

The State of Nevada employs 372 regulators and charges the gaming industry \$19 million on an annual basis to see that only legitimate interests are involved in gaming and that the games of chance are conducted honestly and fairly.

Despite Nevada's success with gaming, I would be the first to admit that legalized gaming may not be the best choice for every community, and I have repeatedly expressed my concern that Indian gaming regulation in some States is far too lax.

Some States have unrealistically looked at gaming to solve all of their financial problems; a panacea, if you will. And some States have rushed into gaming without the proper regulatory controls, and the results have been disastrous. Any State or community that chooses to legalize gaming should do so with its eyes open and with a strong commitment to strict regulation and control.

I am confident, however, that States are more than qualified to make these type of decisions on their own without the intrusion of the Federal Government.

I am proud of what I did in Nevada in my 6 years as Governor at a time when the industry worked with me to improve the industry's operation. The chairman of the Nevada Gaming Control Board is Bill Bible, the son of a highly respected colleague of ours, U.S. Senator Alan Bible. Bill Bible is tough, he is honest, and he is effective. Nevada's gaming regulations reflect his commitment to making sure that our industry is regulated completely and thoroughly.

The fact is that today the legalized gaming industry is a legitimate business, as legitimate as any business on the Fortune 500 list. More than 50 publicly traded companies, all regulated by the Securities and Exchange Commission, own gaming interests. The financial operations of these concerns are carefully scrutinized by market analysts, market regulators and investors of all kinds. All these companies file 10K's, or similar forms, with the SEC.

The stocks of these companies are widely traded on major public stock exchanges, including the New York Stock Exchange and overseas markets. Stocks of gaming and gaming-related companies are broadly held by major institutional investors, such as pension funds and other retirement-related funds, including the California Public Employees Retirement System, the Colorado Public Employees Retirement System, the New York State Teachers Retirement Fund, the Wisconsin Investment Board and Harvard University.

The gaming entertainment industry employs over 1 million people throughout the United States, paying \$6.8 billion in salaries in 1994. The industry paid more than \$1.4 billion in taxes to State and local governments in 1995, along with an estimated \$6 billion to \$7 billion more paid by other forms of

gaming entertainment, such as State lotteries, sports betting, horse and dog racing.

While Las Vegas is proud to be the gaming entertainment capital of the world, Nevada is far from alone as a gaming industry base. Jobs, entertainment, taxes and positive economic effects are felt in States as economically and politically diverse—New Jersey, Mississippi, Illinois, Connecticut, Minnesota and Iowa. Indeed, some forms of gaming entertainment are legal in 48 of the 50 States.

The industry will spend an estimated \$3 billion on new construction in 1996, with billions more slated to be spent on construction projects over the next several years. This construction creates demands for goods and services sold by companies around the country for everything from construction materials to architectural services.

The true agenda of the industry's critics is an agenda of ending legalized gaming, as the title of the group "National Coalition Against Legalized Gaming" states in bold letters.

My response is simple: in this country, adults are free to make their own decisions about where, when, and how to spend their entertainment dollars.

It is indeed ironic, at a time when many decry the power of the Federal Government and seek a return to more State and local control and personal freedom, that some of the very same people who assert this as their philosophy are people who seek to establish a national commission in this case, without requiring involvement of State government officials, to determine how best to oversee a State-regulated industry.

None of this is to suggest that gaming entertainment, like any other major business, particularly one which hosts millions of visitors each year, does not have its share of public issues and challenges. For example, in all of the recent commentary, little if anything has been said about the serious effort made by individual companies and the industry as a whole to address concerns about problem gaming.

The industry recently announced the creation of a multimillion dollar commitment to the new National Center for Responsible Gaming.

The companies involved in gaming entertainment are recognizable names like Hilton, ITT, and Harrah's.

These companies engage in a wide range of community activities.

These companies are run by highly respected business leaders such as Terry Lanni, Bill Bennett, Clyde Turner, Dan Reichartz, Bill Boyd, and many others I could mention who are recognized for the business acumen well beyond gaming circles.

When a Member takes the floor to call a hard-working, law abiding industry a group of "roaches", it is time for a return to civility, to disagreeing without being disagreeable or disingenuous, in order to permit a rational debate on matters pertaining to the gaming industry.

I thank the Chair and I yield the floor.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I ask unanimous consent that I may proceed as in morning business for 5 minutes.

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

Mr. CHAFEE. Mr. President, I want to thank the Senator from Iowa for permitting me to go on his time.

THE OUTRAGEOUS ABUSE OF POWER BY THE WHITE HOUSE

Mr. CHAFEE. Mr. President, we have learned that an extraordinary number of highly confidential FBI files were improperly obtained by the White House. I do not know what I find more appalling: the fact that the White House requested, received and kept the confidential files of more than 300 Reagan and Bush administration workers—that is appalling enough—but is that more appalling than the fact that the FBI turned them over to the White House these files without an apparent second thought?

This latest White House mishap, or snafu, or outrageous abuse of power raises serious questions about the White House, the FBI, the Secret Service, and the Department of Justice. I cannot help wondering if anyone is in charge.

I have no doubt that if this kind of misadventure occurred on the watch of a Republican President, it would create a tremendous furor. The irony is that it was discovered during an investigation into the Travel Office affair which also involved the admitted misuse of the FBI by the White House. It seems as though this White House views the FBI as its own personal private investigator. This is the kind of arrogant abuse of power that led to the fall of the Nixon White House. Mr. President, this is what Watergate was all about.

FBI files on individuals should be the most private and confidential of all documents. They are not compiled for political purposes, and they should never be used for political reasons. They certainly should not be easily provided to partisan political appointees.

What was actually in these files? They were summaries of comprehensive FBI files on Reagan and Bush Administration employees whose last names began with the letters A through G. They include James A. Baker, former White House Chief of Staff and Secretary of State in the Bush administration. They include another former chief of staff of the White House, Ken Duberstein; and the fired Travel Office Director Bill Dale.

These files contained summaries of interviews with neighbors, friends, co-worker going way back to the high school years of those upon whom the files were compiled. Some of those interviewed might be individuals with

an ax to grind. They can contain any bizarre allegation that such an individual may concoct. This is the type of information that the Clinton White House thought should be trusted to a low-level civilian detailed from the Army who answered to a partisan, political appointee.

This all come up because of the inability of the White House to admit that it fired Billy Dale to make room for the President's Arkansas cousin and his Hollywood friends. For months, the White House has refused to comply with the Clinger committee's subpoena of all documents related to the Travel Office firings. When Billy Dale cried foul upon learning that his FBI file had been turned over to the White House, the White House claimed it received his file as part of a routine investigation of employees. That was the original explanation. Suddenly the Billy Dale file shows up in the White House. How did it get there? As part of a routine investigation of an employee? Then the story changed. The White House tried to claim that it was not its request after all. The GAO had asked for the FBI files. "No, no, no," said the GAO, "not us!" Suddenly the whole thing became an innocent mistake that involves trampling on the fundamental right to privacy of 330 loyal public servants.

I applaud Representative CLINGER, chairman of the House Committee on Government Reform and Oversight, for his commitment to untangling this web of misinformation, claims of executive privilege, and rationalizations. I believe that his matter is serious enough to warrant a full congressional investigation. Unfortunately, this White House has dodged the truth for too long.

I remember when an overzealous Bush supporter, Elizabeth Tamposi, who was an Assistant Secretary of State, decide to search the passport records of a young Governor from Arkansas, Bill Clinton. The press was outraged. Bill Clinton was outraged, but, most of all, President Bush was outraged. He fired Elizabeth Tamposi.

What have we heard from this administration about this latest scandal? Mark Fabiani, a White House attorney hired to answer questions about Whitewater and the Travel Office matter, believing that the best defense is a good offense, said, "Instead of attacking, CLINGER and Speaker GINGRICH should be apologizing." Now that ischutzpa if I ever heard it.

This is a serious matter Mr. President. We cannot have the FBI used as a private research agency for the White House. I think this matter needs immediate attention.

Mr. President, I yield the floor and again want to thank the Senator from Iowa for permitting me to go before him.

NOMINATION OF ALAN GREENSPAN, OF NEW YORK, TO BE CHAIRMAN OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the nomination of Alan Greenspan, to be Chairman of the Federal Reserve System. The clerk will report the nomination.

The bill clerk read the nomination of Alan Greenspan, of New York, to be Chairman of the Board of Governors of the Federal Reserve System for a term of 4 years.

The PRESIDING OFFICER (Mr. KEMPTHORNE). Under the previous order, time is equally divided under the control of Senator D'AMATO and Senator HARKIN. Senator HARKIN is recognized.

Mr. HARKIN. Mr. President, finally we have gotten to the nomination of Alan Greenspan to be Chairman of the Federal Reserve Board. I have been waiting for several months for this opportunity, to have the opportunity to debate not just the nomination but what this nomination means for the American people.

I am very pleased that we finally have a reasonable opportunity to debate this nomination, the nomination of the most important Presidential nomination to come before this Congress, the nomination of Alan Greenspan to serve as Chairman of the Federal Reserve System. I have been pushing for this debate for months, and I want to thank the Republican and Democratic leaders for scheduling this 3-day debate.

This debate about Chairman Greenspan's policies and their impact on our economy, about how we can get our economy to grow faster, about how we can create more jobs and raise incomes, zeros in on the most important issues that we face.

Before we get into substance, I want to be clear about one thing. This issue has never been about personalities. It is about policy. It is about making sure that this body gives thorough consideration to the nomination of the Chairman of the Federal Reserve System, the single most important economic decisionmaker in our land.

Over the course of today and tomorrow and next Thursday, I and others on our side hope to cover at least the following areas.

First, we want to talk about a policy of growth versus a policy of no growth that has been prevalent at the Fed for the last several years and that is prevalent today. We wish to talk about the record of Alan Greenspan. I will go into his record at some length. Why? Because he has been Chairman of the Fed now for two terms.

I think it is legitimate for us to ask: Has his stewardship, has his running of the Federal Reserve, been such that we, the Congress and the Senate, should reward him with another 4-year term? We would ask that of any person

nominated by the President to fill an important position. We certainly should ask it of Alan Greenspan and look at his record.

Third, we hope to talk about the impact on our budget and what we do here over the next several years and the impact on our economy of decisions made by the Federal Reserve Board, especially the Open Market Committee.

Fourth, a recent GAO study that recently came out in preliminary form—the final version of that, I guess, will be out next Thursday—I believe raises substantial questions about how the Federal Reserve System is operating. Let us also be clear about another thing, Mr. President. The Federal Reserve Board is a creature of Congress.

Yes, it is independent, and I believe it should be independent, but it is not a separate branch of Government enshrined in the Constitution. It is not like the judiciary or like the executive branch or the legislative branch. It is, in whole, a creature of the U.S. Congress. As such, it must be responsive to the Congress, responsive to the American people through Congress. I believe it is our duty to examine closely the policies of the Federal Reserve and to suggest through the legislative process changes that we may wish to make in the Federal Reserve System.

I will be talking about one thing later, for example, the fact that the minutes of the Federal Open Market Committee are held secret for 5 years. Why 5 years? Maybe there is a legitimate reason to keep them withheld for a period of time, but certainly not 5 years. I think that needs to be reexamined. Maybe 1 year, but not 5 years. Having said that, I will say we have gone back in the minutes of 5 years, 8 years, and 10 years ago and looked at the minutes, that quite frankly revealed some pretty interesting comments by the nominee now before the Senate. We will be talking about that at some length later, also. Those are the items we wish to cover in this debate.

Again, I want to thank both the Republican and Democratic leaders for working this out. It is something that is going to take some time because this is a complex subject, but, I believe, a very important subject, one that really ought to command the attention not only of the Senate, but of the American people.

The real point, I believe here, Mr. President, is to start a national dialog and to deliberate and not simply rubberstamp this important nomination, as well as other nominations to the Federal Reserve. The Chairman is the single most important. Again, I think that is our duty and our obligation. Let me say I consider this debate that we begin today a victory for this body and a victory for the American people. So we did not just rubberstamp and put someone through of this importance without raising serious policy questions about the Federal Reserve and how it is operated.