE TAX ON UNRELATED BUSINESS TAXABLE INCOME OF CHARITABLE REMAINDER TRUSTS.

(a) IN GENERAL.—Subsection (c) of section 664 of the Internal Revenue Code of 1986 (relating to exemption from income taxes) is amended to read as follows:

''(c) TAXATION OF TRUSTS.—

''(1) INCOME TAX.—A charitable remainder annuity trust and a charitable remainder unitrust shall, for any taxable year, not be subject to any tax imposed by this subtitle.

''(2) EXCISE TAX.—

''(A) IN GENERAL.—In the case of a charitable remainder annuity trust or a charitable remainder unitrust that has unrelated business taxable income (within the meaning of section 512, determined as if part III of subchapter F applied to such trust) for a taxable year, there is hereby imposed on such trust or unitrust an excise tax equal to the amount of such unrelated business taxable income.

''(B) CERTAIN RULES TO APPLY.—The tax imposed by subparagraph (A) shall be treated as imposed by chapter 42 for purposes of this title other than subchapter E of chapter 42.

''(C) CHARACTER OF DISTRIBUTIONS AND COORDINATION WITH DISTRIBUTION REQUIREMENTS.—The amounts taken into account in determining unrelated business taxable income (as defined in subparagraph (A)) shall not be taken into account for purposes of—

''(i) subsection (b),

''(ii) determining the value of trust assets under subsection (d)(2), and

''(iii) determining income under subsection (d)(3).

''(D) TAX COURT PROCEEDINGS.—For purposes of this paragraph, the references in section 6212(c)(1) to section 4940 shall be deemed to include references to this paragraph.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

SEC. 107. EXPANSION OF CHARITABLE CONTRIBUTION ALLOWED FOR SCIENTIFIC PROPERTY USED FOR RESEARCH AND FOR COMPUTER TECHNOLOGY AND EQUIPMENT USED FOR EDUCATIONAL PURPOSES.

(a) SCIENTIFIC PROPERTY USED FOR RESEARCH.—Clause (ii) of section 170(e)(4)(B) of the Internal Revenue Code of 1986 (defining qualified research contributions) is amended by inserting ''or assembled'' after ''constructed''.

(b) COMPUTER TECHNOLOGY AND EQUIPMENT FOR EDUCATIONAL PURPOSES.—Clause (ii) of section 170(e)(6)(B) of such Code is amended by inserting ''or assembled'' after ''constructed'' and ''or assembling'' after ''construction''.

(c) CONFORMING AMENDMENT.—Subparagraph (D) of section 170(e)(6) of such Code is amended by inserting ''or assembled'' after ''constructed'' and ''or assembling'' after ''construction''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 108. ADJUSTMENT TO BASIS OF S CORPORATION STOCK FOR CERTAIN CHARITABLE CONTRIBUTIONS.

(a) IN GENERAL.—Paragraph (1) of section 1367(a) of such Code (relating to adjustments to basis of stock of shareholders, etc.) is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting '', and'', and by adding at the end the following new subparagraph:

''(D) the excess of the amount of the shareholder's deduction for any charitable contribution made by the S corporation over the shareholder's proportionate share of the adjusted basis of the property contributed.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2001.

TITLE II—EXPANSION OF CHARITABLE CHOICE

SEC. 201. PROVISION OF ASSISTANCE UNDER GOVERNMENT PROGRAMS BY RELIGIOUS AND COMMUNITY ORGANIZATIONS.

Title XXIV of the Revised Statutes of the United States is amended by inserting after section 1990 (42 U.S.C. 1994) the following:

''SEC. 1991. CHARITABLE CHOICE.

''(a) SHORT TITLE.—This section may be cited as the 'Charitable Choice Act of 2001'.

''(b) PURPOSES.—The purposes of this section are—

''(1) to enable assistance to be provided to individuals and families in need in the most effective and efficient manner;

''(2) to supplement the Nation's social service capacity by facilitating the entry of new, and the expansion of existing, efforts by religious and other community organizations in the administration and distribution of government assistance under the government programs described in subsection (c)(4);

''(3) to prohibit discrimination against religious organizations on the basis of religion in the administration and distribution of government assistance under such programs;

''(4) to allow religious organizations to participate in the administration and distribution of such assistance without impairing the religious character and autonomy of such organizations; and

''(5) to protect the religious freedom of individuals and families in need who are eligible for government assistance, including expanding the possibility of their being able to choose to receive services from a religious organization providing such assistance.

''(c) RELIGIOUS ORGANIZATIONS INCLUDED AS PROVIDERS; DISCLAIMERS.—

''(1) IN GENERAL.—

''(A) INCLUSION.—For any program described in paragraph (4) that is carried out by the Federal Government, or by a State or local government with Federal funds, the government shall consider, on the same basis as other nongovernmental organizations, religious organizations to provide the assistance under the program, and the program shall be implemented in a manner that is consistent with the establishment clause and the free exercise clause of the first amendment to the Constitution.

''(B) DISCRIMINATION PROHIBITED.—Neither the Federal Government, nor a State or local government receiving funds under a program described in paragraph (4), shall discriminate against an organization that provides assistance under, or applies to provide assistance under, such program on the basis that the organization is religious or has a religious character.

''(2) FUNDS NOT AID TO RELIGION.—Federal, State, or local government funds or other assistance that is received by a religious organization for the provision of services under this section constitutes aid to individuals and families in need, the ultimate beneficiaries of such services, and not support for religion or the organization's religious beliefs or practices. Notwithstanding the provisions in this paragraph, title VI of the Civil Rights Act of 1964 (42 USC 2000d et seq.) shall apply to organizations receiving assistance funded under any program described in subsection (c)(4).

''(3) FUNDS NOT ENDORSEMENT OF RELIGION.—The receipt by a religious organization of Federal, State, or local government funds or other assistance under this section is not an endorsement by the government of religion or of the organization's religious beliefs or practices.

''(4) PROGRAMS.—For purposes of this section, a program is described in this paragraph—

''(A) if it involves activities carried out using Federal funds—

''(i) related to the prevention and treatment of juvenile delinquency and the improvement of the juvenile justice system, including programs funded under the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5601 et seq.);

''(ii) related to the prevention of crime and assistance to crime victims and offenders' families, including programs funded under title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3701 et seq.);

''(iii) related to the provision of assistance under Federal housing statutes, including the Community Development Block Grant Program established under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.);

''(iv) under subtitle B or D of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.);

''(v) under the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.);

''(vi) related to the intervention in and prevention of domestic violence, including programs under the Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.) or the Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.);

''(vii) related to hunger relief activities; or

''(viii) under the Job Access and Reverse Commute grant program established under section 3037 of the Federal Transit Act of 1998 (49 U.S.C. 5309 note); or

''(B)(i) if it involves activities to assist students in obtaining the recognized equivalents of secondary school diplomas and activities relating to nonschool hours programs, including programs under—

''(I) chapter 3 of subtitle A of title II of the Workforce Investment Act of 1998 (Public Law 105–220); or

''(II) part I of title X of the Elementary and Secondary Education Act (20 U.S.C. 6301 et seq.); and

''(ii) except as provided in subparagraph (A) and clause (i), does not include activities carried out under Federal programs providing education to children eligible to attend elementary schools or secondary schools, as defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

''(d) ORGANIZATIONAL CHARACTER AND AUTONOMY.—

''(1) IN GENERAL.—A religious organization that provides assistance under a program described in subsection (c)(4) shall have the right to retain its autonomy from Federal, State, and local governments, including such organization's control over the definition, development, practice, and expression of its religious beliefs.

''(2) ADDITIONAL SAFEGUARDS.—Neither the Federal Government, nor a State or local government with Federal funds, shall require a religious organization, in order to be eligible to provide assistance under a program described in subsection (c)(4), to—

''(A) alter its form of internal governance or provisions in its charter documents; or

''(B) remove religious art, icons, scripture, or other symbols, or to change its name, because such symbols or names are of a religious character.

''(e) EMPLOYMENT PRACTICES.—A religious organization's exemption provided under section 702 of the Civil Rights Act of 1964 (42 U.S.C. 2000e–1) regarding employment practices shall not be affected by its participation in, or receipt of funds from, programs described in subsection (c)(4), and any provision in such programs that is inconsistent with or would diminish the exercise of an organization's autonomy recognized in section 702 or in this section shall have no effect. Nothing in this section alters the duty of a religious organization to comply with the nondiscrimination provisions of title VII of the Civil Rights Act of 1964 in the use of funds from programs described in subsection (c)(4).

''(f) EFFECT ON OTHER LAWS.—Nothing in this section shall alter the duty of a religious organization receiving assistance or providing services under any program described in subsection (c)(4) to comply with the nondiscrimination provisions in title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) (prohibiting discrimination on the basis of race, color, and national origin), title IX of the Education Amendments of 1972 (20 U.S.C. 1681–1688) (prohibiting discrimination in education programs or activities on the basis of sex and visual impairment), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) (prohibiting discrimination against otherwise qualified disabled individuals), and the Age Discrimination Act of 1975 (42 U.S.C. 6101–6107) (prohibiting discrimination on the basis of age).

''(g) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—

''(1) IN GENERAL.—If an individual described in paragraph (3) has an objection to the religious character of the organization from which the individual receives, or would receive, assistance funded under any program described in subsection (c)(4), the appropriate Federal, State, or local governmental entity shall provide to such individual (if otherwise eligible for such assistance) within a reasonable period of time after the date of such objection, assistance that—

''(A) is an alternative that is accessible to the individual and unobjectionable to the individual on religious grounds; and

''(B) has a value that is not less than the value of the assistance that the individual would have received from such organization.

''(2) NOTICE.—The appropriate Federal, State, or local governmental entity shall guarantee that notice is provided to the individuals described in paragraph (3) of the rights of such individuals under this section.

''(3) INDIVIDUAL DESCRIBED.—An individual described in this paragraph is an individual who receives or applies for assistance under a program described in subsection (c)(4).

''(h) NONDISCRIMINATION AGAINST BENEFICIARIES.—

''(1) GRANTS AND COOPERATIVE AGREEMENTS.—A religious organization providing assistance through a grant or cooperative agreement under a program described in subsection (c)(4) shall not discriminate in carrying out the program against an individual described in subsection (g)(3) on the basis of religion, a religious belief, or a refusal to hold a religious belief.

''(2) INDIRECT FORMS OF ASSISTANCE.—A religious organization providing assistance through a voucher, certificate, or other form of indirect assistance under a program described in subsection (c)(4) shall not deny an individual described in subsection (g)(3) admission into such program on the basis of religion, a religious belief, or a refusal to hold a religious belief.

''(i) ACCOUNTABILITY.—

''(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), a religious organization providing assistance under any program described in subsection (c)(4) shall be subject to the same regulations as other nongovernmental organizations to account in accord with generally accepted accounting principles for the use of such funds and its performance of such programs.

''(2) LIMITED AUDIT.—

''(A) GRANTS AND COOPERATIVE AGREEMENTS.—A religious organization providing assistance through a grant or cooperative agreement under a program described in subsection (c)(4) shall segregate government funds provided under such program into a separate account or accounts. Only the separate accounts consisting of funds from the government shall be subject to audit by the government.

''(B) INDIRECT FORMS OF ASSISTANCE.—A religious organization providing assistance through a voucher, certificate, or other form of indirect assistance under a program described in subsection (c)(4) may segregate government funds provided under such program into a separate account or accounts. If such funds are so segregated, then only the separate accounts consisting of funds from the government shall be subject to audit by the government.

''(3) SELF AUDIT.—A religious organization providing services under any program described in subsection (c)(4) shall conduct annually a self audit for compliance with its duties under this section and submit a copy of the self audit to the appropriate Federal, State, or local government agency, along with a plan to timely correct variances, if any, identified in the self audit.

''(j) LIMITATIONS ON USE OF FUNDS; VOLUNTARINESS.—No funds provided through a grant or cooperative agreement to a religious organization to provide assistance under any program described in subsection (c)(4) shall be expended for sectarian instruction, worship, or proselytization. If the religious organization offers such an activity, it shall be voluntary for the individuals receiving services and offered separate from the program funded under subsection (c)(4). A certificate shall be separately signed by religious organizations, and filed with the government agency that disburses the funds, certifying that the organization is aware of and will comply with this subsection.

''(k) EFFECT ON STATE AND LOCAL FUNDS.—If a State or local government contributes State or local funds to carry out a program described in subsection (c)(4), the State or local government may segregate the State or local funds from the Federal funds provided to carry out the program or may commingle the State or local funds with the Federal funds. If the State or local government commingles the State or local funds, the provisions of this section shall apply to the commingled funds in the same manner, and to the same extent, as the provisions apply to the Federal funds.

''(l) INDIRECT ASSISTANCE.—When consistent with the purpose of a program described in subsection (c)(4), the Secretary of the department administering the program may direct the disbursement of some or all of the funds, if determined by the Secretary to be feasible and efficient, in the form of indirect assistance. For purposes of this section, 'indirect assistance' constitutes assistance in which an organization receiving funds through a voucher, certificate, or other form of disbursement under this section receives such funding only as a result of the private choices of individual beneficiaries and no government endorsement of any particular religion, or of religion generally, occurs.

''(m) TREATMENT OF INTERMEDIATE GRANTORS.—If a nongovernmental organization (referred to in this subsection as an 'intermediate grantor'), acting under a grant or other agreement with the Federal Government, or a State or local government with Federal funds, is given the authority under the agreement to select nongovernmental organizations to provide assistance under the programs described in subsection (c)(4), the intermediate grantor shall have the same duties under this section as the government when selecting or otherwise dealing with subgrantors, but the intermediate grantor, if it is a religious organization, shall retain all other rights of a religious organization under this section.

''(n) COMPLIANCE.—A party alleging that the rights of the party under this section have been violated by a State or local government may bring a civil action for injunctive relief pursuant to section 1979 against the State official or local government agency that has allegedly committed such violation. A party alleging that the rights of the party under this section have been violated by the Federal Government may bring a civil action for injunctive relief in Federal district court against the official or government agency that has allegedly committed such violation.

''(o) TRAINING AND TECHNICAL ASSISTANCE FOR SMALL NONGOVERNMENTAL ORGANIZATIONS.—

''(1) IN GENERAL.—From amounts made available to carry out the purposes of the Office of Justice Programs (including any component or unit thereof, including the Office of Community Oriented Policing Services), funds are authorized to provide training and technical assistance, directly or through grants or other arrangements, in procedures relating to potential application and participation in programs identified in subsection (c)(4) to small nongovernmental organizations, as determined by the Attorney General, including religious organizations, in an amount not to exceed $50 million annually.

''(2) TYPES OF ASSISTANCE.—Such assistance may include—

''(A) assistance and information relative to creating an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 to operate identified programs;

''(B) granting writing assistance which may include workshops and reasonable guidance;

''(C) information and referrals to other nongovernmental organizations that provide expertise in accounting, legal issues, tax issues, program development, and a variety of other organizational areas; and

''(D) information and guidance on how to comply with Federal nondiscrimination provisions including, but not limited to, title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e et seq.), the Fair Housing Act, as amended (42 U.S.C. 3601 et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681–1688), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 694), and the Age Discrimination Act of 1975 (42 U.S.C. 6101–6107).

''(3) RESERVATION OF FUNDS.—An amount of no less than $5,000,000 shall be reserved under this section. Small nongovernmental organizations may apply for these funds to be used for assistance in providing full and equal integrated access to individuals with disabilities in programs under this title.

''(4) PRIORITY.—In giving out the assistance described in this subsection, priority shall be given to small nongovernmental organizations serving urban and rural communities.''.

TITLE III—INDIVIDUAL DEVELOPMENT ACCOUNTS

SEC. 301. ADDITIONAL QUALIFIED ENTITIES ELIGIBLE TO CONDUCT PROJECTS UNDER THE ASSETS FOR INDEPENDENCE ACT.

Section 404(7)(A)(iii)(I)(aa) of the Assets for Independence Act (42 U.S.C. 604 note) is amended to read as follows:

''(aa) a federally insured credit union; or''.

SEC. 302. INCREASE IN LIMITATION ON NET WORTH.

Section 408(a)(2)(A) of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking ''$10,000'' and inserting ''$20,000''.

SEC. 303. CHANGE IN LIMITATION ON DEPOSITS FOR AN INDIVIDUAL.

Section 410(b) of the Assets for Independence Act (42 U.S.C. 604 note) is amended to read as follows:

''(b) LIMITATION ON DEPOSITS FOR AN INDIVIDUAL.—Not more than $500 from a grant made under section 406(b) shall be provided per year to any one individual during the project.''.

SEC. 304. ELIMINATION OF LIMITATION ON DEPOSITS FOR A HOUSEHOLD.

Section 410 of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking subsection (c) and redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

SEC. 305. EXTENSION OF PROGRAM.

Section 416 of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking ''2001, 2002, and 2003'' and inserting ''and 2001, and $50,000,000 for each of fiscal years 2002 through 2008''.

SEC. 306. CONFORMING AMENDMENTS.

(a) AMENDMENTS TO TEXT.—The text of each of the following provisions of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking ''demonstration'' each place it appears:

(1) Section 403.
(2) Section 404(2).
(3) Section 405(a).
(4) Section 405(b).
(5) Section 405(c).
(6) Section 405(d).
(7) Section 405(e).
(8) Section 405(g).
(9) Section 406(a).
(10) Section 406(b).
(11) Section 407(b)(1)(A).
(12) Section 407(c)(1)(A).
(13) Section 407(c)(1)(B).
(14) Section 407(c)(1)(C).
(15) Section 407(c)(1)(D).
(16) Section 407(d).
(17) Section 408(a).
(18) Section 408(b).
(19) Section 409.
(20) Section 410(e).
(21) Section 411.
(22) Section 412(a).
(23) Section 412(b)(2).
(24) Section 412(c).
(25) Section 413(a).
(26) Section 413(b).
(27) Section 414(a).
(28) Section 414(b).
(29) Section 414(c).
(30) Section 414(d)(1).
(31) Section 414(d)(2).

(b) AMENDMENTS TO SUBSECTION HEADINGS.—The heading of each of the following provisions of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking ''DEMONSTRATION'':

(1) Section 405(a).
(2) Section 406(a).
(3) Section 413(a).

(c) AMENDMENTS TO SECTION HEADINGS.—The headings of sections 406 and 411 of the Assets for Independence Act (42 U.S.C. 604 note) are amended by striking ''**DEMONSTRATION**''.

SEC. 307. APPLICABILITY.

(a) IN GENERAL.—The amendments made by this title shall apply to funds provided before, on or after the date of the enactment of this Act.

(b) PRIOR AMENDMENTS.—The amendments made by title VI of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–554) shall apply to funds provided before, on or after the date of the enactment of such Act.

TITLE IV—CHARITABLE DONATIONS LIABILITY REFORM FOR IN-KIND CORPORATE CONTRIBUTIONS

SEC. 401. CHARITABLE DONATIONS LIABILITY REFORM FOR IN-KIND CORPORATE CONTRIBUTIONS.

(a) DEFINITIONS.—For purposes of this section:

(1) AIRCRAFT.—The term ''aircraft'' has the meaning provided that term in section 40102(6) of title 49, United States Code.

(2) BUSINESS ENTITY.—The term ''business entity'' means a firm, corporation, association, partnership, consortium, joint venture, or other form of enterprise.

(3) EQUIPMENT.—The term ''equipment'' includes mechanical equipment, electronic equipment, and office equipment.

(4) FACILITY.—The term ''facility'' means any real property, including any building, improvement, or appurtenance.

(5) GROSS NEGLIGENCE.—The term ''gross negligence'' means voluntary and conscious conduct by a person with knowledge (at the time of the conduct) that the conduct is likely to be harmful to the health or well-being of another person.

(6) INTENTIONAL MISCONDUCT.—The term ''intentional misconduct'' means conduct by a person with knowledge (at the time of the conduct) that the conduct is harmful to the health or well-being of another person.

(7) MOTOR VEHICLE.—The term ''motor vehicle'' has the meaning provided that term in section 30102(6) of title 49, United States Code.

(8) NONPROFIT ORGANIZATION.—The term ''nonprofit organization'' means—

(A) any organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code; or

(B) any not-for-profit organization organized and conducted for public benefit and operated primarily for charitable, civic, educational, religious, welfare, or health purposes.

(9) STATE.—The term ''State'' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, any other territory or possession of the United States, or any political subdivision of any such State, territory, or possession.

(b) LIABILITY.—

(1) LIABILITY OF BUSINESS ENTITIES THAT DONATE EQUIPMENT TO NONPROFIT ORGANIZATIONS.—

(A) IN GENERAL.—Subject to subsection (c), a business entity shall not be subject to civil liability relating to any injury or death that results from the use of equipment donated by a business entity to a nonprofit organization.

(B) APPLICATION.—This paragraph shall apply with respect to civil liability under Federal and State law.

(2) LIABILITY OF BUSINESS ENTITIES PROVIDING USE OF FACILITIES TO NONPROFIT ORGANIZATIONS.—

(A) IN GENERAL.—Subject to subsection (c), a business entity shall not be subject to civil liability relating to any injury or death occurring at a facility of the business entity in connection with a use of such facility by a nonprofit organization, if—

(i) the use occurs outside of the scope of business of the business entity;

(ii) such injury or death occurs during a period that such facility is used by the nonprofit organization; and

(iii) the business entity authorized the use of such facility by the nonprofit organization.

(B) APPLICATION.—This paragraph shall apply—

(i) with respect to civil liability under Federal and State law; and

(ii) regardless of whether a nonprofit organization pays for the use of a facility.

(3) LIABILITY OF BUSINESS ENTITIES PROVIDING USE OF A MOTOR VEHICLE OR AIRCRAFT.—

(A) IN GENERAL.—Subject to subsection (c), a business entity shall not be subject to civil liability relating to any injury or death occurring as a result of the operation of aircraft or a motor vehicle of a business entity loaned to a nonprofit organization for use outside of the scope of business of the business entity, if—

(i) such injury or death occurs during a period that such motor vehicle or aircraft is used by a nonprofit organization; and

(ii) the business entity authorized the use by the nonprofit organization of motor vehicle or aircraft that resulted in the injury or death.

(B) APPLICATION.—This paragraph shall apply—

(i) with respect to civil liability under Federal and State law; and

(ii) regardless of whether a nonprofit organization pays for the use of the aircraft or motor vehicle.

(c) EXCEPTIONS.—Subsection (b) shall not apply to an injury or death that results from an act or omission of a business entity that constitutes gross negligence or intentional misconduct.

(d) SUPERSEDING PROVISION.—

(1) IN GENERAL.—Subject to paragraph (2) and subsection (e), this title preempts the laws of any State to the extent that such laws are inconsistent with this title, except that this title shall not preempt any State law that provides additional protection for a business entity for an injury or death described in a paragraph of subsection (b) with respect to which the conditions specified in such paragraph apply.

(2) LIMITATION.—Nothing in this title shall be construed to supersede any Federal or State health or safety law.

(e) ELECTION OF STATE REGARDING NONAPPLICABILITY.—A provision of this title shall not apply to any civil action in a State court against a business entity in which all parties are citizens of the State if such State enacts a statute—

(1) citing the authority of this section;

(2) declaring the election of such State that such provision shall not apply to such civil action in the State; and

(3) containing no other provisions.

(f) EFFECTIVE DATE.—This section shall apply to injuries (and deaths resulting therefrom) occurring on or after the date of the enactment of this Act.

The SPEAKER pro tempore. After 1 hour of debate on the bill, as amended, it shall be in order to consider a further amendment printed in House Report 107–144, if offered by the gentleman from New York (Mr. RANGEL), or the gentleman from Michigan (Mr. CONYERS), or a designee, which shall be considered read, and shall be debatable

for 60 minutes, equally divided and controlled by the proponent and an opponent.

The gentleman from California (Mr. THOMAS) and the gentleman from New York (Mr. RANGEL) each will control 30 minutes of debate on the bill.

The Chair recognizes the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Mr. Speaker, I yield 15 minutes of my time to the gentleman from Wisconsin (Mr. SENSENBRENNER), and ask unanimous consent that he may control that time.

Prior to doing that, I ask unanimous consent that the gentleman from New York (Mr. RANGEL) be recognized.

The SPEAKER pro tempore. Without objection, the gentleman from New York (Mr. RANGEL) is recognized.

There was no objection.

Mr. RANGEL. Mr. Speaker, I ask unanimous consent that the first 15 minutes of my time be controlled by the gentleman from Michigan (Mr. CONYERS), the ranking member of the Committee on the Judiciary, and the remainder of my time be controlled by the gentleman from Georgia (Mr. LEWIS), a member of the Committee on Ways and Means.

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

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER).

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that I may be allowed to yield parts of my time to others.

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

There was no objection.

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

Mr. Speaker, I rise in strong support of H.R. 7. Quite simply, the aim of this legislation is to encourage more community-based solutions to social problems in America. When implemented, it will provide some truly life-changing opportunities to many individuals struggling in our communities across the country.

It says that faith-based organizations should no longer be discriminated against when competing for Federal social service funds because of a misconstrued interpretation of current law by some, and that we welcome even the smallest faith-based organizations into the war against desperation and hopelessness.

As a result, new doors will be opened to the neediest in our communities to receive help and assistance that they seek. This is a wonderful and compassionate goal that most, if not all, should be able to embrace. In fact, H.R. 7 could very well improve our culture in ways that we have not seen in decades.

The concept of Charitable Choice is not new. Federal welfare reform in 1996 authorized collaboration between government and faith-based organizations to provide services to the poor. Charitable Choice has allowed religious organizations, rather than just secular or secularized groups, to compete for public funding. Many faith-based organizations have been providing services to their community, but with government funding they are able to create new programs and expand existing ones.

For example, the Cookman United Methodist Church in Philadelphia has created a program of ''education, life-skills, job placement, job development and computer literacy, and children and youth services'' with their Federal funding. By testing new solutions to the problem of poverty, the Cookman Church has used Charitable Choice funds to expand their program of needed services into a much larger and more meaningful one for their community. They have done this under existing Charitable Choice law in the 1996 Welfare Reform Act, which allows them to help those in need without having to hire lawyers to create a separate secularized organization and without having to rent expensive office space outside their neighborhood church.

There are literally hundreds of other programs like that of the Cookman United Methodist Church that have benefited thousands of persons in need without raising constitutional concerns in their implementation. These organizations are striving to make a difference in communities all across America.

It is a tragedy that those who move to help others by the strength of faith face added barriers to Federal social service funds based upon misguided understandings of the Constitution's religion clauses. Often it is those whose earthly compassion has the deep root of faith who stand strongest against the whims of despair. Different rules should not apply to them when they seek to cooperate with the Federal Government in helping meet basic human needs.

Some of our colleagues have raised constitutional objections to this legislation. I believe that those objections, while sincere, are misguided. Charitable Choice neither inhibits free exercise of religion, nor does it involve the government establishment of religion. It simply allows all organizations, religious or non-religious, to be considered equally by the Government for what they can do to help alleviate our Nation's social ills.

Unfortunately, it has become all too common for faith-based organizations to be subject to blanket exclusionary rules applied by the government grant and contract distributors based upon the notion that no Federal funds can go to pervasively sectarian institutions. However, the Congressional Research Service concluded in its December 27, 2000, report to Congress on Charitable Choice: ''In its most recent decisions, the Supreme Court appears to have abandoned the presumption that some religious institutions are so pervasive sectarian that they are constitutionally ineligible to participate in direct public aid programs. The question of whether a recipient institution is pervasively sectarian is no longer a constitutionally determinative factor.''

The pervasively sectarian test under which the patronizing assumption was made that religious people could be too religious to be trusted to follow rules against the use of Federal funds for proselytizing activity is, thankfully, dead. However, its ghost continues to linger in many of the implementing regulations of the programs covered by H.R. 7, and, unfortunately, in the rhetoric of many of H.R. 7's opponents.

For those with constitutional concerns, I also ask them to consider the changes to H.R. 7 that were adopted by the Committee on the Judiciary and just amended in this bill with the self-executing rule. These changes firm up the constitutionality of the bill and expand the options of individuals to receive government services from the type of organization they are most comfortable with.

To begin with, the bill now makes clear that when a beneficiary has objection to the religious nature of a provider, an alternative provider is required that is objectionable to the beneficiary on religious grounds, but that the alternative provider need not be non-religious. This same requirement appears in the Charitable Choice provisions of the 1996 Welfare Reform Act. If, of course, a beneficiary objects to being served by any faith-based organization, such a beneficiary is granted a secular alternative.

Existing Charitable Choice law contains an explicit protection of a beneficiary's right to refuse to actively participate in a religious practice, thereby ensuring a beneficiary's right to avoid any unwanted sectarian practices. Such a provision makes clear that participation, if any, in a sectarian practice, is voluntary and non-compulsory.

Further, Justices O'Connor and Breyer require that no government funds be diverted to religious indoctrination. Therefore, religious organizations receiving direct funding will have to separate their social service program from their sectarian practices. If any part of the faith-based organization's activities involve religious indoctrination, such activities must be set apart from the government-funded program, and, hence, privately funded.

The bill as reported out of the Committee on the Judiciary now contains a clear statement that if any sectarian worship instruction or proselytization occurs, that shall be voluntary for individuals receiving services and offered separate from the program funded.

Also the bill now includes a requirement that a certificate shall be separately signed by the religious organization and filed with the government agency that disperses the funds certifying that the organization is aware of

and will take care to comply with this provision.

□ 1230

The amendment also makes clear that volunteers cannot come into a federally funded program and proselytize or otherwise engage in sectarian activity.

The Committee on the Judiciary also changed the bill to include a subsection to permit review of the performance of the program itself, not just its fiscal aspects. This amendment is needed to prevent an unconstitutional preference for faith-based organizations, as secular programs are subject to both types of review.

One of the most important guarantees of institutional autonomy is a faith-based organization's ability to select its own staff in the manner that takes into account its faith. It was for that reason that Congress wrote an exemption from the religious discrimination provision of Title VII of the Civil Rights Act of 1964 for religious employers. All other current charitable choice laws specifically provide that faith-based organizations retain this limited exemption from Federal employment nondiscrimination laws.

An amendment adopted by the Committee on the Judiciary replaced existing language in H.R. 7 with the same language used in the 1996 Welfare Reform Act, which was signed into law by President Clinton, with an additional clause making clear that contrary provisions in the Federal programs covered by H.R. 7 have no force and effect. This additional clause was not necessary in the 1996 Welfare Reform Act because it codified charitable choice rules for a new program, whereas H.R. 7 covers already existing programs that may have conflicting provisions.

This amendment is offered to avoid any confusion. The language of the 1996 Welfare Reform Act did nothing to ''roll back'' existing civil rights laws, and that same language is used in this amendment.

It is important for all to understand that this bill does not change the anti-discrimination laws one bit, either with respect to employees or beneficiaries. Faith-based organizations must comply with civil rights laws prohibiting discrimination on the basis of race, color, national origin, gender, age and disability.

Since 1964, faith-based organizations have been entitled to the Title VII exemption to hire staff that share religious beliefs; and courts, including the Supreme Court, have upheld this exemption. Do the critics of those laws really want to revoke current public funding from the thousands of child care centers, colleges and universities that receive Federal funds in the form of Pell grants, veterans benefits, vocational training, et cetera, because these institutions hire faculty and staff that share religious beliefs?

Remember, one of the primary goals of this legislation is to try to open opportunities for small entities that take part in Federal social service programs. It is particularly important to maintain this exemption for small faith-based entities, because they are the types of community organizations we hope will be encouraged by this bill to seek involvement in delivering social services. These small entities are not going to go out and create new organizations and staff that provide these services. So we do not want to force them to advertise, hire new people and possibly be sued in Federal court for a job they would like to be filled by people already on staff, namely, people who share their religious beliefs.

One of the most revered liberal justices in the history of the Supreme Court, William Brennan, recognized that preserving the Title VII exemption where religious organizations engage in social services is a necessary element of religious freedom.

In his opinion in the Amos case upholding the current Title VII exemption, Justice Brennan recognized that many religious organizations and associations engage in extensive social welfare and charitable activities such as operating soup kitchens and day care centers or providing aid to the poor and the homeless. Even where such activity does not contain any sectarian instruction, worship or proselytizing, he recognized that the religious organization's performance of such functions was likely to be ''infused with a religious purpose.'' He also recognized that churches and other entities ''often regard the provision of social services as a means of fulfilling religious duty and providing an example of the way of life a church seeks to foster.''

Charitable choice principles recognize that people in need should have the benefit of the best social services available, whether the providers of those services are faith-based or otherwise. That is the goal: helping tens of thousands of Americans in need.

We are considering today whether the legions of faith-based organizations in the inner cities, small towns and other communities of America can compete for Federal funds to help pay the heating bills in shelters for victims of domestic violence, to help them pay for training materials teaching basic work skills, to help them feed the hungry, and to provide other social services to help the most desperate among us.

Mr. Speaker, I urge my colleagues, even those initially opposed to H.R. 7, to join me today in voting for this bill and the expansion of charitable choice.

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

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

Mr. Speaker, I commend the gentleman from Wisconsin (Mr. SENSENBRENNER), the chairman of the committee, for his sterling statement. Except for the conclusion, of course, it was very well presented.

Now, to the heart of the matter. The Conservative Family Research Council announced yesterday that they would abandon support for H.R. 7 if it were changed one iota to defer to existing State or local civil rights laws. Therein lays the rub. Namely, to put it another way, more colloquially, can a brother make as good a pot of soup as a Southern Baptist? Can too much diversity spoil the soup? That is the problem here, and it is why we are having so much trouble with faith-based which, incidentally, already exists, I say to my colleagues. Is there anyone not aware that we already have faith-based organizations dispensing charity by the billions of dollars? So what is the problem here?

Well, during our discussion in the Committee on the Judiciary, no one caught this sense of the issue more sensitively than our distinguished colleague from Florida (Mr. SCARBOROUGH), and I quote him at this point from page 191: ''For instance,'' he says, ''delivering soup. Let's say, for instance, in an area that is heavily served, let's say a synagogue, in an urban part of the area, listen, they want to get their soup. They do not want to hear somebody with views that are completely different from their own views. And I understand. I understand what the bill says, that they are not allowed to do that. But, again, if you compel these organizations, whose culture many Americans believe allow faith-based organizations to deliver services more effectively,'' and so on and so forth.

So I thank our departing colleague for that very important contribution to what we are about here.

Now, why do so many people feel uncomfortable about using this legislation as a vehicle to override our civil rights laws, our Federal civil rights laws, our State civil rights laws, our local civil rights laws? Why?

Many of us are still recovering from the revelation that the Salvation Army negotiated a secret deal with the White House to override parts of civil rights laws, including those protecting domestic partner benefits. Most do not think it is right to trade off our civil rights laws to get legislative support from a private organization.

Had the administration really wanted to do something to help religion, they might have tried to include the proposed charitable tax deductions in the $2 trillion tax deal. If they wanted to do something to improve social services, they would increase funding for drug treatment, housing and for seniors, instead of cutting these programs by billions of dollars. If they wanted to help our kids in our inner cities, of which I have heard so much today it is staggering, they would help us try to rebuild the crumbling schools all around them.

Mr. Speaker, I yield 2¼ minutes to the gentleman from New York (Mr. NADLER), the ranking member of the subcommittee from which this bill came.

Mr. NADLER. Mr. Speaker, this bill is a threat to religious liberty, a threat to the very effective way the Federal, State and local governments have long worked with religious charities, and a threat to this Nation's long commitment to equal rights, nondiscrimination and human dignity.

I would like to dispense with a few myths that have been propagated during this debate.

First, contrary to what we may have heard, religious charities are not the victims of discrimination; far from it. Religious charities now administer billions of dollars in public funds every year. Catholic Charities, the Federation of Protestant Welfare Agencies, the United Jewish Communities and many other church groups have been providing social services partially funded with taxpayer dollars for many, many decades.

Myth two: Religious charities must be allowed to discriminate in employment and services using public money in order to do their jobs properly. Why? Why does a Jewish lunch program need to hire only Jews to serve the soup? Why does a Baptist homeless shelter need to hire only Baptists to provide the blankets? I thought that this was a settled issue in our society, but apparently it is not.

Let me ask my colleagues, on the road to Jericho, did the good Samaritan ask the wounded traveler whether he was of a certain faith or whether he was gay or whether he was of the proper race? If the answer is no, then why would we think it necessary for churches to do this now, with public funds?

We are told that current law already allows such discrimination. Yes, it does, but only with church funds. But this bill is different. This bill allows that discrimination not just with church money but with public money in purely secular activities or what we are told are purely secular activities. That is very new and very, very wrong.

Myth three: This bill preserves State laws. Not true. The gentleman from Wisconsin (Mr. SENSENBRENNER) made clear in the markup in the committee that it does not. The bill allows broad religious discrimination and nullifies the laws of 12 States and more than 100 localities to the contrary. Do not be fooled by the argument that this applies only to lesbian and gay rights, important though they are. This applies to all local antidiscrimination laws, whether they protect women or minorities or single mothers or whatever local communities may have committed to take a stand on. That is an important difference from past charitable choice legislation, which specifically said that State and local laws would be preserved. This is different.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LAHOOD). The Chair would remind Members to abide by the time limitations.

Mr. CONYERS. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT. Mr. Speaker, I rise in strong opposition to H.R. 7. While it has been described as a plan to help religious organizations to receive and administer government funds, charitable choice in reality is a fundamental assault on our civil rights laws.

In this debate, let us be clear. The major impact of H.R. 7 will be to allow religious sponsors who want to receive Federal funds to discriminate in hiring based on religion. Any program that can get funded under H.R. 7 can get funding today, except those run by organizations that insist on the right to discriminate in hiring.

□ 1245

So when we hear about all the programs that can get funded, let us tell the truth, all of them can be funded today if the sponsors are willing to follow civil rights laws, just like all other Federal contractors. Just do not discriminate in hiring.

So this bill is not about new programs which can get funded. There is no new money in the program. Any program funded under H.R. 7 can be funded now. This bill provides no new funding, just new discrimination.

Whatever excuse there is to discriminate based on religion in these programs should apply to all Federal programs. In fact, it would apply to all private contractors or all private employers.

Why should a manufacturer be required to hire people of different faiths? The answer is it is the law. Because of our sorry history of discrimination and bigotry in the past, we have had to pass laws to establish protected classes.

So someone can choose their employees any way they want, except they cannot discriminate in hiring based on the protective classes of race, color, creed, national origin, or sex. This principle was established in Federal defense contracts when President Roosevelt signed Executive Order 8802 on June 25, 1941. Now, 60 years later, here we are allowing sponsors of federally funded programs to discriminate in hiring.

There are a lot of other problems with this bill, but we ought to defeat this bill strictly because of the fact that it allows new discrimination in hiring.

Mr. CONYERS. Mr. Speaker, in consultation with the chairman of the committee, I ask unanimous consent that each side be given 10 additional minutes.

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

Mr. SENSENBRENNER. Mr. Speaker, reserving the right to object, I would point out to the gentleman from Michigan that while I personally have no objection, the general debate time is controlled by the Committee on Ways and Means. I would suggest that he request that of the chairman of the Committee on Ways and Means when he comes back to the Chamber. I am afraid that I would be trodding on their turf, so I would ask him to withdraw his unanimous consent request.

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

Mr. SENSENBRENNER. I object, Mr. Speaker.

The SPEAKER pro tempore. Objection is heard.

Mr. CONYERS. Mr. Speaker, I yield 2 minutes and 5 seconds to the gentlewoman from California (Ms. LOFGREN).

Ms. LOFGREN. Mr. Speaker, if we take time to review the details of this bill, we will see it is bad for America. The premise that religious people cannot help solve America's social problems is simply wrong. I spent 14 years in local government. We worked with Catholic Charities and many others. We do not need this radical departure from the Bill of Rights to work with Catholics, Protestants, Buddhists, Hindus, Sikhs, or Jains to solve America's problems.

Consider the plain language of the first amendment: ''Congress shall make no law respecting an establishment of religion.'' I think that is clear. But this bill would take tax money and give it directly to churches. How can that not run afoul of the constitutional prohibition against the establishment of religion?

Our country was started by people seeking religious freedom to worship, and this fundamental American value was put in the very first amendment to our Constitution.

When government becomes involved in establishing or preferring religions, trouble follows. Will the Sikhs or Hindus receive the day care contract? Will the Muslims or Jews run the nursing home where your mother will live? Pity the local government who must decide.

With government money comes interference and perhaps improper conduct. Do these funds go to friends of the President? Does the Salvation Army get a financial benefit for political work? Thomas Jefferson is famous for the observation that ''. . . intermingling of church and State corrupts both.''

Finally and incredibly, there are special interest provisions in this bill that do not even relate to religion. Look at section 104.

Astonishingly, the bill creates a special class of victims without rights, nonprofit and religious groups who rent vehicles from businesses. An example: Corporation A leases a van with bald tires to the Baptist Youth Choir. The van overturns. With section 104, Corporation A cannot be held liable to help with the funeral and medical expenses. But if the same van is rented for the same price to a for-profit satanic rock group, corporation A can be held liable. Why should religious and nonprofit groups be victimized with impunity?

This bill will result in outcomes not desired by the American people. It will end up undercutting religion as well as religious freedom. It will enrage Americans by using their tax dollars to subsidize religious beliefs they disagree with. It undercuts our Constitution, provides not one additional cent of tax money to help the poor, and will end up stimulating religious conflict and racial and religious discrimination. Please have the good sense to vote no.

Mr. CONYERS. Mr. Speaker, I ask unanimous consent for each side to have 10 additional minutes, having consulted with my leader on the Committee on Ways and Means, the gentleman from New York (Mr. RANGEL).

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

Mr. THOMAS. Reserving the right to object, Mr. Speaker, I yield to the gentleman from New York (Mr. RANGEL) in terms of the statement of the gentleman from Michigan.

Mr. RANGEL. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, it seems as though, on this very controversial but important subject matter, there are so many Members who would like to share their views before we have time to vote on this, and in view of the fact that the Committee on the Judiciary has had jurisdiction over the substance of this and the time was split and they need additional time, if there is any technicality because the Committee on Ways and Means would follow them that interferes with them getting unanimous consent, I would like to yield to them on this issue.

Mr. THOMAS. Continuing to reserve my right to object, Mr. Speaker, I would tell the gentleman that actually we have 2 hours of debate on this question. As the Speaker indicated in announcing the rule, there is an hour of general debate and an hour on the substitute.

That means the Committee on the Judiciary, if the time is divided on the substitute, the same as was divided on general debate, would have 1 hour. That is the normal debate time. The Committee on Ways and Means would have 1 hour. The Committee on the Judiciary would have an hour.

The debate is not necessarily narrowly directed to the subject at hand; i.e., if the gentleman from Michigan (Chairman CONYERS) has some of his members of the Committee on the Judiciary who wish to make general statements about the underlying legislation, they certainly are able to, and indeed, we often do that during the debate on the substitute.

It seems to me that an extra 1 hour on this subject matter for a full 2 hours of discussion is more than ample.

Therefore, Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

Mr. CONYERS. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Texas (Ms. JACKSON-LEE), a distinguished member of the Committee.

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the distinguished gentleman from Michigan for yielding time to me, and I thank the leaders for this very important debate.

Mr. Speaker, I rise today to reinforce the importance of this debate and the importance of characterizing this debate for what it is: the desire for those of us who believe in the first amendment and the Bill of Rights to emphasize that this should not be a referendum on our faith, for this country was founded on the ability to be able to practice one's faith without intrusion.

But rather, I would hope that this particular debate will focus around the intent and the understanding of James Madison, the father of the first amendment, that indicated that he believed that the commingling of church and State was something that should not exist, and that he apprehended the meaning of the establishment clause to be that ''Congress shall not establish a religion and enforce the legal observation of it by law, nor compel men or women to worship God in any manner contrary to their conscience.''

It means that if I am of a different belief and I want to fight against child abuse, and a particular religious institution is running a child abuse prevention charitable organization in my community, I should be able to be hired. Under this bill, although it has good intentions, it forces direct monies into religious institutions, not requiring them to comply with any means of preventing discrimination.

Martin Luther King said ''Injustice anywhere is injustice everywhere.'' Discrimination on the basis of religion somewhere is discrimination everywhere.

What we want here is an understanding that we embrace faith, but we do not embrace discrimination. Change this legislation, eliminate the discriminatory aspects, eliminate the voucher program, eliminate the direct funding of religion, and James Madison's voice and spirit will live and the Bill of Rights will live, and we can all support this legislation.

Mr. CONYERS. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Wisconsin (Ms. BALDWIN).

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

Ms. BALDWIN. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, this debate is about the fundamental relationship between a democratic government and religious institutions.

The first amendment has two purposes. First, it is designed to prevent the government from using its power to promote a particular religion. Second, it is designed to protect religious institutions from unwarranted intrusions of government.

I believe H.R. 7 endangers both of these purposes. This bill expands the religious exemption under Title VII to clearly nonreligious activities, and it preempts State and all other local nondiscrimination laws. For the first time, Federal dollars, public funds, will be used to discriminate; or put another way, Americans can be barred from taxpayer-funded employment on the basis of their religion or other factors.

Civil rights and religious freedom go hand-in-hand. Undermine one and we undermine the other.

Mr. Speaker, it is a mistake for government and religion to become entangled. I urge my colleagues to reaffirm our commitment to separation of church and State by defeating H.R. 7.

Mr. Speaker, I rise today in opposition to H.R. 7.

Let me begin by saying that I very much value the traditional role of religions institutions in providing social services. Our country has been made stronger through the good works of people of faith in helping those in need. Religious institutions have long fed the hungry, clothed the poor, given shelter to the homeless, and helped heal the sick. These contributions have been absolutely essential for millions of Americans throughout the history of our great nation.

But this debate is not whether or not religious institutions should do good works. We all agree that they do and they should. This debate is about the fundamental relationship between a democratic government and religious institutions.

The Bill of Rights to the United States Constitution sets forth the fundamental principles upon which our democracy is based—freedom of speech, freedom of expression, right to trial by jury, limitations on searches an seizures, the right to bear arms. One of the most fundamental protections in our Constitution is freedom of religion.

The First Amendment states: ''Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof.'' This Constitutional principle has two purposes. First, it is designed to prevent the government from using its power to promote a particular religion. Our Founding Fathers rightly saw that true freedom of worship was impossible if the state advantaged one religion over others.

The second purpose is to protect religious institutions from the unwarranted intrusion of government. The independence of religious institutions from the hand of government is fundamental to the free exercise of religion.

I believe H.R. 7 endangers both of these purposes and therefore undermines our nation's commitment to the free exercise of religion. This bill will allow religious institutions to accept direct government funding of social service programs. While it purports to ban proselytizing using tax dollars, it still permits the mingling of religion and government as never before seen in our country. It extends the reach of government into the private religious sphere. And I believe it is unconstitutional.

It is not in the best interest of our religious institutions to have government agencies pick and choose which church or synagogue or mosque should get taxpayer dollars. As my colleague Mr. SCHIFF of California said in the Judiciary Committee, ''would it be appropriate for Members of Congress to write letters in

support of one church's grant application or against another?'' Would it? Is that a good idea? What future rules will we apply to these funds? Will the Bishop or the Rabbi come by to lobby for funding? If a church violates the rules or is suspected of fraud, do we really want the government digging into their books?

Our Founding Fathers created the Establishment Clause as an answer to this dilemma. Their answer was no. In a letter written in 1832, James Madison wrote, ''it may not be easy, in every possible case, to trace the line of separation between the rights of religion and the civil authority with such distinctness as to avoid collisions and doubts on unessential points. The tendency of a usurpation on one side or the other, or a corrupting coalition or alliance between them, will be best guarded by an entire abstinence of the government from interference in any way whatsoever?''

We have recently seen the impact of entangling government and religion in the case of the White House and the Salvation Army. The Salvation Army, a religious charity, has lobbied and been lobbied by the White House to promote this legislation. According to newspaper accounts, the Salvation Army was prepared to spend hundreds of thousands of dollars to advance this bill in exchange for the right to discriminate in hiring. The White House now says they've backed off.

But the very right to discriminate in hiring that the Salvation Army wanted is contained in this bill! This bill expands the religious exemption under Title VII to clearly non-religious activities and preempts all other state and local non-discrimination laws. For the first time, public funds will be used to discriminate in employment. Or put another way, Americans can be barred from taxpayer funded employment on the basis of their religion.

Under this bill, a Protestant church could refuse to hire a person who is Jewish to work in their day care or a Muslim soup kitchen could refuse to hire a Catholic to serve meals to the hungry. But not only that, a church could refuse to hire a person who is divorced if divorce is against that church's tenets and teachings, even though the position is involved only in a secular activity.

Expanding a religious institution's ability to discriminate in employment to include secular enterprises is just the start of the discrimination in this bill. The bill also preempts all state and local laws against discrimination. Thus, if a state protects its citizens from discrimination on the basis of sexual orientation, real or perceived gender, marital status, student status, or other bases the moment federal funds are commingled, religious institutions are allowed to discriminate. We hear a great deal about local control, but this bill eviscerates these state and local non-discrimination laws.

That is why the Gentleman from Massachusetts, Mr. FRANK, and I proposed an amendment in the Rules Committee. It is very simple, just one line. ''Notwithstanding anything to the contrary in this section, nothing in this section shall preempt or supersede State or local civil rights laws.'' Unfortunately, the Rules Committee refused to make our amendment in order, denying the House the opportunity to have an up or down vote on this critical issue.

The House still has an opportunity to correct this major problem with the bill. The Democratic Substitute maintains non-discrimination protections in current Federal, State and local law. I urge all of my colleagues to support the substitute.

It is very distressing that the proponents of this bill desire to chip away at our civil rights and non-discrimination laws. And it is even more distressing that they are using religion as a cover. Civil rights and religious freedom go hand in hand. Undermine one and you undermine the other. In the Federalist Papers Number 51, James Madison noted this interrelationship: ''In a free government, the security for civil rights must be the same as that for religious rights. It consists in the one case in the multiplicity of interests, and in the other in the multiplicity of sects.''

Mr. Speaker, it is a mistake for government and religion to become entangled. I urge my colleagues to reaffirm our commitment to the separation of church and state by defeating this misguided legislation.

Mr. CONYERS. Mr. Speaker, I am pleased to yield the balance of our time to my distinguished leader, the gentlewoman from California (Ms. WATERS).

The SPEAKER pro tempore. The gentlewoman from California (Ms. WATERS) is recognized for 2 minutes and 10 seconds.

Ms. WATERS. Mr. Speaker, I think it is important for some of us to say that we were raised in church, and that we are religious people. We went to Sunday school every Sunday when I was a little girl coming up. We went back to the 11 a.m. service with our parents, and then we went back at 6 o'clock in the evening to BYPU for the young people.

I do not want anybody to think that because we are against this bill, somehow we are not religious, or we do not believe in religion. We certainly do. What we do not believe in is discrimination. We cannot, as public policymakers who understand the Constitution and appreciate it, and understand the struggle of those people who came to this country fleeing religious oppression, sit here and allow something called a faith-based program to reinstitute discrimination. It is wrong, and we cannot stand for that.

Religious organizations in this country participate in this government in many ways. For those people who say we have to have this bill in order to have participation, they are wrong.

Let me just tell the Members, last year Lutheran Services, the largest faith-based organization to receive government aid, received about $2.7 billion, Jewish organizations received about $2 billion in government aid, Catholic Charities received $1.4 billion, and the Salvation Army received $400 million.

So what are we talking about? They have separate 501(c)3s that they apply under because they separate from the collection plate the money that comes from the government in order to carry out these programs, and that is the way it should be. We should never allow commingling of the government and taxpayers' dollars in the collection plate. It is wrong, it violates separation of church and State, and we should stop it on this floor right now, and not support the so-called faith-based organization initiative.

I would say to my friends and colleagues here today, we have the opportunity to uphold civil rights, to say we are against discrimination, to say we are not going to allow taxpayer dollars to turn people away who are applying for jobs, and most importantly, we are going to uphold the Constitution of the United States of America. I ask for a no vote on the faith-based organization initiative.

Mr. SENSENBRENNER. Mr. Speaker, I yield the balance of my time to the gentleman from Ohio (Mr. CHABOT), the chairman of the Subcommittee on the Constitution.

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

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Mr. CHABOT. Mr. Speaker, as we debate this bill today, I would ask my colleagues not to let partisanship cloud their judgment on this proposal. The purpose of this bill is to help people. This is not some great scheme to funnel tax dollars to religious organizations or to force people to seek social services from religious providers. This bill will provide new hope and new opportunities to thousands of Americans. It will help the homeless, the hungry, and the downtrodden, and it will help those in need.

Over the past several months, the House Subcommittee on the Constitution held several hearings that looked at charitable choice programs and the role that faith-based organizations can play in the delivery of social services. We heard compelling testimony about the work of faith-based organizations that have received Federal funding under current law. It is the current law now.

And we discussed and debated the constitutional issues surrounding this legislative proposal. And at the conclusion of these hearings, two points were very clear. First, the charitable choice provisions of H.R. 7 are completely consistent with the Constitution. And second, faith-based organizations play a vital role in providing social services to the most desperate among us.

I would like to quote from a speech that was made a while back to the Salvation Army: ''The men and women who work in faith-based organizations are driven by their spiritual commitment. They have sustained the drug addicted, the mentally ill, the homeless, they have trained them, they have educated them, they have cared for them. Most of all, they have done what government can never do: they have loved them.''

Do my colleagues know who said that? Al Gore. Now I do not always agree with Al Gore, but I certainly agree with him in that particular instance.

This is legislation which is very important to the President. I want to thank the chairman, the gentleman from Wisconsin (Mr. SENSENBRENNER), for getting us to this point today. We

want to make sure that this withstands any constitutional challenge that might be made against it. This is excellent legislation which will literally help thousands and thousands of the most desperately needy people in this country.

I want to thank the chairman for his leadership again on this. Let us pass this legislation today. It is important to an awful lot of people.

RESPONSES TO FALSE DEMOCRATIC CLAIMS IN THEIR DISSENTING VIEWS IN THE COMMITTEE REPORT

Claimed comparison of H.R. 7 with language of 1996 Welfare Reform Act

Footnote 7 of the Dissenting Views states that H.R. 7 does not contain language from the 1996 Welfare Reform Act that indicated its provisions were not intended to supercede State law, and therefore the absence of that provision from H.R. 7 means it somehow preempts State law. That is a mischaracterization of the provision in the 1996 Welfare Reform Act. The provision referred to in the 1996 Act was simply a ''savings clause'' that recognized that some states have provisions in their constitutions and state laws that don't allow them to spend state funds on faith-based organizations. The savings clause simply recognized that in those states with such laws, they could continue to segregate state funds as required by state law, but that they could also use federal funds in accordance with the charitable choice provisions of the 1996 Welfare Reform Act. Conference Report 104–430, accompanying H.R. 4, 104th Congress, 1st Session (December 20, 1995), at 361—the previously adopted welfare reform bill with the identical subsection (k) as that found in the Welfare Reform Act of 1996—provides the following explanation for the subsection: ''Subsection (k) states that nothing in this section shall be construed to preempt State constitutions or statutes which restrict the expenditure of State funds in or by religious organizations. In some States, provisions of the State constitution or a State statute prohibit the expenditure of public funds in or by sectarian institutions. It is the intent of Congress, however, to encourage States to involve religious organizations in the delivery of welfare services to the greatest extent possible. The conferees do not intend that this language be construed to required that funds provided by the Federal government referred to in subsection (a) be segregated and expended under rules different than funds provided by the State for the same purposes; however, States may revise such laws, or segregate State and Federal funds, as necessary to allow full participation in these programs by religious organizations.'' H.R. 7 gives states the same option. Subsection (j) provides that insofar as states use federal funds, or mingle state and federal funds, and uses them for covered programs, the federal rules in H.R. 7 apply. If states separate out their state funds, then they can of course use them without any federal conditions attaching.

Claim that millions of dollars already go to groups like Catholic Charities, so there is no problem to fix

The Dissenting Views point out that millions of dollars go to large organizations such as Catholic Charities every year, but fails to mention these are large, separately incorporated and secularized organizations, not churches. The purpose of H.R. 7 is to allow small religious organizations to be able to compete for social service funds by removing barriers to entry and allowing them to serve as churches, and to provide social services in their churches without having to rent out separate, expensive office space, or having to hire lawyers to create separate corporations.

Claim that H.R. 7 preempts general state and local nondiscrimination in employment laws

The Dissenting Views states that under H.R. 7 a national religious organization could choose to accept a single federal grant and attempt to use that as a shield against laws protecting gay and lesbian employment rights in all 50 states. This is wrong. Subsections (d) and (e) in H.R. 7 do not constitute a general preemption clause, but a narrow statutory right afforded faith-based organizations to help them preserve their religious liberty when they are using federal funds during the course of a federally funded program and encourage their participation in the delivery of social services for the poor and the needy. When a religious organization is not using federal funds during the hours of a federally funded program, which will be most of the time, the protections of H.R. 7 do not apply, and all State and local nondiscrimination in employment laws that are not tied to government funding, including those that prohibit discrimination based on sexual orientation, remain in effect. For example, in 16 states, employers with a single employee are covered by their state's civil rights law. Others set the minimum number of employees between 4 and 10. Ohio's employment discrimination law covers employers with 4 or more employees; Oh.St. §4112.01(A)(2); Wisconsin's covers employers with 1 or more employees; Wi.St. 111.32(6)(a); Massachusetts' covers employers with 6 or more employees; Ma.St. 151B §1(5); New York's covers employers with 4 or more employees; N.Y.Exec. §292(5); Michigan's covers employers with 1 or more employees; Mi.St. §37.2201(a); California's covers employers with 5 or more employees; Ca.Civil §51.5(a). Also, the provisions of H.R. 7 will not apply whenever a State or local government chooses to separate its federal funds from its nonfederal funds. Experience from existing charitable choice laws that contain the very same provisions as H.R. 7—and which have been on the books for five years—has shown that this narrow statutory right will not need to be invoked very often, if ever.

Claim that the House has never previously considered the details of charitable choice provisions

Contrary to the assertion in the Dissenting Views, the House has voted several times on amendments offered by Mr. Scott to strip away charitable choice provisions that would allow religious organizations to continue to be able to hire based on religion while taking part on federal programs.

The Fathers Count Act of 1999 contained the charitable choice provisions of the Welfare Reform Act of 1996. Mr. Scott offered a motion to recommit the bill with instructions to remove the charitable choice provision allowing religious organizations receiving funds under the designated programs to make employment decisions on religious grounds. This motion was defeated 176–246, by a 70 vote margin including 34 Democrats. The bill was then adopted by the House by a vote of 328–93, by a 235 vote margin. Constitution subcommittee Ranking Member Nadler voted for the bill, as did four other Democratic Members of the House Judiciary Committee. Those other Members were Sheila Jackson-Lee, Boucher, Delahunt, and Meehan.

The Child Support Distribution Act of 2000 also contained the charitable choice provisions of the Welfare Reform Act of 1996. Mr. Scott's motion to recommit with instructions would have removed the charitable choice provision allowing participating religious organizations to make employment decisions on religious grounds. The motion was defeated 175–249, by a 74 vote margin including 30 Decmocrats. The bill was then adopted by a vote of 405–18, by a 387 vote margin. Constitution Subcommittee Ranking Member Nadler voted for the bill, as did eight other Democratic Members of the House Judiciary Committee. Those other Members were Conyers, Watt Jackson-Lee, Lofgren, Berman, Boucher, Meehan, Delahunt, Wexler, Baldwin, and Weiner.

Claims regarding statements made by President Clinton when he signed previous charitable chioce laws

The Dissenting Views incorrectly state that prior charitable choice laws were enacted without the support of President Clinton, and they cite President Clinton's statement when he signed the re-authorization measure for the Community Services Block Grants Program (''CSBG'') into law that its charitable choice provisions should not be used to fund '''pervasively sectarian' organizations, as tha term has been defined by the courts.'' 134 Weekly Compilation of Presidential Documents 2148 (Nov. 2, 1998) (Statement on Signing the Community Opportunities, Accountability, and Training and Educational Services Act of 1998). However, the courts have since abandoned the ''pervasively sectarian'' test, and President Clinton's later statements on charitable choice provisions in October and December 2000, do not rely on the pervasively sectarian test, and those statements in fact support H.R. 7. The Congressional Research Service concluded in the December 27, 2000, Report to Congress on Charitable Choice, that ''In its most recent decisions[,] the [Supreme] Court appears to have abandoned the presumption that some religious institutions, such as sectarian elementary and secondary schools, are so pervasively sectarian that they are constitutionally ineligible to participate in direct public aid programs.'' CRS Report, at 29.

Indeed, on October 17, 2000, President Clinton stated his constitutional concerns regarding the implementation of the charitable choice provisions in Substsance Abuse and Mental Health Services Administration (''SAMHSA'') programs as follows: ''This bill includes a provision making clear that religious organizations may qualify for SAMHSA's substance abuse prevention and treatment grants on the same basis as other nonprofit organizations. The Department of Justice advises, however, that this provision would be unconstitutional to the extent that it were construed to permit governmental funding of organizations that do not or cannot separate their religious activities from their substance abuse treatment and prevention activities that are supported by SAMHSA aid. Accordingly, I construe the act as forbidding the funding of such organizations and as permitting Federal, State, and local governments involved in disbursing SAMHSA funds to take into account the structure and operations of a religious organization in determining whether such an organization is constitutionally and statutorily eligible to receive funding.'' Weekly Compilation of Presidential Documents (Oct. 23, 2000) (Statement on Signing the Children's Health Act of 2000), p. 2504. He made an identical statement regarding the charitable choice provisions in the Community Renewal Tax Relief Act when he signed that measure into law on December 15, 2000. See White House Office of the Press Secretary, ''Statement of the President Upon Signing H.R. 4577, the Consolidated Appropriations Act, FY 2001'' (December 22, 2000), at 8. These concerns are the same as those addressed by the provision in subsection (j) of the

Charitable Choice Act of 2001, which provides that, ''No funds provided through a grant or cooperative agreement to a religious organization to provide assistance under any [covered] program . . . shall be expended for sectarian instruction, worship, or proselytization. If the religious organization offers such an activity, it shall be voluntary for the individuals receiving services and offered separate from the program funded under subsection (c)(4).'' The required separation would not be met where the government-funded program entails worship, sectarian instruction, or proselytizing. Under subsection (j), there are to be no practices constituting ''religious indoctrination'' performed by an employee while working in a Government-funded program. The same is true for volunteers.

Claim that current charitable choice laws have been barely implemented

The Dissenting Views states that current charitable choice laws have barely been implemented. This is untrue. Existing charitable choice programs have had a significant impact on social welfare. Dr. Amy Sherman of the Hudson Institute has conducted the most extensive survey of existing charitable choice programs. Dr. Sherman concluded that, currently, ''All together, thousands of welfare recipients are benefiting from services now offered through FBOs [faith-based organizations] and congregations working in tandem with local and state welfare agencies.'' Dr. Amy S. Sherman, ''The Growing Impact of Charitable Choice: A Catalogue of New Collaborations Between Government and Faith-Based Organizations in Nine States'' (''Growing Impact''), The Center for Public Justice Charitable Choice Tracking Project (March 2000) at 8. Dr. Sherman also found that fears of aggressive evangelism by publicly funded faith-based organizations have little basis in fact. According to Dr. Sherman: ''[O]ut of the thousands of beneficiaries engaged in programs offered by FBOs [faith-based organizations] collaborating with government, interviewees reported only two complaints by clients who felt uncomfortable with the religious organization from which they received help. In both cases—in accordance with Charitable Choice guidelines—the client simply opted out of the faith-based program and enrolled in a similar program operated by a secular provider. In summary, in nearly all the examples of collaboration studied, what Charitable Choice seeks to accomplish is in fact being accomplished: the religious integrity of the FBOs working with government is being protected and the civil liberties of program beneficiaries enrolled in faith-based programs are being respected. Id. at 11 (emphasis added). Religious groups in the nine states Dr. Sherman surveyed also registered few complaints about their government partners. According to Dr. Sherman, ''The vast majority reported that the church-state question was a 'non-issue,' and that they enjoyed the trust of their government partners and that they had been straightforward about their religious identify.'' Id.

The success of existing charitable choice programs had led the National Conference of State Legislatures (''NCSL'') to support their expansion. According to Sheri Steisel, director of NCSL's Human Services Committee, ''In many communities, the only institutions that are in a position to provide human services are faith-based organizations. Providing grants to or entering into cooperative agreements with faith-based and other community organizations to provide government services is something that has proven effective in the states over the past five years. As welfare reform continues to evolve, it is important that government at all levels continues to explore innovative ways to provide services to its constituents. We are extremely pleased that the President is joining the states in exploring these new opportunities.'' News Release, ''Faith Based Initiatives Nothing New to Nation's State Lawmakers'' (January 30, 2001). Some states have embraced charitable choice to the tune of spending hundreds of thousands of dollars or, in some cases, millions in contracts with congregations and other organizations that would not otherwise have been eligible. See Associated Press, Survey Highlights Charitable Choice (March 19, 2001).

Claim regarding the number of ''charitable choice'' lawsuits filed

The Dissenting Views states that there have been five lawsuits filed challenging existing charitable choice laws. That is not true. The Dissenting Views mention three lawsuits that do not involve the terms of federal charitable choice programs, and another has already been dismissed as moot:

American Jewish Congress v. *Bernick*, (San Francisco County Superior Court, filed January 31, 2001) (challenging a program announced in August 2000 by the California Department of Employment Development to fund job training offered by groups that had never before contracted with government; charging that only religious organizations were eligible to compete). The State of California filed an affidavit in the case stating no TANF funds were used in the program.

Pedreira v. *Kentucky Baptist Home for Children*, Case No. — (E.D. Ky., filed April 17, 2000) (charging that the dismissal of an employee, who was employed to help the Kentucky Baptist Home for Children distribute state funds for the provision of child care, on the grounds that her sexual orientation was contrary to the employer's religious tenets violates the establishment of religion clause). No federal funds were used in this case, so the lawsuit does not involve a federal charitable choice program.

In *Lara* v. *Tarrant County*, 2001 WL 721076 (Tex.), the court stated that ''This case involves a dispute over a religious-education program in a Tarrant County jail facility. Our inquiry focuses on the Chaplain's Education Unit, a separate unit within the Tarrant County Corrections Center, where inmates can volunteer for instruction in a curriculum approved by the sheriff and director of chaplaincy at the jail as consistent with the sheriff's and chaplain's views of Christianity.''

American Jewish Congress and Texas Civil Rights Project v. *Bost*, No. — (Travis County, Texas, filed July 24, 2000) was dismissed as moot on January 29, 2001.

Claim that H.R. 7 requirement that an alternative unobjectionable on religious grounds is available is an ''unfunded mandate''

The Dissenting Views state that H.R. 7's requirement that an alternative be available that is unobjectionable to a beneficiary on religious grounds is an ''unfunded mandate.'' This is not true. As the Congressional Budget Office points out in its statement on H.R. 7, ''All of [the charitable choice] requirements are conditions of federal assistance, and therefore, are not mandates under UMRA [the Unfunded Mandates Reform Act].''

Claim that children could be subject to ''peer pressure'' to engage in proselytizing activity

The Dissenting Views worry about children being subject to ''peer pressure'' that leads them to take part in sectarian activities outside a federal program.

H.R. 7 excludes from covered programs those that include ''activities carried out under Federal programs providing education to children eligible to attend elementary schools or secondary schools, as defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801),'' except it does not exclude activities ''related to the prevention and treatment of juvenile delinquency and the improvement of the juvenile justice system, including programs funded under the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5601 et seq.).'' Children eligible to attend elementary schools or secondary schools is defined in Elementary and Secondary Education Act of 1965, 20 U.S.C. § 8801(3), as follows: ''The term 'child' means any person within the age limits for which the State provides free public education.''

Also, H.R. 7 makes clear that any sectarian instruction, worship, or proselytizing activities must be conducted separate and apart from the federally-funded program, and any children taking part in any such activities would be doing so under the normal doctrines of guardianship law.

Claim that H.R. 7 allows discrimination against beneficiaries

The Dissenting Views incorrectly states that H.R. 7 allows discrimination against beneficiaries because its terms only refer to a prohibition on discrimination against beneficiaries on the basis of religion. First, courts will interpret ''on the basis of religion'' in the same way they do when interpreting the Title VII exemption, which is to also include within ''religion'' an organization's beliefs regarding lifestyle. Courts have held that the § 702 exemption to Title VII applies not just when religious organizations favor persons of their own denomination. Rather, the cases permit them to staff on the basis of their faith or doctrine. See *Little* v. *Wuerl*, 929 F.2d 944 (3d Cir. 1991) (Catholic school declines to renew contract of teacher upon her second marriage); *Hill* v. *Baptist Memorial Health Care Corporation*, 215 F.2d 618 (6th Cir. 2000) (dismissing woman when she became associated with church supportive of homosexual lifestyle and announced she was lesbian). H.R. 7's provisions in subsection (h)(1) prevent religious organizations taking part in covered programs from discriminating against beneficiaries of grant programs on the basis of a refusal to hold a religious belief. Therefore, a religious organization could not discriminate against homosexual beneficiaries of grant programs because they do not adhere to a religious belief that homosexuality is a sin.

Also, Title VII does not exempt a religious organization from a discrimination claim based on sex, and Title VII treats discrimination against a woman because of her pregnancy as discrimination based on sex, and prohibits it. The answer is the same whether the woman is married or unmarried.

Further, H.R. 7 does not preempt State or local laws protecting beneficiaries from discrimination, including State or local laws that prohibit discrimination against homosexuals in the receipt of social services.

Claim that beneficiaries don't have a right under H.R. 7 to enforce discrimination claims in court

The Dissenting Views state that beneficiaries facing discrimination do not have a right to enforce their rights in court. This is patently untrue. Any beneficiary who is discriminated against may sue, in federal court, a State or locality under subsection (n) and get them to stop any discrimination going on in a covered program that denies a beneficiary access to a service on the basis of religion, a religious belief, or a refusal to hold a religious belief. A beneficiary who is protected by any other State or local law protecting beneficiaries in the receipt of services can enforce their rights in court under those laws as well. Beneficiaries are also protected against discrimination based on race under Title VI.

Claim that subsection (l) regarding indirect funding was ''hidden in the fine print''

The Dissenting Views claim that subsection (l) was hidden ''in the fine print'' of the manager's amendment and ''added in the middle of the night.'' Well, subsection (l) was typed on the page in the same font and font size as any other provision in the amendment, and the amendment was distributed the afternoon before the markup, at about 3 o'clock. Subsection (l) was not buried in a footnote. Indeed, the entire charitable choice sections of the amendment consisted of a mere 13 pages, double spaced, in standard legislative counsel format. Of course, we had been working on changes, but we didn't have the final draft until that afternoon and therefore couldn't distribute it to our Republican Members until the day before the markup too.

Claims on indirect funding that are internally inconsistent

The Dissenting Views are internally inconsistent on the significance of indirect funding. On the one hand, on page 305, they state that indirect funding of religious organizations is objectionable because when a religious organization engages in sectarian instruction, worship, or proselytizing with indirect funds, it is still doing so ''with Federal funds.'' But on page 298, the Democrats say it's all right for religious organizations to hire staff based on religion when they receive Federal funds indirectly. Apparently there is dissent even within the Dissenting Views.

Claim that ''you can't have it both ways'' on non-proselytization and hiring on a religious basis

The Dissenting Views state that the Majority ''cannot have it both ways—either the Federal funds will be used for religious purposes, in which case there may be a justification for tolerating religious discrimination [in hiring]; or the funds will be used in a nonsectarian manner, in which case there is no reason to discriminate [in hiring] on the basis of religion.'' This totally misses the point that faith-based organizations perform secular social services motivated by religious conviction. They want to provide social services as a church. While the task of serving the poor and the needy is ''secular'' from the perspective of the government, from the viewpoint of the faith-based organization and its workers it is a ministry of mercy driven by faith and guided by faith. As the Reverend Donna Jones of North Philadelphia stated in her testimony before the House Subcommittee on the Constitution, she and her fellow church members did not want to set up a separate secular organization to perform good works because they were motivated to perform those good works together as a church, and they wanted to retain their identity as a church when they provided the services.

Justice Brennan makes this same point in his concurring opinion in the *Amos* case, which upheld the current Title VII exemption for religious organizations seeking to preserve the religious character of their organization. Justice Brennan recognized that many religious organizations and associations engage in extensive social welfare and charitable activities, such as operating soup kitchens and day care centers or providing aid to the poor and the homeless. Even where the content of such activities is secular—in the sense that it does not include religious teaching, proselytizing, prayer or ritual—he recognized that the religious organization's performance of such functions is likely to be ''infused with a religious purpose.'' *Amos*, 483 U.S. at 342 (Brennan, J., concurring). He also recognized that churches and other religious entities ''often regard the provision of such services as a means of fulfilling religious duty and providing an example of the way of life a church seeks to foster.'' *Id.* at 344. Perhaps one of the greatest liberal Justices, then, recognized that preserving the Title VII exemption when religious organizations engage in social services is a necessary element of religious freedom.

Mostly importantly, faith-based organization employees and volunteers can do their good works out of religious motive. While the task of helping the poor and needy is ''secular'' from the perspective of the Government, from the viewpoint of the faith-based organization and its workers it is a ministry of mercy driven by faith and guided by faith.

Claim that H.R. 7 allows a faith-based organization to discriminate based on interracial dating or marriage

The Dissenting Views claim that H.R. 7 will permit employment discrimination on the basis of interracial marriage. The cited source, an NAACP memo, plays off Bob Jones University v. United States, 461 U.S. 574 (1983). The claim in false. Title VII prohibits racial discrimination in employment by faith-based organizations. It is an act of facial discrimination to fire a while person because he or she marries a black person. There are no reported cases of anyone ever being allowed to be discriminated against by an organization due to interracial dating or marriage under Title VII.

Finally, in no way does H.R. 7 overrule the Bob Jones case. The case involved a challenge to a 1971 IRS Ruling which denied tax exempt status, under 501(c)(3), to any school which engaged in racial discrimination, and the Bob Jones University prohibited interracial dating by its students. The IRS Ruling has nothing to do with federal funding. H.R. 7 does not affect the Supreme Court's decision in any way. The IRS Ruling #71–447 continues in full force and effect.

Claim that Justice O'Connor disapproves of direct funding of religious organizations

In Justice O'Connor's view, monetary payments are just a factor to consider, not controlling. Also, please note that Justice O'Connor concurred in the opinion in Bowen v. Kendrick, where she joined in approving direct cash grants to religious organizations, even in the particularly ''sensitive'' area of teenage sexual behavior, as long as there is no actual ''use of public funds to promote religious doctrines.'' *Bowen* v. *Kendrick*, 487 U.S. 589, 623 (1988) (O'Connor, J., concurring).

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

This particular bill is shared in its jurisdiction between the Committee on the Judiciary and the Committee on Ways and Means. The discussion that we have been hearing is over the second title of the bill. There are three titles. The first title deals with charitable contributions by individuals and businesses. The second title is that which has been under discussion. The third title deals with individual or independence accounts, which is a demonstration program that the Committee on Ways and Means addressed.

I believe, and I hope it is true, that the debate about the constitutionality of this bill, which I do not believe to be meritorious, does not apply in any way to title I and title III discussions. It is well-established in terms of the charitable contribution aspect of the Tax Code. The committee examined these issues through subcommittee hearings, analyzed other Members' pieces of legislation and of course listened to groups who are involved in charitable activities, and then suggested a number of proposed tax changes that could create a more positive environment for giving.

The cost of the bill, over 10 years, as determined by the Joint Committee on Taxation, is a little over $13 billion over a ten year period. About half of that is directed toward creating a greater opportunity for those income tax payers who do not itemize their income taxes. These individuals are then recognized for additional tax contributions to charitable organizations beyond that amount already incorporated into the determination of the standard deduction.

It also addresses the fact that more and more seniors, through very prudent decisions, have individual retirement accounts that they put away for their senior years, and that some individuals, while in those senior years, have decided that they would be able to make additional charitable contributions. There now is a taxable consequence for directing those charitable contributions, and we eliminate that for seniors if they choose to use a portion of their individual retirement account for charitable giving.

In addition to that, there are a number of industries who are involved in the food services business who contribute excess food to charity but who certainly would be induced to do so even more if there was a modest recognition in the Tax Code for the contribution of those foodstuffs. And we will hear more about that provision as we discuss the rest of the provisions.

In addition to that, there are two rather arcane sections of the bill in which, based upon the structure of a corporation, that corporation either may be able to claim the full value of appreciable property or it cannot. The committee decided, listening to testimony, that it did not make any sense to differentiate between a so-called Subchapter S corporation or a C corporation; that a C corporation could donate property and get a deduction for the full appreciated asset and Subchapter S corporations could not.

These are the kinds of changes that constitute title I. As I said, over 10 years, there are about $13 billion. Some may say that these are very modest. But if we examine especially the corporate provisions on foodstuffs and the manner in which appreciable property could be donated, I believe that we will have a significant impact, far more than the $13 billion over the 10 years; and it could amount to as much as several billion dollars the first year.

So it may be called modest, but it is a step in the right direction; and I do hope Members, as they assess their vote on this bill, would look at the consequences of voting no, especially in regard to title I and to title III. These are sections of the bill that should be passed into law. And from my reading

of the Constitution, section II should be as well.

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

Mr. LEWIS of Georgia. Mr. Speaker, I yield myself such time as I may consume, and I want to thank the gentleman from New York (Mr. RANGEL), the ranking member, my friend and colleague, for allowing me to control this part of the debate on this bill.

Mr. Speaker, H.R. 7 is wrong for America. Allowing religious organizations to provide much-needed social services to disadvantaged people or people in need sounds like an innocent way to solve many of our problems. But the truth is that it allows these organizations to use Federal dollars, the taxpayers' dollars, to discriminate in their hiring. This is not right. It is not fair. It is not just.

I have spent more than 40 years of my life fighting against discrimination. We have worked too long and too hard, and we cannot sit back and watch the work of so many people who sacrificed so much be undone by this bill. We have come too far in this country to go back now. The House should not support a bill that allows the Government to promote discrimination, or return to the days when religious intolerance was permitted. It is not the right thing to do. It is not the right way to go. It is not the way to use the Tax Code.

Furthermore, this bill is an assault on the separation of church and State. This concept underlies our democracy. Yet H.R. 7 compels a citizen, through his tax dollars, to fund religious organizations. Tax dollars will go directly to churches, synagogues, and mosques. The wall between church and State must be solid. It must be strong. It has guided us for more than 200 years. It must not be breached for any reason.

There is no doubt, Mr. Speaker, that there are many religious organizations and institutions providing much-needed services to our citizens. But as a government and as a Nation, we should not sanction religious discrimination or violate the separation of church and State. I urge my colleagues to vote against H.R. 7.

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

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. CRANE), a member of the Committee on Ways and Means.

Prior to that, however, I ask unanimous consent that the gentleman from Michigan (Mr. CAMP) be allowed to manage the remainder of my time.

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

There was no objection.

The SPEAKER pro tempore. The gentleman from Illinois (Mr. CRANE) is recognized for 2 minutes.

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

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

We now have an excellent opportunity to advance sound tax policy and sound fiscal policy and sound social policy by returning to our Nation's historical emphasis on private activities and personal involvement in the well-being of our communities. Because the legislation we are considering contains a number of worthwhile provisions that I believe will help encourage people to give to charity, I rise today to express my support.

Mr. Speaker, I have long been an advocate in making changes in the Tax Code to encourage charitable giving. For many years, I have championed and sponsored some of the proposals contained in the legislation we have before us today, including the charitable IRA rollover and the deduction for nonitemizers. In fact, I do not believe there is a Member in Congress who has fought longer and harder for restoring a charitable deduction for nonitemizers than me. I have introduced the nonitemizer deduction legislation in every Congress since the 99th, and it is gratifying to finally see its inclusion in this legislation.

I would like to thank the gentleman from Oklahoma (Mr. WATTS) for including my provisions in H.R. 7, and the chairman, the gentleman from California (Mr. THOMAS), for including it in the mark. While I am pleased that the nonitemizer deduction was included in H.R. 7, I am disappointed that the limitations on the amount of the deduction were set so low. I hope to be able to work with the chairman in the future to raise the limit up to the standard deduction.

Mr. LEWIS of Georgia. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. RANGEL), the Committee on Ways and Means ranking member.

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

Mr. RANGEL. And now, my colleagues, we get to act two of this bill. And as was indicated by the chairman of the committee, while the tax provisions may not be unconstitutional, in my view they are unrealistic.

The President has seen fit to provide some $84 billion to taxpayers in order to encourage them to do the right thing, to make charitable contributions. But there was no money to do that. So the leadership in the Committee on Ways and Means reduced the $84 billion down to $13 billion. Well, we cannot do much with that if we want to give incentives to those people who do not itemize. But in order to make certain that this size 12 foot fits into a size 6 shoe, they had to put a cap on the amount that a person could deduct.

Now, listen to this, because if you are a charity, you are in trouble. The cap on the amount of money that a taxpayer who does not itemize can give is $25. Of course, if it is a married couple, it increases dramatically to $50. If an individual is in the 15 percent bracket, they will be able to get a return up to $3.75. So much for a realistic incentive.

What we are trying to do with the $13 billion is at least to pay for it, and we believe that the highest income people in this country can afford to pay for at least the $13 billion that hopefully will be given to those people in our great society that are least able to take care of themselves. It should not be that we should have to give incentives. But if we have to do it, let us give those that can really work.

Mr. CAMP. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. PORTMAN), a distinguished member of the Committee on Ways and Means.

Mr. PORTMAN. I thank my colleague and rise in strong support of this bill because it will help Americans who are most in need.

Over the past decade, Mr. Speaker, our Nation has enjoyed great prosperity, but it has not reached everybody. And the idea of this legislation is to try to reach people who have been left behind and to try to get at our very toughest social problems.

Some, including some I have heard earlier today, think the Government is the answer; that the Government is going to solve these problems. The Government can solve some of these problems; but we know from experience that when it comes to helping those most in need, there is no questioning the great success of community groups, of faith-based groups, of our churches, our synagogues, our temples reaching out to people. And not just helping them in their immediate need, but helping people help themselves by transforming lives. That is what this is all about.

Currently, government regulations often prohibit Federal assistance to support these institutions.

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That is a fact. That is what we are trying to break down. We have heard a lot of discussion today about how this raises concerns.

Opponents today have said it violates the separation of church and State. Not true. This bill strictly follows the boundaries that have been established over time by the Constitution and by numerous court decisions. These funds will not be used for religious purposes. These funds will be used to fund the good work that these groups are doing in our communities.

We have heard opponents say this bill threatens the independence of religious organizations. That is not true. First of all, it is entirely voluntary. No religious organization must partner with government to get these funds. Second, the legislation contains specific protections to prohibit the Federal government from interfering with the internal governance of the religious organizations.

We have heard opponents say this bill discriminates in employment. Not

true. This legislation strictly protects the exception for religious organizations that were first established in the Civil Rights Act of 1964. This exemption allows religious organizations to maintain their character and mission by hiring staff that share their beliefs. That is all. That exemption continues. Organizations still must comply with all Federal laws regarding discrimination.

I would say Congress has passed four bills during my tenure here that President Clinton signed that have similar charitable choice provisions.

Mr. LEWIS of Georgia. Mr. Speaker, I yield 5 seconds to the gentleman from Virginia (Mr. SCOTT) on intervention.

Mr. SCOTT. Mr. Speaker, I wanted to point out that any program that can get funded under H.R. 7 can be funded today. There is no discrimination against religious organizations. Many religious organizations get money today.

Mr. LEWIS of Georgia. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Speaker, President Bush has said we should fund the good work of the faithful but not the faith itself. I agree. Unfortunately, somewhere along the line the administration's proposal as reflected in the bill before us lost track of the goal of providing additional funds for faith and community groups to help needy families. Instead, the bill promotes government-funded religious discrimination, turning the President's campaign proposal on its head.

President Bush and the authors of H.R. 7 have continually failed to acknowledge that religious charities can and already do receive government funding to address poverty and other social problems. For example, Catholic Charities receives two-thirds of its budget from Federal, State and local government. The armies of compassion are already marching with the Federal government's thanks, blessing and money.

The bill before us does not provide a single dime in new money for these programs, no new resources for child care, social services, substance abuse treatment, housing or any other pressing need that the community and faith-based organizations are working to meet.

I asked the Committee on Rules to make an amendment in order that would have backed up our bold talk with badly-need funds. My amendment would have increased resources for the child care and the social services block grant, two programs that are underfunded and have a long and successful record of supporting faith-based organizations. Unfortunately, the Committee on Rules rejected my amendment along with a number of other amendments that would strengthen this bill.

Rather than providing real assistance to religious charities to serve needy families, the President's initiative focuses on allowing groups receiving government money to discriminate in their hiring practices. In fact, the proposal goes so far as to preempt State and local laws on prohibiting employment discrimination.

Proponents of the H.R. 7 have said they are simply continuing a current exemption to the Civil Rights Act, as the gentleman from Cincinnati (Mr. PORTMAN) just said, for the hiring practices of religious organizations.

This exemption is a common sense provision that ensures a synagogue is not required to hire a Catholic as a rabbi and a Christian church is not required to hire a Jew as a priest. However, the bill before us today is talking about something very different, allowing discrimination in secular jobs which are directly supported with government dollars. Such discrimination is not only wrong, it is unconstitutional.

In its decision on this specific issue, Dodge v. Salvation Army, a U.S. District Court ruled, and I quote, ''The effect of government substantially, if not exclusively, funding a position and then allowing an organization to choose the person to fill or maintain that position based on religious preference clearly has the effect of advancing religion and is unconstitutional.''

Mr. Speaker, there is no disagreement in this Chamber about the important role that religious charities play in addressing our Nation's problems. However, many of us are concerned about the proposal that it attempts to bypass constitutional protections while simultaneously failing to provide the necessary resources to achieve its stated purpose.

Mr. Speaker, I urge my colleagues to support the substitute that provides the protections and to reject the underlying bill.

Mr. CAMP. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Washington (Ms. DUNN).

Ms. DUNN. Mr. Speaker, Americans in communities across the country give their time, their talents and their money to help worthy causes. We have always been a generous people. DeTocqueville noted this in the mid-1800s when he spoke of the unique American tradition of volunteerism. No matter the social or economic burdens, the average American takes extraordinary actions to make a difference and to help those in need, not because they must but because they care.

H.R. 7 is a reflection of President Bush's vision to tap into the generosity of average Americans by expanding tax relief for charitable donations and by encouraging all organizations to participate in caring for those in need.

Currently, taxpayers who itemize their returns get to take a charitable deduction. Unfortunately, the Tax Code leaves out the nearly 70 percent of taxpayers who do not itemize. H.R. 7 eliminates that restriction. It puts a toe in the door. It rewards the taxpayer's charitable choice and will lead to a corresponding boost in donations.

The bill also allows wealthy retired individuals to donate more money from their IRA without a tax penalty. Older people with means who want to help the community by donating to charity should be encouraged and not punished by the Tax Code.

Lastly, we should continue developing public-private partnerships between the government and charitable organizations.

Some critics claim that this is a dangerous blurring of politics and religion. With great respect, I disagree. I believe that by supporting this bill we honor our common commitment and belief in helping our fellow human beings.

Mr. LEWIS of Georgia. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. DAVIS).

(Mr. DAVIS of Illinois asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Illinois. Mr. Speaker, I rise in favor of the Democratic substitute.

Mr. Speaker, I rise in support of the Community Solutions Act, Democratic Substitute, as there are thousands of communities and millions of people in our country who have serious problems and are in need of real solutions.

I rise in support of this legislation, not because I believe that it is a panacea, I don't believe in one-stop cure-alls for the overwhelming magnitude of social, emotional, spiritual and economic ills which plague our society and are in need of every rational, logical, and proven approach that we can muster.

And yes, Mr. Speaker, I support this legislation because I have faith, faith in the ability of religious institutions to provide human services without proselytizing. I have faith in these institutions to organize themselves into corporate business entities to develop programs, to keep records, and to manage their affairs in compliance with legal requirements. I also have confidence in the ability of these institutions to magnify the Golden Rule, ''Do unto others as you would have them do unto you.''

I have listened intently to the issues raised by my colleagues who have expressed serious concerns about this legislation and I commend them for their diligence. I appreciate their concerns about charitable choice, ranging from discrimination to infringement on individual liberties.

However, charitable choice is already a part of three federal social programs: (1) The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, (2) The Community Services Block Grant Act of 1998, and is part of the 2000 Reauthorization of funding for the Substance Abuse and Mental Health Services Administration. Each of these programs possess the overarching goal of helping those in poverty, or treating those suffering from chemical dependency, and the programs seem to achieve their purpose by providing resources in the most effective and efficient manner. The opponents of this legislation have expressed concern about the possible erosion of rights and protections of program participants and beneficiaries. (And rightly so, nothing could be more important). Therefore, I am pleased that

after serious scrutiny and debate we have language which protects our citizens and repudiates employment discrimination on the basis of race, color, religion, national origin or sexual preference.

The overall purpose and impact of this legislation can be good. It reinforces for us the fact that many people in poverty, suffer from some form of drug dependency. Alcohol, narcotics, and in some instances, even legalized prescription or over-the-counter-drugs. Many of these individuals have been beaten down, have virtually given up, and have lost the will to overcome their difficulties. It is in these instances and situations, Mr. Speaker, that I believe the Community Solutions Act can and will help the most.

It reminds us, Mr. Speaker, that poverty, deprivation and the inability to cope with anxiety, frustration, homelessness, are still rampant in our country. Let's look, if you will, at an exoffender, unable to get a job, illiterate, semi-illiterate, disavowed by the ambiguities and contradictions of a sometimes cold, misunderstanding, uncaring or unwilling-to-help society. These situations create the need for something different; new theories, old theories reinforced, new approaches, new treatment modalities.

A preacher friend of mine was fond of saying that new occasions call for new truths, new situations make ancient remedies uncouth. Well, I can tell you Mr. Speaker, the drug problem in this country is so overwhelming, so difficult to deal with, so pervasive . . . the Mental health challenges require so much, the abused, neglected and abandoned problems require psychiatrists, counselors, psychologists, well developed pharmaceuticals and all of the social health, physical health and professional treatment that we can muster, but I also believe that we could use a little Balm of Gilead to have and hold, I do believe that we could use a little Balm of Gilead to help heal our sin sick souls.

Mr. Speaker, I am told that the cost of drug abuse to society is estimated at $16 billion annually, in less time than it takes to debate this bill, another 14 infants will be born into poverty in America, another 10 will be born without health insurance, and one more child will be neglected or abused. In fact, the number of persons in our country below the poverty level in 1999 was 32.3 million.

This legislation recognizes the fact that we must commandeer and enlist every weapon in our arsenal to fight the war against poverty, crime, mental illness, drug use, and abuse as well as all of the maladies that are associated with these debilitating conditions. H.R. 7, the Community Solutions Act of 2001, can lend a helping hand.

But it cannot be allowed to help expand discrimination; therefore, I urge that we vote for the democratic substitute and the motion to recommit.

Mr. LEWIS of Georgia. Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. MCDERMOTT).

Mr. MCDERMOTT. Mr. Speaker, whenever we pass this legislation, we have to ask ourselves, what is broke? What are we trying to fix?

The gentleman from Virginia (Mr. SCOTT) has very clearly said any religious organization can accept money. In the present situation, this bill is not needed. Catholic Charities gets 62 percent. That equates to $1.4 billion a year from the Federal Government. The Salvation Army gets $400 million a year. United Jewish Communities, their nursing homes get 76 percent of their money from the Federal Government. Lutheran Services gets 30 percent of their $6.9 billion from the Federal Government. That is $2.6 billion.

Mr. Speaker, my colleagues tell me that faith-based organizations need this bill to get this money. That is clearly not what we are doing here. We are skirting around the court case we heard about. We want to give the ability of religious organizations to break laws that are here today and mix church and State.

The other thing that we are doing, and everybody forgets the past, the other side of the aisle took money from the Community Development Block Grant for social services 2 years ago and put it into the transportation budget. Now these agencies are coming and saying, we do not have enough money. So the other side of the aisle's answer is, well, we will just ask people to contribute more. We will put this really good incentive out there.

Mr. Speaker, everybody who has filed the short form in this country now has the opportunity to give $25. If they keep records, and they have to keep records where they gave that $25, they then will get $3.75 back. Now, I do not know how stupid the other side of the aisle thinks 75 percent of the American people are. If they care, they are already giving $25. They will give $25 or $50, or whatever they have, but they are not going to do it for $3.75 that they have to wait a year to get. This is simply a nonsense bill.

Mr. CAMP. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. ENGLISH).

Mr. ENGLISH. Mr. Speaker, the real issue today is, will blind ideology and partisan politics stand in the way of our investing in successful faith-based programs, in communities and families, and in individuals truly in need? The naysayers today are the same people who told us that welfare reform would not work; and look at the results.

For years, faith-based charities have reached out, making it their mission to serve our communities. They work to support those who are struggling and have broken lives. These groups provide emergency food and shelter, after school care, drug treatment, welfare-to-work assistance, and many other services. They do it with little support from the Federal Government, but they get the job done.

Because of all of that, what these groups do for our communities, I urge my colleagues to step back from partisan politics, step back from blind ideology and support the Community Solutions Act.

Mr. Speaker, this bill will stimulate an outpouring of private giving to nonprofits, faith-based programs and community groups by expanding tax deductions and other initiatives.

Mr. LEWIS of Georgia. Mr. Speaker, I yield 1 minute to the gentlewoman from Florida (Mrs. MEEK).

Mrs. MEEK of Florida. Mr. Speaker, this is an outrage. I got religion in a lean-to many years ago, so there is very little my colleagues can tell me about faith based. But they can say to me that they want to discriminate, and I can hear that in whatever language they speak it in.

Mr. Speaker, the other side of the aisle is giving a set-aside. That is what my colleagues are doing. It is a set-aside with Federal funds for religious organizations, and it is a subterfuge. It is a set-aside on civil rights.

It is well-intended. There are some good people behind this bill, and there were some good people behind slavery. We do not want that to happen again. We have to watch this.

There is no one in this Congress that is more faith based than I am, so I should have every reason to support H.R. 7. But, Mr. Speaker, I am afraid of this bill. Some of the little churches in my community are going to be misguided and misrepresented; and, before we know it, they will be in Federal court because of some of my colleagues' foolishness trying to spread out and do something.

Mr. Speaker, why are my colleagues doing this bill? There is only one reason. It is a subterfuge.

Mr. CAMP. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. SAM JOHNSON), a distinguished member of the Committee on Ways and Means.

Mr. SAM JOHNSON of Texas. Mr. Speaker, this act will actually increase charitable giving. I want to focus on the value of individuals donating funds from their IRAs to charities once they reach the age of 70½. Permitting older Americans to roll over funds from a retirement account without the government getting a piece of the action is a major help for charities. When this bill becomes law, a $100 YMCA contribution will be a $100 contribution, not $85 because the IRS is not going to take their chunk out.

Mr. Speaker, charities do remarkable things for our country. They change the lives and hearts of so many for the better. They feed the hungry, clothe the homeless, and assist the needy. Now is the time to help charities help those most in need. Let us help the charities keep more of their well-deserved dollars. It is the right thing to do.

Mr. LEWIS of Georgia. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, the question before this House is not whether faith is a powerful force; it is. The question is not whether faith-based groups do good works; they do. The question is not even whether government can assist faith-based groups in their social work; the government does, and has so for years without this bill.

Mr. Speaker, rather, the vote on this bill boils down to two fundamental questions: First, do we want citizens' tax dollars funding directly our churches and houses of worship? Second, is it right to discriminate in job hiring when using tax dollars?

By directly funding churches and houses of worship with tax dollars, this bill obliterates the Bill of Rights' wall of separation between church and State. As all of human history has proven, entanglement between government and religion will lead to less religious freedom and more religious strife. Government funding of our churches will absolutely lead to government regulation of our churches, and it will cause religious strife as thousands of churches compete for billions of dollars annually.

Mr. Speaker, to my conservative colleagues I would say this: No one should be more concerned than true political conservatives about the idea of the long arm of the Federal Government and its regulations extending into our sacred houses of worship.

I would challenge any Member of this House to show me one nation anywhere in the world that funds its churches and has more religious liberty, more religious vitality or tolerance than right here in the United States.

Regarding the religious discrimination subsidized by this bill, I would say this: No American citizen, not one, should ever have to pass someone else's religious test in order to qualify for a federally funded job. Sadly, under this bill, a church or group associated with Bob Jones University could put out a sign that says, ''No Catholics Need Apply Here'' for a federally funded job. That is wrong. This bill is wrong for religion, it is wrong for our churches, and it is wrong for our Nation.

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Mr. CAMP. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. HOUGHTON), a distinguished member of the Committee on Ways and Means.

Mr. HOUGHTON. Mr. Speaker, there are many parts of this bill. The part I would like to concentrate on is something which the gentleman from Ohio (Mr. HALL) and I have been working on for a long time. The basis is this: there are 31 million Americans, according to a Department of Agriculture report, who go to bed hungry every night; and 12 million of those are children. One of the things this bill does is to encourage and gives a tax incentive to restaurants and hotels and people like that who have excess food, throw it away, to give it to these organizations, to help these people that are hungry.

That is all it is. It is a very simple part of this bill. I think it is needed, and I think it is the right area.

Mr. LEWIS of Georgia. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Florida (Mr. DEUTSCH).

Mr. DEUTSCH. Mr. Speaker, I would take second place to no one in this Chamber in my faith and my belief in God. I would take second place to no one in this Chamber in terms of my personal commitment to supporting faith-based organizations. But I cannot support the bill as presently drafted and specifically focusing on the discrimination aspect of the bill.

No one in this Chamber would ask that a Jew serve as a Catholic priest or a Muslim serve as a Christian minister. But what this bill specifically does, and we should face it and we should talk about it and think about the implication, is that the person serving the soup literally with the ladle would be allowed to be only of a certain faith, whatever that faith may be, with Federal funds. That is a very scary concept, I think, for many Americans. I ask my colleagues to sensitize themselves about that. We could talk around that issue. We could talk any way that we want. If that money is coming from my donation as a free will offering, and that institution chooses to do that, they have the ability, but not with Federal funds, not with taxpayer dollars.

Mr. CAMP. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. RYAN), a distinguished member of the Committee on Ways and Means.

Mr. RYAN of Wisconsin. Mr. Speaker, I think it is important as we listen to this debate to hear what the opponents are saying. They are not attacking this bill head-on. They are chewing around the edges. They are trying to set up roadblocks. They are trying to put new provisions in law with respect to the civil rights acts. What they are trying to do is make this program unworkable.

We hear this comment repeated over and over: Catholic social services, Lutheran social services is getting all this government money. That is true. The large, high-financed, well-established churches do get Federal funding. They can afford the attorneys, they can afford the accountants, they can afford the largesse to afford these complicated tax structures to get this money.

That is not what this bill is about. This bill is about the little guy. This bill is about the people who have those small, faith-based organizations in our inner cities, in our rural areas, who know the names, who know the faces, of those who are in need.

The problem that we have had with this Federal Government, with the welfare state, with our approach to poverty, is that we have treated the superficial wounds that have plagued our population but we have not treated the soul. We have not treated the heart of the problem. The goal here is to let those small institutions of civil society throughout America, those faith-based organizations, who know the name of the person in need, who are there in the ghettos, in the streets, to help them, to sight their problems and to help them and to get assistance.

This bill is about discrimination. We are discriminating against those groups from getting equal treatment of our laws to help these people in need. It maintains every point of our current civil rights laws today. There is no civil rights law that is degraded in this act as we move forward. We are simply removing discrimination against these groups.

I urge passage of this bill. I think this bill has the potential of changing our culture more so than any other measure we may be considering here in this Congress. I think those who are on the other side are well-intended, but I think it is the right time that we pass this legislation. I urge its passage.

Mr. LEWIS of Georgia. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK. Mr. Speaker, if what the previous gentleman said was in the bill, it would be much less controversial. It does change civil rights laws. It preempts, as the chairman of the committee acknowledged in the debate, all State and local laws that many of these organizations do now have to abide by in their purely secular activity, and it allows discrimination with Federal funds for purely secular activities. It says, ''No, you can't discriminate based on race, but you can based on religion.''

But, sadly, all too often in America, religion becomes a proxy for race. When Orthodox Jews get this money in Brooklyn, no blacks will be hired. When the Nation of Islam gets this money in Baltimore to deal with public housing, no whites will be hired. In fact, religion is all too often correlated with race. And when you say to religious groups, provide a purely secular activity with Federal tax dollars but in employing people to serve the soup or build the homes or clean up or give drug treatment, hire only your own co-religionists, you are empowering people de facto to engage in racial segregation. That is not worthy of the purposes of this bill.

Mr. LEWIS of Georgia. Mr. Speaker, I yield the balance of my time to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT. Mr. Speaker, I would just point out that no one is going to make a $25 donation because they can get $3.75 back from their taxes a year from now. If we want to help these organizations, we ought to increase the appropriations that have been cut over the past few years.

And we are not going around the edges. The basic core part of the bill does not help little churches. They still have to do a grant-writing proposal. They still have to run a program pursuant to Federal regulations. They still have to withstand an audit. But they cannot discriminate now, and this bill will allow them to discriminate in hiring. That is wrong. That is why the bill ought to be defeated.

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

Just briefly on the tax provisions in this bill, this bill is about fairness. It

allows those 70 percent of taxpayers who do not itemize ability to give charitable contributions regardless of their itemizing on their tax returns. IRS data shows that if they do, they will increase their charitable giving significantly.

It also allows for tax-free withdrawals from IRAs and Roth IRAs. It also gives incentives for increased charitable contributions by businesses and employers in terms of food from restaurants or computer equipment from other businesses.

This will be a real benefit to our communities. I urge support and passage of this bill.

Mrs. MINK of Hawaii. Mr. Speaker, I rise today in very strong opposition to H.R. 7, the Charitable Choice Act of 2001.

This legislation sanctions government-funded discrimination. Passage of this bill would allow religious organizations who receive government funds to hire only those individuals who prescribe to the organization's religious tenets. The bill would also override state and local civil rights laws that prohibit discrimination based on race, sex, national origin and sexual orientation.

This bill proposes a major change to the basic American principle of separating church and state. Federal agencies would be given the opportunity to take all of the funding for a program and convert it into vouchers to religious organizations. Religious groups receiving this money would be able to use it for any number of purposes, including proselytizing.

Supporters of this bill claim that more individuals will be helped because more organizations will have access to federal funds. This is simply not the case. H.R. 7 does not provide one additional dollar in federal funding for social programs. In fact, the President's budget actually cuts funding for the very programs that are being touted in this bill.

The tax provisions of this bill are a joke. On the campaign trail, the President wanted to encourage greater charitable giving by providing $91.7 billion in tax breaks for those who donate. H.R. 7 provides only $13.3 billion in tax incentives for charitable giving. Why the discrepancy? In their haste to pass a massive tax cut, the President and Republicans abandoned the charitable donation proposals.

I urge all members to vote against this harmful legislation.

Mr. ETHERIDGE. Mr. Speaker, I rise in strong opposition to H.R. 7. As an active member of my local church, I strongly support the good work performed by faith-based charities across this country. But there is a right way and a wrong way to provide government support for those efforts. Unfortunately, this bill represents the wrong way.

H.R. 7 will allow religious organizations to discriminate in hiring on the basis of race, color, sex, national origin and sexual orientation while using federal tax dollars collected from all Americans. This would be a giant step backwards for civil rights. This legislation also subverts First Amendment safeguards by allowing individuals to use vouchers in faith-based programs. Finally, sending federal tax dollars directly to our houses of worship is unconstitutional, and will inevitably lead to government regulation of religion.

Mr. Speaker, I am proud to support the Democratic Alternative to H.R. 7. The Democratic Substitute will prevent the charitable choice provisions in H.R. 7 from preempting or superseding state or local civil rights laws. The Substitute will also prohibit the use of vouchers and other indirect aid by religious organizations. Mr. Speaker, the Democratic Alternative represents the right way to establish partnerships between faith-based organizations and government. We must never use the American people's money to condone discrimination.

Faith- and community-based organizations have always taken the lead in combating the hardships facing families and communities, and I strongly support the work they have done and will continue to do. But H.R. 7 is the wrong way to show our support for these important organizations. I urge my colleagues to oppose H.R. 7 and to support the Rangel Substitute.

In addition, Mr. Speaker, I want to submit for the RECORD a list of some of the distinguished organizations that have contacted me to express opposition to H.R. 7. This list is large and broad-based and demonstrates the divisive nature of this bill in its present form. I am hopeful Congress will come together across party lines to pass a common sense compromise to support faith-based charities.

Here is a partial list of organizations that oppose H.R. 7:

The Baptist Joint Committee
The United Methodist Church, General Board of Church and Society
The Presbyterian Church, USA
American Baptist Churches, USA
The Episcopal Church, USA
The American Jewish Committee
The Anti-Defamation League
The American Association of School Administrators
Hadassah, The Women's Zionist Organization of America
The American Association of University Women
The American Federation of Government Employees, AFL–CIO (AFGE)
The American Federation of State, County and Municipal Employees (AFSCME)
The American Federation of Teachers
The National Coalition for Public Education
The Jewish Council on Public Affairs
The National Association for the Advancement of Colored People (NAACP)
The National Council of Jewish Women
The National Education Association (NEA)
The National Parent Teacher Association (PTA)
Service Employees International Union, AFL–CIO (SEIU)
The Interfaith Alliance

Mr. KLECZKA. Mr. Speaker, the issue before the House of Representatives today is not whether faith is a positive force or whether churches and synagogues do good work. I think it's safe to assume we all agree that religious organizations play a significant role in providing needed social-welfare programs in every community across the United States.

Religious groups have been doing charity work for years, and they have been doing so without the necessity of the legislation before us today. What is of issue, however, is whether Congress should sanction government-funded discrimination and remove the wall between the church and state.

By permitting religious groups to discriminate in hiring on the basis of religion, the bill before us today violates the principle of equal protection and endorses taxpayer-funded discrimination. Under the bill, for instance, a religious group can refuse to hire a single mother, a woman using birth control for family planning, or even a person of a different race, if their ''status'' violates the doctrine of that religion. I can support religious institutions using their private funds to hire a rabbi or a priest to lead their congregations in worship, but I do not condone allowing religious groups to discriminate in hiring when receiving public funds. No American should have to pass a religious test to qualify for a federally-funded job.

Equally disturbing, this legislation does not provide adequate safeguards and essentially obliterates the wall separating church and state, a core principle of our nation for over 200 years. H.R. 7 introduces a new feature into our social-welfare system that allows federal agencies to convert more than $47 billion in federal funds into vouchers to religious organizations. These vouchers could be used for religious purposes, including the funding of sectarian worship, instruction, and proselytization.

As a strong supporter of faith-based organizations, I cannot support this flawed legislation. The Rangel/Conyers Substitute, which includes anti-discrimination protections and safeguards between church and state received my strong endorsement and vote. This Substitute removed from the base bill the provision that permits indirect aid that could be used for religious purposes and clearly stated that religious programs could not engage in sectarian worship, instruction, or proselytization at the same time and place as the government-funded program.

It is my hope the senate makes wiser choices during its consideration of this legislation, and the bill's shortcomings are addressed during conference committee. Hopefully, by that point, the measure will be corrected so that I may lend it my support.

Mr. BENTSEN. Mr. Speaker, I rise in opposition to H.R. 7, the community Solutions Act, well-intentioned legislation that would undermine two of our nation's most fundamental constitutional principles—equal protection and the separation of church and state. Mr. Speaker, I agree that the federal government should encourage non-profits including religious organizations to help in meeting our nation's social welfare needs, but not at the expense of the constitutional principals that have served this nation so well.

H.R. 7 would broaden the use of federal funds made available to religious groups than is currently permitted and allow such groups to make their religious tenets central in the provision of those services. Specifically, the bill prohibits the federal government, or state and local governments using covered federal funds, from denying religious organizations in the awarding of grants on the basis of the organizations' religious character. The bill expands previously enacted ''charitable choice'' laws to include eight new programs that relate

to: juvenile justice, crime, housing, job training, domestic violence, hunger relief, senior services and education.

The bill also contains $13 billion in tax reductions over the next decade designed to encourage charitable giving. Given the new budgetary constraints after the passage of the President's $1.35 trillion tax cut package, the Ways and Means Committee approved just 15% of charitable giving tax incentives provided under the President's plan. H.R. 7 would permit taxpayers who do not itemize their taxes to deduct up to $25 in charitable contributions a year, rising to $100 in 2010. Under this bill, non-itemizers in the 15 percent tax bracket would get anemic tax benefit of $3.75 a year if they contributed the maximum, rising to $15 a year. I would also note that the bill does not provide one additional dollar in federal funding for charitable-choice programs. In fact, the President's budget, in fact, slashes funding for some of the very programs promoted in the bill.

Mr. Speaker, I supported the ''charitable choice'' provisions of the 1996 Welfare Reform Act which allowed religious organizations to qualify for federal funds for social service programs, without being forced to eliminate or soften their religious content. Such previously-enacted charitable choice laws strictly prohibited these faith-based social-service providers from proselytizing in their federally-funded programs. Today, we have before us legislation to give effect to the President's ''faith-based initiative'' by allowing religious organizations to proselytize or undertake other religious activity with federal funds when such activities are funded indirectly through vouchers.

This approach, while well-meaning, runs afoul of the First Amendment requirement of separation of church and state and would open the door to employment discrimination in federally-funded programs. Under H.R. 7, groups would be permitted to make hiring decisions based on religion, without regard to state or local laws on the subject. Under the bill, for instance, an organization could discriminate against someone involved in an interracial relationship or second marriage, if that status violated the doctrine of the religion. I can see no legitimate justification for permitting providers of government-funded secular services to discriminate in this manner. The content of a person's heart and a desire to serve the community should be the only requisites for undertaking good works. Taxpayers should not be required to support discrimination.

The fact that some of the most vocal opponents of this bill are members of the clergy must not be overlooked. The bill does not provide adequate safeguards regarding the separation of church and state and may pave the way for excessive entanglement between government and religion. Churches and religious organizations that embrace this program should consider that with taxpayer dollars comes a fiduciary responsible in the form of oversight and what can be deemed intrusions into the affairs of such churches and other faith-based groups. Just this week, I heard from a constituent, a political science professor from Rice University who is active in his church, who urged me to vote against H.R. 7 and said it would ''strike a blow to religious autonomy in America, allowing government auditors and other bureaucrats into the inner sanctum of religious organizations—including, ironically, many of the churches who favor the bill.'' I couldn't have said it better myself.

Mr. Speaker, I also oppose the substitute, offered by Reps. RANGEL and CONYERS, because I believe that the passage of new legislation is not necessary. For decades, government-funded partnerships with religiously-affiliated organizations such as Catholic Charities, Jewish Community Federations, and Lutheran Social Services have helped to combat poverty and have provided housing, education, and health care services for those in need. These successful partnerships have provided excellent service to communities largely unburdened by concerns over bureaucratic entanglements between government and religion. In fact, many smaller churches in my district provide a multitude of social services to the community with federal grant money and tax deductible contributions. The existing prohibition on proselytizing has not curtailed their desire to serve and fulfill their missions.

Under the present system, any church or religious institution can establish a 501(C)(3) and apply for federal funds. Under § 501(c)(3) of the Internal Revenue Code, ''charitable organizations'' set up by organizations such as the Red Cross, Catholic Charities USA or small churches and religious organizations greatly benefit from the ability to receive tax-deductible charitable contributions and are generally exempted from being taxed. Today, religiously-affiliated private entities receive hundreds of millions of dollars for their social service works. Mr. Speaker, we must all remember that religious institutions are out there, every day, making a difference in the lives of their communities and, with or without passage of this measure, will continue to contribute to the social fabric of this nation.

Mr. Speaker, while I strongly believe that religious organizations play an important role in providing needed social-welfare programs, I cannot sanction this bill which would put the federal government in the position of funding discrimination picking and choosing among the right religions and breaking down the separation of church and state.

Mr. STARK. Mr. Speaker, I rise today in opposition of H.R. 7, the Community Solutions Act. With 12 million children living in poverty, it is clear that Congress needs to do more to lift them out of their desperate situation. However, H.R. 7 does nothing to achieve this goal. It provides only a minimal tax deduction to encourage people to contribute to charitable organizations that provide social services to the poor. The bill does not provide any new government funding for faith-based organizations to carry out their missions to provide social services and reduce poverty.

If the Republicans truly cared about lifting children and families out of poverty, their budget would reflect significant increases in funding for social service programs. Instead, the Bush budget increases spending for the Administration for Children and Families by only 2.9%—far less than even inflation.

This bill is purported to be necessary to allow religious organizations to receive federal funds to provide services for those in need. In fact, many religious organizations qualify for such funds today. The only requirement is that they separate their duties as religious entities from their social service programs. For example, Catholic Charities received $1.4 billion in 1999 in government funding—totaling two-thirds of their annual budget.

Let's be real. This bill has nothing to do with increasing social services funding.

The most significant achievement of H.R. 7 is to allow federally funded faith-based organizations to circumvent state and local anti-discrimination laws.

Last week, the Bush administration announced that they would not pursue an administrative rule that would allow faith-based organizations to pre-exempt state laws prohibiting discrimination based on sexual orientation. Although some may believe that action resolved the issue, it did not. H.R. 7 explicitly allows faith-based organizations to pre-empt state law and state law and discriminate in their hiring practices.

This provision is worse than the Administration's proposed regulation because it allows faith-based organizations to not only discriminate against someone based on their sexual orientation, but for many other reasons such as being unmarried or pregnant to name a couple. However, this is only the tip of the iceberg.

Religious organizations have an exemption under the Civil rights Act that allows them to discriminate in the hiring of individuals that perform their religious work. However, that exemption does not currently allow them to discriminate in the hiring of individuals that carry out their federally funded social service programs. H.R. 7 extends the Civil Rights exemption to allow faith-based organizations to discriminate in the hiring of individuals that deliver their federally funded social service programs.

Again, the only real change in this bill from current law is to allow faith-based organizations to discriminate and to proselytize while receiving government funds. This bill is strong on promoting discrimination and weak on lifting families out of poverty.

By passing H.R. 7, the United States House of Representatives is sending the message that Congress endorses government-sponsored discrimination. I believe that this message desecrates the memory of the men, women and children who lost and risked their lives to bring equal rights to all who live in this country. Instead of undermining the memory of these courageous civil rights advocates, Congress should be using their effort as a source of inspiration to continue and move forward the battle to ensure that all who live in this nation obtain true equal rights.

It is time that our nations' leaders stood together to protect the advancements made in civil rights and create a nation that cherishes tolerance for all groups. To truly help the poor, Congress should ensure that they have access to health care, child care and other social services. None of these measures require undermining this nation's civil rights laws.

Finally, I hope this bill is no indication that Bush Administration wants to dismantle our existing social safety net and turn it over to religious organizations and other private charities. A recent Ewing Marion Kauffman Foundation study indicates that charities—even with the benefits of the tax cuts in this bill—would not be able to replace the federal government's commitment to providing social services. According to their study, adding up the current assets of all the foundations in America would only replace federal government funding for social services for 74 days. The Bush Administration may want to shift responsibility to religious organizations and private charities, but they can't do the job alone.

Moreover, if Congress decides to allocate more government funds to increase faith-based organizations role in providing social services, we should make sure that we are getting our taxpayers' money worth. At a recent Brookings Institute conference recently on child care, Mary Bogle, a child care expert, cited several studies that reported that child care provided by churches was among the lowest quality in the country. These child care centers had higher staff-to-child ratios, lower levels of trained and educated teachers and less educated administrators than other non profit child care centers.

I for one do not want to be telling my constituents several years down the road that Congress spent money on social services based on whether they are religious rather than on their ability to provide quality services.

Please join me in opposing H.R. 7 and lets work together to seriously tackle the problem of poverty without legalizing government-sponsored discrimination.

Mr. BLUMENAUER. Mr. Speaker, I rise to oppose H.R. 7, the Charitable Choice Act of 2001. I support the work that many religious charities do on behalf of those in the need in my community and across the nations. Currently, any church or religious organization can establish a charity and apply for federal funds. This legislation provides no additional money for those organizations. It simply would allow religious organizations that wish to discriminate to apply or federal funds. It would allow the rollback of many of the basic civil rights protections for all Americans currently enjoy. Allowing religious organization to discriminate in hiring on the basis of religion, sexual preference, and race is wrong.

Short-circuiting the current system also opens the door to federal interference in religious activities, which has prompted the opposition of many religious organizations and leaders. The litany of groups opposing this bill is long and contains the names of some of the most distinguished charitable and religious groups in the country.

Another unfortunate aspect is the failure to meaningfully assist the charitable contributions of low income Americans unable to itemize on income tax returns. As a result of other tax relief for people who need help the least, we are unable to assist those who are unduly penalized.

Given the flaws in this legislation, I oppose it, and urge my colleagues to do likewise.

Mr. WEXLER. Mr. Speaker, I rise today in opposition to the Community Solutions Act of 2001.

In a 1780 letter, Benjamin Franklin wrote, ''When religion is good, I conceive that it will support itself; and, when it cannot support itself, and G-d does not take care to support, so that its professors are obliged to call for the help of the civil power, it is a sign, I apprehend, of its being a bad one.''

Forty-three years later, James Madison wrote in a letter, ''Religion is essentially distinct from civil government and exempt from its cognizance . . . a connection between them is injurious to both.''

Franklin and Madison's observations are still poignant, and relevant to today's debate on President Bush's social services plan. I join with many Americans who have great concerns about the provisions of his plan which punch holes in the firewall between places of worship and the government.

A number of religious organizations already run very valuable social service programs, and Americans appreciate the significant contributions that these religious groups make to the well being of our communities. However, this proposed faith-based legislation unnecessarily entwines church and state in a financial relationship under the mantra of improving social services.

The Founding Fathers understood that both church and state play important roles in the lives of Americans, but neither may function appropriately under our Constitution if they are heavily intertwined. The separation of church and state actually protects each from the other. Many Americans express concern over the potential for a disproportionate level of influence of religious doctrine upon the making of public policy. However, places of worship should also be concerned about interference from government. It would be a travesty if a financial relationship between the two became so significant that religious decisions are affected by concerns over public funding.

Let us be straight-forward about the crux of this debate: The question is not whether churches, synagogues or mosques should provide social services. Of course they should. The question is whether religious organizations should abide by federal civil rights laws if they take federal money. The answer again is of course they should.

Proponents of the President's plan call for the removal of ''barriers'' which religious charities face when attempting to secure public funding for their social service programs. These so-called ''barriers'' are America's civil rights laws, and we must not compromise them. If a privately-funded place of worship directs its employees to follow its religious dictates, then it is within its rights to do so. However, if it uses public funds, then it should not be allowed to discriminate against anyone.

While we should always look for better ways to provide social services, I do not believe that the separation between church and state need to be dismantled to do so. I ask that you vote against the bill.

Ms. MCCOLLUM. Mr. Speaker, today I will vote against H.R. 7, the Community Solutions Act, because I strongly support the constitutional separation of church and state, and I believe this bill infringes on that separation. The bill would threaten religious autonomy, as religious organizations would be subject to government regulations in exchange for federal funds. The truth is that the federal government can already fund faith-based charities if they meet the following three conditions: they establish a 501(c)(3) tax-exempt charitable organization, they agree not to proselytize using tax dollars, and they cannot discriminate in job hiring. H.R. 7 would remove these important protections. I also believe this bill allows federal intrusion on state and local jurisdiction, as faith-based groups would not have to adhere to Minnesota's comprehensive state and local nondiscrimination laws.

I recognize the very important contributions of faith-based organizations to our communities and families. Some successful faith-based organizations in Minnesota such as Church Charities, Lutheran Social Services, and Jewish Family and Children's Services have developed a reputation for providing quality services without religious discrimination. These organizations certainly complement many governmental social services and I would not want to see their roles diminished in the lives of so many Minnesotans. This bill has the potential to interfere in the historic working relationships between faith-based organizations, the government, and the people they so generously serve.

Mrs. CHRISTENSEN. Mr. Speaker, I must join my colleagues who have spoken in opposition to H.R. 7.

Never can I or will I ever support a piece of legislation which would allow and therefore support discrimination in any way shape or form.

I am proud to be a member of the Congressional Black Caucus which does not oppose, but strongly supports, making funding available to support our religious organization's work in the world, but voted unanimously to oppose the egregious parts of the bill which allow the provisions of the hard fought for civil rights laws to be sidestepped.

As an African-American and a Christian, I must also say that I am insulted and deeply resent the way the administration has specifically courted the Black Church with this initiative because H.R. 7 falsely advertises the initiative as new, and also as funded, and it most agregiously, allows discrimination.

Mr. Speaker, I am and have always been a strong supporter of the work that religious groups such as Lutheran Social Services, Catholic Social Services, the Inter-Faith Coalition, the Moravian conference, The Seventh Day Adventist Church and others have been doing.

In addition to these concerns, I am also very troubled by the fact that H.R. 7 contains a provision that allows any federal agency to convert their entire services programs into a voucher in order to circumvent protections against discrimination that are provided for under federal law.

This most uncharitable bill goes beyond the question of violating the principle of separation of Church and State, first by allowing discrimination and then by purporting to provide funds for religious and other organizations when it doesn't actually provide any new dollars in the bill at all. Neither should they now, that the lack of funding is uncovered, be allowed to raid the Medicare Trust Fund.

As an African-American and a Christian, I must also say that I am insulted and deeply resent the way the administration has specifically courted the Black Church with this initiative because of the aforementioned aspects of H.R. 7 to which I have objected.

Mr. Speaker, I am and have always been a strong supporter of the work that religious groups in my and other communities do. Federal support of Faith based organizations is not new. In my district, groups such as Lutheran Social Services, Catholic Social Services, the Inter-Faith Coalition, the Moravian conference, The Seventh Day Adventist Church and others have been doing a tremendous job serving the needy in Virgin Islanders for many years now and will continue to do so with or without this bill.

Where there efforts are hampered is through the recent tax cut which will drastically cut funding from the programs that help those in our communities who need an extra hand up—in education, in health care services, in housing, in economic opportunity, and in programs that would promote an improved quality of life.

And it just astounds me that while the Administration is pushing this initiative ''as'' one

of its highest priorities, in the case of the CBC Minority AIDS Initiative, the Department has decided that Faith Based Organizations can no longer be targeted for funding.

I support the Democratic Substitute and urge my colleagues to do the same. This better bill would prohibit employment discrimination and the setting aside of state and local civil right laws and delete the sweeping new language in the bill which would permit federal agencies to convert more than $47 billion in current government programs into private vouchers.

Mr. GILMAN. Mr. Speaker, faith-based organizations play a vital role in our communities and work tirelessly towards effectively meeting the needs of our communities. These organizations cover all religions and range from family counseling, to community development, to homeless and battered woman's shelters, to drug-treatment and rehabilitation programs and to saving our ''at-risk'' children. In many cases, they are the only organizations that have taken the initiative to provide a much needed community service.

In principle, I support what H.R. 7, the Community Solutions Act seeks to accomplish. However, during exhaustive conversations with my constituents, and a variety of organizations, we must address the following issues before the bill is viable and fair:

H.R. 7 gives the executive branch broad discretion to fundamentally change the structure of a plethora of federal social service programs totaling some 47 billion dollars through the use of vouchers.This voucher program allows any Cabinet Secretary to convert any of the covered programs currently funded through grants or direct funding to a voucher program, without Congressional approval. The risk of these voucher programs is that once a program becomes a voucher program, the funds become indirect funds, which could require participants in voucher funded programs to engage in worship or to conform to the religious beliefs of the religious organizations providing the service.

H.R. 7, would permit a variety of organizations, including for-profit entities, to receive program vouchers. Our concern is that this could jeopardize the financial stability of nonprofit agencies by replacing the more reliable grant and contracts funding they currently receive with unpredictable voucher funding.

Mr. speaker, Charitable Choice fails to protect the beneficiaries of funded programs from proselytization, in that H.R. 7 fails to include meaningful safeguards for the beneficiaries while they are participants in publicly funded programs. H.R. 7, places the burden of objecting to the religious nature of the program up to the client, after he or she has sought assistance. Only after the injury suffered through unwanted proselyting, that the government is required to provide an alternative program. We should fund secular alternatives in advance, not when a lawsuit is brought challenging the religious nature of the program.

Mr. Speaker, H.R. 7, mandates that those faith based entities utilizing federal funds are to be held to the federal civil rights standard that allows religious organizations to discriminate against those on the basis of religion. In many cases state law provides additional civil rights protections regarding sexual orientation, physical and mental disabilities, genetics, and a host of other protections. To allow federal law to supersede state law on this important issue, not only creates the potential for constitutional states rights challenges, but does nothing to advance civil rights protections in our nation.

While no one can dispute the great work and the important services that faith-based organizations provide to our communities, the issues that I set forth and those raised by my colleagues must be addressed before this bill is fair, balanced and provides the necessary safeguards for all.

Accordingly, I look forward to working with our Conferees in the conference on this bill in order to more clearly address these issues.

Mr. PAUL. Mr. Speaker, no one familiar with the history of the past century can doubt that private charities, particularly those maintained by persons motivated by their faith to perform charitable acts, are more effective in addressing social needs than federal programs. Therefore, the sponsors of HR 7, the Community Solutions Act, are correct to believe that expanding the role of voluntary, religious-based organizations will benefit society. However, this noble goal will not be accomplished by providing federal taxpayer funds to these organizations. Instead, federal funding will transform these organizations into adjuncts of the federal government and reduce voluntary giving on the part of the people. In so doing, HR 7 will transform the majority of private charities into carbon copies of failed federal welfare programs.

Providing federal funds to religious organizations gives the organizations an incentive to make obedience to federal bureaucrats their number-one priority. Religious entities may even change the religious character of their programs in order to please their new federal paymaster. Faith-based organizations may find federal funding diminishes their private support as people who currently voluntarily support religious organizations assume they ''gave at the (tax) office'' and will thus reduce their levels of private giving. Thus, religious organizations will become increasingly dependent on federal funds for support. Since ''he who pays the piper calls the tune'' federal bureaucrats and Congress will then control the content of ''faith-based'' programs.

Those who dismiss these concerns should consider that HR 7 explicitly forbids proselytizing in ''faith-based' programs receiving funds directly from the federal government. Religious organizations will not have to remove religious income from their premises in order to receive federal funds. However, I fail to see the point in allowing a Catholic soup kitchen to hang a crucifix on its wall or a Jewish day care center to hang a Star of David on its door if federal law forbids believers from explaining the meaning of those symbols to persons receiving assistance. Furthermore, proselytizing is what is at the very heart of the effectiveness of many of these programs!

H.R. 7 also imposes new paperwork and audit requirements on religious organizations, thus diverting resources away from fulfilling the charitable mission. Supporters of HR 7 point out that any organization that finds the conditions imposed by the federal government too onerous does not have to accept federal grants. It is true no charity has to accept federal grants. It is true no charity has to accept federal funds, but a significant number will accept federal funds in exchange for federal restrictions on their programs, especially since the restrictions will appear ''reasonable'' during the program's first few years. Of course, history shows that Congress and the federal bureaucracy cannot resist imposing new mandates on recipients of federal money. For example, since the passage of the Higher Education Act the federal government has gradually assumed control over almost every aspect of campus life.

Just as bad money drives out good, government-funded charities will overshadow government charities that remain independent of federal funding. After all, a federally-funded charity has the government's stamp of approval and also does not have to devote resources to appealing to the consciences of parishioners for donations. Instead, government-funded charities can rely on forced contributions from the taxpayers. Those who dismiss this as unlikely to occur should remember that there are only three institutions of higher education today that do not accept federal funds and thus do not have to obey federal regulations.

We have seen how federal funding corrupts charity in our time. Since the Great Society, many organizations which once were devoted to helping the poor have instead become lobbyists for ever-expanding government, since a bigger welfare state means more power for their organizations. Furthermore, many charitable organizations have devoted resources to partisan politics as part of coalitions dedicated to expanding federal control over the American people.

Federally-funded social welfare organizations are inevitably less effective than their counterparts because federal funding changes the incentives of participants in these organizations. Voluntary charities promote self-reliance, while government welfare programs foster dependency. In fact, it is in the self-interests of the bureaucrats and politicians who control the welfare state to encourage dependency. After all, when a private organization moves a person off welfare, the organization has fulfilled its mission and proved its worth to donors. In contrast, when people leave government welfare programs, they have deprived federal bureaucrats of power and of a justification for a larger amount of taxpayer funding.

Accepting federal funds will corrupt religious institutions in a fundamental manner. Religious institutions provide charity services because they are commanded to by their faith. However, when religious organizations accept federal funding promoting the faith may take a back seat to fulfilling the secular goals of politicians and bureaucrats.

Some supporters of this measure have attempted to invoke the legacy of the founding fathers in support of this legislation. Of course, the founders recognized the importance of religion in a free society, but not as an adjunct of the state. Instead, the founders hoped a religious people would resist any attempts by the state to encroach on the proper social authority of the church. The Founding Fathers would have been horrified by any proposal to put churches on the federal dole, as this threatens liberty by subordinating churches to the state.

Obviously, making religious institutions dependent on federal funds (and subject to federal regulations) violates the spirit, if not the letter, of the first amendment. Critics of this legislation are also correct to point out that this bill violates the first amendment by forcing taxpayers to subsidize religious organizations whose principles they do not believe. However, many of these critics are inconsistent in

that they support using the taxing power to force religious citizens to subsidize secular organizations.

The primary issue both sides of this debate are avoiding is the constitutionality of the welfare state. Nowhere in the Constitution is the federal government given the power to level excessive taxes on one group of citizens for the benefit of another group of citizens. Many of the founders would have been horrified to see modern politicians define compassion as giving away other people's money stolen through confiscatory taxation. After all, the words of the famous essay by former Congressman Davy Crockett, that money is ''Not Yours to Give.''

Instead of expanding the unconstitutional welfare state, Congress should focus on returning control over welfare to the American people. As Marvin Olaksy, the ''godfather of compassionate conservatism,'' and others have amply documented, before they were crowded out by federal programs, private charities did an exemplary job at providing necessary assistance to those in need. These charities not only met the material needs of those in poverty but helped break many of the bad habits, such as alcoholism, taught them ''marketable'' skills or otherwise engaged them in productive activity, and helped them move up the economic ladder.

Therefore, it is clear that instead of expanding the unconstitutional welfare state, Congress should return control over charitable giving to the American people by reducing the tax burden. This is why I strongly support the tax cut provisions of H.R. 7, and would enthusiastically support them if they were brought before the House as a stand alone bill. I also proposed a substitute amendment which would have given every taxpayer in America a $5,000 tax credit for contributions to social services organizations which serve lower-income people. Allowing people to use more of their own money promotes effective charity by ensuring that charities remain true to their core mission. After all, individual donors will likely limit their support to those groups with a proven track record of helping the poor, whereas government agencies may support organizations more effective at complying with federal regulations or acquiring political influence than actually serving the needy.

Many prominent defenders of the free society and advocates of increasing the role of faith-based institutions in providing services to the needy have also expressed skepticism regarding giving federal money to religious organizations, including the Reverend Pat Robinson, the Reverend Jerry Falwell, Star Parker, Founder and President of the Coalition for Urban Renewal (CURE), Father Robert Sirico, President of the Action Institute for Religious Liberty, Michael Tanner, Director of Health and Welfare studies at the CATO Institute, and Lew Rockwell, founder and president of the Ludwig Von Misses Institute. Even Marvin Olaksy, the above-referenced ''godfather of compassionate conservatism,'' has expressed skepticism regarding this proposal.

In conclusion, Mr. Speaker, because H.R. 7 extends the reach of the immoral, unconstitutional welfare state and thus threatens the autonomy and the effectiveness of the very faith-based charities it claims to help, I urge my colleagues to reject it. Instead, I hope my colleagues will join me in supporting a constitutional and compassionate agenda of returning control over charity to the American people through large tax cuts and tax credits.

Ms. KILPATRICK. Mr. Speaker, today I rise in opposition to the underlying bill and in support of the Conyers Substitute. First, and foremost I must make known my profound belief in the healing ability of faith. The Church has always played an important role in my life and in many ways was a catalyst to my choice to pursue a political career. However, this is not a debate about government versus religion. Religious organizations play an important role in our society and no matter what we do on the floor today they will continue to do so. I assure you I will continue to support them.

ALREADY HAVE THE ABILITY TO COMPETE

There are many who have taken the floor and allege that Faith Based organizations are discriminated against when competing for federal funds. I question this statement. I have come to believe that under current law, Faith Based organizations can in fact compete if they take certain steps under the law. They must create a separate 501(C)(3) organization to prevent the mixing of church and secular activities. In my mind this insulates Faith Based organizations from the sometimes intrusive hand of the government.

DISCRIMINATION

Again I state my support for the healing role of faith based organizations. However, as an avid student of this country's history and, for that matter, the world's history, I cannot ignore some of the heinous things that have been done in the name of religion. In fact, current history is full of the horrors attendant to state sponsored religion. For decades, this country has struggled to bring peace to the hot box that is the Middle East, where religion is the sub-text used for the oppression of women, the oppression of other faiths and state sponsored terrorism. While I realize that this country has many protections against many of these horrors, and I do not mean to suggest that the enactment of this bill will rise to the level of these horrors, I do mean to suggest that more subtle forms of these problems such as discrimination will result from this measure.

This bill would allow Faith Based organizations to discriminate as to who they will hire. This is wrong. The faith of a helping hand is of no consequence to the person in need. All of humanity has the potential to accomplish charitable deeds and should not be told that there is no role for their charity because of the faith they hold dear. I will not stand idly by as the Civil Rights laws in place to prevent workplace discrimination are flouted in the name of religion

NO ADDITIONAL FUNDING FOR THE PROGRAM

Finally, this measure is indicative of the Republican efforts to dismantle social programs. I say this because they have not provided a red cent for the implementation of this initiative or the programs that it involves. This bill will expand the pool of competitors already competing for diminished funds due to a bloated tax-cut. For example the Bush budget cuts local crime prevention funds by $1 billion. The Bush budget also cuts the needs of public housing by $1 billion by cutting $309 million from Public Housing Drug Elimination Grants, and cutting the Public Housing Capital Fund by $700 million. Even Job Training is cut by $500 million under the Administration's budget.

Mr. CRANE. Mr. Speaker, I have long advocated making changes to the tax code designed to encourage charitable giving. Indeed, I have promoted some of the proposals contained in the legislation we have before us today, including the charitable IRA rollover and the deduction for non-itemizers, for many years. Because the legislation we are considering, the Community Solutions Act, contains a number of worthwhile provisions that I believe will help encourage people to give to charity, I rise today to express my support.

However, while I believe this legislation is a step in the right direction, H.R. 7 is but a first step. Frankly, we need to do more, and in my remarks today I would like to highlight a number of items that I believe need to receive further consideration by the Ways and Means Committee and the Congress in the near future.

My first comments relate to the largest provision in this legislation in terms of revenue impact—the charitable deduction for non-itemizers. I do not believe there is a member in Congress who has fought longer or harder for restoring the charitable deduction for non-itemizers than I. The non-itemizer charitable deduction actually existed in the tax code from 1981–1986. It was created in the 1981 Reagan tax bill, but the language in the 1981 bill sunset the provision after 1986. In January 1985, at the start of the 99th Congress, I introduced legislation, H.R. 94, to make the non-itemizer deduction permanent. The year after the provision expired in 1986, I introduced legislation, H.R. 113, to restore the deduction. In every Congress since that time up to the present, I have introduced legislation to restore this deduction. For the record, I would like to insert the following table identifying the Congress, date and bill number of the legislation that I have introduced on this subject: 99th Congress—1/3/85—H.R. 94; 100th Congress—1/6/87—H.R. 113; 101st Congress—1/4/89—H.R. 459; 102nd Congress—1/3/91—H.R. 310; 103rd Congress—1/5/93—H.R. 152; 104th Congress—4/7/95—H.R. 1493; 105th Congress—9/18/97—H.R. 2499; 106th Congress—3/25/99—H.R. 1310; and 107th Congress—2/28/01—H.R. 777.

While I am gratified that Congressman WATTS included that the non-itemizer deduction in H.R. 7, I am disappointed that the limitations on the amount of the deduction were set so low. Indeed, I am concerned that the deduction limits have been set so low as to have a very minimal impact toward the goal of increasing charitable giving. Frankly, the deduction allowance ought to be set substantially higher. I applaud President Bush for his proposal to allow the deduction up to the amount of the standard deduction. However, despite my concerns with the limitations contained in H.R. 7, I still believe that this provision represents a positive first step—a step on which the Ways and Means Committee can build a more substantial deduction. Moreover, I hope that the other body takes up similar legislation this year and that it considered the concerns I am raising today.

With regard to those individuals who do itemize their deductions, I want to mention two proposals that were not contained in H.R. 7 but hopefully will be considered at a later date. The first of these proposals relates to Section 170 of the tax code. Under current law, individuals who contribute appreciated property (such as stocks and real estate) to charity are

subject to complex deduction limits. While donors can generally deduct charitable contributions up to 50 percent of their income, deductions for gifts of appreciated property are limited to 30 percent of income. For gifts of appreciated property to charities that are private foundations, deductions are limited to 20 percent of income. In my view, these limits under present law discourage charitable giving from the very people who are in the best position to make large gifts. Someone who has done well in the stock market should be encouraged to share the benefits. In order to fix this problem we should consider allowing contributions of appreciated property to be deductible within the same percentage limits as for other charitable gifts.

The proposal I have in mind would increase the percentage limitation applicable to charitable contributions of capital gain property to public charities by individuals from 30 percent to 50 percent of income. thus, both cash and non-cash contributions to such entities would be subject to a 50 percent deductibility limit. In addition, I would propose increasing the percentage limitation for contributions of capital gain property to private foundations from 20 percent to 30 percent of income. While these proposals were not included in H.R. 7, I want to thank Ways and Means Chairman THOMAS for publicly acknowledging that these issues are worthy of consideration. As a follow-up to his comments in the Ways and Means Committee, Chairman THOMAS has written a letter to the Staff Director of the Joint Committee on Taxation asking for a revenue estimate and additional information with respect to this proposal.

In addition, I would like to thank the Chairman for making a similar request with regard to the other proposal I believe needs to be addressed—removal of charitable contributions from the cutback of itemized deductions commonly referred to as the ''Pease'' limitations. Even though the cutback of itemized deductions is being phased out under current law, its impact on charitable giving will remain in effect for several years. It is my strong belief that extracting charitable contributions from the Pease limitation will do much to encourage further generosity from those in a position to give the most.

Mr. Speaker, I am pleased to have this opportunity to express my support for H.R. 7 and I hope that I will return to the floor one day soon to address the other important issues I have raised in my remarks.

Mr. FORBES. Mr. Speaker, I rise in strong support of the Community Solutions Act, which will provide more opportunities for the strong wills and good hearts of Americans everywhere to rally to the aid of their neighbors.

All across America, there are people in need of a helping hand. Some of them are just a little down on their luck and need temporary shelter or a hot meal or the comfort of a confidant. Others are in more dire straits. The government can provide some assistance to these individuals and families, but it cannot do it all. And, frankly, it should not. In every pocket of America, there are groups and individuals—some of faith and some not—who are rallying to the aid of their neighbors. We in Washington should be in the business of encouraging this kind of community involvement and outreach.

In fact, the public places far more trust in faith-based institutions and community organizations than in government to solve the social woes of our nation. Earlier this year, the Pew Partnership for Civic Change asked Americans to rank 15 organizations, including governments, businesses, and community groups, for their role in solving social problems in our communities. More than half named local churches, synagogues, and religious institutions; nonprofit groups, like the Salvation Army and Habitat for Humanity; and friends and neighbors—putting them at the top of the list behind only the local police. In contrast, the federal government was ranked 14th out of 15, with only about 1 in 4 respondents naming it as a social problem-solver.

The bipartisan Community Solutions Act builds on the faith-based initiative proposed earlier this year by the President to answer this call. But, to call it a faith-based initiative is really a misnomer. While faith-based groups clearly have a role to play in this plan, it is really all about neighbors helping neighbors.

Mr. Speaker, the bill will increase charitable giving by allowing non-itemizers to deduct their charitable contributions. It will also expand individual development accounts to encourage low-income families to save money for home ownership, college education, or other needs. And, the Community Solutions Act will expand charitable choice provisions already in law to give faith-based groups a greater opportunity to provide assistance to those in need through programs that Congress has created.

This bill embodies many good ideas, and it is long past the time when we should be returning these principles to our civil society. I thank the President for making this a priority for his Administration, and thank Congressmen WATTS and HALL introducing it in the House.

It is time for Congress to step aside and let the armies of compassion do what they do best—help neighbors in need. I urge my colleagues to support this bill and to oppose the substitute and the motion to recommit.

Ms. MILLENDER-MCDONALD. Mr. Speaker, currently, under Title VII, religious organizations can discriminate in hiring practices. If the Charitable Choice Act (H.R. 7) is enacted, this discriminatory practice will extend to programs on the Federal level. It is alarming that the Charitable Choice Act (H.R. 7) would pre-empt state and local anti-discrimination laws. This bill would open women to all kinds of employment discrimination that is currently prohibited by Federal law.

Under H.R. 7, religious employers would be allowed to include questions in hiring interviews on marital status and childcare provisions. Women would also be subject to discrimination in the delivery of services. For example, this bill offers no protection for the unwed mother being denied benefits because of the tenets of the religious organization responsible for delivering services. Women's basic employment and civil rights should be a fundamental guarantee and not conditioned on whether or not the entity hiring or providing services has been offered special protections under the law.

Currently, under Title VII, there are cases where women lost their job because they became pregnant but wasn't married and due to their views on abortion. If the Charitable Choice Act is passed, then this can include many more forms of discrimination.

This is no ordinary piece of legislation. It raises serious questions about church-state relations in this country. These are grave issues. Congress needs to proceed with caution.

Mr. HALL of Texas. Mr. Speaker, as a longtime supporter of local solutions for local problems, I want to thank my colleagues, Representative J.C. WATTS and Representative TONY HALL, for their work to bring H.R. 7, the Community Solutions Act, to the Floor. I am pleased to be a cosponsor of this initiative, which recognizes the important role that faith-based groups are performing in every community in America. I commend President Bush for making this a priority of his Administration.

Government has long provided public funding for social service programs through its ''charitable choice'' provisions. This Act builds on this success by expanding the services that may be provided by faith-based groups. Most of us would agree that local citizens have a far better understanding of local problems and have better solutions for those problems than some ''one-size-fits-all'' Federal program. We've spent billions of dollars fighting the war against drugs, for example—and are still losing it because we are fighting it form the top.

The bill's sponsors have worked to address the constitutional concerns that have been raised, and they have provided some important safeguards. As this bill moves forward, we need to continue our efforts to fully examine the implications of this Act as it affects State laws.

The Community Solutions Act holds great promise in our efforts to combat drugs, juvenile delinquency, teenage pregnancy, hunger, school violence, illiteracy and other ills. It recognizes that faith-based organizations often are succeeding where government-run programs are failing. It makes sense to include these worthy programs in our efforts to serve those in need in our communities.

I urge my colleagues to recognize the contributions and potential of faith-based organizations to improve the quality of life for our citizens by voting for H.R. 7 and giving this initiative a chance to work.

Mr. BROWN of South Carolina. Mr. Speaker, I rise today in strong support of President Bush's faith-based initiative, as reflected in H.R. 7. Both the Judiciary Committee and the Ways and Means Committee has worked hard to craft legislation we should all be able to support.

I would like to take a minute, though, to concentrate on the charitable choice provision of this bill, because the tax provisions should not keep anyone from voting for H.R. 7. According to Chairman NUSSLE of the House Budget Committee, the $13.3 billion in estimated revenue reduction does not threaten the Medicare trust fund. No, if this bill fails, the failure will be due to the charitable choice provision.

Many have expressed concerns about ''separation of church and state'' and about ''government funded discrimination'' in conjunction with President Bush's faith-based initiative. However, when the Welfare Reform Act was passed in 1996, the charitable choice provision allowed faith-based groups to apply for federal money the same way that secular groups do. The charitable choice provision is also included in the 1998 Community Services Block Grant Act and in the 2000 Public Health Service Act. The charitable choice provision has a history of success.

Rather than promoting a radical restructuring of current law, H.R. 7 will simply ensure

that faith-based organizations can compete on more equal footing than in the past. The government will not be encouraging any kind of discrimination but, instead, will be able to partner with faith-based organizations in a wider variety of social services, including juvenile justice, crime prevention, housing assistance, job training, elder care, hunger relief, domestic violence prevention, and others.

In summary, we should all support H.R. 7 because it provides a proven method for the federal government to participate in the provision of social services to Americans who still need help. This bill allows the federal government to partner with faith-based and other community service organizations that already have a history of success in providing these social services. H.R. 7 puts faith-based organizations on a level playing field in the competition for federal funds, without jeopardizing their autonomy, and without undermining religious freedom for either the service providers or for the service beneficiaries. I urge all of my colleagues to vote for H.R. 7.

Mr. HYDE. Mr. Speaker, I have been listening to this debate with great attention all afternoon, and—at the risk of oversimplifying, I would like to cut to the chase. What we are talking about is an army of people out there motivated by spiritual impulses who want to do good, who want to help solve poverty, disease, violence in the community, homelessness, hunger, and some of them are clergy, some of them are not. They are religiously motivated, and we have spent all afternoon finding ways to keep them out. We have enough help. We don't need them—there is too much God out there. We suffer from an excess of God, for some crazy reason.

Discrimination—if the First Baptist Church wants to do something as the First Baptist Church, take care of some homeless people, that fact that they want to retain their identify and not become another local United Fund operation, there is nothing wrong with that. There is nothing wrong with saying if you want to join us, you have to be Baptist.

There is discrimination, and there is invidious discrimination. I do not think it is discrimination for Baptists to want to hire Baptists to do something as the Baptist Church. I think that is fine. That is not invidious discrimination. So far as I am concerned, we ought to figure out ways to facilitate the exploitation, the benign exploitation of these wonderful people who want to help us with our very human problems, instead of finding ways to say on because, for fear, God might sneak in under the door.

Mr. KIND. Mr. Speaker, as with many of the colleagues from both sides of the aisle, I strongly support the community services provided by religious organizations throughout the Nation. We are all proud of the faith we hold and believe in the principles of selfless service encouraged by religious organizations. As I have personally witnessed in western Wisconsin, the effective and invaluable efforts put forth by religious organizations to combat such traumas as drug-addiction, and child and domestic abuse, are worthy of our continual appreciation and praise.

I am, however, concerned that this legislation would undermine the successes and integrity of such programs through the introduction of more government. I am therefore unable to support this flawed legislation which, while it may be well intentioned, seeks to provide funds to religious organizations by violating our constitution and without regard to State's rights.

The establishment of religion clause in the first amendment to the constitution was drafted in the recognition that state activity must be separate from church activity if people are to be free from Government interference. The Founders did not intend this provision as anti-religious, but instead realized this is the way to protect religion while simultaneously protecting the people's rights to worship freely.

America was founded by people seeking freedom from religious persecution by fleeing lands that contained religious strife and even warfare. To infringe on the separation of church and state is to infringe on the miracle and fundamental principles of American democracy. It is this principle that not only allows our government to operate by the will of the people, but also allows religious entities to conduct themselves without Government regulation and intrusion. When the line between church and state is an issue in policy, the highest scrutiny must be applied to ensure that principle prevails. I do not believe this legislation would pass such constitutional scrutiny.

The Founders also recognized the dangers of State sponsored favoritism toward any religion. This bill will not only pit secular agencies against religious organizations, it will pit religion against religion for the competition of limited public funds.

Under current law, there are Federal tax incentives for individuals to donate to charitable organizations, including the religious organizations of their choice. In addition, religious groups have always had the ability to apply and receive federal funding for the purpose of providing welfare related programs and services after they form 501(c)(3) organizations. Entities including Catholic Charities and Lutheran Social Service have a long history of participation in publicly funded social service programs.

The conditions associated with the provision of these services, however, require the religious organizations to be secular in nature—in accordance with the establishment of religion clause in the first amendment to the Constitution, as well as adhere to federal, state or local civil rights laws. H.R. 7 would remove these preconditions, allowing for public funding to go toward discriminatory and exclusionary practices that violate the intentions of hard fought civil rights.

In addition to the constitutionality of the legislation, we must also question how the provisions contained in the bill would be implemented and enforced. Supporters of H.R. 7 claim the bill contains safeguards that would prohibit public funding from going to proselytization and other strictly religious activities. Even if these safeguards existed, which they do not, how do we police these organizations to ensure compliance? If we find violations do we then fine the churches or prosecute Catholic priests, Methodist ministers or Lutheran pastors?

The road we are taking with this legislation leads to these serious questions about regulations imposed on organizations that receive Federal funds. The strings attached to entities receiving federal funds are there to ensure applicable laws are obeyed and accountability exists. It is precisely these types of provisions that will inhibit religious organizations from maintaining their character, and it would be negligent of us as public servants to waive these provisions. This situation serves to illustrate why this bill should be opposed.

The substitute to this bill, offered by Mr. RANGEL, guards against the possibility of publicly funded discrimination by not overriding State and local civil rights laws, as well as offsetting the costs associated with this legislation. In addition to being unconditional, H.R. 7 is indeed expensive. While it is not as expensive as the President had originally envisioned, it will cost over $13 billion with no offsets. With passage of the President's tax cut, there is simply no money to pay for this bill without taking from the Medicare and Social Security Trust funds. A problem that will not go away as we mark up the rest of next year's budget.

With all the problems associated with this bill, I ask my colleagues to vote against H.R. 7, and support the Rangel substitute.

Mr. GREEN of Texas. Mr. Speaker, I rise in opposition to H.R. 7, the Community Solutions Act. While the goals of this bill are noble, there are fundamental concerns with this legislation.

One of the central tenets of most faith based organizations, whether they are Catholic, Protestant, Jewish or Muslim, is to reach out to those in need.

I know that in churches in which I've been a member and churches in my district have several programs to serve the needy, such as food drives, senior nutrition programs, housing assistance, substance abuse counseling, after school programs and many other needed community services.

Therse are services that most churches perform because they are consistent with that church's mission.

A component of H.R. 7, the Community Solutions Act would expand Charitable Choice to allow faith based organizations to compete for federal funding for many of these services. The religious groups today compete and receive federal funding.

But they cannot only serve their particular faith or beliefs.

In fact, there are organizations such as the Baptist Joint Committee, the United Methodist Church, the Presbyterian Church, and the United Jewish Communities Federation all fear that this legislation would interfere with their missions, rather than help them.

We know that the first amendment prevents Congress from establishing a religion or prohibiting the free exercise thereof. This wall of separation has been a fundamental principle since the founding of our great nation.

As a Christian I believe it is my duty to serve and my service is a reflection of my faith. Many Christians, Jewish and Muslims, do this everyday if we are practicing our beliefs.

We do not need Federal tax dollars to practice and live our faith.

Mr. CUMMINGS. Mr. Speaker, I stand with you today to raise my grave concerns regarding H.R. 7.

Faith-based and community-based organizations have always been at the forefront of combating the hardships facing families and communities. As a federal legislator, I do not have a problem with government finding ways to harness the power of faith-based organizations and their vital services.

Although I support faith-based entities, I cannot endorse H.R. 7 because I believe that:

(1) taxpayer money should not be used to proselytize; (2) taxpayer money should not be used to discriminate on the basis of race, gender, religion, or sexual orientation; and (3) the independence and autonomy of our religious institutions should not be threatened.

Unfortunately, H.R. 7 in its current form does not prevent the problems I have outlined. Most significantly, while it may state that government funds should not be used for worship or proselytization, meaningful safeguards to prevent such action are not included in the provisions. Further, religious institutions are currently exempted from the ban on religious discrimination in employment provided under Title VII of the Civil Rights Act of 1964. As such, because the bill does not include a repeal of this exemption, these institutions can engage in government-funded employment discrimination.

I am committed to our U.S. Constitution and civil rights statutes. Unfortunately, H.R. 7 threatens these very principles and I believe it is unnecessary and unconstitutional. It is important to note that under current law, religious entities can seek government funding by establishing 501(c)(3) affiliate organizations.

I look forward to working with faith-based entities in their good works, but will also remain a strong advocate of civil rights, religious tolerance and the independence of our religious institutions. Join me in opposing H.R. 7 and supporting the Democratic substitute that will address these serious issues.

Mr. DEMINT. Mr. Speaker, I rise today in strong support of H.R. 7, the Community Solutions Act, which is also known as the Faith-Based Initiative.

America has long been a country made up of generous people who want to help a neighbor in need. Long before government programs came along to act as an extra safety net, individuals worked together with their churches and other community groups to ensure those in need were housed, clothed, and fed.

While government programs were created to provide specific services to needy populations, these programs have less incentive to go above and beyond the call of duty.

For many people of faith who run social service programs, their faith is what inspires them to go the extra mile for the poor, the downtrodden, the hopeless.

Why, then, would the government exclude faith-based providers in its attempt to tackle difficult social problems such as drug addiction, gang violence, domestic violence, mental illness, and homelessness?

Faith-based organizations with effective programs to combat societal ills should be able to compete equally with their non-faith based counterparts for government grants.

And in some cases under current ''charitable choice'' laws, they can. When Welfare Reform passed in 1996, charitable choice language was included so faith-based groups providing welfare-to-work programs such as job training and child care can compete equally.

I'm sure most of us know a church day care program which could care for children with just as much love and ability and professionalism as a non-faith based program.

The legislation before us today allows ''charitable choice'' to apply to more government programs, such as juvenile delinquency, housing, domestic violence, job training, and community development programs.

Let me make one thing clear: no faith-based group is compelled to apply. Those who are not interested in government funding can carry on with their ministry and keep doing the good work of serving our nation.

Those groups which have an effective program and would like to compete for a grant may do so and keep their faith-based component largely intact. They would have to abide by some common sense requirements such as keeping the government funds in a separate account, but the requirements should not interfere with the religious nature of their program.

The religious organization sponsoring the program would remain completely autonomous from federal, state, and local government control.

The Faith-Based Initiative is a long-overdue, much-needed reform to recognize the importance of the faith community in caring for the most vulnerable of our nation.

I want to take a minute to highlight a couple of wonderful community initiatives in my District which are inspirational to me. The Downtown Rescue Mission in Spartanburg has a myriad of exciting initiatives to provide housing, meals, health services, job training, and other help to give a helping hand up and empower folks in the downtown area.

And in Greenville, since 1937—during the Great Depression—Miracle Hill Ministries has provided leadership in our community by providing food, clothing, shelter, and compassion to hurting and needy people, as well as serving as a model for other homeless outreach efforts in South Carolina.

I am proud of these folks and the good work that they do and hope that the Faith-Based Initiative would be helpful to them. There are countless other good people and good organizations—big and small—which could benefit from this attempt to provide a level playing field for the faith community.

This bill also contains some great provisions to encourage charitable giving by individuals and corporations, as well as incentives for low-income individuals to save money that can be used to buy a home, a college education, or start a small business.

We want everyone in America to be able to live the American Dream.

The armies of compassion in our nation should be able to serve the needy and provide them hope, so that they too—through hard work and perseverance—can make the American Dream a reality.

Mr. GARY MILLER OF California. Mr. Speaker, I rise in support of H.R. 7 the ''Community Solutions Act.''

Although a lot of speakers have focused their remarks on the charitable choice provisions of this bill, I feel that Title III, the Individual Development Account or IDAs offers a fundamental policy shift which merits the attention of this House.

Many communities are facing an affordable housing crisis. Until now, our solution to this problem has been to increase the number of available Section 8 vouchers. However, this ''solution'' has only widened the gap between those who dream of owning a home, and those who are able to accumulate the financial resources needed to become a first-time home buyer. Under the Section 8 voucher program, if you demonstrate ambition and work hard to improve your situation, you are no longer eligible for the voucher. But at the same time, you do not have the down payment to own a home.

IDAs will begin to reverse this trend. By encouraging individuals to save for a home through tax exemption IDAs and matching that investment, we finally have policy which makes sense.

I urge my colleagues to support this bill and to turn the American dream of owning a home into a reality.

The SPEAKER pro tempore (Mr. LAHOOD). All time for debate on the bill has expired.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. RANGEL

Mr. RANGEL. Mr. Speaker, I offer an amendment in the nature of a substitute.

The SPEAKER pro tempore. The Clerk will designate the amendment in the nature of a substitute.

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

Amendment in the nature of a substitute printed in House Report 107–144 offered by Mr. RANGEL:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Community Solutions Act of 2001''.

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title; table of contents.

TITLE I—CHARITABLE GIVING INCENTIVES PACKAGE

Sec. 101. Deduction for portion of charitable contributions to be allowed to individuals who do not itemize deductions.
Sec. 102. Tax-free distributions from individual retirement accounts for charitable purposes.
Sec. 103. Increase in cap on corporate charitable contributions.
Sec. 104. Charitable deduction for contributions of food inventory.
Sec. 105. Reform of excise tax on net investment income of private foundations.
Sec. 106. Excise tax on unrelated business taxable income of charitable remainder trusts.
Sec. 107. Expansion of charitable contribution allowed for scientific property used for research and for computer technology and equipment used for educational purposes.
Sec. 108. Adjustment to basis of S corporation stock for certain charitable contributions.
Sec. 109. Revenue offset.

TITLE II—EXPANSION OF CHARITABLE CHOICE

Sec. 201. Provision of assistance under government programs by religious and community organizations.

TITLE III—INDIVIDUAL DEVELOPMENT ACCOUNTS

Sec. 301. Additional qualified entities eligible to conduct projects under the Assets for Independence Act.
Sec. 302. Increase in limitation on net worth.
Sec. 303. Change in limitation on deposits for an individual.
Sec. 304. Elimination of limitation on deposits for a household.
Sec. 305. Extension of program.
Sec. 306. Conforming amendments.
Sec. 307. Applicability.

TITLE I—CHARITABLE GIVING INCENTIVES PACKAGE

SEC. 101. DEDUCTION FOR PORTION OF CHARITABLE CONTRIBUTIONS TO BE ALLOWED TO INDIVIDUALS WHO DO NOT ITEMIZE DEDUCTIONS.

(a) IN GENERAL.—Section 170 of the Internal Revenue Code of 1986 (relating to charitable, etc., contributions and gifts) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) DEDUCTION FOR INDIVIDUALS NOT ITEMIZING DEDUCTIONS.—

''(1) IN GENERAL.—In the case of an individual who does not itemize his deductions for the taxable year, there shall be taken into account as a direct charitable deduction under section 63 an amount equal to the lesser of—

''(A) the amount allowable under subsection (a) for the taxable year for cash contributions, or

''(B) the applicable amount.

''(2) APPLICABLE AMOUNT.—For purposes of paragraph (1), the applicable amount shall be determined as follows:

"For taxable years beginning in:	The applicable amount is:
2002 and 2003	$25
2004, 2005, 2006	$50
2007, 2008, 2009	$75
2010 and thereafter	$100.

In the case of a joint return, the applicable amount is twice the applicable amount determined under the preceding table.''.

(b) DIRECT CHARITABLE DEDUCTION.—

(1) IN GENERAL.—Subsection (b) of section 63 of such Code is amended by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting '', and'', and by adding at the end thereof the following new paragraph:

''(3) the direct charitable deduction.''.

(2) DEFINITION.—Section 63 of such Code is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

''(g) DIRECT CHARITABLE DEDUCTION.—For purposes of this section, the term 'direct charitable deduction' means that portion of the amount allowable under section 170(a) which is taken as a direct charitable deduction for the taxable year under section 170(m).''.

(3) CONFORMING AMENDMENT.—Subsection (d) of section 63 of such Code is amended by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting '', and'', and by adding at the end thereof the following new paragraph:

''(3) the direct charitable deduction.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 102. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT ACCOUNTS FOR CHARITABLE PURPOSES.

(a) IN GENERAL.—Subsection (d) of section 408 of the Internal Revenue Code of 1986 (relating to individual retirement accounts) is amended by adding at the end the following new paragraph:

''(8) DISTRIBUTIONS FOR CHARITABLE PURPOSES.—

''(A) IN GENERAL.—No amount shall be includible in gross income by reason of a qualified charitable distribution.

''(B) QUALIFIED CHARITABLE DISTRIBUTION.—For purposes of this paragraph, the term 'qualified charitable distribution' means any distribution from an individual retirement account—

''(i) which is made on or after the date that the individual for whose benefit the account is maintained has attained age 70½, and

''(ii) which is made directly by the trustee—

''(I) to an organization described in section 170(c), or

''(II) to a split-interest entity.

A distribution shall be treated as a qualified charitable distribution only to the extent that the distribution would be includible in gross income without regard to subparagraph (A) and, in the case of a distribution to a split-interest entity, only if no person holds an income interest in the amounts in the split-interest entity attributable to such distribution other than one or more of the following: the individual for whose benefit such account is maintained, the spouse of such individual, or any organization described in section 170(c).

''(C) CONTRIBUTIONS MUST BE OTHERWISE DEDUCTIBLE.—For purposes of this paragraph—

''(i) DIRECT CONTRIBUTIONS.—A distribution to an organization described in section 170(c) shall be treated as a qualified charitable distribution only if a deduction for the entire distribution would be allowable under section 170 (determined without regard to subsection (b) thereof and this paragraph).

''(ii) SPLIT-INTEREST GIFTS.—A distribution to a split-interest entity shall be treated as a qualified charitable distribution only if a deduction for the entire value of the interest in the distribution for the use of an organization described in section 170(c) would be allowable under section 170 (determined without regard to subsection (b) thereof and this paragraph).

''(D) APPLICATION OF SECTION 72.—Notwithstanding section 72, in determining the extent to which a distribution is a qualified charitable distribution, the entire amount of the distribution shall be treated as includible in gross income without regard to subparagraph (A) to the extent that such amount does not exceed the aggregate amount which would be so includible if all amounts were distributed from all individual retirement accounts otherwise taken into account in determining the inclusion on such distribution under section 72. Proper adjustments shall be made in applying section 72 to other distributions in such taxable year and subsequent taxable years.

''(E) SPECIAL RULES FOR SPLIT-INTEREST ENTITIES.—

''(i) CHARITABLE REMAINDER TRUSTS.—Distributions made from an individual retirement account to a trust described in subparagraph (G)(ii)(I) shall be treated as income described in section 664(b)(1) except to the extent that the beneficiary of the individual retirement account notifies the trustee of the trust of the amount which is not allocable to income under subparagraph (D).

''(ii) POOLED INCOME FUNDS.—No amount shall be includible in the gross income of a pooled income fund (as defined in subparagraph (G)(ii)(II)) by reason of a qualified charitable distribution to such fund.

''(iii) CHARITABLE GIFT ANNUITIES.—Qualified charitable distributions made for a charitable gift annuity shall not be treated as an investment in the contract.

''(F) DENIAL OF DEDUCTION.—Qualified charitable distributions shall not be taken into account in determining the deduction under section 170.

''(G) SPLIT-INTEREST ENTITY DEFINED.—For purposes of this paragraph, the term 'split-interest entity' means—

''(i) a charitable remainder annuity trust or a charitable remainder unitrust (as such terms are defined in section 664(d)),

''(ii) a pooled income fund (as defined in section 642(c)(5)), and

''(iii) a charitable gift annuity (as defined in section 501(m)(5)).''.

(b) MODIFICATIONS RELATING TO INFORMATION RETURNS BY CERTAIN TRUSTS.—

(1) RETURNS.—Section 6034 of such Code (relating to returns by trusts described in section 4947(a)(2) or claiming charitable deductions under section 642(c)) is amended to read as follows:

"SEC. 6034. RETURNS BY TRUSTS DESCRIBED IN SECTION 4947(a)(2) OR CLAIMING CHARITABLE DEDUCTIONS UNDER SECTION 642(c).

''(a) TRUSTS DESCRIBED IN SECTION 4947(a)(2).—Every trust described in section 4947(a)(2) shall furnish such information with respect to the taxable year as the Secretary may by forms or regulations require.

''(b) TRUSTS CLAIMING A CHARITABLE DEDUCTION UNDER SECTION 642(c).—

''(1) IN GENERAL.—Every trust not required to file a return under subsection (a) but claiming a charitable, etc., deduction under section 642(c) for the taxable year shall furnish such information with respect to such taxable year as the Secretary may by forms or regulations prescribe, including:

''(A) the amount of the charitable, etc., deduction taken under section 642(c) within such year,

''(B) the amount paid out within such year which represents amounts for which charitable, etc., deductions under section 642(c) have been taken in prior years,

''(C) the amount for which charitable, etc., deductions have been taken in prior years but which has not been paid out at the beginning of such year,

''(D) the amount paid out of principal in the current and prior years for charitable, etc., purposes,

''(E) the total income of the trust within such year and the expenses attributable thereto, and

''(F) a balance sheet showing the assets, liabilities, and net worth of the trust as of the beginning of such year.

''(2) EXCEPTIONS.—Paragraph (1) shall not apply in the case of a taxable year if all the net income for such year, determined under the applicable principles of the law of trusts, is required to be distributed currently to the beneficiaries. Paragraph (1) shall not apply in the case of a trust described in section 4947(a)(1).''.

(2) INCREASE IN PENALTY RELATING TO FILING OF INFORMATION RETURN BY SPLIT-INTEREST TRUSTS.—Paragraph (2) of section 6652(c) of such Code (relating to returns by exempt organizations and by certain trusts) is amended by adding at the end the following new subparagraph:

''(C) SPLIT-INTEREST TRUSTS.—In the case of a trust which is required to file a return under section 6034(a), subparagraphs (A) and (B) of this paragraph shall not apply and paragraph (1) shall apply in the same manner as if such return were required under section 6033, except that—

''(i) the 5 percent limitation in the second sentence of paragraph (1)(A) shall not apply,

''(ii) in the case of any trust with gross income in excess of $250,000, the first sentence of paragraph (1)(A) shall be applied by substituting '$100' for '$20', and the second sentence thereof shall be applied by substituting '$50,000' for '$10,000', and

''(iii) the third sentence of paragraph (1)(A) shall be disregarded.

If the person required to file such return knowingly fails to file the return, such person shall be personally liable for the penalty imposed pursuant to this subparagraph.''.

(3) CONFIDENTIALITY OF NONCHARITABLE BENEFICIARIES.—Subsection (b) of section 6104 of such Code (relating to inspection of annual information returns) is amended by adding at the end the following new sentence: ''In the case of a trust which is required to file a return under section 6034(a),

this subsection shall not apply to information regarding beneficiaries which are not organizations described in section 170(c).''.

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to returns for taxable years beginning after December 31, 2001.

SEC. 103. INCREASE IN CAP ON CORPORATE CHARITABLE CONTRIBUTIONS.

(a) IN GENERAL.—Paragraph (2) of section 170(b) of the Internal Revenue Code of 1986 (relating to corporations) is amended by striking ''10 percent'' and inserting ''the applicable percentage''.

(b) APPLICABLE PERCENTAGE.—Subsection (b) of section 170 of such Code is amended by adding at the end the following new paragraph:

''(3) APPLICABLE PERCENTAGE DEFINED.—For purposes of paragraph (2), the applicable percentage shall be determined in accordance with the following table:

''For taxable years beginning in calendar year—	**The applicable percentage is—**
2002 through 2007	11
2008	12
2009	13
2010 and thereafter	15.''.

(c) CONFORMING AMENDMENTS.—

(1) Sections 512(b)(10) and 805(b)(2)(A) of such Code are each amended by striking ''10 percent'' each place it occurs and inserting ''the applicable percentage (determined under section 170(b)(3))''.

(2) Sections 545(b)(2) and 556(b)(2) of such Code are each amended by striking ''10-percent limitation'' and inserting ''applicable percentage limitation''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 104. CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.

(a) IN GENERAL.—Paragraph (3) of section 170(e) of the Internal Revenue Code of 1986 (relating to special rule for certain contributions of inventory and other property) is amended by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

''(C) SPECIAL RULE FOR CONTRIBUTIONS OF FOOD INVENTORY.—

''(i) GENERAL RULE.—In the case of a charitable contribution of food, this paragraph shall be applied—

''(I) without regard to whether the contribution is made by a C corporation, and

''(II) only for food that is apparently wholesome food.

''(ii) DETERMINATION OF FAIR MARKET VALUE.—In the case of a qualified contribution of apparently wholesome food to which this paragraph applies and which, solely by reason of internal standards of the taxpayer or lack of market, cannot or will not be sold, the fair market value of such food shall be determined by taking into account the price at which the same or similar food items are sold by the taxpayer at the time of the contribution (or, if not so sold at such time, in the recent past).

''(iii) APPARENTLY WHOLESOME FOOD.—For purposes of this subparagraph, the term 'apparently wholesome food' shall have the meaning given to such term by section 22(b)(2) of the Bill Emerson Good Samaritan Food Donation Act (42 U.S.C. 1791(b)(2)), as in effect on the date of the enactment of this subparagraph.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

SEC. 105. REFORM OF EXCISE TAX ON NET INVESTMENT INCOME OF PRIVATE FOUNDATIONS.

(a) IN GENERAL.—Subsection (a) of section 4940 of the Internal Revenue Code of 1986 (relating to excise tax based on investment income) is amended by striking ''2 percent'' and inserting ''1 percent''.

(b) REPEAL OF REDUCTION IN TAX WHERE PRIVATE FOUNDATION MEETS CERTAIN DISTRIBUTION REQUIREMENTS.—Section 4940 of such Code is amended by striking subsection (e).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 106. EXCISE TAX ON UNRELATED BUSINESS TAXABLE INCOME OF CHARITABLE REMAINDER TRUSTS.

(a) IN GENERAL.—Subsection (c) of section 664 of the Internal Revenue Code of 1986 (relating to exemption from income taxes) is amended to read as follows:

''(c) TAXATION OF TRUSTS.—

''(1) INCOME TAX.—A charitable remainder annuity trust and a charitable remainder unitrust shall, for any taxable year, not be subject to any tax imposed by this subtitle.

''(2) EXCISE TAX.—

''(A) IN GENERAL.—In the case of a charitable remainder annuity trust or a charitable remainder unitrust that has unrelated business taxable income (within the meaning of section 512, determined as if part III of subchapter F applied to such trust) for a taxable year, there is hereby imposed on such trust or unitrust an excise tax equal to the amount of such unrelated business taxable income.

''(B) CERTAIN RULES TO APPLY.—The tax imposed by subparagraph (A) shall be treated as imposed by chapter 42 for purposes of this title other than subchapter E of chapter 42.

''(C) CHARACTER OF DISTRIBUTIONS AND COORDINATION WITH DISTRIBUTION REQUIREMENTS.—The amounts taken into account in determining unrelated business taxable income (as defined in subparagraph (A)) shall not be taken into account for purposes of—

''(i) subsection (b),

''(ii) determining the value of trust assets under subsection (d)(2), and

''(iii) determining income under subsection (d)(3).

''(D) TAX COURT PROCEEDINGS.—For purposes of this paragraph, the references in section 6212(c)(1) to section 4940 shall be deemed to include references to this paragraph.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

SEC. 107. EXPANSION OF CHARITABLE CONTRIBUTION ALLOWED FOR SCIENTIFIC PROPERTY USED FOR RESEARCH AND FOR COMPUTER TECHNOLOGY AND EQUIPMENT USED FOR EDUCATIONAL PURPOSES.

(a) SCIENTIFIC PROPERTY USED FOR RESEARCH.—Clause (ii) of section 170(e)(4)(B) of the Internal Revenue Code of 1986 (defining qualified research contributions) is amended by inserting ''or assembled'' after ''constructed''.

(b) COMPUTER TECHNOLOGY AND EQUIPMENT FOR EDUCATIONAL PURPOSES.—Clause (ii) of section 170(e)(6)(B) of such Code is amended by inserting ''or assembled'' after ''constructed'' and ''or assembling'' after ''construction''.

(c) CONFORMING AMENDMENT.—Subparagraph (D) of section 170(e)(6) of such Code is amended by inserting ''or assembled'' after ''constructed'' and ''or assembling'' after ''construction''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 108. ADJUSTMENT TO BASIS OF S CORPORATION STOCK FOR CERTAIN CHARITABLE CONTRIBUTIONS.

(a) IN GENERAL.—Paragraph (1) of section 1367(a) of such Code (relating to adjustments to basis of stock of shareholders, etc.) is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting '', and'', and by adding at the end the following new subparagraph:

''(D) the excess of the amount of the shareholder's deduction for any charitable contribution made by the S corporation over the shareholder's proportionate share of the adjusted basis of the property contributed.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 109. REVENUE OFFSET.

(a) IN GENERAL.—Paragraph (2) of section 1(i) of the Internal Revenue Code of 1986 (relating to reductions in rates after June 30, 2001) is amended—

(1) by striking ''38.6'' and inserting ''38.8'',

(2) by striking ''37.6'' and inserting ''37.8'', and

(3) by striking ''35'' and inserting ''35.5''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

TITLE II—EXPANSION OF CHARITABLE CHOICE

SEC. 201. PROVISION OF ASSISTANCE UNDER GOVERNMENT PROGRAMS BY RELIGIOUS AND COMMUNITY ORGANIZATIONS.

Title XXIV of the Revised Statutes of the United States is amended by inserting after section 1990 (42 U.S.C. 1994) the following:

''SEC. 1991. CHARITABLE CHOICE.

''(a) SHORT TITLE.—This section may be cited as the 'Charitable Choice Act of 2001'.

''(b) PURPOSES.—The purposes of this section are—

''(1) to enable assistance to be provided to individuals and families in need in the most effective and efficient manner;

''(2) to supplement the Nation's social service capacity by facilitating the entry of new, and the expansion of existing, efforts by religious and other community organizations in the administration and distribution of government assistance under the government programs described in subsection (c)(4);

''(3) to prohibit discrimination against religious organizations on the basis of religion in the administration and distribution of government assistance under such programs;

''(4) to allow religious organizations to participate in the administration and distribution of such assistance without impairing the religious character and autonomy of such organizations; and

''(5) to protect the religious freedom of individuals and families in need who are eligible for government assistance, including expanding the possibility of their being able to choose to receive services from a religious organization providing such assistance.

''(c) RELIGIOUS ORGANIZATIONS INCLUDED AS PROVIDERS; DISCLAIMERS.—

''(1) IN GENERAL.—

''(A) INCLUSION.—For any program described in paragraph (4) that is carried out by the Federal Government, or by a State or local government with Federal funds, the government shall consider, on the same basis as other nongovernmental organizations, religious organizations to provide the assistance under the program, and the program shall be implemented in a manner that is consistent with the establishment clause and the free exercise clause of the first amendment to the Constitution.

''(B) DISCRIMINATION PROHIBITED.—Neither the Federal Government, nor a State or local

government receiving funds under a program described in paragraph (4), shall discriminate against an organization that provides assistance under, or applies to provide assistance under, such program on the basis that the organization is religious or has a religious character.

''(2) FUNDS NOT AID TO RELIGION.—Federal, State, or local government funds or other assistance that is received by a religious organization for the provision of services under this section constitutes aid to individuals and families in need, the ultimate beneficiaries of such services, and not support for religion or the organization's religious beliefs or practices. Notwithstanding the provisions in this paragraph, title VI of the Civil Rights Act of 1964 (42 USC 2000d et seq.) shall apply to organizations receiving assistance funded under any program described in subsection (c)(4).

''(3) FUNDS NOT ENDORSEMENT OF RELIGION.—The receipt by a religious organization of Federal, State, or local government funds or other assistance under this section is not an endorsement by the government of religion or of the organization's religious beliefs or practices.

''(4) PROGRAMS.—For purposes of this section, a program is described in this paragraph—

''(A) if it involves activities carried out using Federal funds—

''(i) related to the prevention and treatment of juvenile delinquency and the improvement of the juvenile justice system, including programs funded under the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5601 et seq.);

''(ii) related to the prevention of crime and assistance to crime victims and offenders' families, including programs funded under title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3701 et seq.);

''(iii) related to the provision of assistance under Federal housing statutes, including the Community Development Block Grant Program established under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.);

''(iv) under subtitle B or D of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.);

''(v) under the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.);

''(vi) related to the intervention in and prevention of domestic violence, including programs under the Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.) or the Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.);

''(vii) related to hunger relief activities; or

''(viii) under the Job Access and Reverse Commute grant program established under section 3037 of the Federal Transit Act of 1998 (49 U.S.C. 5309 note); or

''(B)(i) if it involves activities to assist students in obtaining the recognized equivalents of secondary school diplomas and activities relating to nonschool hours programs, including programs under—

''(I) chapter 3 of subtitle A of title II of the Workforce Investment Act of 1998 (Public Law 105–220); or

''(II) part I of title X of the Elementary and Secondary Education Act (20 U.S.C. 6301 et seq.); and

''(ii) except as provided in subparagraph (A) and clause (i), does not include activities carried out under Federal programs providing education to children eligible to attend elementary schools or secondary schools, as defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

''(d) ORGANIZATIONAL CHARACTER AND AUTONOMY.—

''(1) IN GENERAL.—A religious organization that provides assistance under a program described in subsection (c)(4) shall have the right to retain its autonomy from Federal, State, and local governments, including such organization's control over the definition, development, practice, and expression of its religious beliefs.

''(2) ADDITIONAL SAFEGUARDS.—Neither the Federal Government, nor a State or local government with Federal funds, shall require a religious organization, in order to be eligible to provide assistance under a program described in subsection (c)(4), to—

''(A) alter its form of internal governance or provisions in its charter documents; or

''(B) remove religious art, icons, scripture, or other symbols, or to change its name, because such symbols or names are of a religious character.

''(e) EMPLOYMENT PRACTICES.—A religious organization's exemption provided under section 702 of the Civil Rights Act of 1964 (42 U.S.C. 2000e-1) regarding employment practices shall not be affected by its participation in, or receipt of funds from, programs described in subsection (c)(4), and any provision in such programs that is inconsistent with or would diminish the exercise of an organization's autonomy recognized in section 702 or in this section shall have no effect, except that no religious organization receiving funds through a grant or cooperative agreement for programs described in subsection (c)(4) shall, in expending such funds allocated under such program, discriminate in employment on the basis of an employee's religion, religious belief, or a refusal to hold a religious belief. Nothing in this section alters the duty of a religious organization to comply with the nondiscrimination provisions of title VII of the Civil Rights Act of 1964 in the use of funds from programs described in subsection (c)(4).

''(f) EFFECT ON OTHER LAWS.—Nothing in this section shall alter the duty of a religious organization receiving assistance or providing services under any program described in subsection (c)(4) to comply with the nondiscrimination provisions in title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) (prohibiting discrimination on the basis of race, color, and national origin), title IX of the Education Amendments of 1972 (20 U.S.C. 1681–1688) (prohibiting discrimination in education programs or activities on the basis of sex and visual impairment), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) (prohibiting discrimination against otherwise qualified disabled individuals), and the Age Discrimination Act of 1975 (42 U.S.C. 6101–6107) (prohibiting discrimination on the basis of age).

''(g) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—

''(1) IN GENERAL.—If an individual described in paragraph (3) has an objection to the religious character of the organization from which the individual receives, or would receive, assistance funded under any program described in subsection (c)(4), the appropriate Federal, State, or local governmental entity shall provide to such individual (if otherwise eligible for such assistance) within a reasonable period of time after the date of such objection, assistance that—

''(A) is an alternative that is accessible to the individual and unobjectionable to the individual on religious grounds; and

''(B) has a value that is not less than the value of the assistance that the individual would have received from such organization.

''(2) NOTICE.—The appropriate Federal, State, or local governmental entity shall guarantee that notice is provided to the individuals described in paragraph (3) of the rights of such individuals under this section.

''(3) INDIVIDUAL DESCRIBED.—An individual described in this paragraph is an individual who receives or applies for assistance under a program described in subsection (c)(4).

''(h) NONDISCRIMINATION AGAINST BENEFICIARIES.—

''(1) GRANTS AND COOPERATIVE AGREEMENTS.—A religious organization providing assistance through a grant or cooperative agreement under a program described in subsection (c)(4) shall not discriminate in carrying out the program against an individual described in subsection (g)(3) on the basis of religion, a religious belief, or a refusal to hold a religious belief.

''(2) INDIRECT FORMS OF ASSISTANCE.—A religious organization providing assistance through a voucher, certificate, or other form of indirect assistance under a program described in subsection (c)(4) shall not deny an individual described in subsection (g)(3) admission into such program on the basis of religion, a religious belief, or a refusal to hold a religious belief.

''(i) LOCAL CIVIL RIGHTS LAWS.—Nothwithstanding anything to the contrary in this section, nothing in this section preempts or supercedes State or local civil rights laws.

''(j) ACCOUNTABILITY.—

''(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), a religious organization providing assistance under any program described in subsection (c)(4) shall be subject to the same regulations as other nongovernmental organizations to account in accord with generally accepted accounting principles for the use of such funds and its performance of such programs.

''(2) LIMITED AUDIT.—

''(A) GRANTS AND COOPERATIVE AGREEMENTS.—A religious organization providing assistance through a grant or cooperative agreement under a program described in subsection (c)(4) shall segregate government funds provided under such program into a separate account or accounts. Only the separate accounts consisting of funds from the government shall be subject to audit by the government.

''(B) INDIRECT FORMS OF ASSISTANCE.—A religious organization providing assistance through a voucher, certificate, or other form of indirect assistance under a program described in subsection (c)(4) may segregate government funds provided under such program into a separate account or accounts. If such funds are so segregated, then only the separate accounts consisting of funds from the government shall be subject to audit by the government.

''(3) SELF AUDIT.—A religious organization providing services under any program described in subsection (c)(4) shall conduct annually a self audit for compliance with its duties under this section and submit a copy of the self audit to the appropriate Federal, State, or local government agency, along with a plan to timely correct variances, if any, identified in the self audit.

''(k) LIMITATIONS ON USE OF FUNDS; VOLUNTARINESS.—No funds provided through a grant or cooperative agreement to a religious organization to provide assistance under any program described in subsection (c)(4) shall be expended for sectarian instruction, worship, or proselytization. If the religious organization offers such an activity, it shall be voluntary for the individuals receiving services and offered separate from the program funded under subsection (c)(4). A certificate shall be separately signed by religious organizations, and filed with the government agency that disburses the funds, certifying that the organization is aware of and will comply with this subsection. No direct funds shall be provided under subsection

(c)(4) to a religious organization that engages in sectarian instruction, worship, or proselytization at the same time and place as the government funded program.

''(l) EFFECT ON STATE AND LOCAL FUNDS.—If a State or local government contributes State or local funds to carry out a program described in subsection (c)(4), the State or local government may segregate the State or local funds from the Federal funds provided to carry out the program or may commingle the State or local funds with the Federal funds. If the State or local government commingles the State or local funds, the provisions of this section shall apply to the commingled funds in the same manner, and to the same extent, as the provisions apply to the Federal funds.

''(m) TREATMENT OF INTERMEDIATE GRANTORS.—If a nongovernmental organization (referred to in this subsection as an 'intermediate grantor'), acting under a grant or other agreement with the Federal Government, or a State or local government with Federal funds, is given the authority under the agreement to select nongovernmental organizations to provide assistance under the programs described in subsection (c)(4), the intermediate grantor shall have the same duties under this section as the government when selecting or otherwise dealing with subgrantors, but the intermediate grantor, if it is a religious organization, shall retain all other rights of a religious organization under this section.

''(n) COMPLIANCE.—A party alleging that the rights of the party under this section have been violated by a State or local government may bring a civil action for injunctive relief pursuant to section 1979 against the State official or local government agency that has allegedly committed such violation. A party alleging that the rights of the party under this section have been violated by the Federal Government may bring a civil action for injunctive relief in Federal district court against the official or government agency that has allegedly committed such violation.

''(o) TRAINING AND TECHNICAL ASSISTANCE FOR SMALL NONGOVERNMENTAL ORGANIZATIONS.—

''(1) IN GENERAL.—From amounts made available to carry out the purposes of the Office of Justice Programs (including any component or unit thereof, including the Office of Community Oriented Policing Services), funds are authorized to provide training and technical assistance, directly or through grants or other arrangements, in procedures relating to potential application and participation in programs identified in subsection (c)(4) to small nongovernmental organizations, as determined by the Attorney General, including religious organizations, in an amount not to exceed $50 million annually.

''(2) TYPES OF ASSISTANCE.—Such assistance may include—

''(A) assistance and information relative to creating an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 to operate identified programs;

''(B) granting writing assistance which may include workshops and reasonable guidance;

''(C) information and referrals to other nongovernmental organizations that provide expertise in accounting, legal issues, tax issues, program development, and a variety of other organizational areas; and

''(D) information and guidance on how to comply with Federal nondiscrimination provisions including, but not limited to, title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e et seq.), the Fair Housing Act, as amended (42 U.S.C. 3601 et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681–1688), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 694), and the Age Discrimination Act of 1975 (42 U.S.C. 6101–6107).

''(3) RESERVATION OF FUNDS.—An amount of no less than $5,000,000 shall be reserved under this section. Small nongovernmental organizations may apply for these funds to be used for assistance in providing full and equal integrated access to individuals with disabilities in programs under this title.

''(4) PRIORITY.—In giving out the assistance described in this subsection, priority shall be given to small nongovernmental organizations serving urban and rural communities.''.

TITLE III—INDIVIDUAL DEVELOPMENT ACCOUNTS

SEC. 301. ADDITIONAL QUALIFIED ENTITIES ELIGIBLE TO CONDUCT PROJECTS UNDER THE ASSETS FOR INDEPENDENCE ACT.

Section 404(7)(A)(iii)(I)(aa) of the Assets for Independence Act (42 U.S.C. 604 note) is amended to read as follows:

''(aa) a federally insured credit union; or''.

SEC. 302. INCREASE IN LIMITATION ON NET WORTH.

Section 408(a)(2)(A) of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking ''$10,000'' and inserting ''$20,000''.

SEC. 303. CHANGE IN LIMITATION ON DEPOSITS FOR AN INDIVIDUAL.

Section 410(b) of the Assets for Independence Act (42 U.S.C. 604 note) is amended to read as follows:

''(b) LIMITATION ON DEPOSITS FOR AN INDIVIDUAL.—Not more than $500 from a grant made under section 406(b) shall be provided per year to any one individual during the project.''.

SEC. 304. ELIMINATION OF LIMITATION ON DEPOSITS FOR A HOUSEHOLD.

Section 410 of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking subsection (c) and redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

SEC. 305. EXTENSION OF PROGRAM.

Section 416 of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking ''2001, 2002, and 2003'' and inserting ''and 2001, and $50,000,000 for each of fiscal years 2002 through 2008''.

SEC. 306. CONFORMING AMENDMENTS.

(a) AMENDMENTS TO TEXT.—The text of each of the following provisions of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking ''demonstration'' each place it appears:

(1) Section 403.
(2) Section 404(2).
(3) Section 405(a).
(4) Section 405(b).
(5) Section 405(c).
(6) Section 405(d).
(7) Section 405(e).
(8) Section 405(g).
(9) Section 406(a).
(10) Section 406(b).
(11) Section 407(b)(1)(A).
(12) Section 407(c)(1)(A).
(13) Section 407(c)(1)(B).
(14) Section 407(c)(1)(C).
(15) Section 407(c)(1)(D).
(16) Section 407(d).
(17) Section 408(a).
(18) Section 408(b).
(19) Section 409.
(20) Section 410(e).
(21) Section 411.
(22) Section 412(a).
(23) Section 412(b)(2).
(24) Section 412(c).
(25) Section 413(a).
(26) Section 413(b).
(27) Section 414(a).
(28) Section 414(b).
(29) Section 414(c).
(30) Section 414(d)(1).
(31) Section 414(d)(2).

(b) AMENDMENTS TO SUBSECTION HEADINGS.—The heading of each of the following provisions of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking ''DEMONSTRATION'':

(1) Section 405(a).
(2) Section 406(a).
(3) Section 413(a).

(c) AMENDMENTS TO SECTION HEADINGS.—The headings of sections 406 and 411 of the Assets for Independence Act (42 U.S.C. 604 note) are amended by striking ''**DEMONSTRATION**''.

SEC. 307. APPLICABILITY.

(a) IN GENERAL.—The amendments made by this title shall apply to funds provided before, on or after the date of the enactment of this Act.

(b) PRIOR AMENDMENTS.—The amendments made by title VI of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–554) shall apply to funds provided before, on or after the date of the enactment of such Act.

The SPEAKER pro tempore. Pursuant to House Resolution 196, the gentleman from New York (Mr. RANGEL) and the gentleman from California (Mr. THOMAS) each will control 30 minutes.

The Chair recognizes the gentleman from New York (Mr. RANGEL).

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

Mr. Speaker, we have an opportunity here to review a very important piece of legislation. As relates to the tax portion of this bill, I do not think anybody would believe that allowing a taxpayer to deduct $25 cap or $50 for a couple is enough incentive, or that incentive is necessary. But this is politics as usual, and so we are prepared not to fight that. But the least we should do is to pay for these things. $13 billion, in the majority's point of view, is not a lot of money. After all, they have just passed a $1.3 trillion tax cut. But it would seem to me, Mr. Speaker, that if we are going to have a budget and we are going to try to stay within the four corners of that budget, the least we could do is to try to pay for those things.

Mr. Speaker, I yield 15 minutes to the gentleman from Michigan (Mr. CONYERS), the ranking member of the Committee on the Judiciary, and I ask unanimous consent that he be allowed to further allocate the time.

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

There was no objection.

Mr. RANGEL. Mr. Speaker, I yield the balance of my time to the gentleman from Washington (Mr. MCDERMOTT), and I ask unanimous consent that he be allowed to further allocate the time.

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

There was no objection.

Mr. THOMAS. Mr. Speaker, I yield 15 minutes of my time to the gentleman

from Wisconsin (Mr. SENSENBRENNER), and I ask unanimous consent that he be permitted to control that time.

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

There was no objection.

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

Mr. Speaker, I find it rather interesting that during the debate on H.R. 7, that there were statements made about the tax portion of the bill, especially in terms of title I, almost rising to the level of derision on the amount of money that was provided to individuals who did not itemize their tax deductions. One gentleman called it nonsense in terms of what, on a bipartisan basis, we are doing in changing the Tax Code.

I do not know about you, but I have had some enjoyment watching, over these recent evenings, the programs on dinosaurs, ''When Dinosaurs Roamed America,'' on the Discovery Channel. Frankly, some of the facts that have been mentioned on the program are staggering. For example, in referring to the sauropods which were the largest dinosaurs to roam America and they were herbivores, to give some understanding, I guess, of the size of these beasts, it was indicated that, on a daily average, they left about 2,000 pounds of fecal material.

I just pondered that fact, because in listening to my Democratic colleagues stand up and deride the tax portion of H.R. 7, I am fascinated to find that in their offering of their substitute, when they had a clean sheet of paper and, of course, if they deride the amount of money provided to nonitemizers, they certainly could have picked any number they thought was appropriate. If they thought those provisions to corporations were inadequate, they certainly could have picked any structure they wanted, and they are saying they are going to pay for their proposal, and, therefore, they had any amount of money that they chose to pay for any program they thought was appropriate for charitable giving.

Do you know what that clean, white sheet of paper turned into? It turned into word for word, sentence for sentence, paragraph for paragraph the charitable giving portion of H.R. 7. Yes, my friends. The substitute's tax portion is absolutely identical, notwithstanding all of their criticism of the majority's bill.

And so when I think back at that 2,000 pounds, I just wonder what Democratosaurus can produce. We have seen the first major installment.

For them to stand up and ridicule the charitable tax provisions in the bill and then turn right around and word for word incorporate them in the substitute certainly is a really big pile.

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

Mr. MCDERMOTT. Mr. Speaker, I yield myself a couple of minutes here.

The distinguished chairman of the Committee on Ways and Means certainly is an erudite speaker and I appreciate his great erudition on these matters.

□ 1345

However, the gentleman knows that since he runs the House, he sets the rules. You would not let us have a clean amendment. You said, you have to do a substitute; and you have got to make it germane. You made it so tight, we did not have any way to do it but to use your stupid vehicle.

But we wanted to pay for it. If we could have added an amendment and simply paid for it, we would have done it, because we would have proven the hypocrisy of what has gone on on the other side.

You are offering this amendment, and you have broken the budget; and you are into Social Security, and you will not pay for this.

That is what the people need to understand. We are willing to pay for what we do. It will turn out in this vote that you are not. You are simply doing a PR exercise.

Everybody on the other side already has their press release ready: ''Today we gave a charitable choice to every American. They can participate.'' It is an empty sack.

Mr. Speaker, I yield 1¼ minutes to the gentleman from Indiana (Mr. ROEMER).

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

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

Mr. Speaker, as a person that strongly believes that our religious and faith-based organizations have an important and vital role in potentially helping us solve problems, particularly for the poor, I rise in opposition to the underlying bill.

Thomas Jefferson wrote: ''Politics, like religion, hold up the torches of martyrdom to the reformers of error.''

The reformers of error in this instance are the authors of this bill, and they are so for two reasons: we have a very important separation, a wall, a separation of church and State in this country; and, instead of breaking it down, they are tunneling under it.

On page 45 of their bill, instead of having money go directly to these institutions, we can use vouchers or certificates or other forms of reimbursement. We have rejected vouchers to our public schools; we should reject vouchers to our houses of private worship.

Finally, Mr. Speaker, on the tax cut: I voted for a tax cut, a $1.3 trillion tax cut. This one is $13.3 billion. We just had $40 billion evaporate from the surplus in one month. We should not vote for more tax cuts in this body until we know what that surplus is going to be like.

So on constitutional grounds and fiscally responsible grounds, we should reject this underlying bill and support the substitute.

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

Mr. Speaker, let us revisit the comments made by the gentleman from Washington, that he was required to utilize exactly the same tax provisions.

Now, that is simply factually false. He could have changed the dollar amount to 50, 100, 250, 1,000. For him to wring his hands and say he was required to follow exactly to the word the majority's tax provisions is to simply say that the Demosaurus pile grows and grows.

Mr. Speaker, it is my privilege to yield 1 minute to the gentlewoman from Pennsylvania (Ms. HART).

Ms. HART. Mr. Speaker, I rise in opposition to the substitute and in support of the bill as it stands. The Community Solutions Act is just that. The Community Solutions Act is designed to aid organizations that aid communities.

This is not a jobs bill. I repeat, this is not a jobs bill. This is designed to give more resources to the organizations who know their communities, the organizations who are driven by faith and charity to help people in communities who need help. It is not designed to create a bunch of new jobs. In fact, hopefully, the only people who will take any jobs that may be created by this bill are those who are motivated by charity. These jobs will not pay lots of money.

The goal here is to help people. The goal here is to allow those who have been helping people for years to get a few more resources from the Government to do an even better job than they do now.

Mr. MCDERMOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. HOYER).

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

Mr. Speaker, America is the greatest country on the face of the Earth, and in part it is because of the inspiration that our Founding Fathers had in the drafting of the Constitution and the promulgation of the first 10 amendments: ''We hold these truths to be self-evident.''

The gentlewoman says this is not a jobs bill, and she is correct. This is a bill about doing what our faiths tell us to do: lifting people up, reaching out to them, helping them. My party believes in that. I think the other party does as well.

I was a Jaycee. The Jaycee creed starts with these lines, that faith in God gives meaning and purpose to life.

I am a Baptist. There are many faiths represented in this body. I am also from Maryland. In April of 1649, Maryland passed an act on religion, now known as the Act on Toleration. It was one of the first statutes in these colonies that said we were going to make sure that the State did not infringe upon religion. Why? Because the Calvert family was Catholic, and the majority of the colony was Protestant, and they wanted to make sure that the Government did not infringe upon the right to practice their religion, which

is, of course, why they came to these colonies.

This is a fundamental issue. That is why this substitute is so good, because among those principles that we hold dear in America and the reason we are so great is because we do not believe in discrimination, knowing full well that some practice it, but that discrimination is not one of those truths that we hold self-evident.

In the fifties and sixties and throughout our history, men and women have died for that principle. Let us have the courage to vote for that principle. Vote for this substitute and vote against the underlying bill.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Indiana (Mr. SOUDER).

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

Mr. SOUDER. Mr. Speaker, first I want to praise the chairman of the Committee on Ways and Means for his ability to work his contributions within the budget context. We would have all preferred to go to $500, but he has taken a stair-step method that enables people who do not take large tax deductions to take the small increments that many small churches were asking us to do.

It is appalling that Members have stood on this floor and mocked those who do not have large resources, but who would like to contribute to their local resources. I praise the gentleman for his effort.

But I think it is also important to make clear today that in fact we are not looking just to protect religious liberty in this bill; but the way it has been debated on this floor, it would repeal religious liberty that has stood for many years.

For example, if we make religious liberty subject to State and local laws, contractual provisions that prohibit a religious organization from maintaining its internal autonomy, which is not true currently, could be used to require religious health services to distribute condoms. If we repeal the religious liberty amendment and make it subservient to State and local laws, it is a slippery slope for other issues such as Medicaid, where it could require Catholic hospitals to perform abortions. This has huge ramifications in our society, if you make religious liberty subject to State and local laws.

Religious liberty. We are in a very difficult area. It is a very uncomfortable area to debate, whether people of faith who have had centuries of positions on difficult issues like homosexuality, or other churches that may or may not, for example, have male nuns or female priests, whether they have to, in order to participate in any government program, lose their religious liberty.

It will have a chilling effect not only on what could be done, but we are looking at reach-back provisions here if we start to apply this standard on what we are already doing in the AIDS area, where many churches have reached out over the years and have never been told before that suddenly they have to change their internal structure of their church to be eligible for government money. We are heading down a very slippery slope if we repeal religious liberty in America.

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

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

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

Mr. Speaker, on page 40 of H.R. 7 is the very crux of why we believe that this is a particularly pernicious, pernicious, amendment. A young lady comes walking along, and suppose her purse falls and something pops out of the purse. Lo and behold, it is birth control pills. Under this piece of legislation, if that particular religion does not accept forms of prevention, that woman could be fired on the spot because they do not accept it. You tell me where it is she is protected in this legislation?

In the early days of the Bush administration, the Office of Faith-Based Initiatives was created with the great idea that religious community-based organizations are the best source of social services.

I support the Rangel-Conyers-Frank-Nadler-Scott substitute. I was the mayor of Paterson before I came to the Congress, a city whose residents rely on exactly the social programs this legislation is designated to help. Believe me, my city counted on these social services, nonprofit organizations, many of them religiously affiliated, to supplement the city, State and Federal programs that already exist.

But as a former mayor, as a former State legislator, I have grave reservations about the number of provisions in the Community Solutions Act which would supersede State and local civil rights laws and, in essence, allow religious institutions to discriminate, despite receiving Federal dollars.

The Rangel substitute corrects every inequity and every discriminatory possibility. It recognizes the unique contributions of religious organizations to the community. Unlike the base bill, this amendment not only creates a new program, but it also pays for the program.

Mr. THOMAS. Mr. Speaker, it is my privilege to yield 2 minutes to the gentleman from Texas (Mr. DELAY), the majority whip of the House of Representatives.

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

Mr. Speaker, I come to this debate today in a very solemn mood, but a very excited mood at the same time, it is kind of a conflicting emotion, because this is the beginning of a debate that we have been looking for for a long, long time; in fact, my entire adult life. This is the beginning of a very real debate in this country over two very distinctly different world views.

For 40 to 50 years, we have had the world view, as exemplified by the opposition all day long today, a world view that has been going on for 40 or 50 years, and that world view basically is man can build Utopia, and what can undermine that building of Utopia is bringing God into the mix. So they have spent 40 to 50 years getting God out of our institutions, and they have fought very long and been very successful at it.

Yet now we have a President that comes along and says, no, faith is important; what you believe is important. What you believe is what you are, and we need to bring it back in, because the world view that says we are going to build Utopia by building huge government to do everything for you, faith does not have to enter into it.

Do you know what the result of that is? Look at what has happened over the last 40 or 50 years to the culture, the fabric of the culture of this country. I do not have time to list it here, but we all know what I am talking about. The culture, very fabric has been ripped apart, the culture of this country.

Now we want to bring it back in, and part of rebuilding that culture is faith, faith in something bigger than yourself, and that, to many of us, is God; and we want to bring God back into it. But they want to continue to discriminate against those that want to bring in faith-based institutions, that have proven to be successful.

□ 1400

Right in my own district, Chuck Colson's Prison Fellowship took over an entire prison on faith. Do we know what the recidivism rate of that prison is? Mr. Speaker, it is 3 percent. Because we know that changing the heart and mind and soul of men through faith is how they are changed.

That is what we are talking about here. It is more fundamental than the petty arguments that we have heard here today. This is vitally important, the future of our country and the rebuilding of our culture. We must pass this bill without amendment. Vote for the bill and against the substitute.

Mr. McDERMOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Speaker, 40 or 50 years, I would tell the gentleman from Texas (Mr. DELAY), indeed, 200 years and plus, because some of us think that just maybe our Founding Fathers, Mr. Jefferson and Mr. Madison and all those that played a role in our Bill of Rights, may have known just slightly more than the greats of today such as the gentleman from Texas (Mr. DELAY), Mr. Gingrich, the gentleman from Texas (Mr. ARMEY), and the gentleman from Illinois (Mr. HASTERT). Perhaps they understood the role, the

important and vital role that religion would play in our society, and they would also recognize that we do not need government interfering with it. We do not need government funding it.

Indeed, that is why hundreds of religious leaders, who are doing innovative work—enriching and changing lives across this country, have opposed this bill. Because they are doing their good deeds, they are living their faith and their religion, and they do not even need the gentleman from Texas (Mr. DELAY) and the gentleman from Illinois (Mr. HASTERT) to come in and pass a bill to let them do it.

Today is a referendum on discrimination. We will have a vote today on which the Members of this House will have an opportunity to say whether they want to spend Federal tax dollars to encourage discrimination in employment or not. And the second matter, the ultimate faith-based initiative today is on the issue of fiscal responsibility.

Mr. Speaker, these Republicans are draining the Medicare Trust Fund as quickly as they can turn the spigot. And when they get through emptying it, they are moving next to the Social Security Trust Fund. That is why rather than remaining true to recent Republican pledges to ''lockbox'' Medicare, The Director of the Office of Management and Budget calls the Medicare Trust Fund ''a fiction,'' Indeed, the real fiction is the claim that Republicans can provide tax breaks like this and maintain any sense of fiscal responsibility.

If we think that the gentleman from California (Mr. THOMAS) can keep coming in here, week after week, with one special interest tax break after another, today for those that helped in getting out the Republican vote last year in certain parts of the religious community, and next week with the breaks for the oil, gas industry nuclear and coal industries, if we think that he can provide all of those tax breaks and not pay for or provide offsets for a single one of them without invading the Medicare Trust Fund and the Social Security Trust Fund, Mr. Speaker, if we think he can accomplish that, we are really investing the ultimate faith-based initiative.

Mr. THOMAS. And the Democrats' sorrow pile grows and grows.

Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. PITTS).

Mr. PITTS. Mr. Speaker, not every human need and social problem requires a government program. There are many charitable, nongovernmental, nonprofit, humanitarian and faith-based programs that work, that are very effective. President Bush has recognized the power of faith-based organizations, and he has challenged America to harness this power. He points to groups like Teen Challenge that operate in Pennsylvania for over 40 years. It has an 86 percent success rate in drug and alcohol rehab, and they track their graduates for 7 years after they graduate. The government programs we fund have a 6 to 10 percent success rate. Clearly, there is a difference.

President Johnson waged a war on poverty. We have declared a war on drugs. We have not won those wars. That is because the real problems of this country are not money problems, they are problems of the spirit. Government cannot create a work ethic or make people moral or make people love one another or pray, renew communities. Government cannot address the basic problems which are problems of the spirit, and these faith-based programs can. Let them have a place at the table with their conscience.

Mr. MCDERMOTT. Mr. Speaker, I yield 10 seconds to the articulate gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK. Mr. Speaker, there is a flaw in several of the things we have heard. The bill specifically says we cannot have a religious and theological content in the program. Those who say that the importance is to use religion to improve people's lives have not read the bill.

Mr. MCDERMOTT. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. SCHIFF).

Mr. SCHIFF. Mr. Speaker, religious institutions have always played a vital role in serving the needs of society's most vulnerable members, our children, the poor, the disabled, the dispirited, not out of a motivation for public funding but driven by the beneficent dictates of their faith. That work goes on. It must go on. I applaud the administration for the desire to further this goal.

But this bill is not the way. Providing Federal funding directly or indirectly through a massive multi-billion dollar voucher program, practically without restriction, for religious or nonreligious activities related to the delivery of social service runs squarely into conflict with our Constitution.

Why does that matter? Perhaps the Founding Fathers got it wrong. Because there should be no separation of church and State. Perhaps the Founding Fathers were simply antagonistic to religion. No, they were not. The right of free exercise of religion and against the establishment of religion protected in our Bill of Rights are intertwined rights. They are inseparable. Allow the establishment of religion, and we do away with the free exercise of religion. Allow the excessive entanglement of church and State as represented in this bill, and we do not serve church or State.

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. STEARNS).

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

Mr. STEARNS. Mr. Speaker, I think all of us should reflect a little bit and realize that four bills were signed by President Clinton that had charitable choice in them and they passed overwhelmingly. I suspect that a lot of people that are debating this voted for those bills, because they passed 345 to whatever was left.

Proponents of the idea to substitute their own bill always talk about our bill violates the first amendment, and this is a very relevant question. It demands some serious consideration. Those who support the idea that they want to put in another bill because ours violates the first amendment do so because they believe in the first amendment, but we all do. The Constitution provides, ''Congress shall make no law respecting the establishment of religion or prohibiting the free exercise thereof.''

But this charge is twofold. The first amendment provides that the government cannot establish one religion or a religion over a nonreligion. But it also, I say to my colleagues, provides that the government shall not prohibit the free exercise of religion.

This is a very important point and the purpose of our bill. With some constitutional concerns in mind, we must make certain to allow members of organizations seeking to take part in government programs designed to meet basic human needs and ensure that capable and qualified organizations not be discriminated against on the basis of their religious views.

So charitable choice makes clear that existing Federal law providing for the Federal provision of social services should not be read to exclude. One cannot exclude faith-based organizations solely on the basis of their beliefs.

So I would conclude, Mr. Speaker, to point out that what we are trying to do is exercise freedom of religion, and that is what charitable choice does.

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

This amendment was put out here for a very simple purpose. The Republicans have been acting like they had a $500 bank account and they were going to write ten $100 checks; and that is what the Committee on Ways and Means Chairman led by the Committee on Ways and Means Republicans has done, over and over again.

We received a letter from the gentleman from Iowa (Mr. NUSSLE) on July 11 that said that the surplus remaining was $12 billion. Now, the President has yet to submit a defense request to us. The lowest estimate anybody has heard is that he wants $10 billion. So if we just imagine taking 12 and subtracting 10, we now have $2 billion left in surplus, and so then we are almost into Social Security and Medicare. Okay?

Now, we also have stuff coming out of the CBO and the Committee on Joint Taxation telling us that the economy has slowed down and the revenue estimates are going down. A very conservative estimate of how far down they have gone is $20 billion. Now, remember, we have that $2 billion left, we subtract another 20, we are $18 billion into the surplus in Medicare.

Mr. Speaker, I do not know how many times I have heard people come out and say, we are going to put a lockbox on these funds. By God, we are going to put a lockbox on this, on Social Security, and lock up all that Medicare.

Right here, before we pass this foolish bill, we are already $18 billion into the Medicare money. Now we have another $13 billion here. So now we are up to $31 billion, and next week we are all going to get a chance to come out here and pass a bill about energy cuts. I have forgotten what that one is. I think it is $33 billion. And we know that $500 checking account that we wrote $1,000 worth of checks on, we are going to write about $5,000 worth of checks by the time we are done. We are bankrupt, unless we go into Social Security and Medicare.

Now, we can do all the dancing we want out here and talk all about the issue of the first amendment. I mean, people are acting like somehow we cannot fund social services done by faith-based groups. As I said earlier, that is nonsense. Catholic charities, Jewish Charities, Lutheran World Service, on the list goes, the Salvation Army, the whole works, they all have tremendous amounts of Federal money, and they follow rules. And that section of this bill that wants to take away the rules or start bending the rules is going to wind up with people facing indictments. We are going to have ministers who think they can come down here to the government, get a bag full of money and go home and do whatever they want with it, and they are going to wind up being indicted.

Now, we had one of our colleagues, some of my colleagues may remember, runs a great, large church, and he spent a lot of money defending himself against the charge that he was spending Federal money in a religious way. He ultimately won, but we are going to see that this is not a free bag of money to just go and take for church leaders to take home and do whatever they want with. The Supreme Court, the district courts, the courts of appeal have been clear on this issue.

The gentleman from Texas acts like the country started when the Democrats were picking up the pieces after the Republican debacle of the 1920s. This country spent 200 years with a separation of church and State. It does not need this bill, and it is fiscally absolutely irresponsible.

Mr. THOMAS. Mr. Speaker, I yield myself 10 seconds. The Democrats' pile of sorrows grows and grows. The bank that the gentleman described existed only when the Democrats controlled the House of Representatives and ran a bank that did just exactly what the gentleman described.

Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. GREEN).

Mr. GREEN of Wisconsin. Mr. Speaker, I thank the gentleman for yielding me this time.

It is interesting that speaker after speaker today on both sides of the aisle has begun his or her remarks by citing some faith-based organization back in his or her own district that is doing such a wonderful job and then talking about how incredibly supportive they are of those organizations. Yet, with their substitute and with their attacks, the opposition would add burden after burden after burden on these very organizations. In fact, the last speaker would scare faith-based organizations to make sure that they do not take advantage of this law. Worse yet, some of them, some of them would like to remove the religious exemption that these organizations have enjoyed for years and which has been upheld by this body and the United States Supreme Court.

□ 1415

But remember this, the first amendment to the Constitution says that government shall not establish a religion, but it also requires us to honor religious liberty. We have done so for years. We have done so in the years since charitable choice. Some here today would delete that exemption.

Mr. Speaker, maybe we should have that debate on the floor of this House, but that is not the debate today. This is not about scaring faith-based organizations, this is not about putting burdens on them, this is about turning them from rivals in the minds of too many people to partners.

America is hurting. America has needs. America has challenges. Neighborhood after neighborhood has challenges. There are organizations in these neighborhoods ready and willing to make a difference. We should stand by their sides. We should extend a helping hand. If we do this, we can win the war on poverty. We can change America for the good.

I ask my friends to oppose this substitute amendment, support this bill, and let us get it to the President's desk.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 1 minute to the gentleman from Georgia (Mr. KINGSTON).

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

I want to say to my good friends on the left, gee, whiz, they must have trouble sleeping. Since 1996, this basically has been the law, that charitable institutions, faith-based institutions, can participate in welfare distribution, welfare services.

Now all we are doing is saying two things, that we want to expand that eligibility to say that faith-based institutions who are delivering social services, like job training, like drug addiction, like feeding the hungry, that they can participate in grants.

I know Members are very, very proud of the great job that the government has been doing since the War on Poverty. We have only spent billions and billions of dollars, and the poverty level has not decreased.

What we are saying is, let us think outside the box. Let us expand it. Let us let faith-based institutions get in there.

The second part, which is very important, is let people have a charitable contribution deduction on their taxes to encourage more giving to charity. We think this is important.

I know that the left, and I want to say the Washington left, because I want to say to my Democrat friends back home, all the Democrats back home support this. The traditional liberals back home think this is a good idea. I would be very careful before I listen to my Washington friends.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield the remainder of my time to the gentleman from South Dakota (Mr. THUNE).

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from South Dakota (Mr. THUNE) is recognized for 15 seconds.

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

Mr. THUNE. Mr. Speaker, as we close this debate, I would like to say that I had the opportunity last April to travel around my home State of South Dakota and visit a few of the hardworking local charities that would benefit from this legislation.

I am continually amazed by the kind hearts of the neighborhood saints who work and volunteer at these organizations day in and day out. These folks serve the poor, the weak, and the victimized.

We need to support this legislation, because these organizations can make a difference in people's lives. We need to defeat the Democrat substitute and pass H.R. 7.

Mr. MCDERMOTT. Mr. Speaker, I ask unanimous consent that the gentleman from New York (Mr. NADLER) be allowed to manage the 15 minutes allocated to the Committee on the Judiciary.

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

There was no objection.

Mr. NADLER. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, it is unfortunate that we have been forced by the Republican leadership to consider many of the principle problems with this bill in one substitute amendment. It would have been better to have an open debate on separate amendments, but that might have been proven embarrassing.

Therefore, we have this substitute, which does several things. It prohibits employment discrimination and preemption of State and local civil rights laws with Federal funds, it provides offsets for the costs of the bill, it deletes the sweeping new provisions permitting agencies to convert more than $47 billion in government programs into private vouchers without congressional review, and it protects participants from religious coercion.

If Members do not believe in employment discrimination and if they support the civil rights laws of their community, they should vote for the substitute. If Members are concerned about the administration having unfettered discretion to turn billions of dollars of social services into vouchers without any congressional review, they should vote for the substitute.

If Members think that the charitable deductions established in this bill should be paid for by a slightly lower tax cut to the very wealthy, rather than by raiding the Social Security and Medicare trust funds, they should vote for the substitute.

If Members are fiscal conservatives and think tax cuts must be paid for, they should vote for the substitute.

If Members believe that the most vulnerable members of our society should be free from religious coercion when they seek help, then they should vote for the substitute.

Some Members may want the substitute to do something more or may wish the substitute did not do something that it does. But if Members are concerned that this bill is flawed and want to make their concerns known, they should remember that their choice is between the substitute and the bill. If Members do not vote for the substitute, they should not delude themselves into believing the concerns will be addressed down the road.

If the Republican leadership of the House thinks they can muscle this flawed legislation through the House, they will not pause to repair the terrible flaws later.

Members should vote for the substitute if they have any of these concerns. I urge my colleagues to do so.

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

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

Mr. Speaker, I rise in strong opposition to the substitute. It not only removes key provisions of the bill, but it denies religious organizations civil rights protections they currently enjoy.

Make no mistake about it, the substitute is a radical retrenchment of current law which flies in the face of a unanimous Supreme Court which upheld religious organizations' exemption from title VII, even when they perform social services that contain no religious worship, instruction, or proselytization.

One of the most important charitable choice principles is the guarantee of institutional autonomy that allows faith-based organizations to select staff on a religious basis. H.R. 7 preserves this guarantee and is supported by no less a civil rights leader than Rosa Parks. She has said that H.R. 7 is an important response to urban America in its reduction of discriminatory barriers currently suffered by many grass roots churches who are unable to access funding for educational and social welfare programs.

Now, if churches are allowed to compete for Federal social service funds, they must be able to remain as churches while doing so, and being able to hire those of the same faith is absolutely essential to being a church.

Even former Vice President Al Gore during his campaign, and in a speech to the Salvation Army, said that, ''Faith-based organizations can provide jobs and job-training, counseling and mentoring, food and basic medical care. They can do so with public funds, and without having to alter the religious character that is so often the key to their effectiveness.''

Again, the only way a church can retain its religious character is if it can hire staff with those who share the same faith.

In addition, the small churches of America will often be providing the social services covered by H.R. 7 with the same staff they currently have. That staff likely shares the same religious faith.

The substitute would make it impossible, impossible for these small churches to contribute to Federal efforts against desperation and hopelessness, and it is precisely these small churches that H.R. 7 intends to welcome into that effort.

Section 702 of the Civil Rights Act of 1964 has for decades exempted private nonprofit religious organizations engaged in both religious and secular nonprofit activities from title VII's prohibition on discrimination in employment based upon religion. The Supreme Court, including Justices Brennan and Marshall, upheld this exemption in the Amos case:

''Section 702(a) is not waived or forfeited when a religious organization receives Federal funding. No provision of section 702 states that its exemption of nonprofit religious organizations from title VII's prohibition on discrimination in employment is forfeited when a faith-based organizations receives a Federal grant,'' but the substitute would do just that, and change current law.

The portion of the substitute that says that no Federal funds can go to an organization that engages in sectarian instruction, worship, or proselytization at the same time and place as a government program is fatally unclear. Does it mean that no sectarian activities can occur anywhere in a church when only the church basement is being used to run a life-skills class under a covered Federal program? If two rooms in the church are being used to shelter a battered spouse, does the rest of the church have to cease all religious functions?

The substitute contains language that may say yes to those questions. Inner-city churches in low-income neighborhoods simply cannot afford to set up duplicate facilities to run these social service programs. The substitute punishes small churches, particularly those in poor neighborhoods that cannot and should not have to set up two different buildings to take part in Federal social service programs.

Regarding the indirect funding language of the bill, the Supreme Court approved indirect funding as a way to much reduce church-state separation as far back as 1983 in Mueller v. Allen and in Witters v. The Washington Department of Social Services to the Blind in 1986.

Subsection 1 in H.R. 7 is about more than vouchers, which is just one type of indirect funding mechanism. It is not necessary that a beneficiary actually be handed a piece of paper called a voucher and carry it to the point of service.

According to the Supreme Court, indirect funding is where a beneficiary has genuine choice of social service providers; where the exercise of that choice determines which provider ultimately receives the funding, because the beneficiary decides where the funding goes and not the government.

The Supreme Court has said that the government's responsibility stops with the beneficiary. Therefore, whether the funds end up in a secular or religious group is a matter of private choice, and the establishment clause does not regulate private choices.

The minority party complains of hazards of church-state separation with H.R. 7. When the majority proposes subsection 1, which would alleviate all these first amendment concerns of entanglement, and threats to the autonomy of the faith-based organizations, they object to the perfect solution to their complaints.

The minority also acts like indirect funding is a new and untested idea. We have been living with the child care development block grant act since late 1990. With this act, the Federal Government has been funding services provided by churches via indirect aid, which provide over 40 percent of the indigent day care in this country.

It has resulted in no problems. Indeed, none of the radical separationist organizations have dared to even file a lawsuit to challenge this act.

It is not just day care that can be funded by indirect aid. Alcohol and drug rehabilitation centers can also work in this manner. The State and local government determines who meets the qualifications for these services, and counselors work with qualified individuals to look over the centers available in his or her community. The individual makes a choice, and a call is made affecting a referral. The beneficiary goes to the rehab center and is enrolled. Then the center notifies the State, and checks are sent each month that the services are rendered to that beneficiary.

Subsection 1 is also narrowly drafted. A cabinet level Secretary does not have carte blanche. No program can be shifted to indirect aid without three requirements being met: one, it must be consistent with the purpose of the program; two, it must be feasible; and

three, it must be efficient. This discretion can be challenged under the administrative procedure act.

For all these reasons, I urge my colleagues to oppose the substitute.

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

Mr. RANGEL. Mr. Speaker, I yield myself 15 seconds to correct the misstatement of fact by the distinguished chairman who stated that churches can discriminate. They can, but not with Federal funds. This bill would allow them to discriminate with Federal funds. The motion to substitute would say they cannot.

Mr. Speaker, I will later include for the RECORD the letter from Rosa Parks saying she does not support discrimination with Federal funds.

ROSA & RAYMOND PARKS
INSTITUTE FOR SELF DEVELOPMENT,
Detroit, MI, June 26, 2001.

Hon. JOHN CONYERS, Jr.,
Ranking Member, House Judiciary Committee, Rayburn House Office Building, Washington, DC.

DEAR JOHN: As you know, I support legislative efforts to enhance the ability of religious and other faith-based groups to receive government funding in order to respond to community problems.

I believe that helping grassroots churches access this funding can be fully consistent with our civil rights laws and the First Amendment This is why I want to express my support for amendments you plan to offer when the House Judiciary Committee considers H.R. 7 which would insure that government funds provided to religious organizations are not used to keep churches or other non-profits from working together for the betterment of us all. We do not want to change the 1964 Civil Rights Bill that we fought so hard to achieve.

Churches already know that they cannot use food or other services they may provide as an excuse to force people to accept their religious views, while using government funds. I am certainly in support of making sure that does not happen.

John, we have both spent our entire lives fighting against discrimination and in favor of the protections set forth in our Bill of Rights. The last thing we would want to do is permit H.R. 7 to be used to narrow the civil rights laws or to intrude on the First Amendment. It is my hope that adoption of these amendments will help broaden the bipartisan support for the bill and allow the measure to be quickly passed into law so that churches can increase their role in fighting poverty and other urban ills.

God bless you and your good work.

Peace and Prosperity,

ROSA PARKS.

Mr. NADLER. Mr. Speaker, I yield 1 minute to the gentleman from Missouri (Mr. GEPHARDT), the distinguished minority leader.

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

Mr. GEPHARDT. Mr. Speaker, I rise to speak in favor of this substitute. I believe it is a superior bill to deal with this very important problem.

I am saddened to stand before the Members in opposition to the language of the bill that is on the floor. In my view, this bill represents a missed opportunity to extend the good works of faith-based organizations.

I am a strong supporter of not-for-profit and faith-based organizations. I believe they provide tremendous help to people all over this country. They feed the hungry. They put roofs over people's heads. They tend to the most underprivileged in our society, the poorest members of our communities. They are vital to every community in America, and as forces for good in our society, they are simply irreplaceable.

But I do not believe that we should accept the premise of the legislation before us. I believe in the Golden Rule: ''Do unto others as you would have them do unto you.'' I do not think that we should expand government support for institutions at the expense of fundamental civil rights and antidiscrimination protections for all Americans.

Millions of people, African Americans, Hispanic Americans, women, gays and lesbians, the disabled, people of all different faiths, enjoy more opportunity and equality because of the these laws.

□ 1430

These are living, breathing parts of the American democracy, making a tremendous difference in people's everyday lives.

I believe the President's faith-based initiative rolls back these protections; protections which ironically our leading reverends and Rabbis and religious luminaries have fought for and won; protections which further the fundamental humanist principles of equality, individual liberty, and freedom.

The consequences of this bill, unintended or not, are that it will be easier for these important institutions to ignore fundamental State, local, and Federal antidiscrimination laws. Just last week, The Washington Post reported that the Bush administration had reached some kind of an agreement with the Salvation Army. In exchange for political support, the White House would consider exemption for the Salvation Army from local and State laws protecting gay Americans from discrimination. This was a sad development, and it indicates the kinds of problems this law creates for potentially millions of Americans in every corner of our society.

I am also concerned that the bill has a tax incentive that is not paid for, and a very small incentive that will have little or no effect on charitable giving. We continue to worry about going into Medicare and Social Security Trust Funds in this budget, and we should not pass new tax breaks without finding offsets so we do not invade these critical programs.

Finally, I think this bill violates the fundamental church-State separation that is still a fundamental principle of our democracy. This bill will invite government regulation of religious institutions; and through a little known loophole, it will invite government scrutiny of the allocation of government-wide vouchers, which will blur the line separating church from State, weakening our Bill of Rights.

In short, I do not think this bill is what the American people want, and I do not believe this is what the House of Representatives wants for our country. Americans enjoy the wonderful protections afforded by the Bill of Rights, the Civil Rights Act of 1964, and the countless critical civil rights laws at State and local level. They have made more freedom and more equality everyday reality in people's lives. I urge Members to vote for this substitute so that we can support faith-based institutions in ways that will not harm the people of this great democracy but will uphold the role of faith in our great and diverse Nation.

Mr. SENSENBRENNER. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. KIRK).

Mr. KIRK. Mr. Speaker, I would like to engage the author of the bill in a colloquy.

Many H.R. 7 supporters have questioned why this issue is suddenly being discussed, since the most recent version of the charitable choice signed into law last year included the following provision: ''Nothing in this section shall be construed to modify or affect the provisions of any other Federal or State law or any regulation that relates to discrimination in employment.'' Is that not correct?

Mr. WATTS of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. KIRK. I yield to the gentleman from Oklahoma.

Mr. WATTS of Oklahoma. Mr. Speaker, yes, that is an accurate characterization.

Mr. KIRK. H.R. 7, as currently written, does not include similar language prohibiting the preemption of State and local laws; is that not correct?

Mr. WATTS of Oklahoma. If the gentleman will continue to yield, yes, that is correct.

Mr. KIRK. If a State law prohibits discrimination based on a particular characteristic, and in a religious organization would ordinarily, based on State law, be required to comply with that law, would H.R. 7 change that situation in any way?

Mr. GREEN of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. KIRK. I yield to the gentleman from Wisconsin.

Mr. GREEN of Wisconsin. Mr. Speaker, yes, H.R. 7 would change this situation, in a particular instance. If a religious organization were to use funds where the State funds have been commingled with Federal funds, it could assert its right under subsection (d) and (e) of H.R. 7 against the enforcement of State or local procurement provisions that limited the religious organization's ability to staff on a religious basis.

Mr. KIRK. Mr. Speaker, reclaiming my time, I thank the gentleman from Wisconsin for that clarification.

Several constitutional lawyers have informed me that H.R. 7 would indeed change the existing situation. This is precisely where we seem to most disagree on the direction our policy

move in. I would hope that the gentleman from Oklahoma (Mr. WATTS) would commit to working with those of us who are concerned about this issue to craft language which would ensure that these organizations comply with State and local civil rights laws which exist in communities across the Nation.

The gentleman from California (Mr. DREIER) and several representatives of the leadership have expressed their desire to clarify this issue in conference.

Mr. WATTS of Oklahoma. If the gentleman will further yield, as sponsors of the bill, the gentleman from Ohio (Mr. HALL) and I are willing to make the commitment that we will more clearly address this issue in conference and with the gentleman as the process moves along.

Mr. KIRK. Mr. Speaker, I thank the gentleman.

Mr. NADLER. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. WATT).

Mr. WATT of North Carolina. Mr. Speaker, to be honest, on days like today, I am just saddened to be a part of this body. We bring bills like this to the floor and we scream at each other; and the truth of the matter is that there are wonderful, good people on both sides of this issue.

There are people, black and white, Republicans and Democrats, and I could use all of my time, who have spent their entire lives fighting against discrimination. Some of them are supporting this bill; some of them are opposing this bill. The ones who are supporting it, I believe, are supporting it because they believe that the benefits outweigh the detriment, and those who oppose it believe that the detriment outweighs the benefit. I happen to be in that latter category.

I have spent my entire life fighting against discrimination in every form, racial, religious, gender, sexual orientation, without exception; and I will not vote for a bill that sanctions discrimination in religion. And that is what this bill does.

Now, some of us can say that it is worth the price to do that, and I will respect a colleague who says that. But I will not respect anybody who gets up and denies that the bill does not do that. Even the gentleman from Oklahoma (Mr. WATTS) acknowledged that right now he is going to work on it in conference.

The time to work on the bill is here, now, in the committee, in the House. And if it does not measure up, we should vote it down and support the Democratic substitute.

Mr. SENSENBRENNER. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. HASTERT), the distinguished Speaker of the House.

Mr. HASTERT. Mr. Speaker, I rise in support of the President's faith-based initiative and urge all of my colleagues to vote for it.

This is a bipartisan bill. I worked last year with President Clinton to do the urban renewal on a bipartisan basis. This idea is not new. When the urban renewal bill was moved last year, I think it almost had unanimous consent on both sides of the aisle.

Why, and why is this important? As we walked through this situation, and I kind of led the antidrug effort, at least on this side of the aisle for a couple of years before I got another job, we found that when we walked into drug treatment organizations that were usually government-run, we had recidivism rates of 95, 96, and 97 percent. When we walked into faith-based organizations to see what their results were, we had recidivism rates as low as 24 and 25 percent. It works.

When people care about people and offer their time and their faith and their hard work and their commitment and devotion to change people's lives, it works. Not only does it have the net result of changing people's lives, allowing people to live a better life, allowing their children and their grandchildren to live a better life, it is also one of the things that, as we look around here, is a little cost effective. If we have recidivism rates of 95, 96, and 97 percent and then turn around and have an answer where recidivism rates are a third of that or less than that, then that is a good idea. It is something we ought to look at.

I believe we need to put the protections in. We need to have the safeguards, and we are trying to do that. I think the good faith of the sponsor says he will do that.

This is a good idea. It is not a new idea. It is part of President Clinton's urban renewal that we did just last year. It is something that works, something that is eminently good common sense. So let us move forward with this. Let us pass it. Let us get it into the Senate. Let us work through the process. Let us lead. Let us do what is right for America.

I commend the sponsor and those who support it, and I appreciate the gentleman from the other side of the aisle, the gentleman from Ohio (Mr. HALL), who has worked on this as well. I have walked a lot of districts, both Republican and Democrat districts. I walked with the gentleman from Illinois (Mr. DAVIS) and the gentleman from Illinois (Mr. RUSH) in Chicago, and have talked to people who have been able to change people's lives. Let us give them a chance to do a better job.

Mr. NADLER. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK. Mr. Speaker, there is virtual unanimity here on the goal the Speaker stated. We simply do not believe that to get the benefit of these decent well-motivated individuals who run the faith-based institutions that we have to give them the right to discriminate.

Now, we were told, well, there is probably a concession that there are parts of this bill that would allow too much discrimination, but they will be fixed in conference. It is funny, when I heard this was the faith-based bill, I thought they were talking about faith in God, not faith in the Senate. I think there is a lot less of that over here than of the other.

This bill clearly authorizes the preemption of State and local civil rights laws. What it says is with Federal money, doing purely secular activities, albeit motivated by faith, they can violate State and local laws. And if the money is commingled, if there is State money and local money, and they try to condition that money on their policies, the Federal money wipes that out. It also allows religious discrimination.

It seems to me to disserve the faith-based communities. It insults them to say that they can only go forward if they are allowed to violate otherwise applicable State law and discriminate on these grounds.

And let me address one absolute inaccuracy. The suggestion that we have heard, that the substitute and then the subsequent recommit, somehow will enact the National Gay Rights Bill, that is absolutely and completely and totally false. All this says is that where there are existing State, State antidiscrimination laws, and an organization would otherwise be covered by them, they are still covered. Federal money does not become the universal solvent. If an organization is in a State and they get Federal highway money, that does not exempt them from State laws. If they get Federal housing money, it does not exempt them from State laws.

Do my colleagues really think so little, those on the other side, of churches and faith-based institutions, and synagogues and mosques, as to think they will not do this faith-based charity unless they are given a special right to violate State laws and discriminate against people? I think we are the ones who truly show faith in them.

□ 1445

Mr. SENSENBRENNER. Mr. Speaker, I yield 1½ minutes to the gentleman from Ohio (Mr. HALL).

Mr. HALL of Ohio. Mr. Speaker, I have heard a lot of interesting stories today. Some of the speakers, I think, have pointed out worst-case scenarios. These scenarios have never actually come about. They have never happened. We have voted on this four times in the Congress, and these worst-case scenarios have never happened.

This is about the little guy. It is about the man or woman that is helping the least and the lost of our society. It is about the small organization with a few employees, maybe two, three or four employees. It might be one person, the same person dishing out cereal in the morning. He is also the person that is leading the Bible class in the afternoon. He probably has got a jobs program late in the afternoon. At night, he is turning off the

lights; and probably just before that, he swept the floor.

That is what it is about. This is not about a group of people that works 40 hours a week. It is about people that nobody ever heard of. Nobody ever knows them. They never see their name in the paper. They do not work 40 hours a week. They work 50, 60, 70 hours. They work because they love, and they work because of their faith.

Finally, I wanted say that we need to be careful. I especially say this to my Democratic colleagues: We dismiss and we discourage people of faith in this country with our words and our actions sometimes; and we almost, to a point, put out a sign that says you are not welcome in our party.

Vote against this substitute. Vote for this bill.

Mr. NADLER. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. DELAHUNT).

Mr. DELAHUNT. Mr. Speaker, I certainly do not want to discourage people of faith. I want to encourage them. But that is not what this debate is about.

In fact, I am more confused now than I was before after listening to the colloquy between the sponsor of the bill and the gentleman from Indiana (Mr. HASTERT). We are going to work on this in conference. We are going to work on States' right. I thought we did that some 200 years ago. Whatever happened to States' rights?

It seems that devolution, that fundamental principle of the Reagan revolution is no longer operative.

I look at my friends on the other side of the aisle. The Contract with America which spoke so clearly about local control seems to have been discarded. Well, it is clear to me that States' rights in this Chamber are no longer in vogue today or with this administration, at least on this particular issue.

Remember, last week we learned that the Salvation Army had lobbied the White House for a regulation exempting them from State and local laws to protect employees from discrimination based on sexual orientation. Then there was an uproar, and that effort was quickly abandoned.

Well, they will not need a regulation if this bill becomes law today as it is presently drafted because religious organizations will be able to evade State and local laws simply by receiving a Federal grant. They will be free to deny a job to qualified workers. We must not let this happen.

Support the substitute. Defend States' rights and defeat the underlying bill.

Mr. NADLER. Mr. Speaker, I yield 2½ minutes to the gentleman from New York (Mr. WEINER).

Mr. WEINER. Mr. Speaker, I agree with the sponsors and advocates of this bill. As we look around our communities, it is undeniable the best homeless facilities, drug treatment, even job training courses are not city and State run. They are run by churches and synagogues.

The supporters of this bill are right. We ought not rule out a compassionate program simply because it is motivated by a calling from God. I do not support those who believe that this bill is the handiwork of the radical right. This is the product of a very real desire to replicate the great works that are quietly and effectively working all throughout this Nation.

The gentleman from Ohio (Mr. HALL), the gentleman from Oklahoma (Mr. WATTS) and the gentleman from Wisconsin (Mr. SENSENBRENNER) are decent and caring individuals who seek to do what is best.

I will vote yes on this bill if we can make a much improved bill and perfect it further.

First, let us restate what is the agreed-upon purpose of bill. Today, we vote to fund secular services in a nonreligious environment, no preaching, no proselytizing. It is right there in the bill. The bill, to its credit, makes that very clear. There is no reason to want to discriminate in hiring of a typing teacher or an after school art teacher. None of us would support such discrimination in these purely nonreligious environments.

We should guarantee that this discrimination does not take place.

To be clear, I strongly support Title 7 language of the Civil Rights Act of 1964. There is no reason to extend this protection to the programs we consider today.

Secondly, I ask the sponsors, why should the passage of this effort drag down local and State human rights and anti-discrimination laws?

It is ironic that many of the excellent and active religious organizations who support this bill were at the forefront of the laws that are being passed in the States and cities to protect the most vulnerable.

As a former city councilman, I share the chagrin so often expressed by my conservative colleagues about the way we frequently trample on carefully considered local laws. There is no good reason to do that in this bill.

When my colleagues advocate for the bill, I hear no good explanation for that preemption.

Finally, as I said, I do not agree with the theorists that this bill is a subterfuge for a sinister agenda. Some have called me naive in that.

Now after the bill was considered carefully and thoughtfully in two committees of this House, a new section was added which dramatically changes the way we administer virtually every social service program, every housing program, every anti-crime program by permitting a voucher-driven reorganization.

Mr. Speaker, this broad administrative change that impacts $47 billion of grant programs has no place in this bill.

Fortunately, I can and will vote for the Faith Based Initiative Bill today. I will be voting for the Rangel Conyers substitute which irons out the last of the wrinkles in this bill.

It ensures the best of the desires of this house—increased Federal funding for local religious based programs. And it makes it clear what we already know—there will be no discrimination in hiring.

It preserves state and local human rights laws. And it leaves the voucher debate for another day. Modest improvements that—if made—can make this a bill that unifies this body around the principles that unify this Nation.

Mr. NADLER. Mr. Speaker, I yield 1 minute to the gentleman from Washington (Mr. INSLEE).

Mr. INSLEE. Mr. Speaker, I commend all those on both sides of the aisle who are trying to figure out a way to assist faith-based organizations. But I think, given the nature of the debate, we need to pay due to the devil, and the devil truly is in the details on this important subject.

Mr. Speaker, the unfortunate detail that I learned is that in the underlying bill it allows, it condones, it sanctions an employer to use tax-based money to hang out a sign saying we would like a drug therapist counselor, but no Jews need apply. That is wrong. It breaks faith with what Thomas Jefferson was so instrumental in giving to the world, which is tolerance for religious freedom. The separation of church and State is not because faith is only of small importance, it is because it is of great importance.

Vote for the substitute which helps faith-based organizations but keeps faith with the idea of religious freedom.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from New York (Mr. NADLER) has 2¼ minutes remaining, and the gentleman from Wisconsin (Mr. SENSENBRENNER) has 3 minutes remaining. The gentleman from Wisconsin has one final speaker to close.

Mr. NADLER. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, a few moments ago when the Speaker of the House said this bill is not a new idea, the gentleman was absolutely correct. The idea of having tax dollars subsidize our churches and houses of worship was debated 200 years ago by our Founding Fathers. In answering that question, they felt so strongly about it that they not only put it into law, they embedded it into the first 16 words of the Bill of Rights, the proposition that religion in America is best served when we keep the hand of government regulation out of our houses of worship.

When supporters of the bill today say we voted on funding of subsidizing religious discrimination in the past and we voted to directly fund churches in the past, they fail to point out that most of those debates were at 1:00 a.m. or 12:30 a.m. on the floor of the House with only two or three Members here on a 20-minute debate. I know because I have one of those three Members.

Mr. Speaker, this bill was wrong at 1:00 a.m. in the morning, and it is

wrong today. Direct funding of our churches was wrong 200 years ago, as evidenced by our Founding Fathers' writing of the Bill of Rights; and it is wrong today.

Mr. NADLER. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON).

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, as Chair of the Congressional Black Caucus, I want to share with my colleagues that we have a unanimous vote to vote against this bill and to support the substitute. It should not be a surprise why. We all are victims of discrimination. We do not want to roll back the clock. We are recipients of faith-based leadership throughout our history. We are not afraid of faith-based organizations. We support them. We work with them.

All of the ministers who were brought here were snookered to think that they were getting something, until they found this clause in the bill.

Mr. Speaker, they unanimously decided that it was not worth rolling back the clock and codifying discrimination again in the year 2001. I would ask all of the Members to please support the substitute and vote down the main bill.

Mr. NADLER. Mr. Speaker, I yield 1¼ minutes to myself.

Mr. Speaker, churches have a role to play in the provision of social services, but Members should vote for the substitute to make sure that this bill does not establish employment discrimination with public funds, with preemption of State and local civil rights law, to make sure the bill provides offsets for the cost of the bill, to make sure that we protect participants from leadership coercion, and that we do not voucherize $47 billion worth of programs without congressional review.

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

Mr. WATTS of Oklahoma. Mr. Speaker, I thank the gentleman from Wisconsin (Mr. SENSENBRENNER), the chairman of the Committee on the Judiciary, and the gentleman from California (Mr. THOMAS), the chairman of the Committee on Ways and Means, for their efforts in getting this bill to the floor of the House today.

Mr. Speaker, let me clarify some things that have been said. We do not spend one dime of Social Security or Medicare money to pay for this bill. Nothing in this bill changes any of the civil rights laws. I, too, have been a beneficiary of civil rights law. We do not add or take away from the 1964 Civil Rights Act.

Mr. Speaker, we do not violate the artificial argument of church and State, because this bill is not about church or State. It is about people in the trenches every day having more resources to feed the hungry, to clothe the naked, to house the homeless, to help the drug and alcohol addicted.

This is not about funding faith. It is about people. It is about their hopes, their dreams, their ideas, their ambitions and, most importantly, their goodness. We do not fund churches, mosques, synagogues. We fund their compelling faith to assist those in need. This bill is about standing with people all over America who cannot afford to contribute to any of our campaigns. They cannot give money to some political party or political action committees. They just have a compelling love and a compelling faith to assist those people in their communities that need help.

□ 1500

We should work with them, not against those people in our legislative efforts.

It is fascinating to me the arguments that I have heard, and I too know of many black ministers who have fought for civil rights. Many of the black ministers who came here in April to the faith-based summit, they knew exactly what they were getting into. Just yesterday we got an endorsement letter from the Southern Christian Leadership Conference, an organization made up of many black ministers from around the country who stood in the civil rights effort. Rosa Parks, Catholic bishops, people from all walks of life, the Jewish community, all have supported this bill.

As the gentleman from North Carolina said, there are many people on both sides of this debate, both sides of the aisle, who are good people, who see the world differently, who say that we should allow all people that want to help, give them opportunities just to compete for the dollars. There is no preference. There is no set-aside. We just say faith-based organizations should have an opportunity to compete on a level playing field. Give them the opportunity to do what they do best. They do not get their names in the paper. They do not work a half a day. Yes, they work a half a day. They work the first 12 hours and somebody else works the other 12. They do not get their names in the paper, they do not get a lot of attention, they just love the people who have the same ZIP Code that they have in trying to meet their needs.

Vote ''no'' on the substitute. Vote ''yes'' on H.R. 7.

Mr. DAVIS of Illinois. Mr. Speaker, I rise in support of the Democratic Substitute for the Community Solutions Act as there are thousands of communities and millions of people in our country who have serious problems and are in need of real solutions.

I rise in support of this legislation, not because I believe that it is Panacea, I don't believe in one-stop cure-alls for the overwhelming magnitude of social, emotional, spiritual and economic ills which plague our society and are in need of every rational, logical, and proven approach that we can muster.

And yes, Mr. Speaker, I support this legislation because I have faith, faith in the ability of religious institutions to provide human services without proselytizing. I have faith in these institutions to organize themselves into corporate business entities to develop programs, to keep records, and to manage their affairs in compliance with legal requirements. I also have confidence in the ability of these institutions to magnify the Golden Rule, ''Do unto others as you would have them do unto you.''

I have listened intently to the issues raised by my colleagues who are concerned about legislation and I commend them for their diligence. I appreciate their concerns about charitable choice, ranging from discrimination to infringement on individual liberties.

However, charitable choice is already a part of three Federal social programs: One, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996; two, the Community Services Block Grant Act of 1998, and is part of the 2000 Reauthorization of funding for the Substance Abuse and Mental Health Services Administration.

Each of these programs possess the overarching goal of helping those in poverty, or treating those suffering from chemical dependency, and the programs seem to achieve their purposes by providing resources in the most effective and efficient manner. The opponents of this legislation have expressed concern about the possible erosion of rights and protections of program participants and beneficiaries. (And rightly so, nothing could be more important). Therefore, I am pleased that the crafters of this legislation (the Democratic Substitute) have taken note and forthrightly addressed these concerns.

We must be aware of the fact that many people in poverty, suffer from some form of drug dependency. Alcohol, narcotics, and in some instances, even legalized prescription or over-the-counter-drugs.

Many of these individuals have been beaten down, have virtually given up, and have lost the will to overcome their difficulties.

It is in these instances and situations, Mr. Speaker, that I believe the Community Solutions Act can and will help the most.

It reminds us, Mr. Speaker, that poverty, deprivation and the inability to cope with anxiety, frustration, hopelessness is still rampart in our society. Take for example, if you will an ex-offender, unable to get a job, illiterate, semi-illiterate, disavowed by the ambiguities and contradictions of a sometimes cold, misunderstanding, uncaring or unwilling-to-help society, creates the need for something different; new theories, old theories reinforced, new approaches, new treatment modalities.

A preacher friend of mine was fond of saying that new occasions call for new truths, new situations make ancient remedies uncouth.

Well, I can tell you Mr. Speaker, the drug problem in this country is so overwhelming, so difficult to deal with, so pervasive . . . the Mental health challenges require so much, the abused, neglected and abandoned problems require psychiatrists, counselors, psychologists, well developed pharmaceuticals and all of the social health, physical health and professional treatment that we can muster, but I also believe that we could use a little Balm of Gilead to have and hold, I do believe that we could use a little Balm of Gilead to help heal our sin, sick souls.

After reading much of the material and listening to the debate, I am convinced that the activities covered and being promoted by this legislation are too broad to leave under the exemption of section 702 of the 1964 Civil

Rights Act which allows religious institutions to make employment decisions outside the protection of section 703 dealing with race, color, religion, or national origin; and then in 1972, the Equal Employment Opportunity Act of 1974, which broadened the scope of section 702 and permitted religious institutions to make religion-based employment decisions in all their activities, rather than just religious ones.

While the Republican bill correctly addresses race, color, and national origin, it is regrettably silent on the question of sexual orientation; thereby leaving a loophole which I find totally unacceptable.

Mr. Speaker, I am told that the cost of drug abuse to society is estimated at $16 billion annually, in less time than it takes to debate this bill, another 14 infants will be born into poverty in America, another 10 will be born without health insurance, and one more child will be neglected or abused. In fact, the number of persons in our country below the poverty level in 1999 was 32.3 million.

This legislation recognizes the fact that we must commandeer and enlist every weapon in our arsenal to fight the war against poverty, crime, mental illness, drug use, and abuse as well as all of the maladies that are associated with these debilitating conditions.

The Democratic substitute for H.R. 7, the Community Solutions Act of 2001, can lend a helping hand.

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

Mr. CONYERS. Mr. Speaker, when I was first elected to this body, if someone had told me that in the first year of he 21th century, the U.S. Congress would be on the verge of passing a bill making it lawful to discriminate with taxpayer funds, I wouldn't have believed them. I would have told them that too many had fought too long for us to backtrack in the battle against bigotry. Yet that is exactly what this bill does, and that is exactly what we are trying to undo with this Democratic substitute.

I am astonished the Bush Administration would fight so strenuously to extend the right to discriminate in employment on account of religion. If government funds truly will not be used in a non-sectarian manner—as the Administration claims—why in the world would we want to permit discrimination on the basis of religion? I've been asking this question for the last month, and have yet to receive any semblance of an adequate response.

Every Member in this body knows that cooking soup for the poor can be done equally well by persons of all religious beliefs. But the Administration has bent over so far backwards to make sure we do not discriminate against religious organizations, that somehow they forgot about protecting the actual people—the citizens—against discrimination.

This bill is so extreme it sanctions employment discrimination based on so-called ''tenets and teachings.'' This means a religious organization could use taxpayer funds to discriminate against gays and lesbians, against divorced persons, against unmarried pregnant women, against women who have had an abortion, and against persons involved in an interracial marriage.

If you can believe it, the bill gets even worse. The legislation not only sets aside federal civil rights laws, it goes as far as to eliminate state and local civil rights laws. That means if the voters of a state or city had decided as a matter of public policy that organizations utilizing taxpayer funds should not be permitted to discriminate, that law would be set aside under H.R. 7. This turns the principle of federalism completely on its head.

We shouldn't be surprised that the civil rights community is so strongly opposed to the bill. Just last week, Julian Bond, the Chairman of the NAACP, declared H.R. 7 will ''erase sixty years of civil rights protections.'' The NAACP Legal Defense Fund has written that charitable choice is ''wholly inconsistent with longstanding principle that federal moneys should not be used to discriminate in any form.'' The Leadership Conference on Civil Rights has stated in no uncertain terms that charitable choice will ''erode the fundamental principle of non-discrimination.''

If our President really wanted to bring us together, he wouldn't push this legislation which so strongly divides this body and our nation. He would work with us on a true bipartisan basis to expend the role of religion in a manner that protects civil rights. We can begin this effort by voting yes on the Democratic substitute.

Mrs. MEEK of Florida. Mr. Speaker, I rise in opposition to H.R. 7, the so-called ''Community Solutions Act'', and in support of the Rangel-Conyers substitute. I recognize and commend our country's religious organizations for the critical role that they play in meeting America's social welfare needs. We need to support their efforts and encourage them to do even more, but not at the expense of our civil rights laws or our Constitution.

I cannot support legislation that allow religious organizations to discriminate in employment on the basis of religion, that preempts state and local laws against discrimination, or that breaks down the historic separation between Church and State. Nor can I support the massive expansion of the use of vouchers contained in H.R. 7, an expansion that would allow the Administration to convert $47 billion in social service programs into vouchers and allow the recipients of such vouchers to discriminate against beneficiaries of such programs on account of their religion.

We should never support such a subterfuge that would allow religious organizations indirectly to achieve what they could not do directly, that is, to use funds for sectarian instruction, worship, or proselytizing. We can never accept a return to the days where we see ads that read: No Catholics or no Jews need apply. We simply cannot allow it.

The Rangel-Conyers substitute is the right approach to involving faith-based organizations in federal programs. The substitute provides that religious organizations receiving federal funds for social programs could not discriminate in employment on the basis of an employee's religion; prohibits any provision in the bill from superseding state or civil rights laws; prohibits religious organizations who provide federally funded programs from engaging in sectarian activities at the same time and place as the government funded program; and strikes the provision in the bill relating to governmental provision of indirect funds.

While many of the advocates of H.R. 7 are very well-intended, this legislation is a good example of the devil dressed as an angel of light. H.R. 7 includes provisions that sharply attack one of the oldest civil rights principles—that the federal government will not fund discriminate by others. The bill would allow religious groups that receive federal funds to discriminate in their hiring practices—not just for workers that they hire to help carry out religious activities funded by private contributions, but for workers hired to perform secular work with government funding.

We're not talking here about a provision to insure that a church does not have to hire a Jewish person to be a priest or a Catholic to be a rabbi. We're talking about a provision that would allow a religious organization not to hire a janitor because of that person's religious beliefs. This is an outrage!

For decades, there has been an effective relationship between government and religiously affiliated institutions for the provision of community-based social services. These organizations, such as Catholic Charities, Lutheran Services, United Jewish Communities and numerous others, separate religious activities from their social services offerings, follow all civil rights laws, follow all state and local rules and standards and do not discriminate in staffing. There is no reason to remove these effective safeguards.

Mr. Speaker, let's keep our eye on the ball and focus on the real problem. What we really need is legislation to authorize additional dollars for social service programs and then fund these programs properly, not the Bush Administration's cuts in juvenile delinquency programs, in job training, in public housing, in child care, and in Temporary Assistance to Needy Families (TANF).

Mr. Speaker, we can and must do better than H.R. 7. Let's preserve our historic commitment not to allow religious organizations to discriminate in employment on the basis of religion and preserve our Constitution's religious protections. Support the Rangel-Conyers substitute. I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to House Resolution 196, the previous question is ordered on the bill, as amended, and on the amendment in the nature of a substitute offered by the gentleman from New York (Mr. RANGEL).

The question is on the amendment in the nature of a substitute offered by the gentleman from New York (Mr. RANGEL).

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

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

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 168, nays 261, not voting 4, as follows:

[Roll No. 252]

YEAS—168

Abercrombie	Boswell	Cummings
Ackerman	Boucher	Davis (FL)
Allen	Boyd	Davis (IL)
Andrews	Brady (PA)	DeFazio
Baca	Brown (FL)	Delahunt
Baird	Brown (OH)	DeLauro
Baldacci	Capps	Deutsch
Baldwin	Capuano	Dicks
Barcia	Cardin	Dingell
Barrett	Carson (IN)	Dooley
Becerra	Carson (OK)	Doyle
Berkley	Clay	Edwards
Berman	Clayton	Eshoo
Bishop	Clyburn	Etheridge
Blagojevich	Condit	Evans
Blumenauer	Conyers	Farr
Bonior	Coyne	Fattah
Borski	Crowley	Filner

Ford
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
McCarthy (MO)
McCarthy (NY)
McCollum
McGovern
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moran (VA)
Nadler
Napolitano
Neal
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schakowsky
Scott
Serrano
Sherman
Slaughter
Smith (WA)
Solis
Spratt
Stark
Stupak
Tanner
Thompson (MS)
Thurman
Tierney
Towns
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Watson (CA)
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NAYS—261

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bentsen
Bereuter
Berry
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Clement
Coble
Collins
Combest
Cooksey
Costello
Cox
Cramer
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis (CA)
Davis, Jo Ann
Davis, Tom
Deal
DeGette
DeLay
DeMint
Diaz-Balart
Doggett
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hinojosa
Hobson
Hoeffel
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Israel
Issa
Istook
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lucas (KY)
Lucas (OK)
Manzullo
McCrery
McDermott
McHugh
McInnis
McIntyre
McKeon
Mica
Miller (FL)
Miller, Gary
Mollohan
Moore
Moran (KS)
Morella
Murtha
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Roukema
Royce
Ryan (WI)
Ryun (KS)
Sanchez
Sandlin
Saxton
Scarborough
Schaffer
Schiff
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Souder
Stearns
Stenholm
Strickland
Stump
Sununu
Sweeney
Tancredo
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Turner
Upton
Vitter
Walden
Walsh
Wamp
Waters
Watkins (OK)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—4

Engel
Matsui
McKinney
Spence

□ 1530

Ms. GRANGER, Mrs. NORTHUP, Mrs. KELLY, Mr. BARTLETT of Maryland, Mr. HERGER and Mr. OBERSTAR changed their vote from ''yea'' to ''nay.''

Ms. RIVERS and Mr. HOLDEN changed their vote from ''nay'' to ''yea.''

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

□ 1530

The SPEAKER pro tempore (Mr. LAHOOD). The question is on 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. CONYERS

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

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

Mr. CONYERS. Yes, Mr. Speaker, I am.

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

The Clerk read as follows:

Mr. CONYERS moves to recommit the bill H.R. 7 to the Committee on the Judiciary with instructions to report the same back to the House forthwith with the following amendments:

In title II, in the matter proposed to be inserted in the Revised Statutes of the United States as a section 1991—

(1) in subsection (e), strike the period after ''effect'' and insert '', except that no religious organization receiving funds through a grant or cooperative agreement for programs described in subsection (c)(4) shall, in expending such funds allocated under such program, discriminate in employment on the basis of an employee's religion, religious belief, or a refusal to hold a religious belief.''; and

(2) insert after subsection (h) the following:

''(i) LOCAL CIVIL RIGHTS LAWS.—Notwithstanding anything to the contrary herein, nothing in this section shall preempt or supersede State or local civil rights laws.

Redesignate succeeding subsections accordingly.

Mr. CONYERS (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

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

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Michigan (Mr. CONYERS) for 5 minutes in support of his motion.

Mr. CONYERS. Mr. Speaker, I say to my colleagues, we have had a very instructive discourse here today and quite revealing, I believe. As a result, this motion to recommit would simply safeguard the Federal, State and local civil rights laws as they presently exist.

Mr. Speaker, bigotry and discrimination have been, unfortunately, our Nation's greatest curse for more than 210 years, and we should never, ever knowingly adopt legislation which would in any way worsen the problem, as the measure before us clearly does. So to my friends on the Republican side who urge that we might have created a more narrow motion, I say to them just this: It is just as wrong for the bill to set aside State and local civil rights laws as it is for the bill to set aside Federal civil rights laws.

We need to fix both problems, and we need to fix them now and not in conference or some day later. So let us all of us stop trying to divide our Nation by religion, by race, by ethnicity, by sexual orientation. Let us pass a motion that I think most of us can agree on so we can increase the role of religion without trampling on our precious civil rights.

Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. NADLER), the ranking member of the subcommittee.

Mr. NADLER. Mr. Speaker, there has been a lot of confusion on this point, but the basic question on the facts are simple: Under current law, a church may discriminate on religious or other grounds using its own funds. Under this bill, a church can discriminate on religious grounds, on other grounds, on sexual grounds using its own funds and using government taxpayer funds. And if there are any local or State civil rights laws that say it cannot, this bill says, never mind, we supersede the State or local civil rights laws.

This motion to recommit is very simple. It says that with government funds, with taxpayer funds, one may not discriminate and one may not contravene Federal, State or local civil rights laws with government funds. With church funds, the law would be unchanged. One can still do that, but one cannot discriminate, one cannot say no blacks, no women, no Jews, no Catholics, whatever, with government taxpayer funds, period.

I hope everybody will vote for, one would assume, this elementary, anti-discrimination civil rights recommit motion.

Mr. CONYERS. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, no American citizen should ever have to pass someone else's religious test to qualify for a federally funded job. No American, not one, should ever have to be fired from a federally funded job solely because of his or her religious faith. It is ironic that a bill that was designed supposedly to stop discrimination against religion ends up authorizing, and then subsidizing, religious discrimination.

Mr. Speaker, unless this motion to recommit is passed, a group associated with Bob Jones University could receive our Federal tax dollars and put out a sign that says, ''No Catholics need apply here for a federally funded job.'' That is wrong.

Say no to discrimination and yes to this motion to recommit.

Mr. CONYERS. Mr. Speaker, I yield the remainder of the time to the gentleman from Virginia (Mr. SCOTT), a member of the Committee on the Judiciary.

Mr. SCOTT. Mr. Speaker, as we listen to all of the programs that could be funded under this bill, remember that anything that can be funded under this bill can be funded today if the sponsor will abide by the civil rights laws. On June 25, 1941, President Roosevelt signed an Executive Order number 8802 which prohibited defense contractors from discriminating in employment based on race, color, creed or national origin. Civil rights laws of the 1960s put those protections into law. The vote was not unanimous, but the bills passed.

Since then, few have questioned whether or not sponsors of Federal programs could consider a person's religious beliefs or religious practices when they were hiring someone for a job paid for with Federal money. But here we are considering a bill with no new money, a bill which provides eligibility for funding only to those programs who are eligible for funding now, if one would comply with civil rights laws. That is not a barrier to funding.

Mr. Speaker, we do not need new ways to discriminate. Let us maintain our civil rights by passing the motion to recommit.

Mr. SENSENBRENNER. Mr. Speaker, I rise in opposition to the motion to recommit.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER) for 5 minutes.

Mr. SENSENBRENNER. Mr. Speaker, make no mistake about it. This motion to recommit is more than a new preemption clause. It denies religious organizations, including churches, their current exemption from Title VII when they seek to take part in Federal programs to help others. It is not the motion to recommit we have been reading about. It is the motion to recommit we have been hearing about, plus an atomic bomb for faith-based organizations.

I repeat. This motion to recommit contains more than a preemption clause. It trumps the considered judgment of the Congress that passed the Civil Rights Act of 1964 and which soundly decided, along with the Supreme Court, that churches must be allowed to hire members of their own faith in order to remain churches under Federal law. I ask my colleagues to remember that when they vote.

Even Al Gore, during his campaign and in his speech to the Salvation Army, said that ''faith-based organizations can provide jobs and job training, counseling and mentoring, food and basic medical care. They can do so with public funds and without having to alter their religious character that is so often the key to their effectiveness.''

Again, the only way a church can retain its religious character is if it can staff itself with those who share the same faith.

In addition, the small churches of America will often be providing the social services covered under H.R. 7 with the same staff they currently have, and that staff likely shares the same religious faith. The substitute would make it impossible for these small churches to contribute to Federal efforts against desperation and helplessness, and it is precisely these small churches that H.R. 7 intends to welcome into a laudable effort.

Section 702 of the Civil Rights Act of 1964 has for decades exempted nonprofit, private, religious organizations engaged in both religious and secular nonprofit activities from Title VII's prohibition on discrimination in employment on the basis of religion. The Supreme Court, including Justices Brennan and Marshall, upheld this exemption in the Amos case.

Section 702 is not waived or forfeited when a religious organization receives Federal funding. No provision in section 702 states that its exemption of nonprofit, private, religious organizations from Title VII's prohibition on discrimination in employment is forfeited when a faith-based organization receives a Federal grant. But the substitute would do just that.

The motion to recommit would prevent Federal equal access rules from following Federal funds. Under this motion, States or localities could incorporate provisions into their procurement requirements that prohibit religious organizations from hiring on a religious basis when they take part in covered Federal programs. Such provisions thwart the very purpose of this legislation, which is to welcome the very smallest of organizations into the Federal fight against poverty.

I want to emphasize to everyone that the small churches of America will be providing the social services covered by H.R. 7 with the same staff they currently have, and that staff likely shares the same religious faith. State or local procurement requirements that deny them the right to retain the same staff will slam the door shut on their participation to the detriment of people in need everywhere.

Churches should be allowed to compete for Federal social service funds and remain churches while doing so. The only way a church can remain a church is to give them the right to staff itself with those that share their faith. Again, this is a bill that really puts the small churches in America in the midst of fighting poverty, helplessness and despair.

Mr. Speaker, I urge Members to vote down the motion to recommit. The only way we can expand the capacity of the Nation to meet the needs of the poor and afflicted is through H.R. 7. Only in this way can we help those with highly effective and efficient but small, faith-based organizations being in the mix.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I think all Members of Congress of welcome the opportunity to search for new options to solve historically entrenched problems in all communities in the United States. Under established law, the Supreme Court requires a secular purpose to sustain the validity of legislation, and the eradication of social ills certainly affects all Americans. However, as we consider the possibility of allowing faith-based groups to compete for federal funding to eradicate social ills, we should be careful to recognize our limited powers in this area.

Mr. Speaker, James Madison, the father of the First Amendment, clearly understood the potential harms involved with the commingling of church and state when he stated that he ''apprehended the meaning of the [Establishment Clause] to be, that Congress should not establish a religion, and enforce the legal observation of it by law, nor compel men to worship God in any manner contrary to their conscience.'' 1 Annals of Cong. 758 (Gales & Seaton's ed. 1834) (Aug 15, 1789).

Mr. Speaker, Madison was concerned that without the Establishment Clause, the Necessary and Proper Clause of the Constitution might have enabled the Congress to ''make laws of such a nature as might infringe the rights of conscience, and establish a national religion; to prevent these he assumed the amendment was intended . . .'' because he ''believed that the people feared one sect might obtain pre-eminence, or two combine together, and establish a religion to which they would compel others to perform.'' Id.

We are therefore left with an irony of historical proportions today as we discuss H.R. 7, the Community Solutions Act of 2001.'' For as we begin our discussion of H.R. 7, I find that the Leadership has sponsored legislation contrary to both the intention of the first Amendment and its development in Supreme Court precedent.

Mr. Speaker, the United States has gained a full understanding of the First Amendment, and particularly its prohibitions on congressional activity toward religion and religious institutions, through the development of precedent in case law. Over the years the courts have struck a delicate balance between the competing tendencies of the Establishment Clause and the Free Exercise Clause.

Likewise, Mr. Speaker, this body has been diligent in its observance of the First Amendment's constitutional prohibitions on religion. With few exceptions, this body has diligently followed the directive established for the Court by Chief Justice Burger in *Walz* v. *Tax Commission of City of New York,* 397 U.S. 664 (1970):

The general principle deducible from the First Amendment and all that has been said by the Court is this: that we will not tolerate either governmentally established religion or governmental interefence with religion. Short of those expressly proscribed governmental acts there is room for play in the joints productive of a benevolent neutrality which will permit religious exercise to exist without sponsorship or interfence.

Mr. Speaker, it is this spirit that animates my concerns about H.R. 7, and thus compels me to speak against its passage in this form. Specifically, this legislation does not ensure that the delicate balance between church and state will be retained if the bill is allowed to pass in this form, for despite statements to the contrary, the bill might not pass either the effects test or the entanglement test of Supreme Court jurisprudence.

This bill does not provide assurances that the use of federal funds will not result in excessive entanglement with government bureaucracy and accounting and reporting requirements. The Leadership proposal dedicates funds to help sectarian organizations with accounting and administrative activities. Won't this have the same effect on promoting religion as a ''symbolic union government and religion in one sectarian enterprise?'' *Grand Rapids School District* v. *Ball,* 473 U.S. 373, 397 (1985). The mechanisms of this bill place the imprimatur of the Congress on impermissibly mingling church and state. This is the wrong message to send to the citizens of this country, who have entrusted us with the care of the document that sustains our democracy, the Constitution.

Also, by allowing federal agencies to convert funds into vouchers for religious organizations, the bill would unilaterally convert over $47 billion in social service programs that could be used for sectarian purposes including proselytization. Court cases such as *Roemer* v. *Maryland Public Works,* 426 U.S. 736 (1976), permitted subsidies to private colleges with sectarian affiliations only because they were not pervasively sectarian.

This is not the case with the organizations that will benefit from this bill. This legislation will turn the Court right back to the controlling case, *Lemon* v. *Kurtzman,* 403 U.S. 602 (1971). ''Comprehensive, discriminating, and continuing state surveillance will inevitably be required to ensure these restrictions are obeyed and the First Amendment otherwise respected.'' Id. at 619. In plain language, this bill simply requires too much oversight in a manner the Supreme Court never intended.

Mr. Speaker, it is also important to note that by not extending the religious exemption in the Civil Rights Act to include activities carried out under this subsection, the Congress would establish the possibility that organizations could discriminate on the basis of religion using federal funds. My conscience as a legislator cannot allow me to support this legislation for this reason alone.

This bill will allow religious groups to discriminate. Even more, it will chill the fight for civil rights for all Americans on both the state and local level, where great gains have been made in ensuring quality for all. I cannot stand the irony that the religious institutions of America, which were so influential in the civil rights movement, will be allowed to erode the equal protection laws the citizens of this nation fought and died for.

Mr. Speaker, the Democratic substitute to this legislation avoids these pitfalls. The substitute legislation specifies that the civil rights exemption is not extended to allow groups receiving funds to discriminate in employment with taxpayer funds. It also provides that state and local civil rights laws are not superceded by the act.

The substitute bill also provides an offset to the tax code's top rate to balance the charitable contribution increase. The rate raises the top tax rate by 0.2%.

Under this proposal, no proselytization can occur at the same time and place as a government funded program. The substitute also deletes the private voucher provisions that would provide agencies with $47 billion in discretionary funds, and deletes changes in tort reform that absolve businesses of liability.

The Democratic substitute is a better bill, Mr. Speaker. It pays heed to the words of Justice Burger and the precedents of the Supreme Court. I urge all members to vote against this measure and for the Democratic substitute.

Mr. SENSENBRENNER. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the motion to recommit.

The previous question was ordered.

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

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

RECORDED VOTE

Mr. CONYERS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on final passage.

The vote was taken by electronic device, and there were—ayes 195, noes 234, not voting 4, as follows:

[Roll No. 253]

AYES—195

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Foley
Ford
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Leach
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McNulty
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moore
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Shays
Sherman
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Strickland
Stupak
Tanner
Tauscher
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watson (CA)
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOES—234

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Cramer
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Forbes
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McIntyre
McKeon
Mica
Miller (FL)
Miller, Gary
Mollohan
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley

Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Stenholm
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Turner
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—4

Engel
McKinney
Meehan
Spence

□ 1601

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the passage of the bill.

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

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

The yeas and nays were ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 233, nays 198, not voting 3, as follows:

[Roll No. 254]

YEAS—233

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Clement
Coble
Collins
Combest
Condit
Cooksey
Cox
Cramer
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaFalce
LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
McCrery
McHugh
McInnis
McIntyre
McKeon
Mica
Miller (FL)
Miller, Gary
Mollohan
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Pence
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—198

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clyburn
Conyers
Costello
Coyne
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Green (TX)
Gutierrez
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E.B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moore
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stump
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watson (CA)
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—3

Engel
McKinney
Spence

□ 1611

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the subject of H.R. 7, the bill just passed.

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

There was no objection.

PERSONAL EXPLANATION

Mr. TIERNEY. Mr. Speaker, last evening, on rollcall vote No. 248, I want it to be in the RECORD that I was here and I did vote in favor of that bill. Unfortunately, there was a malfunction with the voting apparatus, apparently, and it did not record my vote.

CONFERENCE REPORT ON H.R. 2216, 2001 SUPPLEMENTAL APPROPRIATIONS ACT

Mr. YOUNG of Florida (during consideration of H.J. Res. 50) submitted the following conference report and statement on the bill (H.R. 2216) making supplemental appropriations for the fiscal year ending September 30, 2001, and for other purposes:

CONFERENCE REPORT (H. REPT. 107–148)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2216) ''making supplemental appropriations for the fiscal year ending September 30, 2001, and for other purposes'' having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

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

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

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2001, and for other purposes, namely:

TITLE I—NATIONAL SECURITY MATTERS

CHAPTER 1

DEPARTMENT OF JUSTICE

RADIATION EXPOSURE COMPENSATION

PAYMENT TO RADIATION EXPOSURE COMPENSATION TRUST FUND

For payment to the Radiation Exposure Compensation Trust Fund for approved claims, for fiscal year 2001, such sums as may be necessary.

CHAPTER 2

DEPARTMENT OF DEFENSE—MILITARY

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For an additional amount for ''Military Personnel, Army'', $164,000,000.

MILITARY PERSONNEL, NAVY

For an additional amount for ''Military Personnel, Navy'', $84,000,000.

MILITARY PERSONNEL, MARINE CORPS

For an additional amount for ''Military Personnel, Marine Corps'', $69,000,000.

MILITARY PERSONNEL, AIR FORCE

For an additional amount for ''Military Personnel, Air Force'', $119,500,000.

RESERVE PERSONNEL, ARMY

For an additional amount for ''Reserve Personnel, Army'', $52,000,000.

RESERVE PERSONNEL, AIR FORCE

For an additional amount for ''Reserve Personnel, Air Force'', $8,500,000.

NATIONAL GUARD PERSONNEL, ARMY

For an additional amount for ''National Guard Personnel, Army'', $6,000,000.

NATIONAL GUARD PERSONNEL, AIR FORCE

For an additional amount for ''National Guard Personnel, Air Force'', $12,000,000.

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

For an additional amount for ''Operation and Maintenance, Army'', $792,400,000, of which $214,000,000 shall be made available only for the repair and maintenance of real property.

OPERATION AND MAINTENANCE, NAVY

For an additional amount for ''Operation and Maintenance, Navy'', $1,024,100,000: Provided, That of the funds made available under this heading, $10,200,000 shall remain available for obligation until September 30, 2002.

OPERATION AND MAINTENANCE, MARINE CORPS

For an additional amount for ''Operation and Maintenance, Marine Corps'', $62,000,000.

OPERATION AND MAINTENANCE, AIR FORCE

For an additional amount for ''Operation and Maintenance, Air Force'', $813,800,000.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

For an additional amount for ''Operation and Maintenance, Defense-Wide'', $123,250,000: Provided, That of the funds made available under this heading, $6,800,000 shall remain available for obligation until September 30, 2002.

OPERATION AND MAINTENANCE, ARMY RESERVE

For an additional amount for ''Operation and Maintenance, Army Reserve'', $20,500,000.

OPERATION AND MAINTENANCE, NAVY RESERVE

For an additional amount for ''Operation and Maintenance, Navy Reserve'', $12,500,000.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

For an additional amount for ''Operation and Maintenance, Marine Corps Reserve'', $1,900,000.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

For an additional amount for ''Operation and Maintenance, Air Force Reserve'', $34,000,000.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

For an additional amount for ''Operation and Maintenance, Army National Guard'', $42,900,000.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For an additional amount for ''Operation and Maintenance, Air National Guard'', $119,300,000.

PROCUREMENT

OTHER PROCUREMENT, ARMY

For an additional amount for ''Other Procurement, Army'', $7,000,000, to remain available for obligation until September 30, 2003.

SHIPBUILDING AND CONVERSION, NAVY

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for ''Shipbuilding and Conversion, Navy'', $297,000,000: Provided, That upon enactment of this Act, the Secretary of the Navy shall transfer such funds to the following appropriations in the amount specified: Provided further, That the amounts transferred shall be merged with and shall be available for the same purposes and for the same time period as the appropriations to which transferred:

To:

Under the heading, ''Shipbuilding and Conversion, Navy, 1995/2001'':

Carrier Replacement Program, $84,000,000;

DDG–51 Destroyer Program, $300,000;

Under the heading, ''Shipbuilding and Conversion, Navy, 1996/2001'':

DDG–51 Destroyer Program, $14,600,000;

LPD–17 Amphibious Transport Dock Ship Program, $140,000,000;

Under the heading, ''Shipbuilding and Conversion, Navy, 1997/2001'':

DDG–51 Destroyer Program, $12,600,000; and

Under the heading, ''Shipbuilding and Conversion, Navy, 1998/2001'':

NSSN Program, $32,000,000;

DDG–51 Destroyer Program, $13,500,000.

AIRCRAFT PROCUREMENT, AIR FORCE

For an additional amount for ''Aircraft Procurement, Air Force'', $78,000,000, to remain available for obligation until September 30, 2003.

MISSILE PROCUREMENT, AIR FORCE

For an additional amount for ''Missile Procurement, Air Force'', $15,500,000, to remain available for obligation until September 30, 2003.

PROCUREMENT OF AMMUNITION, AIR FORCE

For an additional amount for ''Procurement of Ammunition, Air Force'', $31,200,000, to remain available for obligation until September 30, 2003.

OTHER PROCUREMENT, AIR FORCE

For an additional amount for ''Other Procurement, Air Force'', $138,150,000, to remain available for obligation until September 30, 2003.

PROCUREMENT, DEFENSE-WIDE

For an additional amount for ''Procurement, Defense-Wide'', $5,800,000, to remain available for obligation until September 30, 2003.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

For an additional amount for ''Research, Development, Test and Evaluation, Army'', $5,000,000, to remain available for obligation until September 30, 2002.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

For an additional amount for ''Research, Development, Test and Evaluation, Navy'', $128,000,000, to remain available for obligation until September 30, 2002.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

For an additional amount for ''Research, Development, Test and Evaluation, Air Force'', $275,500,000, to remain available for obligation until September 30, 2002.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE

For an additional amount for ''Research, Development, Test and Evaluation, Defense-Wide'', $84,100,000, to remain available for obligation until September 30, 2002.

REVOLVING AND MANAGEMENT FUNDS

DEFENSE WORKING CAPITAL FUNDS

For an additional amount for ''Defense Working Capital Funds'', $178,400,000, to remain available until expended.

OTHER DEPARTMENT OF DEFENSE PROGRAMS

DEFENSE HEALTH PROGRAM

For an additional amount for ''Defense Health Program'', $1,453,400,000 for Operation and maintenance, of which $500,000,000 shall remain available until September 30, 2002: Provided, That of the funds made available in this paragraph, not more than $655,000,000 may be made available for a global settlement of claims made under TRICARE managed care support contracts: Provided further, That of the funds made available in this paragraph, not less than $151,200,000 shall be made available upon enactment only for requirements of the direct care system and military medical treatment facilities, to be administered solely by the uniformed services Surgeons General: Provided further, That funds made available in this paragraph may be used to cover increases in costs associated with the provision of health care services to eligible beneficiaries of all the uniformed services.

For an additional amount for ''Defense Health Program'', $150,000,000 for Operation and maintenance, to remain available until expended, only for the use of the Surgeons General to improve the quality of care provided at military medical treatment facilities, of which $30,000,000 shall be made available only to optimize health care services at Army military medical treatment facilities, $30,000,000 shall be made available only to optimize health care services at Navy military medical treatment facilities, $30,000,000 shall be made available only to optimize health care services at Air Force military medical treatment facilities, $30,000,000 shall be made available only to finance advances in medical practices to be equally divided between the services, and $30,000,000 shall be made available for other requirements of the direct care system and military medical treatment facilities: Provided, That the funds provided in this paragraph are to be administered solely by the Army, Navy and Air Force Surgeons General: Provided further, That none of the funds provided in this paragraph may be made available for optimization programs, projects or activities unless the Surgeon General of the respective service determines that: (1) such program, project or activity shall produce annual cost savings in excess of annual cost within not more than three years from the date of project initiation, or (2) that such program, project or activity is necessary to address a serious health care deficiency at a military medical treatment facility that could threaten health care outcomes: Provided further, That none of the funds provided in this paragraph may be made available to a service unless the Secretary of Defense expresses the intent to the congressional defense committees that all optimization programs, projects and activities financed in this paragraph will be continued and fully financed in the Department of Defense six year budget plan known as the Program Objective Memorandum.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 1201. Fuel transferred by the Defense Energy Supply Center to the Department of the Interior for use at Midway Island during fiscal year 2000 shall be deemed for all purposes to have been transferred on a nonreimbursable basis.

SEC. 1202. Funds appropriated by this Act, or made available by the transfer of funds in this Act, for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414).

(INCLUDING TRANSFER OF FUNDS)

SEC. 1203. In addition to the amount appropriated in section 308 of Division A, Miscellaneous Appropriations Act, 2001, as enacted by section 1(a)(4) of Public Law 106–554 (114 Stat. 2763A–181 and 182), $44,000,000 is hereby appropriated for ''Operation and Maintenance, Navy'', to remain available until expended: Provided, That such amount, and the amount previously appropriated in section 308, shall be for costs associated with the stabilization, return, refitting, necessary force protection upgrades, and repair of the U.S.S. COLE, including any costs previously incurred for such purposes:

Provided further, That the Secretary of Defense may transfer these funds to appropriations accounts for procurement: Provided further, That the funds transferred shall be merged with and shall be available for the same purposes and for the same time period as the appropriations to which transferred: Provided further, That the transfer authority provided herein is in addition to any other transfer authority available to the Department of Defense.

(RESCISSIONS)

SEC. 1204. Of the funds made available in Department of Defense Appropriations Acts, or otherwise available to the Department of Defense, the following funds are hereby rescinded, from the following accounts in the specified amounts:

''Procurement, Marine Corps, 2000/2002'', $3,000,000;

''Overseas Contingency Operations Transfer Fund, 2001'', $200,000,000;

''Foreign Currency Fluctuations, Defense'', $68,400,000;

''Aircraft Procurement, Navy 2001/2003'', $199,000,000;

''Shipbuilding and Conversion, Navy, 2001/2005'', LPD–17(AP), $75,000,000;

''Procurement, Marine Corps, 2001/2003'', $5,000,000;

''Aircraft Procurement, Air Force, 2001/2003'', $327,500,000;

''Other Procurement, Air Force, 2001/2003'', $65,000,000;

''Procurement, Defense-Wide, 2001/2003'', $85,000,000; and

''Research, Development, Test and Evaluation, Defense-Wide, 2001/2002'', $7,000,000.

SEC. 1205. In addition to amounts appropriated or otherwise made available elsewhere in this Act for the Department of Defense or in the Department of Defense Appropriations Act, 2001 (Public Law 106–259), $39,900,000 is hereby appropriated to the Department of Defense, for facilities repair and damages resulting from natural disasters, as follows:

''Operation and Maintenance, Army'', $6,500,000;

''Operation and Maintenance, Navy'', $23,000,000;

''Operation and Maintenance, Air Force'', $8,000,000;

''Operation and Maintenance, Army Reserve'', $200,000;

''Operation and Maintenance, Air Force Reserve'', $200,000;

''Operation and Maintenance, Army National Guard'', $400,000;

''Operation and Maintenance, Air National Guard'', $400,000; and

''Defense Health Program'', $1,200,000.

SEC. 1206. The authority to purchase or receive services under the demonstration project authorized by section 816 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337) may be exercised through January 31, 2002, notwithstanding subsection (c) of that section.

SEC. 1207. Notwithstanding any other provision of law, the Secretary of Defense may retain all or a portion of Fort Greely, Alaska as the Secretary deems necessary, to meet military, operational, logistics and personnel support requirements for missile defense.

SEC. 1208. Of the funds appropriated in the Department of Defense Appropriations Act, 2001, Public Law 106–259, in Title IV under the heading, ''Research, Development, Test and Evaluation, Navy'', $2,000,000 may be made available for a Maritime Fire Training Center at the Marine and Environmental Research and Training Station (MERTS), and $2,000,000 may be made available for a Maritime Fire Training Center at Barbers Point, including provision for laboratories, construction, and other efforts associated with research, development, and other programs of major importance to the Department of Defense.

SEC. 1209. Of the amounts appropriated in this Act under the heading ''Operation and Maintenance, Army'', $8,000,000 shall be available for the purpose of repairing storm damage at Fort Sill, Oklahoma, and Red River Army Depot, Texas.

SEC. 1210. (a) Notwithstanding any other provision of law, the Secretary of the Army shall convey to the City of Bayonne, New Jersey, without consideration, all right, title, and interest of the United States in and to the firefighting and rescue vehicles described in subsection (b).

(b) The firefighting and rescue vehicles referred to in subsection (a) are a rescue hazardous materials truck, a 2,000 gallon per minute pumper, and a 100-foot elevating platform truck, all of which are at Military Ocean Terminal, Bayonne, New Jersey.

SEC. 1211. None of the funds available to the Department of Defense for fiscal year 2001 may be obligated or expended for retiring or dismantling any of the 93 B–1B Lancer bombers in service as of June 1, 2001, or for transferring or reassigning any of those aircraft from the unit, or the facility, to which assigned as of that date.

CHAPTER 3

DEPARTMENT OF ENERGY

ATOMIC ENERGY DEFENSE ACTIVITIES

NATIONAL NUCLEAR SECURITY ADMINISTRATION

WEAPONS ACTIVITIES

For an additional amount for ''Weapons Activities'', $126,625,000, to remain available until expended: Provided, That funding is authorized for Project 01–D–107, Atlas Relocation and Operations, and Project 01–D–108, Microsystems and Engineering Sciences Applications Complex.

OTHER DEFENSE RELATED ACTIVITIES

DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT

For an additional amount for ''Defense Environmental Restoration and Waste Management'', $95,000,000, to remain available until expended.

DEFENSE FACILITIES CLOSURE PROJECTS

For an additional amount for ''Defense Facilities Closure Projects'', $21,000,000, to remain available until expended.

DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION

For an additional amount for ''Defense Environmental Management Privatization'', $29,600,000, to remain available until expended.

OTHER DEFENSE ACTIVITIES

For an additional amount for ''Other Defense Activities'', $5,000,000, to remain available until expended.

CHAPTER 4

MILITARY CONSTRUCTION

MILITARY CONSTRUCTION, ARMY

For an additional amount for ''Military Construction, Army'', $22,000,000: Provided, That notwithstanding any other provision of law, such funds may be obligated or expended to carry out planning and design and military construction projects not otherwise authorized by law.

MILITARY CONSTRUCTION, NAVY

For an additional amount for ''Military Construction, Navy'', $9,400,000: Provided, That notwithstanding any other provision of law, such funds may be obligated or expended to carry out planning and design and military construction projects not otherwise authorized by law.

MILITARY CONSTRUCTION, AIR FORCE

For an additional amount for ''Military Construction, Air Force'', $10,000,000: Provided, That notwithstanding any other provision of law, such funds may be obligated or expended to carry out planning and design and military construction projects not otherwise authorized by law.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

For an additional amount for ''Military Construction, Air National Guard'', $6,700,000: Provided, That notwithstanding any other provision of law, such funds may be obligated or expended to carry out planning and design and military construction projects not otherwise authorized by law.

FAMILY HOUSING, ARMY

For an additional amount for ''Family Housing, Army'', $30,480,000 for operation and maintenance.

FAMILY HOUSING, NAVY AND MARINE CORPS

For an additional amount for ''Family Housing, Navy and Marine Corps'', $20,300,000 for operation and maintenance.

FAMILY HOUSING, AIR FORCE

For an additional amount for ''Family Housing, Air Force'', $18,000,000 for operation and maintenance.

BASE REALIGNMENT AND CLOSURE ACCOUNT, PART IV

For an additional amount for deposit into the ''Department of Defense Base Realignment and Closure Account 1990'', $9,000,000, to remain available until expended.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 1401. (a) CADET PHYSICAL DEVELOPMENT CENTER.—Notwithstanding section 138 of the Military Construction Appropriations Act, 2001 (division A of Public Law 106–246; 114 Stat. 524), the Secretary of the Army may expend appropriated funds in excess of the amount specified by such section to construct and renovate the Cadet Physical Development Center at the United States Military Academy, except that—

(1) such additional expenditures may be used only for the purposes of meeting unanticipated price increases and related construction contingency costs and making minor changes to the project to incorporate design features that result in reducing long-term operating costs; and

(2) such additional expenditures may not exceed the difference between the authorized amount for the project and the amount specified in such section.

(b) LIMITATIONS AND REPORTS.—No sums may be expended for final phase construction of the project until 15 days after the Secretary of the Army submits a report to the congressional defense committees describing the revised cost estimates referred to in subsection (a), the methodology used in making these cost estimates, and the changes in project costs compared to estimates made in October, 2000. Not later than August 1, 2001, the Secretary of the Army shall submit a report to the congressional defense committees explaining the plan of the Department of the Army to expend privately donated funds for capital improvements at the United States Military Academy between fiscal years 2001 and 2011.

SEC. 1402. Except as otherwise specifically provided in this Chapter, amounts provided to the Department of Defense under each of the headings in this Chapter shall be made available for the same time period as the amounts appropriated under each such heading in Public Law 106–246.

(RESCISSIONS)

SEC. 1403. Of the funds provided in the Military Construction Appropriations Act, 2001 (Public Law 106–246), the following amounts are hereby rescinded as of the date of the enactment of this Act:

''Military Construction, Army'', $12,856,000;

''Military Construction, Navy'', $6,213,000;

''Military Construction, Air Force'', $4,935,000;

''Military Construction, Defense-Wide'', $4,376,000;

''Family Housing, Army'', $4,000,000; and

''Family Housing, Air Force'', $4,375,000.

SEC. 1404. Notwithstanding any other provision of law, the amount authorized, and authorized to be appropriated, for the Defense Agencies for the TRICARE Management Agency for

a military construction project for Bassett Army Hospital at Fort Wainwright, Alaska, shall be $215,000,000.

SEC. 1405. DESIGNATION OF ENGINEERING AND MANAGEMENT BUILDING AT NORFOLK NAVAL SHIPYARD, VIRGINIA, AFTER NORMAN SISISKY. The engineering and management building (also known as Building 1500) at Norfolk Naval Shipyard, Portsmouth, Virginia, shall be known as the Norman Sisisky Engineering and Management Building. Any reference to that building in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the Norman Sisisky Engineering and Management Building.

TITLE II—OTHER SUPPLEMENTAL APPROPRIATIONS

CHAPTER 1

DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

For an additional amount for ''Office of the Secretary'', $3,000,000, to remain available until September 30, 2002: Provided, That of these funds, no less than $1,000,000 shall be used for enforcement of the Animal Welfare Act: Provided further, That of these funds, no less than $1,000,000 shall be used to enhance humane slaughter practices under the Federal Meat Inspection Act: Provided further, That no more than $500,000 of these funds shall be made available to the Under Secretary for Research, Education and Economics for development and demonstration of technologies to promote the humane treatment of animals: Provided further, That these funds may be transferred to and merged with appropriations for agencies performing this work.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

For an additional amount for ''Salaries and Expenses'', $5,000,000.

FARM SERVICE AGENCY

AGRICULTURAL CONSERVATION PROGRAM

(RESCISSION)

Of the funds appropriated for ''Agricultural Conservation Program'' under Public Law 104–37, $45,000,000 are rescinded.

NATURAL RESOURCES CONSERVATION SERVICE

WATERSHED AND FLOOD PREVENTION OPERATIONS

For an additional amount for ''Watershed and Flood Prevention Operations'', to repair damages to waterways and watersheds resulting from natural disasters, $35,500,000, to remain available until expended.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2101. Title I of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (as enacted by Public Law 106–387; 114 Stat. 1549, 1549A–10) is amended by striking ''until expended'' under the heading ''Buildings and Facilities'' under the heading ''Animal and Plant Health Inspection Service'' and adding the following: ''until expended: Provided, That notwithstanding any other provision of law (including chapter 63 of title 31, U.S.C.), $4,670,000 of the amount shall be transferred by the Secretary and once transferred, shall be state funds for the construction, renovation, equipment, and other related costs for a post entry plant quarantine facility and related laboratories as described in Senate Report 106–288''.

SEC. 2102. The paragraph under the heading ''Rural Community Advancement Program'' in title III of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (as enacted by Public Law 106–387; 114 Stat. 1549, 1549A–17) is amended—

(1) in the third proviso, by striking ''ability of'' and inserting ''ability of low income rural communities and''; and

(2) in the fourth proviso, by striking ''assistance to'' the first place it appears and inserting ''assistance and to''.

SEC. 2103. (a) Not later than August 1, 2001, the Federal Crop Insurance Corporation shall promulgate final regulations to carry out section 522(b) of the Federal Crop Insurance Act (7 U.S.C. 522(b)), without regard to—

(1) the notice and comment provisions of section 553 of title 5, United States Code;

(2) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 FR 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

(3) chapter 35 of title 44, United States Code (commonly known as the ''Paperwork Reduction Act'').

(b) In carrying out this section, the Corporation shall use the authority provided under section 808 of title 5, United States Code.

(c) The final regulations promulgated under subsection (a) shall take effect on the date of publication of the final regulations.

SEC. 2104. In addition to amounts otherwise available, $20,000,000, to remain available until expended, from amounts pursuant to 15 U.S.C. 713a–4 for the Secretary of Agriculture to make available financial assistance to eligible producers to promote water conservation in the Klamath Basin, as determined by the Secretary: Provided, That the issuance of regulations promulgated pursuant to this section shall be made without regard to: (1) the notice and comment provisions of section 553 of title 5, United States Code; (2) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and (3) chapter 35 of title 44, United States Code (commonly known as the ''Paperwork Reduction Act''): Provided further, That in carrying out this section, the Secretary shall use the authority provided under section 808 of title 5, United States Code.

SEC. 2105. Under the heading ''Food Stamp Program'' in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (as enacted by Public Law 106–387), in the sixth proviso, strike ''$194,000,000'' and insert in lieu thereof ''$191,000,000''.

SEC. 2106. Of funds which may be reserved by the Secretary for allocation to State agencies under section 16(h)(1) of the Food Stamp Act of 1977 to carry out the Employment and Training program, $39,500,000 made available in prior years are rescinded and returned to the Treasury.

SEC. 2107. In addition to amounts otherwise available, $2,000,000, to remain available until expended, from amounts pursuant to 15 U.S.C. 713a–4 for the Secretary of Agriculture to make available financial assistance to eligible producers to promote water conservation in the Yakima Basin, Washington, as determined by the Secretary: Provided, That the issuance of regulations promulgated pursuant to this section shall be made without regard to: (1) the notice and comment provisions of section 553 of title 5, United States Code; (2) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and (3) chapter 35 of title 44, United States Code (commonly known as the ''Paperwork Reduction Act''): Provided further, That in carrying out this section, the Secretary shall use the authority provided under section 808 of title 5, United States Code.

SEC. 2108. (a) In addition to the payment of any other eligible expenses, the Secretary of Agriculture shall have the authority to approve the use of Commodity Credit Corporation funds pursuant to 15 U.S.C. 713a–4 to make available up to $22,949,000 of financial assistance for internal transportation, storage, and handling expenses, and for any appropriate administrative expenses as determined by the Secretary, for cooperating sponsors with which the Secretary has entered into agreements in fiscal year 2001 or 2002 under the Global Food for Education Initiative covered by the notice published by the Corporation in the Federal Register on September 6, 2000 (65 Fed. Reg. 53977 et seq.), for their activities under those agreements.

(b) The unobligated balance of the funds appropriated by section 745(e) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–387) is rescinded.

CHAPTER 2

DEPARTMENT OF COMMERCE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

COASTAL AND OCEAN ACTIVITIES

(INCLUDING RESCISSION)

Of the funds made available in Public Law 106–553 for the costs of construction of a research center at the ACE Basin National Estuarine Research Reserve, for use under this heading until expended, $8,000,000 are rescinded.

For an additional amount for the activities specified in Public Law 106–553 for which funds were rescinded in the preceding paragraph, $3,000,000, to remain available until expended for construction and $5,000,000, to remain available until expended for land acquisition.

DEPARTMENTAL MANAGEMENT

EMERGENCY OIL AND GAS GUARANTEED LOAN PROGRAM

(RESCISSION)

Of the funds made available in the Emergency Oil and Gas Guaranteed Loan Program Act (chapter 2 of Public Law 106–51; 113 Stat. 255–258), $114,800,000 are rescinded.

RELATED AGENCY

SMALL BUSINESS ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING RESCISSION)

Of the funds made available in Public Law 106–553 for the costs of technical assistance related to the New Markets Venture Capital Program for use under this heading in only fiscal year 2001, $30,000,000 are rescinded.

For an additional amount for the activities specified in Public Law 106–553 for which funds were rescinded in the preceding paragraph, $30,000,000, to remain available until expended.

BUSINESS LOANS PROGRAM ACCOUNT

(INCLUDING RESCISSION)

Of the funds made available in Public Law 106–553 for the costs of guaranteed loans under the New Markets Venture Capital Program for use under this heading in only fiscal year 2001, $22,000,000 are rescinded.

For an additional amount for the activities specified in Public Law 106–553 for which funds were rescinded in the preceding paragraph, $22,000,000, to remain available until expended.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2201. Section 144(d) of Division B of Public Law 106–554 is amended—

(1) in paragraph (1) and paragraph (5)(B) by striking ''not later than May 1, 2001'' and inserting in lieu thereof ''as soon as practicable'';

(2) in paragraph (2)(A) by striking ''for vessels'' and inserting in lieu thereof ''who hold such permits based on fishing histories'';

(3) in paragraph (2)(B)(i) by striking ''meets'' and inserting in lieu thereof ''is fishing under a permit that is issued based on fishing histories that meet'';

(4) in paragraph (2)(B)(i) by inserting '', provided that any interim Bering Sea crab fishery certificates issued after December 1, 2000 shall remain valid until the Secretary implements final regulations consistent with the provisions of this subparagraph'' after ''paragraph'';

(5) in paragraph (3) by striking ''the May 1, 2001 date'' and inserting in lieu thereof ''the direction to issue regulations as soon as practicable as'';

(6) in paragraph (3) by striking ''with that date''; and

(7) in paragraph (2)(A)(ii) by striking ''have made'' and inserting in lieu thereof ''except as specifically provided otherwise in the regulations described in clause (i), include''.

SEC. 2202. (a) Section 12102(c) of title 46, United States Code, as amended by section 202(a) of the American Fisheries Act (46 U.S.C. 12102 note), is amended—

(1) in paragraph (2)(B) by striking ''or the use'' and all that follows in such paragraph and inserting in lieu thereof ''or the exercise of rights under loan or mortgage covenants by a mortgagee eligible to be a preferred mortgagee under section 31322(a) of this title, provided that a mortgagee not eligible to own a vessel with a fishery endorsement may only operate such a vessel to the extent necessary for the immediate safety of the vessel or for repairs, drydocking or berthing changes.''; and

(2) by striking paragraph (4) and renumbering the remaining paragraph accordingly.

(b) Section 31322(a)(4) of title 46, United States Code, as amended by section 202(b) of the American Fisheries Act (Public Law 105–277, Division C, Title II) is amended by striking paragraph (4)(B) and all that follows in such paragraph and inserting in lieu thereof the following:

''(B) a state or federally chartered financial institution that is insured by the Federal Deposit Insurance Corporation;

''(C) a farm credit lender established under Title 12, Chapter 23 of the United States Code;

''(D) a commercial fishing and agriculture bank established pursuant to State law;

''(E) a commercial lender organized under the laws of the United States or of a State and eligible to own a vessel under section 12102(a) of this title; or

''(F) a mortgage trustee under subsection (f) of this section.''.

(c) Section 31322 of title 46, United States Code is amended by adding at the end the following new subsections:

''(f)(1) A mortgage trustee may hold in trust, for an individual or entity, an instrument or evidence of indebtedness, secured by a mortgage of the vessel to the mortgage trustee, provided that the mortgage trustee—

''(A) is eligible to be a preferred mortgagee under subsection (a)(4), subparagraphs (A)–(E) of this section;

''(B) is organized as a corporation, and is doing business, under the laws of the United States or of a State;

''(C) is authorized under those laws to exercise corporate trust powers;

''(D) is subject to supervision or examination by an official of the United States Government or a State;

''(E) has a combined capital and surplus (as stated in its most recent published report of condition) of at least $3,000,000; and

''(F) meets any other requirements prescribed by the Secretary.

''(2) If the beneficiary under the trust arrangement is not a commercial lender, a lender syndicate or eligible to be a preferred mortgagee under subsection (a)(4), subparagraphs (A)–(E) of this section, the Secretary must determine that the issuance, assignment, transfer, or trust arrangement does not result in an impermissible transfer of control of the vessel to a person not eligible to own a vessel with a fishery endorsement under section 12102(c) of this title.

''(3) A vessel with a fishery endorsement may be operated by a mortgage trustee only with the approval of the Secretary.

''(4) A right under a mortgage of a vessel with a fishery endorsement may be issued, assigned, or transferred to a person not eligible to be a mortgagee of that vessel under this section only with the approval of the Secretary.

''(5) The issuance, assignment, or transfer of an instrument or evidence of indebtedness contrary to this subsection is voidable by the Secretary.

''(g) For purposes of this section a 'commercial lender' means an entity primarily engaged in the business of lending and other financing transactions with a loan portfolio in excess of $100,000,000, of which not more than 50 per centum in dollar amount consists of loans to borrowers in the commercial fishing industry, as certified to the Secretary by such lender.

''(h) For purposes of this section a 'lender syndicate' means an arrangement established for the combined extension of credit of not less than $20,000,000 made up of four or more entities that each have a beneficial interest, held through an agent, under a trust arrangement established pursuant to subsection (f), no one of which may exercise powers thereunder without the concurrence of at least one other unaffiliated beneficiary.''.

(d) Section 31322 of title 46, United States Code as amended in this section, and as amended by section 202(b) of the American Fisheries Act (Public Law 105–277, Division C, Title II) shall not take effect until April 1, 2003, nor shall the Secretary of Transportation, in determining whether a vessel owner complies with the requirements of section 12102(c) of title 46, United States Code, consider the citizenship status of a lender, in its capacity as a lender with respect to that vessel owner, until after April 1, 2003.

(e)(1) Section 213(g) of the American Fisheries Act (Public Law 105–277, Division C, Title II) is amended by—

(A) striking ''October 1, 2001'' both places it appears;

(B) striking ''such date'' and inserting in lieu thereof ''or if the percentage of foreign ownership in the vessel is increased after the effective date of this subsection''; and

(C) striking ''such vessel'' the first time it appears and inserting ''their ownership or mortgage interest in such vessel on that date'' in lieu thereof.

(2) Section 213(g) of the American Fisheries Act (Public Law 105–277, Division C, Title II) shall take effect on the date of enactment of this Act.

SEC. 2203. (a) Section 20(a)(1) of the Small Business Act (15 U.S.C. 631 note) is amended—

(1) in subparagraph (D), by striking ''and'' at the end;

(2) in subparagraph (E), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following new subparagraph:

''(F) to pay for small business development center grants as mandated or directed by Congress.''.

(b) Section 21(a)(4)(C)(v)(II) of the Small Business Act (15 U.S.C. 648(a)(4)(C)(v)(II), is amended by inserting '', or accompanying report language,'' after ''in appropriations Acts''.

SEC. 2204. Section 633 of Public Law 106–553 is amended with respect to a grant of $2,000,000 for Promesa Enterprises in the Bronx, New York, by inserting the words ''financially or otherwise'' after ''to assist community-based businesses''.

CHAPTER 3

DISTRICT OF COLUMBIA

FEDERAL FUNDS

FEDERAL PAYMENT TO THE CHIEF FINANCIAL OFFICER OF THE DISTRICT OF COLUMBIA

(INCLUDING TRANSFER OF FUNDS)

For a Federal contribution to the Chief Financial Officer of the District of Columbia for the Excel Institute Adult Education Program, $1,000,000, of which $250,000 shall be derived by transfer from the appropriation ''Federal Payment for Plan to Simplify Employee Compensation Systems'' in the District of Columbia Appropriations Act, 2001 (Public Law 106–522; 114 Stat. 2444).

DISTRICT OF COLUMBIA FUNDS

GOVERNMENTAL DIRECTION AND SUPPORT

(INCLUDING RESCISSION)

For an additional amount for ''Governmental Direction and Support'', $5,400,000 from local funds for increases in natural gas costs.

Of the funds appropriated under this heading for the fiscal year ending September 30, 2001, in the District of Columbia Appropriations Act, 2001, approved November 22, 2000 (Public Law 106–522; 114 Stat. 2447), $250,000 to simplify employee compensation systems are rescinded.

ECONOMIC DEVELOPMENT AND REGULATION

For an additional amount for ''Economic Development and Regulation'', $1,000,000 from local funds for the implementation of the New E-Conomy Transformation Act of 2000, (D.C. Act 13–543), and $624,820 for the Department of Consumer and Regulatory Affairs for the purposes of D.C. Code, sec. 5–513: Provided, That the Department shall transfer all local funds resulting from the lapse of personnel vacancies, caused by transferring Department of Consumer and Regulatory Affairs employees into Neighborhood Stabilization Officer positions without the filling of the resultant vacancies, into the general fund, of these funds an amount not to exceed $60,000 may be used to implement the provisions in D.C. Bill 13–646, the Abatement and Condemnation of Nuisance Properties Omnibus Amendment Act of 2000, pertaining to the prevention of the demolition by neglect of historic properties: Provided further, That the fees established and collected pursuant to D.C. Bill 13–646 shall be identified, and an accounting provided, to the Committee on Consumer and Regulatory Affairs of the Council of the District of Columbia.

PUBLIC SAFETY AND JUSTICE

(INCLUDING RESCISSION)

For an additional amount for ''Public Safety and Justice'', $8,901,000 from local funds to be allocated as follows: $2,800,000 is for the Metropolitan Police Department of which $800,000 is for the speed camera program and $2,000,000 is for the Fraternal Order of Police arbitration award and the Fair Labor Standards Act liability; $5,940,000 is for the Fire and Emergency Medical Services Department of which $5,540,000 is for pre-tax payments for pension, health and life insurance premiums and $400,000 is for the fifth fire fighter on trucks initiative; and $161,000 is for the Child Fatality Review Committee established pursuant to the Child Fatality Review Committee Establishment Emergency Act of 2001 (D.C. Act 14–40) and the Child Fatality Review Committee Establishment Temporary Act of 2001 (D.C. Bill 14–165).

In addition, of all funds in the District of Columbia Antitrust Fund established pursuant to section 2 of the District of Columbia Antitrust Act of 1980 (D.C. Law 3–169; D.C. Code, sec. 28–4516) an amount not to exceed $52,000, of all funds in the Antifraud Fund established pursuant to section 820 of the District of Columbia Procurement Practices Act of 1985, effective February 21, 1986 (D.C. Law 6–85; D.C. Code, sec. 1–1188.20) an amount not to exceed $5,500, and of all funds in the District of Columbia Consumer Protection Fund established pursuant to section 1402 of the District of Columbia Budget Support Act for Fiscal Year 2001 (D.C. Law 13–172; D.C. Code, sec. 28–3911) an amount not to exceed $43,000, are hereby made available for the use of the Office of the Corporation Counsel of the District of Columbia until September 30, 2001, in accordance with the statutes that established these funds.

Of the funds appropriated under this heading in the District of Columbia Appropriations Act, 2001, approved November 22, 2000 (Public Law 106–522), $131,000 for Taxicab Inspectors are rescinded.

PUBLIC EDUCATION SYSTEM

For an additional amount for ''Public Education System'', $1,000,000 from local funds for the State Education Office for a census-type audit of the student enrollment of each District of Columbia Public School and of each public charter school and $12,000,000 from local funds for the District of Columbia Public Schools to conduct the 2001 summer school session.

In addition, section 108(b) of the District of Columbia Public Education Act, Public Law 89–791 as amended (sec. 31–1408, D.C. Code), is amended by adding a new sentence at the end of the subsection, which states: ''In addition, any proceeds and interest accruing thereon, which remain from the sale of the former radio station WDCU in an escrow account of the District of Columbia Financial Management and Assistance Authority for the benefit of the University of the District of Columbia, shall be used for the University of the District of Columbia's Endowment Fund. Such proceeds may be invested in equity based securities if approved by the Chief Financial Officer of the District of Columbia.''.

HUMAN SUPPORT SERVICES

For an additional amount for ''Human Support Services'', $28,000,000 from local funds to be allocated as follows: $15,000,000 for expansion of the Medicaid program; $4,000,000 to increase the local share for Disproportionate Share to Hospitals (DSH) payments; $3,000,000 for the Disability Compensation Fund; $1,000,000 for the Office of Latino Affairs for Latino Community Education grants; and $5,000,000 for the Children Investment Trust.

PUBLIC WORKS

For an additional amount for ''Public Works'', $131,000 from local funds for Taxicab Inspectors.

FINANCING AND OTHER USES

WORKFORCE INVESTMENTS

For expenses associated with the workforce investments program, $40,500,000 from local funds.

WILSON BUILDING

For an additional amount for ''Wilson Building'', $7,100,000 from local funds.

ENTERPRISE AND OTHER FUNDS

WATER AND SEWER AUTHORITY AND THE WASHINGTON AQUEDUCT

For an additional amount for ''Water and Sewer Authority and the Washington Aqueduct'', $2,151,000 from local funds for the Water and Sewer Authority for initiatives associated with complying with stormwater legislation and proposed right-of-way fees.

GENERAL PROVISION—THIS CHAPTER

SEC. 2301. REPORT BY THE MAYOR. The Mayor of the District of Columbia shall provide the House and Senate Committees on Appropriations, the Senate Committee on Governmental Affairs and the House Committee on Government Reform with a report on the specific authority necessary to carry out the responsibilities transferred to the Chief Financial Officer in a non-control year, outlined in section 155 of Public Law 106–522, the Fiscal Year 2001 District of Columbia Appropriations Act, and responsibilities outlined in Bill 14–254, passed by the Council of the District of Columbia on July 10, 2001 relating to the transition of responsibilities under Public Law 104–8, the District of Columbia Financial Responsibility and Management Assistance Act of 1995, within forty-five (45) days of enactment of this Act.

CHAPTER 4

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES, ARKANSAS, ILLINOIS, KENTUCKY, LOUISIANA, MISSISSIPPI, MISSOURI, AND TENNESSEE

For an additional amount for ''Flood Control, Mississippi River and Tributaries, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee'', for emergency expenses due to flooding and other natural disasters, $9,000,000, to remain available until expended.

OPERATION AND MAINTENANCE, GENERAL

For an additional amount for ''Operation and Maintenance, General'', $86,500,000, to remain available until expended: Provided, That using $8,000,000 of the funds appropriated herein, the Secretary of the Army, acting through the Chief of Engineers, is directed to repair, restore, and clean up Corps' projects and facilities, dredge navigation channels, restore and clean out area streams, provide emergency streambank protection, restore other crucial public infrastructure (including sewer and water facilities), document flood impacts, and undertake other flood recovery efforts deemed necessary and advisable by the Chief of Engineers due to the July 2001 flooding in Southern and Central West Virginia: Provided further, That using $1,900,000 of the funds appropriated herein, the Secretary of the Army, acting through the Chief of Engineers, is directed to undertake the project authorized by section 518 of Public Law 106–53, at full Federal expense.

FLOOD CONTROL AND COASTAL EMERGENCIES

For expenses necessary for emergency flood control, hurricane, and shore protection activities, as authorized by section 5 of the Flood Control Act of August 18, 1941, as amended, $50,000,000, to remain available until expended.

DEPARTMENT OF ENERGY

ENERGY PROGRAMS

NON-DEFENSE ENVIRONMENTAL MANAGEMENT

For an additional amount for ''Non-Defense Environmental Management'', $11,950,000, to remain available until expended.

URANIUM FACILITIES MAINTENANCE AND REMEDIATION

For an additional amount for ''Uranium Facilities Maintenance and Remediation'', $30,000,000, to be derived from the Uranium Enrichment Decontamination and Decommissioning Fund, to remain available until expended.

POWER MARKETING ADMINISTRATIONS

CONSTRUCTION, REHABILITATION, OPERATION AND MAINTENANCE, WESTERN AREA POWER ADMINISTRATION

For an additional amount for ''Construction, Rehabilitation, Operation and Maintenance, Western Area Power Administration'', $1,578,000, to remain available until expended: Provided, That these funds shall be non-reimbursable.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2401. Of the amounts appropriated under the heading ''Operation and Maintenance, General'' under title I of the Energy and Water Development Appropriations Act, 2001 (enacted by Public Law 106–377; 114 Stat. 1441 A–62), $500,000 made available for the Chickamauga Lock, Tennessee, shall be available for completion of the feasibility study for Chickamauga Lock, Tennessee.

SEC. 2402. AUTHORIZATION TO ACCEPT PREPAYMENT OF OBLIGATIONS. (a) IN GENERAL.—Notwithstanding section 213 of the Reclamation Reform Act of 1982 (43 U.S.C. 390mm), the Bureau of Reclamation may accept prepayment for all remaining repayment obligations under Contract I78r–423, Amendment 4 (referred to in this section as the ''Contract'') entered into with the United States.

(b) CONTRACTUAL OBLIGATIONS.—If full prepayment of all remaining repayment obligations under the Contract is offered—

(1) the Secretary of the Interior shall accept the prepayment; and

(2) on acceptance by the Secretary of the prepayment all land covered by the Contract shall not be subject to the ownership and full cost pricing limitation under Federal reclamation law (the Act of June 17, 1902 (32 Stat. 388, chapter 1093), and Acts supplemental to and amendatory of that Act (43 U.S.C. 371 et seq.)).

SEC. 2403. INCLUSION OF RENAL CANCER AS BASIS FOR BENEFITS UNDER THE ENERGY EMPLOYEES OCCUPATIONAL ILLNESS COMPENSATION PROGRAM ACT OF 2000. (a) Section 3621(17) of the Energy Employees Occupational Illness Compensation Program Act of 2000 (title XXXVI of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398; 114 Stat. 1654A–502)) is amended by adding at the end the following new subparagraph:

''(C) Renal cancers.''.

(b) This section shall be effective on October 1, 2001.

CHAPTER 5

BILATERAL ECONOMIC ASSISTANCE

AGENCY FOR INTERNATIONAL DEVELOPMENT

CHILD SURVIVAL AND DISEASE PROGRAMS FUND

(INCLUDING RESCISSION)

For an additional amount for ''Child Survival and Disease Programs Fund'', $100,000,000, to remain available until expended: Provided, That this amount may be made available, notwithstanding any other provision of law, for a United States contribution to a global trust fund to combat HIV/AIDS, malaria, and tuberculosis.

Of the funds made available under this heading in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2001, and prior Acts, $10,000,000 are rescinded.

OTHER BILATERAL ASSISTANCE

ECONOMIC SUPPORT FUND

(RESCISSION)

Of the funds made available under this heading in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2001, and prior Acts, $10,000,000 are rescinded.

GENERAL PROVISION—THIS CHAPTER

SEC. 2501. The final proviso in section 526 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (as enacted into law by section 1000(a)(2) of Public Law 106–113), as amended, is hereby repealed, and the funds identified by such proviso shall be made available pursuant to the authority of section 526 of Public law 106–429.

CHAPTER 6

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

For an additional amount for ''Management of Lands and Resources'', $3,000,000, to remain available until expended, to address increased permitting responsibilities related to energy needs.

UNITED STATES FISH AND WILDLIFE SERVICE

CONSTRUCTION

For an additional amount for ''Construction'', $17,700,000, to remain available until expended, to repair damages caused by floods, ice storms, and earthquakes in the States of Washington, Illinois, Iowa, Minnesota, Missouri, Wisconsin, New Mexico, Oklahoma, and Texas.

NATIONAL PARK SERVICE

UNITED STATES PARK POLICE

For an additional amount for ''United States Park Police'', $1,700,000, to remain available until September 30, 2002, for unbudgeted increases in pension costs for retired United States Park Police officers.

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

(INCLUDING TRANSFERS OF FUNDS)

For an additional amount for ''Operation of Indian Programs'', $50,000,000, to remain available until expended, for electric power operations and related activities at the San Carlos Irrigation Project, of which such amounts as necessary may be transferred to other appropriations accounts for repayment of advances previously made for such power operations.

RELATED AGENCY

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

FOREST AND RANGELAND RESEARCH

For an additional amount for ''Forest and Rangeland Research'', $1,400,000, to remain

available until expended, to carry out research and development activities to arrest, control, eradicate, and prevent the spread of sudden oak death syndrome.

STATE AND PRIVATE FORESTRY

For an additional amount for ''State and Private Forestry'', $22,000,000, to remain available until expended, to repair damages caused by ice storms in the States of Arkansas, Oklahoma, and Texas, and for emergency pest suppression and prevention on Federal, State and private lands.

For an additional amount for ''State and Private Forestry'', $750,000 to be provided to the Kenai Peninsula Borough Spruce Bark Beetle Task Force for emergency response and $1,750,000 to be provided to the Municipality of Anchorage for emergency fire fighting response and preparedness to respond to wildfires in spruce bark beetle infested forests, to remain available until expended: Provided, That such amounts shall be provided as direct lump sum payments within 30 days of enactment of this Act.

NATIONAL FOREST SYSTEM

For an additional amount for ''National Forest System'', $12,000,000, to remain available until expended, to repair damages caused by ice storms in the States of Arkansas and Oklahoma and to address illegal cultivation of marijuana in California and Kentucky.

CAPITAL IMPROVEMENT AND MAINTENANCE

(INCLUDING RESCISSION)

Of the funds appropriated in Title V of Public Law 105–83 for the purposes of section 502(e) of that Act, the following amounts are rescinded: $1,000,000 for snow removal and pavement preservation and $4,000,000 for pavement rehabilitation.

For an additional amount for ''Capital Improvement and Maintenance'', $5,000,000, to remain available until expended, for the purposes of section 502(e) of Public Law 105–83.

For an additional amount for ''Capital Improvement and Maintenance'' to repair damage caused by ice storms in the States of Arkansas and Oklahoma, $4,000,000, to remain available until expended.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2601. Of the funds appropriated to ''Operation of the National Park System'' in Public Law 106–291, $200,000 for completion of a wilderness study at Apostle Islands National Lakeshore, Wisconsin, shall remain available until expended.

SEC. 2602. (a) The unobligated balances as of September 30, 2001, of the funds transferred to the Secretary of the Interior pursuant to section 311 of chapter 3 of division A of the Miscellaneous Appropriations Act, 2001 (as enacted into law by Public Law 106–554) for maintenance, protection, or preservation of the land and interests in land described in section 3 of the Minuteman Missile National Historic Site Establishment Act of 1999 (Public Law 106–115), are rescinded.

(b) Subsection (a) shall be effective on September 30, 2001.

(c) The amount rescinded pursuant to subsection (a) is appropriated to the Secretary of the Interior for the purposes specified in such subsection, to remain available until expended.

SEC. 2603. Pursuant to title VI of the Steens Mountain Cooperative Management and Protection Act, Public Law 106–399, the Bureau of Land Management may transfer such sums as are necessary to complete the individual land exchanges identified under title VI from unobligated land acquisition balances.

SEC. 2604. Section 338 of Public Law 106–291 is amended by striking ''105–825'' and inserting in lieu thereof: ''105–277''.

SEC. 2605. Section 2 of Public Law 106–558 is amended by striking subsection (b) in its entirety and inserting in lieu thereof:

''(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act.''.

SEC. 2606. Federal Highway Administration emergency relief for federally-owned roads, made available to the Forest Service as Federal-aid highways funds, may be used to reimburse Forest Service accounts for expenditures previously completed only to the extent that such expenditures would otherwise have qualified for the use of Federal-aid highways funds.

SEC. 2607. Notwithstanding any other provision of law, $2,000,000 provided to the Forest Service in Public Law 106–291 for the Region 10 Jobs in the Woods program shall be advanced as a direct lump sum payment to Ketchikan Public Utilities within thirty days of enactment: Provided, That such funds shall be used by Ketchikan Public Utilities specifically for hiring workers for the purpose of removing timber within the right-of-way for the Swan Lake-Lake Tyee Intertie.

SEC. 2608. Section 122(a) of Public Law 106–291 is amended by:

(1) inserting ''hereafter'' after ''such amounts''; and

(2) striking ''June 1, 2000'' and inserting ''June 1 of the preceding fiscal year''.

SEC. 2609. Section 351 of Public Law 105–277 is amended by striking ''prior to September 30, 2001'' and inserting in lieu thereof: ''prior to September 30, 2004''.

CHAPTER 7

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

TRAINING AND EMPLOYMENT SERVICES

(INCLUDING RESCISSIONS)

For an additional amount to carry out chapter 4 of the Workforce Investment Act, $25,000,000 to be available for obligation for the period April 1, 2001 through June 30, 2002.

Of the funds made available under this heading in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–554), $65,000,000 are rescinded including $25,000,000 available for obligation for the period April 1, 2001 through June 30, 2002 to carry out section 169 of the Workforce Investment Act, and $40,000,000 available for obligation for the period July 1, 2001 through June 30, 2002 for Safe Schools/Healthy Students and Incumbent Workers.

Of the funds made available under this heading in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–554), for Dislocated Worker Employment and Training Activities, $177,500,000 available for obligation for the period July 1, 2001 through June 30, 2002 are rescinded: Provided, That, notwithstanding any other provision of law, $110,000,000 is from amounts allotted under section 132(a)(2)(B), and $67,500,000 is from the National Reserve under section 132(a)(2)(A) of the Workforce Investment Act: Provided further, That notwithstanding any other provision of law, the Secretary shall reduce each State's program year 2001 allotment under section 132(a)(2)(B) by applying an allocation methodology that distributes the rescission based on each State's share of unexpended balances as of June 30, 2001: Provided further, That the effective date of the rescission shall be at the time the Secretary determines, based on the best information available, each State's unexpended balance as of June 30, 2001.

PENSION AND WELFARE BENEFITS ADMINISTRATION

SALARIES AND EXPENSES

Of the funds made available under this heading in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–554), $490,000 are authorized to remain available through September 30, 2002.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES

The matter under this heading in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–554) is amended by striking ''$226,224,000'' and inserting ''$224,724,000''.

The provision for Northeastern University is amended by striking ''doctors'' and inserting ''allied health care professionals''.

NATIONAL INSTITUTES OF HEALTH

(INCLUDING TRANSFER OF FUNDS)

Of the amount appropriated in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–554) for the National Library of Medicine, $7,115,000 is hereby transferred to Buildings and Facilities, National Institutes of Health, for purposes of the design of a National Library of Medicine facility.

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES

For carrying out the Public Health Service Act with respect to mental health services, $6,500,000 for maintenance, repair, preservation, and protection of the Federally owned facilities, including the Civil War Cemetery, at St. Elizabeths Hospital, which shall remain available until expended.

ADMINISTRATION FOR CHILDREN AND FAMILIES

LOW INCOME HOME ENERGY ASSISTANCE

For an additional amount for ''Low Income Home Energy Assistance'' under section 2602(e) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 8621(e)), $300,000,000, to remain available until expended: Provided, That these funds are for the home energy assistance needs of one or more States, as authorized by section 2604(e) of that Act and notwithstanding the designation requirement of section 2602(e) of such Act.

DEPARTMENT OF EDUCATION

EDUCATION REFORM

In the statement of the managers of the committee of conference accompanying H.R. 4577 (Public Law 106–554; House Report 106–1033), in title III of the explanatory language on H.R. 5656 (Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001), in the matter relating to Technology Innovation Challenge Grants under the heading ''Education Reform'', the amount specified for Western Kentucky University to improve teacher preparation programs that help incorporate technology into the school curriculum shall be deemed to be $400,000.

EDUCATION FOR THE DISADVANTAGED

The matter under this heading in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–554) is amended by striking ''$7,332,721,000'' and inserting ''$7,237,721,000''.

For an additional amount (to the corrected amount under this heading) for ''Education for the Disadvantaged'' to carry out part A of title I of the Elementary and Secondary Education Act of 1965 in accordance with the eighth proviso under that heading, $161,000,000, which shall become available on July 1, 2001, and shall remain available through September 30, 2002.

IMPACT AID

Of the $12,802,000 available under the heading ''Impact Aid'' in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–554) for construction under section 8007 of the Elementary and Secondary Education Act of 1965,

$6,802,000 shall be used as directed in the first proviso under that heading, and the remaining $6,000,000 shall be distributed to eligible local educational agencies under section 8007, as such section was in effect on September 30, 2000.

SPECIAL EDUCATION

In the statement of the managers of the committee of conference accompanying H.R. 4577 (Public Law 106–554; House Report 106–1033), in title III of the explanatory language on H.R. 5656 (Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001), in the matter relating to Special Education Research and Innovation under the heading ''Special Education'', the provision for training, technical support, services and equipment through the Early Childhood Development Project in the Mississippi Delta Region shall be applied by substituting ''Easter Seals—Arkansas'' for ''the National Easter Seals Society''.

EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT

The matter under this heading in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–554) is amended by striking ''$139,624,000'' and inserting ''$139,853,000''.

In the statement of the managers of the committee of conference accompanying H.R. 4577 (Public Law 106–554; House Report 106–1033), in title III of the explanatory language on H.R. 5656 (Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001), in the matter relating to the Fund for the Improvement of Education under the heading ''Education Research, Statistics and Improvement''—

(1) the aggregate amount specified shall be deemed to be $139,853,000;

(2) the amount specified for the National Mentoring Partnership in Washington, DC for establishing the National E-Mentoring Clearinghouse shall be deemed to be $461,000; and

(3) the provision specifying $1,275,000 for one-to-one computing shall be deemed to read as follows:

''$1,275,000—NetSchools Corporation, to provide one-to-one e-learning pilot programs for Dover Elementary School in San Pablo, California, Belle Haven Elementary School in East Menlo Park, California, East Rock Magnet School in New Haven, Connecticut, Reid Elementary School in Searchlight, Nevada, and McDermitt Combined School in McDermitt, Nevada;''.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2701. (a) Section 117 of the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2327) is amended—

(1) in subsection (a), by inserting ''that are not receiving Federal support under the Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801 et seq.) or the Navajo Community College Act (25 U.S.C. 640a et seq.)'' after ''institutions'';

(2) in subsection (b), by adding ''institutional support of'' after ''for'';

(3) in subsection (d), by inserting ''that is not receiving Federal support under the Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801 et seq.) or the Navajo Community College Act (25 U.S.C. 640a et seq.)'' after ''institution''; and

(4) in subsection (e)(1)—

(A) by striking ''and'' at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting ''; and''; and

(C) by adding at the end the following:

''(D) institutional support of vocational and technical education.''.

(b) EFFECTIVE DATE.—

(1) The amendments made by subsection (a) shall take effect on the date of enactment of this section.

(2) The amendments made by subsection (a) shall apply to grants made for fiscal year 2001 only if this section is enacted before August 4, 2001.

SEC. 2702. CORPORATION FOR PUBLIC BROADCASTING AUTHORIZATION OF APPROPRIATIONS.—Subsection (k)(1) of section 396 of the Communications Act of 1934 (47 U.S.C. 396) is amended—

(1) by re-designating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively; and

(2) by inserting after subparagraph (C) the following new subparagraph (D):

''(D) In addition to any amounts authorized under any other provision of this or any other Act to be appropriated to the Fund, $20,000,000 are hereby authorized to be appropriated to the Fund (notwithstanding any other provision of this subsection) specifically for transition from the use of analog to digital technology for the provision of public broadcasting services for fiscal year 2001.''.

SEC. 2703. IMPACT AID. (a) LEARNING OPPORTUNITY THRESHOLD PAYMENTS.—Section 8003(b)(3)(B)(iv) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(b)(3)(B)(iv)) (as amended by section 1806(b)(2)(C) of the Impact Aid Reauthorization Act of 2000 (as enacted into law by section 1 of Public Law 106–398)) is amended by inserting ''or less than the average per-pupil expenditure of all the States'' after ''of the State in which the agency is located''.

(b) FUNDING.—The Secretary of Education shall make payments under section 8003(b)(3)(B)(iv) of the Elementary and Secondary Education Act of 1965 from the $882,000,000 available under the heading ''Impact Aid'' in title III of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–554) for basic support payments under section 8003(b).

CHAPTER 8

LEGISLATIVE BRANCH

CONGRESSIONAL OPERATIONS

HOUSE OF REPRESENTATIVES

PAYMENTS TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

For payment to Rhonda B. Sisisky, widow of Norman Sisisky, late a Representative from the Commonwealth of Virginia, $145,100.

For payment to Barbara Cheney, heir of John Joseph Moakley, late a Representative from the Commonwealth of Massachusetts, $145,100.

SALARIES AND EXPENSES

For an additional amount for salaries and expenses of the House of Representatives, $61,662,000, as follows:

MEMBERS' REPRESENTATIONAL ALLOWANCES, STANDING COMMITTEES, SPECIAL AND SELECT, COMMITTEE ON APPROPRIATIONS, ALLOWANCES AND EXPENSES

For an additional amount for Members' Representational Allowances, Standing Committees, Special and Select, Committee on Appropriations, and Allowances and Expenses, $44,214,000, with any allocations to such accounts subject to approval by the Committee on Appropriations of the House of Representatives: Provided, That $9,776,000 of such amount shall remain available for such salaries and expenses until December 31, 2002.

SALARIES, OFFICERS AND EMPLOYEES

For an additional amount for compensation and expenses of officers and employees, as authorized by law, $17,448,000, including: for salaries and expenses of the Office of the Clerk, $3,150,000; and for salaries and expenses of the Office of the Chief Administrative Officer, $14,298,000, of which $11,181,000 shall be for salaries, expenses, and temporary personal services of House Information Resources and $3,000,000 shall be for separate upgrades for committee rooms: Provided, That $500,000 of the funds provided to the Office of the Chief Administrative Officer for separate upgrades for committee rooms may be transferred to the Office of the Architect of the Capitol for the same purpose, subject to the approval of the Committee on Appropriations of the House of Representatives: Provided further, That all of the funds provided under this heading shall remain available until expended.

ADMINISTRATIVE PROVISION

SEC. 2801. (a) The Legislative Branch Appropriations Act, 2001 (as enacted into law by reference under section 1(a)(2) of the Consolidated Appropriations Act, 2001; Public Law 106–554), is amended in the item relating to ''HOUSE OF REPRESENTATIVES—SALARIES AND EXPENSES—SALARIES, OFFICERS AND EMPLOYEES'' by striking ''not more than $3,500, of which not more than $2,500 is for the Family Room'' and inserting ''not more than $11,000, of which not more than $10,000 is for the Family Room''.

(b) The amendment made by subsection (a) shall take effect as if included in the enactment of the Legislative Branch Appropriations Act, 2001.

JOINT ITEMS

CAPITOL POLICE BOARD

CAPITOL POLICE

SALARIES

For an additional amount for the Capitol Police Board for salaries of officers, members and employees of the Capitol Police, including overtime and Government contributions for health, retirement, Social Security, and other applicable employee benefits, $514,000, of which $257,000 is provided to the Sergeant at Arms of the House of Representatives, to be disbursed by the Chief Administrative Officer of the House, and $257,000 is provided to the Sergeant at Arms and Doorkeeper of the Senate, to be disbursed by the Secretary of the Senate: Provided, That of the amounts appropriated under this heading, such amounts as may be necessary may be transferred between the Sergeant at Arms of the House of Representatives and the Sergeant at Arms and Doorkeeper of the Senate.

GENERAL EXPENSES

For an additional amount for the Capitol Police Board for necessary expenses of the Capitol Police, including security equipment and installation, supplies, materials, and meals, beverages and water for officers or civilian employees of the Capitol Police while performing duties during an extraordinary event or emergency response incident as determined by the Capitol Police Board, $486,000, to be disbursed by the Capitol Police Board or their delegee, to remain available until September 30, 2002.

ADMINISTRATIVE PROVISION

SEC. 2802. (a)(1) Any funds received by the Capitol Police as reimbursement for law enforcement assistance from any Federal, State, or local government agency (including any agency of the District of Columbia) shall be deposited in the United States Treasury for credit to the appropriation for ''GENERAL EXPENSES'' under the heading ''CAPITOL POLICE BOARD'', or ''SECURITY ENHANCEMENTS'' under the heading ''CAPITOL POLICE BOARD''.

(2) Funds deposited under this subsection may be expended by the Capitol Police Board for any authorized purpose, including overtime pay expenditures relating to law enforcement assistance to any Federal, State, or local government agency (including any agency of the District of Columbia), and shall remain available until expended.

(b) This section shall take effect on the date of enactment of this Act and shall apply to fiscal year 2001 and each fiscal year thereafter.

OFFICE OF COMPLIANCE

SALARIES AND EXPENSES

For an additional amount for salaries and expenses of the Office of Compliance, as authorized by section 305 of the Congressional Accountability Act of 1995 (2 U.S.C. 1385), $35,000.

GOVERNMENT PRINTING OFFICE

CONGRESSIONAL PRINTING AND BINDING

For an additional amount for authorized printing and binding for the Congress and the distribution of Congressional information in any format; printing and binding for the Architect of the Capitol; expenses necessary for preparing the semimonthly and session index to the Congressional Record, as authorized by law (44 U.S.C. 902); printing and binding of Government publications authorized by law to be distributed to Members of Congress; and printing, binding, and distribution of Government publications authorized by law to be distributed without charge to the recipient, $9,900,000.

GOVERNMENT PRINTING OFFICE REVOLVING FUND

For payment to the Government Printing Office Revolving Fund, $6,000,000, to remain available until expended, for air-conditioning and lighting systems.

LIBRARY OF CONGRESS

SALARIES AND EXPENSES

For an additional amount for salaries and expenses, Library of Congress, $600,000, to remain available until expended, for a collaborative Library of Congress telecommunications project with the United States Military Academy.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2803. Section 101(a) of the Supplemental Appropriations Act, 1977 (2 U.S.C. 61h–6(a)) is amended—

(1) by inserting after the second sentence the following: ''The President pro tempore emeritus of the Senate is authorized to appoint and fix the compensation of one individual consultant, on a temporary or intermittent basis, at a daily rate of compensation not in excess of that specified in the first sentence of this subsection.''; and

(2) in the last sentence by inserting ''President pro tempore emeritus,'' after ''President pro tempore,''.

SEC. 2804. The Abraham Lincoln Bicentennial Commission Act, Public Law 106–173, February 25, 2000 is hereby amended in section 7 by striking subsection (e) and inserting the following:

''(e) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Commission, the Librarian of Congress shall provide to the Commission, on a reimbursable basis, administrative support services necessary for the Commission to carry out its responsibilities under this Act, including disbursing funds available to the Commission, and computing and disbursing the basic pay for Commission personnel.''.

SEC. 2805. Notwithstanding any limitation in 31 U.S.C. sec. 1553(b) and 1554, the Architect of the Capitol may use current year appropriations to reimburse the Department of the Treasury for prior year water and sewer services payments otherwise chargeable to closed accounts.

SEC. 2806. That notwithstanding any other provision of law, and specifically section 5(a) of the Employment Act of 1946 (15 U.S.C. 1024(a)), the Members of the Senate to be appointed by the President of the Senate shall for the duration of the One Hundred Seventh Congress, be represented by six Members of the majority party and five Members of the minority party.

CHAPTER 9

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

RENTAL PAYMENTS

(RESCISSION)

Of the available balances under this heading, $440,000 are rescinded.

COAST GUARD

OPERATING EXPENSES

For an additional amount for ''Operating expenses'', $92,000,000, to remain available until September 30, 2002.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

For an additional amount for ''Acquisition, Construction, and Improvements'', $4,000,000, to remain available until expended, for the repair of Coast Guard facilities damaged during the Nisqually earthquake or for costs associated with moving the affected Coast Guard assets to an alternative site within Seattle, Washington.

(RESCISSION)

Of the amounts made available under this heading in Public Law 106–69 and Public Law 106–346, $12,000,000 are rescinded.

FEDERAL AVIATION ADMINISTRATION

GRANTS-IN-AID FOR AIRPORTS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION OF CONTRACT AUTHORIZATION)

Of the unobligated balances authorized under 49 U.S.C. 48103, as amended, $30,000,000 are rescinded.

FEDERAL HIGHWAY ADMINISTRATION

EMERGENCY HIGHWAY RESTORATION

(HIGHWAY TRUST FUND)

For the costs associated with the long term improvement, restoration, or replacement of highways including seismically-vulnerable highways recently damaged during the Nisqually earthquake, $27,600,000, to be derived from the Highway Trust Fund, other than the Mass Transit Account, and to remain available until expended: Provided, That of the amount made available under this head, $3,800,000 shall be for the Alaskan Way Viaduct in Seattle, Washington; $9,000,000 shall be for the Magnolia Bridge in Seattle, Washington; $9,100,000 shall be for U.S. 119 over Pine Mountain in Letcher County, Kentucky; $4,700,000 shall be for the Lake Street Access to I–35 West project in Minneapolis, Minnesota; $500,000 shall be for the Interstate 55 interchange project at Weaver Road and River Des Peres in Missouri; and $500,000 shall be for damage resulting from tornadoes, flooding and icestorms in northwest Wisconsin including Bayfield and Douglas counties.

FEDERAL-AID HIGHWAYS

(HIGHWAY TRUST FUND)

(RESCISSIONS)

Of the unobligated balances made available under Public Law 94–280, Public Law 95–599, Public Law 97–424, Public Law 100–17, Public Law 101–516, Public Law 102–143, Public Law 102–240, and Public Law 103–311, $15,918,497 are rescinded.

RELATED AGENCY

UNITED STATES-CANADA RAILROAD COMMISSION

For necessary expenses of the joint United States-Canada Railroad Commission to study the feasibility of connecting the rail system in Alaska to the North American continental rail system, $2,000,000, to remain available until expended.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2901. (a) Item 143 in the table under the heading ''Capital Investment Grants'' in title I of the Department of Transportation and Related Agencies Appropriations Act, 1999 (Public Law 105–277; 112 Stat. 2681–456) is amended by striking ''Northern New Mexico park and ride facilities'' and inserting ''Northern New Mexico park and ride facilities and State of New Mexico, Buses and Bus-Related Facilities''.

(b) Item 167 in the table under the heading ''Capital Investment Grants'' in title I of the Department of Transportation and Related Agencies Appropriations Act, 2000 (Public Law 106–69; 113 Stat. 1006) is amended by striking ''Northern New Mexico Transit Express/Park and Ride buses'' and inserting ''Northern New Mexico park and ride facilities and State of New Mexico, Buses and Bus-Related Facilities''.

CHAPTER 10

DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

For an additional amount for ''Salaries and Expenses'' to reimburse any agency of the Department of the Treasury or other Federal agency for costs of providing operational and perimeter security at the 2002 Winter Olympics in Salt Lake City, Utah, $59,956,000, to remain available until September 30, 2002.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

For an additional amount for ''Salaries and Expenses'', $49,576,000, to remain available through September 30, 2002.

INTERNAL REVENUE SERVICE

PROCESSING, ASSISTANCE, AND MANAGEMENT

For an additional amount for ''Processing, Assistance, and Management'', $66,200,000, to remain available through September 30, 2002.

FEDERAL PAYMENT TO MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION

Of the funds made available under this heading in H.R. 5658 of the 106th Congress, as incorporated by reference in Public Law 106–554, up to $1,000,000 may be transferred and made available for necessary expenses incurred pursuant to section 6(7) of the Morris K. Udall Scholarship and Excellence in National Environmental and Native American Public Policy Act of 1992 (20 U.S.C. 5604(7)), to remain available until expended.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 21001. Section 413 of H.R. 5658, as incorporated by reference in Public Law 106–554, is amended to read as follows:

''SEC. 413. DESIGNATION OF THE PAUL COVERDELL BUILDING. The recently-completed classroom building constructed on the Core Campus of the Federal Law Enforcement Training Center in Glynco, Georgia, shall be known and designated as the 'Paul Coverdell Building'.''.

SEC. 21002. Of unobligated balances as of September 30, 2000, appropriated in, and further authorized through section 511 of Public Law 106–58, and under the headings, ''Internal Revenue Service, Processing, Assistance, and Management'', ''Tax Law Enforcement'', and ''Earned Income Tax Compliance'', $18,000,000 is hereby rescinded, effective September 30, 2001, as follows: $9,805,000 from ''Processing, Assistance, and Management'', $6,952,000 from ''Tax Law Enforcement'', and $1,243,000 from ''Earned Income Tax Credit Compliance Initiative''.

CHAPTER 11

DEPARTMENT OF VETERANS AFFAIRS

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

For an additional amount for ''Compensation and pensions'', $589,413,000, to remain available until expended.

READJUSTMENT BENEFITS

For an additional amount for ''Readjustment benefits'', $347,000,000, to remain available until expended.

VETERANS HEALTH ADMINISTRATION

MEDICAL AND PROSTHETIC RESEARCH

Of the amount provided for ''Medical and prosthetic research'' in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001 (Public Law 106–377), up to $3,500,000 may be used for associated travel expenses.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

(TRANSFER OF FUNDS)

Of the amounts available in the Medical care account, not more than $19,000,000 may be

transferred not later than September 30, 2001, to the General operating expenses account, for the administrative expenses of processing compensation and pension claims, of which up to $5,000,000 may be used for associated travel expenses.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PUBLIC AND INDIAN HOUSING

HOUSING CERTIFICATE FUND

(RESCISSION)

$114,300,000 is rescinded from unobligated balances remaining from funds appropriated to the Department of Housing and Urban Development under this heading or the heading ''Annual contributions for assisted housing'' or any other heading for fiscal year 2000 and prior years: Provided, That any such balances governed by reallocation provisions under the statute authorizing the program for which the funds were originally appropriated shall not be available for this rescission.

NATIVE AMERICAN HOUSING BLOCK GRANTS

Of the funds provided under this heading within the Department of Housing and Urban Development in fiscal year 2001 and prior years, $5,000,000 shall be made available for emergency housing, housing assistance, and other assistance to address the mold problem at the Turtle Mountain Indian Reservation: Provided, That the Federal Emergency Management Agency shall provide technical assistance to the Turtle Mountain Band of Chippewa with respect to the acquisition of emergency housing and related issues on the Turtle Mountain Indian Reservation.

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT FUND

(INCLUDING RESCISSION)

Except for the amount made available for the cost of guaranteed loans as authorized under section 108 of the Housing and Community Development Act of 1974, the unobligated balances available in Public Law 106–377 for use under this heading in only fiscal year 2001 are rescinded as of the date of enactment of this provision.

The amount of the unobligated balances rescinded in the preceding paragraph is appropriated for the activities specified in Public Law 106–377 for which such balances were available, to remain available until September 30, 2003.

The referenced statement of the managers under this heading in Public Law 106–377 is deemed to be amended with respect to the amount made available for Rio Arriba County, New Mexico by striking the words ''for an environmental impact statement'' and inserting the words ''for a regional landfill''.

The referenced statement of the managers in the seventh undesignated paragraph under this heading in title II of Public Law 106–377 is deemed to be amended by striking ''$500,000 for Essex County, Massachusetts for its wastewater and combined sewer overflow program;'' in reference to an appropriation for Essex County, and inserting ''$500,000 to the following Massachusetts communities for wastewater and combined sewer overflow infrastructure improvements: Beverly ($32,000); Peabody ($32,000); Salem ($32,000); Lynn ($32,000); Newburyport ($32,000); Gloucester ($32,000); Marblehead ($30,000); Danvers ($30,000); Ipswich ($17,305); Amesbury ($17,305); Manchester ($17,305); Essex ($17,305); Rockport ($17,305); and Haverhill ($161,475);''.

The referenced statement of the managers in the seventh undesignated paragraph under this heading in title II of Public Law 106–377 is deemed to be amended by striking ''$100,000 to Essex County, Massachusetts for cyberdistrict economic development initiatives;'' in reference to an appropriation for Essex County, and inserting ''$75,000 to improve cyber-districts in Haverhill, Massachusetts and $25,000 to improve cyber-districts in Amesbury, Massachusetts;''.

The referenced statement of the managers in the seventh undesignated paragraph under this heading in title II of Public Law 106–377 is deemed to be amended by striking ''women's and children's hospital'' in reference to an appropriation for Hackensack University Medical Center, and inserting ''the construction of the Audrey Hepburn Children's House'': Provided, That the referenced statement of the managers in the seventh undesignated paragraph under the heading ''Community development block grants'' in title II of Public Law 106–74 is deemed to be amended by striking ''rehabilitation and conversion of part of the NYNEX building into a parking garage'' in reference to an appropriation for the City of Syracuse, New York, and inserting ''the demolition and revitalization of the Montgomery Street/Columbus Circle National Register District Area''.

FEDERAL HOUSING ADMINISTRATION

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(TRANSFER OF FUNDS)

Of the amounts available for administrative expenses and administrative contract expenses under the headings, ''FHA—mutual mortgage insurance program account'', ''FHA—general and special risk program account'', and ''Salaries and expenses, management and administration'' in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by Public Law 106–377, not to exceed $8,000,000 is available to liquidate deficiencies incurred in fiscal year 2000 in the ''FHA—mutual mortgage insurance program account''.

INDEPENDENT AGENCIES

DEPARTMENT OF DEFENSE—CIVIL

CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

Notwithstanding any other provision of law, the provisions of section 401 of Chapter 4 of Appendix D of Public Law 106–554 shall not apply to Arlington National Cemetery (the Cemetery): Provided, That water and sewer services expenses charged to the Cemetery in excess of that amount which the Cemetery has to date paid for such services shall, for the purposes of section 104 of Chapter 4 of Appendix D of Public Law 106–554, be paid for out of appropriations accounts of the Department of Defense other than such account for the Cemetery: Provided further, That in satisfying the provisions of section 401 of Chapter 4 of Appendix D of Public Law 106–554 for fiscal year 2002 and future years, the water and sewer services expenses of the Cemetery shall be that amount as determined by metering within the Cemetery: Provided further, That to the extent the Department of the Treasury has heretofore withdrawn funds of the Cemetery pursuant to section 401 of Chapter 4 of Appendix D of Public Law 106–554, such amount shall be reimbursed to the Cemetery by the Department of the Treasury from funds withdrawn from appropriations accounts of the Department of Defense other than such account for the Cemetery.

ENVIRONMENTAL PROTECTION AGENCY

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

From the amounts appropriated for Cortland County, New York and Central New York Watersheds under this heading in title III of Public Law 106–377 and in future Acts, the Administrator is authorized to award grants for work on New York watersheds: Provided, That notwithstanding any other provision of law, the funds provided to the Salt Lake Organizing Committee (SLOC) under this heading in Public Law 106–377 are available for grants for environmental programs and operations as set forth in the November 2000 Environment Annual Report of the Salt Lake 2002 Olympic Winter Games: Provided further, That the Environmental Protection Agency shall make such funds available within thirty days of enactment of this Act: Provided further, That actual costs incurred by the SLOC for activities consistent with the aforementioned report undertaken by the SLOC subsequent to enactment of Public Law 106–377 shall be eligible for reimbursement under this grant and shall not require a grant deviation by the Agency.

STATE AND TRIBAL ASSISTANCE GRANTS

The referenced statement of the managers under this heading in Public Law 106–377 is deemed to be amended by striking all after the words ''Beloit, Wisconsin'' in reference to item number 236, and inserting the words ''extension of separate sanitary sewers and extension of separate storm sewers''.

The referenced statement of the managers under this heading in Public Law 106–377 is deemed to be amended by striking all after the words ''Limestone County Water and Sewer Authority in Alabama for'' in reference to item number 13, and inserting the words ''drinking water improvements'': Provided, That the referenced statement of the managers under this heading in Public Law 106–377 is deemed to be amended by striking all after the words ''Clinton, Tennessee for'' in reference to item number 211, and inserting the words ''wastewater and sewer system infrastructure improvements''.

The referenced statement of the managers under this heading in Public Law 106–377 is deemed to be amended by striking the words ''the City of Hartselle'' in reference to item number 11, and inserting the words ''Hartselle Utilities''.

The referenced statement of the managers under this heading in Public Law 106–377 is deemed to be amended by striking the words ''Florida Department of Environmental Protection'' in reference to item number 48, and inserting the words ''Southwest Florida Water Management District''.

Under this heading in title III of Public Law 106–377, strike ''$3,628,740,000'' and insert ''$3,641,341,386''.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

HUMAN SPACE FLIGHT

Notwithstanding the proviso under the heading, ''Human space flight'', in Public Law 106–74, $40,000,000 of the amount provided therein shall be available for preparations necessary to carry out future research supporting life and micro-gravity science and applications.

TITLE III

GENERAL PROVISIONS—THIS ACT

SEC. 3001. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 3002. UNITED STATES-CHINA SECURITY REVIEW COMMISSION. There are hereby appropriated, out of any funds in the Treasury not otherwise appropriated, $1,700,000, to remain available until expended, to the United States-China Security Review Commission.

This Act may be cited as the ''Supplemental Appropriations Act, 2001''.

And the Senate agree to the same.

C.W. BILL YOUNG,
RALPH REGULA,
JERRY LEWIS,
HAROLD ROGERS,
JOE SKEEN,
FRANK R. WOLF,
JIM KOLBE,
SONNY CALLAHAN,
JAMES T. WALSH,
CHARLES H. TAYLOR,
DAVID L. HOBSON,
ERNEST J. ISTOOK, Jr.,
HENRY BONILLA,
JOE KNOLLENBERG,
DAVID R. OBEY,
JOHN P. MURTHA,
NORMAN DICKS,
MARTIN OLAV SABO,

STENY H. HOYER,
ALAN B. MOLLOHAN,
MARCY KAPTUR,
PETER J. VISCLOSKY,
NITA M. LOWEY,
JOSÉ E. SERRANO,
JOHN W. OLVER,
Managers on the Part of the House.

ROBERT C. BYRD,
DANIEL K. INOUYE,
FRITZ HOLLINGS,
TED STEVENS,
THAD COCHRAN,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2216) making supplemental appropriations for the fiscal year ending September 30, 2001, and for other purposes submit the following joint statement to the House and the Senate in explanation of the effects of the action agreed upon by the managers and recommended in the accompanying conference report.

Report language included by the House in the report accompanying H.R. 2216 (H. Rept. 107–102) which is not changed by the Senate in the report accompanying S. 1077 (S. Rept. 107–33), and Senate report language which is not changed by the conference are approved by the committee of conference. The statement of managers, while reporting some report language for emphasis, is not intended to negate the language referred to above unless expressly provided therein.

TITLE I

NATIONAL SECURITY MATTERS

CHAPTER I

DEPARTMENT OF JUSTICE

RADIATION EXPOSURE COMPENSATION

PAYMENT TO RADIATION EXPOSURE COMPENSATION TRUST FUND

The conference agreement includes language that provides such sums as may be necessary in fiscal year 2001 to make payment to the Radiation Exposure Compensation Trust Fund. The conferees believe that the Federal government must meet its obligations to persons, and their families, who were exposed to radiation and who now suffer from related diseases. The conferees further note that the compensation payments are based on claimants meeting eligibility criteria and therefore should be mandatory in nature, and such payments are assumed in the fiscal year 2002 congressional budget resolution to be scored as mandatory with enactment of appropriate legislation starting in fiscal year 2002. The conferees are approving these additional funds for fiscal year 2001 with the understanding and expectation that future funding for this purpose will be mandatory and that further discretionary appropriations will not be necessary and should not be provided in subsequent appropriations acts.

CHAPTER 2

DEPARTMENT OF DEFENSE—MILITARY

MILITARY PERSONNEL

The supplemental request included $515,000,000 for functions funded in title I, Military Personnel, of the Department of Defense Appropriations Act. The conferees recommend $515,000,000, as detailed in the following table.

[In thousands of dollars]

Program	Request	House	Senate	Conference
Legislated Pay Entitlements	116,000	116,000	116,000	116,000
Military Personnel, Army	(33,000)	(33,000)	(33,000)	(33,000)
Military Personnel, Navy	(30,000)	(30,000)	(30,000)	(30,000)
Military Personnel, Marine Corps	(10,000)	(10,000)	(10,000)	(10,000)
Military Personnel, Air Force	(28,000)	(28,000)	(28,000)	(28,000)
Reserve Personnel, Army	(4,000)	(4,000)	(4,000)	(4,000)
Reserve Personnel, Air Force	(2,000)	(2,000)	(2,000)	(2,000)
National Guard Personnel, Army	(6,000)	(6,000)	(6,000)	(6,000)
National Guard Personnel, Air Force	(3,000)	(3,000)	(3,000)	(3,000)
Basic Allowance for Housing Survey	210,000	210,000	210,000	210,000
Military Personnel, Army	(78,000)	(78,000)	(78,000)	(78,000)
Military Personnel, Navy	(13,000)	(13,000)	(13,000)	(13,000)
Military Personnel, Marine Corps	(45,000)	(45,000)	(45,000)	(45,000)
Military Personnel, Air Force	(59,000)	(59,000)	(59,000)	(59,000)
Reserve Personnel, Army	(6,000)	(6,000)	(6,000)	(6,000)
National Guard Personnel, Air Force	(9,000)	(9,000)	(9,000)	(9,000)
Subsistence	28,000	28,000	28,000	28,000
Military Personnel, Army	(28,000)	(28,000)	(28,000)	(28,000)
Reserve Training	42,000	48,500	42,000	48,500
Reserve Personnel, Army	(42,000)	(42,000)	(42,000)	(42,000)
Reserve Personnel, Air Force	(0)	(6,500)	(0)	(6,500)
Officer Pay Table Reform	28,000	28,000	28,000	28,000
Military Personnel, Navy	(28,000)	(28,000)	(28,000)	(28,000)
Permanent Change of Station Moves	58,000	58,000	58,000	58,000
Military Personnel, Army	(25,000)	(25,000)	(25,000)	(25,000)
Military Personnel, Navy	(13,000)	(13,000)	(13,000)	(13,000)
Military Personnel, Marine Corps	(14,000)	(14,000)	(14,000)	(14,000)
Military Personnel, Air Force	(6.000)	(6.000)	(6.000)	(6.000)
Recruiting and Retention	33,000	26,500	33,000	26,500
Military Personnel, Air Force	(33,000)	(33,000)	(33,000)	(33,000)

OPERATION AND MAINTENANCE

The supplemental request included $2,841,700,000 for functions funded in title II, Operation and Maintenance, of the Department of Defense Appropriations Act. The conferees recommend $3,046,650,000, instead of $2,852,300,000 as proposed by the House, and $3,002,450,000 as proposed by the Senate. The following table summarizes the conferees' recommendations.

[In thousands of dollars]

Program	Request	House	Senate	Conference
Flying Hours	970,000	970,000	970,000	970,000
Operation and Maintenance, Navy	(425,000)	(425,000)	(425,000)	(425,000)
Operation and Maintenance, Air Force	(418,000)	(418,000)	(418,000)	(418,000)
Operation and Maintenance, Defense-Wide	(20,000)	(20,000)	(20,000)	(20,000)
Operation and Maintenance, Air Force Reserve	(14,000)	(14,000)	(14,000)	(14,000)
Operation and Maintenance, Air National Guard	(93,000)	(93,000)	(93,000)	(93,000)
Focused Relief	36,000	36,000	0	18,500
Operation and Maintenance, Army	(10,700)	(10,700)	(0)	(4,000)
Operation and Maintenance, Navy	(7,000)	(7,000)	(0)	(0)
Operation and Maintenance, Air Force	(3,800)	(3,800)	(0)	(0)
Operation and Maintenance, Defense-Wide	(14,500)	(14,500)	(0)	(14,500)
Base Operations	414,000	407,000	447,500	429,000
Operation and Maintenance, Army	(300,000)	(300,000)	(300,000)	(300,000)
Operation and Maintenance, Navy	(83,000)	(83,000)	(116,500)	(105,000)
Operation and Maintenance, Air Force	(7,000)	(0)	(7,000)	(0)
Operation and Maintenance, Army Reserve	(7,000)	(7,000)	(7,000)	(7,000)
Operation and Maintenance, Navy Reserve	(7,000)	(7,000)	(7,000)	(7,000)
Operation and Maintenance, Army National Guard	(10,000)	(10,000)	(10,000)	(10,000)
Second Destination Transportation	62,000	50,000	62,000	50,000
Operation and Maintenance, Army	(62,000)	(50,000)	(62,000)	(50,000)
Force Protection	33,000	33,000	33,000	33,000
Operation and Maintenance, Navy	(22,000)	(22,000)	(22,000)	(22,000)
Operation and Maintenance, Marine Corps	(11,000)	(11,000)	(11,000)	(11,000)
Contractor Logistics Support	63,000	63,000	38,500	43,600
Operation and Maintenance, Air Force	(63,000)	(63,000)	(38,500)	(43,600)
Joint Exercises	11,000	11,000	11,000	11,000
Operation and Maintenance, Air Force	(11,000)	(11,000)	(11,000)	(11,000)
Ehime Maru	36,000	36,000	36,000	36,000
Operation and Maintenance, Navy	(36,000)	(36,000)	(36,000)	(36,000)
Utilities	465,000	463,100	465,000	465,000
Operation and Maintenance, Army	(172,800)	(172,800)	(172,800)	(172,800)

[In thousands of dollars]

Program	Request	House	Senate	Conference
Operation and Maintenance, Navy	(37,000)	(37,000)	(37,000)	(37,000)
Operation and Maintenance, Marine Corps	(38,000)	(38,000)	(38,000)	(38,000)
Operation and Maintenance, Air Force	(136,200)	(136,200)	(136,200)	(136,200)
Operation and Maintenance, Defense-Wide	(23,900)	(22,000)	(23,900)	(23,900)
Operation and Maintenance, Army Reserve	(13,500)	(13,500)	(13,500)	(13,500)
Operation and Maintenance, Navy Reserve	(5,500)	(5,500)	(5,500)	(5,500)
Operation and Maintenance, Marine Corps Reserve	(1,900)	(1,900)	(1,900)	(1,900)
Operation and Maintenance, Air Force Reserve	(6,000)	(6,000)	(6,000)	(6,000)
Operation and Maintenance, Army National Guard	(13,900)	(13,900)	(13,900)	(13,900)
Operation and Maintenance, Air National Guard	(16,300)	(16,300)	(16,300)	(16,300)
DoD Electrical Demand Reduction	24,500	41,500	24,500	41,500
Operation and Maintenance, Army	(300)	(7,100)	(300)	(300)
Operation and Maintenance, Navy	(14,000)	(21,200)	(14,000)	(24,200)
Operation and Maintenance, Marine Corps	(5,400)	(5,400)	(5,400)	(5,400)
Operation and Maintenance, Air Force	(4,800)	(7,800)	(4,800)	(4,800)
Operation and Maintenance, Defense-Wide	(0)	(0)	(0)	(6,800)
Real Property Maintenance	186,000	144,300	293,000	271,300
Operation and Maintenance, Army	(107,000)	(91,000)	(214,000)	(214,000)
Operation and Maintenance, Navy	(44,000)	(31,500)	(44,000)	(31,500)
Operation and Maintenance, Air Force	(16,000)	(6,800)	(16,000)	(6,800)
Operation and Maintenance, Army National Guard	(19,000)	(15,000)	(19,000)	(19,000)
Aircraft Depot Maintenance	276,000	276,000	276,000	276,000
Operation and Maintenance, Navy	(77,000)	(77,000)	(77,000)	(77,000)
Operation and Maintenance, Air Force	(175,000)	(175,000)	(175,000)	(175,000)
Operation and Maintenance, Air Force Reserve	(14,000)	(14,000)	(14,000)	(14,000)
Operation and Maintenance, Air National Guard	(10,000)	(10,000)	(10,000)	(10,000)
Ship Depot Maintenance	200,000	200,000	200,000	200,000
Operation and Maintenance, Navy	(200,000)	(200,000)	(200,000)	(200,000)
Ship Depot Operations Support	0	0	20,000	20,000
Operation and Maintenance, Navy	(0)	(0)	(20,000)	(20,000)
Spare Parts	0	0	30,000	25,000
Operation and Maintenance, Army	(0)	(0)	(30,000)	(25,000)
Pacific Command Initiatives	0	0	38,000	38,000
Operation and Maintenance, Navy	(0)	(0)	(38,000)	(38,000)
East Timor	0	0	5,000	5,000
Operation and Maintenance, Army	(0)	(0)	(2,400)	(2,400)
Operation and Maintenance, Marine Corps	(0)	(0)	(2,600)	(2,600)
Strategic Lift in the Pacific	0	0	5,000	5,000
Operation and Maintenance, Marine Corps	(0)	(0)	(5,000)	(5,000)
Classified Programs	65,200	96,400	47,950	87,850
Recruiting and Advertising	0	25,000	0	20,900
Operation and Maintenance, Army	(0)	(25,000)	(0)	(20,900)

SPARE PARTS FUNDING

The conferees concur with the Senate's recommended reporting requirements concerning supplemental funding for consumable and reparable spare parts.

ARMY RECRUITING AND ADVERTISING

The conferees recommend $20,900,000, instead of $25,000,000 as proposed by the House to fund the Army's advertising campaign sufficiently through the end of the fiscal year. The conferees are aware of the Army's advertising efforts to focus on certain audiences, including Hispanics, and directs that no less than $5,000,000 of the funds provided be used to further increase existing production efforts directed toward Hispanic recruits.

ARMY REAL PROPERTY MAINTENANCE

The conferees do not agree with the direction in the Senate report regarding the allocation of Army real property maintenance funding.

DEPARTMENT OF DEFENSE ENERGY DEMAND REDUCTION

The conferees include $45,700,000 as proposed by the House instead of $28,700,000 as proposed by the Senate, for Department of Defense energy demand reduction programs. The conferees are greatly concerned about the impact of Department of Defense energy consumption on the Western power grid. The conferees believe strongly that the Secretary of Defense must address this issue with a plan that combines greater energy efficiencies with a determined effort to fully utilize the Department's significant generating capabilities, as well as the land and other natural resources that are available for lease to private power companies. In order to assist in relieving energy demand during electric power emergencies in the western region during such emergencies, the Secretary should use all electric generating facilities owned or operated by the Department of Defense in that region, other than hydroelectric or facilities require for high priority military readiness, to generate energy for use by facilities of the Department of Defense or to be interconnected to public electric power transmission and distribution systems for use on a reimbursable basis. Of the funds provided, the conferees direct the following are to remain available through fiscal year 2002 and to be used as follows:

For ''Operation and Maintenance, Defense-Wide'', up to $5,500,000, to implement an aggressive energy conservation program which performs energy and sustainability audits of facilities at Department of Defense installations on the Western power grid to produce specific recommendations for immediate implementation of energy conservation measures. The conferees direct that the program be conducted using as equal partners, Brooks Energy and Sustainability Laboratory and Lawrence Berkeley Laboratory, with the inclusion of other entities with expertise in the field as appropriate.

For ''Operation and Maintenance, Defense-Wide'', $1,300,000, to conduct a study of installations within the Western power grid for siting potential energy generating facilities under an environmental stewardship program. The conferees note that the National Defense Authorization Act, 2001, expands the Department of Defense's authority to lease real property. This authority could be utilized to site energy generating facilities on installations in return for low cost/no cost reliable power. In addition, there is significant opportunity to leverage private sector investment for environmental restoration in such lease agreements. The conferees direct that the study be focused on and coordinated with an organization having particular experience in establishing a public/private sector capital investment environmental stewardship program for siting power generation systems and addressing urgent environmental issues with potential installations, their local communities, and regulatory agencies. The conferees further direct that the Secretary of Defense designate an appropriate entity using existing personnel within the Department of Defense to centralize service activities under this initiative, and report to the congressional defense committees not later than March 31, 2002, on the results of this study and efforts by the Department to lease real property for these purposes.

For ''Operation and Maintenance, Navy'', $10,200,000 for geothermal well drilling at China Lake.

The conferees direct that in distributing requested funds for the Energy Demand Reduction program, the Department should prioritize projects based upon available data to include increases in installation utility costs, the rate of savings in energy demand the project will produce, and the availability of service resources to complete the project. The conferees further direct the Secretary to submit a report to the congressional defense committees within 45 days of enactment of this Act that describes the complete criteria to be used and the proposed projects for distribution of these funds.

PROCUREMENT

The supplemental request included $550,700,000 for functions funded in title III, Procurement, of the Department of Defense Appropriations Act. The conferees recommend $572,650,000 instead of $488,700,000 as proposed by the House, and $596,150,000 as proposed by the Senate. The following table summarizes the conferees' recommendations.

[In thousands of dollars]

Program	Request	House	Senate	Conference
Training Munitions	73,000	73,000	31,200	31,200
Procurement of Ammunition, Air Force	(73,000)	(73,000)	(31,200)	(31,200)
C–17 Overhead Costs	49,000	49,000	49,000	49,000
Aircraft Procurement, Air Force	(49,000)	(49,000)	(49,000)	(49,000)

[In thousands of dollars]

Program	Request	House	Senate	Conference
Ship Cost Growth	222,000	222,000	297,000	297,000
Shipbuilding and Conversion, Navy	(222,000)	(222,000)	(297,000)	(297,000)
DoD Electrical Demand Reduction	4,200	4,200	4,200	4,200
Other Procurement, Army	(3,000)	(3,000)	(3,000)	(3,000)
Other Procurement, Air Force	(1,200)	(1,200)	(1,200)	(1,200)
Classified Programs	202,500	125,000	199,250	171,750
Global Positioning System NUDET	0	15,500	15,500	15,500
Missile Procurement, Air Force	(0)	(15,500)	(15,500)	(15,500)
Shortstop	0	0	0	4,000
Other Procurement, Army	(0)	(0)	(0)	(4,000)

OTHER PROCUREMENT, ARMY

SHORTSTOP ELECTRONIC PROTECTION SYSTEM

The conferees agree to restore $4,000,000 of the $8,000,000 rescinded by the House for the Shortstop Electronic Protection System (SEPS), and to realign these funds from ''Procurement, Marine Corps'' to ''Other Procurement, Army'', only for the purpose of procuring the SEPS countermeasure system to meet the force protection requirements of Army National Guard units deploying to contingency operations areas and for other Army National Guard requirements.

AIRCRAFT PROCUREMENT, NAVY

JOINT PRIMARY AIRCRAFT TRAINING SYSTEM (JPATS)

The conferees are concerned by the Department of the Navy's decision to discontinue acquisition of the Joint Primary Aircraft Training System (JPATS) for fiscal years 2002 through 2007. JPATS is currently scheduled to replace all Air Force and Navy primary training aircraft and ground based training systems. The program was designed to provide a training aircraft that offers better performance, increased safety, and greater cost-effectiveness than the existing trainer aircraft fleet. The program was also conceived as a joint program with the Navy and the Air Force to create a common multi-service flight training environment as well as to take advantage of economies of scale during the production run.

The conferees direct that no later than 30 days after the enactment of this Act, the Secretary of the Navy shall submit a report to the House and Senate Appropriations Committees detailing the business case for deferring JPATS acquisition. The report should include a discussion of: (1) all life cycle cost impacts associated with the decision to defer acquisition of JPATS; (2) safety issues related to continued use of the T–34 trainer; and (3) the implications of a non-joint initial flight training curriculum.

MISSILE PROCUREMENT, AIR FORCE

GPS NUCLEAR DETONATION

The conferees agree to provide $15,500,000 in the ''Missile Procurement, Air Force'' account for GPS Nuclear Detonation. The conferees direct that these funds shall be executed within the line-item entitled, ''NUDET Detection System''. The conferees agree with the Senate direction regarding transfer of funds in the outyears. The conferees expect the Air Force, as executive agent for space, to protect the interests of the diverse stakeholders who rely on enabling space technology to achieve mission success.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

The supplemental request included $440,500,000 for functions funded in title IV, Research, Development, Test and Evaluation, of the Department of Defense Appropriations Act. The conferees recommend $492,600,000, instead of $525,600,000 as proposed by the House, and $385,500,000 as proposed by the Senate. The following table summarizes the conferees' recommendations.

[In thousands of dollars]

Program	Request	House	Senate	Conference
ISR Enhancements	0	5,000	0	5,000
Research, Development, Test and Evaluation, Army	(0)	(5,000)	(0)	(5,000)
Airborne Laser	153,000	153,000	153,000	153,000
Research, Development, Test and Evaluation, Air Force	(153,000)	(153,000)	(153,000)	(153,000)
Launch Vehicle Demonstration	48,000	48,000	48,000	48,000
Research, Development, Test and Evaluation, Air Force	(48,000)	(48,000)	(48,000)	(48,000)
Global Hawk	25,000	17,000	25,000	17,000
Research, Development, Test and Evaluation, Air Force	(25,000)	(17,000)	(25,000)	(17,000)
Miniature Munitions	20,000	13,000	0	13,000
Research, Development, Test and Evaluation, Air Force	(20,000)	(13,000)	(0)	(13,000)
ISR Battle Management	0	5,000	0	5,000
Research, Development, Test and Evaluation, Air Force	(0)	(5,000)	(0)	(5,000)
Joint Experimentation	15,000	15,000	15,000	15,000
Research, Development, Test and Evaluation, Defense-Wide	(15,000)	(0)	(0)	(0)
Research, Development, Test and Evaluation, Navy	(0)	(15,000)	(15,000)	(15,000)
V–22 Aircraft	80,000	120,000	80,000	80,000
Research, Development, Test and Evaluation, Navy	(80,000)	(120,000)	(80,000)	(80,000)
Naval Fires Network	0	5,000	0	5,000
Research, Development, Test and Evaluation, Navy	(0)	(5,000)	(0)	(5,000)
PIPES Program	0	0	4,000	4,000
Research, Development, Test and Evaluation, Defense-Wide	(0)	(0)	(4,000)	(4,000)
COTS Visualization and Blast Modeling for Force Protection	0	0	0	3,000
Research, Development, Test and Evaluation, Defense-Wide	(0)	(0)	(0)	(3,000)
Classified Programs	99,500	144,600	60,500	144,600

GLOBAL HAWK UNMANNED AERIAL VEHICLE

The conferees agree to provide $17,000,000 to accelerate the development of the Global Hawk High Altitude Endurance Unmanned Aerial Vehicle as recommended by the House, instead of $25,000,000 as recommended by the Senate.

The conferees agree the Air Force should use up to $3,000,000 of the funds provided to conduct a competitive fly-off demonstration to evaluate existing sensor systems, particularly electro-optical and infrared sensors and synthetic aperture radars. Prior to the obligation of the funds for the fly-off demonstration, the Air Force should submit a report to the House and Senate Committees on Appropriations that outlines the strategy and milestone decision points for the demonstration.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

V–22

The conferees agree to retain sufficient fiscal year 2001 funding for the V–22 program to sustain current minimum production rates and support the Blue Ribbon Panel's findings, as well as make prudent reductions to the program in recognition that the aircraft's deficiencies must be corrected. As such, the conferees approve a supplemental appropriation of $80,000,000 for the V–22 development program only for correction of deficiencies, flight test, and flight test support. A reduction of $199,000,000 is approved for the Marine Corps V–22 procurement program, instead of the $235,000,000 reduction proposed by the Defense Department. This adjustment will allow the Marine Corps to purchase 11 aircraft, the minimum production rate required. The conferees also approve a reduction of $327,500,000 from the CV–22 procurement program, delaying initial acquisition of this aircraft until deficiencies can be corrected.

The conferees remain supportive of the goals of the Special Operations Command concerning the CV–22, but believe that all issues with the program restructure need to be resolved before acquisition of CV–22 test articles is warranted.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE

NATIONAL IMAGERY AND MAPPING AGENCY

The conferees agree to two rescissions totaling $7,000,000, from ''Research, Development, Test and Evaluation, Defense-Wide'' and a reappropriation of these amounts for the National Imagery and Mapping Agency. The conferees agree to provide $4,000,000 for PIPES and $3,000,000 for Blast Visualization-COTS Visualization and Blast Modeling for Force Protection.

CENTER FOR THE COMMERCIAL DEPLOYMENT OF TRANSPORTATION TECHNOLOGIES

The conferees believe that preliminary studies of high speed cargo craft for ocean shipping conducted by the Center for the Commercial Deployment of Transportation Technologies under the guidance of USTRANSCOM and MARAD hold promise for development of safe and profitable high-speed shipping vessels that would have utility for the movement of high priority military cargo. The conferees expect

USTRANSCOM to accelerate planning efforts for follow-on CCDoTT development and engineering activities to aid in the evaluation of current sealift designs, shipbuilding requirements and capabilities, and advanced shipbuilding technology, and examination of market opportunity and economic viability. The USTRANSCOM shall provide to the House and Senate Committees on Appropriations by no later than September 30, 2001 an outyear funding plan including funding requirements and a milestone timetable for continuing the follow-on development and engineering studies for this effort.

REVOLVING AND MANAGEMENT FUNDS

DEFENSE WORKING CAPITAL FUNDS

The supplemental request included $178,400,000 for functions funded in title V, Revolving and Management Funds, of the Department of Defense Appropriations Act. The conferees recommend $178,400,000 as detailed in the following table.

[In thousands of dollars]

Program	Request	House	Senate	Conference
Utilities	178,400	178,400	178,400	178,400
Defense Working Capital Funds	(178,400)	(178,400)	(178,400)	(178,400)

OTHER DEPARTMENT OF DEFENSE PROGRAMS

The supplemental request included $1,453,400,000 for functions funded in title VI, Other Department of Defense Programs, of the Department of Defense Appropriations Act. The conferees recommend $1,603,400,000, instead of $1,653,400,000 as proposed by the House and $1,522,200,000 as proposed by the Senate. The following table summarizes the conferees' recommendations.

[In thousands of dollars]

Program	Request	House	Senate	Conference
Defense Health Program	1,453,400	1,653,400	1,522,200	1,603,400
Operation and Maintenance, Defense Health Program	(1,427,000)	(1,427,000)	(1,427,000)	(1,427,000)
Operation and Maintenance, Defense Health Program (for utilities)	(26,400)	(26,400)	(26,400)	(26,400)
Operation and Maintenance, Defense Health Program (MTF Optimization)	(0)	(200,000)	(0)	(120,000)
Operation and Maintenance, Defense Health Program (MTF Operations)	(0)	(0)	(68,800)	(30,000)
Drug Interdiction and Counter-Drug Activities, Defense (for utilities)	0	1,900	0	0

SUPPORT TO MILITARY MEDICAL TREATMENT FACILITIES

The conferees have agreed to provide an increase over the President's budget request of $150,000,000 to initiate an effort to reverse the disinvestments in the military direct care system. This compares to an increase of $200,000,000 proposed by the House and an increase of $68,800,000 proposed by the Senate. The conferees agree that better utilization of direct care military medical treatment facilities must be a principal component of the Department's future plans to control the explosive cost growth in the Defense Health Program. These funds are to be distributed as follows:

$30,000,000 for Army optimization projects;

$30,000,000 for Navy optimization projects;

$30,000,000 for Air Force optimization projects;

$30,000,000 for advanced medical practices;

$30,000,000 for other direct care/MTF requirements.

The conferees agree to the direction provided in the House report outlining the types of optimization projects that are eligible for these funds, guidance on calculating the cost effectiveness proviso in the bill for potential optimization projects, and the requirement for reporting to Congress on the use of these funds. The conferees agree that the $30,000,000 reserved for advanced medical practices shall be used to implement newly developed practices, procedures and techniques such as laser refractive eye surgery, liquid based cytology, positron emission tomography, non-invasive colonoscopy, and rigorous pre-symptomatic screening to augment existing DoD personal wellness and readiness programs.

OUTCOMES MANAGEMENT DEMONSTRATION

The conferees support the outcomes management demonstration at the Walter Reed Army Medical Center (WRAMC). In addition, the conferees have provided an additional $30,000,000, to remain available until expended, to address immediate shortfalls in the direct care system and military medical treatment facilities. From within these funds, the conferees direct that $16,000,000 be made available to continue the outcomes management demonstration at WRAMC.

RECOVERY OF OVERPAYMENTS

The conferees are aware of potentially significant opportunities to recover past capital and direct medical expense (CDME) TRICARE overpayments to civilian hospitals. The conferees urge the Secretary of Defense to act expeditiously to recover such overpayments, and to evaluate the use of existing, innovative methodologies developed in the private sector for this type of recovery auditing.

CLASSIFIED PROGRAMS

The recommendations of the conferees regarding classified programs are summarized in a classified annex accompanying this statement.

GENERAL PROVISIONS—THIS CHAPTER

The conferees agree to delete language as proposed by the House concerning the availability of funds provided in this chapter.

The conferees agree to retain section 1201, as proposed by the Senate concerning fuel transferred by the Defense Energy Supply Center to the Department of the Interior.

The conferees agree to retain section 1202, as proposed by the House and Senate concerning funds for intelligence related programs.

The conferees agree to retain section 1203, as proposed by the Senate which provides $44,000,000 for the repair of the *U.S.S. COLE*.

The conferees agree to amend section 1204, which rescinds $1,034,900,000 of prior year appropriations, instead of $834,000,000 as proposed by the House and $792,000,000 as proposed by the Senate. The specific programs and the amounts rescinded are as follows:

	(Rescissions)
2000 Appropriations: Procurement, Marine Corps: Shortstop	$3,000,000
2001 Appropriations:	
Overseas Contingency Operations Transfer Fund	200,000,000
Aircraft Procurement, Navy: MV–22	199,000,000
Shipbuilding and Conversion, Navy: LPD–17	75,000,000
Procurement, Marine Corps: Shortstop	5,000,000
Aircraft Procurement, Air Force: CV–22	327,500,000
Other Procurement, Air Force: Selected Activities	65,000,000
Procurement, Defense-Wide: NSA—Classified Equipment	85,000,000
Research, Development, Test and Evaluation, Defense-Wide: PIPES	4,000,000
Research, Development, Test and Evaluation, Defense-Wide: COTS Visualization and Blast Modeling for Force Protection	3,000,000
Foreign Currency Fluctuation, Defense	68,400,000

The conferees agree to amend section 1205, as proposed by the House which provides $39,900,000 to repair facilities damaged by natural disasters.

The conferees agree to retain section 1206, as proposed by the House which extends the authorities provided in section 816 of the National Defense Authorization Act of 1995, as amended, through January 31, 2002.

The conferees agree to retain section 1207, as proposed by the Senate concerning retaining all or a portion of Fort Greely, Alaska for missile defense requirements.

The conferees agree to retain section 1208, as proposed by the Senate which makes a technical correction to the fiscal year 2001 appropriation for Maritime Fire Training Centers.

The conferees agree to retain section 1209, as proposed by the Senate which earmarks funds to repair storm damage at Fort Sill, Oklahoma and Red River Army Depot, Texas.

The conferees agree to amend section 1210, as proposed by the Senate which allows for the conveyance by the Secretary of the Army of certain firefighting and rescue vehicles to the City of Bayonne, New Jersey.

The conferees agree to retain section 1211, as proposed by the Senate which prohibits obligating or expending any fiscal year 2001 funds for retiring or dismantling any of the current force of 93 B–1B Lancer bomber aircraft in fiscal year 2001. The Department of Defense has proposed to retire 33 B–1B aircraft at three locations and use a portion of the savings to upgrade the remaining 60 aircraft in the fleet. The conferees note that this provision does not preclude any planning activities by the Department of Defense to retire these 33 aircraft in the future, nor does it prohibit implementation of this plan in FY 2002. The intent of this provision is to afford the Congress and the Department a sufficient amount of time to review the full

implications of this proposal and to evaluate all alternatives.

As part of this review, the Secretary of Defense is directed to provide the congressional defense committees, within 30 days of enactment of this Act, a detailed justification of its B–1B reduction and realignment proposal that includes: (1) A description of the current operational deficiencies of the B–1B aircraft, the plan and cost for correcting those deficiencies (to include increasing the mission capable rate to a minimum of 75 percent), and an assessment of the operational performance, survivability, and overall viability of the upgraded aircraft; (2) a full explanation of the new proposed B–1B basing plan to include a full analysis of basing alternatives that compares the relative fixed and recurring costs at each base, a comparison of the workforce characteristics of each base in terms of experience, productivity and operational performance, and the variable cost differences for different B–1B aircraft maintenance options; and (3) a detailed assessment of the operational, budgetary, and personnel impacts for the Air National Guard.

CHAPTER 3

DEPARTMENT OF ENERGY

ATOMIC ENERGY DEFENSE ACTIVITIES

NATIONAL NUCLEAR SECURITY ADMINISTRATION

WEAPONS ACTIVITIES

The conference agreement provides $126,625,000 for Weapons Activities instead of $140,000,000 as proposed by the Senate and $116,300,000 as proposed by the House.

Directed stockpile work.—The conference agreement includes $54,000,000 for directed stockpile work to be allocated as follows: $31,100,000 for stockpile research and development; $18,900,000 for stockpile maintenance; and $4,000,000 for stockpile evaluation.

Campaigns.—The conference agreement includes $15,000,000 for campaigns to be allocated as follows: $6,000,000 for enhanced surveillance; $4,000,000 for pit manufacturing readiness; $1,800,000 for secondary readiness; $1,600,000 for high explosives manufacturing and weapons assembly/disassembly readiness; and $1,600,000 for nonnuclear readiness.

Readiness in technical base and facilities.—The conference agreement includes $58,000,000 for readiness in technical base and facilities to be allocated as follows: $28,100,000 for operations of facilities; $7,500,000 for program readiness; $8,500,000 for material recycle and recovery; $8,800,000 for containers; and $1,200,000 for storage.

The conference agreement also provides funds for construction projects and includes language authorizing two projects to progress from preliminary engineering and design work to construction. Consistent with this direction, available funding in Project 01–D–103, Project Engineering and Design (PE&D), has been reduced by $13,289,000. Project 01–D–108, the Microsystems and Engineering Sciences Applications (MESA) Complex Facility at Sandia National Laboratories, has been provided $9,500,000. Project 01–D–107, Atlas Relocation and Operations at the Nevada Test Site, has been provided $7,689,000 of which an additional $3,900,000 is provided for Atlas construction in order to complete relocation during fiscal year 2002.

Facilities and infrastructure.—The conference agreement includes $10,000,000, instead of $30,000,000 as proposed by the House and no funding as proposed by the Senate, to establish a new program, Facilities and Infrastructure, to address the serious shortfall in maintenance and repairs throughout the nuclear weapons complex. This funding should be used to reduce the current backlog of maintenance and repairs and dispose of excess facilities. As the first step in this process, the Department is directed to develop current ten-year site plans that demonstrate the reconfiguration of facilities and infrastructure to meet mission requirements and address long-term operational costs and return on investment.

General reduction.—The conference agreement includes a general reduction of $10,375,000 to be allocated among the operating expense funds provided in this supplemental appropriation. However, of the funds provided herein, the National Nuclear Security Administration must provide the appropriate level of funding needed to maintain pit production and certification on schedule.

OTHER DEFENSE RELATED ACTIVITIES

DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT

The conference agreement provides $95,000,000 for Defense Environmental Restoration and Waste Management as proposed by the Senate instead of $100,000,000 as proposed by the House.

Site and project completion.—The conference agreement provides $26,500,000 for site and project completion activities. This includes $3,000,000 for groundwater contamination activities at the Pantex plant in Texas; $10,000,000 for the spent nuclear fuels project and $5,000,000 for deactivation of the plutonium finishing plant at Hanford, Washington; and $8,500,000 for plutonium packaging and stabilization activities at the Savannah River Site in South Carolina.

Post-2006 completion.—The conference agreement provides $68,500,000 for post-2006 completion activities. This includes $7,000,000 to purchase TRUPACTS shipping containers in support of operations at the Waste Isolation Pilot Plant in New Mexico; $10,000,000 for tank farm operations, $3,300,000 for F-reactor safe storage activities, and $25,000,000 for the Waste Treatment and Immobilization Plant at Hanford, Washington; and $23,200,000 for high-level waste activities and work in the F and H areas at the Savannah River Site.

DEFENSE FACILITIES CLOSURE PROJECTS

The conference agreement provides $21,000,000 for Defense Facilities Closure Projects as proposed by the House and the Senate. Funding of $20,000,000 has been provided for the Fernald, Ohio, project, and $1,000,000 for the Miamisburg, Ohio, project.

DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION

The conference agreement provides $29,600,000 for Defense Environmental Management Privatization as proposed by the Senate instead of $27,472,000 as proposed by the House. This funding has been provided for the Advanced Mixed Waste Treatment Facility in Idaho.

OTHER DEFENSE ACTIVITIES

The conference agreement provides $5,000,000 for Other Defense Activities as proposed by the Senate instead of no funding as proposed by the House. This funding is provided for the worker and community transition program to mitigate the impact of the workforce reduction at the Idaho National Engineering and Environmental Laboratory. The Department should report to the House and Senate Committees on Appropriations by October 1, 2001, on the use of this funding to facilitate the proposed reduction of 1,200 employees.

CHAPTER 4

MILITARY CONSTRUCTION

MILITARY CONSTRUCTION, ARMY

The conference agreement includes $22,000,000 for this account instead of $67,400,000 as proposed by the House. The Senate did not have a similar provision. Included in the account are the following projects:

Location/ installation	Project title	Cost
Korea:		
Camp Humphreys	Electrical Upgrade	$10,000,000
Camp Casey	Sewer Upgrade	8,000,000
Camp Casey	Electrical Upgrade	4,000,000
Total, Korea		22,000,000

MILITARY CONSTRUCTION, NAVY

The conference agreement includes $9,400,000 for an emergent repair facility in Guam as proposed by the House. The Senate did not include a similar provision. Not included in the agreement is $1,100,000 for constructing a close range training facility in Okinawa as proposed by the House. The Senate did not include a similar provision.

MILITARY CONSTRUCTION, AIR FORCE

The conference agreement includes $10,000,000 for the Masirah Island Airfield project in Oman instead of $18,000,000 as proposed by the Senate. The House did not include a similar provision. Not included in the agreement is $8,000,000 for fire protection systems in hangars at Kunsan Air Base in Korea as proposed by the House. The Senate did not include a similar provision.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

The conference agreement includes $6,700,000 to repair storm damage at Ellington Air National Guard Base in Texas, as proposed by the Senate. The House did not include a similar provision.

FAMILY HOUSING, ARMY

The conference agreement includes $30,480,000 instead of $29,480,000 as proposed by the House, and $27,200,000 as proposed by the Senate. Of the amount provided, $2,280,000 is for renovating Hannam Village apartments in Seoul, Korea, and $1,000,000 is to repair storm damage at Fort Sill, Oklahoma.

GENERAL PROVISIONS—THIS CHAPTER

The conference agreement includes five general provisions.

Section 1401 authorizes increasing the spending cap at Arvin Cadet Physical Development Center from $77,500,000 to $85,000.000.

Section 1402 clarifies that amounts provided in this chapter are available for the same time period as provided in the fiscal year 2001 appropriations act.

Section 1403 rescinds $46,755,000.

Section 1404 authorizes an increase for Bassett Army Hospital at Fort Wainwright, Alaska.

Section 1405 designates the engineering and management building at Norfolk Naval Shipyard, Virginia, after Norman Sisisky.

TITLE II

OTHER SUPPLEMENTAL APPROPRIATIONS

CHAPTER 1

DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

The conference agreement includes $3,000,000 for the Office of the Secretary, to remain available until September 30, 2002. Of this sum, not less than $1,000,000 shall be used for enforcement of the Animal Welfare Act, not less than $1,000,000 shall be used for enforcement of humane slaughter practices under the Federal Meat Inspection Act, and not more than $500,000 shall be for development and demonstration of technologies to promote the humane treatment of animals, as proposed by the Senate.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

The conference agreement includes $5,000,000 to guard against the threat of foreign animal disease instead of $35,000,000 as proposed by the Senate. It is the intent of the conferees that this sum will be used for equipment purchases that can be executed during fiscal year 2001. The conferees fully expect the Secretary to continue use of funds of the Commodity Credit Corporation as necessary to combat threats of foreign animal disease.

FARM SERVICE AGENCY

AGRICULTURAL CONSERVATION PROGRAM

(RESCISSION)

The conference agreement rescinds $45,000,000 of unobligated funds from the Agricultural Conservation Program.

NATURAL RESOURCES CONSERVATION SERVICE

WATERSHED AND FLOOD PREVENTION OPERATIONS

The conference agreement provides an additional $35,500,000, to remain available until expended, for watershed and flood prevention operations to reduce hazards to life and property in watersheds damaged by natural disasters. The conference agreement includes funding for the following states in the specific amounts: Alabama, $3,500,000; Florida, $2,000,000; Mississippi, $4,000,000; Oklahoma, $7,000,000; Texas, $10,000,000; West Virginia, $8,000,000; and Wisconsin, $1,000,000.

GENERAL PROVISIONS—THIS CHAPTER

Senate Section 2101.—The conference agreement includes language (section 2101) transferring Animal and Plant Health Inspection Service Buildings and Facilities funds for plant quarantine facilities to the State of Alaska.

House Section 2101 and Senate Section 2102.—The conference agreement includes language (section 2102) that makes a technical correction to the Rural Community Advancement Program as proposed by the Senate instead of a technical correction as proposed by the House.

Senate Section 2103.—The conference agreement includes language (section 2103) directing the Secretary to promulgate final regulations for a Federal Crop Insurance Corporation program as authorized in the Agricultural Risk Protection Act of 2000 as proposed by the Senate.

Senate Section 2104.—The Conference agreement includes $20,000,000 (section 2104), as proposed by the Senate, to provide financial assistance in the Klamath Basin for a prospective water conservation program, and provides for expedited procedures. The conference agreement does not include language proposed by the House regarding an apportionment request for the Klamath Basin, and does not include language proposed by the Senate requesting a report of fiscal year 2001 losses.

Senate Section 2105.—The conference agreement includes language (section 2105) that reduces a limitation on the food stamp Employment and Training program by $3,000,000 as proposed by the Senate. The House had no similar provision.

Senate Section 2106.—The conference agreement includes language (section 2106) that rescinds $39,500,000 from unspecified prior year funds for the food stamp Employment and Training program as proposed by the Senate. The House had no similar provision.

Senated Section 2107.—The conference agreement (section 2107) provides $2,000,000 for financial assistance in the Yakima Basin for a prospective water conservation program, and provides for expedited procedures.

Section 2108.—The conference agreement provides up to $22,949,000 for certain expenses for cooperating sponsors under the Global Food for Education Initiative, and rescinds $22,949,000 of funds appropriated for fiscal year 2001 for the Food and Drug Administration that are no longer required.

CHAPTER 2

DEPARTMENT OF COMMERCE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

COASTAL AND OCEAN ACTIVITIES

(INCLUDING RESCISSION)

The conference agreement includes language as proposed in the Senate bill rescinding funds for a construction project and appropriating the same amount for land acquisition and construction for the same project. The House bill did not address this matter.

DEPARTMENTAL MANAGEMENT

EMERGENCY OIL AND GAS GUARANTEED LOAN PROGRAM

(RECISSION)

The conference agreement includes language as proposed in the Senate bill rescinding $114,800,000 from available funds in the Emergency Oil and Gas Guaranteed Loan Program. The House bill did not address this matter.

RELATED AGENCY

SMALL BUSINESS ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING RESCISSION)

The conference agreement includes a provision proposed in the Senate bill rescinding and reappropriating $30,000 appropriated in fiscal year 2001 for technical assistance related to the New Markets Venture Capital Program to allow those funds to remain available until expended. This matter was not addressed in the House version of the bill.

BUSINESS LOANS PROGRAM ACCOUNT

(INCLUDING RESCISSION)

The conference agreement includes a provision proposed in the Senate bill rescinding and reappropriating $22,000,000 appropriated in fiscal year 2001 for the New Markets Venture Capital Program to allow those funds to remain available until expended. This matter was not addressed in the House version of the bill.

GENERAL PROVISIONS—THIS CHAPTER

The conference agreement includes Section 2201, modified from language proposed in the Senate bill, to amend portions of a fishing vessel capacity reduction program authorized in Public Law 106–554 regarding vessel eligibility and the timing of regulations to implement the program. The House bill did not address this matter.

The conference agreement includes Section 2202, modified from language included in the Senate bill, to amend portions of the American Fisheries Act to clarify methods for lenders to demonstrate their citizenship when making loans to the commercial fishing industry after October 1, 2001. The House bill did not address this matter.

The conference agreement includes Section 2203, clarifying the authorized uses of funds under a small business grant program.

The conference agreement includes Section 2204, clarifying the purposes of certain funds appropriated in fiscal year 2001.

CHAPTER 3

DISTRICT OF COLUMBIA

The conference agreement recommends $750,000 in Federal funds, $250,000 by transfer of Federal funds, and the revised supplemental request of $106,588,000 in District funds instead of $107,427,000 in District funds as proposed by the House and $106,677,000 in District funds as proposed by the Senate.

FEDERAL FUNDS

FEDERAL CONTRIBUTION TO THE CHIEF FINANCIAL OFFICER

(INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates $1,000,000 in Federal funds, of which $250,000 is by transfer, as a contribution to the Chief Financial Officer of the District of Columbia for payment to the Excel Institute Adult Education Program. The House had proposed an appropriation under ''Public Education System'' of $1,000,000 consisting of $250,000 by transfer and $750,000 from local funds. The Excel Institute is an academic/auto technical training school located in Northwest Washington. The Institute offers young men and women in the District the opportunity to train for a career, earn a high school equivalency diploma, and obtain an unsubsidized job in the automotive industry. The conferees direct the District's Chief Financial Officer to make the above payment to the Institute within 15 days of the enactment of this Act. The conferees do not expect the Chief Financial Officer to administer this program in any way except to ensure that the funds are disbursed promptly and correctly to the Institute.

DISTRICT OF COLUMBIA FUNDS

GOVERNMENTAL DIRECTION AND SUPPORT

(INCLUDING RESCISSION)

The conference agreement rescinds $250,000 as proposed by the House and inserts language clarifying that the rescission applies to fiscal year 2001 funds as proposed by the Senate.

ECONOMIC DEVELOPMENT AND REGULATION

The conference agreement includes language proposed by the Senate modified to place a cap of $60,000 on the amount to be used to implement the provisions of D.C. Bill 13–646 pertaining to historic properties. This amount was provided by District officials at the request of the conferees. The conferees note that there was no supporting justification material for this language and direct District officials to submit detailed justification material for all budget requests. The conferees request an accounting by November 30, 2001, as to how the funds were used and the purposes for which they were used.

PUBLIC SAFETY AND JUSTICE

(INCLUDING RESCISSION)

The conference agreement includes language proposed by the Senate modified to place a cap on the amounts to be used by the Office of the Corporation Counsel from funds deposited in the District of Columbia Antitrust Fund ($52,000), the Antifraud Fund ($5,500), and the District of Columbia Consumer Protection Fund ($43,000). The conferees also limit the use of the funds to fiscal year 2001 instead of fiscal year 2002 as proposed by the Senate and ''without fiscal year limitation'' as proposed in the request. The conferees note that there was no supporting justification material for this language. This request is similar to the one just discussed under ''Economic Development and Regulation''. The conferees direct District officials to submit detailed justification material for all budget requests. The conferees request an accounting by November 30, 2001, as to how the funds were used and the purposes for which they were used.

PUBLIC EDUCATION SYSTEM

The conference agreement appropriates $13,000,000 as proposed by the Senate instead of $14,000,000 of which $250,000 was by transfer and $750,000 was from local funds as proposed by the House. The conference agreement allocates $1,000,000 for a census-type audit of

student enrollment and $12,000,000 for the 2001 summer school session as proposed by the Senate instead of $1,000,000 for a census-type audit of student enrollment, $12,000,000 for the 2001 summer school session and $1,000,000 of which $250,000 was by transfer and $750,000 was from local funds for the Excel Institute Adult Education Program as proposed by the House. Federal funds of $1,000,000, including $250,000 by transfer, for the Excel Institute are provided earlier in this chapter.

GENERAL PROVISION—THIS CHAPTER

The conference agreement includes language proposed by the Senate as a new section 2301 modified to require the Mayor to provide to the House and Senate appropriating and authorizing committees a report on the specific authority necessary to carry out the responsibilities transferred to the Chief Financial Officer in a non-control year, outlined in Section 155 of Public Law 106–522, and responsibilities outlined in DC Bill 14–254 passed by the District Council on July 10, 2001 relating to the transition of responsibilities under Public Law 104–8, the District of Columbia Financial Responsibility and Management Assistance Act of 1995. The report is to be submitted within 45 days of enactment of this Act.

In 1995, the Congress enacted the District of Columbia Financial responsibility and Management Assistance Act, Public Law 104–8, for the purpose of restoring financial solvency and improving effective management of the District of Columbia. The Act created the ''Control Board'' to oversee the management of the District of Columbia and established an independent Office of the Chief Financial Officer within the District government, responsible for all financial offices of the District (budget, controller, treasurer, finance and revenue) (GAO–01–845T). As the conditions of a ''control period'' have been met and the Control Board terminates at the end of fiscal year 2001, certain functions performed by the Control Board have been transferred to the responsibility of the Chief Financial Officer. Public Law 106–522, the Fiscal Year 2001 District of Columbia Appropriations Act, outlines twenty-four (24) specific responsibilities for the Chief Financial Officer in a non-control year.

The conferees recognize that the District of Columbia government has enacted legislation promoting the independence, expertise and authority of the Office of the Chief Financial Officer. The conferees are committed to ensuring that the Chief Financial Officer has the necessary tools to insure that reliable, accurate, and objective financial information is available to the Mayor, the Council, the Congress, the financial markets, District citizens an other interested parties. The conferees intend to work closely with the authorizing committees and the District of Columbia on this critical issue as we develop the fiscal year 2002 appropriations bill.

CHAPTER 4

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES, ARKANSAS, ILLINOIS, KENTUCKY, LOUISIANA, MISSISSIPPI, MISSOURI, AND TENNESSEE

The conference agreement includes $9,000,000 for Flood Control, Mississippi River and Tributaries instead of $18,000,000 as proposed by the House. The Senate did not propose funding for this account.

OPERATION AND MAINTENANCE, GENERAL

The conference agreement includes $86,500,000 for Operation and Maintenance, General instead of $139,200,000 as proposed by the House. The Senate did not propose funding for this account. Of the amount provided, $18,000,000 is for the Corps of Engineers to address critical maintenance items at its hydroelectric power facilities. In addition, language has been included in the bill which directs the Corps of Engineers to use $8,000,000 to assist with the recovery efforts resulting from the devastating effects of flooding which occurred in Southern and Central West Virginia in July of this year. The conference agreement also includes language proposed by the House which directs the Corps of Engineers to undertake the project authorized by section 518 of the Water Resources Development Act of 1999.

FLOOD CONTROL AND COASTAL EMERGENCIES

The conference agreement includes $50,000,000 for Flood Control and Coastal Emergencies as proposed by the House and the Senate.

DEPARTMENT OF ENERGY

ENERGY PROGRAMS

NON-DEFENSE ENVIRONMENTAL MANAGEMENT

The conference agreement provides $11,950,000 for Non-Defense Environmental Management as proposed by the House instead of $11,400,000 as proposed by the Senate. Additional funding of $10,000,000 is provided to continue cleanup at the Brookhaven National Laboratory in New York, and $1,950,000 is provided to study remediation options at the former Atlas Corporation's uranium mill tailings site near Moab, Utah.

URANIUM FACILITIES MAINTENANCE AND REMEDIATION

The conference agreement provides $230,000,000 for Uranium Facilities Maintenance and Remediation instead of $18,000,000 as proposed by the House and the Senate. The conference agreement includes $18,000,000 to accelerate cleanup activities at the gaseous diffusion plant in Paducah, Kentucky, and $12,000,000 to continue decontamination and decommissioning activities at the former gaseous diffusion plant in Oak Ridge, Tennessee.

POWER MARKETING ADMINISTRATION

CONSTRUCTION, REHABILITATION, OPERATION AND MAINTENANCE, WESTERN AREA POWER ADMINISTRATION

The conference agreement provides $1,578,000 for Construction, Rehabilitation, Operation and Maintenance, Western Area Power Administration as proposed by the House, instead of no funding as proposed by the Senate. Non-reimbursable funding of $1,328,000 is provided to complete planning and environmental studies for the Path 15 transmission line. Non-reimbursable funding of $250,000 is provided to conduct a planning study of transmission expansion options and projected costs in Western's Upper Great Plains Region. Existing Western transmission capacity iis insufficient to support the development of known energy resources that could support new electric generation capacity in the Upper Great Plains Region. The directed study will require assumptions as to future generation locations. Western is directed to solicit suggestions from interested parties for the sites that should be studied as potential locations for new generation and to consult with such parties before conducting the study. Western is directed to produce an objective evaluation of options that may be used by all interested parties.

GENERAL PROVISIONS—THIS CHAPTER

The conference agreement includes language proposed by the House to provide $500,000 for completion of the feasibility study for Chickamauga Lock, Tennessee.

The conference agreement does not include language proposed by the House to transfer $23,700,000 from the National Nuclear Security Administration to the Corps of Engineers.

The conference agreement modifies language proposed by the Senate which allows the Bureau of Reclamation to accept prepayment of certain obligations.

The conference agreement does not include language proposed by the Senate to provide $250,000 within available funds for the Western Area Power Administration for a study to determine the costs and feasibility of transmission expansion. Funding for this activity has been provided in the Western Area Power Administration appropriation account.

The conference agreement modifies language proposed by the Senate to amend the Energy Employees Occupational Illness Compensation Program Act of 2000 by including renal cancers as a basis for benefits under this program. The conference agreement makes the provision effective on October 1, 2001.

CHAPTER 5

BILATERAL ECONOMIC ASSISTANCE

AGENCY FOR INTERNATIONAL DEVELOPMENT

CHILD SURVIVAL AND DISEASE PROGRAMS FUND

(INCLUDING RESCISSION)

The conference agreement appropriates $100,000,000 for ''Child Survival and Disease Programs Fund'' as proposed by the Senate. The House bill did not contain a provision on this matter. These funds are available until expended and may be made available, notwithstanding any other provision of law, for a United States contribution to a global trust fund to combat HIV/AIDS, malaria, and tuberculosis.

The conference agreement rescinds $10,000,000 from fiscal year 2001 and prior year balances available under ''Child Survival and Disease Programs Fund''. The Senate amendment would have rescinded $10,000,000 from fiscal year 2001 funds that were designated for an international HIV/AIDS trust fund. The House bill did not contain a provision on this matter.

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

(RESCISSION)

The conference agreement rescinds $10,000,000 from unobligated balances of funds available under the heading ''Economic Support Fund''. The managers expect that the Department of State will consult with the Committees on Appropriations prior to any reallocation of any funds pursuant to this rescission.

GENERAL PROVISION—THIS CHAPTER

The conference agreement contains Senate language that provides that the final proviso in section 526 of the Foreign Operations, Export Financing and Related Programs Appropriations Act, 2000, as amended, is repealed, and that the funds identified by such proviso shall be made available pursuant to the authority of section 526 of Public Law 106–429. The managers agree with the Senate report language on this provision. The House bill did not address this matter.

The conference agreement does not contain section 3002 of the House bill regarding a report to the Committees on Appropriations on the projected uses of the unobligated balances of funds available under ''International Disaster Assistance'', including plans for allocating additional resources to respond to the El Salvador earthquakes. The Senate amendment did not address this matter.

CHAPTER 6

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

The conference agreement provides $3,000,000 for management of lands and resources as proposed by the Senate, instead of no funding as proposed by the House, to expedite the processing of critical energy related permits. The Senate proposal to derive these funds by transfer from unobligated balances in land acquisition accounts is not agreed to.

Within the amount provided, $1,250,000 is to reduce the backlog of oil and gas permits on Federal lands including: $300,000 for activities in New Mexico, $200,000 for activities in California, and $750,000 for activities in Wyoming. In addition, $200,000 is to process power plant applications in New Mexico, $100,000 is for power line rights-of-way in California, $500,000 is to support development of the National Petroleum Reserve Alaska, and $950,000 is for studies in the Powder River Basin in Montana to support coalbed methane development, of which $250,000 is for the continuation of wetlands filtration research with the Department of Energy and Montana State University and of which $200,000 is for preparation of a hyperspectral assessment of potential concentrations of gas reserves in the Powder River Basin covered by the ongoing Environmental Impact Statement. The Bureau should report to the House and Senate Committees on Appropriations as soon as possible on the use of hyperspectral data to prioritize the processing of applications to drill.

UNITED STATES FISH AND WILDLIFE SERVICE

CONSTRUCTION

The conference agreement provides $17,700,000 for construction as proposed by the House, instead of no funding as proposed by the Senate, to repair damages to U.S. Fish and Wildlife Service facilities caused by floods, ice storms, and earthquakes in the States of Washington, Illinois, Iowa, Minnesota, Missouri, Wisconsin, New Mexico, Oklahoma, and Texas. The House proposal to designate this appropriation as an emergency requirement is not agreed to.

NATIONAL PARK SERVICE

UNITED STATES PARK POLICE

The conference agreement provides $1,700,000 for United States Park Police, as proposed by the House instead of no funding as proposed by the Senate. The House recommendation was based on information from the National Park Service that U.S. Park Police pension costs for fiscal year 2001 had been underestimated and that, in order to cover the pension shortfall, the National Park Service and the U.S. Park Police had to cancel the summer police recruit class. The managers have subsequently learned that the U.S. Park Police did not use the funds from the canceled recruit class to cover the pension shortfall but, instead, funded various other non-emergency items. Therefore, the funds provided in this Act are needed to cover the pension plan shortfall and the recruit class will not be reinstated. The managers caution the U.S. Park Police that such unapproved diversions of funds will not be tolerated in the future.

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

(INCLUDING TRANSFERS OF FUNDS)

The conference agreement provides $50,000,000 for operation of Indian programs as requested by the Administration and proposed by both the House and the Senate. The agreement includes two changes to the original language. The first change permits these funds to remain available until expended and the second change clarifies that the funds may be used for electric power operations and related activities at the San Carlos Irrigation Project. The House proposal to designate this appropriation as an emergency requirement is not agreed to.

RELATED AGENCY

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

FOREST AND RANGELAND RESEARCH

The conference agreement provides $1,400,000 for forest and rangeland research as proposed in section 2608 of the Senate bill for research on sudden oak death syndrome, instead of no funding as proposed by the House. The Senate proposal to derive these funds by transfer from unobligated balances in the land acquisition account is not agreed to.

STATE AND PRIVATE FORESTRY

The conference agreement provides $24,500,000 for State and private forestry, instead of $22,000,000 as proposed by the House and $2,500,000 as proposed by the Senate. Included are $10,000,000 to address ice storm damages in the States of Arkansas, Oklahoma and Texas, $12,000,000 for pest suppression in several areas of the country, $1,750,000 for emergency fire fighting in anchorage, and $750,000 for the Kenai Peninsula Borough Spruce Bark Beetle Task Force in Alaska. The Senate-proposed language dealing with fire fighting in Alaska has been modified by deleting references to equipment purchases. The House proposal to designate this appropriation as an emergency requirement is not agreed to.

NATIONAL FOREST SYSTEM

The conference agreement provides $12,000,000 for the national forest system as proposed by the House instead of $10,000,000 as proposed by the Senate, of which $10,000,000 is for activities to address ice storm damages in the States of Arkansas and Oklahoma and $2,000,000 is to respond to illegal marijuana cultivation and trafficking in California and Kentucky. The House proposal to designate this appropriation as an emergency requirement is not agreed to.

WILDLAND FIRE MANAGEMENT

The conference agreement provides no funding for wildland fire management as proposed by the Senate, instead of $100,000,000 in emergency funding as proposed by the House.

CAPITAL IMPROVEMENT AND MAINTENANCE

(INCLUDING RESCISSION OF FUNDS)

The conference agreement provides $4,000,000 for capital improvement and maintenance as proposed by both the House and the Senate to repair damage caused by ice storms in Arkansas and Oklahoma. The House proposal to designate this appropriation as an emergency requirement is not agreed to. The conference agreement also provides for the extension of availability of funds previously appropriated for maintenance and snow removal on the Beartooth Highway as proposed by the Senate.

GENERAL PROVISIONS—THIS CHAPTER

Section 2601 includes language proposed by the House to permit completion of a wilderness study at Apostle Islands National Lakeshore, WI by the National Park Service. The Senate addressed this provision under the National Park Service ''Operation of the National Park System'' account.

Section 2602 includes language proposed by the House extending the availability of funds provided in fiscal year 2001 for maintenance, protection and preservation of land in the Minuteman Missile National Historic Site, SD. The Senate addressed this provision under the National Park Service ''Operation of the National Park System'' account.

Section 2603 includes language proposed by the Senate allowing the Bureau of Land Management to use an estimated $168,000 in unobligated balances for land exchanges at Steens Mountain, OR.

Section 2604 includes language proposed by both the House and the Senate to correct a Public Law reference in section 338 of the Interior and Related Agencies Appropriations Act for fiscal year 2001.

Section 2605 includes language proposed by both the House and the Senate modifying a provision in Public Law 106–558 in order to authorize the payment of full overtime rates for fire fighters in fiscal year 2001.

Section 2606 includes language proposed by both the House and the to permit the Forest Service to receive reimbursement for expenditures for projects that otherwise qualify for the use of Federal-aid highways funds.

Section 2607 includes language proposed by the Senate permitting the use of $2,000,000 in fiscal year 2001 funding for a direct payment to Ketchikan Public Utilities in Alaska to clear a right-of-way for the Swan Lake-Lake Tyee Intertie on the Tongass National Forest. Any activity associated with clearing the right-of-way must comply with all applicable Federal and State environmental laws and regulations.

Section 2608 includes language proposed by the Senate making permanent a provision dealing with the distribution of certain Bureau of Indian Affairs funds to small tribes in Alaska.

Section 2609 modifies language proposed by the Senate restricting additional self-determination contracts and self-governance compacts for the provision of health care services to Alaska Natives. The modification extends the current restriction for three additional years rather than making it a permanent restriction.

CHAPTER 7

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

TRAINING AND EMPLOYMENT SERVICES

(INCLUDING RESCISSIONS)

The conference agreement includes $25,000,000 for the Youth Activities program authorized under the Workforce Investment Act as opposed to $45,000,000 proposed by the Senate. The House bill contained no similar provision. The Secretary of Labor had proposed a reprogramming of fiscal year 2001 funds to increase funding for the Youth Activities program by $45,000,000.

The conference agreement rescinds $65,000,000 from funds appropriated under sections 169 and 171 of the Workforce Investment Act, of which $25,000,000 is rescinded from funds for Youth Opportunity Grants; $20,000,000 from funds available for Safe Schools/Healthy Students; and $20,000,000 from funds available for the Incumbent Workers program. The Senate bill included a rescission totaling $45,000,000; $25,000,000 from Youth Opportunity Grants and $20,000,000 from Safe Schools/Healthy Students. The House bill contained no similar provision. The Secretary of Labor had proposed reprogramming these funds for other purposes.

The conference agreement rescinds $177,500,000 from funds for Dislocated Worker training activities authorized under the Workforce Investment Act, of which, $110,000,000 is from amounts allotted for formula grants to States and $67,500,000 is from the National Reserve. The Senate bill rescinded $217,500,000 from the Dislocated Worker program. The House bill contained no similar provision.

The conference agreement includes provisions directing the Secretary to allocate the rescission in the Dislocated Worker formula grant funds based upon each State's share of

the unexpended balances in the program as of June 30, 2001. The Senate bill contained provisions directing the Secretary to increase State program year 2001 allotments to States with acceptable program expenditures by re-allotting unexpended balances from States determined by the Secretary to have excess unexpended program balances as of June 30, 2001. The House bill contained no similar provisions.

In addition, the conference agreement modifies language included in the Senate bill to make the rescission effective at the time the Secretary determines, based upon the best information available, the unexpended balances in each of the States. The conferees expect the Secretary of Labor to render her determination by no later than September 30, 2001. The House bill contained no similar provision.

The conferees note that the Governors of each State under the Workforce Investment Act have the authority to re-allocate unobligated funds among local areas. The conferees encourage the Governors to exercise this authority for local areas where there is need.

The conferees are aware of concerns about rescinding Workforce Investment Act training funds during a period of economic slowdown. However, based on the information available to the conferees, it appears that there is excess funding available in the program and the rescission is necessary to meet other needs in fiscal year 2001.

The conferees understand that the Secretary of Labor requires the Governors to submit State financial data for the three Workforce Investment Act block grants on a quarterly basis. The data for June 30, 2001, the end of the program year, is due on August 15, 2001. The conferences believe that timely and accurate data are critical in order for the Congress to meet its oversight responsibilities for this important program. Therefore the conferees direct the Secretary to submit to the House and Senate Committees on Appropriations an expenditure data report on each of the three Workforce Investment Act block grants at the State level and for the National Reserve funds within not more than 60 days of the end of the quarter beginning with the data from the end of program year 2000 and continuing through program year 2001.

PENSION AND WELFARE BENEFITS ADMINISTRATION

SALARIES AND EXPENSES

The conferees agreement includes a provision amending the Department of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001, to extend the availability of funds included for the National Summit on Retirement Savings to September 30, 2002. The conferees understand the Administration expects to convene the Summit in the first part of fiscal year 2002. Neither the House nor the Senate bills addressed this matter.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES

The conferees agreement includes two technical corrections as proposed by the Senate. The House bill contained no similar provisions.

NATIONAL INSTITUTES OF HEALTH

(INCLUDING TRANSFER OF FUNDS)

The conferees understand that bill language is no longer necessary and therefore deletes without prejudice the language proposed by the Senate. The conferees further understand that the National Institutes of Health will use funds appropriated to the Office of the Director to proceed with the planning and start-up activities of the newly authorized National Institute of Biomedical Imaging and Bioengineering. The House bill contained no similar provision.

The conferees agreement includes language to provide for the transfer of $7,115,000 from the National Library of Medicine to the Buildings and Facilities account to complete the design phase of a National Library of Medicine facility. The House and Senate bills contained no similar provision.

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES

The conferees agreement provides $6,500,000 for maintenance, repair, preservation, and protection of St. Elizabeths Hospital as proposed by the Senate. The House bill contained no similar provision.

ADMINISTRATION FOR CHILDREN AND FAMILIES

LOW INCOME HOME ENERGY ASSISTANCE

The conferees agreement includes $300,000,000 in contingency funds to provide home energy assistance to low-income households, as authorized under section 2602(e) of the Omnibus Budget Reconciliation Act of 1981 and provides that these funds shall be available until expended, as proposed in the Senate bill. The House bill also included $300,000,000 in contingency funds but did not make the funds available beyond September 30, 2001. The conference agreement provides $150,000,000 above the Administration's request of $150,000,000.

The conferees expect that half of the $300,000,000 will be available for target assistance to States with the most critical needs, which may include needs arising from significant energy cost increases, significant increases in arrearages and disconnections, home energy shortages and supply disruptions, weather-related emergencies, natural disasters, or increases in unemployment. The conferees further expect that the remaining half of the funds will be distributed based on the LIHEAP block grant statutory formula so that every State has additional resources to address unmet energy assistance needs resulting from the extraordinary price increases in home heating fuels experienced during this past winter as well as funds to address unanticipated emergencies. The conferees note that the Department has allocated the last three emergency LIHEAP distributions to the States in this manner. The conferees direct the Department to provide notification to the House and Senate Committee on Appropriations of the amount, manner of distribution and justification for the release of funds not less than seven days prior to any allotment or release of funds.

CHILDREN AND FAMILIES SERVICES PROGRAMS

The conferees concur with language contained in the Senate report regarding a technical correction. The House report contained no similar provision.

GENERAL DEPARTMENTAL MANAGEMENT

The conferees are displeased with the way in which the Department of Health and Human Services has handled responses to the May 4, 2001 stem cell letter and its refusal to provide to the Committees on Appropriations the report ''Stem Cells: Scientific Progress and Future Research Directions'' when requested. The conferees direct that specific information requests from the Chairmen and Ranking Members of the Subcommittee on Labor, Health and Human Services and Education and Related Agencies, on stem cell research or any other matter, shall be transmitted to the Committees on Appropriations, in a prompt professional manner, and within the time frame specified in the request. The conferees further direct that scientific information requested by the committees on Appropriations and prepared by government researchers and scientists, be transmitted to the Committees on Appropriations, uncensored and without delay.

DEPARTMENT OF EDUCATION

EDUCATION REFORM

The conference agreement includes a technical correction as proposed by both the House and the Senate.

The conferees understand that the Department plans to award only implementation grants, but no planning grants, to school districts under the fiscal year 2001 Smaller Learning Communities program. The conferees are very concerned about this decision and expect the Department to award both types of grants, and to apply the same competitive priorities used in the fiscal year 2000 grant competition in determining which applicants are funded in the fiscal year 2001 grant competition. In addition, the conferees expect that the department will continue outreach and technical assistance activities to help ensure that school districts are aware that smaller schools and smaller learning communities are effective research-based strategies to improve student safety, morale, retention, and academic achievement.

EDUCATION FOR THE DISADVANTAGED

The conference agreement includes a technical correction relating to the amount of funding available for Basic Grants in school year 2001–2002 as proposed by both the House and the Senate.

The conference agreement also includes an additional $161,00,000 for the Title I Grants to LEAs program. It is the intent of the conferees that, when taken together with the technical correction to the basic grants amount, these additional resources will result in a final fiscal year 2001 appropriations of $7,397,971,000 for basic grants and $1,364,750,000 for concentration grants. The conferees further intend that these additional resources will be used to provide each State and local educational agency the greater of either the amount it would receive at levels specified in the conference report to accompany H.R. 4577 under the 100-percent hold harmless or what it would receive using the statutory formulas. These provisions were proposed by both the House and the Senate.

The technical correction made to the appropriation for this program and the additional resources made available by this supplemental appropriations act shall take effect as if included in Public Law 106–554 on the date of its enactment.

IMPACT AID

The conference agreement includes a provision requiring Impact Aid construction funds to be distributed in accordance with the formula outlined in section 8007 of the Impact Aid program as that section existed in fiscal year 2000 as proposed by both the House and Senate.

SPECIAL EDUCATION

The conference agreement includes a technical correction as proposed by both the House and the Senate.

EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT

The conference agreement includes technical corrections as proposed by both the House and the Senate.

GENERAL PROVISIONS—THIS CHAPTER

Section 2701. The conference agreement includes a provision clarifying the intent of the Congress with regard to funding provided pursuant to section 117 of the Carl D. Perkins Vocational and Technical Education

Act of 1998 as proposed by the Senate. Funding available for this section is intended to be provided only to tribal colleges that do not receive Federal support under the Tribally Controlled Community College or University Assistance Act of 1978 or the Javajo Community College Act and whose primary purpose is to provide full-time technical and vocational educational programs to American Indian students. The House bill contained no similar provision.

Section 2702. The conference agreement includes a provision authorizing the use of fiscal year 2001 funds specifically for transition from the use of analog to digital technology for the provision of public broadcasting services for fiscal year 2001. The Senate bill included language amending the authorizing statute to establish a grant program and included two-year authorization of appropriations for the grant program. The House bill contained no similar provision.

Section 2703. The conference agreement includes a provision proposed by the Senate which makes a permanent change to section 8003 of the elementary and Secondary Education Act to clarify which small school districts are eligible for special payments authorized within the basic support payments program. The conference agreement also includes a provision proposed by the Senate stating that this change shall apply to funding available in the Department of Education Appropriations Act, 2001. The House bill contained no similar provisions.

These provisions will change the fiscal year 2001 allocations under the basic support payment program of Impact Aid, resulting in some school districts receiving less than they were expecting to receive in fiscal year 2001 funds. The conferees note that the National Association of Federally Impacted Schools supports the adoption of this provision.

The conferees became aware that certain State and district per pupil expenditure data limitations made some of the intended beneficiary districts ineligible for the special payment provisions authorized in the Impact Aid reauthorization bill enacted into law last year. While the appropriation for basic support payments in the Department of Education Appropriations Act, 2001 assumed full funding for these payments, the initial payment calculations made for school districts did not. As a result, approximately $2,900,000 set aside for payments to districts eligible for special payments was included in the calculation for distribution to non-eligible districts. The conferees intend to make an additional $2,900,000 available in the fiscal year 2002 education appropriations bill to offset the effect of this amendment.

CHAPTER 8

LEGISLATIVE BRANCH

CONGRESSIONAL OPERATIONS

HOUSE OF REPRESENTATIVES

PAYMENTS TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

The conference agreement provides the traditional death gratuity for the widow of Norman Sisisky, late a Representative from the Commonwealth of Virginia, and the heir of John Joseph Moakley, late a Representative from the Commonwealth of Massachusetts.

SALARIES AND EXPENSES

MEMBER'S REPRESENTATIONAL ALLOWANCES, STANDING COMMITTEES, SPECIAL AND SELECT, COMMITTEE ON APPROPRIATIONS, ALLOWANCES AND EXPENSES

The conference agreement provides an additional $44,214,000 for Members' Representational Allowances, standing committees, special and select, the Committee on Appropriations, and allowances and expenses.

SALARIES, OFFICERS AND EMPLOYEES

The conferences agreement provides an additional amount for salaries and expenses for the Office of the Clerk and the Office of the Chief Administrative Officer totaling $17,448,000.

ADMINISTRATIVE PROVISION

Language is included increasing the Clerk of the House's representational allowance for fiscal year 2001.

JOINT ITEMS

CAPITOL POLICE BOARD

CAPITOL POLICE

SALARIES

The conference agreement provides an additional $514,000 for salaries for anticipated extraordinary events.

GENERAL EXPENSES

The conference agreement provides an additional $486,000 for general expenses related to anticipated extraordinary events.

ADMINISTRATIVE PROVISION

The conference agreement includes a provision allowing the Capitol Police to be reimbursed for law enforcement assistance from any Federal, State, or local government agency (including the District of Columbia).

OFFICE OF COMPLIANCE

SALARIES AND EXPENSES

The conference agreement provides an additional $35,000 to the Office of Compliance for unexpected requests for counseling and mediation services.

ARCHITECT OF THE CAPITOL

The conferees support the proposed Senate language regarding a general management review of the Architect of the Capitol (AOC) operations. This management review should include an overall assessment of the agency's organizational structure, strategic planning, skills, staffing, systems, accountability reporting, and execution of its statutory and assigned responsibilities. The conferees direct that the General Accounting Office (GAO) lead this review, in consultation and coordination with the Architect of the Capitol, building upon earlier management reviews, and consider best practices in its evaluation and recommendations. The GAO report should include recommendations for enhancing the overall effectiveness and efficiency of the AOC operations along with recommendations as to how to implement such improvements. GAO should report the results of its review to the House and Senate Committees on Appropriations and the Senate Committee on Rules and Administration no later than April 2002.

GOVERNMENT PRINTING OFFICE

CONGRESSIONAL PRINTING AND BINDING

The conference agreement provides $9,900,000 to fund a shortfall based on increased volume of printing and publications and associated information products and services ordered by the Congress during fiscal year 2000 and 2001.

GOVERNMENT PRINTING OFFICE REVOLVING FUND

The conference agreement provides $6,000,000 to replace the air-conditioning and lighting systems at the Government Printing Office.

LIBRARY OF CONGRESS

SALARIES AND EXPENSES

The conference agreement provides $600,000 for a joint Library of Congress/United States Military Academy telecommunications project.

GENERAL PROVISIONS

Sec. 2803. A general provision authorizing one consultant for the President pro tempore emeritus is included.

Sec. 2804. A general provision has been included relating to the Abraham Lincoln Bicentennial Commission Act.

Sec. 2805. A general provision permitting the Architect of the Capitol to reimburse the Department of Treasury for prior year water and sewer services is included.

Sec. 2806. A general provision is included relating to the membership of the Senate to the Joint Economic Committee.

CHAPTER 9

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

RENTAL PAYMENTS

(RESCISSION)

The conference agreement includes a rescission of $440,000 in balances for rental payments to the General Service Administration. These funds have remained unobligated for many years, and can be made available at this time for other pressing needs.

COAST GUARD

OPERATING EXPENSES

The conference agreement includes $92,000,000 for Coast Guard operating expenses, as proposed by the House and Senate. The agreement makes such funds available until September 30, 2002, as proposed by the House, instead of September 30, 2001 as proposed by the Senate.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

The conference agreement includes $4,000,000, available until expended, for the repair or relocation of Coast Guard facilities damaged during the Nisqually earthquake in the State of Washington, as proposed by the Senate. The House bill contained no similar appropriation.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

(RESCISSIONS)

The conference agreement includes rescissions of balances in ''Acquisition, construction, and improvements'' totaling $12,000,000. These rescissions are as shown below:

Department of Transportation and Related Agencies Appropriations Act, 2000 (Public Law 106–69):	
HH–65 helicopter kapton wiring	$2,856,000
HU–25 jet re-engineering	3,468,000
MSO/station Cleveland relocation	850,000
Drug interdiction assets homeporting	2,800,000
Total	9,974,000
Department of Transportation and Related Agencies Appropriations Act, 2001 (Public Law 106–346):	
PC–170	850,000
87 foot WPB replacement	1,176,000
Total	2,026,000

FEDERAL AVIATION ADMINISTRATION

GRANTS-IN-AID FOR AIRPORTS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION OF CONTRACT AUTHORIZATION)

The conference agreement includes a $30,000,000 rescission of contract authority as proposed by the House and Senate. Because these funds are above the annual limitation on obligations, the rescission will have no effect on current program activities.

FEDERAL HIGHWAY ADMINISTRATION

EMERGENCY HIGHWAY RESTORATION

(HIGHWAY TRUST FUND)

The conference agreement includes an appropriation from the Highway Trust Fund of

$27,600,000, to remain available until expended, for emergency highway restoration and related activities. These funds shall be distributed as follows:

Project	*Amount*
Alaskan Way Viaduct, Seattle, WA	$3,800,000
Magnolia Bridge, Seattle, WA	9,000,000
U.S. 119 over Pine Mountain, Letcher County, KY	9,100,000
Lake Street Access to I–35 West, Minneapolis, MN	4,700,000
Interstate 55 interchange, Weber Road and River Des Peres, MO	500,000
Highway damage due to tornado, flooding, & icestorm in northwest Wisconsin, including Bayfield and Douglas counties	500,000

The Senate bill included an appropriation from the general fund of $12,800,000, to remain available until expended, for the long-term restoration or replacement of the Alaskan Way Viaduct and Magnolia Bridge in Seattle, Washington, which were recently damaged during the Nisqually earthquake. The House bill contained no similar appropriation.

U.S. 119, Letcher County, KY.—The conference agreement provides $9,100,000 to the Commonwealth of Kentucky for safety improvements to U.S. 119 in Letcher County, Kentucky. U.S. 119 is a major commercial artery on the National Highway System in eastern Kentucky. A section of this road has been the site of several major accidents in recent years, including an accident involving a school bus six months ago. The Commonwealth of Kentucky recently prohibited use of the roadway by large commercial vehicles, which the state determined cannot safely negotiate several narrow sections of the highway. The state's action, while necessary, will disrupt commerce in this region, impacting businesses and families. The funds provided will allow the state to immediately implement major safety improvements that must occur before safe commercial use of the road can resume.

Lake Street access, Minneapolis, MN.—The conference agreement provides $4,700,000 for work to proceed to provide access to I–35 West from Lake Street in Minneapolis, Minnesota.

Interstate 55 interchange, MO.—The conference agreement provides $500,000 for work to proceed for a new interchange on Interstate 55, at the point the Interstate passes over Weber Road and the River Des Peres. The new interchange would allow increased access to the neighborhood of LeMay in St. Louis County and is critical to a local revitalization plan.

Highway damage in northwest Wisconsin.—The conference agreement provides $500,000 for necessary repairs due to recent disasters, including the flood, wind, and ice storm of April 29, 2001.

FEDERAL-AID HIGHWAYS

(HIGHWAY TRUST FUND)

(RESCISSIONS)

The conference agreement includes rescissions of appropriations and contract authorizations of $15,918,497 in unobligated balances from completed highway projects in eight previous highway authorization and appropriations acts, instead of $14,000,000 proposed by the Senate. The House bill contained no similar rescissions.

RELATED AGENCY

UNITED STATES—CANADA RAILROAD COMMISSION

The conference agreement includes $2,000,000, proposed by the Senate, for a joint U.S.-Canada commission to study the feasibility of connecting the rail system in Alaska to the North American continental rail system. Funds are made available until expended. The agreement specifies that the funds are to be provided directly to the commission, rather than to the Alaska Railroad as proposed by the Senate. The House bill contained no similar appropriation.

GENERAL PROVISIONS—THIS CHAPTER

The conference agreement includes a provision, proposed by the Senate, making fiscal year 1999 and 2000 funds for Northern New Mexico bus and bus facilities projects also available for State of New Mexico buses and bus-related facilities. The House bill contained no similar provision.

The conference agreement deletes a provision proposed by the Senate which would have made airport development projects in two locations eligible for grants under the Airport Improvement Program by waiving the requirement that such airports be included in FAA's National Plan of Integrated Airport Systems (NPIAS). The House bill contained no similar provision.

The conference agreement does not include provisions proposed by the Senate which would have prohibited reallocation of funds for the Morgantown, West Virginia fixed guideway modernization project or the Tuscaloosa, Alabama intermodal center. Instead, the conferees direct the Federal Transit Administration not to reallocate funds provided in the fiscal year 1999 Department of Transportation and Related Agencies Appropriations Act (P.L. 105–277) for the Tuscaloosa, Alabama intermodal center and the Morgantown, West Virginia fixed guideway modernization project. Funds are extended only for one additional year, absent further congressional direction. The House bill contained no similar provision.

CHAPTER 10

DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

The conferees agree to provide $59,956,000 to reimburse any agency of the Department of the Treasury or other Federal agency for costs associated with providing operational and perimeter security at the 2002 Winter Olympics, as proposed by the Senate. The conferees expect that this funding will be provided to the following agencies, as shown in the following table. Adjustments to this funding may be made subject to the standard reprogramming and transfer guidelines:

Agency/Department	*Recommendation*
Department of the Treasury:	
Bureau of Alcohol, Tobacco and Firearms, Salaries and Expenses	$10,523,000
U.S. Customs Service, Salaries and Expenses	13,813,000
U.S. Customs Service, Operations and Maintenance, Air and Marine Interdiction	4,931,000
United States Secret Service, Salaries and Expenses	19,530,000
Financial Crimes Enforcement Network, Salaries and Expenses	58,000
Internal Revenue Service, Tax Law Enforcement	2,729,000
Treasury Office of Enforcement	40,000
Treasury Inspector General for Tax Administration	334,000
Department of Agriculture:	
U.S. Forest Service	1,300,000
Department of Interior:	
National Park Service	1,300,000
U.S. Bureau of Land Management	312,000
U.S. Fish and Wildlife Service	195,000
Department of Justice	4,891,000
Total	59,956,000

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

The conferees agree to provide $49,576,000 for the Financial Management Service, the same amount as proposed by both the House and the Senate. The conferees direct the Financial Management Service to provide a detailed report on the expenditures made pursuant to this appropriation 120 days after the enactment of this Act.

INTERNAL REVENUE SERVICE

PROCESSING, ASSISTANCE AND MANAGEMENT

The conferees agree to provide $66,200,000 for the Internal Revenue Service, the same amount as proposed by both the House and the Senate. The conferees direct the Internal Revenue Service to provide a detailed report on the expenditures made pursuant to this appropriation 120 days after the enactment of this Act.

INDEPENDENT AGENCIES

MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION

FEDERAL PAYMENT TO MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION

The conferees agree to include a provision, modified from the Senate position, for the Federal Payment to Morris K. Udall Scholarship and excellence in National Environmental Policy Foundation account to permit the transfer of up to $1,000,000 for necessary expenses incurred pursuant to section 6(7) of the Morris K. Udall Scholarship and Excellence in National Environmental and Native American Public Policy Act of 1992 (20 U.S.C. 5604(7)). The House had no similar provision.

GENERAL PROVISIONS THIS CHAPTER

Section 21001. The conferees agree to include a provision for designating a building as the Paul Coverdell Building as proposed by the Senate. The House had no similar provision.

Section 21002. The conferees agree to include a provision rescinding $18,000,000 in funds previously made available to the Internal Revenue Service, Processing Assistance and Management, Tax Law Enforcement, and the Earned Income Tax Credit Compliance Initiative.

CHAPTER 11

DEPARTMENT OF VETERANS AFFAIRS

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

The conferees recommend an additional $589,413,000 for compensation and pension payments to eligible veterans. Supplemental funds are needed in fiscal year 2001 in order to meet cost of living adjustments and program enhancements and benefits contained in legislation enacted after passage of the fiscal year 2001 appropriations bill, but the conferees do not identify specific funding levels for each benefit or authorization.

READJUSTMENT BENEFITS

The conferees recommend an additional $347,000,000 to meet Montgomery GI Bill benefit enhancements contained in legislation enacted after passage of the fiscal year 2001 appropriations bill.

VETERANS HEALTH ADMINISTRATION

MEDICAL AND PROSTHETIC RESEARCH

The conferees included House bill language increasing the current fiscal year 2001 travel

limitation from $2,500,000 to $3,500,000. The Senate did not include bill language.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

The conferees recommend bill language proposed by the Senate allowing not more than $19,000,000 to be transferred from the Medical Care account to General Operating Expenses by September 30, 2001, for the administrative expenses of processing claims. The House did not include a time limitation for the fund transfer. The new fiscal year 2001 GOE travel limitation remains at $17,500,000.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PUBLIC AND INDIAN HOUSING

HOUSING CERTIFICATE FUND

(RESCISSION)

The conference agreement includes a rescission of $114,300,000 from amounts made available to the Department as proposed in the House bill, with a technical change in the language. The Senate bill did not address this matter.

NATIVE AMERICAN HOUSING BLOCK GRANTS

The conference agreement includes language authorizing $5,000,000 from within available funds under this heading appropriated in fiscal year 2001 and prior years to be used to address mold problems on the Turtle Mountain Indian Reservation. The Senate bill included an additional appropriation to the Tribe, subject to submission of a plan. Language is also included as proposed in the Senate bill requiring the Federal Emergency Management Agency to provide technical assistance to the Tribe. The House bill did not address this matter.

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT FUND

(INCLUDING RESCISSION)

The conference agreement includes language as proposed in the Senate bill making a technical change to extend the availability of funds appropriated under this account in Public Law 106–377. The House bill included similar language as a general provision.

Language is included clarifying Congressional intent with respect to appropriations made to improve cyber-districts in Massachusetts and for wastewater and combined sewer overflow infrastructure improvements in Massachusetts, as recommended in the House bill; and for appropriations made for Rio Arriba County, New Mexico, as recommended in the Senate bill. The conferees have amended language as proposed by the House which clarifies the intent of Congress with respect to a grant made for construction at a New Jersey university center and with respect to a grant made to the City of Syracuse, New York.

HOUSING PROGRAMS

MANUFACTURED HOUSING FEES TRUST FUND

The conference agreement does not include language proposed in the House bill authorizing the expenditure of fees available in the fund. The conferees understand that separate legislation has been enacted to allow for the expenditure of these fees in fiscal year 2001. The Senate bill did not address this matter.

FEDERAL HOUSING ADMINISTRATION

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(TRANSFER OF FUNDS)

The conference agreement includes language authorizing the Department to use $8,000,000 from within existing fiscal year 2001 appropriations for FHA administrative expenses and HUD salaries and expenses to pay the obligation and accrued interest resulting from a probable fiscal year 2000 violation of the Anti-Deficiency Act, as proposed in both the House and Senate bills.

FHA—GENERAL AND SPECIAL RISK INSURANCE

The conference agreement does not include an additional appropriation for this account as proposed in the House bill. Language is not included to remove certain requirements on supplemental funds provided for this account in fiscal year 2000 as proposed in the Senate bill.

INDEPENDENT AGENCIES

DEPARTMENT OF DEFENSE—CIVIL

CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

The conferees have amended the language included in the House bill providing $243,059 to pay the Cemetery's disputed water bill with the District of Columbia. Instead, the conferees have included a provision directing the Department of Defense to pay the disputed water bill in excess of the amount already paid by the Cemetery, and reimburse the Cemetery for any draw-down on funds made by the Treasury in excess of the Cemetery's current payment.

ENVIRONMENTAL PROTECTION AGENCY

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

The conferees have amended language proposed by the House which clarifies the intent of Congress with respect to grants made for work in Cortland County, New York and Central New York watersheds. The language further clarifies the intent of Congress with respect to a grant made in Public Law 106–377 to the Salt Lake Organizing Committee for environmental work related to the 2002 Winter Olympic Games.

STATE AND TRIBAL ASSISTANCE GRANTS

The conferees have included language proposed by the House and the Senate clarifying the intent of Congress with respect to a grant made to the City of Beloit, Wisconsin. The conferees have similarly included language proposed by the House which clarifies the intent of Congress with respect to grants made to Hartselle Utilities in Alabama and to the Southwest Florida Water Management District, and which correctly states the dollar amount provided in fiscal year 2001 for grants under this heading.

The conferees have amended language proposed by the House which clarifies the intent of Congress with respect to grants made to the Limestone County Water and Sewer Authority in Alabama, and to the City of Clinton, Tennessee.

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF

The conferees agree to make no changes to the FEMA Disaster Relief account for fiscal year 2001. The House had proposed a rescission of $389,200,000 and the Senate had proposed an increase of $1,000,000 for this account. The conferees agree that recent significant natural disasters, including tropical storm Allison, have severely depleted funds previously provided for disaster relief. The conferees note that the status of the disaster relief fund today is quite different from the status at the time the House originally proposed its rescission. At that time over $2,000,000,000 was available, but today only about $800,000,000 is available. With significant costs yet to be covered, it is clear that rescinding funds from this account is not any longer possible. Likewise, it is not clear that an eminent need exists for additional funding and the conferees have agreed to provide no additional funding in fiscal year 2001.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

HUMAN SPACE FLIGHT

The conferees have agreed to changes in language enacted as part of Public Law 106–74 (the Fiscal Year 2000 VA-HUD-Independent Agencies Appropriations Act) as proposed by the Senate instead of the changes proposed by the House. The final proviso under this heading in Public Law 106–74 restricts the use of $40,000,000 to the shuttle research mission, commonly referred to as the R–2 mission, to occur after the STS–107 shuttle research mission. Subsequent events have increased the cost of STS–107 and significantly delayed any future research mission, resulting in a need to modify the original proviso prior to the funds expiring on September 30, 2001. The House had proposed deletion of the final proviso under this heading in Public Law 106–74, thus allowing the funds to be used for other purposes. The House provision also included language restricting a portion of the funds to research associated with the International Space Station. The Senate proposed to modify the proviso to allow the funds to be used for purposes other than originally intended and does not include any reference to the International Space Station research.

The conferees agree that the original direction included in the proviso is no longer valid. The conferees agree that $32,000,000–35,000,000 of the funds provided in the original proviso remain available. The conferees agree that $17,000,000 of the funds shall be to cover cost increases associated with the STS–107 mission which have already been incurred and the funding can be legitimately expended prior to September 30, 2001. The mission's costs have increased because its launch has been delayed due to the need for extensive repairs to the shuttle Columbia's wiring and schedule changes associated with the Hubble servicing mission. The remaining funds shall be used prior to September 30, 2001 for any projects or activities NASA deems to be in legitimate need of funding. The conferees further agree that NASA is to take all necessary action to ensure that the STS–107 research mission is accomplished and contractual obligations are met during fiscal years 2001 and 2002. NASA is directed to provide the Committees on Appropriations a full accounting of the use of the fiscal year 2000 funding and the subsequent fiscal year accounting adjustments to reflect full funding of the STS–107 mission prior to its launch currently scheduled for May 2002.

The conferees understand work is already underway and international partners are involved in research scheduled for R2 and therefore expect NASA to continue to pursue options for carrying out this life and microgravity research as well as work to increase research funding and flight opportunities during ISS assembly.

GENERAL PROVISION

The conference agreement does not include section 2901, recommended in the House bill, as this matter has been addressed under the Community development fund account as recommended in the Senate bill.

TITLE III

GENERAL PROVISIONS—THIS ACT

The conference agreement includes a provision as proposed by both the House and Senate that limits the availability of funds provided in this Act.

The conference agreement deletes a provision proposed by the House relating to the Buy American Act. The Senate bill contained no similar provision.

The conference agreement includes an appropriation of $1,700,000 for the United States-China Security Review Commission, as proposed by the Senate. The House bill contained no similar provision.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 2001 recommended

by the Committee of Conference, with comparisons to the fiscal year 2001 budget estimates, and the House and Senate bills for 2001 follow:

(In thousands of dollars)

Budget estimates of new (obligational) authority, fiscal year 2001	$7,480,187
House bill, fiscal year 2001	7,481,283
Senate bill, fiscal year 2001	7,479,980
Conference agreement, fiscal year 2001	7,480,186
Conference agreement compared with:	
Budget estimates of new (obligational) authority, fiscal year 2001	−1
House bill, fiscal year 2001	−1,097
Senate bill, fiscal year 2001	+206

C.W. BILL YOUNG,
RALPH REGULA,
JERRY LEWIS,
HAROLD ROGERS,
JOE SKEEN,
FRANK R. WOLF,
JIM KOLBE,
SONNY CALLAHAN,
JAMES T. WALSH,
CHARLES H. TAYLOR,
DAVID L. HOBSON,
ERNEST J. ISTOOK, JR.,
HENRY BONILLA,
JOE KNOLLENBERG,
DAVID R. OBEY,
JOHN P. MURTHA,
NORMAN DICKS,
MARTIN OLAV SABO,
STENY H. HOYER,
ALAN B. MOLLOHAN,
MARCY KAPTUR,
PETER J. VISCLOSKY,
NITA M. LOWEY,
JOSÉ E. SERRANO,
JOHN W. OLVER,
Managers on the Part of the House.

ROBERT C. BYRD,
DANIEL K. INOUYE,
FRITZ HOLLINGS,
TED STEVENS,
THAD COCHRAN,
Managers on the Part of the Senate.

GENERAL LEAVE

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on House Joint Resolution 50.

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

There was no objection.

DISAPPROVAL OF NORMAL TRADE RELATIONS TREATMENT TO PRODUCTS OF PEOPLE'S REPUBLIC OF CHINA

Mr. THOMAS. Mr. Speaker, pursuant to the unanimous consent agreement of July 17, I call up the joint resolution (H.J. Res. 50) disapproving the extension of the waiver authority contained in section 402(c) of the Trade Act of 1974 with respect to the People's Republic of China, and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The text of H.J. Res. 50 is as follows:

H.J. RES. 50

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress does not approve the extension of the authority contained in section 402(c) of the Trade Act of 1974 recommended by the President to the Congress on June 1, 2001, with respect to the People's Republic of China.

The SPEAKER pro tempore (Mr. GILLMOR). Pursuant to the order of the House of Tuesday, July 17, 2001, the gentleman from California (Mr. THOMAS) and a Member in support of the joint resolution each will control 1 hour.

Is there a Member in support of the joint resolution?

Mr. STARK. Mr. Speaker, I am in support of the resolution.

The SPEAKER pro tempore. The gentleman from California (Mr. STARK) will control 1 hour.

The Chair recognizes the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Mr. Speaker, I ask unanimous consent to yield one-half of the time, 30 minutes, to the gentleman from Michigan (Mr. LEVIN), the ranking member on the Subcommittee on Trade of the Committee on Ways and Means, and that he be permitted to yield time as he sees fit.

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

There was no objection.

Mr. STARK. Mr. Speaker, I ask unanimous consent to yield half of my time to the gentleman from California (Mr. ROHRABACHER), who supports the resolution.

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

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume, and I rise in strong opposition to House Joint Resolution 50, which would cut off normal trade relations with China.

This resolution, I believe, is terribly short-sighted toward Chinese reform and hard-fought gains of American consumers, workers and exporters, given how China is so close to accepting the comprehensive trade disciplines of the World Trade Organization membership.

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Just last July, this body voted 273 to 197 to extend normal permanent trade relations to China upon its accession to the WTO. The reason this measure is in front of us today is that, after negotiations between Ambassador Zoellick and the Republic of China, we have come to an agreement on a bilateral agreement which is a precursor to the admission of China. Unfortunately, the date sequences leave us with an open period of time in which this annual renewal is necessary.

In order to support the United States government's decision based upon the bilateral negotiated treaty with China, I urge all Members to oppose H.J. Res. 50.

Mr. Speaker, I rise in strong opposition to H.J. Res. 50, which would cut-off normal trade relations with China. This resolution is terribly short-sighted toward Chinese reforms and the hard-fought gains of American consumers, workers, and exporters, given how close China is to accepting the comprehensive trade disciplines of WTO membership.

Last July, this body voted 273 to 197 to extend permanent normal trade relations with China upon its accession to the WTO. I expect China to officially assume the full responsibilities of WTO membership by year end. Defeat of H.J. 50 is necessary to support Ambassador's Zoellick's decision to take the extra time to ensure that China's concessions to the Untied States are as clear and as expansive as possible.

Despite its history, despite having been pushed and pulled between colonialism and nationalism, ravaged by simultaneous imperial invasion and civil war, and finally driven to near ruin by Mao and his Cultural Revolution, China is finally prepared to join the world of trading nations by accepting the fair trade rules of the WTO. This is progress that must be supported. While the world and the Chinese people still face overwhelming problems with the behavior of the Chinese government, it is imperative to understand that China is changing. These last ten years represent the most stable and industrious decade China has known in the last 150 years. WTO Membership and normal trade relations with the United States is the best tool we have to support the changes we see in China.

Thanks to the Chinese government's structural economic reforms, more than 40 percent of China's current industrial output now comes from private firms. Urban incomes in China have more than doubled. For millions of Chinese, increased prosperity and well-being has been manifest in the form of improved diets and purchases of consumer goods.

Everyday, more and more ordinary Chinese citizens are able to start their own businesses and begin the process of building an entirely new way of life for themselves. We are witnessing Chinese society renew itself, absorbing new ideas and a world of information and knowledge. As well, the Beijing Government is taking steps to integrate capitalists into China's domestic political system.

Revoking NTR at this time would undermine the success of the capitalist and social reforms taking place in China. Let us not turn our backs on the gains our negotiators have made with China for America's farmers, businesses, and consumers. Instead, let us all give capitalism a true chance in China.

I urge a ''no'' vote on H.J. Res. 50.

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

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

Mr. Speaker, many might view this debate as an exercise in futility as China has already received permanent normal trade relations status. But I see it as an opportunity to recall some of the false arguments made on behalf of granting permanent normal trade relations to the People's Republic of China and to reflect back on the progress China has made in becoming a global trade partner worthy of normal trade relations status.

Last year when we debated the relations with China, we heard all kind of horrific scenarios from the industries that support this about the threats of what would happen to the American economy if we did not grant permanent trade relations to China. For instance, in May, 2000, Motorola ran a full-page ad in Roll Call and had a picture of the Motorola flip phone, like so many of us carry, and it said, ''If we do not sell products to China, someone else will.''

They contended in their ad that, of course, these phones were made by Motorola. They falsely said that this would mean China's markets would not be open to U.S. exports. Well, less than a year after the enactment, Motorola shut down its only U.S. manufacturing plant and moved the manufacturing jobs to China. There are many, many anecdotes to that. We just sold out too cheap.

The argument, if we do not sell products to China, China will sell them to us, that is the argument that Motorola should have used.

They made promises with respect to weapons which they have not kept. They have made promises with respect to human rights which they have not kept. And we, like a bunch of chumps, have bought into that argument and allowed China to run roughshod over human rights, over American dignity, over American jobs.

Mr. Speaker, I would urge my colleagues to support this resolution, to end this charade that these people are doing anything that would help America or that they voluntarily will increase human rights on their part.

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

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that the remainder of my time be controlled by the gentleman from Illinois (Mr. CRANE).

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

There was no objection.

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

Mr. Speaker, I rise in opposition. I do not really look upon this as an exercise in futility. It is an exercise that would have some true irony if this resolution were to pass because, as we know, China has now essentially finished its negotiations with all of the countries, save one perhaps, and with the WTO except for a few outstanding issues. Its accession is now essentially completed.

If this resolution were to pass, we would withdraw NTR for a few months and then it would go into effect upon the formal accession of China. So, in that sense, any passage of this would be not only be radical but probably counterproductive. In that sense, maybe it is futile.

I think we should look upon this discussion as an opportunity to assess where matters are since we voted for PNTR.

In a word, I would say that it is a mixture of changing and staying the same. There has been continuing change in China. It has continued to move away from a state-dominated economy towards a free-market economy. That has been true in industrial sectors, and now more and more it is gaining a foothold elsewhere, both geographically and in other sectors. Also, it has been true in the smaller enterprises as well as the larger.

We have also seen a rapid expansion of the Internet. We also have seen the beginnings of cracks in their legal system that has been so dominated by the state. For the first time, we are seeing some successful suits by workers and individuals to redress grievances.

It is said soon China will be acceding to the WTO, and that I think everybody would agree is likely to accelerate change. Indeed, one of the issues is how China is going to handle these changes.

But in many other respects China has stayed the same. Anyone who thinks increased trade is a panacea that will bring about all kinds of changes in the near future, I think those people are wrong. I think we have seen in the last year continued trampling on the human rights in China, Falun Gong, the repression of Tibet and other ethnic minorities and the grievous detention of scholars and American citizens.

We have also witnessed some security issues, including the downing of our airplane. These are troubling issues, and they continue to be. So I think the events of the last year fortify the approach that was taken last year, and that is to combine engagement with China that I think is truly unavoidable in view of its size, its importance, and also the need to pressure China, indeed at times to confront, to engage and to pressure.

Last year, the legislation had some provisions relating to engagement. They also did so in terms of pressure. We set up a congressional executive commission. I think that now all of the members have been named. There will be one change in the Senate. I think that within the next weeks, if not few days, that important commission will become operational. It will work on issues of human rights, including worker rights, be an active force to pressure China to move in the right direction.

It did not like our creation of that commission, and I think that commission will fulfill its obligations.

We asked in that legislation that there be an annual review of China's performance within the WTO. Many were skeptical that could be achieved, but it has been through the negotiations by USTR. We also inserted an anti-surge provision in the legislation that was the strongest inserted into legislation in American history, and that is there as a pressure point.

So, in a word, I think that we need to continue the path that we have set, one of active engagement, but also of vigorous alertness and pressure. So, therefore, I oppose this resolution, not only because we would be withdrawing NTR only for it to go back into operation in a few months but because I think on balance the appropriate course is one of continuing engagement and also of vigorous pressure.

Mr. Speaker, I think this is the best path to follow, not an easy one, but the one that is most likely to be productive on all sides of the equation.

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

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

Mr. Speaker, I have introduced House Joint Resolution 50 with my colleague from Ohio (Mr. BROWN) to disapprove the extension of the President's waiver on the Jackson-Vanik provision in the Trade Act of 1974. My reason for this resolution is to protect our country's national security, as well as to call attention to the gross violations of human rights that now are taking place on the mainland of China.

Since we held this debate last year, and despite previous Presidential waivers, the Communist Chinese have used their $80 billion that they have in annual trade surplus with the United States to modernize their military and boost their nuclear forces which target American cities. In other words, they are using the $80 billion trade surplus that we are permitting. We are approving the rules of engagement in terms of our economic relationship. They use that $80 billion to buy technology to kill Americans. That is absurd, that we should continue in this type of relationship.

Mr. Speaker, many people are going to suggest that this is in some way beneficial to the people of the United States. There is no doubt that the China trade is beneficial to a very few people in the United States, a few billionaires who are able to exploit the labor, the near slave labor in China and thus do not have to put up with unions or regulations in the United States of America. So, yes, it is beneficial for them, but it is not beneficial for the people of the United States of America.

What is it then that propels this vote on normal trade relations? Why is it that we always have this vote, and those of us who are against normal trade relations with Communist China always lose. Well, it is because we have these people who have great wealth and power who are exercising their influence on this body and with the public to try to pressure to continue going down this road even though every road sign says, ''Turn back, not this way.''

Mr. Speaker, we will hear during this debate over and over again, mark my words, we will hear people say we have got to have normal trade relations with China in order to exploit the world's biggest market in order to sell American products.

Let me repeat this two or three times. That is not what normal trade relations is about. It is not what normal trade relations is about. Opening

up markets and selling American products that are manufactured here is not what normal trade relations is about.

What normal trade relations is about is, with the passing of this bill, those billionaires that I just mentioned are able to get tax subsidies, subsidies for their investment. They are able to close down manufacturing companies in the United States and open up factories in Communist China to use their slave labor with a subsidy from the American taxpayer, be it the Export-Import Bank or other subsidized international financial institutions.

Mr. Speaker, that is what this vote is about. This vote is whether we should be subsidizing big business to close down American factories and give that subsidy to them to open up factories in Communist China. It is an insult to the people of the United States. We are taxing them to put them out of their own jobs. That is what this vote is about. It is about continuing the economic rules of engagement with Communist China which has led to their militarization and has led them to become so arrogant of the United States that the Chinese downed an American military aircraft and held American military personnel hostage for 11 days.

Mr. Speaker, I ask my colleagues to consider, what if those people had died on that airplane? Those 24 Americans, it was a miracle that they did not die, that that crash did not occur. Otherwise, what would we be doing today?

I would suggest many people in this body would be making the same arguments, do not worry about Communist China, it is actually getting better. What do they have to do? They are murdering their own people. They are putting Christians in jail. They are putting Falun Gong meditators in jail. They have a higher level of oppression than they had before. They are bringing down American aircraft. What do we have to do?

Mr. Speaker, we have to recognize that there are powerful forces at work in this country and they are profiting from what, from a tax subsidy from our taxpayers to give them the type of loan guarantees that they cannot get from private banks.

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This has nothing to do with free trade. It has nothing to do with selling American products in China. It has everything to do with subsidizing and guaranteeing big businessmen who cannot get their loans guaranteed in the private sector because it is too risky to go and set up factories in China.

That is what this vote is about. I would ask my colleagues to support our position and to reject the Jackson-Vanik waiver for trade with China.

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

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

Mr. KELLER. I thank the gentleman for yielding me this time.

Mr. Speaker, I rise today in opposition to House Joint Resolution 50, which attempts to disapprove normal trade relations with China. It is clearly in our country's best interest to open up China's market of more than 1.2 billion potential customers. Our markets are already open to China. We need normalized trade relations to further open up their markets to us.

And we are moving in the right direction. Twelve years ago, the images we saw from China were of students standing in front of tanks. Now the images we see on our TV screens are of students standing in front of Internet cafes and McDonalds. There are several Wal-Mart stores that have recently opened up in China. U.S. exports to China have increased by $4 billion over the last 5 years, with a 24 percent increase last year alone as a result of normal trade relations.

Some folks who want to put an end to our trading relationship with China point out that they have a less than satisfactory record on human rights. I agree. But I also agree with President Bush that maintaining normal trade relations with China is our best hope for improving their record in terms of human rights. I think President Bush did a great job in securing the safe return of 24 brave servicemen and women from China after the surveillance plane incident.

Looking forward, we can make a positive impact by engaging in constructive dialogue with China, exporting more Bibles to China, opening up their minds about democracy through the Internet, and other things.

I urge my colleagues to vote ''no'' on this resolution.

Mr. STARK. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Maryland (Mr. CARDIN), a member of the Committee on Ways and Means.

Mr. CARDIN. Mr. Speaker, I rise today in support of the resolution to disapprove MFN status for the People's Republic of China. I recognize this is largely a symbolic action. The die was cast last year when Congress approved PNTR for the People's Republic.

I voted to support normal trade status as it was an essential step towards inclusion of China in the WTO and mainstream of international trade. As a part of the bilateral agreement between China and the United States, once China joins the WTO we will have achieved significant concessions from China in our trade arrangements. We will also have a permanent human rights monitoring of China. But to date, China has not become part of the WTO and standing on its own, using human rights as the test, particularly reviewing China's record during the past 12 months, China is not entitled to MFN status.

I view this vote as a signal to the leaders of the Chinese Communist Party that their actions in numerous areas, but most particularly in the area of human rights, are unacceptable internationally.

Mr. Speaker, let me just quote from the report of our own State Department on human rights practices in China:

''The government's poor human rights record worsened, and it continued to commit numerous serious abuses.

''The government's respect for religious freedom deteriorated markedly during the year, as the government conducted crackdowns against Christian groups, et cetera.

''Abuses included instances of extrajudicial killings, the use of torture, forced confessions.

''The government severely restricted freedom of assembly and continued to restrict freedom of association.

''Violence against women, including coercive family planning practices which sometimes includes forced abortion and forced sterilization.''

Mr. Speaker, the report goes on and on and on on the human rights violations of China. Jackson-Vanik speaks to our Nation that we believe that human rights are an important part of normal trade with our Nation. Based upon the record during the past 12 months, China does not deserve normal trade relations; and we should approve the resolution.

Mr. STARK. Mr. Speaker, I yield the balance of my time to the gentleman from Ohio (Mr. BROWN) and ask unanimous consent that he be allowed to control the time.

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

There was no objection.

Mr. LEVIN. Mr. Speaker, I yield 3 minutes to the distinguished gentlewoman from California (Mrs. TAUSCHER).

Mrs. TAUSCHER. Mr. Speaker, I thank my colleague for yielding me this time.

Mr. Speaker, last year I was a strong supporter of granting PNTR status to China and the opportunity for them to join the WTO. Today I rise in strong opposition to the resolution of disapproval for normal trade relations with China.

Has China improved over the last year and have they become the kind of nation that we would believe would be the perfect trade partner for us? Have they shared our values of democracy and human rights? Have they worked toward improving the environment? No, they have not.

But at the same time, I believe that former Secretary of State Madeleine Albright was correct when she said that engagement with China is not endorsement. And having an opportunity to work with a China that is opening its markets, that is one that is part of the World Trade Organization, that is opportunistically working to open its markets with us and is also able to be subject to the adjudication of the World Trade Organization is somebody that I think is necessarily part of the world market.

We have an opportunity to know that in this connection, trade is not always about economic and political freedom, but it certainly will help us to get to a place where China can move toward improving its human rights, and that is a very important opportunity for the working families of my district in California.

Mr. Speaker, normal trade relations with China is good for businesses and for working families. I urge my colleagues to oppose the resolution disapproving normal trade relations with China because exposing the Chinese people to economic and political freedom is the best way to encourage change in that country.

Mr. ROHRABACHER. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina (Mr. GRAHAM), a man who knows we should not be subsidizing American investment in China.

Mr. GRAHAM. Mr. Speaker, I thank the gentleman for yielding me this time; and I thank the gentleman from California (Mr. ROHRABACHER) for always keeping our eyes focused.

It is funny what people see when they look at countries or events. When we look to China, we see a quick buck. That is what we look at.

What did the students in Tiananmen Square see when they looked at America? They built a statue modeled after the Statue of Liberty. When you come into my office, the first thing you will see is the young man standing in front of the two tanks. He is dead.

We debate faith-based initiatives today and what role religious organizations ought to have in our public life, and we jealously guard separation of church and state. What do they do in China? They will kill you if you step out of line.

We debate passionately a woman's right to choose. There is no debate in this country about the government forcing somebody to have an abortion, but that is the norm in China. When you talk about normal relations, you better understand who you are talking about.

Slave labor. We debate worker safety, environmental protections; and we have different views. But nobody in this House would allow one American to live like the Chinese people live under Communist tyranny.

Time Magazine, not my favorite magazine, is banned in China. It is banned in China because they wrote something the Communist Chinese dictators did not like.

Trade with China. You show me one agreement we have made with them, and I will tell you how they cheat. They are destroying the textile industry because they cheat.

If during the Reagan years we had done with the former Soviet Union what we are doing with China, communism would still be alive and well because we would give the Communist dictators in the former Soviet Union the money to stay in business. The money going to China does not go to the people. It goes to their government.

What is a normal relationship with China? The normal day-to-day operations in China should make most Americans feel ashamed that we are doing business with them.

Mr. CRANE. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from California (Mr. DREIER).

Mr. DREIER. I thank the gentleman for yielding me this time.

Mr. Speaker, this is probably the last time that the United States Congress will engage in what has become known as the annual ritual of debating normal trade relations with China. No matter what side of this trade debate you are on, you cannot deny that China is rapidly emerging as a nation. They are already a regional power in Asia, and they have the capability to be a world player. This is not a value statement; it is clearly a fact.

Another fact, and one that I have asserted many times over the years, is that market reform is a powerful force for positive change in China. As it develops economically, a massive class of better educated, wealthier Chinese people is emerging, people empowered not through politics and the ballot box but increasingly empowered through property rights and information technology. This is China's entrepreneurial class.

We all recognize that the Chinese government does not share our values. The people who make up China's entrepreneurial class increasingly should share our values, but they often do not. The disturbing reality is that we appear to be losing the hearts and minds of the Chinese people.

Now, there is no question that many Chinese leaders do not like America and the values that it embodies. But we need a national policy toward China that is able to penetrate through the haze of the Chinese information ministers and make it clear to the people of China that the people of the United States are their friends. The vast majority of the 1.3 billion people in China share the hopes and dreams that we hold. They want good jobs, strong families, and a peaceful future. The desire for life, liberty, and the pursuit of happiness may have been penned by an American, but there is no reason to believe that the dream does not extend to people in China or anywhere else. That is why America has been a symbol for hope and human freedom for over 200 years.

That is also why we must be committed to ensuring that the average Chinese family does not believe that America stands in the way of those basic goals. In short, we need to stand up to the Chinese government for freedom in ways that do not put us on the wrong side of the Chinese people.

Mr. Speaker, the House is going to reject this resolution of disapproval because ending trade with China is bad for the American people and it is bad for the Chinese people. We may not need to go through this exercise again, but we should be thinking about how to build ties to the emerging Chinese entrepreneurial class. Winning the trade fight but losing the hearts and minds of those in China who should be America's friends may very well prove to be a Pyrrhic victory.

For the people of the United States and the people of China, vote ''no'' on this resolution.

Mr. BROWN of Ohio. Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Ms. PELOSI) who believes that this Congress should quit rewarding China for its human rights violations, for its political oppression, and for its persecution of religious figures.

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding me this time and for his leadership on this important issue.

I just want to pick up where my colleague from California left off, and, that is, he said ending trade with China. Speaking that way is a grave disservice to this debate. Nobody here is talking about ending trade with China. What we are saying is that our trade with any country should promote our values, promote our economy through promoting our exports and make the people freer. Our trade relationship with China fails on all three points.

I had hoped that this debate would not even be necessary. Last year when PNTR was passed, it was said it was necessary for us to do our part of the bargain so that China would come into the WTO and start complying with international trade rules.

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Here we are again, 1 year later. Frankly, I think you should all be very embarrassed. You promised if we did that, they would be in. But, then again, you have been saying since 1989, when we first started this debate, that if we gave China most-favored-nation status, now had its name changed to protect the guilty, if we gave them PNTR, or NTR, or whatever you want to call it, that human rights, that the trade advantage would improve for us, and that they would stop the proliferation of weapons of mass destruction, three areas of concern.

Well, bad news again. The news is bad on every score. When we first started this debate in 1989, the trade deficit with China was $2 billion a year. My, my, my, we thought that gave us leverage, $2 billion a year. The annual renewal, this policy that is in place that was going to improve our trade relationship, that deficit is projected to be $100 billion for this year. Not $2 billion a year, but $2 billion a week. On the basis of trade alone, this is a bad deal for the U.S.

Intellectual property is supposed to be our competitive advantage. The International Intellectual Property Alliance reports that piracy rates in China continue to hover at the 90 percent level, an alarming increase in the

production of pirate optical media products, including DVDs by licensed, as well as underground, CD plants. I will submit the full report in the record. Growing Internet piracy, growing production of higher-quality counterfeit products, and respective uses of unauthorized copies of software in government enterprises and ministries.

The Bush administration report on agriculture is very bad. It says that the anticipated access for agricultural products has not been seen. So that was the big thing we held out last year. If you vote for this, our products will get into China. The access is just not there.

On proliferation, China continues to proliferate weapons of mass destruction to rogue states, which we have now changed the name to ''countries of concern,'' and to unsafe guarded states like Pakistan, North Korea, Iran, Iraq, Syria and Libya, making the world a less safe place.

On the question of human rights, we were told if we gave China most-favored-nation status, human rights would improve. The brutal occupation of Tibet continues. The human rights violations continue and are worsened. If you are a political dissident in China, you are either in jail or in exile.

So I say to my colleagues, if we are standing here again next year, shame on us. I think we should finesse this issue. Next year we have to examine this policy closer.

Mr. LEVIN. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Speaker, I rise to oppose this resolution.

Normal trade relations with China has been supported by every single President of the United States, Republican and Democratic alike, since 1980. By continuing normal trade relations with China, we are neither providing China special treatment, nor are we endorsing China's policies. The United States is the only major country that does not extend permanent normal trade relations with China. China is also the world's largest economy that is not subject to the World Trade Organization's trade liberalization requirements.

The vast majority of Members voted to granted PNTR status to China last year. This action is critical to advancing China's accession to the WTO, which will bring the Chinese into a rules-based trading system. It would also enable U.S. consumers and businesses to gain access to the broadest range of goods and services from China at the lowest prices. Restricting trade will only force our consumers to pay higher prices.

Continuing normal trade relations with China serves our best economic interests. Approximately 200,000 U.S. jobs are tied directly to U.S. exports to China. Without this relationship, we would be placing American firms at a severe competitive disadvantage. American companies are setting an example in China. They are offering good jobs, fair compensation, and strong worker protections.

While I share the concerns expressed by many of our colleagues regarding human rights abuses in China, discontinuing normal trade relations will not improve human rights in China. Instead of isolating China, we should be exposing the Chinese people to Western ideas and the rule of law.

Bringing China into the global free enterprise economy will shine a much-needed light on its government. Last week's decision by the International Olympic Committee to award China the bid for the 2008 games will put more pressure on the Chinese leadership to prove it is worthy of the designation and the international attention.

Promoting normal trade and continued economic engagement over time will help open up China's economy and society. The way we engage the Chinese Government will help determine whether China assimilates into the community of nations or becomes more isolated and unpredictable. By revoking NTR with China, we would be standing alone on a trade policy that neither our allies nor trade competitors would follow. Our competitors would gain an advantage, consumers would pay higher retail prices, the Chinese people would suffer, and economic and political reform in China would be arrested.

In short, we have much to lose and little to gain by failing to continue our current trading relationship with China. We should reject this resolution, and we should support continuing normal trade relations with China.

Mr. ROHRABACHER. Mr. Speaker, I yield 3 minutes to my friend, the gentleman from Ohio (Mr. TRAFICANT), who knows it is not right for U.S. taxpayers to subsidize businesses to close up here and set up shop on the mainland of China.

Mr. TRAFICANT. Mr. Speaker, let us get to the point: China is a communist dictatorship. China has threatened Taiwan, and even Los Angeles. As we speak, China is shipping arms to Cuba. China has just signed an agreement with Russia. China held 24 Americans hostage, no matter how you want to state it. China stole our secrets. China just recently illegally bought U.S. microchips to make more missiles. China already, according to the Pentagon, has missiles aimed at American cities. Hey, China is on record, according to the Pentagon, as referring to Uncle Sam as imperialist and, quote-unquote, ''the enemy.''

Now, if that is not enough to spoil your stir-fry, China is taking $100 billion in trade surplus a year out of America. And we might laugh, but I believe that the Congress of the United States, with American taxpayer dollars, is funding World War III. World War III.

A dragon does not negotiate with its prey; a dragon kills its prey. When are we going to wise up around here? China's record speaks for itself.

My God, even the Pentagon bought the black berets from China. On the Mall, the symphony was performing on Independence Day, and vendors were passing out plastic Old Glories made in China.

The last I heard, we were referred to around the world as Uncle Sam. So help me God, the way we are acting, the world is beginning to look at America as Uncle Sucker.

I will have no part of this. There is an old saying: ''Better dead than red.'' This is a communist dictatorship. I want to give credit to former President Reagan, who crippled and dismantled communism, brought the Berlin Wall down, destroyed and destructed what he called that Evil Bear, the Soviet Union. And what we have done in the last 3 years, we not only reinvented communism, we are now starting to subsidize it. And, by God, we are funding, I believe, and I warn this Congress, a future World War III; and we had better be careful.

With that I thank the gentleman for his time, and I support this resolution, and I think this resolution is more important than the consideration it is getting very flippantly from some economists in America.

Mr. CRANE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Arizona (Mr. KOLBE).

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

Mr. Speaker, I do rise in opposition to the resolution that would revoke normal trade relations with China. I think very clearly doing this would be a destabilizing factor in our relationship. I am sure that is the intention of those who have this resolution today. I think it would steer China on a certain course towards isolationism and nationalism, and I would think that those who support this resolution certainly do not independent intend that to happen, because that certainly is not in the interests of either country. That would be counterproductive, certainly to our own economic and to our foreign policy interests.

There is nothing new in the debate really this year from what we had last year when we passed permanent normal trade relations. Nothing has changed since then. The reasons we supported PNTR last year are equally as valid as they were a year ago, and I say that despite the recent storms that we have had in U.S.-China relations. The recent downing of our aircraft and the holding of the plane and the crew for an inordinate length of time does not change the reasons that we need to have normal trade relations with that country.

We must remember that if China is going to become a member of the World Trade Organization, it has to make dramatic policy changes. As a result, its economy is going to become more and more open, more and more capitalistic, in the future. Free market

forces are growing and they are getting stronger in China. Economic liberty is on the rise, and that is exactly the course we want to help China navigate.

If the U.S. revokes normal trade relations, it would be devastating to China's economic progress and hurt American consumers and workers in the process.

I heard here earlier about how this is about the almighty dollar; and I say no, it is not about that. This is about making sure that China continues on a path towards opening its political and its economic system; and, yes, it does help American workers in the process.

Mr. Speaker, I urge Members of the House to oppose this resolution and to defeat it.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. LEWIS), who has fought human rights abuses in this country and wants to stop human rights abuses in China.

Mr. LEWIS of Georgia. Mr. Speaker, I want to thank my friend and colleague for yielding me time.

Mr. Speaker, I rise today in support of the resolution. We must stand up for human rights and democracy throughout the world; not only here at home, but around the world.

Where is the freedom of speech? Where is the freedom of assembly? Where is the freedom to organize? Where is the freedom to protest? Where is the freedom to pray? It is not in China.

China continues to violate the human rights of its citizens. They continue to arrest people for practicing their own religion. They arrested two elderly bishops and 22 other Catholics at Easter, and more than 200 Falun Gong members have died in custody since 1999. They continue to execute their own people, nearly 1,800 people in the last 3 months alone. They continue to imprison hundreds of people who participated in the pro-democracy protests of 1989. They continue to detain United States citizens without explanation. And we continue to reward China.

What message are we sending to China? What message are we sending to the rest of the world? The people of China want to practice their own religion. They want to speak their mind. They want to live in a free and open and democratic society.

If we stand for civil rights in America and other places in the world, we must stand for human rights in China and speak for those who are not free to speak for themselves. Today, with our vote, we have an opportunity to speak for the dignity of man and for the destiny of democracy.

Now, I believe in trade, free and fair trade; but I do not believe in trade at any price, and the price to continue to grant normal trade relations with China is much too high.

Mr. Speaker, I urge all of my colleagues to support this resolution and send a message to China.

Mr. LEVIN. Mr. Speaker, I yield 6 minutes to the gentleman from Washington (Mr. MCDERMOTT), a member of the Committee on Ways and Means.

□ 1700

Mr. MCDERMOTT. Mr. Speaker, I rise to oppose this resolution. I brought this glass of water out here because, when we look at it, it is not quite clear whether it is half full or it is half empty. This debate is really a half-full, half-empty debate.

I went to China first in 1977 with the first legislative delegation that got into China after Mao died in 1976. There were about 25 of us State legislators who traveled all over China. The Chinese people at this point dressed in either gray, if they were in the government; or blue, if they were a peasant; or green, if they were in the army. You could look around the whole place and there was not anything but gray and blue and green.

In 1982, I went back to China with a group from Seattle to establish a sister city relationship with Chungking. I was one of the five official delegates who did that. We went to the largest city in China, Chungking in the west. At that point, immediately one noticed two things. One was people's clothing had begun to change. People were allowed to have a little free expression here and there. The second thing that happened was that people were not afraid to come up and talk in English.

When we had been there in 1977, people who had been trained in Bible schools and all sorts of places in the United States and spoke good English were afraid to speak to you in the street in English. In 1982, that had changed. They were talking about development of free trade zones in Tianjin and other places in China.

I went back to China in 1992, and the changes were even more dramatic in terms of the change in people's dress, the change in people's behavior. They were having dancing classes, doing western ballroom dancing out in the street in front of the Shanghai hotels.

Now, we say that is all superficial, but it is very indicative of the changes that are occurring in China.

Now, if I were to tell my colleagues that there were labor leaders in one of the states of China that had formed a union and they worked on the docks and they did not like the way things were going so they called a strike, and the governor of the State, the State Attorney General, actually, were to put those labor leaders in house arrest for an entire year for having a strike, I am sure somebody would be out here jumping up and down and telling me all about these terrible human rights violations going on in China.

The description I just gave my colleagues is going on in South Carolina today. A black longshore union down in South Carolina has three or four labor leaders under house arrest for a year while the Attorney General runs for governor and uses them as his bait.

Now, the Bible says that before you talk about the mote in our brother's eye, look at the plank in your own eye. We are not clean on all of these issues of human rights, and giving everybody opportunity. The Chinese have changed dramatically since 1977 when I first went there. Have they a long way to go? Of course.

I have been to India and seen the Dalai Lama, seen the people who have fled from Tibet who live in Katmandu. I have seen all of the aspects of this. Many of them live in Seattle. And those are not right situations.

And none of us who think we ought to keep the pressure on the Chinese to change, none of us who are supportive, at least none that I know who are supportive of continuing a trade relationship with China, for 1 minute condone what is happening in Tibet or what is happening in a variety of slave situations in forced labor camps, none of that. But to walk away and say to one-fifth of the world's population, we have no interest in you, go your own way, do whatever you want; until you do it our way, we are not going to talk to you. We tried that.

My Senator, Warren Magnuson, who was here for 44 years, said, the biggest mistake we ever made was in 1947 when Mao put his hand out to the United States and said he wanted to work with us, and we said, no, you are a Communist. We will not deal with a Communist.

We closed the door on China from 1946 until a Republican President showed up. I mean, I do not have many good things to say about Richard Nixon, but I will say he had the courage to go and reopen the door and say, closing the door does not work. We have lots of proof of that. And to go back to the pre-1972 era is simply not in either in our best interests or in the world's best interests.

If the gentleman from Ohio is correct, that the Chinese are this great, fearful dragon, I think they are mythical animals, but, anyway, if they are really a fear to us, it is much better that we know them, that we are talking with them, that we are involved with them, and that we are using trade as a way to get them to adopt the rules of a civil world society, that is, the World Trade Organization.

Everybody plays by the same rules. They have to make changes for that to work in the WTO. They cannot continue the way they have been, and they have not. They have been going gradually, not as fast as we would like, but the next time somebody tells us something has not changed in China in 10 years, remember, they have been there 6,000 years. They do not do things in a minute.

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

This is a cup that, as we can all see, is empty, but I will submit to my colleague that there will be many people who will try to tell you that there is water in this cup. No. It is an empty

cup. And no matter how much we would like it to be filled with water, it is not filled with water. No matter how much we would like to say that there has been human rights progress in China, there has been no human rights progress in China.

In fact, the situation has retrogressed in the last few years. Japan was becoming highly westernized in the 1920s and 1930s. Berlin became a real party town compared to what it was when they were real poor and went through their economic hard times. Did this make Japan and Germany any less a threat to world peace? No. Today, China is, yes, advancing economically, but the money is being used by the militaristic elite to prepare for war and to attack the United States.

Mr. Speaker, I yield 3½ minutes to the gentleman from Colorado (Mr. TANCREDO).

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

It is historically accurate to say, I believe, that political freedom can influence economic vitality. I think that that is a provable point. I think it is much more difficult to try to prove the opposite, that, in fact, economic freedom can somehow force political freedom. It is a very difficult thing to do, just as my colleague has described. In the past, economic freedom, economic vitality did not lead ipso facto to political freedom, which is the case that is made over and over in defense of NTR. It will not necessarily work that way.

The gentleman from California earlier, in opposition to this bill, suggested that we have to deal with the fact that China is an emerging nation. Wow. Pretty profound. It is, in fact, yes, it is an emerging nation. No one can deny that. No one does deny that.

What kind of an emerging nation is China? It is a nation that in the last year has increased military capabilities to threaten Taiwan; exploded a neutron bomb a little over a year ago, that event went widely unpublicized; constructed 11 naval bases around the Spratley and Paracel Island group; convicted a U.S. scholar of spying for Taiwan; jailed or exiled every major dissident in China; closed or destroyed thousands of unregistered religious institutions; arrested 35 Christians for worshipping outside the official church and sentenced them indefinitely to forced labor camps; expanded the total number of slave labor camps to around 1,100; expanded the industry of harvesting and selling human organs.

The government intensified crackdowns in the treatment of political dissidents in Tibet; suppressed any person or group perceived to threaten the government. Hundreds of Falun Gong have been imprisoned. Thousands of practitioners remained in detention or were sentenced to reeducation-through-labor camps or incarcerated in mental institutions. China has increased the number of extrajudicial killings; increased the use of torture, forced confessions, arbitrary arrest and detention, the mistreatment of prisoners, lengthy incommunicado detention, and the denial of due process.

In May, the U.N. Committee Against Torture issued a report critical of continuing serious incidents of torture, especially involving national minorities; and, of course, last but not least, forced down an American plane and held 24 Americans hostage.

This since we passed PNTR. This is the result. This is what we got for doing what we did. What can we expect, do my colleagues think? I quake to think what we can expect from a continued relationship of this nature.

Trade. The issue of trade has come up so many times. The term trade we throw around here so lightly implies a two-way street. It implies an action we take, they take. We sell, they buy. No, it is not what is happening. Mr. Speaker, $100 billion later we explain to the rest of the world that this trade has not worked out to our advantage. And what makes us think that it ever will?

I suggest only this: Please, when the gentleman earlier said that companies are setting an example in China, he is right, and here is the example they are setting. Those companies are putting profit above patriotism. Please do not encourage that kind of behavior. Vote for this resolution.

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

Mr. Speaker, I rise in strong opposition to H. J. Res. 50, which would terminate Normal Trade Relations with China 60 days after enactment. This resolution jeopardizes the jobs and livelihoods of nearly 400,000 American workers and their families who depend upon trade with China. It also sells out millions more Chinese striving hard to reform a nation with an exceptionally complex and painful past, and for what? Let me suggest that there is a better way.

Commercial engagement with China has been and continues to be the cornerstone of America's productive and maturing relationship with China. Since the historic 1979 U.S.-China Agreement on Trade, every American President has understood the importance of integrating China and its one-fifth share of humanity into the international system. Since the end of the destructive Maoist era, I believe that China has been experiencing nothing less than a ''great awakening.'' In ever-larger strides China has proceeded to open its doors to free enterprise and engage in international trade and commerce, now reaching $500 billion per year.

On October 10 last year, President Clinton signed legislation that terminated the provision of the 1974 Jackson-Vanik statute that requires the annual consideration of China's Normal Trade Relations status, NTR. By a vote of 237 to 197, the House voiced its unwavering, bipartisan support for the reforms taking place in China and committed to extend Permanent Normal Trade Relations, PNTR, status to China when it becomes a member of the World Trade Organization.

Under the accession agreement, our tariffs on Chinese imports will not change, while Chinese tariffs on our exports will be sharply reduced, giving us access to 1.2 billion customers. This agreement also requires China to undertake a wide range of market-opening reforms to key sectors of its economy still under state control, covering agriculture, industrial goods and services.

On June 11, Ambassador Zoellick reached a breakthrough agreement with China on most of our remaining bilateral trade liberalization issues. In light of the progress made so far, it is very possible that China will become a WTO member by the end of this year. Therefore, it appears that Congress needs to reauthorize NTR status one last time for the span of just a few months.

□ 1715

In light of our historic PNTR vote last fall, we must keep moving forward toward our common goal of integrating China into the international system of rules and standards. After 15 years, we are almost there.

Mr. Speaker, relations with China this year have been anything but smooth. We are all angered and frustrated by the two steps forward, one step backward behavior of the Beijing government. The world expects much more from China.

Yet, denying China NTR will not bring about political and religious freedom for the Chinese. In fact, it will have a quite opposite effect. A better way to America's long-term national security interests in China and the Asian region will be to help China begin this century on an economic reform path shaped and refined by the economic trade rules of the WTO, and I urge a no vote on House Joint Resolution 50.

Mr. Speaker, I ask unanimous consent for the gentleman from Illinois (Mr. WELLER) to control the time on our side.

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

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to my friend, the gentleman from New Jersey (Mr. PASCRELL), who believes we should not reward a nation that uses slave labor to sell products to the United States.

Mr. PASCRELL. Mr. Speaker, we need to expect more from ourselves first of all, not the Chinese government. I do not need the unions to tell me what to do on this issue, I do not need the churches, the synagogues, I do not need environmental groups, because this is what I carry with me, the Constitution of the United States, since I raised my hand.

This is what this is all about, article 1, Section 8. It gives to the Congress of

the United States the power to deal in trade.

What we are doing, this is the last vote we are ever going to have on this issue. Think about that, Members, we are not going to be able to change anything. This is the last vote that we are going to have on trade with China.

We, who have been voted by the public not the trade representatives of the United States, who did not stand for election, I stood for election, the Members stood for election, we stood for election, we have an obligation to fulfill the duties and responsibilities of the Constitution.

To China, I say I thank them for returning a New Jersey citizen they detained for 5 months without cause. I thank them. The opponents of this resolution will call this unfortunate. For this noble act, not only do they deserve the Olympics in 2008, but please take a continuation of the most-favored-nation status.

Has China done anything to warrant our continuation of most-favored-nation status? No. The Chinese government has abused its citizens, tortured its prisoners, held Americans hostage, and is doing its part to destroy the Earth's environment.

We must not reward these heinous actions by giving them American jobs, exporting them one after the other.

I plead with my colleagues, Mr. Speaker, to take a small step, a temporary step, and revoke MFN that the Chinese want and do not deserve.

Mr. SANDERS. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Tennessee (Mr. CLEMENT).

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

Mr. Speaker, I hear this debate; and some of it bothers me because I do not want to go back to the Cold War. I do not want to bring about new hostilities between the United States and China and other countries of the world. I do not think the United States should be the Big Brother of the world. I do not think that we have all the answers in the world, as well.

I am for fair trade, I am for free trade, and I am in support of the normal trade relations with China. We know the importance of trade. Can Members imagine not trading with a country with a population of 1.3 billion people? They are on a land area approximately the same size as the United States. The only difference is, we have about 300 million people and they have 1 billion more people than we have. They have one-fifth of the world's population.

Yet, we are saying because we do not necessarily like their human rights record, which I do not, and they do not have the same democratic principles as the United States, that we are not going to trade with them under normal trade relations?

We do not need to raise the walls of isolation and separatism. I believe that the best approach to improving our relationship with the most populous country in the world is through diplomatic and economic channels. Revoking trade relations with China jeopardizes the U.S. economy. The expansion of markets abroad for U.S. goods and services is critical to sustaining our country's economic expansion.

The United States has a lot of softness, do we not, in our economy today? We do not need to worsen it. It most certainly will hurt American workers, who will see their jobs disappear if exporting opportunities to China are lost.

A policy of principled, purposeful engagement with China remains the best way to advance U.S. interests. Extending to China the same normal trade relations we have with virtually every country in the world will promote American prosperity and security and foster greater openness in China.

We have serious differences with China, and I will continue to deal forthrightly with the Chinese on these differences. But revoking normal trade relations would rupture our relationship with the country of China. As we foster a better relationship with the Chinese based on trade and commerce and diplomacy, we can also work to establish increased freedoms and democracy for the 1.3 billion people that live there.

Mr. ROHRABACHER. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. WOLF), a leader of the Human Rights Caucus, who has been a champion of human rights here in the Congress.

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

Mr. WOLF. Mr. Speaker, I rise in support of the resolution and in opposition to PNTR.

In some respects, listening to the debate in my office and reading about it, this reminds me of the time when Winston Churchill used to rise in the House of Commons to talk about the threat of Nazi Germany. They did not listen to Winston Churchill; and frankly, I do not think the country is listening today.

This is an issue of values. Mary McCrory in The Washington Post said the other day in her column, ''We talk human rights, but we act like shopkeepers. We are listening to the cash register.''

We are listening to the sounds of the cash register, but we are not listening to the Catholic bishops, ten of them, that are in jail, and one because he gave holy communion to the gentleman from New Jersey (Mr. SMITH), and he still has not gotten out. We are not listening to the sounds of agony of the Protestant pastors. Those who said they care about the church and the persecution, we listen to the sound of the cash registers.

They get down here and talk about the Dalai Lama in Tibet. I have been there and I have seen the persecution of the Muslims, but we are listening to the cash registers.

Harry Wu will tell us, when the gentleman from New Jersey (Mr. SMITH) and I went to Beijing Prison Number 1, where there were 40 Tiananmen Square demonstrators, and some are still there, but we listen to the sounds of the cash registers.

For this side of the aisle, we name buildings after Ronald Reagan, but if we want to honor Ronald Reagan we should vote NTR down. Ronald Reagan not only did not give MFN to the Soviet Union; in 1986, he took away MFN for Romania. It was my bill, and the bill of the gentleman from New Jersey (Mr. SMITH) and the gentleman from Ohio (Mr. HALL).

Ronald Reagan understood. He never gave it to them. He talked about values. The Soviet Union did not because we gave them MFN, the Soviet Union fell because Ronald Reagan stood up to them, the Pope stood up to them, the AFL–CIO and Lane Kirkland stood up to them, and not just grant them trade.

We talk about freedom,we talk about human rights. But as Mary McCrory said, ''Frankly, this Congress and this country,'' and quite frankly, the Bush administration, the Bush administration had better be careful it does not emulate the Clinton administration. Clinton talked about it but did nothing about it. This administration had better be careful. We talk about human rights, we act like shopkeepers. We are just listening to the cash registers, not to the bishops, not to the pastors, not to the Members of Congress, not to the people in the slave labor camps.

There are more slave labor camps in China today than there were when Solzhenitsyn wrote the book Gulag Archipelago. Let us listen to them and not to the cash registers.

Mr. Speaker, I think it is time we as a legislative body face reality about the People's Republic of China. We've annually debated trade relations with China. We've heard about human rights abuses, religious persecution, nuclear arms sales. And it has annually been the will of the Congress that we engage in trade with China with the expectation that human rights would improve and that China would get on the road to democracy.

But the expectations have fallen far short. As we have increased trade, the human rights situation in China has grown worse. For the past two years, the Department of State's annual report on human rights in China has stated this clearly, saying: ''the Government's poor human rights record has deteriorated markedly'' and ''the Government's poor human rights record worsened, and it continued to commit numerous serious abuses.''

Giving China most favored nation status hasn't changed for the better the lives of thousands of men and women languishing in forced labor prison camps. Human rights violations in China are about people who are suffering. Human rights violations in China are about people of faith being thrown into a dismal prison cell because of their faith.

When China violates its own citizens' human rights, people die, people suffer and families are torn apart.

I recently read the graphic testimony of a Chinese doctor who participated in the removal of organs and skin from executed prisoners in China. Dr. Wang Guoqi was a skin

and burn specialist employed at a People's Liberation Army hospital. He recently testified before the House International Relations Subcommittee on International Organizations, and Human Rights on the Government of China's involvement in the execution, extraction, and trafficking of prisoner's organs.

Dr. Wang writes that his work ''required me to remove skin and corneas from the corpses of over one hundred executed prisoners, and, on a couple of occasions, victims of intentionally botched executions.''

What kind of government skins alive and sells the organs of its own citizens?

The Government of China also persecutes and imprisons people because of their religious beliefs. The U.S. Department of State recently sent me a letter, on the status of religious freedom in China, which I enclose for the record. This letter states that the Government of China persecutes believers of many faiths, including Roman Catholics, Muslims, Tibetan Buddhists and Protestant Christians.

It is estimated that some ''ten Catholic Bishops, scores of Catholic priests and [Protestant] house church leaders, 100–300 Tibetan Buddhists, hundreds (perhaps thousands) of Falun Gong adherents, and an unknown but possible significant number of Muslims are in various forms of detention in China for the expression of their religious or spiritual beliefs.''

What kind of government imprisons its nation's religious leaders?

Compass Direct, a news service that monitors international religious freedom reports that ''Christian leaders in both the unofficial house churches and the registered 'Three Self' churches in eastern China confirmed . . . that there is increased pressure against the church in China.''

When China violates its own citizens' human rights, people die, people suffer and families are torn apart.

Today is the 159th day a mother and wife and permanent U.S. resident has spent in a Chinese jail. Dr. Gao Zhan is a researcher at American University here in Washington, D.C. She is my constituent. She studies women's issues. One hundred and fifty-nine days ago, Chinese authorities detained Gao Zhan and her husband and their 5-year-old son, Andrew. In the matter of an instant, this happy young family was torn apart by the regime in Beijing. A 5-year-old child was taken from his parents, a young couple was divided by prison walls and armed guards. Imagine how you would feel if the Government of China did this to your family. Imagine how you would feel if the Government of China put your 5-year-old son in prison.

What kind of government imprisons mothers who are academic experts on women's issues?

News reports indicate that the Government of China is due to deport American citizen Li Shaomin, whom the Chinese have imprisoned for several months and whom they recently convicted of espionage. While I am hopeful that Li Shaomin will be released, I also call on the Chinese Government to immediately release Gao Zhan, mother, scholar and devoted wife. I also call on the government of China to release the remaining American permanent residents and citizens it has arrested on trumped-up charges, including Wu Jianmin, Tan Guangguang, Teng Chunyan, Liu Yaping and others.

Last year during the debate on PNTR, I expressed concern ''about the alliance that seems to be forming between China and Russia against the U.S.'' Now, this week, Russia and China have signed a treaty of ''Friendship and Cooperation'' that I enclose for the RECORD. Article 9 of this treaty outlines what China and Russia mean by agreeing to ''friendship'' and ''cooperation'':

Article 9. If one party to the treaty believes that there is a threat of aggression menacing peace, wrecking peace, and involving its security interests and is aimed at one of the parties, the two parties will immediately make contact and hold consultations in order to eliminate the threat that has arisen.

China is purchasing sophisticated weapons systems from Russia that could place in harm's way, the lives of U.S. service members and U.S. capabilities in Asia. Russia has sold China an ''estimated $1.5 billion worth of weapons contracts last year alone,'' according to a July 12 article from Jane's Defense Weekly. Jane's also reports that ''strategic cooperation between Beijing and Moscow has also extended beyond their bilateral relationship to include neighboring states . . . for cooperation on military and other issues.''

Jane's also reports that the PLA has increased its official defense budget by 18 percent this year and that ''the [Chinese] military enjoys additional funding from other classified government programmes, such as for foreign arms procurements and weapons research and development.''

China has exported weapons of mass destruction and missiles in violation of treaty commitments. The director of the CIA has said that China remains a ''key supplier'' of these weapons to Pakistan, Iran and North Korea. Other reports indicate China has passed on similar weapons and technology to Libya and Syria. If one of these countries is involved in a conflict, it is very possible that these weapons of mass destruction could be targeted against American troops.

There have been numerous reports that the Chinese military views the U.S. as its primary threat. Evidence of this militaristic view toward the U.S. may be seen in China's unacceptable behavior in the downing of the U.S. surveillance aircraft and detainment of the crew. China's behavior in this incident and its subsequent piecemeal dismemberment of the aircraft by the Chinese is an affront to the U.S. and is further evidence that China views the U.S. as a threat.

In light of the downing and detainment of the U.S. surveillance aircraft and crew, in light of the new Russian-Chinese treaty, in light of China's increased military budget, because of China's proliferation of weapons of mass destruction, because of China's viewing the U.S. as being their primary threat, why would Congress want to give China normal trade relations (NTR) and all the benefits that come with NTR? Giving China NTR will give away any leverage the U.S. has on these and other issues of concern.

Successive Presidents and previous Congresses have acted to trade with the People's Republic of China expecting China's human rights record to improve and the growth of democracy. After nearly two decades in which China has received most favored nation status, it is clear religious freedom, human rights and democracy have been given lip service by the Chinese government.

If the U.S. wants to help bring democracy to China, it cannot continue to give China a blank check in the form of normalized trade relations. As Lawrence F. Kaplan writes in a July 9 article from The New Republic, ''. . . to pretend we can democratize China by means of economics is, finally, a self-serving conceit. Democracy is a political choice, an act of will. Someone, not something must create it.'' I enclose it for the record.

It is clear that many years of giving China NTR has not helped advance democracy in China. Arguably, giving China NTR has made the prospects for democracy in China worse and may actually be standing in the way of creating democracy in China.

It is time to try something new in our China policy. If the U.S. wants to see the growth of democracy and see China's human rights record to improve, the U.S. ought to review trade relations with China on an annual basis, until the Chinese government proves that it will treat its own people, its mothers, fathers, religious leaders and even common criminals with the dignity, compassion and respect that all human life deserves.

Mr. Speaker, I include for the RECORD an article and a letter relating to human rights and trade with China:

WHY TRADE WON'T BRING DEMOCRACY TO CHINA

(By Lawrence F. Kaplan)

On February 25, business professor and writer Li Shaomin left his home in Hong Kong to visit a friend in the mainland city of Shenzhen. His wife and nine-year-old daughter haven't heard from him since. That's because, for four months now, Li has been rotting in a Chinese prison, where he stands accused of spying for Taiwan. Never mind that Li is an American citizen. And never mind that the theme of his writings, published in subversive organs like the U.S.-China Business Council's China Business Review, is optimism about China's investment climate. Li, it turns out, proved too optimistic for his own good. In addition to rewarding foreign investors, he believed that China's economic growth would create, as he put it in a 1999 article, a ''rule-based governance system.'' But as Li has since discovered, China's leaders have other plans.

Will American officials ever make the same discovery? Like Li, Washington's most influential commentators, politicians, and China hands claim we can rely on the market to transform China. According to this new orthodoxy, what counts is not China's political choices but rather its economic orientation, particularly its degree of integration into the global economy. The cliche has had a narcotic effect on President Bush, who, nearly every time he's asked about China, suggests that trade will accomplish the broader aims of American policy.

Bush hasn't revived Bill Clinton's recklessly historical claim that the United States can build ''peace through trade, investment, and commerce.'' He has, however, latched onto another of his predecessor's high-minded rationales for selling Big Macs to Beijing—namely, that commerce will act, in Clinton's words, as ''a force for change in China, exposing China to our ideas and our ideals.'' In this telling, capitalism isn't merely a necessary precondition for democracy in China. It's a sufficient one. Or, as Bush puts it, ''Trade freely with China, and time is on our side.'' As Congress prepares to vote for the last time on renewing China's normal trading relations (Beijing's impending entry into the World Trade Organization will put an end to the annual ritual), you'll

be hearing the argument a lot: To promote democracy, the United States needn't apply more political pressure to China. All we need to do is more business there.

Alas, the historical record isn't quite so clear. Tolerant cultural traditions, British colonization, a strong civil society, international pressure, American military occupation and political influence—these are just a few of the explanations scholars credit as the source of freedom in various parts of the world. And even when economic conditions do hasten the arrival of democracy, it's not always obvious which ones. After all, if economic factors can be said to account for democracy's most dramatic advance—the implosion of the Soviet Union and its Communist satellites—surely the most important factor was economic collapse.

And if not every democracy emerged through capitalism, it's also true that not every capitalist economy has produced a democratic government. One hundred years ago in Germany and Japan, 30 years ago in countries such as Argentina and Brazil, and today in places like Singapore and Malaysia, capitalist development has buttressed, rather than undermined, authoritarian regimes. And these models are beginning to look a lot more like contemporary China than the more optimistic cases cited by Beijing's American enthusiasts. In none of these cautionary examples did the free market do the three things businessmen say it always does: weaken the coercive power of the state, create a democratically minded middle class, or expose the populace to liberal ideals from abroad. It isn't doing them in China either.

One of the most important ways capitalism should foster democracy is by diminishing the power of the state. Or, as Milton Friedman put it in *Capitalism and Freedom.* ''[t]he kind of economic organization that provides economic freedom directly, namely, competitive capitalism, also promotes political freedom because it separates economic power from political power and in this way enables the one to offset the other.'' In his own way, Bush makes the same point about China: ''I believe a whiff of freedom in the marketplace will cause there to be more demand for democracy.'' But the theory isn't working so well in the People's Republic, whose brand of capitalism isn't quite what Adam Smith had in mind.

China's market system derives, instead, from a pathological model of economic development. Reeling from the economic devastation of the Mao era, Deng Xiaoping and his fellow party leaders in the late 1970s set China on a course toward ''market socialism.'' The idea was essentially the same one that guided the New Economic Policy in Soviet Russia 50 years before: a mix of economic liberalization and political repression, which would boost China's economy without weakening the Communist Party. And so, while leaving the party in control of China's political life, Deng junked many of the economy's command mechanisms—granting state-owned enterprises more autonomy, opening the country to limited investment, and replacing aging commissars with a semiprofessional bureaucracy. The recipe worked well: China has racked up astronomical growth rates ever since. And democracy seems as far away as ever.

The reason isn't simply that government repression keeps economic freedom from yielding political freedom. It's that China's brand of economic reform contains ingredients that hinder—and were consciously devised to hinder—political reform. The most obvious is that, just as the state retains a monopoly on the levers of coercion, it also remains perched atop the commanding heights of China's economy. True, China has been gradually divesting itself of state-owned enterprises, and the process should quicken once China enters the World Trade Organization (WTO). But Beijing's leaders have said they will continue to support China's most competitive and critical industries. Taking a cue from authoritarian South Korea during the 1980's, China's leaders have proposed sponsoring industrial conglomerates in crucial sectors of the economy, transformed industrial ministries into ''general associations,'' merged failing state-owned firms with more successful ones, and established organizations to, as Chinese economist Xue Muqiao has put it, ''serve as a bridge between the state and the enterprises.''

But that's where any similarities with South Korea end. Unlike South Korea, the Philippines, and Taiwan, which evolved from authoritarianism (and did so, significantly, as de facto protectorates of the United States), China even today has no effective system of property rights—a signature trait that distinguishes its Communist regime from traditional authoritarian ones. The absence of a private-property regime in China means that, at the end of the day, the state controls nearly the entire edifice on which China's ''free'' markets rest. It also means that China's brand of capitalism blurs, rather than clarifies, the distinction between the public and the private realms on which political liberty depends. Nor is that the only requisite for democracy that China's markets lack. As the imprisonment of Li Shaomin and thousands of other political prisoners attests, capitalism in the PRC still operates within the confines of an arbitrary legal order and a party-controlled court system. ''China is still a lawless environment,'' says University of Pennsylvania sinologist Arthur Waldron. ''Whether in terms of individual rights or the rights of entrepreneurs, interests are protected not by institutions but by special relationships with those in power.''

Before he was arrested, Li diagnosed this condition as ''relation-based capitalism.'' What he meant was that relations with government officials, not property rights or the rule of law, underpin the Chinese market. Because the political foundations of China's economy remain the exclusive property of the state, China's entrepreneurs operate with a few degrees of separation, but without true autonomy, from the government. Hence, capital, licenses, and contracts flow to those with connections to officials and to their friends and relatives, who, in turn, maintain close relations with, and remain beholden to, the regime. Their firms operate, in the words of Hong Kong-based China specialist David Sweig, ''[l]ike barnacles on ships, . . . draw[ing] their sustenance from their parastatal relationships with the ministries from which they were spun off.''

Helping to keep all these distortions in place are Deng's functionaries, who now constitute the world's largest bureaucracy and still control the everyday levers of the Chinese economy. Today, they function as the engines and administrators of a market increasingly driven by skimming off the top. The foreign-trade sector offers particularly easy pickings. In 1995, for instance, the World Bank found that while China's nominal tariff rate was 32 percent, only a 6 percent rate was officially collected. Presumably, much of the difference went into the pockets of Chinese officials. And even though WTO accession will reduce opportunities for rent-seeking from inflated trade tariffs, China's bureaucracy will be able to continue siphoning funds from distorted interest rates, the foreign exchange markets, and virtually any business transaction that requires its involvement—which is to say, nearly every business transaction. Nor is the problem merely the corrupting influence these bureaucrats wield over China's markets. The larger problem is that, whereas in the United States the private sector wields enormous influence over the political class, in China the reverse is true.

For precisely this reason, Washington's celebrations of the democratic potential of the new Chinese ''middle class'' may be premature. ''Entrepreneurs, once condemned as 'counterrevolutionaries,' are now the instruments of reform. . . . [T]his middle class will eventually demand broad acceptance of democratic values,'' House Majority Whip Tom DeLay insisted last year. Reading from the same script, President Bush declares that trade with China will ''help an entrepreneurial class and a freedom-loving class grow and burgeon and become viable.'' Neither DeLay nor Bush, needless to say, invented the theory that middle classes have nothing to lose but their chains. In the first serious attempt to subject the ties between economic and political liberalization to empirical scrutiny, Seymour Martin Lipset published a study in 1959, Some Social Requisites of Democracy, which found that economic development led to, among other things, higher levels of income equality, education, and, most important, the emergence of a socially moderate middle class—all factors that promote democratization. More recent studies have found that rising incomes also tend to correlate with participation in voluntary organizations and other institutions of ''civil society,'' which further weakens the coercive power of the state.

But middle classes aren't always socially moderate, and they don't always oppose the state. Under certain conditions, late modernizing economies breed middle classes that actively oppose political change. In each of these cases, a strong state, not the market, dictates the terms of economic modernization. And, in each case, an emerging entrepreneurial class too weak to govern on its own allies itself—economically and, more importantly, politically—with a reactionary government and against threats to the established order. In his now-classic study *Social Origins of Dictatorship and Democracy,* sociologist Barrington Moore famously revealed that, in these ''revolutions from above,'' capitalist transformations weakened rather than strengthened liberalism. In the case of nineteenth-century Japan, Moore writes that the aim of those in power was to ''preserve as much as possible of the advantages the ruling class had enjoyed under the *ancient regime,* cutting away just enough . . . to preserve the state, since they would otherwise lose everything.'' Japan's rulers could do this only with the aid of a commercial class, which eagerly complied, exchanging its political aspirations for profits. On this point, at least, Marx and Engels had things right. Describing the 1848 revolution in Germany, they traced its failure partly to the fact that, at the end of the day, entrepreneurs threw their support not behind the liberal insurrectionists but behind the state that was the source of their enrichment.

Much the same process is unfolding in China, where economic and political power remain deeply entwined. In fact, China's case is even more worrisome than its historical antecedents. In Germany and Japan, after all, an entrepreneurial class predated the state's modernization efforts, enjoyed property rights, and as a result, possessed at least some autonomous identity, In China, which killed off its commercial class in the 1950s, the state had to create a new one. Thus China's emerging bourgeoisie consist over whelmingly of state officials, their friends and business partners, and—to the extent they climbed the economic ladder independently—entrepreneurs who rely on connections with the official bureaucracy for there

livelihoods. ''It is improbable, to say the least,'' historian Maurice Meisner writes in *The Deng Xiaoping Era: An Inquiry Into the Fate of Chinese Socialism*, ''that a bourgeoisie whose economic fortunes are so dependent on the political fortunes of the Communist state is likely to mount a serious challenge to the authority of that state . . . the members of China's new bourgeoisie emerge more as agents of the state than as potential antagonists.''

A steady diet of chauvinistic nationalism hasn't helped. In the aftermath of the Tiananmen Square massacre, party leaders launched a ''patriotism'' campaign, a sentiment they defined as ''loving the state'' as well as the Communist Party. As the Shanghai-based scholar and party apologist Xiao Gongqin explains, ''[T]he overriding issue of China's modernization is how, under new historical circumstances, to find new resources of legitimacy so as to achieve social and moral integration in the process of social transition.'' To Xiao and others like him, the answer is nationalism. And, as anyone who turned on a television during the recent EP–3 episode may have noticed, it's working. Indeed, independent opinion polling conducted by the Public Opinion Research Institute of People's University (in association with Western researchers, who published their findings in 1997), indicate greater public support for China's Communist regime than similar surveys found a decade earlier. And, contrary to what development theory might suggest, the new nationalism appears to have infected the middle class—particularly university students and intellectuals—more acutely than it has China's workers and farmers. ''The [closeness of the] relationship between the party and intellectuals is as bad as in the Cultural Revolution,'' a former official in the party's propaganda arm noted in 1997. Even many of China's exiled dissidents have fallen under its spell.

In addition to being independent of the regime and predisposed toward liberal values, China's commercial class is supposed to be busily erecting an independent civil society. But, just as China's Communist system restricts private property, it prohibits independent churches and labor unions, truly autonomous social organizations, and any other civic institutions that might plausibly compete with the state. Indeed, China's leaders seem to have read Robert Putnam's Bowling Alone and the rest of the civil-society canon—and decided to do exactly the reverse of what the literature recommends. ''Peasants will establish peasants' organizations as well, then China will become another Poland,'' senior party official Yao Yilin reportedly warned during the Tiananmen protests. To make sure this fear never comes true, China's leaders have dealt with any hint of an emerging civil society in one of two ways: repression or co-optation. Some forbidden organizaions—such as Falun Gong, the Roman Catholic Church, independent labor unions, and organizations associated with the 1989 democracy movement—find their members routinely imprisoned and tortured. Others, such as the Association of Urban Unemployed, are merely monitored and harassed. And as for the officially sanctioned organizations that impress so many Western observers, they mostly constitute a Potemkin facade. ''[A]lmost every ostensibly independent organization—institutes, foundations, consultancies—is linked into the party-state network,'' says Columbia University sinologist Andrew Nathan. Hence, Beijing's Ministry of Civil Affairs monitors even sports clubs and business associations and requires all such groups to register with the government.

The same kind of misreading often characterizes celebrations of rural China's ''village committees,'' whose democratic potential the engagement lobby routinely touts. Business Week discerns in them evidence ''of the grassroots democracy beginning to take hold in China.'' But that's not quite right. China's leaders restrict committee elections to the countryside and, even there, to the most local level. Nor, having been legally sanctioned 14 years ago, do they constitute a recent development. More important, China's leaders don't see the elections the way their American interpreters do. In proposing them, says Jude Howell, co-author of In Search of Civil Society: Market Reform and Social Change in Contemporary China, party elites argued that elected village leaders ''would find it easier to implement central government policy and in particular persuade villagers to deliver grain and taxes and abide by family planning policy. Village self-governance would thus foster social stability and order and facilitate the implementation of national policy. By recruiting newly elected popular and entrepreneurial village leaders, the Party could strengthen its roots at the grassroots level and bolster its legitimacy in the eyes of the rural residents.'' Which is exactly what it has done. In races for village committee chairs, the Ministry of Civil Affairs allows only two candidates to stand for office, and until recently many townships nominated only one. Local party secretaries and officials often push their favored choice, and most committee members are also members of the Communist Party, to which they remain accountable. Should a nonparty member be elected, he must accept the guidance of the Communist Party, which, in any case, immediately sets about recruiting him. As for those rare committee members who challenge local party officials, their success may be gleaned from the fate of elected committee members from a village in Shandong province who in 1999 accused a local party secretary of corruption. All were promptly arrested.

Still, the very fact that China's leaders feel compelled to bolster their legitimacy in the countryside is telling. Last month Beijing took the unusual step of releasing a report ''Studies of Contradictions Within the People Under New Conditions,'' which detailed a catalogue of ''collective protests and group incidents.'' What the report makes clear is that Beijing's leaders think China's growing pool of overtaxed farmers and unemployed workers, more than its newly moneyed elites, could become a threat to the regime. Fortunately for the authorities, with no political opposition to channel labor unrest into a coherent movement, protests tend to be narrow in purpose and poorly coordinated. And the wheels of repression have already begun to grind, with Beijing launching a ''strike hard'' campaign to quell any trouble. In any case, what these formerly state-employed workers have been demonstrating for is not less communism, but more—a return to the salad days of central planning.

Which brings us to the final tenet of the engagement lobby: that commerce exposes China to the ideals of its trading partners, particularly those of the United States. As House Majority Leader Dick Armey has put it, ''Freedom to trade is the great subversive and liberating force in human history.'' Or, as Clinton National Security Adviser Sandy Berger burbled in 1997, ''The fellow travelers of the new global economy—computers and modems, faxes and photocopiers, increased contacts and binding contracts—carry with them the seeds of change.'' But the Chinese disagree. To begin with, they don't import much. And economists predict that won't change dramatically once they've joined the WTO, since China's leaders have committed themselves to the kind of export-oriented, mercantilist growth model that South Korea, Japan, and Taiwan pursued in decades past. Last year, for instance, China exported $100 billion in goods and services to the United States and only imported $16 billion worth. Hence, for every six modems it sent to America, Sandy Berger sent back only one.

To be sure, that one modem may carry with it seeds of change. Bush, for instance, says, ''If the Internet were to take hold in China, freedom's genie will be out of the bottle.'' Alas, through links to Chinese service providers, Beijing tightly controls all access to the Web. And Western investors in China's information networks have eagerly pitched in. One Chinese Internet portal, bankrolled by Intel and Goldman Sachs, greets users with a helpful reminder to avoid ''topics which damage the reputation of the state'' and warns that it will be ''obliged to report you to the Public Security Bureau'' if you don't. But Goldman Sachs needn't worry. If anything, China's recent experience lends credence to the pessimistic theories of an earlier era, which held that nations shape the uses of technology rather than the other ways around. Thus Beijing blocks access to damaging ''topics'' and to Western news sources like *The New York Times, The Washington Post*, and this magazine. It also monitors e-mail exchanges and has arrested Internet users who have tried to elude state restrictions. And, in ways that would make Joseph Goebbels blush, the government uses websites—and, of course, television, newspapers, and radio—to dominate the circuits with its own propaganda. ''Much as many people might like to think the Internet is part of a bottom-up explosion of individualism in China, it is not,'' writes Peter Lovelock, a Hong Kong-based academic who studies the Internet's effect in the PRC. Instead, it provides ''an extraordinarily beneficial tool in the administration of China.'' And that tool was on vivid display during the EP–3 crisis, when China blocked access to Western news sources and censored chat rooms.

American politicians describe foreign direct investment, too, as a potent agent of democratization. But, in this case, they're not even paraphrasing political science literature they haven't read because the literature makes no such claim. In fact, a 1983 study by the University of North Carolina's Kenneth Bollen found that levels of foreign trade concentration and penetration by multinational corporations have no significant effect on the correlation between economic development and democracy. In China's case, it's easy to understand why. Beijing requires foreign investors in many industries to cooperate in joint ventures with Chinese partners, most of whom enjoy close ties to the government. These firms remain insulated mainly in three coastal enclaves and in ''special economic zones'' set apart from the larger Chinese economy. Moreover, they export a majority of their goods—which is to say, they send most of their ''seeds of change'' abroad. At the same time, their capital largely substitutes for domestic capital (foreign-owned firms generate half of all Chinese exports), providing a much-needed blood transfusion for China's rulers, who use it to accumulate reserves of hard currency, meet social welfare obligations, and otherwise strengthen their rule. Nor is it clear that U.S. companies even want China to change. If anything, growing levels of U.S. investment have created an American interest in maintaining China's status quo. Hence, far from criticizing China's rulers, Western captains of industry routinely parade through Beijing singing the praises of the Communist regime (and often inveighing against its detractors), while they admonish America's leaders to take no action that might upset

the exquisite sensibilities of China's politburo. Business first, democracy later.

But ultimately the best measure of whether economic ties to the West have contributed to democratization may be gleaned from China's human rights record. Colin Powell insists, ''Trade with China is not only good economic policy; it is good human rights policy.'' Yet, rather than improve that record, the rapid expansion of China's trade ties to the outside world over the past decade has coincided with a worsening of political repression at home. Beijing launched its latest crackdown on dissent in 1999, and it continues to this day. The government has tortured, ''reeducated through labor,'' and otherwise persecuted thousands of people for crimes no greater than practicing breathing exercises, peacefully championing reforms, and exercising freedom of expression, association, or worship. It has arrested Chinese-American scholars like Li Shaomin on trumped-up charges, closed down newspapers, and intimidated and threatened dissidents. Nor is it true that linking trade and human rights will necessarily prove counterproductive. When Congress approved trade sanctions against Beijing in the aftermath of Tiananmen, China's leaders responded by releasing more than 800 political prisoners, lifting martial law in Beijing, entering into talks with the United States, and even debating among themselves the proper role of human rights. As soon as American pressure eased, so did China's reciprocal gestures.

Turning a blind eye to Beijing's depredations may make economic sense. But to pretend we can democratize China by means of economics is, finally, a self-serving conceit. Democracy is a political choice, an act of will. Someone, not something, must create it. Often that someone is a single leader—a Mikhail Gorbachev, a King Juan Carlos, or a Vaclav Havel. But such a man won't be found in China's current leadership. Other times, the pressure for democracy comes from a political opposition—the African National Congress in South Africa, Solidarity in Poland, or the marchers in Tiananmen Square. But there are no more marchers in Tiananmen Square.

Pressure for democratization, however, can also come from abroad. And usually it comes from the United States or from nowhere at all. During the 1980s America applied diplomatic and economic pressure to repressive regimes from Poland to South Africa; intervened to prevent military coups in the Philippines, Peru, El Salvador, Honduras, and Bolivia; and loudly enshrined human rights and democracy in official policy. The United States played a pivotal and direct role in democratizing even countries like South Korea and Taiwan, which many China-engagers now tout as evidence that the market alone creates political freedom. Appropriately enough, the decade closed with democracy activists erecting a facsimile of the Statue of Liberty in Tiananmen Square.

The commercialist view of China, by contrast, rests on no historical foundation; it is a libertarian fantasy. ''The linkage between development and rights is too loose, the threshold too high, the time frame too long, and the results too uncertain to make economic engagement a substitute for direct policy intervention,'' writes Columbia's Nathan. Yet make it a substitute is precisely what the United States has done. And, far from creating democracy, this subordination of political principle has created the justified impression of American hypocrisy and, worse, given U.S. policymakers an excuse to do nothing.

Maybe the claim that we can bring liberty to China by chasing its markets will prove valid in the long run. But exactly how long is the long run? A political scientist at Stanford University says it ends in 2015, when, he predicts, China will be transformed into a democracy. Others say China will democratize before that. Still others say it may take a half-century or more. The answer matters. After all, while capitalist Germany and Japan eventually became democracies, it wasn't capitalism that democratized them, and it certainly wasn't worth the wait. In China's case, too, no one really knows what might happen as we wait for politics to catch up with economics. With the exception, perhaps, of Li Shaomin, who tested the link between economic and political liberalization in China for himself. He's still in jail.

DEPARTMENT OF STATE,
Washington, DC, May 3, 2001.

Hon. FRANK WOLF,
Co-Chairman, Human Rights Caucus, House of Representatives.

DEAR MR. WOLF: This is in response to your request of Acting Assistant Secretary Michael Parmly for additional information during his testimony before the Human Rights Caucus on May 15 on the status of religious freedom in China. We appreciate your concern about the recent deterioration of religious freedoms in China and the large number of persons held in China for the peaceful expression of their religious or spiritual views. We regret the delay in responding to your request for information, but we wanted to provide as comprehensive a list of these individuals as possible.

We currently estimate that roughly ten Catholic Bishops, scores of Catholic priests and house church leaders, 100–300 Tibetans Buddhists, hundreds (perhaps thousands) of Falun Gong adherents, and an unknown but possibly significant number of Muslims are in various forms of detention in China for the expression of their religious or spiritual beliefs. The forms of detention range from de facto house arrest to imprisonment in maximum security prisons. As you know, we regularly raise cases of religious prisoners with Chinese officials both here and in China. Our information about such cases comes from sources as diverse as religious dissidents, human rights NGOs, interested Americans and, most importantly, regular reporting from our embassies and consulates. Unfortunately, the opaqueness of the Chinese criminal justice system and absence of any central system that provides basic information on who is incarcerated and why makes it exceedingly difficult to determine the exact number of religious prisoners currently being held in China. We have, however, attached lists of cases of particular concern that we have raised with Chinese authorities or have included in our human rights and religious freedom reports.

We recognize the importance of compiling and maintaining a database of political and religious prisoners from additional sources such as Chinese newspapers and government notices and appreciate Congressional interest in providing us additional resources to fund such activities. At present, the Bureau for Democracy, Human Rights and Labor is discussing with the International Republican Institute a proposal which will be submitted through the National Endowment for Democracy. This proposal will be for a Human Rights and Democracy Fund grant specifically for the purpose of funding a U.S. NGO's efforts to develop and maintain a list of political and religious prisoners in China.

Such a database will be extremely valuable to the human rights work done not only by this bureau but also by other government agencies, the Congress, and NGOs. We welcome your interest in and support of this effort and look forward to cooperative efforts to develop and fund a comprehensive record of religious prisoners in China.

In the meantime, we hope the information in this letter and the attached lists are helpful to you. We would welcome any case information that you might have available that could improve the quality of this list.

Sincerely,

MICHAEL E. GUEST,
Acting Assistant Secretary, Legislative Affairs.

Enclosure.

ILLUSTRATIVE LIST OF RELIGIOUS PRISONERS IN CHINA

NOTE: See comments in cover letter. The following illustrative list is compiled from various sources, including information provided to us by reputable non-governmental organizations and from the State Department's annual reports on human rights and on religious freedom. We cannot vouch for its overall accuracy or completeness.

MUSLIMS

Xinjiang Abduhelil Abdumijit: Tortured to death in custody.
Turhong Awout: Executed.
Rebiya Kadeer: Serving 2nd year in prison.
Zulikar Memet: Executed.
Nurahmet Niyazi: Sentenced to death.
Dulkan Rouz: Executed.
Turhan Saidalamoud: Sentenced to death.
Alim Younous: Executed.
Krubanjiang Yusseyin: Sentenced to death.

PROTESTANTS (MISC.)

Qin Baocai: Reeducation through labor sentence.
Zhao Dexin: Serving 3rd year in prison.
Liu Haitao: Tortured to death in custody.
Miao Hailin: Serving 3rd year in prison.
Han Shaorong: Serving 3rd year in prison.
Mu Sheng: Reeducation through labor sentence.
Li Wen: Serving 3rd year in prison.
Yang Xian: Serving 3rd year in prison.
Chen Zide: Serving 3rd year in prison.

EVANGELISTIC FELLOWSHIP

Hao Huaiping: Serving reeducation sentence.
Jing Quinggang: Serving reeducation sentence.
Shen Yiping: Reeducation; status unknown.

COLD WATER RELIGION

Liu Jiaguo: Executed in October 1999.

FENGCHENG CHURCH GROUP

Zheng Shuquian: Reeducation; status unknown
David Zhang: Reeducation; status unknown

CATHOLICS

Bishops

Bishop Han Dingxiang: Arrested in 1999, status unknown.
Bishop Shi Engxiang: Arrested in October 1999.
Bishop Zeng Jingmu: Rearrested on September 14, 2000.
Bishop Liu: House arrest in Zhejiang.
Bishop Jiang Mingyuang: Arrested in August 2000.
Bishop Mattias Pei Shangde: Arrested in early April 2001.
Bishop Xie Shiguang: Arrested in 1999; status unknown.
Bishop Yang Shudao: Arrested Feb. 2001; status unknown.
Bishop An Shuxin: Remains detained in Hebei.
Bishop Li Side: House arrest.
Bishop Zang Weizhu: Detained in Hebei.
Bishop Lin Xili: Arrested Sept. 1999, status unknown.
Bishop Su Zhimin: Whereabouts unknown.

Priets

Fr. Shao Amin: Arrested September 5, 1999.

Fr. Wang Chengi: Serving reeducation sentence.
Fr. Wang Chengzhi: Arrested September 13, 1999.
Fr. Zhang Chunguang: Arrested May 2000.
Fr. Lu Genjun: Serving 1st year of 3 year sentence.
Fr. Xie Guolin: Serving 1st year of 1 year sentence.
Fr. Li Jianbo: Arrested April 19, 2000.
Fr. Wei Jingkun: Arrested August 15, 1998.
Fr. Wang Qingyuan: Serving 1st year of 1 year sentence.
Fr. Xiao Shixiang: Arrested June 1996, status unknown.
Fr. Hu Tongxian: Serving 3rd year of 3 year sentence.
Fr. Cui Xingang: Arrested March 1996
Fr. Guo Yibao: Arrested April 4, 1999.
Fr. Feng Yunxiang: Arrested April 13, 2001.
Fr. Ji Zengwei: Arrested March 2000.
Fr. Wang Zhenhe: Arrested April 1999.
Fr. Yin: Serving 1st of 3 year sentence.
Fr. Kong Boucu: Arrested October 1999.
Fr. Lin Rengui: Arrested Dec. 1997, status unknown.
Fr. Pei Junchao: Arrested Jan. 1999, status unknown.
Fr. Wang Chengi: Arrested Dec. 1996, status unknown.

TIBETAN BUDDHISTS

Lamas

Gendum Choekyi Nyima: House Arrest.
Pawo Rinpoche: House Arrest.

Nuns

Ngawang Choekyi: Serving 9th year of 13 year sentence.
Ngawag Choezom: Serving 9th year of 11 year sentence.
Chogdrub Drolma: Serving 6th year of 11 year sentence.
Jamdrol: Serving 6th year of 7 year sentence.
Namdrol Lhamo: Serving 9th year of 12 year sentence.
Phuntsog Nyidrol: Serving 12th year of 17 year sentence.
Yeshe Palmo: Serving 4th year of 6 year sentence.
Ngawang Sangdrol: Serving 9th year of 21 year sentence.
Jigme Yangchen: Serving 11th year of 12 year sentence.

Monks

Ngawang Gyaltsen: Serving 12th year of 17 year sentence.
Ngawang Jamtsul: Serving 12th year of 15 years sentence.
Jamphel Jangchub: Serving 12th year of 18 year sentence.
Ngawang Kalsang: Serving 6th year of 8 year sentence.
Thubten Kalsang: Sentence not reported.
Lobsang Khetsun: Serving 5th year of 12 year sentence.
Phuntsok Legmon: Sentenced to 3 years in prison.
Namdrol: Sentenced to four years in prison.
Yeshe Ngawang: Serving 12th year of 14 year sentence.
Ngawang Oezer: Serving 12th year of 17 year sentence.
Ngawang Phuljung: Serving 12th year of 19 year sentence.
Lobsang Phuntsog: Serving 6th year of 12 year sentence.
Sonam Phuntsok: Arrested in October 1999.
Phuntsog Rigchog: Serving 7th year of 10 year sentence.
Lobsang Sherab: Serving 5th year of 16 year sentence.
Sonam Rinchen: Serving 15th year sentence.
Ngawang Sungrab: Serving 9th year of 13 year sentence.
Jampa Tenkyong: Serving 10th year of 15 year sentence.
Ngawang Tensang: Serving 10th year of 15 year sentence.
Lobsang Thubten: Serving 7th year of 15 year sentence.
Agya Tsering: Arrested in October 1999.
Trinley Tsondru: Serving 5th year of 8 year sentence.
Tenpa Wangdrag: Serving 13 year of 14 year sentence.

Mr. WELLER. Mr. Speaker, I yield 2 minutes to the gentlewoman from Illinois (Mrs. BIGGERT), a strong proponent of the opportunity for Illinois workers who believe in free trade.

Mrs. BIGGERT. Mr. Speaker, I thank my colleague, the gentleman from Illinois, for yielding time to me.

Mr. Speaker, I rise today to urge my colleagues to vote against the resolution to revoke normal trade relations for China.

Some of my colleagues have said that this body should signal our disapproval of Chinese policy by denying NTR. Mr. Speaker, I would caution those who seek to signal China by ending NTR to think for one moment today about the likely consequences, and first answer some very basic questions:

Will Members' vote for NTR for China today actually change the behavior of China tomorrow?

Will ending NTR free the political prisoners, end the military buildup, enhance respect for human rights, and stop the persecution of religious groups?

Will denying NTR bolster the moderates, or will it strengthen the hand of hard-liners as they struggle to control the future course of Chinese policy?

Most importantly, will revoking NTR teach the youth of China the values of democracy, the principles of capitalism, and the merits of a free and open society?

Mr. Speaker, if I thought that ending NTR would achieve these goals in China, I, too, would cast my vote of disapproval today. But make no mistake, denying China NTR denies the U.S. the opportunity to influence China's workers, China's human rights policies, China's politics, and perhaps, most importantly, China's future.

Make no mistake, ending NTR for China will end our best hope of getting China to open its markets and live by the world's trade rules. It will effectively put an end to our trade with China. In short, revoking NTR for China will send much more than a signal. It will portend the end of U.S. trade with China and the end of our influence in China.

I urge my colleagues to vote to retain our influence and our trade relations with China by voting against the resolution today.

Mr. BROWN of Ohio. Mr. Speaker, I yield 3½ minutes to my friend, the gentleman from Michigan (Mr. BONIOR), who has fought against labor camps in China and fought for human rights for workers and people around the world.

Mr. BONIOR. Mr. Speaker, I thank my colleague for yielding time to me.

Mr. Speaker, those who favor granting China special trade privileges, some of them would have us believe that approving this MFN for China is going to lead to a freer society. They would have us believe that conditions in China have improved since the People's Republic was granted most-favored-nation status last year.

In fact, the opposite is true. Let me just tell the Members a few stories.

Bishop Shi Enxiang, a 79-year-old Catholic bishop jailed on good Friday for not practicing state-sanctioned religion and for refusing to reject the legitimacy of the Pope, 79 years of age.

Of course, China will speak of its state-sanctioned Catholic Church. However, this is the same church that proclaimed 120 newly elected or canonized Chinese saints to be traitors and imperialist agents.

Liu Zhang, a worker in the Chun Si Enterprise Handbag Factory, who was desperate for work. The factory promised him a good job, living quarters, and a temporary residence permit. However, Chun Si did not follow through on his promise. Liu Zhang made about $22 a month, $15 of which went back to the company for room and board. His factory held its 900 workers in virtual imprisonment, and regularly subjected them to physical abuse.

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Gao Zhan and Li Shaomin, American scholars detained by China for allegedly spying for Taiwan. Gao Zhan, her husband, and her son were about to return to the United States after visiting her parents when she was arrested in the Beijing airport.

Li Shaomin, who ironically believed that free trade would lead to a free China, was arrested when he left Hong Kong and entered China.

Peng Shi and Cao Maobin, Chinese union organizers, arrested for staging protests and forming labor unions. Peng has been sentenced to life imprisonment for fighting for better lives for his family and coworkers. Cao was held in a mental hospital after daring to speak to foreign reporters about the formation of an independent labor union protesting the company's layoffs and refusing to pay 6 months of back pay.

Now, if someone is for religious rights or political rights or economic rights, as a labor group or organizer they cannot function in China. They are going to end up in prison.

These terrible stories of oppression have all happened in China within the last year. They have all happened since this House voted to extend permanent MFN to China. They are bitter lessons that we must remember.

We cannot have free markets without free people. We in America have the privilege of living in the freest country in the world, but even here global trade is not the force that brought our steelworkers and our auto workers into the middle class. It was their organizing, it

was their right to collective bargaining, it was their right to participate freely in the political life of this Nation that established safe working conditions and fair wages and labor rights. These folks demonstrated in America. They marched, they were beaten, they went to jail. Some of them died for these rights that we have that have set the standard in our country.

People are doing the same thing in China each and every day and we are not on their side, we are on the sides of their oppressors. It was not global trade that brought protections for our air and water; it was people who fought and struggled in this country to elect leaders of their choosing to make a difference.

We have to do our part to ensure that China respects human rights and democratic freedoms and environmental rights. We have to stand with the people who are standing up for these basic freedoms. I urge my colleagues to vote for this resolution and reject further MFN for China.

Mr. LEVIN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Texas (Mr. STENHOLM).

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

Mr. STENHOLM. Mr. Speaker, I rise in opposition to this legislation today, and I do so to answer the question that the gentleman from California raised a moment ago when he held up an empty glass. I concede it is almost empty, but the question is how do we fill it? And I submit to my colleagues that we do not fill it in exactly the same way that we have been trying to do with the little island off the tip of Florida in which we have now for 40 years refused to trade with Cuba in the belief that somehow, some way that will cause Fidel Castro to change his ways. It has failed. The only people it has hurt are the Cuban people and those in the United States that could have benefited from selling, other than those who have continued to sell. That is what it is all about.

Now, normal trade relations with China is not going to solve all our farmers' problems. No, in fact, I think we have oversold a lot of trade issues. But I believe that the benefits of normal trade relations for U.S. agriculture will be significant, and I am in no small company in saying so. Nine Secretaries of agriculture have served since John F. Kennedy supported normal trade relations with China.

China has 21 percent of the world's population, 7 percent of the world's arable land. There are those that argue that China does not need us. They say China exports more agricultural products than it imports. But this ignores the fact that significant agricultural imports enter China through Hong Kong. In fact, China and Hong Kong annually import about $6.9 billion more in agricultural products than they export.

There will be those that stand up and say, there you go again, you are only talking about profit. Well, the question is, whom do we want to profit and whom do we think we are going to punish if we deny American jobs providing that which might be sold to China?

We are not talking about Most Favored Nation; we are talking about normal trade relations. This is what sends a message to the people out there that somehow we are doing something special. I do not want to do anything special for those commie pinkos that do the bad things that the gentleman from Virginia (Mr. WOLF) talked about their doing. I do not want to see these things continue. I want China to change. They are not doing good things. They are bad people, their leaders. Their people are good people.

That is the significant question for us to answer today, How do we as a country begin to change those that do things that we do not like? And again I just point to that little island off the tip of Florida. We tried it by doing it my colleagues' way, those that suggest that somehow we can by not trading with China and allowing all our ''friends'' to trade with China that we will force them to do things. If it has not worked with a little island off the tip of Florida, how can it possibly work with a country of 1.2 billion Chinese people, most of whom like America, most of whom will like us better once they get to know us? And the only way they will get to know us is for us to treat them like the rest of the world treats them.

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

Let me remind my colleagues we are not talking about an embargo against China. That is not what this vote is about. Normal trade relations is about one thing: Should we subsidize, the American taxpayer subsidize American businessmen who want to close up their factories here and set them up in China?

It is not about free trade or not about whether we can sell our goods in China. It is about whether or not big businessmen will get this subsidy. They cannot get guaranteed loans from the banks. It is too risky. So the taxpayers come in and guarantee the loans. That is what this is all about. It is not about selling American products; it is not about embargoes. It is about subsidies to big businesses to set up factories in China.

Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. GILMAN), the distinguished former chairman of the Committee on International Relations.

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

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in strong support of the Rohrabacher-Brown resolution, H.J. Res. 50, disapproving the extension of the waiver authority that is contained in section 402(c) of the Trade Act of 1974 with respect to the People's Republic of China. I commend the sponsors for bringing this measure to the House floor at this time.

Mr. Speaker, what will it take for us to wake up and understand that trade benefits for the People's Republic of China is not in our Nation's best interest? Human rights, religious tolerance, labor rights, even the right to die without having one's organs removed before one is dead are nonexistent in the People's Republic of China. The dictatorship in China threatens its neighbors, Democratic Taiwan, India, Japan, and the stability of the entire Pacific region with its threats and military buildup, funded almost exclusively by our enormous growing trade imbalance in China, $80 billion this year and growing even greater. This trade imbalance now surpasses our trade deficit with Japan.

The Chinese totalitarian dictatorship has now embraced an alliance with Russia. China also supports the dictatorships in North Korea, Cuba and Burma. It has threatened democracy throughout the world by obstructing the United Nations' Human Rights Convention in Geneva. Its agents attempt to sell AK–47s and stinger missiles to Los Angeles street gangs here in our own Nation.

Mr. Speaker, the time has come to recognize that China, the sleeping dragon, has awakened; and we need to respond appropriately. My colleagues, as we consider this proposal of denying free trade to China, let us bear in mind some of China's violations of basic international accords: its threats to Taiwan, its murder and its arrest of Christians, of Buddhists, and Falun Gong practitioners, the downing of our surveillance aircraft, and its occupation of Tibet. This is not peaceful behavior by that nation.

I think it is time now for us to give an appropriate assessment of where China is. Mr. Speaker, the time has come to recognize that China's behavior does not support stability and we need to respond appropriately. And until it changes its behavior and until it stops threatening its neighbors and does not repress its citizens, we should not be supporting this repressive government and its growing military with normal trade benefits.

Accordingly, I urge all my colleagues to support H.J. Res. 50 in opposition to the favorable trade status for China.

Mr. WELLER. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. PENCE).

Mr. PENCE. Mr. Speaker, I thank the gentleman from Illinois for yielding me this time. I rise today on behalf of Hoosier farmers, dedicated men and women who wake at sunrise and leave their sweat in the fields by sunset.

In the year 2000 alone, American farmers benefited from U.S. agricultural exports to China totaling $1.9 billion; and China's ascension into the WTO, expected later this year, is projected to produce an additional $2 billion annually to our Nation's farmers.

Mr. Speaker, at a time when most U.S. agricultural commodities are experiencing their lowest prices in decades, stable access to China's markets is critical.

Mr. Speaker, according to our best traditions, we are to live as free men but not use our freedom as a coverup for evil. And unlike many in this Chamber, since arriving in Washington I have been a vociferous opponent of the human rights' abuses of the Chinese Government, and I will continue to be. In fact, I recently stood at this very podium and criticized China's incarceration of American troops, American academicians, and its securing of the 2008 Olympic games in Beijing. But, Mr. Speaker, I believe our relationship with China is a complex one, and it can best be described as follows: America's relationship with China should be America with one hand extended in friendship and in trade and with the other hand resting comfortably on the holster of the arsenal of democracy.

By empowering the President to offer this extension, we will continue to open Chinese society to foreign investment and expose Chinese citizens to private property, contract, and the rule of law, while we commit ourselves to the necessary rebuilding of the American military with special emphasis on the Asian Pacific Rim.

I urge my colleagues not to mix trade and security today. I urge my colleagues to oppose H.J. Res. 50 and allow the President to extend NTR to China for one more year.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in support of this resolution. And because to some it may seem contradictory to my stand on behalf of permanent normal trading relations, I rise not so much to convince others to follow me as to explain why I take this position.

In my view, the human rights performance in China is abominable, whether we are considering NTR or PNTR. However, I believe this provision of NTR is a one-way street. That is to say, I believe this is America giving to China, sanctioning, in effect, China's performance.

I believed PNTR was a two-way street, in which we required China to accede to WTO, to agree to a commerce of law, to agree to an opening of markets; and, therefore, I supported it. Because like the previous speaker, I believe our relationship with China is a complex one. I believe China, perhaps, can be one of the most dangerous nations on the face of the earth or one of the most economically positive nations on the face of the earth.

But this vote is about simply the United States giving a benefit to China. I think we ought not to do that. I think we ought to require, as I hope will happen in November, for them to take unto themselves certain responsibilities that manifest an intent to become an equal and performing partner in the family of nations.

Therefore, I will vote for this resolution, but will continue to hope that China does in fact accede to the WTO and that we do pursue permanent normal trading relations with China, which I believe will have positive effects. I do not believe that simply annually pretending that China is not performing in a way with which we should not deal in a normal way is justified.

I thank the gentleman for giving me this opportunity.

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Mr. LEVIN. Mr. Speaker, I yield 2 minutes to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Speaker, I rise to oppose this resolution of disapproval which would cause a tremendous break in an established trading relationship.

I commend all who are participating in the debate and deeply respect the heartfelt concerns of the advocates for this resolution for the concerns that have been expressed so passionately and well this afternoon. All of us are terribly concerned about the issues that have been covered.

The question is, how do we best effect change on these areas of concern? Is removal of the normal trade relations, reversing the course over the last many years, placing China, a nation of 1.2 billion, in a trade status only held by Cuba, North Korea and Vietnam, is that the way to advance our concerns?

We have a track record on the application of unilateral U.S. efforts to isolate major world powers. I believe the most recent one was a Carter administration effort to place a grain embargo on the Soviet Union, expressing our outrage about their involvement in Afghanistan. The result is now very clear. We lost important agricultural opportunities. Our farmers paid a huge price. Other countries benefitted tremendously. We did not change Soviet Union behavior by that action one lick. I believe the same is absolutely before us.

No matter how much we may want to, we cannot isolate this nation of 1.2 billion people. The record in China is mixed. Fairness in this debate requires us to reflect briefly on the fact that there is continued growth in their free market economy. The spread of private enterprise has moved from the coast. Growth of the Internet continues to slowly erode the stranglehold of information held by the state. Earlier this year, China ratified a United Nations agreement on economic and social rights. Progress is also evident in the agriculture area.

We must reject this and move forward even while we continue to be very concerned about the conduct of China.

Mr. ROHRABACHER. Mr. Speaker, I yield 3 minutes the gentleman from New Jersey (Mr. SMITH) who knows we should not be subsidizing with taxpayer dollars investments in Communist China.

Mr. SMITH of New Jersey. Mr. Speaker, I rise in strong support of H.J. Res. 50 to disapprove of the extension of MFN to the PRC.

The point was well taken by the gentleman from California (Mr. ROHRABACHER). We are not talking about embargo. We are talking about most favored or permanent normal trading relationship with China.

Unlike the grain embargo that was just mentioned by the gentleman from North Dakota (Mr. POMEROY), there we had Ronald Reagan and many presidents thereafter not allowing MFN to go forward for the Soviet Union because of their egregious human rights abuses and because of their gross mistreatments.

Let me say briefly, Mr. Speaker, that, as we speak, two American citizens are being held hostage in China, Dr. Li Shaomin, who may get out and hopefully will get out but not after he had a kangaroo trial, and Mr. Wu Jianmin. Additional U.S. residents, including Dr. Gao Zhan, are being held.

Recently we had a hearing in the Committee on International Relations and we heard from the relatives who were asking us, pleading with us to reach out to these American citizens. These are Americans being held hostage by a dictatorship while we are conferring normal trading relationship to a country that is anything but normal. Its dictatorship is grossly abnormal.

Let us not kid ourselves. This is a big, fat payday for a brutal dictatorship. Eighty billion dollars is the balance in trade right now. That will grow potentially to $100 billion. The average person is not reaping that benefit and certainly the religious believer, be he or she a Buddhist or a Catholic or a Uighur or a Falun Gong or anyone else. The underground Protestant church, the Buddhists in Tibet are not reaping these benefits. They are suffering unbelievable torture as a direct result of the policy of this dictatorship.

Look at the country reports on human rights practices. They make it very clear. Torture is absolutely pervasive, government-sponsored torture. If we are arrested in China for practicing our faith outside the bounds of the government, we get tortured.

Mr. Speaker, I urge support for the Rohrabacher resolution. Human rights should matter. Let us send a clear message to the Beijing dictatorship.

Mr. WELLER. Mr. Speaker, I yield 1 minute to the gentleman from Arizona (Mr. FLAKE).

Mr. FLAKE. Mr. Speaker, I stand today in strong opposition to H.J. Res. 50.

Free trade is not just sound economic policy. It is great foreign policy as well. Free trade shares far more than just goods and services. It shares sound ideas and institutional norms across boundaries. Countries that are open to trade and capital flows are far more

often than not also open to such ideas as political freedom.

We have heard today that China has a poor human rights record. That is not true. China has an atrocious human rights record. The question is, how do we best affect that for the better? Do we do it through trade? Do we do it through isolationism? Are we better to engage China or to isolate them?

We have heard today that we cannot have free markets without free people. I submit we can rarely have a truly free people without free markets. We have got to engage. We have got to get China to accept institutional norms. The best way to do that is through engagement.

The relevant question is, how do we change China for the better? I believe it is done through engagement, and I would urge defeat of the resolution.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentlewoman from Ohio (Ms. KAPTUR) who believes we should not award China's human rights abuses with WTO membership and the Olympics.

(Ms. KAPTUR asked and was given permission to revise and extend her remarks, and include extraneous material.)

Ms. KAPTUR. Mr. Speaker, I rise in strong support of the Rohrabacher-Brown amendment as someone who loves liberty and believes in free trade among free people.

Mr. Speaker, I wish to enter into the RECORD as part of this debate a wonderful article by Lawrence Kaplan in a recent edition of The New Republic where he talks about why trade will not bring democracy to China. He talks about the relationship between profit and freedom and looks at the long history of nation states, talks about foreign trade and the penetration of multinational corporations having no significant effect on the correlation between economic development and democracy.

Capitalism does not bring democracy. 100 years ago in Germany and Japan, 30 years ago in countries such as Argentina and Brazil, and today in places like Singapore and Malaysia, capitalist development has buttressed rather than undermined authoritarian regimes.

In none of these cautionary examples did the free market do the three things business people say it does: weaken the coercive power of the state, create a democratically minded middle class, or expose the populist to liberal ideas from abroad. It is not doing that in China either.

In fact, capitalism in the People's Republic of China, a Communist state, still operates within the confines of an arbitrary legal order and a party-controlled system where the emerging bourgeoisie consist overwhelmingly of state officials, their friends and their business partners. And who is benefiting from all of this? The authoritarian, repressive regimes that are imprisoning Catholic bishops, that are not allowing U.S. citizens of Chinese heritage to go back into that country, and the very same people who took our surveillance aircraft and held our troops all those weeks and now are asking us to pay for the time that they held American citizens on their territory.

Mr. Speaker, is something wrong with this picture?

Vote in support of the Rohrabacher-Brown resolution.

The May 1, 2001, report by the United States Commission on International Religious Freedom links the deterioration of rights to receipt of normal trade relations. "China has concluded that trade trumps all." Torture of believers increased, the government confiscated and destroyed as many as 3,000 unregistered religious buildings, and has continued to interfere with the selection of religious leaders.

Since passage, persecution and execution have increased.

[From the New Republic, July 9 and 16, 2001]

WHY TRADE WON'T BRING DEMOCRACY TO CHINA.—TRADE BARRIER

(By Lawrence F. Kaplan)

On February 25, business professor and writer Li Shaomin left his home in Hong Kong to visit a friend in the mainland city of Shenzhen. His wife and nine-year-old daughter haven't heard from him since. That's because, for four months now, Li has been rotting in a Chinese prison, where he stands accused of spying for Taiwan. Never mind that Li is an American citizen. And never mind that the theme of his writings, published in subversive organs like the U.S.-China Business Council's China Business Review, is optimism about China's investment climate. Li, it turns out, proved too optimistic for his own good. In addition to rewarding foreign investors, he believed that China's economic growth would create, as he put it in a 1999 article, a "rule-based governance system." But, as Li has since discovered, China's leaders have other plans.

Will American officials ever make the same discovery? Like Li, Washington's most influential commentators, politicians, and China hands claim we can rely on the market to transform China. According to this new orthodoxy, what counts is not China's political choices but rather its economic orientation, particularly its degree of integration into the global economy. The cliche has had a narcotic effect on President Bush, who, nearly every time he's asked about China, suggests that trade will accomplish the broader aims of American policy.

Bush hasn't revived Bill Clinton's recklessly ahistorical claim that the United States can build "peace through trade, investment, and commerce." He has, however, latched onto another of his predecessor's high-minded rationales for selling Big Macs to Beijing—namely, that commerce will act, in Clinton's words, as "a force for change in China, exposing China to our ideas and our ideals." In this telling, capitalism isn't merely a necessary precondition for democracy in China. It's a sufficient one. Or, as Bush puts it, "Trade freely with China, and time is on our side." As Congress prepares to vote for the last time on renewing China's normal trading relations (Beijing's impending entry into the World Trade Organization will put an end to the annual ritual), you'll be hearing the argument a lot: To promote democracy, the United States needn't apply more political pressure to China. All we need to do is more business there.

Alas, the historical record isn't quite so clear. Tolerant cultural traditions, British colonization, a strong civil society, international pressure, American military occupation and political influence—these are just a few of the explanations scholars credit as the source of freedom in various parts of the world. And even when economic conditions do hasten the arrival of democracy, it's not always obvious which ones. After all, if economic factors can be said to account for democracy's most dramatic advance—the implosion of the Soviet Union and its Communist satellites—surely the most important factor was economic collapse.

And if not every democracy emerged through capitalism, it's also true that not every capitalist economy has produced a democratic government. One hundred years ago in Germany and Japan, 30 years ago in countries such as Argentina and Brazil, and today in places like Singapore and Malaysis, capitalist development has buttressed, rather than undermined, authoritarian regimes. And these models are beginning to look a lot more like contemporary China than the more optimistic cases cited by Beijing's American enthusiasts. In none of these cautionary examples did the free market do the three things businessmen say it always does: weaken the coercive power of the state, create a democratically minded middle class, or expose the populace to liberal ideals from abroad. It isn't doing them in China either.

One of the most important ways capitalism should foster democracy is by diminishing the power of the state. Or, as Milton Friedman put it in Capitalism and Freedom, "[t]he kind of economic organization that provides economic freedom directly, namely, competitive capitalism, also promotes political freedom because it separates economic power from political power and in this way enables the one to offset the other." In his own way, Bush makes the same point about China: "I believe a whiff of freedom in the marketplace will cause there to be more demand for democracy." But the theory isn't working so well in the People's Republic, whose brand of capitalism isn't quite what Adam Smith had in mind.

China's market system derives, instead, from a pathological model of economic development. Reeling from the economic devastation of the Mao era, Deng Xiaoping and his fellow party leaders in the late 1970s set China on a course toward "market socialism." The idea was essentially the same one that guided the New Economic Policy in Soviet Russia 50 years before: a mix of economic liberalization and political repression, which would boost China's economy without weakening the Communist Party. And so, while leaving the party in control of China's political life, Deng junked many of the economy's command mechanisms—granting state-owned enterprises more autonomy, opening the country to limited investment, and replacing aging commissars with a semiprofessional bureaucracy. The recipe worked well: China has racked up astronomical growth rates ever since. And democracy seems as far away as ever.

The reason isn't simply that government repression keeps economic freedom from yielding political freedom. It's that China's brand of economic reform contains ingredients that hinder—and were consciously devised to hinder—political reform. The most obvious is that, just as the state retains a monopoly on the levers of coercion, it also remains perched atop the commanding heights of China's economy. True, China has been gradually divesting itself of state-owned enterprises, and the process should quicken once China enters the World Trade Organization (WTO). But Beijing's leaders have said they will continue to support China's most competitive and critical industries. Taking a cue from authoritarian South

Korea during the 1980s, China's leaders have proposed sponsoring industrial conglomerates in crucial sectors of the economy, transformed industrial ministries into ''general associations,'' merged failing state-owned firms with more successful ones, and established organizations to, as Chinese economist Xue Muqiao has put it, ''serve as a bridge between the state and the enterprises.''

But that's where any similarities with South Korea end. Unlike South Korea, the Philippines, and Taiwan, which evolved from authoritarianism (and did so, significantly, as de facto protectorates of the United States), China even today has no effective system of property rights—a signature trait that distinguishes its Communist regime from traditional authoritarian ones. The absence of a private-property regime in China means that, at the end of the day, the state controls nearly the entire edifice on which China's ''free'' markets rest. It also means that China's brand of capitalism blurs, rather than clarifies, the distinction between the public and the private realms on which political liberty depends. Nor is that the only requisite for democracy that China's markets lack. As the imprisonment of Li Shaomin and thousands of other political prisoners attests, capitalism in the PRC still operates within the confines of an arbitrary legal order and a party-controlled court system. ''China is still a lawless environment,'' says University of Pennsylvania sinologist Arthur Waldron. ''Whether in terms of individual rights or the rights of entrepreneurs, interests are protected not by institutions but by special relationships with those in power.

Before he was arrested, Li diagnosed this condition as ''relation-based capitalism.'' What he meant was that relations with government officials, not property rights or the rule of law, underpin the Chinese market. Because the political foundations of China's economy remain the exclusive property of the state, China's entrepreneurs operate with a few degrees of separation, but without true autonomy, from the government. Hence, capital, licenses, and contracts flow to those with connections to officials and to their friends and relatives, who, in turn, maintain close relations with, and remain beholden to, the regime. Their firms operate, in the words of Hong Kong-based China specialist David Zweig, ''[l]ike barnacles on ships, . . . draw[ing] their sustenance from their parastatal relationships with the ministries from which they were spun off.''

Helping to keep all these distortions in place are Deng's functionaries, who now constitute the world's largest bureaucracy and still control the everyday levers of the Chinese economy. Today, they function as the engines and administrators of a market increasingly driven by skimming off the top. The foreign-trade sector offers particularly easy pickings. In 1995, for instance, the World Bank found that while China's nominal tariff rate was 32 percent, only a 6 percent rate was officially collected. Presumably, much of the difference went into the pockets of Chinese officials. And even though WTO accession will reduce opportunities for rent seeking from inflated trade tariffs, China's bureaucracy will be able to continue siphoning funds from distorted interest rates, the foreign exchange markets, and virtually any business transaction that requires its involvement—which is to say, nearly every business transaction. Nor is the problem merely the corrupting influence these bureaucrats wield over China's markets. The larger problem is that, whereas in the United States the private sector wields enormous influence over the political class, in China the reverse is true.

For precisely this reason, Washington's celebrations of the democratic potential of the new Chinese ''middle class'' may be premature ''Entrepreneurs, once condemned as 'counter revolutionaries,' are now the instruments of reform. . . . [T]his middle class will eventually demand broad acceptance of democratic values,'' House Majority Whip Tom DeLay insisted last year. Reading from the same script, President Bush declares that trade with China will ''help an entrepreneurial class and a freedom-loving class grow and burgeon and become viable,'' Neither DeLay nor Bush, needless to say, invented the theory that middle classes have nothing to lose but their chains. In the first serious attempt to subject the ties between economic and political liberalization to empirical scrutiny, Seymour Martin Lipset published a study in 1959, Some Social Requisites of Democracy, which found that economic development led to, among other things, higher levels of income equality, education and, most important, the emergence of a socially moderate middle class—all factors that promote democratization. More recent studies have found that rising incomes also tend to correlate with participation in voluntary organizations and other institutions of ''civil society,'' which further weakens the coercive power of the state.

But middle classes aren't always socially moderate, and they don't always oppose the state. Under certain conditions late modernizing economies breed middle classes that actively oppose political change. In each of these cases, a strong state, not the market, dictates the terms of economic modernization. And, in each case, an emerging entrepreneurial class too weak to govern on its own allies itself—economically and, more importantly, politically—with a reactionary government and against threats to the established order. In his now-classic study Social Origins of Dictatorship and Democracy, sociologist Barrington Moore famously revealed that, in these ''revolutions from above,'' capitalist transformations weakened rather than strengthened liberalism. In the case of nineteenth-century Japan Moore writes that the aim of those in power was to ''preserve as much as possible of the advantages the rule class had enjoyed under the ancient regime, cutting away just enough . . . to preserve the state, since they would otherwise lose everything.'' Japan's rulers could do this only with the aid of a commercial class, which eagerly complied, exchanging its political aspirations for profits. On this point, at least Marx and Engels had things right. Describing the 1848 revolution in Germany, they traced its failure partly to the fact that, at the end of the day, entrepreneurs threw their support not behind the liberal insurrectionists but behind the state that was the source of their enrichment.

Much the same process is unfolding in China, where economic and political power remain deeply entwined. In fact, China's case is even more worrisome than its historical antecedents. In Germany and Japan, after all, an entrepreneurial class predated the state's modernization efforts, enjoyed property rights, and, as a result, possessed at least some autonomous identity. In China, which killed off its commercial class in the 1950s, the state had to create a new one. Thus China's emerging bourgeoisie consists overwhelmingly of state officials, their friends and business partners, and—to the extent they climbed the economic ladder independently—entrepreneurs who rely on connections with the official bureaucracy for their livelihoods. ''It is improbable, to say the least,'' historian Maurice Meisner writes in The Deng Xiaoping Era: An Inquiry Into the Fate of Chinese Socialism, ''that a bourgeoisie whose economic fortunes are so dependent on the political fortunes of the Communist state is likely to mount a serious challenge to the authority of the state . . . the members of China's new bourgeoisie emerge more as agents of the state than as potential antagonists.''

A steady diet of chauvinistic nationalism hasn't helped. In the aftermath of the Tiananmen Square massacre, party leaders launched a ''patriotism'' campaign, a sentiment they defined as ''loving the state'' as well as the Communist Party. As the Shanghai-based scholar and party apologist Xiao Gongqin explains, ''[T]he overriding issue of China's modernization is how, under new historical circumstances, to find new resources of legitimacy so as to achieve social and moral integration in the process of social transition.'' To Xiao and others like him, the answer is nationalism. And, as anyone who turned on a television during the recent EP–3 episode may have noticed, it's working. Indeed, independent opinion polling conducted by the Public Opinion Research Institute of People's University (in association with Western researchers, who published their findings in 1997), indicate greater public support for China's Communist regime than similar surveys found a decade earlier. And, contrary to what development theory might suggest, the new nationalism appears to have infected the middle class—particularly university students and intellectuals—more acutely than it has China's workers and farmers. ''The [closeness of the] relationship between the party and intellectuals is as bad as in the Cultural Revolution,'' a former official in the party's propaganda arm noted in 1997. Even many of China's exiled dissidents have fallen under its spell.

In addition to being independent of the regime and predisposed toward liberal values, China's commercial class is supposed to be busily erecting an independent civil society. But, just as China's Communist system restricts private property, it prohibits independent churches and labor unions, truly autonomous social organizations, and any other civic institutions that might plausibly compete with the state. Indeed, China's leaders seem to have read Robert Putnam's Bowling Alone and the rest of the civil-society canon—and decided to do exactly the reverse of what the literature recommends. ''Peasants will establish peasants' organizations as well, then China will become another Poland,'' senior party official Yao Yilin reportedly warned during the Tiananmen protests. To make sure this fear never comes true, China's leaders have dealt with any hint of an emerging civil society in one of two ways: repression or co-optation. Some forbidden organizations—such as Falun Gong, the Roman Catholic church, independent labor unions, and organizations associated with the 1989 democracy movement—find their members routinely imprisoned and tortured. Others, such as the Association of Urban Unemployed, are merely monitored and harassed. And as for the officially sanctioned organizations that impress so many Western observers, they mostly constitute a Potemkin façade. ''[A]lmost every ostensibly independent organization—institutes, foundations, consultancies—is linked into the party-state network,'' says Columbia University sinologist Andrew Nathan. Hence, Beijings Ministry of Civil Affairs monitors even sports clubs and business associations and requires all such groups to register with the government.

The same kind of misreading often characterizes celebrations of rural China's ''village committees,'' whose democratic potential the engagement lobby routinely touts. Business Week discerns in them evidence ''of the grassroots democracy beginning to take hold in China.'' But that's not quite right. China's leaders restrict committee elections to the countryside and, even there, to the most

local level. Nor, having been legally sanctioned 14 years ago, do they constitute a recent development. More important, China's leaders don't see the elections the way their American interpreters do. In proposing them, says Jude Howell, co-author of In Search of Civil Society: Market Reform and Social Change in Contemporary China, party elites argued that elected village leaders ''would find it easier to implement central government policy and in particular persuade villagers to deliver grain and taxes and abide by family planning policy. Village self-governance would thus foster social stability and order and facilitate the implementation of national policy. By recruiting newly elected popular and entrepreneurial village leaders, the Party could strengthen its roots at the grassroots level and bolster its legitimacy in the eyes of rural residents.'' Which is exactly what it has done. In races for village committee chairs, the Ministry of Civil Affairs allows only two candidates to stand for office, and until recently many townships nominated only one. Local party secretaries and officials often push their favored choice, and most committee members are also members of the Communist Party, to which they remain accountable. Should a nonparty member be elected, he must accept the guidance of the Communist Party, which, in any case, immediately sets about recruiting him. As for those rare committee members who challenge local party officials, their success may be gleaned from the fate of elected committee members from a village in Shandong province who in 1999 accused a local party secretary of corruption. All were promptly arrested.

Still, the very fact that China's leaders feel compelled to bolster their legitimacy in the countryside is telling. Last month Beijing took the unusual step of releasing a report, ''Studies of Contradictions Within the People Under New Conditions'' which detailed a catalogue of ''collective protests and group incidents.'' What the report makes clear is that Beijing's leaders think China's growing pool of overtaxed farmers and unemployed workers, more than its newly moneyed elite could become a threat to the regime. Fortunately for the authorities, with no political opposition to channel labor unrest into a coherent movement, protests tend to be narrow in purpose and poorly coordinated. And the wheels of repression have already begun to grind, with Beijing launching ''strike hard'' campaign to quell any trouble. In any case, what these formerly state-employed workers have been demonstrating for is not less communism, but more—a return to the salad days of central planning.

Which brings us to the final tenent of the engagement lobby: that commerce exposes China to the ideals of its trading partners, particularly those of the United States. As House Majority Leader Dick Armey has put it, ''Freedom to trade is the great subversive and liberating force in human history.'' Or, as Clinton National Security Adviser Sandy Berger burbled in 1997, ''The fellow travelers of the new global economy—computers and modems, faxes and photocopiers, increased contacts and binding contacts—carry with them the seeds of change.'' But the Chinese disagree. To begin with, they don't import much. And economists predict that won't change dramatically once they've joined the WTO, since China's leaders have committed themselves to the kind of export-oriented, merchantilist growth model that South Korea, Japan, and Taiwan pursued in decades past. Last year, for instance, China exported $100 billion in goods and services to the United States and only imported $16 billion worth. Hence, for every six modems it sent to America, Sandy Berger sent back only one.

To be sure, that one modem may carry with it seeds of change. Bush, for instance, says, ''If the Internet were to take hold in China, freedom's genie will be out of the bottle.'' Alas, through links to Chinese service providers, Beijing tightly controls all access to the Web. and Western investors in China's information networks have eagerly pitched in. One Chinese Internet portal, bankrolled by Intel and Goldman Sachs, greets users with a helpful reminder to avoid ''topics which damage the reputation of the state'' and warns that it will be ''obliged to report you to the Public Security Bureau'' if you don't. But Goldman Sachs needn't worry. If anything, China's recent experience lends credence to the pessimistic theories of an earlier era, which held that nations shape the uses of technology rather than the other way around. Thus Beijing blocks access to damaging ''topics'' and to Western news sources like The New York Times, The Washington Post, and this magazine. It also monitors e-mail exchanges and has arrested Internet users who have tried to elude state restrictions. And, in ways that would make Joseph Goebbels blush, the government uses websites—and, of course, television, newspapers, and radio—to dominate the circuits with its own propaganda. ''Much as many people might like to think the Internet is part of a bottom-up explosion of individualism in China, it is not,'' writes Peter Lovelock, a Hong Kong-based academic who studies the Internet's effect in the PRC. Instead, it provides ''an extraordinarily beneficial tool in the administration of China.'' And that tool was on vivid display during the EP–3 crisis, when China blocked access to Western news sources and censored chat rooms.

American politicians describe foreign direct investment, too, as a potent agent of democratization. But, in this case, they're not even paraphrasing political science literature they haven't read, because the literature makes no such claim. In fact, a 1983 study by the University of North Carolina's Kenneth Bollen found that levels of foreign trade concentration and penetration by multinational corporations have no significant effect on the correlation between economic development and democracy. In China's case, it's easy to understand why. Beijing requires foreign investors in may industries to cooperate in joint ventures with Chinese partners, most of whom enjoy close ties to the government. These firms remain insulated mainly in three coastal enclaves and in ''special economic zones'' set apart from the larger Chinese economy. Moreover, they export a majority of their goods—which is to say, they send most of their ''seeds of change'' abroad. At the same time, their capital largely substitutes for domestic capital (foreign-owned firms generate half of all Chinese exports), providing a much-needed blood transfusion for China's rulers, who use it to accumulate reserves of hard currency, meet social welfare obligation, and otherwise strengthen their rule. Nor is it clear that U.S. companies even want China to change. If anything, growing levels of U.S. investment have created an American interest in maintaining China's status quo. Hence, far from criticizing China's rulers, Western captains of industry routinely parade through Beijing singing the praises of the Communist regime (and often inveighing against its detractors), while they admonish America's leaders to take no action that might upset the exquisite sensibilities of China's politburo Business first, democracy later.

But ultimately the best measure of whether economic ties to the West have contributed to democratization may be gleaned from China's human rights record. Colin Powell insists, ''Trade with China is not only good economic policy; it is good human rights policy.'' Yet, rather than improve that record, the rapid expansion of China's trade ties to the outside world over the past decade has coincided with a worsening of political repression at home. Beijing launched its latest crackdown on dissent in 1999, and it continues to this day. The government has tortured, ''reeducated through labor,'' and otherwise persecuted thousands of people for times no greater than practicing breathing exercises, peacefully championing reforms, and exercising freedom of expression, association, or worship. It has arrested Chinese-American scholars like Li Shaominn on trumped-up charges, closed down newspapers, and intimidated and threatened dissidents. Nor is it true that linking trade and human rights will necessarily prove counterproductive. When Congress approved trade sanctions against Beijing in the aftermath of Tiananmen, China's leaders responded by releasing more than 800 political prisoner, lifting martial law in Beijing, entering into talks with the United States, and even debating among themselves the proper role of human rights. As soon as American pressure eased, so did China's reciprocal gestures.

Turning a blind eye to Beijing's depredations may make economic sense. But to pretend we can democratize China by means of economics is, finally, a self-serving conceit. Democracy is a political choice, an act of will. Someone, not something, must create it. Often that someone is a single leader—a Mikhail Gorbachev, a King Juna Carlos, or a Vaclav Havel. But such a man won't be found in China's current leadership. Other times, the pressure for democracy comes from a political opposition—the African National Congress in South Africa, Solidarity in Poland, or the marchers in Tiananmen Square. But there are no more marchers in Tiananmen Square.

Pressure for democratization, however, can also come from abroad. And usually it comes from the United States or from nowhere at all. During the 1980s America applied diplomatic and economic pressure to repressive regimes from Poland to South Africa; intervened to prevent military coups in the Philippines, Peru, El Salvador, Honduras, and Bolivia; and loudly enshrined human rights and democracy in official policy. The United States played a pivotal and direct role in democratizing even countries like South Korea and Taiwan, which many China-engagers now tout as evidence that the market alone creates political freedom. Appropriately enough, the decade closed with democracy activists erecting a facsimile of the Statue of Liberty in Tiananmen Square.

The commercialist view of China, by contrast, rests on no historical foundation; it is a libertarian fantasy. ''The linkage between development and rights is too loose, the threshold too high, the time frame too long, and the results too uncertain to make economic engagement a substitute for direct policy intervention,'' writes Columbia's Nathan. Yet make it a substitute is precisely what the United States has done. And, far from creating democracy, this subordination of political principle has created the justified impression of American hypocrisy and, worse, given U.S. policymakers an excuse to do nothing.

Maybe the claim that we can bring liberty to China by chasing its markets will prove valid in the long run. But exactly how long is the long run? A political scientist at Stanford University says it ends in 2015, when, he predicts, China will be transformed into a democracy. Others say China will democratize before that. Still others say it may take a half-century or more. The answer matters. After all, while capitalist Germany and Japan eventually became democracies, it

wasn't capitalism that democratized them, and it certainly wasn't worth the wait. In China's case, too, no on really knows what might happen as we wait for politics to catch up with economies. With the exception, perhaps, of Li Shaomin, who tested the link between economic and political liberalization in China for himself. He's still in jail.

Mr. LEVIN. Mr. Speaker, I yield 2½ minutes to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Speaker, I rise in opposition to the resolution. This debate is not about condoning slave labor in China, child labor, or religious or political persecution occurring in China.

Mr. Speaker, I believe this debate is about empowering the Chinese people to make the improvements, make the positive changes that all of us in this Chamber would like to see made someday. I believe the best way to empower the Chinese people is with information: information from the outside world, information from us. And the best way we can accomplish this is through a policy of engagement, through trade, especially with greater telecommunications and Internet access within China.

Just last year I had an opportunity to meet with five Chinese university students who wanted to talk with me since I serve on the Committee on Education and the Workforce. I asked them, what is the most exciting thing occurring in Chinese universities? Almost all of them simultaneously said the Internet, because now we have access to outside information and ideas that we have never been exposed to before or were precluded from having.

Mr. Speaker, I was sitting looking at this young crowd, thinking this is the next generation of leadership growing up in China, and if we want to see the positive, revolutionary changes occur in China that are long overdue, we need to empower them and the Chinese people.

I believe the worst mistake we can make as a Congress in this new century is to pick a new cold war confrontation with the world's most populated nation after we have just concluded a very lengthy and costly cold war with the Soviet Union during most of the 20th century.

The Soviet Union and the Eastern Bloc nations did not collapse because of military defiance from the West. They collapsed because Gorbachev had the courage to institute perestroika and glasnost and open up their societies to the influence of the outside world, and the people realized that they were living under a failed system and policy. They stood in defiance of those governments, and the governments came down. The same potential holds true in China.

Mr. Speaker, Cordell Hull, FDR's Secretary of State, was fond of saying, when goods and products cross borders, armies do not. I believe that is what is at stake here in our debate with NTR with China, getting them included in WTO as a member of the world trading community.

I hope that we make that decision correctly for the sake of our children, for the sake of their children, and for the sake of a positive relationship with China and the United States as we embark together on this marvelous journey in the 21st century.

Mr. ROHRABACHER. Mr. Speaker, I yield 30 seconds to myself.

Mr. Speaker, I do not know what books my colleague has been reading from about history, but I read nowhere in history that if we treat the Nazis or the Japanese militarists as anything but dictatorships and threats where it turns out beneficial to the democratic countries of the world.

I do not read where we in the past have ever benefited from trying to not recognize a real threat in the dictatorships around the world but instead try to gloss over those differences.

I do not read where trade with dictatorships has led to peace. I do not read that.

What I read is when there is free trade with dictatorships, they manipulate the trade in order to gain money for their own regimes; and our next speaker realizes we should not be using tax dollars to subsidize businessmen for closing factories in the United States and reopening them in China.

Mr. Speaker, I yield 1 minute to the gentleman from North Carolina (Mr. HAYES).

□ 1800

Mr. HAYES. Mr. Speaker, I rise today to urge my colleagues to vote for this measure and oppose granting China normal trade relations. Normal trade relations for the People's Republic of China does not represent fair trade for our Nation's textile workers. For the tens of thousands of textile workers and the many communities that depend on these jobs in North Carolina's eighth district, this agreement continues down the road of trading away a vital industry to our State's economy.

Since December of 1994, the textile and apparel industry has lost nearly 600,000 workers, 20 percent of which belonged to North Carolinians. A devastating effect on many communities throughout the district has resulted. Closed foreign markets which persist despite trade policies that open our markets, continuing large-scale customs fraud, transshipments, and currency devaluation have all led to this loss of jobs in a vital industry.

The textile industry is not protectionist. It is not afraid of competition. In fact, it is a highly automated and technology-driven industry that simply wants to assure its place within the global economy through fairness and equal access. Until that happens, I urge my colleagues to oppose trade with China.

Mr. WELLER. Mr. Speaker, I am happy to yield 3 minutes to the gentleman from California (Mr. CUNNINGHAM) not only a distinguished gentleman but one of America's greatest war heroes.

Mr. CUNNINGHAM. Mr. Speaker, most of my life I have spent fighting against Communists and Socialists. You would think of anybody that did not want to support the Chinese, it would be Duke Cunningham. I am probably the only one in this room that has been shot at by the Chinese near the Vietnamese border. I cannot tell you what I told them over the radio or called them. And they were my enemy.

They are an emerging threat today. When the gentleman from Kentucky (Mr. ROGERS), the chairman of the committee, asked me to go to Vietnam and raise the American flag over Ho Chi Minh City, I said, ''No, I can't do that. It's too hard.'' And then Pete Peterson, a friend of mine, the Ambassador to Vietnam, said, ''Duke, I need your help. I was a prisoner for 6½ years. I can do this. You can, too.'' So I went. And I met with the Prime Minister in Hanoi.

I asked him, I said, Mr. Prime Minister, President Clinton is trying to work negotiations and trade with Hanoi to open up our two countries. Why are you dragging your feet?

In perfect English, he looked at me and said, Congressman, I am a Communist. If we move too fast in trade, you see those people out there? And we were looking at a sea of thousand bicycles. He said, those people out there will have things, like property, like things of their own, like their own bicycles that they could own. He very frankly said, as a Communist, I will be out of business.

I looked at him, and I said, Mr. Prime Minister, trade is good.

I was the commanding officer of Adversary Squadron, and at Navy fighter weapons school my job was to teach Asian and Sino-Soviet threats to the world. Twenty years ago, they were a real threat. Today, China is a threat; but let us not close the door on our farmers, on the people that fought in Tiananmen Square, on the people that are fighting for human rights within China itself.

My daughter dates Matthew Li. He is Chinese. I want to tell you, you look at our universities and the immigrants that we have into this country. They are the hardest working, the most freedom-seeking people in the world. And if we do not support this open trade with China, then we are going to lose that opportunity.

China is not what it is or what it was 20 years ago. Are they going to be a democracy? Not in my lifetime. But do we want them to go backwards? Or do we want to slowly change that 10,000-year-old dog? It is hard to teach an old dog new tricks is the saying. I believe with all of my heart that if we close that door and that opportunity for us to reach out, at the same time I think it was wrong to give China missile secrets and then for China to then give it to North Korea and make us vulnerable to missile threats, but we can hold them at bay.

Do not let the cobra in the baby crib but milk it for its venom.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Vermont (Mr. SANDERS) who understands that the facts show that Western investors prefer totalitarian countries more than democratic countries because Western investors like the docile workforce that China provides.

Mr. SANDERS. Mr. Speaker, let me be very blunt. In my opinion, our current trade relations with China are an absolute disaster and are based on an unholy alliance between corporate America and the corrupt Communist leadership in China. As part of this trade agreement, corporate America gets the opportunity to invest tens of billions of dollars in China and to hire workers who are forced to slave away at wages as low as 20 cents an hour. And in the process, as corporate America invests in China, they are throwing out on the streets hundreds of thousands of American workers who used to make a living wage, who used to be able to join a union, who worked under some kinds of environmental protection. What an outrage, that corporate America has decided that it is better to pay Chinese workers starvation wages, have their government arrest those people if they form a union, and allow corporate America to destroy their environment.

Mr. Speaker, today is a day to stand up for living wages in this country. Not only are we seeing a huge loss of manufacturing jobs because of our trade policy with China, what we are seeing is wages being forced down. How is an American worker supposed to make a living wage competing against somebody who makes 20 cents an hour? The result is that today, millions of American workers are working longer hours for lower wages than was the case 20 years ago. High school graduates in America no longer get manufacturing jobs at decent wages. They work at McDonald's for minimum wage. The reason for that is those manufacturing jobs are now in China.

Let us stand today for American workers, for decent jobs, for decent wages, and let us support the Rohrabacher amendment.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. GILLMOR). The Chair informs those who are controlling time that their introductions of their next speakers—the time consumed in that—does come out of their time.

Mr. LEVIN. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Texas (Mr. BENTSEN).

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

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

There is not a Member of this House who agrees with all of the policies of the regime in China. I think there is not a Member in this House who would not like to see the Chinese government change their policies, whether it relates to their strategic relationship with the United States, whether it relates to groups such as the Falun Gong, whether it relates to their labor policy. But at the same time I do not think any Member of this House can make a credible argument that the United States unilaterally erecting trade barriers with the Chinese would somehow cause the Chinese government to change those policies. A unilateral action of what is proposed in the gentleman's resolution would only come back to hurt the United States.

Furthermore, I think Members need to understand, while we do have a trade deficit with China, it would be simplistic and incorrect to assume that there would be an exact substitution for the dollars of goods that we export to China going somewhere else versus what is imported here.

In fact, I would submit to the body that if we were to erect barriers and eliminate trade with China as the gentleman's resolution would ultimately do, we in effect would lose export dollars in the United States at the expense of American workers. I think that would be a very grave mistake. I would think it would be an even worse mistake given the fact that we know that the United States economy is in a great slowdown right now, perhaps closing in on a recession but certainly very slow growth. The rest of the world economy is experiencing slow growth. And so this is exactly the wrong time that we would want to be cutting off trade and the selling of U.S. goods and services when in fact our manufacturing sector is in a recession.

Mr. Speaker, I would hope that Members would realize that while from a rhetorical standpoint it may sound good, from a practical economic standpoint, the resolution would do nothing but bring harm to the United States.

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

Let me remind my colleagues, this has nothing to do with erecting economic barriers around China. It has nothing to do with an embargo. It has everything to do with removing a subsidy. That is the only effect of this vote that we are having right here today. The only effect of taking away normal trade relations from China is that big businessmen who want to set up a factory in China, maybe close one in the United States, are not going to get their loans guaranteed or their loan subsidized in order to set up that factory. It has nothing to do with stopping people from selling American products or erecting some sort of trade barriers.

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

Mr. HUNTER. Mr. Speaker, in 1941, about 6 months before Pearl Harbor, our former colleague Carl Andersen said that at some point in the near future we might be engaged in battle with a Japanese fleet. And if that occurred, we would be fighting a Navy whose ships were built with American steel and that were powered with American fuel. A few months after he made that statement, in fact, we were engaged at Pearl Harbor, December 7, 1941, losing hundreds of ships and aircraft and thousands of lives to a Japanese fleet that was built with American steel and powered with American petroleum.

Today, we are sending $80 billion more to China than they are sending to us. They are using those hard American trade dollars to build a military machine. A part of that military machine is the Sovremenny-class missile destroyers that they have now bought from the Soviet Union complete with Sunburn missiles that were designed for one thing and that is to kill American aircraft carriers. They are building coproduction plants for Su-27 aircraft, high performance fighters with the ability to take on American fighters very effectively. And with American trade dollars they are building a nuclear force, intercontinental ballistic missile force, aimed at American cities.

Mr. Speaker, we are leaving a century in which 619,000 Americans died on the battlefield. It is a century in which a great Democrat President, FDR, joined early on with Winston Churchill to face down Hitler and save the world for democracy. And it is also a century in which a great Republican President, Ronald Reagan, faced down the Soviet Union, brought down the Berlin Wall, and disassembled the Soviet military machine.

Let us not replace that Soviet military machine with another military superpower built with American trade dollars. Vote ''yes'' on Rohrabacher. Vote ''no'' on MFN for China.

Mr. WELLER. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. PITTS), a strong proponent of engagement with China.

Mr. PITTS. Mr. Speaker, I rise in opposition to this resolution that would revoke normal trade relations with China. It is a mistake to declare economic warfare on 1.3 billion people on the other side of the globe, on China, which in effect this resolution would do.

We have NTR with about 190 nations. We do not with about four or five that we consider enemies. But instead of espousing the opinions of politicians and my own views, I was interested in finding out what are the views of those impacted by the human rights abuses in China? Those unregistered church leaders, pastors of unregistered house churches? I have some faxes here from some of them. This is what they say.

Here is a Chinese pastor: ''It is good and right that America be firm and strong on the issue of human rights but trying to enforce human rights through using NTR status as a lever is a misguided policy.''

□ 1815

Another one, a leader for over 20 years in a house church, he said, ''If

China cannot enter WTO, that means closing the door on China and also on us Christians. It will have a direct impact on China if it joins WTO and keeps its doors open to the outside world.''

I could go on and on. But, Mr. Speaker, this disapproving the 1-year NTR extension will accomplish nothing except pouring salt into the wound of those in China who desire freedom. It will reinforce the agenda of the hardline rulers in China.

We should support NTR, not for the corrupt dictators in Beijing, but for the people of China and the people of the United States. Only by continuing to actively engage China can we help stem the nationalism, the anti-Westernism of the communist leaders, help the reformers and have the opportunity to influence China for good. We should not withdraw; we should not be isolationists. We should vote against this resolution.

The SPEAKER pro tempore (Mr. GILLMOR). The Chair would inform the House of the order of closing. The order of closing will be as follows: the gentleman from California (Mr. ROHRABACHER); the gentleman from Michigan (Mr. LEVIN); the gentleman from Ohio (Mr. BROWN); and the gentleman from Illinois (Mr. WELLER).

The time remaining is as follows: the gentleman from Illinois (Mr. WELLER), 8 minutes; the gentleman from Ohio (Mr. BROWN), 9½ minutes; the gentleman from California (Mr. ROHRABACHER), 2½ minutes; and the gentleman from Michigan (Mr. LEVIN), 1 minute.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2¼ minutes to my friend, the gentleman from Oregon (Mr. DEFAZIO).

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

Mr. Speaker, let us turn to a recent statement by President Bush on trade sanctions. Calling sanctions a ''moral statement,'' President Bush ordered stricter enforcement of the U.S. trade embargo and greater support for the country's dissidents. ''It is wrong to prop up a regime that routinely stifles all the freedoms that make us human,'' said President Bush.

Unfortunately, of course, he was referring to that puny little nation of Cuba, and not to the giant economic military power, China. God forbid we should apply the same standards to someone as powerful as they are.

You know, driven by big business, policymakers in this body and downtown at the White House for more than 100 years have been talking about dramatic policy changes in China. They are coming. If you stacked up all of the agreements on trade, arms control, and human rights that have been negotiated and signed over the last 100 years by U.S. Presidents, you would have a new Great Wall, or more likely I guess you could call it an imaginary line, because the agreements are not worth the paper they are written on.

Most recently, the 1992 MOU on prison labor: violated, torn up, thrown away. The 1994 bilateral on textiles: violated, torn up, thrown away. 1992 MOU on market access; 1996, 1998 intellectual property; 1999 grains and poultry: all ignored and violated.

But the proponents, or should I call them the apologists, are constantly making new rationalizations, ''and this time it is really different,'' a little bit like maybe Lucy and the football; or perhaps we could say their arguments are as finely packaged as our Navy plane, which is coming back to us in pieces.

It is about U.S. jobs, they say; it is about engagement; it is about the dissidents. Well, here is a headline the day after we granted China permanent MFN status last year. The Wall Street Journal ran a front-page story. It said: ''Debate focused on exports, but, for many companies, going local is the goal.''

The gentleman who preceded me talked about dissidents. I sat with a dissident who said, you know, occasionally we were treated better when the U.S. took certain action.

Were those actions a doormat giving the Chinese everything they wanted? No. The few times we have gotten tough with China, the dissidents from prison were treated better. If we give them everything they want, like a spoiled child, we will get no change in their behavior.

Please, please, this is our last chance. Vote to send a message to China.

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

Mr. Speaker, as we listen to the impassioned debate on both sides of this issue, people we all respect have differing views.

One group of people has been often overlooked in this debate, and that is the American worker. Trade with China means a lot to American workers. I think it is important to point out that 350,000 American families depend entirely on trade with China. In fact, exports to China are rising and will rise faster in a more open and free market with the Chinese.

Last year, U.S. exports to China increased a record 24 percent to $16.3 billion, and China is now our 11th largest export market. Trade with China is important to farmers and our rural communities. In fact, the U.S. farm exports to China could grow by $2 billion annually, nearly tripling our current rate of exports to China.

The point is, you are not pro-agriculture unless you are pro-free trade with China. I would also note that trade with China will also boost the technology sector, one of our weaker sectors today. We have seen the last 8 years a five-fold increase in exports to China from the technology community. The facts are, you are not pro-technology unless you are pro-free trade with China.

America is the world's largest exporter, and China is now our largest consumer.

Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. KIRK), a strong proponent of engagement with China.

Mr. KIRK. Mr. Speaker, I thank my friend from Illinois for yielding me time.

Mr. Speaker, as a member of the Human Rights Caucus, I rise in support of trade with China. China is in the middle of a historic transformation. Half of all construction cranes in the world now operate in China. More cell phone users and Internet subscribers will live in China than in Europe. Opening China will help human rights.

In the 1960s, 30 million people died in China of starvation, and it took the U.S. intelligence community over 20 years to even find out. Today, tens of thousands of Westerners travel throughout China each day. We know more about China than ever before, and we can fight for democratic change and more effective human rights better than ever before.

Martin Lee, the democratic leader of Hong Kong's pro-democracy forces, supports trade with China. Taiwan supports trade with China.

As the world is being remade in our image, I believe that free trade with China is the most effective way to support democratic change and human rights in China.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Indiana (Ms. CARSON).

Ms. CARSON of Indiana. Mr. Speaker, I thank the gentleman for yielding me time to speak in favor of House Joint Resolution 50.

Mr. Speaker, I was one of the 237 that voted for the most-favored-nation permanent relations with China last year, but since that time I have watched with interest the developments in China since we gave them the most-favored-nation status.

I have watched them confiscate our airplane and destroy it. I have watched the continuation of human exploitation. Instead of trade, I have watched slave trade abound in China. And as important as that, I have noticed that China continues to dump steel in this country to the detriment of the American worker in this country.

In the State of Indiana, the largest producer of steel has dropped substantially in terms of its steel production and steel exports with the loss of several thousand steel jobs in my State, along with Alabama, devastated by steel dumping, Pennsylvania, Michigan, Washington State, Detroit, Michigan, devastated by steel dumping. Thirty thousand steelworkers in Indiana had to accept shorter work weeks, lower-paying job assignments, or early retirement.

The Commerce Department has reported that 11,000 American steelworkers have been laid off, and I was pleased to see President Bush had taken a look at this for the purpose of maybe imposing quotas.

Mr. Speaker, I thank you for allowing me this opportunity to protest.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1½ minutes to the gentlewoman from California (Ms. WOOLSEY).

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

Ms. WOOLSEY. Mr. Speaker, I rise today in strong support of revoking China's normal trade relations status. It has to be clear to all of us that granting China special trade status has not persuaded them to conform to standards of decency and fairness. Instead, their record of human rights abuses has worsened and trade imbalances have actually increased.

Today, U.S. companies import 36 percent of all Chinese exports, but the presence of U.S. purchasing power has done nothing to improve Chinese workers' lives. What is most alarming is that many of the products the U.S. imports are made by young children, children who work more than 12 hours a day and more than 6 days a week.

If the mere possibility of cheaper goods made by children, slaves and prisoners is worth all the human rights violations, the religious persecution, more forced abortions and sterilizations, then I do not think this country stands for what we know we believe in. Of course, we do not stand for that.

It is long overdue for U.S. trade policy to address human rights, workers' rights, and the environment. Trade is not free, trade is not fair, when there is no freedom and no fairness for the citizens of the country involved. Yet, year after year, this Congress grants special trade status to China.

This time, right now, tonight, let us have the courage to lever our economic strength and real reform and vote yes on this resolution.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, as I have heard other Members, I rise today to give explanation to my protest vote today to deny China this normal trade relations, because I voted for PNTR. But already Lee Chow Min has been in China, a U.S. citizen, since February 25, 2001. His family and lawyers have not been able to access him.

A young mother, wife and academic, Dr. Zhou Yongjun, whose husband and son are U.S. citizens, whose 5-year-old son was kept for 26 days away from her, and she is now, if you will, incognito, with no lawyers and family able to see her.

I believe China's leaders can do something about their human rights abuses. I believe the Chinese leadership can stand up to the words and say we accept the benefits and we accept the burdens.

I am here today to vote in protest, because I demand that China become a citizen of the world, treat its citizens with respect, allow democracy and freedom; and I believe that if we say to China that we will take it no more, we will see a Chinese Government that understands that they can make a change.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 1½ minutes.

Mr. Speaker, a year ago corporate CEOs flocked to the Hill to lobby for increased trade with China. They talked about access to 1.2 billion Chinese customers, but their real interest was in 1.2 billion Chinese workers.

CEOs tell us that democracies will flourish with increased trade; but, as the last decade showed, democratic nations in the developing world, such as India, are losing out to totalitarian governments such as China, where people are not free and the workers do as they are told.

In the post-Cold War decade, the developing democratic nations' share of developing country exports to the U.S. fell from 54 percent to 35 percent.

□ 1830

Decisions about Chinese economy are made by three groups: the Communist party, the People's Liberation Army, and western investors. Which of these three groups wants to empower workers?

Does the Chinese Communist party want the Chinese people to enjoy increased human rights? I do not think so.

Does the People's Liberation Army want to close the labor camps? I do not think so.

Do western investors want Chinese workers to bargain collectively and be empowered? I do not think so.

None of these groups, the Chinese Communist party, the People's Liberation Army, or western investors, none of these groups has any interest in changing the status quo in China. All three profit too much from the situation the way it is to want to see human rights improve in China, to want to see labor rights improve on China.

Mr. Speaker, vote ''yes'' on the Rohrabacher-Brown resolution. Send a message to the Communist party in China.

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

Let me note as we close this debate that over and over again in this debate I have stated that the only practical effect and, let us say, the dominant effect of Normal Trade Relations with China is one thing, and that is that it ensures that a subsidy that we currently provide to American businessmen to close their factories in the United States and rebuild factories in China to exploit the slave labor there, that that is the only practical effect of Normal Trade Relations. If we deny Normal Trade Relations, no longer will these big businessmen be able to get a taxpayer, U.S. Taxpayer-guaranteed loan or subsidized loan in order to build a factory in Communist China so that they can exploit the slave labor there.

When we are asked to consider the American worker, I hope we will consider that, because there may be 400,000 American workers, maybe, depending on the China trade, but that does not take into consideration the millions of American workers who have lost their jobs because we have subsidized big businessmen to go to China and invest there, rather than to try to invest in the United States of America.

If my colleagues will note, no one on the other side has sought to try to disprove that point, and over and over again I made the point. I would challenge my opponents here tonight in their closing statement to say that that is not true. Well, they cannot say that, because they know that that is the practical effect of this vote.

We were asked by the gentleman from Illinois, will the young people of China know anything more about democracy if we deny normal trade relations? My answer is, emphatically, yes. The young people of China will understand that this greatest democracy on earth is standing with them and their aspirations to have a free country and to live in freedom and democracy and have decent lives. They will learn that, the young people will learn that, rather than learn the lesson of today, that America is doing the bidding of a few billionaires who are in partnership, as the gentleman from Vermont (Mr. SANDERS) said, an unholy alliance with the dictators of China in order to exploit slave labor. Yes, we can teach them a lesson.

This is not about free trade. It is not about whether people can trade with China. It is whether or not we are going to side with those billionaires and those dictators in China against the people of China.

The people of China are our greatest ally. We must reach out to them, not to the rulers. When we talk about free trade with a dictatorship, we are talking about them controlling trade on the other side so they can make the billions of dollars and put it to use buying military equipment which will some day threaten American soldiers.

Mr. Speaker, I ask my colleagues to support my initiative to deny Normal Trade Relations with this Communist Chinese dictatorship.

Mr. LEVIN. Mr. Speaker, I yield myself the remaining time.

Most likely, this is not the last time we are going to be debating our relationship, including our trade relationship, with China. They were going to go into the WTO with or without U.S. support. So what we did last year was to decide we needed to both engage and pressure China. The assumption was that trade is the important part of engagement, but it is not a magic path. It will not automatically, even over time, bring about democracy.

So, in part, we responded by setting up a commission. It will be in operation soon at an executive congressional level. It is charged with submitting to the Congress and the President an annual report with the committee of jurisdiction required to hold hearings, and it is assumed that they will,

it says, with a view of reporting to the House appropriate legislation in furtherance of the commission's recommendations.

This has been a useful debate. We need to keep the light and the heat on this issue, and we intend to do just that.

Mr. BROWN of Ohio. Mr. Speaker, I yield the balance of my time to the gentleman from Oregon (Mr. WU).

Mr. WU. Mr. Speaker, I stand to ask my colleagues to vote ''yes'' on this resolution and ''no'' to Most Favored Nations trading status for China. I am honored to stand here and be the last speaker; and I stand on the work of my colleagues, the gentlewoman from California (Ms. PELOSI), the gentleman from Virginia (Mr. WOLF), the gentleman from California (Mr. LANTOS), and the gentleman from California (Mr. ROHRABACHER). I stand upon their work and their shoulders.

I would like to ask my pro-life colleagues something. I am pro-choice, but whether one is pro-life or pro-choice, how can we give Most Favored Nation trading status to a nation that forces women to have abortions? That is not pro-life. That is not pro-choice.

We just had a debate about religious freedom in this Chamber, and both sides of the issue professed to support religious freedom in the context of charitable choice. How can one support religious freedom and support Most Favored Nation trading status for a country that forces free churches to hide in attics and basements?

Labor rights. If you are a student organizer in China, you get jail time. If you are a labor organizer in China, you get a bullet in the back of the head. If we support labor rights, how can we support Most Favored Nation trading status for China?

Finally, to my so-called pro-business colleagues in this House, I was an international trade lawyer and an intellectual property attorney. What I see is a nation that sells us $100 billion worth of goods and we sell them $16 billion of goods. That is $84 billion worth of leverage that we are leaving on the negotiating table. I would have committed legal malpractice if I had not used that leverage, and I will tell my colleagues this: If we approve this resolution today, his excellency, the ambassador of the People's Republic of China, will crawl across broken glass to the other Chamber to make sure that they do not vote the same way.

Freedom does not automatically come from trade. It is an act of will. It is an act of human choice.

The SPEAKER pro tempore (Mr. GILLMOR). The time of the gentleman from Oregon (Mr. WU) has expired.

(By unanimous consent, Mr. WU was allowed to proceed for 2 additional minutes.)

Mr. WU. Mr. Speaker, to those who say freedom automatically follows trade, I offer the historic example of a century ago. In 1900, more of international GDP was international trade than today. More of international GDP was invested in foreign countries than today. And there were writers in 1890 and 1900 who said, war is impossible, because nations and business people surely will not bombard their own investments. They were wrong. They were wrong.

Freedom does not automatically follow trade and business. Freedom is an act of human will.

And to those who say that this is a futile debate, I say: tough, yes; futile, no. No more tougher than what our predecessors faced.

I got across the street to the library of Congress the other day. I got in before it opened. Apparently, their security guards are a little bit more lax than those at the Department of Energy. And I found a letter from Mr. Jefferson written in 1826, 10 days before he died. He was invited to this city to celebrate the 4th of July, and this was his response: ''I should indeed, with peculiar delight, have met and exchanged there, congratulations personally, with a small band, the remnant of that host of worthies, who joined with us on that day in the bold and doubtful election we were to make for our country, between submission or the sword, and to have enjoyed with them the consolatory fact that our fellow citizens, after half a century of experience and prosperity, continue to approve the choice that we made.''

Mr. Speaker, freedom is a choice. We can make a choice today to send a strong signal and use the leverage that we have. Mr. Jefferson had a broader vision for freedom in this world. He continued in that letter, 10 days before his death, speaking of the 4th of July: ''May it be to the world what I believe it will be (to some parts sooner, to others later, but finally to all), the signal of arousing men to burst their chains.''

I ask my colleagues to vote for this resolution and against Most Favored Nation trading status for China.

Mr. WELLER. Mr. Speaker, I yield myself the remaining time.

Mr. Speaker, I rise in strong opposition to H.J. Resolution 50, which would cut off Normal Trade Relations with China. I respect my colleagues on both sides of the aisle who oppose free trade with China, but I believe that this resolution is terribly shortsighted. When recognizing the reforms of the Chinese government and the hard-fought gains of America's consumers, workers and exporters, and given how close China is to accepting comprehensive trade disciplines of the World Trade Organization's membership, I would note that China is agreeing to live by the same rules that all leading trading nations live by.

This past year, this last July, this House voted in a bipartisan vote, 237 to 197, to extend Normal Trade Relations to China upon their admission to the World Trade Organization, and we expect China to fully and officially assume responsibilities of WTO membership by the end of this year. Defeat of H.J. Res. 50 is necessary to support Special Trade Representative Zoellick's decision to take the extra time to ensure that China's concessions to the United States are as clear and expansive as possible.

Despite its history and historic policies which many of us have disapproved of, as well as disagreed with, China has made it clear that they are fully prepared and finally prepared to join the world of trading nations by accepting the fair trade rules of the World Trade Organization. This is progress, and we must support this type of progress.

While we see that the Chinese people still face overwhelming problems with the behavior of their government and their leaders, it is imperative to understand that China is changing. The last 10 years represent the most stable and industrious decade China has known in the last 150 years. WTO membership and Normal Trade Relations with the United States offers the best tool we have to support the changes we have witnessed over the last few years in China.

With these changes, we have seen now that more than 40 percent of China's current industrial output comes from private firms, 40 percent of China's output now comes from free enterprise, and urban incomes in China have more than doubled. Engagement with China is working, the exchange of ideas and our values with China is working, and we must continue our engagement and free trade with China.

The bottom line for American workers is it offers a tremendous amount of opportunity, opportunity for our farmers, opportunity for those who work in manufacturing, opportunity for our hard-hit technology sector.

But I would note that America is not only the world's largest exporter but China is again the world's largest consumer. Over the next 5 years, China will have more than 230 million middle-income consumers with retail sales exceeding $900 billion, making China the world's largest market for consumer goods and services.

□ 1845

We are making a choice today, Mr. Speaker: Do we want our farmers, do we want our manufacturing workers, do we want our creative friends in the technology sector to have an opportunity to participate in the globe's largest market of 1.3 billion people? I believe we do. I believe a bipartisan majority supports continued engagement, as well as free trade with China.

Revoking normal trade relations at this time would undermine the success of the free enterprise and social reforms taking place today in China. Let us not turn our backs on the gains our negotiators have gained with China, gains that benefit America's farmers, America's businesses, America's workers, and America's consumers.

Instead, let us give capitalism a true chance in China. I urge a vote no on House Joint Resolution 50.

Ms. DEGETTE. Mr. Speaker, I rise today to oppose H.J. Res. 50. I firmly believe that engagement is the only thing that will bring positive change in the Republic of China in the areas that I care so deeply about: human rights, labor and environmental sustainability.

China is well on its way to joining the WTO, so the vote today is largely symbolic.

I have consistently voted to support the annual extension of NTR status because of my belief that revoking it would worsen our relationship with China and negatively impact these issues. In addition, it could worsen the national security issues that have long plagued U.S.-China relations.

Closing the door on China will not improve the lives of those who are suffering under an oppressive regime. It will not raise the standard of living in China. And it will not benefit our citizens by opening the market for American goods and services.

In my state alone, there are already hundreds of companies that have begun exporting products to China. The potential for increased trade once China has lowered its tariffs is enormous in such areas as manufactured goods, technology and agriculture, just to name a few. A more open market will create significant new business opportunities for a broad cross section of Colorado businesses. Enhanced trade relations with China will economically benefit my district, my state and the nation as a whole.

After much discussion and deliberation I decided to support PNTR because I strongly believe it will economically benefit the people of Colorado, and because I believe continued long-term engagement with China is the best way to promote democracy and protect human rights.

An open door to the West provides the best hope for progressive change in China over the long term, both in terms of American business opportunities and human rights. It is possible to both reap the economic benefits and help promote democracy and free markets in China. Enhancing trade and diplomatic relations will accomplish these goals.

Mr. ROEMER. Mr. Speaker, I rise today in strong opposition to H.J. Res. 50, disapproving Normal Trade Relations with China. We are considering a critically important piece of legislation that we must defeat; legislation that will affect the way our Nation and our world progress into the new millennium. However, I would like to outline three simple points that should show why supporting Normal Trade Relations for China is the right thing to do, both for the benefit of the United States and the people of China. Those three points are the economic benefits to American workers and business, the human rights benefits for the people of China, and the necessity to move forward into a more productive and challenging relationship with the government of China.

First, and most important to our communities and constituents, is the way in which NTR for China will help Americans economically. Many people become understandably confused over the complexities of trade policy. However, the necessity of NTR can be easily explained. Although I am disappointed China has still not joined the WTO—as expected last year—it is anticipated that they will accede this coming autumn. However, as part of the terms of their accession to the WTO, China was required to negotiate a bilateral trade agreement with the United States. We won those negotiations.

Last year's agreement that was reached requires China to throw open its doors to American business and agriculture. They will reduce tariffs on American-made products from automobiles and aircraft landing systems to soybeans and pork products. They will dramatically reduce existing quotas on American made products. They will increase the access to their domestic economy by opening up distribution and marketing channels. All of these changes mean that American businesses will be able to sell more of their products to more Chinese people. At the same time, the United States gives up nothing to the Chinese—not one single thing. There is absolutely nothing in this agreement that would encourage an American company to move to China. In fact, the agreement actually gives American companies more incentive to stay in the United States. More exports to China means more jobs for Americans at better wages. Enacting NTR will change the status quo, and allow us to export American products, not American jobs.

However, if this body fails to defeat this measure today, the United States will not be able to take advantage of that deal. The current status quo will remain, and American companies will find it increasingly difficult to sell their wares to a booming Chinese market. In fact, due to the fact that the European Union and other countries in Asia and around the world have similar agreements with China, American companies will actually be worse off than they are now! The other WTO members will be able to market their products to China more efficiently than we can, effectively shutting the United States out of the China market.

The choice is simple: Economic stagnation and regression or commercial growth and prosperity. We need to respond to the new global economy, driven by a technological revolution, with a new fair trade policy. The choice is just as clear on the issue of human rights.

It may be easy for people in Washington, D.C. to speculate what policies might be best for the Chinese people. However, when it comes to improving the human rights and political freedoms of people in China, I tend to place more weight on what the people in China, fighting those fights every day, think is best for themselves. The following human rights advocates strongly endorse this new policy:

Martin Lee—chairman of the Democratic Party of Hong Kong which struggles daily to maintain the freedoms that are unique to that region;

Xie Wanjun—chief director of the China Democracy Party, most of whose members are now in detention in China;

Nie Minzhi—a member of the China Democracy party who is under house arrest as we stand in this chamber today;

Zhou Yang—a veteran of the 1979 Democracy Wall movement;

Boa Tong—a persecuted dissident and human rights activist;

Dai Quig—an environmentalist and writer who served time in prison after Tiananmen Square;

Zhou Litai—a pioneering Chinese labor lawyer who represents injured workers in legal battles against Chinese companies;

Even the Dalai Lama himself, probably the most famous Chinese dissident in the world, supports the WTO accession.

All of these people have been fighting for democracy and freedom in China on the ground, day-to-day. They all say the same thing: Support PNTR for China. They say this because they have seen how the annual renewal of NTR for China has become a bargaining chip for an oppressive government. They have seen firsthand how engagement with the United States had made China a more open society. They don't want to become isolated from the world. They want to join us in freedom and democracy.

Working to ensure human rights in China is the right thing to do. However voting against NTR is not the way to do it. We need to listen to the brave people fighting the good fight on the ground in China, and we need to pass NTR. Very prominent Americans, such as the Rev. Billy Graham and President Jimmy Carter, agree with this approach.

Finally, I want to stress the need for a change in our relationship with China. While we have come to see some improvement in China since the late 1970's, the Chinese government has still remained insular, resistant to change, and unwilling to allow sweeping reforms. The relationship between our two countries has warmed, but it has not completely thawed.

Voting against NTR is telling China and the rest of the world that you like things the way they are today; that you prefer the status quo. As an elected representative to Congress however, I cannot in good conscience say that keeping the status quo with China is the best way for our country to proceed in this new millennium.

Isolation and recrimination in the face of repression get us nowhere. One only has to look to China's neighbor, North Korea. We cut that country off from the world fifty years ago, and look what happened to them. North Korea is easily one of the most unstable, irrational, and hostile nations on this planet. Human rights and political freedoms are non-existent, and on top of it all, its people are slowly starving to death in a massive famine. Is that what we want China to become? Do we want to shut China off from the world? Will we refuse the challenge and engage the Chinese government?

I say that pursuing a policy of thoughtless isolationism is not only economical suicide for the American worker, it is also callously dismissive of those brave souls in China who are trying to create change and fight for human rights.

We must vote against this resolution today. We must actively work to make our world a better place for our children. We must reach out to the Chinese and attempt to lead them down the right path to embrace our values of democracy, open markets, and human rights. We must help them become a modern nation. The United State will probably be the main beneficiary of this evolution in China, but it will help the Chinese people some day join our fellowship of democratic nations with a respect for universal human rights.

For these reasons, Mr. Speaker, will vote to defeat this disapproval resolution, H. J. Res. 50, and I strongly encourage my colleagues to support continued engagement and free and fair trade with China.

Mr. GEPHARDT. Mr. Speaker, I rise in opposition to the annual request for Normal Trade Relations (NTR) status for China and support H.J. Res. 50 to reject this request.

While I hope and believe we should continue to seek engagement with China and other nations around the world, I also think it's clear that on the key issues of trade, human rights and rule of law, the behavior of the Chinese regime has deteriorated in the past year. The Chinese leadership fails to respect or support the aspirations of its own people. Unfortunately, when it comes to trade and other relations, China is not yet a responsible partner in the international arena.

Most worrisome is the ongoing record of human rights abuses detailed in the State Department's ''Country Reports on Human Rights Practices for 2000.'' The report states: ''China's poor human rights record worsened during the year, as the authorities intensified their harsh measures against underground Christian groups and Tibetan Buddhists, destroyed many houses of worship, and stepped up their campaign against the Falun Gong movement. China also sharply suppressed organized dissent.''

China's abuse of academic experts who simply want to study that nation's economic, political and cultural systems has been well documented in the past year. Both Chinese and American citizens have been swept up in the Chinese government's attack on academic freedom. Earlier this year, I wrote Chinese authorities to protest the detention of several Chinese-born U.S. citizens or permanent residents detained in China. Two of these individuals have been formally charged with espionage, though no information or evidence has been presented to justify these charges. Another was sentenced to a three year prison term for ''prying into and illegally providing state intelligence overseas,'' after she attempted to document the forcible detention of Falun Gong members in mental institutions. Others remain in detention and under interrogation.

I have strong reservations about the granting of the 2008 Olympic Games to Beijing, in light of China's poor record on the individual rights and freedoms that this competition embodies. However, with this award, the Chinese government should know that its human rights abuses will be scrutinized because of the increased attention that China will receive during preparations for the 2008 Olympics.

While this is likely to be the last vote on annual NTR for China, I am confident that the Congress will not abandon its role of monitoring Chinese abuses of human rights. The newly established Congressional-Executive Commission on China will assist the Congress in maintaining its traditional tough scrutiny of the Chinese government.

China has a track record of suppressing the yearning of the Chinese people for democracy, and cracking down on those who would fight for their freedom, and a nation that does not respect the rule of law will not likely be interested in protecting intellectual property or other pillars of normal trade relations. I urge my colleagues to consider the reality of the situation in China as it is today, and to join me in affirming the bedrock values of our society. I urge my colleagues to turn back annual NTR until China becomes a responsible nation in a free and fair international trade regime.

Ms. LEE. Mr. Speaker, I rise in support of this amendment to disapprove Normal Trade Relations with China.

Last year Congress voted to grant Permanent Normal Trade Relations to China.

After much consideration, I voted against that bill because I did not believe that the United States should enact a trade policy that rewards the use of child and prison forced labor; environmental degradation; and religious and political repression.

I also opposed PNTR because of the enormous, $83 billion dollar trade deficit we have with China.

The Economic Policy Institute estimates that PNTR will cost 872,000 American jobs in the next decade, 84,000 of them from my home state, California.

That deficit is growing larger, while our own economy is slowing down, making jobs an even more precious commodity.

We cannot make American jobs a casualty of our trade policy.

And while the trade deficit increases, so does China's persecution of its own citizens.

Our trade policy has done nothing to promote the protection of human rights.

The Chinese government has trampled reproductive rights of women, imprisoned Falun Gong practitioners for carrying out their exercises, and arrested political dissidents for the simple expression of their beliefs.

I support free and fair trade. An $83 billion dollar deficit that siphons off American jobs is not free and fair.

A national industrial policy that is based on the forced labor of children and prisoners is not free and fair.

Therefore, I urge you to support H.J. Res. 50.

Ms. LOFGREN. Mr. Speaker, I rise to oppose H.J. Res. 50, the measure denying China Normal Trade Relations. Just last year, we approved historic legislation (HR 4444) providing for Permanent Normal Trade Relations (PNTR) for China conditional on China's accession to the World Trade Organization. Those talks have not concluded, so yet again, we are called on to vote on a measure denying Normal Trade Relations for China. I urge my colleagues to vote no.

Now more than ever it is important that we engage China for domestic and foreign policy reasons.

On the domestic side, access to China-our 4th largest trading partner is important to US workers and US companies, especially our high-technology industry. In 2000, the high-tech sector accounted for 29% of US merchandise exports and has accounted for 30% of GDP growth since 1995. This in turn has led to greater prosperity for American workers. In 2000 (according to AeA's Key Industry Statistics) the Average Wage in the High-Tech Industry was $83,103. An estimated 350,000–400,000 US jobs depend on our exports to China. The case for trade with China is clear on the domestic front.

But the case on the foreign policy side is also compelling. Free markets cannot prosper in authoritarian regimes and authoritarian regimes cannot long survive the impact of freedom and free markets. Change in China will be incremental. Where American engagement with China will promote human rights, revoking NTR status for China would simply curtail American influence in this important area.

At the beginning of a new millennium, we should not regress and isolate China, we should help engage China in the world community. It is my strong belief that helping to engage China in the world community will advance the cause of freedom. I urge my colleagues to join me in voting against H.J. Res. 50.

Mr. FALEOMAVAEGA. Mr. Speaker, I rise in strong opposition to House Joint Resolution 50, which would deny extension of normal trade relations (NTR) to the People's Republic of China. I urge our colleagues to vote against the measure.

Mr. Speaker the decision before us is one of the most important actions taken by this Congress. The arguments for and against granting NTR to China are exceedingly broad and complex. The stakes, too, are tremendous, as it involves America's relationship with the world's largest nation, a nation composed of one-fifth of humanity.

I commend my colleagues and deeply respect their commitment regardless of their position on the issue before us, for there are valid and compelling arguments to be made on both sides.

For those who oppose NTR for China, I agree that China continues to be plagued with serious problems—from human rights abuses, to trade imbalances, to growing military and security concerns.

However, none of these problems will be resolved by attempts to isolate and disengage from China by denial of NTR status.

If anything, isolating China will only encourage it to turn inwards, making matters worse and likely resulting in increased violations of human rights, lessened respect for political and social progress for China's citizens, and heightened paranoia of other nations' intentions resulting in expanded Chinese military spending.

It is important for the U.S. to remain engaged with China and granting NTR status that will assist China's entry into the World Trade Organization is one very major way to achieve that objective while gaining WTO protections for our trade interests. Additionally, China's membership in the WTO will further open up China to the international community and force its compliance with WTO multinational standards and rules of law. With WTO enforcement, this will ensure China and the U.S. trade on a level playing field, which should go a long way toward rectifying our present trade imbalance.

Although the trade incentives for extending China NTR are obvious and apparent, Mr. Speaker, the most important consideration for me concerns what will best promote democratization and continued political, social and human rights progress in China.

On that point, Mr. Speaker, I find most persuasive and enlightening the voices of those Chinese who have been persecuted and are among China's most ardent and vocal critics—individuals who would be expected to take a hard line stance against the Beijing government.

Prominent Chinese democracy activists such as Bao Tong, Xie Wanjun, Ren Wanding, Dai Qing, Zhou Litai and Wang Dan have urged the United States to extend China normal trade relations as it would hasten China's entry into the WTO, forcing adherence to international standards of conduct and respect for the rule of law. Moreover, they urge that closer economic relations between the U.S. and China allows America to more effectively monitor human rights and push for political reforms in China.

Joining their voices are other Chinese leaders who have opposed Beijing's communist

control, including Hong Kong's Democratic Party Chairman Martin Lee and Taiwan's President Chen Shui-bian. Both Lee and Chen have called for normalization of trade relations between the U.S. and China and WTO accession by China.

Mr. Speaker, we should listen to the wisdom of these courageous Chinese, whose credentials are impeccable and who clearly have the interests of all of the Chinese people at heart. They know that it is absolutely crucial and vital for continued political, social and human rights progress in China that the U.S. maintain and expand its presence there through trade.

The Chinese people plead for the U.S. to remain engaged and not turn away from China because our nation is the only one with the power, the conscience, and the fortitude to push for true reforms and democracy in China.

Mr. Speaker, I urge our colleagues to heed the best interests of the Chinese people as well as the American people by normalizing trade relations between our nations and opposing the legislation before us.

Mr. BLUMENAUER. Mr. Speaker, I oppose H.J. Res. 50 and express my strong support for Normal Trade Relations for China. Unfortunately, due to family commitments in my hometown of Portland, Oregon, I will be unable to vote on the motion today.

Last year Congress overwhelmingly made a difficult decision that we were following path of engagement with the Chinese by voting to approve China's admission to the WTO and extending Permanent Normal Trade Relations. In so doing, the majority of Congress and the leaders of both political parties aligned themselves with the forces of change and reform in China.

Because Chinese ascension to WTO has taken longer than we anticipated, we are back again with the need to do the last annual extension. We continue our roller-coaster relationship with China, although nothing has fundamentally changed. China continues to be ruled at the top by party and military leaders who are threatened by China's engagement with the United States and the broader world.

Chinese leaders fear further penetration of the Chinese market by foreign economic powers, especially the United States. Tearing down economic barriers that would permit us to trade effectively would have a destabilizing effect on the repressive regime. Indeed, the distance that China has already traveled from the butchery and starvation of the Great Leap Forward and chaos of the Cultural Revolution today is almost unimaginable.

Engagement will play to the positive forces of change, which are strengthening the new generation of entrepreneurial spirit, provincial and municipal leadership, and new business partnerships.

A classic example happened earlier this year when an explosion occurred at a school based fireworks factory where children were being forced to assemble firecrackers as young as 3rd and 4th graders in this school. The official Chinese line was that a suicide bomber had entered a school and detonated an explosion. Within days, due to the magic of Chinese e-mail, the Chinese Premier was forced to acknowledge that it was an accident in the school-based factory. Through modern communications the reality was out instantly all across China and the truth triumphed.

This is just one example of how reform is happening daily in hundreds of examples on a smaller scale that illustrate the point. It's not going to be quick or easy. But we can use the leverage of WTO membership to accelerate the progress and hasten the day when the Chinese people will enjoy the liberties that we to often take for granted.

Failure to renew now would be a serious mistake. We have already embarked on a policy of engagement and established a policy on it. To reverse course now would have an extraordinarily destabilizing effect on our relationship, at a time when we are attempting to reduce tensions between the two countries. Economics would be the least of our worries. This would be a gratuitous and unfortunately escalation of pressures on our side, which would frustrate, if not infuriate the Chinese, confound our allies, and delight our business competitors.

History suggests isolation will not have the impact desired by opponents of normal relations with China. It's particularly ironic that some are calling for disengagement with China at a time when we are now inching towards acknowledging our policy of attempting to isolate a much smaller country, Cuba, has been a failure. It's only harmed the Cuban people and prolonged the life of the Cuban dictatorship. Had we opened our borders, engaged in commerce and interaction, Castro would certainly be less powerful, and probably a thing of the past.

China's behavior continues to be troubling and its record on human rights is atrocious; the potential is great that our frustrations with China may even escalate in the near term. Trading with China is not going to solve all our problems. We are still going to have to be aggressive in our negotiations, vigilant for human rights, the environment, and trade compliance. With China in the WTO we will have more tools and more allies in this struggle.

Given the overwhelming positive effects of trade and engagement with China, I urge my colleagues to support continued NTR with China and vote no on the disapproval resolution.

The SPEAKER pro tempore (Mr. GILLMOR). Pursuant to the order of the House of Tuesday, July 17, 2001, the joint resolution is considered as having been read for amendment, and the previous question is ordered.

The question is on the engrossment and third reading of the joint resolution.

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

The SPEAKER pro tempore. The question is on the passage of the joint resolution.

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

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

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

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 169, nays 259, not voting 6, as follows:

[Roll No. 255]

YEAS—169

Abercrombie
Aderholt
Akin
Baca
Baldacci
Baldwin
Barcia
Barr
Bartlett
Barton
Berkley
Bilirakis
Bonior
Borski
Brady (PA)
Brown (FL)
Brown (OH)
Burr
Burton
Capito
Capuano
Cardin
Carson (IN)
Clay
Clayton
Coble
Collins
Condit
Costello
Cox
Coyne
Cubin
Cummings
Davis (IL)
Davis, Jo Ann
Deal
DeFazio
Delahunt
Diaz-Balart
Dingell
Doyle
Duncan
Ehrlich
Evans
Everett
Fattah
Frank
Gephardt
Gillmor
Gilman
Goode
Graham
Green (TX)
Gutierrez
Hall (OH)
Hansen
Hart
Hastings (FL)
Hayes
Hayworth
Hefley
Hilleary
Hilliard
Hinchey
Hobson
Hoeffel
Holden
Hostettler
Hoyer
Hunter
Hyde
Jackson (IL)
Jackson-Lee (TX)
Jenkins
Jones (NC)
Jones (OH)
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
King (NY)
Kingston
Kucinich
Langevin
Lantos
LaTourette
Lee
Lewis (GA)
Lipinski
LoBiondo
Markey
Mascara
McCollum
McIntyre
Menendez
Millender-McDonald
Miller, George
Mink
Mollohan
Nadler
Ney
Norwood
Obey
Olver
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pickering
Pombo
Quinn
Radanovich
Rahall
Regula
Reyes
Riley
Rivers
Rogers (KY)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Scarborough
Schaffer
Schakowsky
Scott
Sensenbrenner
Sherman
Smith (NJ)
Solis
Souder
Spratt
Stark
Stearns
Strickland
Stupak
Tancredo
Taylor (MS)
Taylor (NC)
Thompson (MS)
Tierney
Towns
Traficant
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Wamp
Waters
Watson (CA)
Weldon (FL)
Wexler
Wolf
Woolsey
Wu
Wynn
Young (AK)

NAYS—259

Ackerman
Allen
Andrews
Armey
Bachus
Baird
Baker
Ballenger
Barrett
Bass
Becerra
Bentsen
Bereuter
Berman
Berry
Biggert
Bishop
Blagojevich
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Boucher
Boyd
Brady (TX)
Brown (SC)
Bryant
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capps
Carson (OK)
Castle
Chabot
Chambliss
Clement
Clyburn
Combest
Conyers
Cooksey
Cramer
Crane
Crenshaw
Crowley
Culberson
Cunningham
Davis (CA)
Davis (FL)
Davis, Tom
DeGette
DeLauro
DeMint
Deutsch
Dicks
Doggett
Dooley
Doolittle
Dreier
Dunn
Edwards
Ehlers
Emerson
English
Eshoo
Etheridge
Farr
Ferguson
Filner
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gonzalez
Goodlatte
Gordon
Goss
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Harman
Hastert
Hastings (WA)
Herger
Hill
Hinojosa
Hoekstra
Holt
Honda
Hooley
Horn
Houghton
Hulshof
Hutchinson

Inslee	McKeon	Shadegg
Isakson	McNulty	Shaw
Israel	Meehan	Shays
Issa	Meek (FL)	Sherwood
Istook	Meeks (NY)	Shimkus
Jefferson	Mica	Shows
John	Miller (FL)	Shuster
Johnson (CT)	Miller, Gary	Simmons
Johnson (IL)	Moore	Simpson
Johnson, E. B.	Moran (KS)	Skeen
Johnson, Sam	Moran (VA)	Skelton
Kanjorski	Morella	Slaughter
Keller	Murtha	Smith (MI)
Kelly	Myrick	Smith (TX)
Kennedy (MN)	Napolitano	Smith (WA)
Kerns	Neal	Snyder
Kind (WI)	Nethercutt	Stenholm
Kirk	Northup	Stump
Kleczka	Nussle	Sununu
Knollenberg	Oberstar	Sweeney
Kolbe	Ortiz	Tanner
LaFalce	Osborne	Tauscher
LaHood	Ose	Tauzin
Lampson	Otter	Terry
Largent	Oxley	Thomas
Larsen (WA)	Paul	Thompson (CA)
Larson (CT)	Pence	Thornberry
Latham	Peterson (PA)	Thune
Leach	Petri	Thurman
Levin	Pitts	Tiahrt
Lewis (CA)	Platts	Tiberi
Lewis (KY)	Pomeroy	Toomey
Linder	Portman	Turner
Lofgren	Price (NC)	Upton
Lowey	Pryce (OH)	Vitter
Lucas (KY)	Putnam	Walden
Lucas (OK)	Ramstad	Walsh
Luther	Rangel	Watkins (OK)
Maloney (CT)	Rehberg	Watt (NC)
Maloney (NY)	Reynolds	Watts (OK)
Manzullo	Rodriguez	Waxman
Matheson	Roemer	Weiner
Matsui	Rogers (MI)	Weldon (PA)
McCarthy (MO)	Roukema	Weller
McCarthy (NY)	Ryan (WI)	Whitfield
McCrery	Ryun (KS)	Wicker
McDermott	Schiff	Wilson
McGovern	Schrock	Young (FL)
McHugh	Serrano	
McInnis	Sessions	

NOT VOTING—6

Blumenauer	Engel	Saxton
DeLay	McKinney	Spence

□ 1909

Mrs. MEEK of Florida and Messrs. EHLERS, LAHOOD, LARGENT, WATT of North Carolina, SHOWS, and ENGLISH changed their vote from ''yea'' to ''nay.''

Ms. SANCHEZ, Messrs. NORWOOD, RADANOVICH, DINGELL, and Ms. WATERS changed their vote from ''nay'' to ''yea.''

So the joint resolution was not passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. GIBBONS. Mr. Speaker, I hit the wrong key on the recorded vote No. 255 on passage for H.J. Res. 50. I voted ''no'' accidently and would like it to be changed to ''yea'' for the RECORD.

PROVIDING FOR CONSIDERATION OF H.R. 2506, FOREIGN OPERATIONS, EXPORT FINANCING AND RELATED PROGRAMS APPROPRIATIONS ACT, 2002

Mr. DIAZ-BALART. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 199 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 199

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 2506) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2002, and for other purposes. The first reading of the bill shall be dispensed with. Points of order against consideration of the bill for failure to comply with clause 4 of rule XIII are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. After general debate the bill shall be considered for amendment under the five-minute rule. The amendments printed in the report of the Committee on Rules accompanying this resolution shall be considered as adopted in the House and in the Committee of the Whole. Points of order against provisions in the bill, as amended, for failure to comply with clause 2 of rule XXI are waived except as follows: page 75, lines 17 through 23; page 107, lines 11 through 17. No further amendment to the bill shall be in order except those printed in the portion of the Congressional Record designated for that purpose in clause 8 of rule XVIII and except pro forma amendments for the purpose of debate. Each amendment so printed may be offered only by the Member who caused it to be printed or his designee and shall be considered as read. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill, as amended, to the House with such further amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. SIMPSON). The gentleman from Florida (Mr. DIAZ-BALART) is recognized for 1 hour.

Mr. DIAZ-BALART. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Ohio (Mr. HALL); pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purposes of debate only.

(Mr. DIAZ-BALART asked and was given permission to revise and extend his remarks.)

Mr. DIAZ-BALART. Mr. Speaker, House Resolution 199 is a modified open rule providing for the consideration of H.R. 2506, the fiscal year 2002 foreign operations appropriations act.

The rule provides 1 hour of general debate, evenly divided and controlled by the chairman and ranking member of the Committee on Appropriations. Any Member wishing to offer an amendment may do so, as long as it complies with the regular rules of the House and has been printed in the CONGRESSIONAL RECORD for other Members to see.

This is, as I have said, Mr. Speaker, a modified open rule that will allow all Members the opportunity to offer amendments. This is, obviously, a fair rule that will allow Members ample opportunity to debate the very important issues which are connected to this underlying legislation.

□ 1915

The underlying legislation is a product of bipartisanship. The Committee on Appropriations has funded a wide variety of programs while staying within the strict budgetary constraints. The bill provides funding for debt relief for heavily indebted countries. It increases funding for the Peace Corps. It increases funding for the Child Survival and Health Programs Fund. It provides disaster relief for our friends and neighbors in El Salvador.

The legislation also reaffirms our commitment to our great ally, Israel, by fully funding President Bush's request of almost $3 billion for aid to Israel.

The bill also includes language that requires the President to determine whether the PLO is complying with its commitments to renounce terrorism. If the President cannot determination that the PLO is in substantial compliance with its commitments, then he must impose one or more of the followings sanctions for a time period of at least 6 months: either the closure of the PLO office in Washington, the designation of the PLO or one or more of its affiliated groups as a terrorist organization, and the limitation of assistance provided under the West Bank and Gaza program of humanitarian assistance.

Additionally, H.R. 2506 provides funding for portions of the President's Andean Regional Initiative. The Andean region, Mr. Speaker, is home to the only active insurgent movement in our hemisphere and home to the most intensive kidnapping and terrorist activity in our hemisphere. These activities pose a direct threat to hemispheric stability. The President's Andean Regional Initiative will strengthen democracy, regional stability and economic development in the region.

The President's initiative will work to promote democracy and democratic institutions by providing support for judicial reform, anti-corruption measures and the peace process in Colombia.

This program will also work to foster sustainable economic development and increased trade through alternative economic development, protection of the environment and renewal of the ATPA, the Andean Trade Preference Act. The initiative will work to reduce the supply of the illegal drugs at the source, while simultaneously reducing U.S. demand through eradication and interdiction efforts.

There are two distinctive features of this program compared to last year's Plan Colombia assistance, both of whom aim to promote peace and to stem the flow of cocaine and heroine from the Andean region.

First, the assistance for economic and social programs is roughly equal to the assistance for counter-narcotics programs. Second, more than half of the assistance is directed at regional

countries that are experiencing the spill-over effects of the illicit drug and terrorist activities.

The United States shares close cultural and economic ties with Latin America. We have a unique opportunity to help strengthen our hemisphere as a whole, and the President's Andean Regional Initiative is an important step in the right direction.

HIV/AIDS has become an international crisis of tremendous devastation. In Africa, an estimated 17 million people have already lost their lives to AIDS, including 2.4 million who died just this last year. The Committee on Appropriations has made international HIV/AIDS relief a priority for this Congress by allocating $434 million within the Child Survival and Health Programs Fund for HIV/AIDS research and treatment and an additional $40 million in other accounts.

This bill fully funds President Bush's request of $100 million for a global HIV/AIDS trust fund, and the level of $414 million available for bilateral HIV/AIDS assistance exceeds the authorization level of $300 million by $114 million.

In addition to the $434 million appropriated in this bill, it is my understanding that the Committee on Appropriations has also included $100 million for HIV/AIDS assistance in the supplemental appropriations bill which, Mr. Speaker, we expect back from the conference shortly. As a matter of fact, the Committee on Rules will be meeting on it this evening.

That is a total of $534 million for HIV/AIDS relief. I think it is a recognition of the degree of tragedy that the pandemic represents for mankind. I commend the Committee on Appropriations for their actions in that field.

Mr. Speaker, this is a good bill. It balances national security needs with humanitarian aid. This is, as I stated before, an open and fair rule. I would urge my colleagues to support both the rule and the underlying legislation which is very important to the national security interests of the United States.

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

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the gentleman from Florida (Mr. DIAZ-BALART) for yielding me time.

This is a modified open rule. It will allow for the consideration of the Foreign Operations Appropriations Act for Fiscal Year 2002.

As my colleague has described, this rule provides for one hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. It allows germane amendments under the 5-minute rule. This is the normal amending process in the House. However, the rule permits only amendments printed in the CONGRESSIONAL RECORD.

Mr. Speaker, foreign assistance is important to all Americans. As the last superpower of the world, the United States is the only Nation with the ability to provide significant humanitarian assistance throughout this world. This helps maintain our Nation's moral authority and our negotiations on diplomatic issues. This has a direct effect on the success of our economic and military position which in turn benefits all Americans.

But aside from self-interest, providing humanitarian assistance is the right thing to do. Just as we are obligated to help our fellow Americans who are less fortunate than we are, we also have an obligation to help peoples of other nations.

Foreign aid does work. Many of my colleagues have seen this, and I have seen this firsthand in different countries. Earlier this month I returned from East Timor, which is a former Portuguese territory which faces numerous challenges in setting up basic institutions that we take for granted. I saw a number of projects that are funded through this bill. I saw coffee growing in a cooperative that employs 100,000 people. I also saw a U.S.-supported printing press which is helping to establish a free press in East Timor. These are directly funded through this bill.

I also saw a mobile clinic where immunizations and maternity care is given to village women and children, and this was funded by UNICEF which receives funding through this bill.

The scenes that I saw in East Timor are repeated throughout the world where U.S. foreign assistance saves lives and strengthens nations.

The Committee on Appropriations crafted a good bill which increases overall funding for foreign aid. I am especially pleased that the bill provides generous support for the Child Survival and Disease Programs Fund which is intended to reduce infant mortality and improve the health of the poorest of the world's children. The bill is a bipartisan product which included consultation with the minority; and I commend the gentleman from Arizona (Mr. KOLBE), the subcommittee chairman, and the gentlewoman from New York (Mrs. LOWEY) for their work.

However, I regret that the committee could not increase foreign aid more than it did, especially considering the cuts that have occurred over the past 15 years. The overall levels are still too low. In fact, the funding for foreign aid in this bill is still only about half the level of 1985.

Mr. Speaker, I am also concerned about the rule that we are now considering. This rule includes two self-executing amendments; that is, the rule automatically accepts two amendments to the bill. The power of the Committee on Rules to include self-executing amendments should be used sparingly, and it is highly unusual to self-execute two amendments. I do not believe that there is sufficient justification in either case.

One of the self-executing amendments adopted by the Committee on Rules involves an earmark for environmental programs. It is not certain from which account this money would be taken. However, it appears that the money could come from funds intended to provide debt relief for poor nations. If that is the case, then this amendment is ill-advised. The money for debt relief is needed to reduce the crushing debt that is destroying the economies of some needy countries.

However, because this amendment is automatic under the rule, the House will not have the opportunity to fully debate this amendment and establish for the record its ultimate effect.

Furthermore, the rule requires preprinting amendments in the CONGRESSIONAL RECORD.

Mr. Speaker, despite my misgivings on the rule, I will not oppose it. I urge the adoption of the rule and of the bill.

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

Mr. DIAZ-BALART. Mr. Speaker, I yield 4 minutes to the gentleman from Oklahoma (Mr. WATTS), the distinguished chairman of the Republican Conference.

Mr. WATTS of Oklahoma. Mr. Speaker, I speak today to congratulate the gentleman from Arizona (Mr. KOLBE) on his leadership in crafting a bill that ensures that we are the strongest Nation in the world and not forget our duty to the rest of the world. Specifically, I congratulate him for his support of democracy and economic development in West Africa and in, particularly, the country of Nigeria. Nigeria is the most populous nation in West Africa with 120 million people; and, as such, it is the key to peace and prosperity in that region.

After suffering through years of oppressive military rule, Nigeria is on the road to democracy. Today, the fledgling democracy, led by President Obasanjo, stands ready to lead Nigeria into a new era of prosperity. We should assist the people of Nigeria in their quest for democracy.

As part of our support for democracy in Nigeria, we should support the work being done by our government through the Education for Development and Democracy Initiative. The Initiative was founded for the purpose of improving the quality and access to education, enhancing the availability of technology to lesser developed countries, and increasing citizen participation in government. These are all principles that support democracy and, therefore, deserve our support. I thank the gentleman for support of this initiative.

However, there is one issue that troubles me because it hinders the growth of democracy in Nigeria and attacks the fiber of American society. The issue I speak of is the trafficking of drugs being masterminded by criminals operating in Nigeria and West Africa. Despite the committed efforts by President Obasanjo and his administration, these criminals still engage in the

wholesale movement of drugs into the United States. Not only do these people bring deadly drugs onto the streets of America, they also destroy the reputation of Nigeria and Nigerians worldwide. This stain on Nigeria's reputation hinders the economic expansion and democratic reforms that President Obasanjo is working to institute.

We must strengthen our partnership with Nigeria in fighting the drug-trafficking kingpins operating out of West Africa. It is a large task, and the dedicated agents acting as part of the Africa Regional Anticrime Program deserve our support.

The gentleman from Arizona (Mr. KOLBE) has made that support possible with this bill. I commend the gentleman from Arizona (Mr. KOLBE) for his leadership and thank him for his support of these programs which I feel are crucial to supporting the ideals of democracy in Nigeria and in West Africa.

Mr. HALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentlewoman from New York (Mrs. LOWEY), who is the ranking minority member on the Subcommittee on Foreign Operations, Export Financing, and Related Agencies.

Mrs. LOWEY. Mr. Speaker, I rise in strong support of this rule, but I would like to express my concern about one aspect of it. I am specifically concerned about the self-enactment of two amendments. Both of these amendments are legislative in nature. There were several other requests for legislative amendments which were turned down by the Committee on Rules. I do not understand the rationale used to single out these two.

The first of these, an Olver-Gilchrest amendment to strike the language prohibiting funds for Kyoto implementation, has been accepted on the other bills and would have been accepted on this bill. A self-enacting rule only serves to foreclose debate on the issue.

The second self-enacting amendment inserts the requirement that $25 million be made available for debt-for-nature swaps from within existing funds provided for debt relief. My concern is not with the program itself, which I strongly favor. My concern is that the bill had contained permissive language providing up to $25 million for the program.

□ 1930

Passage of the rule will mandate that $25 million be donated to Debt for Nature swaps from amounts provided for debt relief either in this bill or from previously appropriated funds. The Treasury Department has sufficient funds on hand now to pay the anticipated bilateral costs for debt relief through the end of fiscal year 2002. Six countries were anticipated to become eligible for debt relief in 2002. However, it now appears that two additional countries (Ghana and Angola) may become eligible in the coming year.

If only six countries become eligible in 2002, Treasury estimates that $22 million will remain in the bilateral account. If more than six countries become eligible, a significant portion of the $22 million on hand would be required to pay those costs.

The bottom line is that passage of the rule could jeopardize Treasury's ability to pay the costs of both bilateral and multilateral debt relief.

These concerns were not an issue when we put the bill together, because the authority for the Debt for Nature program was permissive. We were not consulted on the inclusion of this amendment, and I insist that we not leave Treasury short of necessary funding for debt relief next year. I would indicate to the chairman and to the House at this point that I intend to work with the chairman to correct this problem in conference.

Mr. DIAZ-BALART. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Illinois (Mr. KIRK), a new Member of this House who already has established a reputation as an expert in the area of foreign policy and international relations.

Mr. KIRK. I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in support of this rule and this bill; and I would like to congratulate the gentleman from Arizona (Mr. KOLBE) and the gentlewoman from New York (Mrs. LOWEY) on the successful completion of this their first measure.

Before being elected to Congress, I spent a great deal of my career working on various aspects of the United States foreign assistance programs. I have seen firsthand the positive effects these programs can have on building democracy, providing critical humanitarian aid, and making the world a safer place for us all. I commend almost all aspects of this bill but especially for continued vital assistance programs around the world to fight HIV/AIDS and also for international family planning. The data is now in that international family planning is one of the best ways to reduce the incidence of abortion. We have seen clearly in Kazakhstan that if you support women's rights, if you support maternal and child health and you want to reduce the incidence of abortion, you support international family planning. I also want to commend the committee for its action on Tibetan refugee assistance and support to our allies in the Caucasus, particularly Armenia.

I am especially pleased with this bill's strong support of Israel and stability in the Middle East. This bill provides strong funding for Israel under the Economic Support Fund as well as for Egypt, a critical ally in this region. I want to particularly commend the chairman's strong bill language regarding the continued escalation of violence and the PLO's lack of 100 percent effort to achieve 100 percent compliance with the Oslo Accords. I urge my colleagues to support this measure and to support Israel.

Mr. Speaker, I am totally committed to America's role in the world. As a new member of the Committee on the Budget, I took up the sometimes lonely fight for the International Affairs budget function 150. It is that battle that we must continue in years to come. It has always been my belief that it is less expensive in American blood and treasure to support our allies than to try to accomplish something unilaterally with military forces overseas. This bill is a good investment. It represents the best that America has to offer in the world. I urge its adoption along with the rule.

Mr. HALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. PALLONE).

Mr. PALLONE. Mr. Speaker, I come to the floor today to voice my support for both the Foreign Operations appropriations bill and the rule, and I want to thank the chairman and the ranking member for their efforts. I am pleased that this legislation addresses two areas of the world very important to me, Armenia and India. However, in both cases I am hopeful that more money can be found for both countries in conference.

Earlier this year in testimony before the Subcommittee on Foreign Operations, Export Financing and Related Programs, I requested the subcommittee provide no less than $90 million in U.S. aid to Armenia. This was the amount that Armenia received in last year's bill. I was encouraged by the $82.5 million that was approved by the subcommittee because it was substantially higher than the $70 million President Bush requested in his budget earlier this year. However, I know that Armenia needs at least as much as it received last year.

I am also pleased that no changes were made to section 907 of the Freedom Support Act. I have been concerned that negotiators involved in the Nagorno-Karabagh peace process would attempt to use section 907 as a bargaining tool prior to a peace agreement.

I am also happy, Mr. Speaker, that the subcommittee included language encouraging the State Department send more of the money Congress has appropriated in the past for aid to Nagorno-Karabagh. In the past, I have been concerned that out of the $20 million allocated to the people of Nagorno-Karabagh, only $11.8 million has been sent to the region for aid programs. It is important that these remaining funds be appropriately sent to the region to ensure that the residents of Nagorno-Karabagh receive the assistance.

Appropriators should also be commended for expressing the need to provide a peace dividend in the event a settlement is reached between the Caucasus nations over Nagorno-Karabagh.

The bill also includes language directing assistance for confidence-building measures and other activities to further peace in the Caucasus region, especially those in the areas of

Abkhazia and Nagorno-Karabagh. These measures include strengthening compliance with the cease-fire, studying post-conflict regional development such as water management and infrastructure, establishing a youth exchange program and other humanitarian initiatives.

Finally, Mr. Speaker, in regards to India, a massive and devastating earthquake hit the Gujurat region in January. I am grateful for the more than $13 million that has already been sent to assist the region, but clearly $13 million is not enough to address the continued struggles India, particularly Gujurat, is facing during this earthquake's aftermath. We must continue to provide as much support as possible.

An amendment may be brought up to provide more direct assistance for earthquake relief. Another may be proposed that would add $10 million to the Office of Foreign Disaster Assistance at USAID. There is also the possibility of providing more assistance in conference. I would ask that my colleagues support these efforts. But in any case, Mr. Speaker, this is a good bill and I would urge its adoption.

Mr. HALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentlewoman from Michigan (Ms. KILPATRICK).

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

Ms. KILPATRICK. Mr. Speaker, I first want to thank our new chairman, the gentleman from Arizona (Mr. KOLBE), for his tenacity and his bipartisanship as we put together a very good bill. I thank the gentleman from Arizona very much for his leadership and to our ranking member, the gentlewoman from New York (Mrs. LOWEY), for her hard work as we worked together to craft a bill that is a good one and is also bipartisan.

In the development assistance account, this bill does address the problems; and the rule that we have before us today helps to implement the bill that comes forward. In the child disease account and health account, we find that we have $1.4 billion there to begin to help with some of the diseases in the world. I wish there could have been more money for the diseases, and I am hopeful that we will work to find more money as we move into this process. Airborne diseases such as tuberculosis and others need more attention; and I would hope that as we move forward, we will be able to address more dollars into those accounts.

The Andean Counterdrug Initiative. Last year, this initiative was called Plan Colombia. We put in $1.3 billion for Plan Colombia. Today, less than 25 percent of that has been spent. We hope that because 90 percent of the cocaine and heroin that comes into our country comes from Colombia that we would begin to spend this money for interdiction of these drugs and to begin to meet the drug crisis here in America. Unfortunately, it has not begun. I would hope that our committee would call a hearing and that we would hear how that $1.3 billion is going to be spent. This bill gives an additional $600 plus million for that same counter initiative of drug control. I am hopeful again that we are able to spend this money for the interdiction of drugs which is a cancer in America.

Drug treatment is a must. We must put more money into drug treatment. I do not think yet our country has gotten that. Yes, you must cut off the supply through interdiction, but you also must put money in treatment, treatment on demand. I know we will see a few amendments here that speak to some of that. We have not yet addressed that in this entire budget and certainly not in this Foreign Operations budget. But overall it is a good budget, and it is a good bill.

I do have some concerns about those things that I have mentioned. I will work with the chairman and our ranking member as we go forward to increase funding for HIV/AIDS and increase funding for the attack on the cancer, drugs, in our community.

Mr. Speaker, I rise today to support the rule/bill and thank the distinguished Chairman of the Subcommittee Mr. KOLBE who has worked extremely hard to try and craft a bipartisan bill in spite of extremely limited resources and wide and varying demands by both sides. I would also like to acknowledge the work of the Ranking Member Mrs. LOWEY, who has worked hard and successfully ensured that she was prepared and engaged on the many issues facing her in her new leadership role on this side of the isle.

DEVELOPMENT AID

This bill is a decent bill that attempts to address the increasing demands on foreign assistance. I am pleased that this measure provides $2.5 Billion in Development Aid which includes $120 million for UNICEF. I am pleased that the amount that we have funded is nearly $200 million more than the President requested for Development Aid (both Development Assistance and Children Survival and Disease Programs.)

DEVELOPMENT ASSISTANCE ACCOUNT

Although the bill provides less than the President's request in the Development Assistance account, it does provide $1.1 Billion—$76 million more than the current level of funding. In the Development Assistance account I have fought to ensure funding for programs like Education for Development and Democracy Initiative (EDDI) which is an African-led development program—with special emphasis on girls and women—concentrating on improving the quality of education and access to it.

CHILD SURVIVAL AND DISEASE PROGRAMS

We have funded the Child Survival and Disease Fund at $1.4 Billion. This amount is $169 million more than the current level and nearly $400 million more than the President's request. Here, I have fought hard to fund programs like Hopeworldwide's Siyawela (which means ''We are Crossing Over'' in Swahili) program in South Africa which through support groups provides children affected by AIDS, infected by AIDS and orphaned by AIDS with counseling, medical care, psychosocial support, basic education, nutritional support and recreational activities.

Do not be mistaken—I have criticisms of the Foreign Assistance measure as well. First there is the issues of HIV/AIDS. It is clear that this measure does not go far enough to address this global pandemic that is devastating large portions of the world's population. Today between 34 and 40 million people are HIV positive, with over 18,000 new infections daily. More than 95% of these infections occur in developing countries. At this rate, by the end of the present decade, nearly as many will have died from AIDS as soldiers were killed in all the wars of the 20th century. It is predicted that nearly 100 million people will be infected with the disease by 2005. In the face of this pandemic our measure provides $474 million for AIDS prevention and Control which is $159 million more than currently provided and $45 million more than the President's request. While I commend the Committee for providing additional funding it is not nearly enough to address this global scourge. Estimates of the amounts needed to address this issue range in excess of $7 to $10 Billion dollars. Surely the richest country in the world could provide further funding and set an example for the rest of the world to follow.

ANDEAN COUNTER DRUG INITIATIVE

In my humble opinion, the money we provide for military assistance to many countries could go a long way to addressing the problems of HIV/AIDS. This bill provides $676 million for Andean Counterdrug Initiative, the newest incantation of the former Plan Colombia. This amount is provided on top of the $1.3 billion we provided in last years bill. At best, this funding represents a botched attempt to interdict drugs in a way that has been highly immeasurable and adversely affects the people of the Andrean region.

In Colombia where this initiative began, there are widespread outcry's for an end to the military assistance. There are reports of human rights abuses by all warring factions. The Colombian military and the paramilitary are accused of colluding to the detriment of the Colombian people. The rebel groups are also criticized for kidnapping and conscripting the children of this region. I don't think we know who is doing what in Colombia, but we do know that the flow of drugs across our borders has not been significantly reduced. We know that all parties involved potentially profit from our war on drugs.

FUMIGATION

Then there is the insistence by our country on a policy of Aerial eradication also known as fumigation. Aerial eradication of coca without sufficient alternatives simply moves the problem from one place to the next. Efforts in Bolivia and Peru shifted the focus of production to Colombia. According to the UN Drug Control Programme's 2000 report, coca cultivation in Peru declined 82,201 hectares between 1990–2000 and increased by 82,500 hectares in Colombia in the same period. Eradication without alternative development moved production from Colombia's Guaviare province to Putumayo province; now it is moving to Narino province and Ecuador. Since massive fumigation efforts were launched in December, there has been no change in the US price of cocaine (according to DEA 5/23/01). What is perhaps the most troubling is that there are complaints of illness and environmental degradation resulting from the fumigation policy our country is promoting. As long as US users crave drugs, greedy drug lords will find new

territory to produce their product. As long as there is crushing poverty in the region, there will be a supply of poor farmers to grow coca and poppy. Sending guns to Colombia cannot solve the problems of hunger in Latin America and addiction in the US.

The roots of Andean problems are social and economic as are the roots of many of the problems in this country and the rest of the world. This bill is a good bill, but by far it is not the best. It could go a lot further in addressing the social and economic concerns that fuel many of the world's problems.

Mr. HALL of Ohio. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. DIAZ-BALART. Mr. Speaker, again supporting the rule, urging our colleagues to support it as well as the underlying legislation which is so important, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. KOLBE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2506, and that I may include tabular and extraneous material.

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

There was no objection.

LIMITING AMENDMENTS DURING CONSIDERATION OF H.R. 2506, FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 2002

Mr. KOLBE. Mr. Speaker, I ask unanimous consent that during consideration of H.R. 2506 in the Committee of the Whole pursuant to House Resolution 199—.

(1) no amendment to the bill may be offered on the legislative day of July 19, 2001, except pro forma amendments offered by the chairman or ranking minority member of the Committee on Appropriations or their designees for the purpose of debate; and amendments printed in the CONGRESSIONAL RECORD and numbered 4, 8, 17, 21, 22, 25, 28, 29, 30, 32, 35 and 37;

(2) each such amendment may be offered after the Clerk reads through page 1, line 6, and may amend portions of the bill not yet read (except that amendment numbered 25 must conform to the requirements of clause 2(f) of rule XXI);

(3) no further amendment to the bill may be offered after the legislative day of July 19, 2001, except pro forma amendments offered by the chairman or ranking minority member of the Committee on Appropriations or their designees for the purpose of debate; and amendments printed in the portion of the CONGRESSIONAL RECORD of the legislative day of July 19, 2001, or any RECORD before that date, designated for the purpose specified in clause 8 of rule XVIII and not earlier disposed of.

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

There was no objection.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 2002

The SPEAKER pro tempore. Pursuant to House Resolution 199 and rule XVIII, 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. 2506.

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IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2506) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2002, and for other purposes, with Mr. THORNBERRY in the chair.

The Clerk read the title of the bill.

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

Under the rule, the gentleman from Arizona (Mr. KOLBE) and the gentlewoman from New York (Mrs. LOWEY) each will control 30 minutes.

The Chair recognizes the gentleman from Arizona (Mr. KOLBE).

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

Mr. Chairman, I am pleased to present to the Members H.R. 2506, the fiscal year 2002 appropriations bill for Foreign Operations, Export Financing, and Related Programs. The privilege of managing this bill, one that provides the wherewithal for an effective and humane foreign policy, means a great deal to me personally. I especially appreciate the trust that the Speaker and the gentleman from Florida (Chairman YOUNG) have placed in me, and I thank my subcommittee colleagues in particular for their advice and support.

When I became chairman of the Subcommittee on Foreign Operations, I set out three priorities for myself: first, reversing the spread of infectious diseases such as HIV-AIDS, tuberculosis and malaria; second, encouraging economic growth through open trade and transparent laws; and, third, improving the accountability of the agencies funded through this bill. Making progress on the first two priorities, to at least some degree, is contingent on effective management of the Agency for International Development.

Our recommended bill is the product of bipartisan compromise. It funds the President's priorities, though there are a few critical differences. Above all, the bill promotes interests abroad, while improving the prospects for a better life for millions of poor people from Latin America to Asia.

H.R. 2506 appropriates $15.2 billion in new discretionary budget authority, approximately $1 million less than the President's request, but $304 million more than last year. A major reason for the increase over last year is that $676 million is in the bill in new funding for the Andean Counterdrug Initiative. Members will remember that the initial Plan Colombia adopted by Congress last year was funded by a supplemental appropriation bill, which put the spending outside the boundaries of the subcommittee's fiscal year 2001 allocation. Now, unlike the original Plan Colombia, approximately half of the Andean Initiative funds long-term economic development and good governance projects.

The committee recommendation fully funds the military and economic aid request for Israel, for Egypt, and for Jordan. Overall, $5.14 billion is provided for the Middle East, and I will return to that region momentarily.

For export and investment assistance programs, the committee is recommending $604 million, which is $137 million below the 2001 level, but $118 million above the administration request. The committee accepts a portion of the proposed cut from the current appropriations for the Export-Import Bank, but provides sufficient funds to maintain current program levels.

For international HIV-AIDS programs, the committee is recommending a total of $474 million. That compares with $315 million in fiscal year 2001. The committee fully funds the President's request of $100 million for an international health trust fund, 80 percent of which would be allocated for AIDS. The supplemental appropriation bill which we will consider tomorrow also includes an additional $100 million from current year funds for the international trust fund.

In addition, no less than $414 million is available for bilateral HIV and AIDS programs. This amount exceeds the President's request by $45 million and the level authorized in law by $114 million. Some of the increase is for new programs in vulnerable countries such as Burma, where little donor assistance is available to restrict the spread of AIDS.

I am aware that Members will offer amendments to increase funding even further for HIV/AIDS and tuberculosis. Both of these are worthy causes. But I would advise them that the committee has been increasing HIV funding above the request for many years under the gentle prodding from the gentlewoman from California (Ms. PELOSI), the former ranking member of the subcommittee.

Yet our Members are aware that we also need to balance the current enthusiasms with longer-term economic

growth and governance programs, because, Mr. Chairman, I would point out that economic growth is the only prescription that enables countries to revive health systems and to generate employment, which can improve the standards of living for their people.

In reaching our bipartisan recommendation, the committee also recognized the continuing importance of basic education, reproductive health, security assistance, export financing. We ask that the Members of the House keep these multiple objectives in mind today and in the next few days as we proceed with this bill.

Overall, for assistance programs managed solely by the Agency for International Development, the committee recommends a total of $3.63 billion, of which $1.93 billion is for child survival and health programs. This is $126 million over the 2001 level and $177 million over the administration request.

These totals include $120 million for a grant to UNICEF. It does not include funding for the proposed Global Development Alliance, but we look forward to considering the proposal further as its shape becomes more definitive.

For international financial institutions, the recommendation is $1.17 billion. That is $23 million over the 2001 level, but $40 million below the request.

The bill also completes funding for the Heavily Indebted Poor Country Initiative with a final $224 million, and provides an additional $25 million from prior year balances for Tropical Forest Debt Relief.

On Tuesday, President Bush called on the World Bank to dramatically increase the share of its funding for health and education in the poorest countries on this globe, but to do so using their grant authority rather than loans. Over the last few years, this committee has urged different administrations to adopt this policy, so I am pleased that it has been embraced by President Bush.

I know many Members have a special interest in the Middle East, so I will describe the committee recommendation for that region in a bit more detail.

The bill before the House continues the policy that was begun 3 years ago that reduces Israeli and Egyptian economic assistance over a 10-year period. Israel's economic support is reduced by $120 million, but military assistance is increased by $60 million. Israel's funding through the Economic Support Fund is $720 million, which will be made available within 30 days of enactment or by October 31, 2001, whichever date is later. Military assistance totals $2.04 billion, and that is also made available on an expedited basis.

We have also included a couple of new initiatives this year dealing with the Middle East. Language in the bill specifies that the PLO and the Palestinian Authority must abide by the cease-fire recently brokered by CIA Director George Tenet. If they are not in substantial compliance, the Secretary of State must impose at least one of three sanctions: closure of the Palestinian information office in Washington; second, the designation of the PLO or one or more of its constituent groups as a terrorist organization; or, third, cutting off all but humanitarian aid to the West bank and Gaza.

The President is allowed to waive these restrictions if he determines it is in the national security interests of the United States. Many of my colleagues would like to go further in sanctioning the Palestinians, and others felt that any language might upset the status of negotiations in the Middle East. But I believe this provision strikes a middle ground and sends the right message to the Palestinians and their leaders, and that is comply with your commitments regarding renunciation of terror and violence, and then no sanctions will be imposed. We are not going back to the beginning of the current violence, but we are saying you must adhere to your commitments that are now made under the Tenet cease-fire as we go forward.

We are also sending a message in our bill to the International Committee on the Red Cross. This otherwise noble institution has failed to admit the Magen David Adom Society of Israel to the International Red Cross and Red Crescent Movement. It is pretty clear that the society's use of the Star of David has triggered the usual opposition from the usual suspects.

The American Red Cross has courageously fought to get the society admitted to the Red Cross movement. They have withheld their dues to the Geneva headquarters of the International Red Cross for the past 2 years. I am proposing that the United States Government do the same until the society is able to fully participate in the activities of the International Red Cross. If the IRC can include national societies from terrorist states like Iraq and North Korea in its movement, then surely Israel is entitled to membership.

Within the Economic Support Fund, the President's request would increase funding for Latin America by $50 million, from $120 million to $170 million. There is additional support in the Child Survival and Health Fund for efforts to restrict the spread of AIDS in the Caribbean region. The bill also includes an additional $100 million to assist El Salvador in its recovery from two devastating earthquakes earlier this year.

I am pleased that the President's request follows through on his pledge to focus additional resources in the Western Hemisphere. This is one reason I strongly oppose amendments that would cut funding from the Economic Support Fund. We cannot afford to cut funding for Latin America or other sensitive regions such as Lebanon.

For the International Fund for Ireland, we are recommending $25 million, the same as last year, but $5 million above the President's request. This program is designed to support the peace process in Northern Ireland and the border counties of the Republic of Ireland.

Our funding for economic assistance to Central and Eastern Europe totals $600 million, and that corresponds to the amount appropriated last year, excluding emergency funding. Funding for Bosnia would decline from $80 million to $65 million. Funding for Kosovo is reduced from $150 million to $120 million.

Our bill anticipates a continuation of the $5 million allocation for the Baltic states to continue our very modest but important assistance programs in those countries. We also strongly support, I might add, funding through the Foreign Military Financing Program for those same Baltic states. The President requested $21 million for these three countries, and the committee has endorsed this request. Again, I strongly oppose amendments that would cut funding for our new democratic friends in the Baltic states, Poland and Hungary.

For the states in the former Soviet Union, funding would decline only slightly, from $810 million to $767 million. The committee continues its support to find a peaceful settlement in the Southern Caucasus region, by providing $82.5 million for both Armenia and for Georgia. For Armenia this recommendation is $12.5 million above the President's request. While the committee does not set aside a specific amount for Azerbaijan, the bill would retain exemptions in current law from a statutory restriction on assistance to its government.

The committee supports the struggle for a better life by the people of the Ukraine. Under this bill, Ukraine will continue to receive $125 million, one of our largest aid programs anywhere. Depending on subsequent events in the Ukraine, the committee is willing to consider additional funding for Ukraine at later stages in the appropriations process.

Assistance for South and Southeast Asia is a relatively small part of our bill, but its importance is far more substantial. Ongoing economic growth and health programs in India, the Philippines, Bangladesh, and Indonesia provide the framework for subsequent investment by the private sector and multilateral development banks. As we did last year, AID is encouraged to use the Economic Support Fund to renew a basic education program in Pakistan. It is a modest but important start toward renewing our economic assistance program in this country.

We also provide funding for several smaller programs that do not get enough attention, including $38 million for anti-terrorism assistance and $40 million for humanitarian demining programs around the world. Both of these programs help save lives. The Peace Corps is another example, another program that has made an enormous difference in this globe that we all share. We recognize its value and

importance, and we support the full request of funding of $275 million.

Mr. Chairman, before I conclude, I want to pay special tribute to my ranking member, the gentlewoman from New York (Mrs. LOWEY), for her cooperation in bringing this bill to the floor and developing the recommendations that we have. I cannot say it strongly enough that she has been a true delight to work with. We have, I think, a very positive relationship; and I think both of us feel that way. But I do not want my expressions of personal regard in this for the gentlewoman from New York (Mrs. LOWEY) to somehow leave the impression among her colleagues on her side of the aisle that she is not doing everything humanely possible to make sure we reduce roles in the 108th Congress. Nonetheless, I hope that is not the case.

Mr. Chairman, I would not want to end my comments without also paying special tribute to the staff members who have helped to make this possible. Our subcommittee staff is led by the able Mr. Charlie Flickner, whose number of years here has given him a special insight into this legislation. He is joined by our professional assistants, John Shank and Alice Grant, and our subcommittee clerk, Laurie Mays. My own personal staff person, Sean Mulvaney, who has worked hard on this bill, has helped to make it possible that we are here tonight.

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On the other side, of course, we have Mark Murray and the gentlewoman's from New York (Ms. LOWEY) personal staff person, Beth Tritter, who I think have contributed tremendously to this legislation; and I thank them personally for their contributions to this legislation.

Mr. Chairman, I am proud of this bill. By the time I think the Committee of the Whole completes its consideration, I am optimistic that an overwhelming majority of the House will endorse the committee's recommendations.

Mr. Chairman, I include the following tables for the RECORD.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS BILL, 2002 (H.R. 2506)
(Amounts in thousands)

	FY 2001 Enacted	FY 2002 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE I - EXPORT AND INVESTMENT ASSISTANCE					
EXPORT-IMPORT BANK OF THE UNITED STATES					
Subsidy appropriation	865,000	633,323	753,323	-111,677	+120,000
(Direct loan authorization)	(865,000)	(152,000)	(950,000)	(+85,000)	(+798,000)
(Guaranteed loan authorization)	(13,535,000)	(11,335,000)	(12,700,000)	(-835,000)	(+1,365,000)
Administrative expenses	62,000	65,000	63,000	+1,000	-2,000
Negative subsidy	-15,000	-11,000	-11,000	+4,000	.....
Total, Export-Import Bank of the United States	912,000	687,323	805,323	-106,677	+118,000
OVERSEAS PRIVATE INVESTMENT CORPORATION					
Noncredit account:					
Administrative expenses	38,000	38,608	38,608	+608	.....
Insurance fees and other offsetting collections	-283,000	-290,000	-290,000	-7,000	.....
Subsidy appropriation	24,000	.....	.....	-24,000	.....
(Direct loan authorization)	(127,000)	(45,000)	(45,000)	(-82,000)	.....
(Guaranteed loan authorization)	(1,000,000)	(1,152,000)	(1,152,000)	(+152,000)	.....
Total, Overseas Private Investment Corporation	-221,000	-251,392	-251,392	-30,392	.....
TRADE AND DEVELOPMENT AGENCY					
Trade and development agency	50,000	50,024	50,024	+24	.....
Total, title I, Export and investment assistance	741,000	485,955	603,955	-137,045	+118,000
(Loan authorizations)	(15,527,000)	(12,684,000)	(14,847,000)	(-680,000)	(+2,163,000)
TITLE II - BILATERAL ECONOMIC ASSISTANCE					
FUNDS APPROPRIATED TO THE PRESIDENT					
Agency for International Development					
Child survival and disease programs fund	963,000	991,000	1,387,000	+424,000	+396,000
Rescission of unobligated balances	.....	-20,000	.....	.....	+20,000
UNICEF	(110,000)	(110,000)	(120,000)	(+10,000)	(+10,000)
Subtotal, Child survival (net)	963,000	971,000	1,387,000	+424,000	+416,000
Development assistance	1,305,000	1,325,000	1,098,000	-207,000	-227,000
International disaster assistance	165,000	200,000	200,000	+35,000	.....
Supplemental funding	135,000	.....	.....	-135,000	.....
Transition Initiatives	50,000	50,000	40,000	-10,000	-10,000
(By transfer)	(5,000)	.....	.....	(-5,000)	.....
Micro & Small Enterprise Development program account:					
Subsidy appropriation	1,500	.....	.....	-1,500	.....
(Guaranteed loan authorization)	(30,000)	.....	.....	(-30,000)	.....
Administrative expenses	500	.....	.....	-500	.....
Development credit authority:					
Subsidy appropriation	1,500	.....	.....	-1,500	.....
(By transfer)	(5,000)	(25,000)	(12,500)	(+7,500)	(-12,500)
(Guaranteed loan authorization)	(49,700)	(355,000)	(177,500)	(+127,800)	(-177,500)
Administrative expenses	4,000	7,500	7,500	+3,500	.....
Subtotal, development assistance	2,625,500	2,553,500	2,732,500	+107,000	+179,000
Payment to the Foreign Service Retirement and Disability Fund	44,489	44,880	44,880	+391	.....
Operating expenses of the Agency for International Development	520,000	549,000	549,000	+29,000	.....
(By transfer)	(1,000)	.....	.....	(-1,000)	.....
Supplemental funding	13,000	.....	.....	-13,000	.....
Operating expenses of the Agency for International Development Office of Inspector General	27,000	32,000	30,000	+3,000	-2,000
Total, Agency for International Development (net)	3,229,989	3,179,380	3,356,380	+126,391	+177,000
Other Bilateral Economic Assistance					
Economic support fund	2,295,000	2,254,000	2,199,000	-96,000	-55,000
Rescission of unobligated balances	.....	-5,000	.....	.....	+5,000
Subtotal, Economic support fund (net)	2,295,000	2,249,000	2,199,000	-96,000	-50,000
International Fund for Ireland	25,000	.....	25,000	.....	+25,000
Assistance for Eastern Europe and the Baltic States	600,000	605,000	600,000	.....	-5,000
Supplemental funding	75,825	.....	.....	-75,825	.....
Assistance for the Independent States of the former Soviet Union	810,000	808,000	768,000	-42,000	-40,000
Total, Other Bilateral Economic Assistance (net)	3,805,825	3,662,000	3,592,000	-213,825	-70,000
INDEPENDENT AGENCIES					
Inter-American Foundation					
Appropriation	.....	.....	12,000	+12,000	+12,000
(By transfer)	(12,000)	(12,108)	.....	(-12,000)	(-12,108)
African Development Foundation					
Appropriation	.....	.....	16,042	+16,042	+16,042
(By transfer)	(16,000)	(16,042)	.....	(-16,000)	(-16,042)
Peace Corps					
Appropriation	265,000	275,000	275,000	+10,000	.....

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS BILL, 2002 (H.R. 2506)—Continued
(Amounts in thousands)

	FY 2001 Enacted	FY 2002 Request	Bill	Bill vs. Enacted	Bill vs. Request
Department of State					
International narcotics control and law enforcement	325,000	217,000	217,000	-108,000	
Andean Counterdrug Initiative		731,000	676,000	+676,000	-55,000
Migration and refugee assistance	700,000	715,000	715,000	+15,000	
United States Emergency Refugee and Migration Assistance Fund	15,000	15,000	15,000		
Nonproliferation, anti-terrorism, demining and related programs	311,600	332,000	311,000	-600	-21,000
Total, Department of State	1,351,600	2,010,000	1,934,000	+582,400	-76,000
Department of the Treasury					
International affairs technical assistance	6,000	6,000	6,000		
Global Fund to Fight HIV/AIDS, Malaria, & Tuberculosis		100,000			-100,000
Debt restructuring	238,000	224,000	224,000	-14,000	
Supplemental funding	210,000			-210,000	
United States community adjustment and investment program		500			-500
Subtotal, Department of the Treasury	454,000	330,500	230,000	-224,000	-100,500
Total, title II, Bilateral economic assistance (net)	9,106,414	9,456,880	9,415,422	+309,008	-41,458
Appropriations	(8,672,589)	(9,481,880)	(9,415,422)	(+742,833)	(-66,458)
Emergency appropriations	(433,825)			(-433,825)	
Rescission		(-25,000)			(+25,000)
(By transfer)	(39,000)	(53,150)	(12,500)	(-26,500)	(-40,650)
(Loan authorizations)	(79,700)	(355,000)	(177,500)	(+97,800)	(-177,500)
TITLE III - MILITARY ASSISTANCE					
FUNDS APPROPRIATED TO THE PRESIDENT					
International Military Education and Training	55,000	65,000	65,000	+10,000	
Supplemental funding	2,875			-2,875	
Foreign Military Financing Program:					
Grants	3,545,000	3,674,000	3,627,000	+82,000	-47,000
(Limitation on administrative expenses)	(33,000)	(35,000)	(35,000)	(+2,000)	
Supplemental funding	31,000			-31,000	
Total, Foreign Military Financing	3,576,000	3,674,000	3,627,000	+51,000	-47,000
Peacekeeping operations	127,000	135,000	135,000	+8,000	
Total, title III, Military assistance (net)	3,760,875	3,874,000	3,827,000	+66,125	-47,000
Appropriations	(3,727,000)	(3,874,000)	(3,827,000)	(+100,000)	(-47,000)
Emergency appropriations	(33,875)			(-33,875)	
(Limitation on administrative expenses)	(33,000)	(35,000)	(35,000)	(+2,000)	
TITLE IV - MULTILATERAL ECONOMIC ASSISTANCE					
FUNDS APPROPRIATED TO THE PRESIDENT					
International Financial Institutions					
World Bank Group					
Contribution to the International Bank for Reconstruction and Development: Global Environment Facility	108,000	107,500	82,500	-25,500	-25,000
Contribution to the International Development Association	775,000	803,400	803,400	+28,400	
Contribution to Multilateral Investment Guarantee Agency	10,000	10,000	10,000		
(Limitation on callable capital subscriptions)	(50,000)	(50,000)	(50,000)		
Total, World Bank Group	893,000	920,900	895,900	+2,900	-25,000
Contribution to the Inter-American Development Bank:					
Paid-in capital					
Contribution to the Inter-American Investment Corporation	25,000	25,000	10,000	-15,000	-15,000
Contribution to the Enterprise for the Americas Multilateral Investment Fund	10,000			-10,000	
Total, contribution to the Inter-American Development Bank	35,000	25,000	10,000	-25,000	-15,000
Contribution to the Asian Development Bank:					
Paid-in capital					
Contribution to the Asian Development Fund	72,000	103,017	103,017	+31,017	
Contribution to the African Development Bank:					
Paid-in capital	6,100	5,100	5,100	-1,000	
(Limitation on callable capital subscriptions)	(97,549)	(79,992)	(79,992)	(-17,557)	
Contribution to the African Development Fund	100,000	100,000	100,000		
Total	106,100	105,100	105,100	-1,000	
Contribution to the European Bank for Reconstruction and Development:					
Paid-in capital	35,779	35,779	35,779		
(Limitation on callable capital subscriptions)	(123,238)	(123,238)	(123,238)		
Contribution to the International Fund for Agricultural Development	5,000	20,000	20,000	+15,000	
Total, International Financial Institutions	1,146,879	1,209,796	1,169,796	+22,917	-40,000
(Limitation on callable capital subscript)	(270,787)	(253,230)	(253,230)	(-17,557)	

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS BILL, 2002 (H.R. 2506)—Continued
(Amounts in thousands)

	FY 2001 Enacted	FY 2002 Request	Bill	Bill vs. Enacted	Bill vs. Request
International Organizations and Programs					
Appropriation	186,000	186,000	196,000	+10,000	+10,000
Total, title IV, Multilateral economic assistance	1,332,879	1,395,796	1,365,796	+32,917	-30,000
(Limitation on callable capital subscript)	(270,787)	(253,230)	(253,230)	(-17,557)	
Grand total (net)	14,941,168	15,212,631	15,212,173	+271,005	-458
Appropriations	(14,473,468)	(15,237,631)	(15,212,173)	(+738,705)	(-25,458)
Rescissions		(-25,000)			(+25,000)
Emergency appropriations	(467,700)			(-467,700)	
(By transfer)	(39,000)	(53,150)	(12,500)	(-26,500)	(-40,650)
(Limitation on administrative expenses)	(33,000)	(35,000)	(35,000)	(+2,000)	
(Limitation on callable capital subscript)	(270,787)	(253,230)	(253,230)	(-17,557)	
(Loan authorizations)	(15,606,700)	(13,039,000)	(15,024,500)	(-582,200)	(+1,985,500)
CONGRESSIONAL BUDGET RECAP					
Mandatory	44,489	44,880	44,880	+391	
Discretionary	14,863,679	15,167,751	15,167,293	+303,614	-458
Grand total, mandatory and discretionary	14,908,168	15,212,631	15,212,173	+304,005	-458

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

Mrs. LOWEY. Mr. Chairman, I yield myself such time as I may consume, and I rise in strong support of the fiscal year 2002 Foreign Operations Appropriations Act.

I urge my colleagues to support this bill, which is the product of close cooperation between the majority and the minority. I have always said that the United States draws its strength as a global leader from the consistent bipartisanship of our foreign policy. The bill we have before us today represents the very best that bipartisanship and compromise can achieve, and I am very proud to support it.

The bill provides the entire amount requested by the President for Foreign Operations, which is nearly $2 billion above the level we had achieved at this point in the process last year. I have stood here during the debate over this measure in past years disappointed that we did not have the resources to adequately address our foreign policy priorities. Unfortunately, I still believe that this is true. We have done a good job of prioritizing resources within our $15.2 billion allocation, but we can do better, and I am hopeful we will eventually achieve a level closer to the Senate's $15.5 billion allocation for fiscal year 2002, and I hope that we will have more resources to disburse in future years.

I am pleased that the bill provides a total $474 million for HIV/AIDS. Of this amount, our bilateral HIV/AIDS funding totals $414 million, nearly $100 million above last year's level; and we fully fund the President's request for a $100 million down payment to a global HIV/AIDS trust fund. The other $100 million of this initial commitment was requested from the Labor-HHS bill, and I look forward to working on that subcommittee to make sure we provide these funds as well.

HIV/AIDS is an international crisis, as we know; and the United States has a responsibility to lead the way on everything from treatment to prevention, to caring for AIDS orphans, to crafting a coordinated global strategy. I am proud that this bill has significantly ramped up its support for these initiatives in recent years, and I hope that we can continue this trend.

The gentleman from Arizona (Mr. KOLBE) and I also worked together to achieve an overall level of $150 million for basic education. Development initiatives like education are the keystones to achieving stable, healthy societies around the world. Education is one of the most cost-effective of all of our foreign assistance investments; and the collateral effects of educating children, and especially girls, are profound. I am pleased that we could provide increases over the President's request for education and for other development assistance priorities.

The bill significantly increases the President's request for the Export-Import Bank, which I know is a top priority for our chairman and for many of our colleagues. We were able to increase United States funding for UNICEF by $10 million and the United Nations Development Program by $10 million. Both of these organizations do excellent work, complementing United States bilateral programs in the developing world and maximizing the impact of our foreign assistance dollars.

It is significant that the gentleman from Arizona (Mr. KOLBE) and I took our first trip together as chairman and ranking member to the Middle East, and I am pleased that we worked together to make some strong statements in this bill in support of the United States-Israel relationship and the quest for peace and stability in that region.

We fully fund Israel's aid package, reinforcing our commitment to maintaining strong ties between our two countries and ensuring that Israel, our closest ally in the region, will maintain its qualitative military edge. We continue assisting in the resettlement in Israel of refugees from the former Soviet Union and Ethiopia. We send an unequivocal signal to Chairman Arafat that we expect him to take concrete steps to end the violence and terrorism that has gripped the region, and we signal to the International Committee of the Red Cross that we expect the pattern of prejudice against Magen David Adom to end.

Mr. Speaker, despite our successes, I do not believe that this bill will adequately fund all of our foreign assistance priorities; and there are some key areas where it needs substantial improvement. The bill includes $425 million for bilateral international family planning assistance and $25 million for the UNFPA. I had hoped we could increase our contribution to the lifesaving work of the UNFPA and that we could return to the 1995 level of $541.6 million for bilateral family planning assistance. The need for these programs far outpaces the supply, and I believe we should be providing more resources to help women plan their pregnancies and give birth to healthy children.

I remain deeply disappointed that the President chose to reimpose the global gag rule restrictions on our bilateral family planning assistance and that this bill is silent on this important issue. As long as the global gag rule remains in place, we limit the impact of the assistance we provide in almost every part of this bill; and I can assure my colleagues that I will work hard during conference both to boost our family planning assistance and to repeal the global gag rule.

There is not enough money in this bill to address the scourge of infectious diseases such as TB and malaria, which cause complications and deaths among the HIV positive population; and I strongly believe that funding for HIV/AIDS and funding for other priorities must go hand in hand. Any realistic development strategy must take into account that there are a host of activities in which we must engage, and we must carefully balance our resources among various priorities, because progress in each area bolsters the others.

Our success in combating the HIV/AIDS crisis in Africa and around the world will depend upon our continued commitment to eradicating other infectious diseases, increasing support for maternal health, educating boys and girls, supporting micro credit and other financial services, giving women the tools to become leaders in promoting democracy. Fulfilling our potential to contribute to so many of these initiatives will take a far larger investment than we provide today.

I also remain disappointed that the bill before us does not adequately address the devastation that El Salvador has endured from two major earthquakes. We have invested billions of dollars in encouraging stability in that country, and I fear our past successes will be reversed if we do not act quickly and decisively. Given this body's past commitments to helping Latin America recover from horrible disasters, given the importance of that region to our country, our paltry commitment is troubling; and I sincerely hope we can address this issue in conference.

I also share the concern of many of my colleagues on both sides of the aisle about the Andean Regional Initiative, the successor program to Plan Colombia. When Congress supported $1.3 billion and mostly military assistance to Colombia and other countries in the region last year, we believed that our funds would be supplemented by a substantial investment of economic assistance on the part of our European friends. Well, not only did the European contribution not come to fruition, but our own economic assistance has moved extremely slowly.

We have begun a campaign of fumigation without giving farmers ample opportunity to voluntarily eradicate coca crops. We have realized no benefits from our programs in terms of increased stability and prosperity in Colombia, and I think we need to take a careful look at this program before we allow it to continue. Mr. Chairman, I look forward to having a thorough debate on this topic as this bill proceeds.

It is truly an honor and a privilege, Mr. Chairman, for me to serve as ranking member of this subcommittee; and I am resolute in my belief that our foreign assistance is both a moral imperative and a national security necessity. As a fortunate Nation, we cannot turn our backs on the terrible heartbreak and suffering in the world; and we must live up to our responsibility to help those who have been left behind. As a global leader, we must recognize that the United States will reap the benefits from the stability nurtured by our aid.

I must say, in conclusion, that it is a true honor for me to serve with the gentleman from Arizona (Mr. KOLBE),

the chairman of the subcommittee who, I believe, shares my commitment to a robust foreign assistance program. Since we both assumed our new positions in the 107th Congress, we have addressed the extraordinary challenges and opportunities of this bill together. I sincerely appreciate our close cooperation. I look forward to continuing to doing good work together. It is a real honor, I say to the gentleman, to serve with him and to work on these important issues.

I also want to thank the members of the subcommittee and the staff who have been so instrumental in putting this bill together. I particularly appreciate the hard work of Mark Murray, Charlie Flickner, John Shank, Alice Grant, Lori Maes, Sean Mulvaney, Beth Tritter, and all of the associate staffers for the majority and minority members.

In conclusion, it is truly a privilege for me to serve in this capacity, working with the gentleman from Arizona (Mr. KOLBE).

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

Mr. KOLBE. Mr. Chairman, I thank the gentlewoman for her kind remarks.

It is my great privilege to yield 5 minutes to the gentleman from Michigan (Mr. KNOLLENBERG), a very able member of this subcommittee and a very knowledgeable member and one who takes the work very seriously.

Mr. KNOLLENBERG. Mr. Chairman, I want to thank the gentleman very kindly for those kind words; and I also want to rise in strong support of this appropriations bill. I want to suggest that my colleagues on both sides of the aisle rallied in support of this bill because this year, I think especially, we have an extraordinary bill.

I must commend the gentleman from Arizona (Mr. KOLBE) for his hard work and leadership as chairman of this subcommittee. He has consistently sought to accommodate all members, and I want to include myself in that group, because we all have different thoughts about how to prepare, how to put this bill together. But he has remained focused on bringing about a responsible and effective bill before us here today. Not an easy task, but one he has accomplished, I believe, with skill.

I want to additionally thank my good friend, the gentlewoman from New York (Mrs. LOWEY), our ranking member, for her leadership and her effort. As we have in years past, members from both sides of the aisle have once again worked together to make important progress on a number of foreign assistance issues. I thank the gentlewoman for her friendship and cooperation.

Obviously, the staff, the extraordinary staff needs a great deal of thanks here, too, because they have been performing great work for us, a contribution that frankly has resulted in a bill that would not have been without their efforts, so I thank them, all of them, for their efforts.

Foreign assistance remains an inseparable element of our Nation's overall foreign policy, including national security and economic interests. This is a responsible bill that effectively allocates the foreign assistance that we have available, while providing vital support for our Nation's interests.

This bill provides, as my colleagues probably already know, $753 million in export financing for the Export-Import Bank, which is $120 million greater than the President's request. With this funding, I hope the bank will be able to maintain at least the level of activity experienced this year.

The Export-Import Bank, sometimes looked upon as an unnecessary item, really has a critical role to play in support of American exports and the businesses and the workers who supply those products. Without support from Ex-Im, billions of dollars in American exports simply would not go forward. Ex-Im is especially important for small businesses. Small businesses benefit from over 80 percent of the bank's transactions. These exports remain crucial to our economy, and I will continue to support Ex-Im throughout the appropriations process. And I again want to thank the gentleman from Arizona (Mr. KOLBE), the chairman, for his leadership in this effort to get more money into this account.

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One of the most important elements of U.S. foreign policy in this legislation is the annual assistance package to the Middle East.

The United States has a vital role and has played a vital role in the Middle East for several decades. That role should and will continue. Congress has a responsibility to help shape our policy toward the Middle East through the financial assistance provided in this bill. Decisions regarding this funding must be carefully considered to ensure that a proper balance is maintained.

I am also pleased that this bill fully supports the administration's request for assistance to our ally, Israel, the only democracy in the Middle East.

I am also pleased that this bill continues funding for the excellent U.S. aid mission in Lebanon, as well as important programs in Egypt, Jordan, the West Bank, and Gaza.

Together, these programs play a key role in advancing U.S. interests in the Middle East, including fostering credibility and stability at this crucial time. These programs should be continued, and this bill appropriately maintains them.

The bill also strengthens our relationship to our friend and ally, Armenia. This year we have seen some progress in efforts to resolve the conflict among Armenia and Azerbaijan, Nagorno-Karabagh. During this time, Armenia has consistently shown its commitment toward a lasting peace, and has made notable progress with its economy and its effort to eliminate corruption.

The assistance we provide remains important to these efforts. Therefore, I am pleased that this bill increases assistance there by $12.5 million over the President's request. I should note, however, that this is still a little less than last year. I look forward to working with the chairman in conference to develop some additional assistance on that issue.

The legislation contains language directing the administration to release the remainder of the $20 million provided in 1998 for victims of the Nagorno-Karabagh conflict. There is great need in Nagorno-Karabagh, and USAID has an obligation to commit this money immediately.

Mr. Chairman, there are other important programs in this bill, including microenterprise loans, foreign military financing for the Baltic countries, the resettlement of refugees in Israel, and, of course, also significant funding beyond the President's request to continue the fight against HIV/AIDS and the crisis in Africa and around the world.

This is a good bill. I recommend that everyone get behind this bill and support it. Both sides I think will realize so much has been done with so little money.

Mrs. LOWEY. Mr. Chairman, I am pleased to yield 4 minutes to the gentleman from Texas (Mr. LAMPSON).

Mr. LAMPSON. I thank the gentlewoman for yielding time to me.

Mr. Chairman, the gentleman from Arizona (Chairman KOLBE) and I have agreed to a colloquy on my amendment to transfer $60,000 from title III relating to the Foreign Military Financing Program account to title IV relating to International Organizations and Programs account.

Mr. Chairman, this $60,000 is intended to cover the cost of expenses relating to the development of a Guide to Best Practice by the Permanent Bureau of the Hague Conference on Private International Law to cover the application of the Hague Convention on the Civil Aspects of International Child Abduction.

Many of my colleagues have heard my drumbeat over the past years regarding problems with the Hague Convention on the Civil Aspects of International Child Abduction. We must encourage uniform application of exceptions identified in the Hague Convention.

This is jeopardizing the Hague Convention's effectiveness and perverting its original intent. A best practice guide might discuss training for legal professionals, encourage implementation of more effective civil enforcement systems, support for victim families, and improved access to noncustodial or left-behind parents.

The gentleman from Ohio (Mr. CHABOT) and I attended the Fourth Special Commission on the Hague Convention on Civil Aspects of International Child Abduction this past March. The special commission recommended that a best practice guide

be developed. The Hague Conference on Private International Law is seeking voluntary contributions from member states to assist in funding this best practice guide, which would cost approximately $60,000 for the United States's portion.

The completion of a best practice guide would be an inventory of existing central authority practices and procedures that is a practical know-how-to guide to help practitioners, judges, central authorities to implement the Hague Convention in a better way and as it was originally intended. It will draw upon materials published and otherwise provided by the central authorities themselves, in addition to the National Center for Missing and Exploited Children, the International Center for Missing and Exploited Children, and other nongovernmental organizations.

My request is driven by the need to bring about greater consistency, but more importantly, to provide a mechanism for bringing more American children home. Unless urgent and rapid action is taken, more and more children will be denied their most basic human right, that of having access to both their parents.

The challenge is now to find commitment at both the national and international levels to implement these actions. Abducting a child across border is never in a child's best interests. In the meantime, the Hague Convention must be applied uniformly, fairly, and above all, swiftly.

Only when countries accept that child abduction is not to be tolerated will it become a thing of the past. Family disputes and divorce will never go away. Parental child abduction, however, must be eradicated.

Mr. Chairman, I thank the gentleman from Arizona for all his good work. I appreciate his offer to work with me as the foreign operations bill moves forward and goes to conference with the Senate to do everything in his power to make sure that $60,000 is designated for the purpose of developing and disseminating a best practice guide.

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

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

Mr. KOLBE. Mr. Chairman, I thank the gentleman from Texas for yielding to me.

I appreciate very much the comment he has made here this evening and his interest in this program and bringing this to our attention.

As the gentleman said, this is a very small amount of money in the grand scheme of things. It would accomplish the goal of creating more consistency across-the-board with regard to the Hague Convention on the Civil Aspects of International Child Abduction.

I would say to the gentleman that it is certainly my intention to work with him to accommodate his request as the foreign operations appropriations bill moves forward. As we go to conference, I do suspect that there may be more funds that are available to us that will be added to the International Organization and Programs Account, so we hope this would be possible to do that.

I thank the gentleman again for bringing this to our attention.

Mr. LAMPSON. Mr. Chairman, I will withdraw my amendment, and thank the chairman for his good work.

Mr. KOLBE. Mr. Chairman, I am pleased to yield 1 minute to the gentleman from Iowa (Mr. NUSSLE), the distinguished chairman of the Committee on the Budget.

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

I rise in support of H.R. 2506, a bill providing the appropriations for foreign operations, export financing, and related programs. As chairman of the Committee on the Budget, I am pleased to report to my colleagues that this bill is within the appropriate levels of the budget resolution and complies with the Congressional Budget Act.

H.R. 2506 provides $15.2 billion in budget authority and $15.1 billion in outlays for fiscal year 2002. The bill does not provide any advanced appropriations or designate any emergency appropriations.

The amount of the new budget authority provided in this bill is within the 302(b) allocation of the subcommittee, and is also compliant with section 301(f) of the Budget Act, which prohibits consideration of measures that exceed the reporting subcommittee's 302(b) allocations.

In summary, this bill is consistent with the budget resolution that the Congress has agreed to earlier. On that basis, as well as for the content therein, it is worthy of our support.

I support the bill, and I congratulate the gentleman from Arizona (Chairman KOLBE) on his fine work, as well as the other subcommittee members, in bringing this bill to the floor.

Mrs. LOWEY. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from New York (Mr. CROWLEY).

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

Mr. CROWLEY. Mr. Chairman, I thank the gentlewoman for yielding time to me.

Mr. Chairman, I want to commend the gentleman from Arizona (Chairman KOLBE) and the ranking member, my good friend, the gentlewoman from New York (Mrs. LOWEY), for crafting a fair and comprehensive bill that addresses the needs of many nations throughout our world.

As conflicts continue around the globe, from Northern Ireland to the Middle East, this bill has taken the appropriate steps to provide the tools for future prosperity and the potential for true reconciliation.

The Middle East package includes balanced funding for Israel and Egypt, as well as essential funding for Jordan and Lebanon.

Furthermore, the funding provided for the International Fund for Ireland in the amount of $25 million is a crucial element in facilitating an environment in Northern Ireland in which all sides can live together and prosper for a common good.

Though I strongly support the passage of this bill, I have many concerns regarding the Andean Initiative. In spite of the fact that this funding is a vast improvement over Plan Colombia, I believe it fails to address the need of countries such as Ecuador to effectively battle in combat the spillover effect from the drug war and conflict in Colombia.

Ecuador has been a true friend and ally, and deserves better treatment from us in this bill. It is my hope that these funding deficiencies will be addressed and rectified in conference.

Having said that, I want to congratulate the gentleman from Arizona (Mr. KOLBE) and the gentlewoman from New York (Mrs. LOWEY) for their diligent work on this bill, and I urge my colleagues to support its passage.

Mr. KOLBE. Mr. Chairman, I am very pleased to yield 3 minutes to the gentleman from North Carolina (Mr. BALLENGER), a very distinguished senior member of the Committee on International Relations, and probably the leading expert in the House of Representatives on Central America and on Latin America. His devotion to that region is tremendous.

Mr. BALLENGER. Mr. Chairman, first I would like to thank the gentleman from Arizona (Chairman KOLBE) for allowing me to speak on this bill.

Mr. Chairman, I rise today in support of the foreign operations bill, and especially the provisions that fund the U.S. support of the war on drugs in the Andes.

Over the years, I have traveled to the Andean region a number of times to see firsthand the efforts being made to stop drug trafficking. Although these efforts are nothing short of heroic, the war has yet to be won.

Last year I worked with the gentleman from Illinois (Speaker HASTERT) and many other colleagues to develop and pass Plan Colombia, an aid package which so far has done much to fight the production and trafficking of illegal drugs in the region's biggest producer, Colombia.

During my visits, I met with officials of the Columbian National Police and the U.S.-trained army counternarcotics battalions who are now stationed at the front of this drug war.

I am convinced that the tide is finally rising to our advantage. This is a credit to the bravery of the Colombians and the support of the United States. Changing course now, as some of my colleagues have proposed, would be a fatal mistake for Colombia, the Andean region, and the United States, and especially our children.

Mr. Chairman, let us face it, illegal drugs are killing our children. In every congressional district in America, hospital emergency rooms are treating

young children who overdose on illegal drugs. Some of these kids die.

Recent statistics show that 90 percent of the cocaine and 70 percent of the heroin seized in the U.S. originated in Colombia. So why are there amendments being offered to cut funding for the Andean Counterdrug Initiative and the drug crop eradication programs when it appears that the counternarcotics effort in the region is just starting to have some success?

I have long supported the U.S. efforts to support the brave work of the Columbian National Police and the newly-formed counternarcotics battalions of the Colombian Army to fight the drug trafficking. Plan Colombia is a sound policy which is only now beginning to be fully implemented. The counternarcotics initiative contained in this bill will ensure that work being done under Plan Colombia will continue.

With time, the appropriate equipment, and continued support from the United States, Colombia and its Andean neighbors will be able to strike a blow to drug trafficking in their own countries, and thereby greatly reduce the amount of illegal drugs ending up in our streets with our children.

I believe that fighting the drug trafficking is in the national interest of the United States. We must fully support Colombia and its neighbors for as long as it takes to win this drug war. Cutting funding for the Andean Counterdrug Initiative now is wrongheaded, dangerous, and could jeopardize the future of the democracy in the Andes, as well as the lives of American children.

Mr. Chairman, I urge my colleagues to vote in favor of this bill.

Mr. KOLBE. Mr. Chairman, I am happy to yield 3 minutes to the gentleman from Indiana (Mr. SOUDER), who has been an outstanding person working on drug interdiction issues and the task force on that.

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

Mr. SOUDER. Mr. Chairman, I thank the chairman for yielding time to me.

Mr. Chairman, I rise in strong support of this bill for a number of reasons. I would also like to initially say that I appreciate the strong support for Israel in its present crisis, surrounded by people desiring its destruction. It is very important in these times that we stand with our friends.

Also, I have talked with the chairman about the support for Macedonia, another friend of ours in the Balkans crisis, which has now been driven into internal conflict because they stood with us, and it is important as we watch this conflict, and I am sure in Macedonia, that as it develops, if additional funds are needed through this process, that they will be there.

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But tonight I would like to specifically speak to the appropriations on the Andean initiative. I think it is very important to put some perspective on the cost of the Andean initiative in the overall cost of our narcotics strategy.

International programs cost just 5 percent of the national drug control budget. Let me say that again, because I think it is critical to this debate and will be very much confused. International programs cost just 5 percent of our drug control budget. Demand reduction accounts for 33 percent of that budget, over six times the amount we spend on international programs, and domestic law enforcement 51 percent. Reducing the small amount of spending for international programs would clearly have a devastating effect on the flow of illegal drugs into the United States.

Our international programs have achieved significant success. In Bolivia, coca cultivation has decreased by more than 70 percent due to the commitment of President Banzer, who I wish well as he continues to fight cancer. His fight against the drug lords will forever honor his name. Also, Vice President Quiroga, and the numerous Bolivian soldiers who used American assistance to go into the jungle and uproot almost every coca plant in their country one by one, by hand. American-sponsored development programs are beginning to provide meaningful alternatives to the drug trade to everyday Bolivians.

When I visited there with the Speaker a number of times, we went into the coca fields with the people and looked at the alternative development. It has taken us 4 years. This is not easy. In Peru, coca cultivation decreased by more than 70 percent between 1995 and 2000.

I also ask my colleagues to consider the critical impact of the Andean Regional Initiative on the overall stability of our allies in Central and South America. As we all know, Colombia is at a precarious and crucial point in its democracy, which is one of the oldest in the Western Hemisphere. Without our help, there is a significant likelihood that it will become an outright narcostate effectively under the control of armed terrorists and narcolords.

Likewise, in Bolivia, Ecuador, Peru, Venezuela, and other vulnerable nations, we will provide assistance not only to bolster their fight against narcotics but also to help build democracies. But they have to get control of their narcotics to help build the democracy, the rule of law, and follow human rights. We will also promote alternative economic development programs and provide reasonable levels of assistance for economic development.

We must also acknowledge that the Andean initiative presents significant challenges, which will have to be closely monitored and followed every step of the way. It is nearly as fraught with possibility for failure as it is with hope for success, but we have no alternatives.

Mrs. LOWEY. Mr. Chairman, I yield 3 minutes to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Chairman, I rise in support of the bill and commend the chairman, the gentleman from Arizona (Mr. KOLBE), and my good friend and colleague, the gentlewoman from New York (Mrs. LOWEY), for her great leadership.

Mr. Chairman, this is a strong bill that recognizes and includes our national security and our national interests; that funds our allies in the Middle East, Israel, Egypt, Jordan, Lebanon; and it funds the important International Fund for Ireland, Cyprus and many other important allies. In addition, it funds the child survival account, USAID, UNFPA, and takes into account and funds the AIDS crisis.

But in this bill we are being asked to consider a substantial increase in aid for Peru. Peru has made substantial advances in recent years in democratizing its system and improving its economy. These improvements certainly deserve our support and assistance. But Peru has imprisoned an American citizen, Lori Berenson, a constituent of mine, under anti-terrorism laws that have been condemned by the international human rights organizations.

Lori served 5½ years in prison under extremely harsh conditions for a crime that Peru now agrees she did not commit. At her recent civilian trial, Lori was acquitted of the leadership or membership of a terrorist organization. For more than 5 years, Peru insisted that Lori was the leader in a terrorist movement. For that crime she was imprisoned in Peru's highest security prison for leaders of terrorist movements. Now they concede that she was not even a member. At all times Lori has maintained her innocence of the charges against her, and during her recent trial she publicly denounced all forms of terrorism and violence.

Lori's health has been damaged, and I will submit for the RECORD a complete record of all the health problems that she now suffers from.

From the beginning, Members of Congress have supported her. And recently over 142 Members joined me in a letter to the current president asking him to pardon Lori before he leaves office. In his recent meeting with President-elect Toledo, President Bush said that humanitarian factors should be taken into account in the final resolution of Lori's case. President Bush's conversation with President-elect Toledo sends a very important message to Peru: the United States will not forget Lori Berenson.

We should send Peru another message. It is troubling to me that we are giving so much nonhumanitarian aid to Peru when they have treated an American citizen so badly. If she is not released on humanitarian grounds, Congress should take appropriate action.

Mrs. LOWEY. Mr. Chairman, how much time is remaining?

The CHAIRMAN. The gentlewoman from New York (Mrs. LOWEY) has 10½ minutes remaining.

Mrs. LOWEY. Mr. Chairman, I yield 5 minutes to the gentlewoman from California Ms. PELOSI), an outstanding member of the committee, the former ranking member of the committee.

Ms. PELOSI. Mr. Chairman, I thank the gentlewoman from New York, our distinguished ranking member, for yielding me this time, and commend her for her tremendous leadership as ranking member, and really over time on the issues that are in this bill and so many more. I also want to join in commending our distinguished chairman, who, as has been acknowledged, is a very agreeable chairman to work with, in the tradition of bipartisanship of this subcommittee.

I think they did a great job with what they had to work with. The priorities are good. And of course the gentlewoman from New York Mrs. LOWEY) has been our champion on so many of the issues in the bill, and I want to associate myself with the remarks she made in her opening statement because I think it was a fine presentation, as always, on her part.

I do have some areas of disagreement with the general bill, not with the gentlewoman from New York but with the general bill, so I wanted to take a few moments to express those. I will have an amendment, which is not going to be in order, but at least I want to talk about it for a moment.

I do not think that the bill gives sufficient resources, sufficient to match the compassion of the American people or the needs of the people of El Salvador in response to the earthquakes in El Salvador. It is hard to imagine, Mr. Chairman, that the earthquakes in El Salvador caused more damage in El Salvador than all of Hurricane Mitch did, combined, in Central America. First, there was one earthquake, where hundreds of people were killed and hundreds of thousands of homes destroyed and people made homeless in January. And then, as fate would have it, in February another earthquake struck, compounding the tragedy enormously.

Traditionally, we, the United States, have provided 40 percent of the outside international assistance to meet these needs. We do not come anywhere near that in this bill. In any event, I am hopeful that at the end of the legislative process, the appropriating process, that there will be more funds, because there certainly is tremendous need.

Another area of disagreement I have in the bill is with, what are we calling it now, Plan Colombia? The Andean Drug Initiative, I believe is what it is called now. I opposed it when President Clinton proposed it in his supplemental bill when he was in office, and I have opposed it in supplemental this time, in subcommittee, full committee, and I will on the floor as well when now the McGovern amendment will be presented next week.

But let me just say this briefly. For us to say that we need to send billions of dollars, billions of dollars, to Colombia in order to reduce demand on drugs in the United States just simply does not make sense. Now, if we have another agenda in Colombia and we want to help the Colombian people, then I think we can find a better way than sending military assistance to Colombia. But getting back to the justification, which was to reduce demand in the United States, I want to remind my colleagues that the RAND report tells us that to reduce demand by 1 percent in the U.S. by using treatment on demand, it costs about $32 million. To do so by eradication of the coca leaf in the country of origin, it costs 23 times more than that, over $700 million, to reduce demand by 1 percent.

There are 5½ million addicts in the country. Two million have treatment; 3½ million do not. The money we send to El Salvador would take care of about 10 percent only of those addicts to reduce demand. However, we are not even matching domestically what we are sending to El Salvador. We will talk, when the McGovern amendment comes up, about particulars as far as the military is concerned.

I seem to have dwelled on areas of disagreement; yet I wish to commend the distinguished chairman and the ranking member for the increase in international AIDS funding both on a bilateral basis and through the trust fund. I would like to see more money in for infectious diseases, which the McGovern amendment strives to do, but I do want to commend the chairman and the ranking member once again for the spirit of cooperation that they brought to this very important bill.

Mrs. LOWEY. Mr. Chairman, I yield 2 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the distinguished gentlewoman from New York, and I would like to thank both the chairman and the ranking member for a very strong commitment of the United States to its foreign policy through this legislation.

I would like to engage both the ranking member and the chairman in a colloquy. I appreciate the opportunity to share our common concern for the continuing human rights violations committed by the Ethiopian Government. I have frequently voiced my serious concerns about the human rights practices of the Ethiopian Government.

Recently, I was very concerned to learn of an indiscriminate attack by police forces on the campus of Addis Ababa University on April 11, 2001, in the wake of peaceful demonstrations. I understand that as many as 41 brave individuals were killed on or near the Addis Ababa University, while another 250 persons were injured in an inhuman attack by police forces. I hope my colleagues will join me in denouncing such human rights violations.

As an aside, my colleagues know that my predecessor, Mickey Leland, died in Ethiopia trying to help the starving Ethiopians at that time.

Mrs. LOWEY. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentlewoman from New York.

Mrs. LOWEY. Mr. Chairman, I share the concerns enunciated by my colleague, and I hope the Congress continues to monitor the human rights situation in Ethiopia closely.

Ms. JACKSON-LEE of Texas. Reclaiming my time, I thank the gentlewoman; and as I indicated, I want to thank the chairman for his concern as well and particularly his concern about human rights abuses.

Mr. KOLBE. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from Arizona.

Mr. KOLBE. I thank the gentlewoman for yielding, and I thank her for her interest and her involvement in this issue. I am also concerned, as is the ranking member, when Ethiopia is cited for human rights violations. And I can assure the gentlewoman from Texas that we will continue to monitor the situation in that country.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I look forward to working with both of my colleagues; and as I indicated, I know Mickey Leland, who served in this body, would be very proud that we would carry on his tradition of protecting the human rights of all citizens, and particularly those in Ethiopia.

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Mrs. LOWEY. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana (Mr. ROEMER).

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

Mr. ROEMER. Mr. Chairman, I want to thank my good friend, the gentlewoman from New York (Ms. PELOSI), and those in the majority party who have been helpful on the Microenterprise Loans for the Poor Program.

Certainly this is one of the most important programs that the United States engages in which primarily benefits not only the poorest of the poor and the most vulnerable of the vulnerable out there in the world, but it also helps grow small businesses, and it helps primarily women. We want to continue to show our very strong support for this program and do it by making sure that these programs have the sufficient amount of money. I believe this bill has $155 million. Last year, we authorized the bill at $167 million.

I would hope this bill would continue to move forward in appropriating even more money for the Microenterprise Loans for the Poor Program and also provide the microcredit programs with the poverty assessment tools, the ability for the microenterprise programs to work with USAID and target these funds to the poorest people that are eligible in the different parts of the world where this program really benefits

growing small businesses, helping families, and targets aid to help our allies all across the world.

Mr. Chairman, I want to thank the gentlewoman from New York (Mrs. LOWEY) and the gentlewoman from California (Ms. PELOSI) for their strong help. I want to continue to encourage the gentleman from Arizona (Mr. KOLBE), the chairman, to fund and conference this program at the authorized level. I think we could go about $12 million higher and also work with the microcredit programs to work on this poverty assessment tool.

Mrs. LOWEY. Mr. Chairman, I yield back the balance of my time.

Mr. KOLBE. Mr. Chairman, I yield such time as he may consume to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Chairman, I thank the chairman and the ranking member of the subcommittee for their good work on a bipartisan basis in crafting out this bill.

I think it is important for us to remember a lesson from the gospel of John in which we are told ''to those who much have been given, much is expected.''

That is why the United States of America is engaged in so many different areas around the globe. We have been a very affluent country. We are the most affluent country in the world. Therefore, it is incumbent upon us to be involved with the rest of the world.

This bill makes many, many statements about our values. Values about health care as we have addressed problems with land mines and displaced children and AIDS around the globe. Values about peace, military assistance, nonproliferation assistance, the Western Hemisphere School for Peace in Latin America. Values about jobs as we work through trade in Ex-Im Bank and USAID and various financing mechanisms. Values about drugs as our anti-narcotics control and our cooperation for them, our efforts. Values about the environment, the debt for development, saving the tropical rain forests around the globe. International assistance because of disasters.

Mr. Chairman, one of things people back home ask me is, why do we have a foreign aid bill? I say, just think about Rwanda. Several years ago we saw the picture of the children, of 300,000 people dying. What did we, as Americans, want to do? We wanted to respond to our natural goodness, to go out and give aid and assistance to the people in that poor country.

That is what we are doing with the foreign aid bill, this Foreign Operations Appropriations bill here tonight. We are saying we are going to act proactively so we can act reactively a little bit less and help the rest of the world enjoy all of the fruits and benefits that we as an American people have so enjoyed in this century. We are going to continue that involvement.

Mr. Chairman, I look forward to the debate on this bill and look forward to its final passage.

Mr. HASTINGS of Florida. Mr. Chairman, I rise today to commend the efforts of several Florida-based institutions who are working to address the too-often ignored problem of Mother-to-Child-Transmission of HIV–AIDS in Africa.

We have spoken much about the overall crisis of HIV–AIDS in Africa, but the aspect of innocent children on the Continent contracting HIV–AIDS has not been as widely discussed. According to the most recent statistics from UNAIDS, the rates of HIV infection among African women are high. In several countries, more than 15 percent of women of reproductive age have contracted the virus. As high as 35 percent of these women will pass on the virus to their children curing pregnancy, during labor and delivery or during breast-feeding.

Already, more than 600,000 African children age 14 or below have died from HIV–AIDS, and an additional one million African children are now living with the disease.

Mr. Chairman, the Foundation for Democracy in Africa, through its Institute for Democracy in Africa based in Miami, Florida, is leading efforts to enhance the capacity of African medical personnel to properly handle HIV-positive mothers so that their babies do not join the growing list of victims of this merciless killer disease. The Foundation is currently working with the University of Miami's Jackson Memorial Hospital to develop a comprehensive HIV-AIDS treatment strategy for African nations. This collaboration is being encouraged and facilitated by Miami-Dade County.

Mr. Chairman, I urge my colleagues to encourage their own local and state institutions to put in place efforts to use their resources and expertise in the fight against the scourge of HIV–AIDS in Africa.

Mr. DINGELL. Mr. Chairman, I rise in support of H.R. 2506, the Foreign Operations Appropriations bill for FY 2002. I commend the efforts of my colleagues on the Appropriations Committee who worked hard to guarantee that this bill adequately funds U.S. programs in the Middle East that help facilitate peace. I am particularly pleased that H.R. 2506 allocates $35 million in funding for economic and educational programs in Lebanon. This bill also provides needed assistance to Egypt and Jordan, key allies in this troubled region who have worked diligently with the U.S. to bring about an immediate cessation of violence and a comprehensive, permanent peace agreement between Israelis and Palestinians.

While overall I am pleased with the funding provided H.R. 2506, I am troubled the language of this legislation that blames the Palestinian Authority—and solely the Palestinian Authority—for the violence that has consumed the Occupied Territories and Israel since September 28, 2000. It was on that date, I would note, that the Al Aqsa Intifada was sparked by the reckless, provocative act of a desperate Israeli politician, Ariel Sharon, who has since become Israeli Prime Minister.

I believe the United States must be engaged and committed to bringing about a fair and lasting peace to this troubled land. The U.S. must act as a fair and unbiased arbiter in the peace process. If we take biased positions and pass one-sided pieces of legislation, we hinder our ability to broker peace. The United States is the only nation who can broker peace between the Palestinians and Israelis. However, when we take sides, hope wavers and desperation increases. Desperation leads to fear and anger, which in the Middle East begets violence between the Israelis and Palestinians. This, in turn, raises tension in the region and increases the likelihood of the outbreak of a larger regional war.

Mr. Chairman, Section 563 of this bill requires the President to submit a report to Congress determining whether the Palestinian Authority has taken steps to comply with the 1993 Oslo Agreement and prevent attacks on Israelis. If the President does not determine that the Palestinians have fully complied, this section would not only cut off U.S. assistance to the Palestinians—none of which, incidentally, is given directly to the Palestinian Authority or the PLO—but also shut down their Washington office and insure that the American people hear only one side of this 53 year-old conflict.

On April 30, 2001, the Sharm el-Sheikh Fact-Finding Committee, headed by George Mitchell, issued its report on the current conflict. The Mitchell Report highlights the fact that both the Palestinian and Israeli governments can and should do more to halt the bloodshed. It concludes that neither government is beyond reproach for their conduct in this sustained confrontation. It notes that both the Israeli and Palestinian populations have lost faith that the negotiating process will meet their goals. For Israelis, ongoing violence has led many to believe that the security of Israel will not be guaranteed through negotiations. For Palestinians, settlement expansion and property confiscation is seen as a demonstration that Israel never will relinquish control of the West Bank and Gaza. The Report also notes that both settlement activity and terrorist attacks must end if confidence in the peace process is to be restored on both sides.

Accordingly, Mr. Chairman, in the spirit of the Mitchell Report, I would gladly support Section 563 if it also required the President to make a report determining if Israel has complied with Oslo and taken steps in the interest of peace.

Congress must act responsibly on issues affecting the Middle East, particularly since the Bush Administration continues its policy of disengagement. Already, the violence, economic turmoil, and diplomatic stalemate that exists today has generated disillusionment with the peace process among Israelis and Palestinians. However, these feelings are growing much more pronounced due to the Bush Administration's tepid commitment to the peace process. Apathy is not an option, because without American leadership, the current conflict will escalate and engulf the region. Our allies, such as Egypt and Jordan, and millions of people in the region rely heavily on the American commitment to brokering a fair peace and preventing such as war from occurring.

Mr. Chairman, in my hand I have a resolution that expresses the sense of the House that, in absence of an Israeli-Palestinian agreement brokered by themselves or the United States to halt this current round of bloodshed, the United Nations should consider sending peacekeeping forces into the West Bank and Gaza Strip. I believe that it is in the interests of all parties to explore any reasonable avenue that could lead to a permanent peace agreement between the Palestinians and Israelis. I believe U.N. peacekeepers would help cool tensions on the ground, monitor any cease-fire agreement including that recommended by the Mitchell Report, and

make the climate more conducive for peace. Peace, after all, is in the interest of Israel, the Palestinian Authority, the United States, the Middle East region, and the world. This resolution does not blame the ongoing violence on the Palestinians, nor does it blame the Israelis. It simply states that this body is in favor of a reasonable, fair policy that promotes peace.

Mr. Chairman, hope in the peace process cannot become a casualty of this ongoing conflict. I urge my colleagues to oppose one-sided policies that help no one but harm everyone, including Israel. I urge them instead to join me as a cosponsor of a constructive piece of legislation that, if passed, will demonstrate that America is a fair arbiter of peace who is more interested in ending this deep, bitter conflict rather than sustaining it.

Mr. KOLBE. Mr. Chairman, I yield back the balance of my time in general debate.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the bill shall be considered for amendment under the 5-minute rule, and the amendments printed in House Report 107–146 are adopted.

Pursuant to the order of the House of today, no amendment to the bill may be offered on the legislative day of July 19, 2001, except pro forma amendments offered by the chairman or ranking minority member of the Committee on Appropriations or their designees for the purpose of debate and amendments printed in the CONGRESSIONAL RECORD and numbered 4, 8, 17, 21, 22, 25, 28, 29, 30, 32, 35, and 37.

Each such amendment may be offered after the Clerk reads through page 1, line 6, and may amend portions of the bill not yet read.

No further amendment to the bill may be offered after that legislative day except pro forma amendments offered by the chairman or ranking minority member of the Committee on Appropriations or their designees for the purpose of debate and amendments printed in the CONGRESSIONAL RECORD on that legislative day, or any record before that date.

The Clerk will read.

The Clerk read as follows:

H. R. 2506

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2002, and for other purposes, namely:

AMENDMENT NO. 28 OFFERED BY MS. MILLENDER-MCDONALD

Ms. MILLENDER-McDONALD. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 28 offered by Ms. MILLENDER-McDONALD:

In title II of the bill under the heading ''CHILD SURVIVAL AND HEALTH PROGRAMS FUND'', insert before the period at the end the following: '': *Provided further,* That of the amount made available under this heading for HIV/AIDS, $5,000,000 shall be for assistance to prevent mother-to-child HIV/AIDS transmission through effective partnerships with nongovernmental organizations and research facilities pursuant to section 104(c)(5) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(c)(5))''.

Ms. MILLENDER-McDONALD. Mr. Chairman, this amendment earmarks at a minimum $5 million to prevent mother-to-child HIV/AIDS transmission. For two Congresses, the 106th and the 107th Congress, I have led the fight on the issue of mother-to-child transmission prevention. Mother-to-child transmission is by far the largest source of HIV infection in children under the age of 15 worldwide.

One year ago, the United Nations estimated that 600,000 infants were infected with the virus, bringing the total number of young children living with HIV to over 1 million. Of the 5 million infants infected with HIV since the beginning of the pandemic, about 90 percent have been born in Africa due to a combination of high fertility rates and high HIV prevalence in pregnant women.

Mr. Chairman, we should not lose sight of the fact that the number of cases in India, Southeast Asia and the Caribbean are rising at alarming rates.

Mr. Chairman, the virus may be transmitted during pregnancy, labor, delivery or breast feeding after a child's birth. Among infected infants who are not breast fed, most mother-to-child transmission occurs around the time of delivery just before or during labor and delivery. In populations where breast feeding is the norm, breast feeding accounts for more than one-third of all cases of the mother-to-child transmission. In sub-Saharan Africa, mother-to-child transmission is contributing substantially to rising child mortality rates.

AIDS is the biggest single cause of child death in a number of countries in sub-Saharan Africa. Stopping the spread of HIV/AIDS from mother-to-child is one of the most important prevention programs on which we need to focus. No HIV agenda is complete without programs to enable a mother to prevent perinatal infection of her child. The most effective means of doing so today is anti-drugs for pregnant women and providing mothers with practical alternatives to breast feeding.

Although in theory we can make promising new treatments available to every pregnant woman in the developing world, the challenge does not stop there. Treatment must be done in an ethical and humanistic manner. Counseling and voluntary testing are critical services necessary to help infected women accept their HIV status and the risk it poses to their unborn child. Confidentiality is paramount in counseling and when providing voluntary services programs where women identified as HIV positive may face discrimination, violence and death.

Replacement feeding is an important part of the strategy but should not undermine decades of promoting breast feeding as the best possible nutrition for infants. HIV-infected mothers must have access to information, follow-up clinical care and support.

Therefore, Mr. Chairman, the United States Agency of International Development has examined the astounding numbers of children affected by HIV/AIDS and has stated time and time again that effective intervention can drastically reduce mother-to-child transmission of HIV.

They recognize that the effectiveness of simple and low-cost treatments can be effectively implemented in developing nations, and they are prepared to place among their highest priorities specific mother-to-child projects to women worldwide to enable them to rescue their babies from certain death as a result of HIV/AIDS.

It is my hope, Mr. Chairman, that a minimum of $5 million cited in this amendment be taken from the HIV account. It will substantially impact mother-to-child programs. This by no means should be seen as affecting the core programs of the Child Survival Account.

With these facts in mind, I offer this important amendment. We can save millions of children's lives if we act on this amendment. I ask my fellow colleagues their support to make this amendment adopted, and hopefully the conferees can reach an agreement to increase the funding.

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

Mr. Chairman, I support the amendment that is offered by the gentlewoman from California (Ms. MILLENDER-McDONALD). I think she very well explained the importance of this program, and I think her amendment does represent good public policy.

Mr. Chairman, I accept the amendment.

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

Mr. Chairman, I join the Chair in congratulating the gentlewoman from California (Ms. MILLENDER-McDONALD) on her excellent amendment, and we look forward to working with her on these very important issues.

Mrs. MINK of Hawaii. Mr. Chairman, today I rise in support of this critical amendment offered by my colleague, the gentlewoman from California, JUANITA MILLENDER-McDONALD.

I would like to commend the gentlewoman for her leadership in the area of HIV/AIDS mother-to-child prevention, and recognize her 3-year fight to get this language included into law.

Mr. Chairman, ten percent of all individuals who become infected with HIV/AIDS Virus worldwide are children. Mother-to-children infection is the largest source of HIV infection in children under the age of 15 and the only source of transmission for babies.

Each year, the total number of births to HIV-infected pregnant women in developing countries is approximately 3.2 million. Last year, the United Nations estimated that 600,000 children age 14 or younger were infected with

HIV. 90% of those 600,000 children were babies born to HIV positive mothers. Mr. Speaker, that is 540,000 children who never have a chance.

There has been much discussion recently throughout the developed world that although these is no cure for HIV or AIDS, it can be controlled with the right combination of drugs. This is just not true in developing countries. Drugs are too expensive and the infection rate has reached pandemic proportions. This amendment will appropriate $5 million toward mother-to-child HIV/AIDS transmission prevention in developing countries. Mr. Speaker, this is a very small price to pay to fight this terminal disease before, during, and after birth, giving these children a fighting chance for survival instead of no change for survival.

I know the gentlewoman from California will continue to fight for funding for mother-to-child HIV/AIDS transmission prevention so we may save millions of yet unborn children's lives.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from California (Ms. MILLENDER-MCDONALD).

The amendment was agreed to.

AMENDMENT NO. 35 OFFERED BY MR. SOUDER

Mr. SOUDER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 35 offered by Mr. SOUDER:

Page 25, line 2, insert before the period at the end the following: '': *Provided further*, That of the funds appropriated under this heading, $27,000,000 shall be for assistance to the Colombian National Police for the purchase of two Buffalo transport/supply aircraft, $12,000,000 shall be for assistance to the Colombian Navy to purchase six Huey-II patrol helicopters, and $5,000,000 shall be for assistance for operating fuel to enhance drug interdiction efforts along the north coast of Colombia and inland rivers''.

Mr. KOLBE. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman reserves a point of order.

Mr. SOUDER. Mr. Chairman, Colombia is critical to our efforts to keep the devastation of narcotics from American streets but just as importantly to the overall security of our hemisphere. I chair the Subcommittee on Criminal Justice, Drug Policy and Human Resources, which is the authorizing subcommittee for the Office of National Drug Control Policy and the oversight committee for all anti-drug efforts in all branches of our Federal Government.

Mr. Chairman, I want to clear up as we begin this debate a key point. I have also worked on the Drug-Free Schools Program in the Committee on Education and the Workforce. We authorize the Drug-Free Communities Act through our committee. I support efforts to boost drug treatment funding. I have worked in the student loan area with the drug-free student loan amendment. I have worked across the board on treatment, on prevention, on interdiction, on law enforcement, on eradication, and alternative development.

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But we cannot have a fair debate if we continue to have a distortion of where our expenditures go. Five percent go to international. Thirty-three percent to prevention and treatment. We can argue whether the ratio should be 7, 10 times for prevention treatment as opposed to the 5 percent international, but let us not get this false impression that we are spending more. Not only in Colombia but in all of our international we spend 5 percent according to the Office of Drug Control Policy.

Now, my amendment specifically addresses something that we have worked with in cooperation with other committees, the Department of State and the Government of Colombia to ensure that Colombia receives effective aid from the United States and that these programs are administered to ensure maximum support to the Government of Colombia in its extremely difficult and challenging fight against narcotics traffic.

This amendment deals with two very specific needs which have been identified by our oversight activities. This reflective of a request which was endorsed by holdover members of the Speaker's Task Force for a Drug Free America, several members of the Committee on International Relations, including Chairman HYDE, Chairman Emeritus GILMAN, and Subcommittee Chairman BALLENGER as well as Chairman BURTON of the full Committee on Government Reform.

This amendment would provide $27 million to the Colombian National Police for the purchase of two Buffalo transport/supply aircraft, $12 million to the Colombian Navy to purchase six Huey-II patrol helicopters to enhance drug interdiction efforts along the north coast of Colombia and inland rivers, and $5 million to the Colombian Navy for operating fuel for the same purpose.

Our oversight activities have strongly suggested that these pieces of equipment are urgently needed to fill important unmet needs in Colombia. The Colombian National Police continues to require airlift capability in support of interdiction and law enforcement activities which is capable of providing significant lift at high altitude where the heroin poppy grows and the ability to land at remote and short-field airstrips.

Without this type of equipment, there are parts of the country which are extremely difficult to reach and that are effectively under the control of narcotics traffickers. The House committees who have studied this issue believe that the aircraft which have been recommended by the State Department will not be sufficient for this purpose and that the planes will not be forthcoming without congressional action.

Similarly, the Colombian Navy requires assistance and suitable equipment to patrol the north coast of Colombia and inland rivers which are extremely difficult to access and often left to narcotics traffic because of the lack of suitable equipment to enforce the rule of law. Again this particular assistance has not to date been provided by the United States and needs to be supported by congressional action.

Mr. Chairman, my colleagues and I have looked very carefully at this issue and believe that these particular pieces of equipment will make a significant and meaningful contribution to narcotics control. Colombians continue to put their lives on the line every day under extremely volatile circumstances to fight a narcotics problem which is caused, to a great extent, by American demand as well as European demand but, to a great extent, by our demand. We are undertaking a comprehensive approach to address all facets of this problem, including reducing that demand. But it is certainly the least we can do to help with basic equipment needs.

I understand that this amendment is subject to a point of order. I look forward to continuing to work with the chairman as do the other sponsors of this amendment and with the State Department in these specifics.

Mr. Chairman, I withdraw the amendment.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

AMENDMENT NO. 17 OFFERED BY MR. DELAHUNT

Mr. DELAHUNT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 17 offered by Mr. DELAHUNT:

Page 112, after line 22, insert the following:

REPORT ON IMPLEMENTATION OF COLOMBIAN NATIONAL SECURITY LEGISLATION

SEC. ____. (a) Not later than 90 days after the date of the enactment of this Act, and every 90 days thereafter, the Secretary of State, after consultation with representatives from internationally recognized human rights organizations, shall submit to the appropriate congressional committees a report on the implementation of the Colombian national security legislation passed by the Colombian Congress on June 20, 2001.

(b) Each such report shall provide a description of the effects of the security legislation on human rights in Colombia and efforts to defend human rights in Colombia, focusing particularly on—

(1) incidents of arbitrary and incommunicado detention by members of the Colombian Armed Forces and the Colombian National Police, and whether those incidents have increased since the submission of the previous report;

(2) the status of investigations into allegations of human rights abuses by members of the Colombian Armed Forces and the Colombian National Police;

(3) the effectiveness of certain investigations conducted by military personnel, as provided for in the security legislation, as opposed to those carried out by appropriate civilian authorities; and

(4) the effects of the security legislation on Colombia's commitments under international treaties.

(c) The requirement to submit a report under this section shall not apply with respect any period of time during with the security legislation is not in effect.

(d) In this section, the term ''appropriate congressional committees'' means—

(1) the Committee on Appropriations and the Committee on International Relations of the House of Representatives; and

(2) the Committee on Appropriations and the Committee on Foreign Relations of the Senate.

Mr. KOLBE. Mr. Chairman, I reserve a point of order against this amendment.

The CHAIRMAN. The gentleman reserves a point of order.

Mr. DELAHUNT. Mr. Chairman, let me begin by echoing the sentiments that have been expressed by others regarding the hard work and the dedication of both the gentleman from Arizona (Mr. KOLBE) and the gentlewoman from New York (Mrs. LOWEY). The bill is a good product. I think all of us wish that there were more resources to work with. Having said that, it is a reflection of what I believe to be the priorities and values of the vast majority of Members in this House.

My amendment, Mr. Chairman, would require the State Department to report to the United States Congress on the implementation of legislation that was passed in the Colombian Congress last month. That bill will soon be officially transmitted to President Pastrana. It is anticipated that he will sign this particular proposal.

Although much improved from its earlier versions, this legislation still contains ambiguous provisions that could threaten civilian oversight of the military in Colombia and place at risk the progress that has been made toward reforming the military under the leadership of President Pastrana and Armed Forces Chief Fernando Tapias over the course of the past several years.

Continued progress towards genuine and permanent reform should be a prerequisite for American assistance to Colombia's security forces. Only a few years ago, the Colombian military had the worst human rights record in the hemisphere. Until the military is professional and free from links to so-called paramilitary groups, it will be a part of the problem in Colombia rather than the solution.

No military force should be entrusted with the kinds of extraordinary powers that could be interpreted by some to be included in the current draft of this legislation. And while the current leadership is reform-minded, Colombia will elect a new government next May. So it is impossible to predict who will interpret and implement this legislation in the future. Will it be those who insist on continued reform or those who would return to the days of impunity on the part of the military?

The United States has made a massive commitment in the Colombian military predicated in part on its commitment to reform. This legislation pending before the chief executive of Colombia could imperil that commitment. It is imperative that we closely track its implementation if it should become law.

I know this amendment that I propose to offer was not protected under the rule and the gentleman has made a point of order against it. I have had discussions with the gentleman from Arizona and understand that he is willing to work together to include a reporting requirement in conference.

At this time I would like to engage in a colloquy with the gentleman from Arizona (Mr. KOLBE) to confirm my understanding of our agreement.

I would ask the gentleman whether he agrees with the intent of this amendment and will work with me to have the reporting requirement included in the conference report.

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

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

Mr. KOLBE. Mr. Chairman, I appreciate his comments and his question. I commend the gentleman from Massachusetts for bringing this matter to the attention of the House. I think what he is proposing to do is a good amendment. I would be very happy to work with him to be sure that we have some kind of reporting requirement included in the conference report.

Mr. DELAHUNT. I thank the gentleman and look forward to working with him in this matter.

Mr. Chairman, I ask unanimous consent that the amendment be withdrawn.

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

There was no objection.

AMENDMENT NO. 22 OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 22 offered by Ms. JACKSON-LEE of Texas:

Page 11, line 12, insert before the period the following: '': *Provided*, That of the amount made available under this heading, $10,000,000 shall be for disaster relief and rehabilitation for India with respect to the earthquake in India in January 2001''.

Mr. KOLBE. Mr. Chairman, I reserve a point of order against this amendment.

The CHAIRMAN. The gentleman reserves a point of order.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I know that this is an issue that both the chairman and the ranking member are very much aware of.

I am offering today an amendment to the Foreign Operations appropriations bill that will provide much needed support to those in need in India. Just a few months ago as the Indo-American community was celebrating the anniversary of the democracy of India, the Republic of India, on that very day the country was experiencing a very devastating earthquake, January 26, 2001, which struck the western part of India causing enormous human suffering. Five days later, the House passed H. Con. Res. 15, a resolution supporting the joint efforts of our government, the World Bank, the Asian Development Bank and the international community to provide assistance to the Government of India and to the private voluntary organizations that are engaged in relief efforts. Might I add, Mr. Chairman, that in addition, the excellent work of the Indo-American community in advocating for their friends and relatives in India and joining with those of us here in the United States of like concern. I have wanted very much to be able to provide the assistance that this devastation warranted.

Despite a decisive show of support from Congress through its passage of H. Con. Res. 15, relief efforts have been severely hampered by insufficient resources. Therefore, on June 18 I introduced H. Con. Res. 151, a resolution which reaffirmed the deepest sympathies of Congress to the citizens of India for the losses suffered as a result of the earthquake. More importantly, it expresses Congress' support for continuing and substantially increasing the amount of disaster assistance being provided by the United States Agency for International Development and other relief agencies. In that resolution, I stated that $100 million is the minimum needed amount for recovery from the earthquake. Here today I am only asking that we earmark in the international disaster assistance account $10 million for these recovery efforts.

As the most populous democracy on the Earth and a strategic partner of the United States, we have ample reason to support India. This amount would be a mere recognition of our commitment to assisting them. The international community must develop a donor strategy that uses rehabilitation efforts as an opportunity to improve village life, including sanitation facilities, safer design of homes and neighborhoods, improved land drainage and waste disposal. Having just come through a very terrible storm in Houston and knowing what tragedy is and how it changes lives, I can tell you when I saw the devastation in India through media reports, I was immediately drawn to their tragedy, having traveled to India with the President in the last year.

I would urge my colleagues and urge the consideration of the waiver of the point of order, but in essence, Mr. Chairman, and to the chairman and the ranking member, I would like to see us work through this issue. I will look forward to working with an amendment next week, the Crowley amendment, but this amendment would add an additional $10 million, and I would hope that possibly we could resolve this as we look to continue our friendship and support for the people of India.

Mr. Chairman, I rise today to offer an amendment to the Foreign Operations Appropriations bill that will provide some much needed support to those in need in India.

Today, many of our friends in India are still wondering when they will obtain the needed assistance to rebuild their society. On January 26, 2001, a devastating earthquake struck western India, causing enormous human suffering. Five days later, the House passed H. Con. 15, a resolution supporting the joint efforts of our government, the World Bank, the Asian Development Bank, and the international community to provide assistance to the government of India and to the private voluntary organizations that are engaged in relief efforts.

Despite a decisive show of support from Congress through its passage of H. Con. 15, relief efforts have been severely hampered by insufficient resources. Therefore, on June 18, I introduced H. Con. Res. 151, a resolution which reaffirms the deepest sympathies of Congress to the citizens of India for the losses suffered as a result of the earthquake. More importantly, it expresses Congress' support for continuing and substantially increasing the amount of disaster assistance being provided by the United States Agency for International Development and other relief agencies. In that resolution, I stated that $100 million is the minimum needed amount for recovery from he earthquake. Here today, I am only asking that we earmark in the International Disaster Assistance Account $10 million for these recovery efforts.

As the most populous democracy on the earth and a strategic partner of the United States, we have ample reason to support India. This amount would be a token of recognition of this partnership.

The international community must develop a donor strategy that uses rehabilitation efforts as an opportunity to improve village life, including sanitation facilities, safer design of homes and neighborhoods, improved land drainage and waste disposal systems. We must also find innovative ways to assist the poor and marginalized who have the fewest resources to recover from the disaster.

Accordingly, I urge my colleagues to support this amendment, which contains a modest earmark request. This amendment will reflect the symbiotic relationship that Americans have with the people of India. Your continued support for these relief activities will help make the rebuilding process in India a reality.

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

Mr. Chairman, let me just say briefly to the gentlewoman from Texas that I was in India 6 weeks ago, and I had an opportunity to meet with a number of government officials, including those that have been responsible for responding to the terrible disaster in Gujarat. We heard from them an expression of support for the efforts that have been made by the United States, both by the government and by the NGOs, to respond; but explicitly we were told that India as a very large country had sufficient resources to deal with this problem and they were not specifically asking us for additional funds, at least not at that time.

I would also note that we have never, never earmarked money in the disaster relief account for specific disasters. It is there, as it suggests, for disasters. If you start earmarking for specific disasters, you have lost the point of what that account is for. However, I am quite certain that the USAID would be prepared to entertain any request from the Indian government that might come for some funds from that account.

Ms. JACKSON-LEE of Texas. Mr. Chairman, will the gentleman yield?

Mr. KOLBE. I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the gentleman for yielding. I appreciate very much the gentleman's opportunity to have visited with the leadership in India. As he well knows, many of us represent very strong and vibrant Indo-American communities who have worked to raise moneys to assist their friends and relatives in India. I would ask the gentleman if he would continue to work with me in monitoring the needs of the government of India, working with AID. As we do that and monitor the circumstances, I would be encouraged to withdraw this amendment at this time so that we could work together and ensure that as India may raise its issues of need, that we would be prepared to address it to the international disaster relief under the AID.

□ 2115

Mr. KOLBE. Mr. Chairman, reclaiming my time, I would note that in our report in the account for the International Disaster Assistance, we do have a recommendation to USAID that they use at least $1 million each for India and El Salvador for disaster preparedness activities. So we have a focus on where we think we can be most useful in helping these countries prepare for disasters which might befall them in the future.

I appreciate the gentlewoman's comments, and certainly we will continue to monitor the situation in India and want to make sure that all help is being given that can possibly be given.

Ms. JACKSON-LEE of Texas. Mr. Chairman, if the gentleman would continue to yield, I would look forward to working with the gentleman on this matter, as I said, monitoring the circumstances in India, and as well if you will, advising or keeping abreast of the Indo-American community.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Texas?

There was no objection.

AMENDMENT NO. 21 OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 21 offered by Ms. JACKSON-LEE of Texas:

At the end of the bill, insert after the last section (preceding the short title) the following:

PROHIBITION ON ASSISTANCE FOR FOREIGN GOVERNMENTS THAT USE CHILDREN AS SOLDIERS

SEC. ____. None of the funds made available in this Act may be made available to the government of a country that—

(1) conscripts children under the age of 18 into the military forces of the country; or

(2) provides for the direct participation of children under the age of 18 in armed conflict.

Mr. KOLBE. Mr. Chairman, I reserve a point of order against this amendment.

The CHAIRMAN. The gentleman reserves a point of order.

The gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Chairman, again, to the chairman and ranking member, let me start by saying that I would hope that this is such an egregious and heinous set of circumstances that we would find a way to waive the point of order because of the enormous need.

This amendment would prohibit the funding in the bill for nations that conscript children under the age of 18 or use child soldiers in armed conflict. This is simply a small step that should be taken that this Nation now sees as a priority.

It is important to place this prohibition within the bill, since our very body is on record as denouncing the inhumane practice of using children as soldiers. In fact, just this May this Chamber passed a Foreign Relations Authorization Act that requires the United States State Department to compare information on what countries recruit, conscript, and use child soldiers.

What happens with child soldiers is they lose not only their lives in many instances, they lose their spirit. They are sometimes mutilated, they are sometimes caused to mutilate others. We looked at the devastation of children in Sierra Leone and attended hearings dealing with children who had been subject to amputation, either by other children playing warriors or because they were in the way of war. It is important to say to nations that we will use and study war no more with children.

Last year the United States Government signed two landmark protocols that address prostitution, the impact of pornography on children, and the goal or practice of child labor. This resolution is entirely complimentary and applauds the decision by the United States Government to support the protocol that condemns the use of children as soldiers by government and non-government forces.

Further, the House passed H. Con. Res. 348, a resolution that condemns the use of children as soldiers, and there is a good reason why we did. This is a commonsense step forward. I realize that the drafting of the language of this particular amendment is particularly direct and may seem strong and

harsh, and it may be suggested that there is no authorization for such. I would hope that the passage of the parallel resolutions would give us the ability to allow this amendment to stand, which would be to eliminate funding to countries that continue to conscript children into war.

Let me give the basis of this, as well as to say my commitment to this is so strong that I am hoping my colleagues on the appropriations conference committee will consider language that will allow this to be part of the final bill.

It is estimated that 300,000 children under the age of 18 are engaged in armed military conflicts in more than 30 countries and are currently fighting in armed conflicts. Sadly, far too many of these wonderful children are forcibly conscripted through kidnapping or coercion and others join because of economic needs. I can assure you that many times their parents sell them or send them away because of the economic need.

Briefly, Mr. Chairman, let me share a story with you about a boy who tried to escape from the rebels, but he was caught. ''His hands were tied, and then they made us,'' the other new captives, ''kill him with a stick. I felt sick. I knew this boy from before. We were from the same village. I refused to kill him, and they told me they would shoot me. They pointed a gun at me, so I had to do it. The boy was asking me, 'Why are you doing this?' I said, 'I have no choice.' After we killed him, they made us smear his blood on our arms. They said we had to do this so that we would not fear death and so that we would not try to escape. I still dream about the boy from my village that I had to kill.''

Military commanders do not care. All they want are bodies to help fight wars.

Simply, this amendment, Mr. Chairman, and to the ranking member, stands up against the countries like the ones that I have named. I would simply hope that consideration would be given to a waiver of the point of order. But as well, if we are able to talk about the possibility of language going into the conference on this heinous act, where we are losing thousands and thousands and thousands of valuable lives that can contribute to the growth and development of their respective countries.

Mr. Chairman, I rise to extend my strong support for this amendment to the underlying bill. It would enhance our understanding of the treatment of children being used as soldiers.

In short, this amendment would prohibit funding in the bill for nations that conscript children under the age of 18 or use child soldiers in armed conflict.

This is a small step that should be taken that this nation now sees as a priority. It is important to place this prohibition within the bill since our very body is on record as denouncing the inhumane practice of using children as soldiers. In fact, just this May, this Chamber passed a Foreign Relations Authorization Act that requires the US State Department to compare information on what countries recruit, conscript and use child soldiers.

Last year, the United States government signed two landmark Protocols that address prostitution, the impact of pornography on children, and the global practice of child labor. This resolution, in an entirely complimentary way, applauds the decision by the U.S. government to support the Protocol that condemns the use of children as soldiers by government and nongovernment forces. Further, the House passed H. Con. Res. 348, a resolution that condemns the use of children as soldiers. And there is good reason why we did that. This is a common sense step forward.

I realize that the funding or the drafting of the language of this particular amendment is particularly direct and strong and harsh, for it would eliminate all funding for those who conscript children. Let me give the basis of this, as well as to say that my commitment to this is so strong that I am hoping that my colleagues on the Committee on Appropriations the Conference committee and those representing this particular subcommittee will work with me as we move this bill toward conference, ultimately at some point to be able to design disincentives that might also do similarly the same job: to discourage, to stop, the cease, to end the taking of our babies and putting them into war.

It is estimated that 300,000 children under the age of 18 are engaged in armed military conflicts in more than 30 countries and are currently fighting in armed conflicts. Sadly, far too many of these wonderful children are forcibly conscripted through kidnapping or coercion and others joined because of economic necessity, to avenge the loss of a family member or for their own personal safety. There are so many stories of children being abused in this way.

I want to share with you one story which illustrates the importance of this amendment. One boy tried to escape from the rebels but he was caught. ''His hands were tied and then they made us,'' the other new captives, ''kill him with a stick. I felt sick. I knew this boy from before. We were from the same village. I refused to kill him, and they told me they would shoot me. They pointed a gun at me, so I had to do it. The boy was asking me, 'Why are you doing this?' I said, 'I have no choice.' After we killed him, they made us smear his blood on our arms.'' They said we had to do this so we would not fear death, and so we would not try to escape. I still dream about the boy from my village who I killed. I see him in my dreams, and he is talking to me and saying I killed him for nothing. And I am crying. We must not fund such atrocities.

All we are doing is condemning them to a life of misery, if they are not killed themselves in battle. Their minds are so warped with the viciousness of what has happened that they are destroyed forever.

Military commanders often separate children from their families in order to foster dependence on military units and leaders, leaving such children vulnerable to manipulation. That is clearly unacceptable. I believe it is very unfortunate that the military actually force child soldiers to commit terrible acts of killings or torture against their enemies, including against other children.

My amendment will simply make clear that nations will not receive assistance if they conscript or use children as soldiers. It is entirely consistent with our international obligations and will effectuate such intent in a clear and straightforward manner.

I urge my colleagues to support this amendment.

Mr. KOLBE. Mr. Chairman, I move to strike the last word, while continuing to reserve my point of order.

Mr. Chairman, I appreciate the gentlewoman bringing this matter to our attention. What she is talking about is truly one of the great horrors that exists today in the world, and she has spoken very eloquently about it as it occurs in many parts of the world, but most especially in West Africa, where we have seen young children who have been conscripted into the military and the kinds of horrible things that have happened to these children who in no way should be involved in conflict at all.

These are children who are being robbed of their childhood, being robbed of their opportunity to grow up, and being put in as cannon fodder into these conflicts of which they have little knowledge and know even less about. So I think the gentlewoman is absolutely correct in bringing this to our attention.

I would say that I think that the amendment that she has offered is one that needs careful consideration by the authorizing committee, which is where it ought to be considered. I say that because the language is very, very broad when it talks about conscripting children under the age of 18. In fact, I think still in this country it is possible to enlist, not be conscripted, but enlist in the armed services under the age of 18, so it is quite possible in some countries that a year younger or 6 months younger might be perfectly acceptable.

It also says that it provides that no money shall be made available to a country that provides for direct participation of children under the age of 18 in any armed conflict.

While the outcome is what we would all like to seek, I think the sanction that is here, which is no funds, not just no military funds, but no funds, may be made available to any government of a country where this occurs, could find us in a situation that I think would be most inappropriate.

For that reason, although I would insist on my point of order, if necessary, I would hope that the gentlewoman would withdraw her amendment and bring this to the proper forum.

If the gentlewoman would like to respond?

Ms. JACKSON-LEE of Texas. Mr. Chairman, will the gentleman yield?

Mr. KOLBE. I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the gentleman and appreciate the gentleman yielding.

One can see the depth of my passion by the description of the amendment. What I would like to do, and I appreciate the gentleman's invitation, I thank him for acknowledging how heinous these acts are, and I would be

pleased if we could not only take this to the authorizing committee, which I know is prospective and down the road, but have the possibility of working with any more narrow language that might be able to be put in the conference report that at least acknowledges the concerns as we work toward this in the future.

Mr. KOLBE. Mr. Chairman, reclaiming my time, I thank the gentlewoman for her comments.

Mr. Chairman, I yield back the balance of my time, while continuing to reserve my point of order.

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

Mr. Chairman, I just want to congratulate the gentlewoman for bringing this awful issue to our attention. I think that the more we shed a spotlight on this, the more the world will respond. I am particularly pleased with the allocations in this bill for development assistance, for education in particular, which we increased dramatically. If we can educate the population of countries where these kinds of horrors exist, perhaps we will begin to address it more seriously and eradicate this so these children can have a chance to grow in a healthy environment.

We know that the work we have to do here to raise awareness is enormous, and I appreciate the gentlewoman bringing this issue to our colleagues' attention. I look forward to working with the chairman in crafting some language and some action that would increase attention to this issue. I thank the gentlewoman very much.

Ms. JACKSON-LEE of Texas. Mr. Chairman, will the gentlewoman yield?

Mrs. LOWEY. I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Chairman, first of all, let me thank the gentlewoman for her deep and passionate commitment and thank her for acknowledging this.

I would just like to pose a question to both the ranking member and to the chairman. I am appropriately made aware, if you will, of the broadness, and obviously it is because of the deep passion that we all share. I would be interested in narrowing the language to have something referred in the report language, and I was wondering if that could be done in the report language of this bill.

Mr. KOLBE. Mr. Chairman, will the gentlewoman yield?

Mrs. LOWEY. I yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, I would just note for the gentlewoman from Texas that, of course, the report is done. But if the gentlewoman is talking about in the conference report itself, I could not make a commitment at this time that we could do anything specifically.

But certainly the problem that the gentlewoman has brought to our attention is one that clearly needs to be dealt with by the appropriate committees, and I would be happy to work with the gentlewoman in any way possible to make sure that is done.

I cannot make a specific commitment about what we can do in the conference committee on this matter.

Mrs. LOWEY. Mr. Chairman, reclaiming my time, I believe we can commit to addressing the issue and working with the gentlewoman to see if we can appropriately find some language in the conference that could make a difference. I want to thank the gentlewoman very much.

Ms. JACKSON-LEE of Texas. Mr. Chairman, if the gentlewoman will yield further, if I could respond, I am an optimist. I thank the gentlewoman for working with me.

Mr. Chairman, with the commitment of trying to work through this issue, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Without objection, the amendment offered by the gentlewoman from Texas (Ms. JACKSON-LEE) is withdrawn.

There was no objection.

Mr. KOLBE. Mr. Chairman, I move to strike the last word. Mr. Chairman, before we rise, let me just make a comment to the body, that we will rise now and we will resume deliberations on this bill on Tuesday, working under the unanimous consent agreement that we have. We have a number of amendments, many of them that will require extensive debate, and I would put all Members on notice that we expect to start as early as possible, we do not have the schedule for next week yet, but as early as possible on Tuesday, and that we would expect to go as long as possible on Tuesday in order to finish this bill.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. KOLBE) having assumed the chair, Mr. Thornberry, 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. 2506) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2002, and for other purposes, had come to no resolution thereon.

□ 2130

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. KOLBE). Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BUYER) is recognized for 5 minutes.

(Mr. BUYER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. MILLENDER-MCDONALD) is recognized for 5 minutes.

(Ms. MILLENDER-MCDONALD addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Indiana (Ms. CARSON) is recognized for 5 minutes.

(Ms. CARSON of Indiana addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

(Mr. DAVIS of Illinois addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until approximately 9:45 p.m.

Accordingly (at 9 o'clock and 31 minutes p.m.), the House stood in recess until approximately 9:45 p.m.

□ 2147

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. KELLER) at 9 o'clock and 47 minutes p.m.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 2216, SUPPLEMENTAL APPROPRIATIONS ACT, FISCAL YEAR 2001

Mr. DREIER, from the Committee on Rules, submitted a privileged report (Rept. No. 107–149) on the resolution (H. Res. 204) waiving points of order against the conference report to accompany the bill (H.R. 2216) making supplemental appropriations for the fiscal year ending September 30, 2001, and for other purposes, which was referred to the House Calendar and ordered to be printed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BLUMENAUER (at the request of Mr. GEPHARDT) for today after 4:30 p.m. and the balance of the week on account of personal family business.

Mr. ENGEL (at the request of Mr. GEPHARDT) for today and the balance of the week on account of a death in the family.

Ms. MCKINNEY (at the request of Mr. GEPHARDT) for today and the balance of the week on account of family illness.

Mr. MILLER of Florida (at the request of Mr. ARMEY) for today from 7:00 p.m. and the balance of the week on account of family medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. LOWEY) to revise and extend their remarks and include extraneous material:)

Mr. PALLONE, for 5 minutes, today.

Ms. MILLENDER-MCDONALD, for 5 minutes, today.

Ms. CARSON of Indiana, for 5 minutes, today.

Mr. BROWN of Ohio, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

(The following Members (at the request of Mr. THORNBERRY) to revise and extend their remarks and include extraneous material:)

Mrs. MORELLA, for 5 minutes, July 20.

Mr. DIAZ-BALART, for 5 minutes, today and July 20.

Mr. PETERSON of Pennsylvania, for 5 minutes, today.

SENATE BILL AND A CONCURRENT RESOLUTION REFERRED

A bill and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1190. An act to amend the Internal Revenue Code of 1986 to rename the education individual retirement accounts as the Coverdell education savings accounts; to the Committee on Ways and Means.

S. Con. Res. 34. Concurrent resolution congratulating the Baltic nations of Estonia, Latvia, and Lithuania on the tenth anniversary of the end of their illegal incorporation into the Soviet Union; to the Committee on International Relations.

ADJOURNMENT

Mr. DREIER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 49 minutes p.m.), the House adjourned until tomorrow, Friday, July 20, 2001, at 9 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

2969. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Final Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, San Joaquin Valley Unified Air Pollution District [CA 217–0285; FRL–6995–7] received July 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

2970. A letter from the Chief, Accounting Policy Division, Common Carrier Bureau, Federal Communications Commission, transmitting the Commission's final rule—Federal-State Joint Board on Universal Service [CC Docket No. 96–45] received July 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

2971. A communication from the President of the United States, transmitting the status of efforts to obtain Iraq's compliance with the resolutions adopted by the United Nations Security Council; (H. Doc. No. 107–103); to the Committee on International Relations and ordered to be printed.

2972. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Northeastern United States; Summer Flounder Fishery; Framework Adjustment 2 [Docket No. 010618159–01; I.D. 051101A] (RIN: 0648–AO92) received July 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

2973. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Ocean Perch in the Eastern Aleutian District of the Bering Sea and Aleutian Islands [Docket No. 010112013–1013–01; I.D. 070601A] received July 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

2974. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Ocean Perch in the Western Regulatory Area of the Gulf of Alaska [Docket No. 01012013–1013–01; I.D. 070301A] received July 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

2975. A letter from the Director, Policy Directives and Instructions Branch, INS, Department of Justice, transmitting the Department's final rule—Petitioning Requirements for the H–1C Nonimmigrant Classification Under Public Law 106–95 [INS 2050–00] (RIN: 1115–AF76) received July 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

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. OXLEY: Committee on Financial Services. H.R. 1850. A bill to extend the Commission on Affordable Housing and Health Facility Needs for Seniors in the 21st Century and to make technical corrections to the law governing the Commission (Rept. 107–147). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Florida: Committee of Conference. Conference report on H.R. 2216. A bill making supplemental appropriations for the fiscal year ending September 30, 2001, and for other purposes (Rept. 107–148). Ordered to be printed.

Mrs. MYRICK: Committee on Rules. House Resolution 204. Resolution waiving points of order against the conference report to accompany the bill (H.R. 2216) making supplemental appropriations for the fiscal year ending September 30 2001, and for other purposes (Rept. 107–149). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. BISHOP (for himself, Ms. EDDIE BERNICE JOHNSON of Texas, Mrs. CHRISTENSEN, Ms. JACKSON-LEE of Texas, Mr. JEFFERSON, Mr. DAVIS of Illinois, Mrs. JONES of Ohio, Ms. LEE, Mr. WATT of North Carolina, Mr. CUMMINGS, Mr. HILLIARD, Mr. WYNN, Mr. OWENS, Ms. WATERS, Mr. PAYNE, Ms. MCKINNEY, Ms. KILPATRICK, Mr. LEWIS of Georgia, Ms. CARSON of Indiana, Mr. RUSH, Mr. TOWNS, Mr. THOMPSON of Mississippi, Ms. SOLIS, Mr. SERRANO, Mr. CLYBURN, and Ms. DELAURO):

H.R. 2562. A bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to direct the Director of the Federal Emergency Management Agency to establish a minority emergency preparedness demonstration program, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. GANSKE (for himself, Mr. DINGELL, Mr. NORWOOD, Mr. BERRY, Mr. LEACH, Mr. BROWN of Ohio, Mrs. ROUKEMA, Mr. JOHN, Mrs. MORELLA, Mr. ANDREWS, Mr. GILMAN, Mr. RANGEL, Mr. LATOURETTE, Mr. STENHOLM, Mr. HORN, Mr. SANDLIN, Mr. BARR of Georgia, Mr. STUPAK, Mr. SMITH of New Jersey, Mr. PALLONE, Mr. TOWNS, Ms. ESHOO, Mrs. CAPPS, Mr. GREEN of Texas, Mr. GORDON, Ms. MCCARTHY of Missouri, Mr. ENGEL, Mr. MOORE, Mr. STRICKLAND, Mr. MARKEY, Mr. SAWYER, Mrs. DAVIS of California, Mr. BARRETT, Mr. WYNN, Mr. STARK, Mr. WAXMAN, Mr. RUSH, Mr. BOUCHER, Mr. HALL of Texas, Mr. BISHOP, Mr. TURNER, Ms. HARMAN, Mr. PASCRELL, Mrs. MCCARTHY of New York, Mr. FRANK, Mr. MATSUI, Mr. COYNE, Mr. MCDERMOTT, Mr. CARDIN, Mr. LEVIN, Mr. MCNULTY, Mr. JEFFERSON, Mr. LEWIS of Georgia, Mr. KLECZKA, Mrs. THURMAN, Mr. BOSWELL, Mr. CROWLEY, Mr. TIERNEY, Mr. HOEFFEL, Mr. MEEHAN, Mr. DOYLE, Ms. DEGETTE, Mr. MATHESON, Mr. KUCINICH, Ms. PELOSI, Mr. BERMAN, Mr. THOMPSON of California, Mr. GEORGE MILLER of California, and Mr. ROSS):

H.R. 2563. A bill to amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to protect consumers in managed care plans and other health coverage; to the Committee on Energy and Commerce, and in addition to the Committees on Education and the Workforce, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ADERHOLT:

H.R. 2564. A bill to direct the Administrator of the Federal Aviation Administration to treat certain property boundaries as the boundaries of the Lawrence County Airport, Courtland, Alabama, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. CANNON (for himself, Mr. HANSEN, and Mr. MATHESON):

H.R. 2565. A bill to amend the Central Utah Project Completion Act to clarify the responsibilities of the Secretary of the Interior with respect to the Central Utah Project, to redirect unexpended budget authority for the Central Utah Project for wastewater treatment and reuse and other purposes, to provide for prepayment of repayment contracts for municipal and industrial water delivery facilities, and to eliminate a deadline for such prepayment; to the Committee on Resources.

By Mr. CANTOR (for himself, Mr. SMITH of New Jersey, Ms. BERKLEY, Mr. PITTS, Mr. KIRK, Mr. BACHUS, Mr. RYUN of Kansas, Mr. PENCE, Mr. SOUDER, Mr. CROWLEY, Mr. LEWIS of Kentucky, Mr. WEINER, Mr. SCHROCK, Mr. GRUCCI, Mr. SCHAFFER, Mr. ISRAEL, and Mr. TIBERI):

H.R. 2566. A bill to prohibit assistance from being provided to the Palestinian Authority or its instrumentalities unless the President certifies that no excavation of the Temple Mount in Israel is being conducted; to the Committee on International Relations.

By Ms. DELAURO:

H.R. 2567. A bill to authorize a program of assistance to improve international building practices in eligible Latin American countries; to the Committee on International Relations.

By Mr. DREIER (for himself, Mr. HOUGHTON, and Mr. FLAKE):

H.R. 2568. A bill to provide authority to control exports, and for other purposes; to the Committee on International Relations.

By Mr. GRAHAM:

H.R. 2569. A bill to amend title 11 of the United States Code to establish a priority for the payment of claims for duties paid to the United States by licensed customs brokers on behalf of the debtor; to the Committee on the Judiciary.

By Mr. FARR of California (for himself, Mr. BLUMENAUER, Mr. ENGLISH, Mr. GEORGE MILLER of California, Mr. FALEOMAVAEGA, Mr. GREENWOOD, Ms. WOOLSEY, Ms. MCKINNEY, Mr. MORAN of Virginia, Mr. BORSKI, Mr. LANTOS, Ms. PELOSI, Mr. BOUCHER, Ms. BALDWIN, Mr. ACEVEDO-VILA, Ms. LEE, Mr. WEINER, Mr. CLYBURN, Mr. HONDA, Mrs. DAVIS of California, and Ms. ESHOO):

H.R. 2570. A bill to amend the Magnuson-Stevens Fishery Conservation and Management Act to recover depleted fish stocks and promote the long-term sustainability of marine fisheries, and for other purposes; to the Committee on Resources.

By Mr. HILL (for himself, Mr. BARRETT, Ms. SANCHEZ, Mr. SMITH of New Jersey, Mr. DUNCAN, Mr. HOEFFEL, Mr. HOLDEN, Mr. BAIRD, Ms. CARSON of Indiana, Mr. PRICE of North Carolina, Mrs. JONES of Ohio, Mr. RAHALL, and Mr. SCHIFF):

H.R. 2571. A bill to amend section 10105 of the Elementary and Secondary Education Act of 1965 to provide for a smaller learning communities grant program; to the Committee on Education and the Workforce.

By Mr. LAFALCE:

H.R. 2572. A bill to implement certain recommendations of the National Gambling Impact Study Commission by prohibiting the placement of automated teller machines or any device by which an extension of credit or an electronic fund transfer may be initiated by a consumer in the immediate area in a gambling establishment where gambling or wagering takes place; to the Committee on Financial Services.

By Mr. MCDERMOTT (for himself, Mr. BONIOR, Mr. PETRI, Ms. MCKINNEY, Mrs. NAPOLITANO, Mr. SHERMAN, Mr. BORSKI, Mr. NEAL of Massachusetts, Mr. PALLONE, Mr. SAWYER, Mr. GEORGE MILLER of California, Mr. GUTIERREZ, Mr. BLAGOJEVICH, Mr. EVANS, Mr. LEACH, Mr. PAYNE, Mr. ANDREWS, Mr. UDALL of New Mexico, Mr. COSTELLO, Mrs. MINK of Hawaii, and Ms. SOLIS):

H.R. 2573. A bill to ensure that proper planning is undertaken to secure the preservation and recovery of the salmon and steelhead of the Columbia River basin and the maintenance of reasonably priced, reliable power, to direct the Secretary of Commerce to seek peer review of, and to conduct studies regarding, the National Marine Fisheries Service biological opinion, under the Endangered Species Act of 1973, pertaining to the impacts of Columbia River basin Federal dams on salmon and steelhead listed under the Endangered Species Act of 1973, and for other purposes; to the Committee on Resources, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MILLER of Florida (for himself, Mr. BORSKI, Mr. TRAFICANT, Mr. GOSS, Mr. CUNNINGHAM, Mr. BRADY of Texas, and Mr. SHAW):

H.R. 2574. A bill to provide for increased cooperation on extradition efforts between the United States and foreign governments, and for other purposes; to the Committee on International Relations, and in addition to the Committees on Financial Services, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MURTHA:

H.R. 2575. A bill to amend the Internal Revenue Code of 1986 to provide a credit against income tax for caregivers of individuals with long-term care needs; to the Committee on Ways and Means.

By Mr. SHAW (for himself, Mr. MATSUI, and Mr. PORTMAN):

H.R. 2576. A bill to amend the Internal Revenue Code of 1986 to provide for S corporation reform, and for other purposes; to the Committee on Ways and Means.

By Mr. STUPAK:

H.R. 2577. A bill to designate the facility of the United States Postal Service located at 310 South State Street in St. Ignace, Michigan, as the ''Bob Davis Post Office Building''; to the Committee on Government Reform.

By Ms. WATERS:

H.R. 2578. A bill to redesignate the facility of the United States Postal Service located at 8200 South Vermont Avenue in Los Angeles, California, as the ''Augustus F. Hawkins Post Office Building''; to the Committee on Government Reform.

By Mr. TURNER:

H. Res. 203. A resolution providing for consideration of the bill (H.R. 2356) to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform; to the Committee on Rules.

By Mrs. MYRICK:

H. Res. 204. A resolution waiving points of order against the conference report to accompany the bill (H.R. 2216) making supplemental appropriations for the fiscal year ending September 30, 2001, and for other purposes.

By Mr. DINGELL:

H. Res. 205. A resolution expressing the sense of the House of Representatives with respect to ceasing hostilities in Israel, the West Bank, and the Gaza Strip; to the Committee on International Relations.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 98: Mr. BALDACCI.
H.R. 99: Mr. KELLER.
H.R. 103: Mr. OTTER.
H.R. 162: Mr. VISCLOSKY.
H.R. 168: Mr. HYDE and Mr. MALONEY of Connecticut.
H.R. 190: Mr. BILIRAKIS.
H.R. 218: Mr. WALSH, Mr. HAYES, Mr. ABERCROMBIE, Mr. REYES, Mr. FLETCHER, Mr. SIMPSON, Mr. KINGSTON, Mr. SMITH of Michigan, Mr. HERGER, Mr. GALLEGLY, Mr. STEARNS, Mr. HANSEN, Mr. FORBES, Mr. DIAZ-BALART, Mr. KNOLLENBERG, Mr. UPTON, Mr. HEFLEY, Mr. TIBERI, Mr. DELAY, Mr. OXLEY, Mr. WELDON of Florida, Mr. ISTOOK, and Mr. REGULA.
H.R. 267: Mr. FORBES.
H.R. 281: Mr. CLEMENT.
H.R. 425: Ms. NORTON.
H.R. 510: Mr. BOUCHER, Ms. PELOSI, and Mr. CLAY.
H.R. 512: Mr. BRADY of Pennsylvania.
H.R. 514: Mr. PAUL.
H.R. 526: Mr. KIND and Mr. CLEMENT.
H.R. 599: Mr. VISCLOSKY.
H.R. 606: Mr. HALL of Texas.
H.R. 611: Mr. SNYDER, Mr. TAYLOR of Mississippi, Mr. BONIOR, Mr. STENHOLM, and Mr. OSBORNE.
H.R. 612: Mr. PICKERING.
H.R. 623: Mrs. MORELLA.
H.R. 664: Mr. LEACH.
H.R. 760: Ms. DUNN.
H.R. 822: Mr. AKIN.
H.R. 826: Mr. TANCREDO.
H.R. 876: Mr. GREENWOOD and Mr. OTTER.
H.R. 914: Mr. TAUZIN, Mr. CAMP, and Ms. PRYCE of Ohio.
H.R. 921: Mr. WHITFIELD and Mrs. TAUSCHER.
H.R. 959: Ms. HARMAN and Mrs. DAVIS of California.
H.R. 981: Mr. HANSEN, Ms. ROS-LEHTINEN, and Mr. TIBERI.
H.R. 990: Mr. ANDREWS, Mr. SANDERS, Ms. LOFGREN, Mr. ALLEN, Mr. FARR of California, and Ms. BALDWIN.
H.R. 995: Mr. HEFLEY.
H.R. 1030: Mr. ROHRABACHER, Mr. CALLAHAN, Mr. COOKSEY, and Mr. MANZULLO.
H.R. 1032: Mr. BLAGOJEVICH and Mr. HOYER.
H.R. 1073: Mr. JOHNSON of Illinois.
H.R. 1089: Ms. PELOSI.
H.R. 1097: Mr. WU, Mr. LEVIN, Mr. HOLT, and Mrs. DAVIS of California.
H.R. 1149: Ms. LEE, Mr. SHIMKUS, Mr. HILLIARD, Mr. CAPUANO, Mrs. MINK of Hawaii, Mr. ETHERIDGE, Mr. GUTIERREZ, Mr. CLAY, and Mr. LANTOS.
H.R. 1170: Mr. PHELPS.
H.R. 1171: Mr. FALEOMAVAEGA.
H.R. 1172: Mr. ISAKSON, Mr. CHABOT, Mr. EHRLICH, Mr. SHAYS, Mr. BORSKI, Mr. GORDON, Ms. PELOSI, Mrs. MALONEY of New York, Mr. OBERSTAR, Mr. MORAN of Virginia, Mr. BROWN of Ohio, Mrs. MORELLA, Ms. DELAURO, Mr. OSBORNE, Mr. BARR of Georgia, Mr. WEINER, and Mrs. JO ANN DAVIS of Virginia.
H.R. 1177: Mr. GILMAN.
H.R. 1187: Ms. SOLIS.
H.R. 1199: Ms. CARSON of Indiana and Ms. MCKINNEY.
H.R. 1254: Ms. MCCOLLUM and Mr. BORSKI.
H.R. 1262: Ms. ROYBAL-ALLARD and Mr. ALLEN.
H.R. 1304: Mr. REHBERG.
H.R. 1305: Mr. KIND.
H.R. 1307: Mr. BLAGOJEVICH.
H.R. 1350: Mr. ANDREWS and Mr. KIRK.
H.R. 1354: Mr. LIPINSKI and Ms. PELOSI.
H.R. 1357: Mr. BARR of Georgia, Mr. BACHUS, and Mr. NUSSLE.
H.R. 1375: Mr. HASTINGS of Washington.

H.R. 1377: Mr. LUCAS of Kentucky, Ms. BALDWIN, and Mr. POMBO.
H.R. 1388: Mr. SCHAFFER.
H.R. 1487: Mr. OLVER.
H.R. 1556: Mr. PUTNAM, Ms. PELOSI, Mr. ACKERMAN, Mr. LANGEVIN, Ms. VELAZQUEZ, Mr. SHOWS, Mr. SCHROCK, and Mrs. KELLY.
H.R. 1591: Mr. CONYERS.
H.R. 1609: Ms. ROS-LEHTINEN, Mr. WHITFIELD, Mr. BOUCHER, Mr. WELDON of Florida, Mr. ROGERS of Kentucky, and Mr. PUTNAM.
H.R. 1645: Mr. VISCLOSKY, Ms. RIVERS, and Mr. DELAHUNT.
H.R. 1650: Mr. MCNULTY.
H.R. 1682: Mr. KILDEE and Ms. PELOSI.
H.R. 1700: Ms. RIVERS and Mr. BRADY of Pennsylvania.
H.R. 1701: Mr. LUCAS of Kentucky.
H.R. 1723: Ms. ROS-LEHTINEN, Mr. KILDEE, Mr. MCNULTY, Mrs. CAPPS, Mr. HOLT, and Mr. BARRETT.
H.R. 1731: Mr. GORDON, Mr. SIMMONS, Mr. HEFLEY, Mr. WELDON of Pennsylvania, Mr. PETRI, and Mr. TOOMEY.
H.R. 1759: Mr. HASTINGS of Washington and Mr. LEWIS of Georgia.
H.R. 1795: Mr. GRAVES, Mrs. MEEK of Florida, Mr. GRUCCI, and Mr. STUMP.
H.R. 1798: Mr. DICKS.
H.R. 1810: Mr. BLUMENAUER, Mr. HOLT, and Mr. HONDA.
H.R. 1815: Mr. ALLEN, Mr. DEFAZIO, Mr. HOLT, Mr. LEACH, Mr. LEWIS of Georgia, Mr. MORAN of Virginia, Mr. SHAYS, and Mr. WAXMAN.
H.R. 1835: Mr. LEWIS of Kentucky, Mr. LAHOOD, and Mr. PETERSON of Pennsylvania.
H.R. 1841: Mr. WELDON of Pennsylvania, Mr. MEEKS of New York, Mr. MARKEY, Mr. UDALL of Colorado, Mr. LIPINSKI, and Mr. CROWLEY.
H.R. 1887: Ms. PELOSI, Mr. WYNN, and Mr. BORSKI.
H.R. 1890: Mr. GOODE.
H.R. 1935: Mr. FORBES, Mr. BALDACCI, Mr. GOODE, and Mrs. KELLY.
H.R. 1942: Mr. LATHAM and Mr. WAMP.
H.R. 1948: Mr. LAHOOD and Mr. GUTIERREZ.
H.R. 1983: Mr. NORWOOD, Mr. FOSSELLA, and Mr. HAYWORTH.
H.R. 1987: Mr. CRAMER, Mr. CLYBURN, Mr. LUCAS of Kentucky, Mr. WHITFIELD, Mr. ISAKSON, Mr. HOUGHTON, Mr. NETHERCUTT, Mr. MORAN of Kansas, Mr. MOORE, Mr. RODRIGUEZ, and Mrs. NORTHUP.
H.R. 1990: Mr. ENGEL.
H.R. 1994: Mr. WYNN and Mr. BARTON of Texas.
H.R. 2001: Mr. SHOWS.
H.R. 2014: Mr. SMITH of Washington and Mr. SPRATT.
H.R. 2023: Mr. PETRI and Mr. HAYWORTH.
H.R. 2059: Mr. ALLEN.
H.R. 2063: Mr. MCNULTY, Mr. REYES, Mr. WEXLER, Mr. HALL of Ohio, Mr. COSTELLO, Mr. BORSKI, and Mr. CLEMENT.
H.R. 2074: Mr. GONZALEZ.
H.R. 2097: Mr. MCINTYRE, Mr. BLAGOJEVICH, Mr. STARK, Mr. MCGOVERN, Mr. ABERCROMBIE, Mr. COSTELLO, Mr. FROST, Mr. GONZALEZ, Mr. KILDEE, Mrs. MINK of Hawaii, Mr. BACA, Mr. WEXLER, Mr. LANTOS, and Ms. PELOSI.
H.R. 2107: Mr. DAVIS of Illinois, Mr. ENGEL, Mr. BACA, Mr. BECERRA, Ms. VELAZQUEZ, Mr. LARSEN of Washington, and Mr. SERRANO.
H.R. 2118: Mr. PLATTS.
H.R. 2142: Mr. NADLER, Mr. HALL of Ohio, Mr. GUTIERREZ, Mr. GEORGE MILLER of California, Mr. BLAGOJEVICH, Mr. BORSKI, Mr. PITTS, Mr. MORAN of Virginia, Mr. KENNEDY of Rhode Island, Mr. JACKSON of Illinois, Mr. HOLT, Mr. CLYBURN, Ms. PELOSI, Mr. BOEHLERT, Mr. FILNER, and Mr. FARR of California.
H.R. 2147: Mr. FROST.
H.R. 2153: Mr. CAPUANO.
H.R. 2158: Mrs. MEEK of Florida, Ms. RIVERS, Mr. MCDERMOTT, and Mr. DEFAZIO.
H.R. 2161: Mr. BROWN of Ohio.
H.R. 2163: Mr. MEEKS of New York, Mr. PRICE of North Carolina, Ms. NORTON, Mr. WEXLER, and Mrs. MINK of Hawaii.
H.R. 2167: Mr. HOYER.
H.R. 2172: Mr. STRICKLAND.
H.R. 2185: Mr. JOHNSON of Illinois.
H.R. 2198: Ms. PELOSI.
H.R. 2219: Mr. KILDEE.
H.R. 2232: Mr. JEFFERSON, Mr. MCNULTY, Mr. FROST, Mr. STARK, Mr. BROWN of Ohio, Mr. HINOJOSA, Mr. GUTIERREZ, Mr. GREEN of Texas, Mrs. JONES of Ohio, Mr. CUMMINGS, Mr. TOWNS, Mr. LAFALCE, Mr. MCINTYRE, Ms. NORTON, Mr. KILDEE, Ms. LEE, Mr. BONIOR, Ms. MCKINNEY, Mr. BLAGOJEVICH, Mrs. CHRISTENSEN, Mr. HOEFFEL, Mr. CARSON of Oklahoma, Mr. CROWLEY, Mrs. MINK of Hawaii, and Mr. WEXLER.
H.R. 2233: Mr. OWENS.
H.R. 2286: Mr. LANTOS.
H.R. 2310: Mr. RODRIGUEZ.
H.R. 2315: Ms. DUNN.
H.R. 2331: Ms. MCKINNEY.
H.R. 2339: Mr. KNOLLENBERG and Mr. WEXLER.
H.R. 2340: Ms. PELOSI and Mr. WEXLER.
H.R. 2349: Mr. OBERSTAR and Mr. BROWN of Ohio.
H.R. 2350: Mr. GORDON.
H.R. 2354: Mr. HASTINGS of Washington.
H.R. 2357: Mr. TANCREDO, Mrs. CUBIN, Mr. GOODE, Mr. HILLEARY, and Mr. COOKSEY.
H.R. 2366: Mr. TANCREDO.
H.R. 2374: Mr. BRADY of Texas.
H.R. 2375: Mr. FRANK, Ms. SOLIS, Mr. HOEFFEL, Mr. BLAGOJEVICH, Mr. DEFAZIO, Mr. CAPUANO, Mr. STARK, Mr. FILNER, Ms. LOFGREN, and Mr. BOUCHER.
H.R. 2379: Ms. RIVERS, Mr. WEXLER, and Mr. CLAY.
H.R. 2390: Mr. GOODE.
H.R. 2422: Mr. HOLDEN, Mr. MCHUGH, Mr. FROST, Mr. WAXMAN, Mr. BRADY of Pennsylvania, and Mr. BONIOR.
H.R. 2435: Mr. CUNNINGHAM.
H.R. 2441: Mr. JOHN.
H.R. 2453: Mr. DAVIS of Illinois, Ms. SLAUGHTER, and Mr. WYNN.
H.R. 2466: Mr. PICKERING, Mr. MCHUGH, and Mr. GARY G. MILLER of California.
H.R. 2426: Ms. NORTON, Mr. FATTAH, Mr. KILDEE, Mr. THOMPSON of Mississippi, and Mr. SERRANO.
H.R. 2484: Mr. MALONEY of Connecticut.
H.R. 2503: Mr. BURTON of Indiana, Mr. WOLF, Mr. ROHRABACHER, and Mr. GILMAN.
H.R. 2520: Mr. WAXMAN and Mr. SHERMAN.
H.J. Res. 15: Mr. GEORGE MILLER of California.
H. Con. Res. 17: Ms. SOLIS, Mr. GUTIERREZ, Mr. INSLEE, and Mr. SHAYS.
H. Con. Res. 89: Mr. HOUGHTON, Mr. BURR of North Carolina, Mr. PITTS, Mr. FLAKE, Mr. GILMAN, Mr. LEACH, and Mr. SMITH of New Jersey.
H. Con. Res. 102: Mr. BOEHNER, Mr. UDALL of New Mexico, Mr. BRADY of Pennsylvania, Mr. DELAHUNT, Ms. MCKINNEY, Ms. DELAURO, Mr. HOLT, Mr. SAXTON, Mr. HOYER, and Mr. GEORGE MILLER of California.
H. Con. Res. 162: Mr. SCHIFF, Ms. MCKINNEY, Mr. WEINER, Mrs. MALONEY of New York, Mrs. NAPOLITANO, Mr. BILIRAKIS, Mr. STARK, Ms. ESHOO, Mr. VISCLOSKY, Mr. BLAGOJEVICH, Mr. BACA, and Mr. HOYER.
H. Con. Res. 178. Mr. SMITH of New Jersey.
H. Con. Res. 180: Ms. ROS-LEHTINEN, Mr. LANTOS, Mr. VISCLOSKY, Mr. BLUMENAUER, Ms. SOLIS, Mr. ABERCROMBIE, and Mr. GILMAN.
H. Con. Res. 188: Mr. BALDACCI, Mr. RODRIGUEZ, Ms. ESHOO, and Mr. WELDON of Florida.
H. Res. 72: Mr. KIND, Mr. BALDACCI, Mr. SIMMONS, Mr. HINCHEY, and Mr. PLATTS.
H. Res. 132: Mr. LARSON of Connecticut, Mrs. MCCARTHY of New York, Mr. ACKERMAN, Mr. OWENS, and Mr. ENGEL.
H. Res. 133: Mr. ABERCROMBIE, Mrs. CAPPS, Mr. EVANS, Mr. HILLIARD, Mr. CAPUANO, Mr. SHERMAN, Mr. GEORGE MILLER of California, Ms. WOOLSEY, Mr. KUCINICH, Mr. TOWNS, Ms. ESHOO, Mr. HINCHEY, Mr. MCGOVERN, Mr. TRAFICANT, Mr. FRANK, Mr. DOGGETT, Mr. ROHRABACHER, Mr. LEVIN, Mrs. MINK of Hawaii, Mr. LAMPSON, Mr. STARK, Mr. BOUCHER, Mr. DELAHUNT, and Mr. HOYER.

AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 2506

OFFERED BY: MR. BROWN OF OHIO

AMENDMENT NO. 41: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. ____. None of the funds made available in this Act may be used by the Export-Import Bank of the United States to guarantee, insure, extend credit, or participate in an extension of credit in connection with the export of any good or service to a company that is under investigation for trade dumping by the International Trade Commission, or is subject to an anti-dumping duty order issued by the Department of Commerce.

H.R. 2506

OFFERED BY: MR. CONYERS

AMENDMENT NO. 42: Page 112, after line 22, insert the following:

PROHIBITION ON AERIAL SPRAYING EFFORTS TO ERADICATE ILLICIT CROPS

SEC. ____. None of the funds made available in this Act under the heading ''DEPARTMENT OF STATE–ANDEAN COUNTERDRUG INITIATIVE'' may be used for aerial spraying efforts to eradicate illicit crops.

H.R. 2506

OFFERED BY: MR. CONYERS

AMENDMENT NO. 43: Page 112, after line 22, insert the following:

PROHIBITION ON AERIAL SPRAYING EFFORTS TO ERADICATE ILLICIT CROPS

SEC. ____. None of the funds made available in this Act under the heading ''DEPARTMENT OF STATE–INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT'' or ''DEPARTMENT OF STATE–ANDEAN COUNTERDRUG INITIATIVE'' may be used for aerial spraying efforts to eradicate illicit crops.

H.R. 2506

OFFERED BY: MR. HOEKSTRA

AMENDMENT NO. 44: Page 25, line 16, insert before the period the following:

: *Provided further*, That, of the funds appropriated under this heading, $65,000,000 shall not be available for obligation until (1) the Secretary of State submits to the Congress a full report on the incident of April 20, 2001, in which Veronica ''Roni'' Bowers and her 7-month old daughter, Charity, were needlessly killed when a Peruvian Air Force jet opened fire on their plane after the crew of another plane, owned by the Department of Defense and chartered by the Central Intelligence Agency, mistakenly targeted the plane to be potentially smuggling drugs in the Andean region; and (2) the Secretary of State, Secretary of Defense, and Director of Central Intelligence certify to the Congress, 30 days before any resumption of United States involvement in counter-narcotic flights and a force-down program that continues to permit the ability of the Peruvian Air Force to shoot down aircraft, that the

force-down program will include enhanced safeguards and procedures to prevent the occurrence of any incident similar to the April 20, 2001, incident

H.R. 2506

OFFERED BY: MR. HOEKSTRA

AMENDMENT NO. 45: Page 112, after line 22, insert the following new section:

REDUCTION OF FUNDS FOR ANDEAN COUNTERDRUG INITIATIVE

SEC. ____. The amount otherwise provided in this Act for ''Andean Counterdrug Initiative'' is hereby reduced by $65,000,000.

H.R. 2506

OFFERED BY: MS. JACKSON-LEE OF TEXAS

AMENDMENT NO. 46: Page 112, after line 22, insert the following:

REVISION OF FUNDS

SEC. ____. The amounts otherwise provided by this Act are revised by increasing the amount made available under the heading ''CHILD SURVIVAL AND HEALTH PROGRAMS FUND'', by increasing the amount made available under the first dollar amount of the fourth proviso under the heading ''CHILD SURVIVAL AND HEALTH PROGRAMS FUND'' for micronutrient assistance, by increasing the amount made available under the first dollar amount of the fourth proviso under the heading ''CHILD SURVIVAL AND HEALTH PROGRAMS FUND'' for nutrition education assistance, and by reducing the amount made available under the heading ''ANDEAN COUNTERDRUG INITIATIVE'', by $100,000,000, $30,000,000, $10,000,000, and $100,000,000, respectively.

H.R. 2506

OFFERED BY: MS. JACKSON-LEE OF TEXAS

AMENDMENT NO. 47: In title II of the bill in the item relating to ''CHILD SURVIVAL AND HEALTH PROGRAMS FUND'', after the first dollar amount, insert the following: ''(increased by $100,000,000)''.

In title II of the bill in the item relating to ''CHILD SURVIVAL AND HEALTH PROGRAMS FUND'', after the first dollar amount in the fourth proviso, insert the following: ''(increased by $60,000,000)''.

In title II of the bill in the item relating to ''CHILD SURVIVAL AND HEALTH PROGRAMS FUND'', after the fourth dollar amount in the fourth proviso, insert the following: ''(increased by $40,000,000)''.

In title II of the bill in the item relating to ''ANDEAN COUNTERDRUG INITIATIVE'', after the first dollar amount, insert the following: ''(decreased by $100,000,000)''.

H.R. 2506

OFFERED BY: MS. EDDIE BERNICE JOHNSON OF TEXAS

AMENDMENT NO. 48: Page 2, line 25, after the dollar amount, insert the following: ''(reduced by $25,000,000)''.

Page 36, line 26, after the dollar amount, insert the following: ''(increased by $25,000,000)''.

H.R. 2506

OFFERED BY: MS. EDDIE BERNICE JOHNSON OF TEXAS

AMENDMENT NO. 49: Page 112, after line 22, insert the following:

REVISION OF FUNDS

SEC. ____. The amounts otherwise provided by this Act are revised by reducing the amount made available in title I for ''SUBSIDY APPROPRIATION'', and increasing the amount made available for ''INTERNATIONAL FINANCIAL INSTITUTIONS GLOBAL ENVIRONMENT FACILITY'', by $25,000,000.

H.R. 2506

OFFERED BY: MS. KAPTUR

AMENDMENT NO. 50: Page 20, beginning on line 8, strike ''not to exceed $125,000,000 may'' and insert ''not less than $125,000,000 should''.

H.R. 2506

OFFERED BY: MRS. MALONEY OF NEW YORK

AMENDMENT NO. 51: Page 7, line 3, after the dollar amount, insert ''(reduced by $5,000,000)''.

Page 7, line 4, after the dollar amount, insert ''(increased by $5,000,000)''.

H.R. 2506

OFFERED BY: MRS. MALONEY OF NEW YORK

AMENDMENT NO. 52: Page 7, line 4, insert after ''maternal health'' the following: ''(of which $5,000,000 shall be available for assistance to the Government of Bosnia and Herzegovina to address the special needs of children at risk, especially orphans)''.

H.R. 2506

OFFERED BY; MRS. MALONEY OF NEW YORK

AMENDMENT NO. 53:

Page 25, line 7, insert after the dollar figure (reduced by $5,500,000)''.

H.R. 2506

OFFERED BY: MR. OSE

AMENDMENT NO. 54: Page 40, line 5, after the dollar amount, insert ''(reduced by $700,000)''.

H.R. 2506

OFFERED BY: MR. OSE

AMENDMENT NO. 55: Page 112, after line 22, insert the following:

PROHIBITION ON UNITED STATES CONTRIBUTION TO THE UNITED NATIONS INTERNATIONAL NARCOTICS CONTROL BOARD

SEC. ____. None of the funds appropriated by this Act may be used for a United States contribution to the United Nations International Narcotics Control Board.

H.R. 2506

OFFERED BY: MR. PAUL

AMENDMENT NO. 56: Page 2, strike line 21 and all that follows through line 17 on page 3.

H.R. 2506

OFFERED BY: MR. PAYNE

AMENDMENT NO. 57: In title II of the bill in the item relating to ''DEVELOPMENT ASSISTANCE'', after the first dollar amount, insert the following: ''(increased by $77,000,000)''.

In title II of the bill in the item relating to ''ECONOMIC SUPPORT FUND'', after the first dollar amount, insert the following: ''(reduced by $77,000,000)''.

H.R. 2506

OFFERED BY: MR. PAYNE

AMENDMENT NO. 58: In title III of the bill in the item relating to ''FOREIGN MILITARY FINANCING PROGRAM'', after the first dollar amount, insert the following: ''(reduced by $28,000,000)''.

In title IV of the bill in the item relating to ''CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND'', after the first dollar amount, insert the following: ''(increased by $28,000,000)''.

H.R. 2506

OFFERED BY: MR. TRAFICANT

AMENDMENT NO. 59:

SEC. . None of the funds made available by this Act may be used to award a contract to a person or entity whose bid or proposal reflects that the person or entity has violated the Act of March 3, 1933 (41 U.S.C. 10a–10c, popularly known as the ''Buy American Act'').

H.R. 2605

OFFERED BY: MR. VISCLOSKY

AMENDMENT NO. 60: In title I, in the item relating to ''SUBSIDY APPROPRIATION'', after the aggregate dollar amount, insert ''(reduced by $15,000,000)''.

In title I, in the item relating to ''ADMINISTRATIVE EXPENSES'', after the aggregate dollar amount, insert ''(reduced by $3,000,000)''.

In title II, in the item relating to ''CHILD SURVIVAL AND HEALTH PROGRAMS FUND''—

(1) after the aggregate dollar amount, insert ''(increased by $18,000,000)''; and

(2) in the 4th proviso—

(A) after the dollar amount allocated for vulnerable children, insert ''(increased by $5,000,000)''; and

(B) after the dollar amount allocated for HIV/AIDS, insert ''(increased by $13,000,000)''.

H.R. 2506

OFFERED BY: MS. WATERS

AMENDMENT NO. 61: Page 112, after line 22, insert the following:

DEBT CANCELLATION FOR HIPC COUNTRIES

SEC. _____. The Secretary of the Treasury shall instruct the United States Executive Director at the International Bank for Reconstruction and Development and the International Monetary Fund to use the voice, vote and influence of the United States to—

(1) cancel 100 percent of the debts owed by the Heavily Indebted Poor Countries (HIPCs) to such institutions; and

(2) require such debt cancellation to be provided by such institutions through the use of their own resources.