7, corrects the flaws in the annual figures by using a dynamic model that factors in the descendants of immigrants.

In response to a question from the subcommittee, Ronald Lee noted that, with the necessary assumptions, a dynamic analysis would likely show at least 49 of the 50 States come out ahead fiscally from legal immigration, with California a close call.

Jim Smith, chairman of the NAS study, testified that ''Due to the immigrants who arrived since 1980, total Gross National Product is about $200 billion higher each year.'' In other words, recent immigrants will add approximately $2 trillion to the nation's GNP over the course of the 1990s.

I ask to have printed in the RECORD a recent Wall Street Journal article that goes into greater detail on the Academy study.

The article follows:

[The Wall Street Journal, Tuesday, Nov. 11, 1997]

IMMIGRANTS BRING PROSPERITY

(By Spencer Abraham)

Critics of America's immigration policy are attempting to reignite the heated debate that almost produced laws severely restricting legal immigration. Ironically, they are using as their vehicle a National Academy of Sciences study, released earlier this year, that was highly favorable toward immigration. Anti-immigrant writers and advocacy groups have engaged in a concerted effort to put a negative spin on the report. ''The study highlights significant problems with regard to immigration,'' crows the Center for Immigration Studies.

That just won't wash. A recent hearing before the Senate Subcommittee on Immigration found that the study's findings were even more positive than initial press reports indicated.

The most important finding of the NAS report is that an additional immigrant to the U.S. and all his descendants would actually save taxpayers $80,000 over the long run. Ronald Lee of the University of California, who was the report's key fiscal analyst, notes that immigrant taxes ''help pay for government activities such as defense for which they impose no additional costs.'' Immigrants also ''contribute to servicing the national debt'' and are big net contributors to Social Security.

Critics of immigration cite only the study's figures on the annual costs immigrant households are said to impose on natives. However, Mr. Lee testified that ''these numbers do not best represent the panel's findings, and should not be used for assessing the consequences of immigration policies.'' The problem, Mr. Lee found, was that calculating annual numbers requires using an older model that counts the native-born children of immigrants as ''costs'' created by immigrant households when those children are in school, but fails to include the taxes those children pay once they enter the work force. The $80,000 figure was arrived at using a dynamic model that factors in the descendants of immigrants. As for the fiscal impact on states of legal immigration. Mr. Lee said, with the necessary assumptions, a dynamic analysis would likely show 49 of them coming out ahead, with California a close call.

The benefits of legal immigration don't end there. Mr. Lee said that the net present value to the nation of the immigrants who will enter the U.S. during the 1990s is over $500 billion. Jim Smith, chairman of the NAS study and a RAND economist, testified that ''due to the immigrants who arrived since 1980, total gross national product is about $200 billion higher each year.'' In other words, recent immigrants will add approximately $2 trillion to the nation's GNP over the course of the 1990s.

Opponents of immigration also would like Americans to believe that nearly everyone's wages are significantly lower because of competition from immigrants. That is far from the truth. The NAS study estimates that only two groups have seen their wages affected by immigration: those who immigrated a few years earlier, and native-born Americans who did not finish high school. Wages for these groups are about 5% lower than they would have been without immigration—a figure that drops to 3% if only legal immigrants are counted, according to Mr. Smith. Cutting legal immigration would have a ''quite limited'' effect even on this group's wages, he said. ''Fortunately,'' he noted, ''90% of Americans are not high school dropouts, an the percent of high school dropouts has been declining rapidly.'' Indeed, Mr. Smith added that competition from immigrants sends wage signals that encourage native-born Americans to stay in school.

''The competition from immigration for even some native-born workers can be easily exaggerated,'' testified Mr. Smith. ''To the extent immigrants do work different than that of native-born workers, immigration benefits all native-Americans who gain in their other role as consumers of these now less-expensive goods and services.''

In short, the NAS study confirms what most Americans have known all along: Our tradition of welcoming immigrants pays off—for the immigrants and for the rest of us.●

EXTENDING CERTAIN PROGRAMS UNDER THE ENERGY POLICY AND CONSERVATION ACT

● Mr. BINGAMAN. Mr. President, the situation in which we find ourselves on this bill is a disgrace. The daily newspapers have been filled recently with stories of our developing political confrontation with Saddam Hussein. Just today, Saddam Hussein has ordered all American arms inspectors to leave Iraq immediately, escalating Iraq's crisis with the United Nations and heightening the possibility of a military confrontation. We may well see military action in the Persian Gulf before Congress convenes next year. We all know what that could do to oil markets. Prices might well spike up, right in the middle of the winter heating season. The most effective antidote to such damaging price fluctuations is close communication among the major oil consumption nations, and joint action to calm oil markets through the International Energy Agency [IEA]. Yet the bill before us, once again, fails to make the legal changes that are needed for the United States to continue to participate meaningfully in the IEA.

The United States took the lead in forming the IEA after the Arab oil embargo of 1973, so that we would never again have to experience the market chaos that reigned at that time. At that time, it seemed that the best way to avoid a repeat of gas lines around the world was through mandatory allocations of world oil supplies. This was basically a command-and-control approach to the problem. This mandatory allocation mechanism was enshrined in our basic law on oil emergencies, the Energy Policy and Conservation Act of 1975 [EPCA], which also authorized the Strategic Petroleum Reserve, and which this bill would extend. But the world has changed since the 1970's. Oil markets have changed dramatically since then. And the mandatory allocation scheme contained in the original EPCA is a dinosaur.

The United States has taken the lead in designing a flexible international response mechanism to oil supply disruptions that respects market forces. Our domestic oil industry played a key role in the planning process and has endorsed it. We convinced all of the other countries in the IEA to adopt it. But without statutory changes to EPCA, the United States is placed in the absurd position of not being able to participate in the international oil emergency response system that it designed. And all indications from the Persian Gulf are that we could have another emergency sometime soon.

Why are we in such a predicament? It is not the fault of the administration. They have been pressing for the adoption of the needed legal changes for 3 years now. It is not the fault of this Body. We have passed the requisite legal changes in both the last Congress and in this Congress, and have forwarded them to the other Body. There is no good answer to the question of why the other Body continues to refuse to act on such clearly needed changes. These necessary changes have apparently been made a hostage to other, non-related issues. So we must pass the bill before us today, which is inadequate to our national security needs, or the President will also be without clear legal authorities to operate the Strategic Petroleum Reserve in case of an oil supply emergency.

I will vote for this bill, Mr. President, with extreme reluctance. But I hope that no one is under the illusion that it advances our energy security. Quite the opposite. The bill sent to us by the other Body will likely reduce our energy security, by inflicting long-term damage on the International Energy Agency. This is because failure of the bill to allow IEA to work with U.S. oil companies threatens the future of the Agency. When there are severe supply shortages or market instability, the IEA requires real-time information about the movement and location of oil stocks that only these oil companies can provide. In such a case, this information is shared at the express request of the U.S. Government. But the sharing of this information is normally forbidden under our antitrust laws, so an antitrust exemption of cover information-sharing undertaken at the U.S. Government's request is both needed and justified.

What is U.S. industry to make of our refusal, for a third time now, to make

the appropriate changes to EPCA? I believe that industry will see the passage of this legislation as a signal that the changes to U.S. law needed for their continued participation in the IEA will not be forthcoming in this Congress, if ever. None of us should be surprised, then, when these companies end their cooperation with the IEA and start to reassign the personnel who previously worked on the issues of emergency preparedness and coordination.

The refusal of the other Body to act on the needed antitrust exemption places the two most important parts of the program of the IEA for 1998 in serious jeopardy. I would like to describe these planned activities in a little detail, which will illustrate how our energy security will be diminished by this bill, even if a crisis in the Persian Gulf does not occur while we are out of session. First, IEA was planning to convene a global conference next year to discuss the coordinated management of emergency oil stocks. For the first time, China, India, and other Asian countries, which will be crucial players in any international oil emergency, would have been represented. This conference will be an important opportunity to convince them to develop their own emergency stockpiles, and will provide a venue for them to learn the practicalities involved in doing so. The U.S. Government has contributed $50,000 towards holding this conference. Without the necessary antitrust exemption, though, the conference will likely be canceled, since the key players with expertise in creating and managing emergency stocks, the oil companies that operate in the United States, are precluded from participating under current law. I don't see how that serves our national interests. Second, the IEA was also planning to hold, in 1998, the first drill in 5 years to exercise its emergency mechanisms. This is important to the smooth functioning of IEA's mechanisms in an actual emergency. In the last 5 years, most of the personnel with knowledge of what actually transpired during the Persian Gulf war on world oil markets have left the scene. It is past time that we have held an exercise to test our present capabilities to handle an emergency. Next year's exercise would also have been the first full test of the revised procedures put in place since the Persian Gulf war. Without the antitrust exemption, this exercise either cannot be held, or it must be limited to exercising only the obsolete IEA procedures for mandatory supply allocation. Industry interest in doing the latter is minimal, so the exercise will in all likelihood be canceled. Such an avoidable development is also not in our national interest.

If there were legitimate issues being raised by the other Body with respect to the broader legislation that is needed, that would be one thing. Such issues could be worked out in conference. But the only action from the other Body to our requests for the legal changes needed to maintain our energy security, for the past 3 years now, has been to wait until the end of session, to pass a short bill extending the expiration dates in current law, and to leave town. I believe that our country has been poorly served by this inattention to our national security interests.●

EXPLANATORY STATEMENT OF THE SENATE COMMITTEE ON APPROPRIATIONS

● Mr. FAIRCLOTH. Mr. President, on Sunday, November 10, 1997, the Senate passed H.R. 2607, making Appropriations for the District of Columbia for fiscal year 1998. On November 10, 1997, under a unanimous-consent agreement, Senators STEVENS and BYRD were directed to file an explanatory statement on the District of Columbia Appropriations Act, 1998.

Earlier today, the Senate passed the appropriations bill for the District of Columbia. Senators STEVENS, BYRD, BOXER and I submit the attached bipartisan statement to accompany H.R. 2607, making appropriations for the District of Columbia for fiscal year 1998.

The statement follows:

EXPLANATORY STATEMENT OF THE SENATE COMMITTEE ON APPROPRIATIONS

The Senate Committee on Appropriations submits the following statement in explanation of the effect of the act of the House and Senate on the accompanying bill (H.R. 2607), which passed the House and the Senate.

The House- and Senate-passed bill on the District of Columbia Appropriations Act, 1998, incorporates most of the provisions of the Senate version of the bill and a number of provisions of the House version of the bill. The language and allocations set forth in Senate Report 105–75 should be complied with unless specifically addressed to the contrary in the accompanying bill and statement.

Senate Amendment: The Senate deleted the entire House bill after the enacting clause and inserted the Senate bill. The House amended the Senate bill, which was passed by the House and Senate.

TITLE I

Management Reform—The bill provides $8,000,000 in federal funds for a program of management reform for the District of Columbia government. The Revitalization Act and the Management Reform Act, which were enacted with the Balanced Budget Act of 1997, have created an opportunity for the District of Columbia to correct years of mismanagement throughout the District government as documented by the District of Columbia Financial Responsibility and Management Assistance Authority (Authority) and numerous Congressional hearings. The District of Columbia Appropriations Act, 1998, provides $8,000,000 to fund the hiring of management consultants to conduct comprehensive reviews of nine major agencies and four major citywide functions of the District government. In addition, the appropriation funds the position of a chief management officer [CMO], who will oversee the responsibilities assigned the Authority under the Management Reform Act. The Congress will closely monitor each step of implementation of the Management Reform Act to ensure that the District continues the task of returning the District to a position of long-term financial responsibility.

Federal Contribution—The bill provides $190,000,000 for a Federal contribution to the District of Columbia towards the cost of operating the District government. The appropriation represents the amount authorized by section 11402 of the National Capital Revitalization and Self-Government Improvement Act of 1997. The District is directed to use $30,000,000 of the Federal contribution to repay the accumulated general fund deficit.

Federal Payment to the District of Columbia Criminal Justice System—The bill provides $108,000,000 for operation of the District of Columbia Courts and the pension costs of certain court employees. The bill further provides that the Office of Management and Budget shall apportion quarterly payments from this appropriation to the District government for the courts' operations. In addition, payroll and financial services are to be provided on a contractual basis with the General Services Administration, which is directed to provide monthly financial reports to the President and the designated Congressional committees. The bill provides that, of this appropriation, up to $750,000 is available for the establishment and operations of the Truth in Sentencing Commission authorized by the National Capital Revitalization and Self-Government Improvement Act of 1997.

The bill further directs $43,000,000 for payment to the Offender Supervision Trustee for obligation by the Trustee as follows: $26,855,000 for Parole, Adult Probation and Offender Supervision; $9,000,000 to the Public Defender Service; $6,345,000 to the Pretrial Services Agency; and $800,000 to be transferred to the United States Parole Commission.

District of Columbia Public Schools—The Committee notes with concern the delay in opening the District of Columbia public schools [DCPS] for the 1997–98 academic year. In order to ensure that the District's public schools do not experience a similar delay for the 1998–99 academic year, the Committee directs the Chief Executive Officer of the DCPS to report to the Committees on Appropriations of the Senate and the House, the Governmental Affairs Committee of the Senate, and the Committee on Government Reform and Oversight of the House by April 1, 1998, on all measures necessary and all steps to be taken to ensure that the District's public schools open pursuant to the DCPS schedule. The Committee directs that the report to Congress include a description of all building repairs needed to provide safe, habitable schools, and a timetable to complete repairs prior to the beginning of the 1998–99 academic year.

District of Columbia Charter Schools—The Committee is concerned about the slow progress of public charter schools in the District of Columbia. Since enactment of the District of Columbia School Reform Act of 1995, which established public charter school authority in the District, only three public charter schools have been established to date. Public charter schools are one of two opportunities to inject competition among the educational choices available to parents in the District and to make significant improvements in the quality of education provided to children in the District of Columbia. The Committee is hopeful that the current charter school application process will produce more public charter schools in the District. It is also the hope of the Committee that the District of Columbia public charter schools and the public charter school community will work together on solutions for the capital needs of public charter schools.

The bill provides $3,376,000 from local funds, not including funds already made available for District of Columbia public schools, for public charter schools. Of this