

committee and say "I have no recollection of that event. I have no recollection. I have no recollection of that." Everybody has been doing it.

That is their only defense. It is shocking. It is sad. They know. They know that Americans are not that dumb, and I am surprised they continue to insult us.

This is a note that the chairman of the Democratic National Committee had on paper that was brought up at the hearings. He wrote a note to himself. It is a simple note. It says "go to CIA." That is Democratic National Committee Chairman Donald Fowler's handwritten note reminding himself to use the CIA to intervene on behalf of an international fugitive for Democratic Party fundraising.

Now, let me tell you something, Mr. Speaker. If I was in a meeting with an international fugitive and that international fugitive wanted to get into the White House, and he asked me to call the CIA, and I wrote down on a note, "Go to CIA," and then I went to the CIA, and then I called the Committee on National Security, and then I get this international fugitive into the White House where I get him to give \$300,000 to the White House, I think I would remember. But somehow in Washington, DC, inside the beltway, if you mix normal tap water with a sub-poena, amnesia ensues.

"Go to CIA." It is pretty clear. "Go to CIA." That is so straightforward that even somebody who graduated from the University of Alabama like myself can understand it. "Go to CIA." That means improperly use your position as Democratic National Committee chairman to go to the Central Intelligence Agency to get an international fugitive an audience with the President of the United States of America for improper purposes.

Do not tell me you do not remember. It is offensive to be told time and time again about how these people do not remember how they may have broken the law. It is offensive when we find out on the Committee on Government Reform and Oversight that 900 Americans' FBI files were improperly obtained by the White House staff by a man named Craig Livingston and then have Craig Livingston, Craig Livingston's bosses, and Craig Livingston's supervisors tell us that nobody knows who hired Craig Livingston.

I remember, I was asking him, Mr. Livingston, you said you always wanted to work at the White House, that this was the dream of your life, right? He said "yes."

So we asked him, when you got that faithful call that morning that said, Mr. Livingston, you are coming to work at the White House, who called you?

He said, "I cannot recall."

And then we asked the supervisor who fired Mr. Livingston, who said he was responsible for Mr. Livingston's actions. We said who hired Mr. Livingston, this man who improperly ob-

tained 900 FBI files? "I do not remember."

If it were not such a tragedy, you know, it would be funny. But it seems like everybody has sort of lost their memory. They forgot who hired the guy who improperly seized 900 FBI files. They forgot that they wrote notes telling them to go to the CIA, the Central Intelligence Agency, to get an international fugitive into the White House. They forgot if they made any phone calls, they do not think they did, but maybe they made a phone call or two from the White House and then they find out they made 46 phone calls. Oh, OK, maybe we made 46. They find out they made over 100, and they say maybe I made over 100 phone calls, but they are not illegal. This is an old law. But they forgot their own counsel in 1993, Abner Mikva, said it is illegal to raise money?

The White House, it is time for people's memories to be restored. It is time for America's confidence in the U.S. Congress to be restored. It is time for America's confidence in their President to be restored, and it is time for America's confidence in the judicial system and in the Justice Department to be restored. And the only way to do that is for us to stop playing the type of games that have been played this week by people that are doing motions to adjourn, to supposedly show how much they care about these campaign fundraising abuses, and instead demand that the Attorney General do what she should have done, according to the New York Times, months ago, and get somebody independent to go shake up some of these people to get their memories jarred so we can figure out why, in the words of the New York Times, access to the White House to international undesirables was so prevalent during the 1996 campaign.

It does not matter if we are Democrats or Republicans, liberals or conservatives, we have a responsibility to ask the tough questions, even if we may not like the questions. I ask my friends on the other side of the aisle to start doing that.

I guess my confidence in some of these people calling for campaign finance reform maybe would be stirred a little bit if I would have one Democrat stand up and say, "yes, I too am concerned." But they are not doing it. They are concerned about stonewalling, and until they change their concern, then I am afraid America will be worse for it.

#### A FLAWED TOBACCO SETTLEMENT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Kentucky [Mr. BAESLER] is recognized for 60 minutes.

Mr. BAESLER. Mr. Speaker, what I want to talk about today is the tobacco settlement that was negotiated between the several attorneys general and several of the manufacturers of tobacco in the United States.

It was the intent of those negotiators when the settlement was reached to have Congress ratify the agreement and put the settlement in place. However, the negotiators and the manufacturers made at least two strategic errors in their discussion.

First, during the negotiations themselves, they did not include the constituency necessary to bring this matter to the Congress for its consideration. For instance, nowhere during the period of time were the farmers in Kentucky, North Carolina, Tennessee, Virginia, and other tobacco producing States represented at the table or represented at the negotiations.

Also left out of these discussions were other members of the tobacco family who depend on tobacco for a major part of its revenues, such as convenience stores. For those who might ask why convenience stores throughout this country, between 20 and 28 percent of their net profits comes from the sale of tobacco products.

So the point I am making is it is not responsible to suggest that Congress will take the tobacco settlement as proposed and pass it, because there is no constituency in Congress for the settlement, because the right people were not all included when the discussions took place.

Who do I talk about when I talk about the tobacco family? In this Hall, as in the other Hall across the building, tobacco is not a popular subject with a lot of people. Throughout this country, we are castigated annually, monthly, by a lot of people, some people know about us, some people do not. But the tobacco family is much more than the manufacturers. The tobacco family in the State of Kentucky are 60,000 farms of the 90,000 who have allotments. Those allotments usually are less than 5 acres, unlike the large allotments in North Carolina.

On these farms, practically for the last 150 years, people have had part of their income generated from the production of tobacco. The tobacco family also includes the farm implement dealers. It includes the feed stores, it includes all the people in the small communities. And in my district alone, some 8 to 10 of the counties are most dependent on tobacco that are in the United States.

The tobacco family are the folks who are trying to pay the taxes, not the large manufacturers who are in the top 10 companies in the Nation or worldwide, but small farms who might make \$3,000 or \$4,000 a year to pay the taxes or to maybe put their kids through school.

So these folks were not represented when this discussion took place. To give you a comparison of what it meant, since in early 1938 to 1940, tobacco farmers in this country have been paid a total of \$80 to \$85 billion for all their products put together. The tobacco settlement was for \$368 billion overnight. So it was proper that they be there, but they were not.

So for this settlement to come to Congress, representing the tobacco farmer and the tobacco family, there are certain things that have to be included before I and many other people who represent the farmer will even talk about it or definitely would even think about supporting it.

First of all, in Kentucky it is mandatory that the program of tobacco be maintained. Throughout this country, different people think different things about the program. They say why should the Federal Government be involved in subsidizing tobacco. The government is not involved in subsidizing tobacco for many, many years. What the program means in tobacco, particularly means, is you regulate in burley tobacco or dark-fired tobacco in Kentucky or flue-fired in North Carolina, you regulate how much can be sold, and you put a base or a floor on the price for which it is sold. That is what the program is.

When the manufacturers do not buy the tobacco during the marketing season, then the tobacco goes into a pool that is maintained, and that pool of stocks is then sold over the period of years to other buyers throughout the world.

Any cost to maintain that pool is paid for by an assessment against the tobacco farm and the manufacturers. The Government has no role in that whatsoever. So we say why should the program be maintained? Why do you care?

As I indicated earlier, in Kentucky there are 60,000 farmers that have allotments. Each one of these allotments has a monetary value for their farm. If I buy a farm in Kentucky of 100 acres and if it has 10,000 pounds of tobacco, a quota, that means I can easily anticipate that I might pay a great portion of the payment on an annual basis out of the tobacco.

□ 1515

Without the program, I have no monetary value attached to the tobacco, because anybody can raise it.

The second reason, other than just to keep the price paid to the farmer up, which is important, for those folks in this country who do not like our product and who suggest that we should not even be in the business, they say, why should we be involved in the program? Well, I suggest to my colleagues, Mr. Speaker, that with the price of the product up, the folks who are antitobacco would suggest, well, that might mean the consumption then would go down, because the cost would be higher.

So on this issue on the program for tobacco in the settlement, it is interesting, but we will have several different constituencies that are not always together supporting this issue. Those who do not like tobacco, are antitobacco suggest, well, we need to keep the program because we have to control its production, and we have to keep the price higher, and only with

the program can we have certain controls on what is put on the tobacco, what type of chemicals and so forth, because it would just depend on the tobacco from out of the United States, and we cannot do that.

So the program is essential. The program is different in different States. In flue-cured it is acreage versus poundage; in burley in Kentucky it is basically poundage; and in other parts of Kentucky it is basically acreage. So for any settlement to come here, it is imperative that we have a program, because without a program, what will happen?

No. 1, the price of tobacco will drop substantially to the manufacturer. Rather than pay \$1.90-something per pound for burley tobacco in Kentucky in November, the manufacturer will be able to pay \$1.50, \$1.40, next year \$1.20. What does that mean? It means that people in the tobacco business, especially tenants, could not raise it at all, because they only get 60 percent in some cases, 50 percent in others, and their expenses are not going down. So we would put that whole part of the tobacco family out of business.

The second thing we would do is we would basically turn over all the tobacco production to large corporate farms or even the manufacturers themselves. I suggest, Mr. Speaker, that those folks who have a problem with our industry would have a bigger problem if that were the case.

Another reason, when we talk about what is going to have to be involved in the settlement, is our quotas must be maintained. This year in Kentucky we have nine hundred million dollars worth of pounds of burley we can sell throughout this country; \$900 million for Kentucky alone, the largest demand we have had in history, contrary to what some people think.

If we maintain our quotas at a certain level and our prices at a certain level, then the part of the tobacco family that is on the bottom of the food chain, which is the farmer, and keeping in mind that on a pack of cigarettes, whether we like them or not, if they are \$1.50, \$1.75, I do not know what they are, \$1.50 or so, the tobacco farmer only gets 3 cents of that. The tobacco farmer is on the bottom of the food chain.

So it is imperative that we maintain the quotas and the allotments and the acreage that these farmers presently are allowed to grow, because if any settlement comes to this floor that wants to cut that, then we are basically going to hurt the farmer to benefit other folks in the tobacco family like the manufacturers, and we cannot allow that to happen.

Another thing that has to happen ties to the program. That is, the price has to have a level it has had similar to today. One would say, why should we guarantee that? For the reasons I indicated earlier. It keeps the price of cigarettes up; it allows the tobacco family to continue to produce tobacco; and in a lot of my communities throughout

this State, in the State of Kentucky, the communities themselves could not stand the devastation economically of what would happen if tobacco was no longer present.

So any settlement that comes forward must have the program in place with a level of production and guaranteed purchases from the manufacturers, because really the government will have nothing to do with this, it will be the manufacturers who will have to guarantee the purchases and at a price similar to what it is today. If that happens, then we have an opportunity to discuss it.

Now, regarding the quotas, it is imperative that our quotas in burley, flue-cured and dark-fired others be tied to the world market global sales, not just domestic market. Those folks in this country will admit, and I think I would share the opinion, that domestic sales are going to go down. None of us, whether we are a tobacco farmer like myself or like the other 60,000 farms in Kentucky, think we ought to try to encourage sales to underage young men and women. The sales to underage folks should be vigorously attacked and try to be prevented. We know by doing that, and it is proper to do it, that domestic sales will go down. At the same time, global sales are going to go up.

It is interesting to note that probably more people use tobacco products in Red China than live in the United States. So when we are talking about our quotas and our price from a farmer's perspective, we want to tell the manufacturers particularly that we want to make sure if international sales go up, which they will, then we want to make sure our quotas reflect that.

One might say, Mr. Speaker, why do that? We want to get out of the business. Well, folks, there are 90-something countries that produce tobacco, 26 of them export it, and we are not even the largest. In Kentucky alone we raise burley tobacco in one part and dark-fired in the other. In the burley industry, we raise only 30 percent of the burley tobacco produced worldwide. Flue-cured raises only 20 percent. So the point I am making is, whether we are in the business or not, somebody is going to sell it to the other folks.

My argument all along has been never try to defend tobacco as healthy. It is not healthy. Nicotine is addictive. But there has not been one suggestion on this floor, to my knowledge, or even on the Senate floor, that we ban the sale of cigarettes, not one. We tried prohibition in the early 1920's, and it did not work, and nobody has ever suggested that.

My point is, if one is going to sell it, if it is going to be on the counters, I want my Kentucky farmers to have a portion of it, whether it is dark-fired or whether it is burley.

Why is it going to be sold? Well, for selfish reasons, probably. There are \$12 billion excise taxes generated on the

sale of tobacco throughout this country. Most States that are involved in the lawsuits against all of the tobacco companies receive more money from excise tax on the cigarette sales and tobacco products than in incurring Medicaid costs. Let me repeat that. Most States today receive more money from the excise tax on tobacco products than they incur in Medicaid costs.

So there is going to be no movement to ban the sale, and if all Kentucky farmers are out of business tomorrow morning, North Carolina farmers are out of business tomorrow morning, when you go down to the convenience store Monday morning, you will find the same number of cigarettes on the counter and probably more health problems, because it is going to come from the foreign nations with less regulations than us. And all we have done, if so be it, to put the American farmers out of the business, the Brazilian and Africans and Argentines will love us, because they can sell the products and not us. So that is why, when we talk about quotas and settlement, the quotas of the American farmer must be tied to global sales.

Some people will say we cannot do that because of the GATT Treaty or this treaty or that treaty. That is often an excuse to hide behind. From our perspective, if we do that, then we can bring the settlement to the floor for discussion with the support of the tobacco family. If not, we will not support it, because we will be like an elevator going downhill, which will be unfair because the manufacturers at that point can move out of country and sell the same number of cigarettes they could from inside the country, and only the farmer, the person on the low end of the food chain, will be the one hurt.

The third part of any settlement has to be that all costs of the program that people believe are incurred by tobacco must be paid outside the government. Right now, even though we have a no-net cost system, when a farmer goes to the ASCS office or the FSA office, as it is now called, in Kentucky and North Carolina and other places, they go there to get service. Some people say, well, we should not have let the clerk or the assistant there help you farmers. Help other farmers, do worry about what everybody else sells, but if you walk in that office and talk to that person about your business, they should not help you because you are a tobacco farmer. It is not fair. That is what we hear here all the time, and it costs a certain amount of money, about \$14 million a year.

Another thing we hear all the time lately is if hurricane whatever comes in off the coast and knocks out your crop, or you get hail damage or whatever damage and it wipes out your crop in Kentucky, by the way, you should not be able to get crop insurance from the Federal Government. Everybody else should, but you should not because you are a tobacco farmer. Again, the lower person on the totem poll getting

hurt the most because of why? Because of the anger at the manufacturer; not the farmer, but the anger at the manufacturer. But they are coming to get us.

So those costs each year, we pay for crop insurance. Some years, when we have large hurricanes in North Carolina, a number of them rather, we have disease hitting Kentucky, it might be that the cost we pay does not cover what you have to pay out, so we have a deficit in the insurance program. Some people say, well, we should not have that; we are in tobacco. Never mind that when we have floods everywhere else, and everybody else is paid, but not tobacco. But, saying that, let us remove that cost.

So part of this settlement, we need to have an assessment, which I am sure will be agreeable to the manufacturers, that they themselves would pay the losses we have on insurance and the administration costs we have. Then we could remove the discussion of tobacco from this Chamber, because the only people to get hurt in this Chamber, recently on the discussion of tobacco, is going to be the farmer, not the manufacturer, the farmer, and that is unfair.

So when we talk about the settlement, we need to maintain the program, we need to make sure that quotas and allotments are tied to the global sales, and we need to make sure that any costs associated with the program are assumed by the manufacturer in order that we can remove this discussion from here, because a lot of people at home do not have time to explain their votes because they are not really protecting big tobacco, they are trying to protect the farmer, but they just do not have time to explain, because nobody would believe them.

The fourth thing we have to have is immunity, and why would we say that? Well, the manufacturers want this settlement for immunity, I understand. At some point somebody is going to try to go all the way down to the food chain to the farmer. I do not know how; we do not have anything to do with the manufacturing or the processing, we just grow it. Some people in my State look at me as being the only tobacco farmer here in Congress, and say, well, how could you grow such a thing? One of these days somebody might try to sue us if you are growing it. So if we are going to throw immunity around, let us throw it at the farmer and all the people associated with it: the warehousemen, the farmer and other people in the tobacco business, and that should be the fourth thing.

Let us talk about in case we are put out of business. Lately there has been a lot of discussion here, and what is probably the most arrogant statement I hear in tobacco country is from outsiders: Why do we not help you folks get in some other kind of business? I do not think it is arrogance because of meanness, I think it is arrogance because people do not have the foggiest idea what our business is.

Tobacco in Kentucky, as I indicated earlier, on small farms, 2 acres, 1 acre, 2 acres of tobacco will basically bring about 5,000 pounds of tobacco. Five pounds of tobacco could net you close to \$4,500 a year if you raise it yourself. If somebody else raises it for you, they would make about \$2,000, or a little less. If a tenant raises it, they have all the cost, some of the revenue, they would make about \$2,000, a little less. So if anybody tells us, let us help you do something else; after 200 years of raising this, help us do something else.

If you knew the terrain of Kentucky, you would find out that you cannot run combines over hills that go up and down or go down in the valley for 2 acres. You cannot raise vegetables and compete with people in California who have been doing it for years; you cannot get that kind of return. To assume that a Kentucky farmer would not do something else if they could make more money is arrogance, because Kentucky farmers are not dumb. They want to make more money with the least labor and least exposure as anybody else does.

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So they tell us, "We will put you in some other business. We will retrain you." That is arrogance, especially when we consider that the same people that want to retrain us do not want to take tobacco off the counter. They want to leave it on the counter to be sold in their State, because their State generates \$600 million worth of excise tax, and they want the Brazilians to be able to grow the tobacco, or the Africans, not the Americans. So do not insult us and suggest that, do something else, it will all work out. It will not happen.

It is ironic, if we walk around this Capitol, walk around it with somebody who knows about tobacco, we will find out, probably to the chagrin of many folks here, that the tobacco leaf is commonly displayed throughout this Capitol because it used to be the currency of this country.

So when we talk about what we are going to do with the farmer in case things go bad, do not give us the suggestion, "Get out of the business now, we are going to help you do something else." What we need to do, though, is understand that tobacco in the communities can be essential, as are other things in other communities.

If we are going to enter into a program whereby the demand will decline and is going to be down, down, down, down, and if there is some way we want to say, OK, we want to get our American farmers out of the business, for some reason, I have never understood why, especially if we are going to have it sold anyway, then we have to make provision for the communities and the farmers.

What are we talking about for the farmers? It is interesting, on the other side of this building not too long ago a Senator said, "I want to buy these

farmers out. I want to give them \$8 a pound for their tobacco." A lot of my farmers in Kentucky run around and said, "Where is that \$8? Where is that line? I want to get into it. I want to find it." Some people threw around \$14 a pound. Buy me out. Buy me out tomorrow. Keep in mind, they did not say we are going to do away with tobacco. They just said we are going to buy out Kentucky farmers, North Carolina farmers.

I tell my farmers in Kentucky, I say when people talk about buyouts, you had better ask a couple of questions, four or five questions, actually.

No. 1, what are they going to pay you, \$8 a pound? \$14 a pound? Now, if they pay you that, is it taxable? The Members know it is, 20-some percent. We are already down to \$6 a pound, are we not?

By the way, who do you have to share it with? What about the tenant farmer who does not have a quota? In a program I had the other day, the first person to stand up was a 22-year-old tenant farmer on no quota, no quota, but had his equipment. What are we going to have him do, park his tractor at the barn? He would get nothing, nothing, after his investment.

We have to ask the question, does \$8 have to be shared with different people? Should there not be a program for folks in the tenant farmer area?

What about the lessee in tobacco country? We have those who lease tobacco from other people. Should the lessor get all the money, or should the lessee get part of it, because that is who is doing the producing? These are all questions.

Is it going to be paid in installments, by the way? Some fellow stood up and said, "I would like to take my \$8." I said, "Fine. Do you want to go here to this settlement? Twenty-five years, get paid \$8 a pound over 25 years?" These are questions a farmer has got to ask throughout Kentucky, throughout North Carolina, before we jump at what somebody might offer.

The next thing we have to ask, "What do I have to give up for my \$8 a pound? Do I give up the program? What does that mean?" What it means, they give me \$8 a pound. If I have 100,000 or 50,000 pounds of tobacco, I get \$400,000. It sounds like a lot. It is a lot. But it means next year, can I raise tobacco still?

Some people suggest, "Sure, if you want to raise it, it does not make any difference, we are going to pay you and let you raise it." That sounds nice. But to our farmers, it is fine for the person who owns it, maybe, but the person who does not own it, they cannot raise it at \$1.30 a pound. They cannot grow tobacco. So they are going to be out of business.

Do you have to give up the program? The question the farmers need to ask throughout Kentucky, North Carolina, every place else, "If I take this buyout somebody is throwing out, first of all I do not know why they are throwing it

around, but if I take it, how much, what do I give up? Can I raise it for my own? Can my kids raise it? What is going to be the decrease in value of my farm?"

You have to ask, "What other costs might I have to incur?" Because right now the program pays the people who grade the tobacco, what quality it is, what goes on the market, how is it sold. The program involves all that cost now and makes it pay. Farmers pay it. Are they going to have to pay more? These are questions the farmers are going to have to ask.

The other thing is, how are the other members of the tobacco family impacted? The farmer has to say, "Do you care how they are impacted? How about the fertilizer salesman down the road? How about the fellow who sells tractors? What about the person who sells a seed, or about the labor, who the only place they work in the summer is tobacco? How are they going to be impacted?"

The point I am making is when farmers are told they are going to have buyouts, or people up here in Washington keep on saying, "Let us just make it easy, let us buy them out," they are doing a disservice. They are doing a disservice because, Mr. Speaker, they are not answering the questions, they are not putting out a program that is clear. They are making everybody in Kentucky think all they have to do is line up at the FSA office and get their check. That is not going to happen.

What we need to be doing is trying to see how we are going to preserve the ability of people in Kentucky and North Carolina, Virginia and other places, to grow this product, since it is going to be on the counters, anyway.

We, Mr. Speaker, should not be trying to export an industry that in Kentucky alone this year will generate \$1 billion to somebody else. We should not keep on wanting to throw in the towel and say, "Kentucky farmers, go home. Quit. Park your tractors. Park your wagons. Forget about it. Let the Brazilians have it. No, Kentucky farmers, we are not going to take tobacco off the counters. We just want you out of the business."

When somebody comes down here in this well and makes a motion or files a bill, files a bill to say we are going to ban the sale of cigarettes in the United States of America, then we talk about buyout. Then we talk about other things.

Because that same individual is going to have to tell every State in the Union when they do that, "By the way, California, you are going to have to find \$600 million more, plus, a year revenue." "By the way," some of the western States who are paying for education with tobacco products' excise tax, "you are going to have to find so many more millions of dollars worth of revenue."

When they come down and they file that bill, then we will stand up and talk about how we are going to take

Kentucky farmers out of the business. But until that happens, there is a certain arrogance about the fact that they want to tell our farmers to quit doing what they have been doing for 150 years, because they do not like us.

Now, I suggest, Mr. Speaker, that throughout this country there are different industries that have different problems internationally, different problems healthwise, whatever; none more pronounced, obviously, than tobacco; none on peoples' lips, obviously, than tobacco in this Chamber, about who they do not like.

But in Kentucky, we are talking about 60,000 farms out of 90,000. One in five people who work in Kentucky have some connection with tobacco. I am not talking about the manufacturers, I am not talking about the people, the top 10 international businesses in the world. I am talking about farmers who work at factories, farmers who teach school, farmers who do other things, and then they go home at night to the tobacco crop. I am talking about people who put their kids through school. That is who I am worried about. The manufacturers can take care of themselves.

But if we sit in this Chamber and keep on trying to suggest we are going to roll the people at the bottom of the food line out of the business, it bothers me. We are not going to solve the health problem when we run our farmers out of business. In fact, we are creating a more serious health problem, because the tobacco that is going to be imported into this country will not have the regulations, not have the supervision that ours has. It will be bought at cheaper prices. Right now in Africa you can buy a pound of tobacco for less than a dollar. Manufacturers cannot. In Kentucky they are going to have to pay \$1.90. Which ones do Members think they would rather buy?

So, to conclude, Mr. Speaker, the tobacco settlement created a lot of discussion, but it was flawed from the beginning. It did not have everybody at the table. It definitely did not have the people most affected by this at the table, which are the farmers and the families of the farmers and the communities which the farmers serve and live in.

Until that is corrected, and until we understand how we need to remove this discussion from these Halls for an industry that has been here a long, long time, that does have problems, that no doubt does have some health problems attached to it, then that settlement should never be placed on the table in this Chamber because it is not worthy of discussion.

I find it appalling that a lot of people are criticizing Congress for not taking it up, not taking it up. They should save that criticism when they have the discussion to say who all should we have involved here, so if we get a settlement, then we have a constituency to support it.

In conclusion, I want to say this. We know in tobacco country we are not

popular in Washington. We know outside tobacco States very few people like us, even though there are 30 million people that smoke. We know that if we take a vote in here, most of the time we could very well lose because of what has happened throughout the country, a lot of it out of our hands; a lot probably brought on, justifiably, by certain testimony that has happened here in the House that I cannot defend.

But we further know that in Kentucky alone, we are going to sell 700 million pounds of tobacco this year, this year; 700 to 800 million pounds we will sell at \$1.90 a pound. Math would teach me that that is close to \$1.5 billion that is going to be turned over several times.

The question I ask, Why should we not, if we are going to have this product on the counter, which we are, why should we not let Kentuckians sell it, and North Carolinians, and Virginians sell it? That is what it is all about. They do not have to like us, but they need to understand that I think in this country it is best that we take care of our own, than try to export an industry that is so vital to us for the last 200 years.

We will be the first to acknowledge we have health problems. We know that. But that is not the issue. The issue is, if you are going to sell it, we should grow it and we should provide it, not folks from outside this country.

#### IN PREPARATION FOR HEARINGS IN THE COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from California [Mr. HORN] is recognized for 60 minutes.

Mr. HORN. Mr. Speaker, what I want to discuss today is some of the reactions that we have found on the Committee on Government Reform and Oversight as we prepare for witnesses at the forthcoming hearings. What Members see here and they will see in the next few minutes is 58 witnesses seem to be unavailable. We are going to break down, where are they.

Eleven of these witnesses have simply fled the country. Let us take them one by one. Charlie Trie. He was last seen in Beijing, China; a former restaurateur, old friend of President Clinton, who tried to give \$640,000 in suspicious contributions to the President's legal expense fund.

Now, we cannot seem to find him. The U.S. Government cannot seem to find him. The Chinese Government cannot seem to find him. It is dubious whether the last two entities have even sought to find him. But Tom Brokaw, of NBC Nightly News, they can find him. Of course, the Government, with all the law enforcement forces available to them, with the CIA, the FBI, all the rest, they cannot seem to find him.

Pauline Kanchanalak in Thailand had \$235,000 in Democratic National

Committee contributions returned because she could not verify that she was the source of that money.

Then there is Ming Chen, a businessman in Beijing, China. He runs the new Ng Lap Seng's restaurant business in that city. He is the husband of Yue Chu.

Agus Setiawan, Indonesian employee of Lippo, that is a major firm in Indonesia, who signed many of the checks to the Democratic National Committee drawn on Lippo affiliates. Of course, that is a violation of the law, neither corporate money nor money from non-U.S. citizens.

Dewi Tirta, John Huang's secretary when he worked for Lippo, now believed to be in Indonesia.

Subandi Tanu Widjaja, in Indonesia, gave \$80,000 to the Democratic National Committee for a dinner with Clinton which may have come from wire transfers from his father-in-law, Ted Sioeng, who lives in China.

Arief and Soraya Wiradinata, an Indonesian couple who gave the Democratic National Committee \$450,000 after the receipt of a half-a-million-dollar wire from Soraya's father, a co-founder of the Lippo Group, a prominent major corporation in Indonesia and throughout much of the Asian area.

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John H.K. Lee, South Korean businessman, president of the Cheong Am Inc., Democratic National Committee had to return \$250,000 to Cheong Am.

Antonio Pan, ex-Lippo executive, friend of Charlie Trie and John Huang, who delivered cash to individuals for conduit payments. And, of course, we have obviously traced where they went to here, here, here, and here and just mysteriously ended up in various bank accounts for sort of a little overnight session and then off to the committee.

And lastly of the group here who have fled, Ted Sioeng, father of Jessica Elnitiarta, who donated \$100,000 to the Democratic National Committee. He is reportedly connected to the Chinese intelligence community.

Now, we also have witnesses who have left, besides the ones that have left the countries, there are 11 foreign witnesses that have refused to be interviewed by investigators in those countries where they are now located, conveniently, presumably out of the reach of American congressional subpoenas or, if there is a special counsel, out of the reach of the special counsel's subpoenas.

Now, those individuals, again another 11, are the following: Stanley Hoe, wealthy Macao businessman, associate of Ng Lap Seng.

Suma Ching Hai, head of a Taiwan-based Buddhist cult that tried to funnel foreign contributions to President Clinton's legal expense trust through Charlie Trie.

Roy Tirtadji, Indonesian managing director of the Lippo Group, sent John Huang a laudatory letter for his efforts

in money raising for the Democratic National Committee.

John Muncy, executive vice president of the Hong Kong Chinese Bank owned by the Riadys, major family in Indonesia and the Chinese Government.

And then there are the three Riadys, Mochtar, Stephen, and James. They are members of a very rich Indonesian family. Mochtar is the father of Stephen and James, and they own the Lippo Group, about which the newspapers and television stories on this investigation feature rather prominently.

They visited the White House dozens of times. They did not go through on the early morning congressional tour where you see the china and you look at the East Room and the Red Room and the Green Room. They got upstairs. They were able to sit down with the President of the United States and they have contributed hundreds of thousands of dollars to the Democratic National Committee, all illegal.

And then there is Ng Lap Seng, Mr. Wu, Macao businessman whose company wired \$900,000 to Charlie Trie while Trie made large contributions to the Democratic National Committee.

Then there is Ken Hsui, a Taipei, Taiwan businessman who attended a July 30, 1996 dinner with President Clinton and gave the Democratic National Committee \$150,000. He has dual United States-Taiwanese citizenship.

Then there is Eugene Wu, Taiwanese businessman, coowner of California's Grand Sunrise, Inc. He attended the July 30, 1996 dinner with President Clinton.

James Lin, Taiwanese businessman, coowner of California's Grand Sunrise, Inc. He also attended the July 30, 1996 dinner with the President.

Now, that sort of rounds out the 11 witnesses who have left the country that we cannot seem to get our enforcement agencies to find, or the cooperation of foreign governments to turn them over to us; and 11 foreign witnesses who have refused to be interviewed by the respective investigative bodies within their own country.

Now we get to the 36 House and Senate witnesses who are asserting their fifth amendment rights. These are essentially many U.S. citizens here, obviously. Now, let us go over them.

John Huang, very active in this whole setup, conspiracy you might say, former Democratic National Committee fundraiser, former Commerce Department official, cleared for top-secret, who just happened to go to an office outside the Commerce building and make telephonic reports back to Indonesia after he was briefed by some of the highest intelligence people in the country. And we would like to find out just what was he sending.

Now, he is a Lippo Group employee. He solicited more than \$1 million in questionable contributions.

Then there is Jane Huang, wife of John. Her name appears on the Democratic National Committee documents