

abuse that prompted enactment of the law 160 years ago. The protection that the Trading with Indians Act originally offered can now be provided under the Standards of Ethical Conduct for Government Employees. The intent here is to provide adequate safeguards against conflicts of interest, while not unreasonably denying individuals and their families the ability to live and work—and create jobs—in their communities.

Both Health and Human Services Secretary Donna Shalala and Interior Department Assistant Secretary Ada Deer have expressed support for the legislation to repeal the 1834 act. Secretary Shalala, in a letter dated November 17, 1993, noted that repeal could improve the ability of IHS to recruit and retain medical professional employees in remote locations. It is more difficult for IHS to recruit and retain medical professionals to work in remote reservation facilities if their spouses are prohibited from engaging in business activities with the local Indian residents, particularly since employment opportunities for spouses are often very limited in these locations.

Let me cite one very specific case in which the law has come into play. The case, which surfaced a couple of years ago, involved Ms. Karen Arviso, who served as the Navajo area IHS health promotion and disease prevention coordinator. Ms. Arviso was one of those people who played a particularly critical role during the outbreak of the hantavirus in the Navajo area at the time. She put in long hours traveling to communities across the reservation in an effort to educate people about this mysterious disease.

Instead of thanks for her dedication and hard work, Ms. Arviso received a notice that she was to be fired because her husband applied for a small business loan from the Bureau of Indian Affairs. The Trading with Indians Act would require it. What sense does that make?

Mr. President, repeal of the Trading with Indians Act is long overdue. I urge the Senate to pass this legislation again today, and finally send it on to the President for his signature.

Mr. MCCAIN. Mr. President, I rise today to express my support for H.R. 3215 a bill to repeal certain provisions of laws relating to trading with Indians and to urge its immediate adoption. I am pleased to be joined by Senator JOHN KYL in sponsoring S. 199, the Senate companion to H.R. 3215 to repeal the Trading with Indians Act.

H.R. 3215 would address a long-standing problem in Indian policy. I have worked extensively with my colleagues from Arizona, Senator KYL and Congressman HAYWORTH, to repeal the Trading with Indians Act. The Trading with Indians Act was originally enacted in the 1800's to protect Indians from unscrupulous Indian agents and other Federal employees. The prohibitions in the Trading with Indians Act were designed to prevent Federal em-

ployees from using their positions of trust to engage in private business deals that exploited Indians. These prohibitions carried criminal penalties including a fine of up to \$5,000 and removal from Federal employment. As time has passed, it has become apparent that the law is doing more harm than good.

The Trading With Indians Act has had significant adverse impacts on employee retention in the Indian Health Service [IHS] and the Bureau of Indian Affairs [BIA]. The problems stemming from the Trading with Indians Act are well-documented. The way that the law is written allows for the conviction of a Federal employee even when the employee is not directly involved in a business deal with an Indian or an Indian tribe. Because the prohibitions in the Trading with Indians Act apply to the spouses of IHS and BIA employees, the adverse impacts are far-reaching. For example, if a spouse of an IHS employee is engaged in a business that is wholly unrelated to the BIA or the IHS and does not transact business with the BIA or the IHS, the spouse is still in violation of the Trading with Indians Act. Employee retention in often rural and economically depressed Indian communities is difficult enough without the additional deterrent of an outdated prohibition to force out productive and experienced employees who might otherwise stay. The act even prohibits Indians from the same tribe from engaging in business agreements or contracts entirely unrelated to the scope of the Federal employee's employment. Because the act applies to agreements between all BIA and IHS employees and all Indians regardless of their proximity or range of influence, it would prohibit a BIA or IHS employee on the Navajo reservation in Arizona from selling his car to a Penobscot Indian from Maine.

As tribal governments become more sophisticated and more Indian people become better educated and able to adequately protect themselves against unscrupulous adversaries, the Federal Government must respect these changes by repealing outdated and paternalistic laws which are still on the books. Respect for Indian sovereignty demands that the relics of paternalism fall away as tribal governments expand and grow toward self-reliance and independence. It is clear that although this statute served an admirable purpose in the 1800's, it has become anachronistic and should be repealed. The important policies reflected in the Trading with Indians Act are now covered by the Standards of Ethical Conduct for Employees of the Executive Branch. The Standards of Ethical Conduct for Employees of the Executive Branch adequately protects the Indian people and tribes served and provides simple guidelines to follow for all Federal employees when it comes to contracts with Indian people and Indian tribes.

I would like to express my appreciation for the work of Senator KYL and

Congressman HAYWORTH in the development of this bill and I urge my colleagues to support passage of H.R. 3215. I ask unanimous consent that the statement of Senator KYL be included in the RECORD immediately following my remarks.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the bill be deemed read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill appear at the appropriate place in the RECORD.

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

The bill (H.R. 3215) was deemed read the third time and passed.

MEASURE READ THE FIRST TIME—H.R. 2391

Mr. GRASSLEY. Mr. President, I understand that H.R. 2391 has arrived from the House. I now ask for its first reading.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 2391) to amend the Fair Labor Standards Act of 1938 to provide compensatory time for all employees.

Mr. GRASSLEY. Mr. President, I now ask for its second reading.

The PRESIDING OFFICER. Is there objection?

Mr. GRASSLEY. Mr. President, I object on behalf of the Democrat party.

The PRESIDING OFFICER. Objection is heard.

AUTHORIZING CONSTRUCTION OF SMITHSONIAN INSTITUTION NATIONAL AIR AND SPACE MUSEUM DULLES CENTER

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Rules Committee be discharged from further consideration of S. 1995, and, further, that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1995) to authorize construction of the Smithsonian Institution National Air and Space Museum Dulles Center at Washington Dulles International Airport, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the bill be deemed read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The bill (S. 1995) was deemed read the third time and passed, as follows:

S. 1995

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

SECTION 1. CONSTRUCTION OF MUSEUM CENTER.

The Board of Regents of the Smithsonian Institution is authorized to construct the Smithsonian Institution National Air and Space Museum Dulles Center at Washington Dulles International Airport.

SEC. 2. LIMITATION ON USE OF FUNDS.

No appropriated funds may be used to pay any expense of the construction authorized by section 1.

MUTUAL AID AGREEMENT BETWEEN BRISTOL, VA, AND BRISTOL, TN

Mr. GRASSLEY. I ask unanimous consent that the Senate now proceed to the consideration of House Joint Resolution 166 which was received from the House.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 166) granting consent of Congress to the mutual aid agreement between the city of Bristol, Virginia, and the city of Bristol, Tennessee.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. GRASSLEY. I ask unanimous consent that the resolution be deemed read the third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill appear at their appropriate place in the RECORD.

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

The joint resolution (H.J. Res. 166) was deemed read the third time, and passed.

MEASURE READ THE FIRST TIME—S. 2006

Mr. GRASSLEY. Mr. President, it is my understanding S. 2006, introduced today by Senator HATCH, is at the desk and I ask for its first reading.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2006), to clarify the intent of Congress with respect to the Federal carjacking prohibition.

Mr. GRASSLEY. I now ask for its second reading, and I object to my own request on behalf of the Senators on the Democratic side of the aisle.

The PRESIDING OFFICER. The objection is heard.

The bill will be read the second time on the next legislative day.

MEASURE READ FOR THE FIRST TIME—S. 2007

Mr. FORD. Mr. President, I understand that S. 2007, introduced today by Senator BIDEN, is at the desk and I ask for its first reading.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2007) to clarify the intent of Congress with respect to the Federal carjacking prohibition.

Mr. FORD. Now, Mr. President, I ask for its second reading, and I will object to my own request on behalf of Senators on the Republican side of the aisle.

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

The bill will be read for the second time on the next legislative day.

ORDERS FOR THURSDAY, AUGUST 1, 1996

Mr. GRASSLEY. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9:30 a.m. on Thursday, August 1; that immediately following the prayer, the Journal of proceedings be deemed approved to date; the morning hour be deemed to have expired; the time for the two leaders be reserved for their use later in the day, and the Senate immediately proceed to the consideration of the conference report to accompany H.R. 3734, the reconciliation bill, with the reading of the report having been waived.

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

PROGRAM

Mr. GRASSLEY. Tomorrow morning the Senate will begin consideration of the reconciliation bill under a statutory 10-hour time limitation. It is hoped the Senate will be able to yield back some of that time to allow us to complete action on that important conference report in a reasonable amount of time.

Senators can expect votes throughout the day and into the evening, and the Senate may also be asked to consider any other appropriation matters or conference reports that become available.

ORDER FOR ADJOURNMENT

Mr. GRASSLEY. As long as there is no further business to come before the Senate tonight, I ask the Senate stand in adjournment under the previous order following my own remarks and the remarks of Senator WELLSTONE.

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

ELECTRONIC FUNDS TRANSFER PAYMENTS

Mr. GRASSLEY. Mr. President, I want to take a few minutes to an-

nounce a temporary tax victory for small business taxpayers. The IRS has made a failed attempt to implement new rules for payroll tax deposits. These rules would require many employers to make their biweekly payroll tax deposits electronically.

On July 12, I authored a letter to Treasury Secretary Rubin and IRS Commissioner Margaret Milner Richardson. This letter discussed problems that employers and banks are having in understanding new payroll tax deposit rules and methods.

First, my letter asks Secretary Rubin to address specific questions posed by employers and their banks. Employers and their banks have a growing series of questions about the new procedures. Many of these center around the degree of access that IRS has to bank customers' accounts. Second, the letter reminds the Secretary that he has authority under the law to provide some regulatory relief for small businesses.

Mr. President, I ask unanimous consent that the text of my letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,

Washington, DC, July 12, 1996.

Secretary ROBERT E. RUBIN,
Department of the Treasury,
Washington, DC.

DEAR SECRETARY RUBIN: This letter is to express our great concern of the impact upon small businesses and their banks of new Electronic Fund Transfer (EFT) rules. We hope that you will act in accordance with Congressional intent to ensure that the regulations do not create hardships for small businesses. We also wish that you will answer specific questions posed by our constituents working in the banking industry.

SMALL BUSINESS CONCERNS

Because the current EFT rules create new and significant burdens for small businesses, and because the tax code specifically allows for exceptions from the EFT rules for small businesses, we request that you take immediate action to clarify the necessary exceptions well in advance of the January 1, 1997 effective date.

Small employers presently utilize the Federal tax deposit (FTD) coupon system and their local bank to make periodic payroll tax deposits with the Federal government. Internal Revenue Code Section 6302(h) seeks to reduce paperwork by replacing the FTD coupon system with an electronic fund transfer system. However, Congress intended, as set out in section 6302(h) and its legislative history, that the regulations prescribe exemptions and alternatives to the EFT rules for small businesses. To date, these exemptions and alternatives have not been promulgated.

As a result, employers and their banks are confused. The current regulations seem to require EFT compliance by all employers that had made employment tax deposits exceeding \$50,000 in 1995. In anticipation of the approaching effective date, the Internal Revenue Service has begun the process of educating employers of their new EFT compliance requirements. Nonetheless, small and rural employers know that the Congress intended that they be exempt, and they are eager to see the intended exemptions.

In part, the legislative history of the new law prescribes the following.