

started out with very little to go someplace where they could be left alone.

In today's world, when we see articles in books constantly written about how we are all victims, we could expect that they would have spent their time lamenting over that which they lost and focusing on their resentments and their bitterness and that which other people owed them. They did not. Oh, I am sure that there was some of that. It would only be human that there would be some regrets and tears shed for homes left. But that was not their focus. That was not their driving force. They were not driven by hatred, a desire for revenge, a sense of victimhood and petitions to get everything back that had been taken away from them.

Instead, their focus was on the future. Senator HATCH has already quoted the third verse of the hymn that they wrote and sang to themselves again and again as they endured the physical difficulties. I want to repeat it here in this context. It was not a hymn of mourning or longing for the past.

They said:

We'll find a place which God for us prepared,  
Far away in the West, where none shall come  
to hurt,  
or make afraid.  
There, the Saints will be blessed.  
We'll make the air with music ring,  
Shout praises to our God and King, above the  
rest.

This tale will tell, all is well, all is well.

Mr. President, we look around the world today in Bosnia, in Northern Ireland, in the Middle East, and we find people who have suffered ancient wrongs, sometimes terrible, unforgivable wrongs, at the hands of their fellow men, in the name of politics or religion, or just plain ethnic hatred. We find people in the Middle East who remember the Crusades and feel offended by something that happened a thousand years ago and are sworn to set right those ancient grievances.

I say to them and to all of us that those who made their way across the plains 150 years ago had reason to hold grievances, but they looked not to the past but to the future. And as I rise today to pay tribute to their memory, I pay tribute not only to their physical courage in undergoing that trek and express my gratitude for the privilege of being descended from them, but I express my greater gratitude for what, in my view, is a greater legacy: that I have grown up in a circumstance where these people, however much they talk about the history of the past, are willing to forgive the past; that they are not viewing themselves anymore as that first generation, as victims, as obsessed with redressing old wrongs or attacking old antagonists. The legacy that is of greatest value to me and to the people of my State that came from those who were engaged in that great trek was their legacy of hope and optimism and a willingness to forgive and forget and look to the future.

That is what we are celebrating today as we look back on 150 years since the time they finally found their

place faraway in the West, which God had in fact for them prepared, where they have indeed been blessed. Senator HATCH and I would like to be with them today, but we cannot because of our duties here in the Senate. But we thank the Members of the Senate for their indulgence in allowing us to take the time of the U.S. Senate and make this recognition of significant events in American history.

I yield the floor.

Mr. GREGG. Mr. President, before I proceed with the formal business of the Senate, I just want to congratulate and acknowledge the Senators from Utah in their extraordinarily moving and thoughtful and brilliant statements on the importance of today and the history of Utah and the Mormon Church, which has so reflected effectively the history of this country. The tempo and culture of that experience has been one which has been intertwined with our Nation's strengths and, unfortunately, some of our Nation's failures.

Their statements today, I think, as well as anything that I have ever heard, reflect the energy and enthusiasm and vitality and warmth that that church presents to its parishioners and which makes it such a dynamic force in the faith of many people across this country and across the world. So I congratulate them for their truly extraordinary statements.

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#### DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

Mr. GREGG. Mr. President, I ask unanimous consent that the Senate now turn to S. 1022, the Commerce, Justice, State, and Judiciary appropriations bill.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A bill (S. 1022) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies for the fiscal year ending September 30, 1998 and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

Mr. GREGG. Mr. President, I ask further unanimous consent that with respect to the Feinstein amendment regarding the ninth circuit court, there be 4 hours of debate on the amendment equally divided between the chairman and the ranking member or their designees with no second-degree amendments in order to the amendment. I further ask unanimous consent that following the expiration or yielding back of time, the Senate proceed to a vote on or in relationship to the amendment.

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

Mr. GREGG. Mr. President, I also ask unanimous consent that the following Appropriations Committee staff members be granted floor privileges during

the consideration of this bill: Jim Morhard, Paddy Link, Kevin Linskey, Carl Truscott, Dana Quam, Josh Irwin, Scott Gudes, Emelie East, Karen Swanson-Wolf, Jay Kimmitt, Luke Nachbar, and Vas Alexopoulos.

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

Mr. GREGG. This request I just made also includes both majority and minority staff.

Mr. President, I come to the floor today to introduce this bill, S. 1022, for the fiscal year 1998 appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies. This year we have taken great strides to obtain bipartisan support for this bill and to be responsive to the needs of the people within the budget that we are provided. I think we have achieved this goal.

I want to especially acknowledge and thank the ranking member of this committee who for many, many years has served on this committee and whose cooperation, effort, and knowledge has been a core element in developing this bill and achieving progress in making these agencies function effectively. And that, of course, is the Senator from South Carolina [Mr. HOLLINGS].

The bill before us includes \$31.6 billion for programs administered by the Commerce, State, and Justice Departments, the Judiciary, and related agencies. That is a lot of money, \$31.6 billion, but I would note that it is a bill that is frugal. It is \$4 billion less than what the President's budget request, and it is over \$100 million less than what the House will have passed in its bill in this area.

The essential thrust of this bill is to make sure the committee adequately funds the activities of our criminal justice system and to make sure that the States receive adequate funding to undertake an aggressive posture to control the spread of violence and crime in our Nation. As a result, we have increased funding for the Department of Justice by 5 percent over 1997 levels. This represents a fairly significant commitment to that Department, obviously.

Within the Justice Department, top priorities include fighting crimes against children; providing assistance to State and local law enforcement; countering terrorism activities; bolstering drug control efforts; and pursuing new juvenile programs.

As chairman, I directed the committee to take a close look at the needs of the juveniles in our country. In hearings this year, it was brought to my attention the threats our children face when surfing the Internet. While the Internet can be a place for the world to be at play and to be at the access of children's fingertips, that world can also have its shady side where predators lurk to exploit our children if given the opportunity.

The Federal Bureau of Investigation [FBI], along with organizations like the Center for Missing and Exploited

Children, has worked to combat pedophile activity on the Internet. In our legislation we provide funding to continue these efforts: \$10 million for the FBI to apprehend the pedophiles who use the Internet in their criminal activities; \$2.4 million to the local and State law enforcement agencies to form specialized cyber units to investigate and prevent child sexual exploitation; and \$6.2 million for the National Center for Missing and Exploited Children to continue their efforts to educate and work with law enforcement officials in handing child exploitation cases.

Also, the committee believes it is in the national interest to improve the skills of our law enforcement personnel on all levels and supports initiatives to do this. The Community Oriented Policing Services, or COPS Program, is funded at \$1.4 billion so that 100,000 extra police can be hired by our States and our communities. The President's request did not include any funding for the local law enforcement block grant. However, we have provided \$503 million so that localities could obtain funding for initiatives to reduce crime and improve public safety.

Also, in response to a number of requests from law enforcement officials, we have added \$10.5 million to the President's request for a regional information sharing system so that law enforcement officers throughout the country can have increased access to national crime databases.

This year the committee has taken a strong stance against the violent acts that are directed toward women and children.

Our support includes a \$67.3 million increase in the funding for the Violence Against Women Act grants. We recognize the need to enhance and expand current women's assistance programs as violent crimes against them continue. Violence Against Women Act grants will be given to the States to develop and implement effective arrest and prosecution policies to prevent, identify, and respond to violent crimes against women. This funding provides domestically abused women and children with additional support services. This includes access to specially trained prosecutors and law enforcement officials. Only 20 States received Violence Against Women grants in 1996. We believe there should be sufficient funding for more States to participate in this program. Consequently, we have appropriated funds for this effort. And while we have given significant funding to the Violence Against Women Program, other grant programs still receive funding—the Motor Vehicle Theft Prevention Program, the State Prison Grant Program, and the Missing Alzheimer's Patient Program, just to name a few.

The Counterterrorism Fund received \$29.5 million so that the law enforcement officials can counter, investigate, and prosecute those people who are involved in terrorist activities. In addition,

the funds will be used to conduct terrorism threat assessment against Federal agencies and their facilities. Additional funds have been provided in a classified portion of the bill, which is available to all Members.

Like many Members of Congress, the committee is concerned about the proliferation of illegal drugs coming across our borders and its impact on our children. In an effort to support law enforcement efforts to combat the rampant spread of illegal drugs, the committee devoted \$16.5 million to combat the trade in methamphetamine and \$10 million to the effort to reduce heroin trafficking. The committee also provided substantial funding for the Drug Enforcement Administration program to provide adequate equipment for its agents. It does no good to hire new agents—and we are hiring a large number of new agents in this bill—if they do not have the equipment needed to do the job. So this bill takes care of that issue.

Over the last few years, the infrastructure needs of organizations funded by this bill have been neglected. We have made a point of providing funds to repair buildings throughout our agencies. Over \$300 million will go to the FBI, the Drug Enforcement Administration, and the Bureau of Prisons to make much-needed infrastructure improvements. This money covers the costs of a new FBI forensics lab at Quantico, State prison grants to help States build new prisons, and facilities for 1,000 new Border Patrol agents we have funded through the Immigration and Naturalization Service.

As last mentioned within the Justice portion of the bill, the committee sets aside funding for a Juvenile Block Grant Program, subject to the authorization of the Judiciary Committee. It is our understanding that the authorization may address such issues as the need for increased penalties for criminal street-gang activities and prosecuting violent youth offenders as adults at the discretion of the prosecutor. This funding should assist in undertaking that effort.

This is just a brief summary of a wide range of Justice provisions that will help law enforcement combat the threats that Americans face in our daily lives.

In the area of the Commerce Department, we have made some difficult decisions, but I think they are constructive ones. We have, for example, provided strong support for the National Oceanic and Atmospheric Administration (NOAA), which provides high-quality research and provides technical data to our economy. In particular, the bill increases funding for the Coastal Zone Management Act, which is important to all coastal and Great Lakes States and provides funding for estuarine research. Since 75 percent of our Nation's population lives near the coastline, placing a priority on preserving our estuarine areas is important. Equally important is the need to

conserve the resources that live in our estuaries and oceans.

The bill increases funding for protected species research. The Sea Grant Program, which conducts research of regional importance through colleges and universities, is strongly supported in this bill. While we believe NOAA is doing essential work for America, sometimes we disagree with our House colleagues on the level of funding. We intend to address this in conference, and we will go to conference with a strong bill.

The committee provides increased funding for the National Weather Service, also. Many of us are concerned that this agency has the resources necessary to ensure timely warning of severe weather, especially hurricanes and tornadoes. The bill contains funding for satellite improvements which are critical to monitoring and predicting the weather. The committee supports the modernization of the Weather Service and looks forward to working with the Department of Commerce to ensure the orderly deployment of technology needed to improve forecasting and warnings.

The largest increase in the Department of Commerce is the administration's request for additional funds to prepare for the decennial census. We have had previous discussions on the Senate floor about whether or not to use a sampling technique to conduct the census 2000. The bill contains language on this issue developed on a bipartisan basis during the consideration of the Supplemental Appropriations bill earlier this year. The increase for fiscal year 1998 does not require a decision on whether or not to employ sampling.

The committee also funds the trade development and enforcement responsibilities of the Department of Commerce at or slightly above the administration's requests. The Bureau of Export Administration has two new requirements which deserve mention. First, the Department of State's encryption export control responsibilities have been transferred to the Export Administration.

Second, with the ratification of the Chemical Weapons Convention (CWC), the Export Administration will have the primary responsibility for enforcing the convention. While funds are provided at the requested level to support the Export Administration's enforcement responsibilities, any additional funds which may be needed during fiscal year 1998 should be provided by the Department of Defense or the Department of State. There is some concern that the administration has underestimated the funds needed to enforce CWC. The Department of Commerce should not be required to shoulder all the costs of Chemical Weapons Convention enforcement.

Many Senators will be glad to hear that the committee did not agree with the administration's request to zero out public telecommunication facility

grants. We went ahead and provided \$25 million for this program based on the strong bipartisan support it enjoys.

In the judiciary area of the bill, the committee had to confront some difficult issues, but I believe we have provided the American people with a better judiciary through our efforts. The appropriation is sufficient to maintain current judicial operation levels and takes into account the increase in bankruptcy caseloads and probation population. We are also providing the Justices and judges with a 2.8-percent cost-of-living adjustment requested by the President.

The largest change—and it is a change I think will be for the best—is that the ninth circuit Federal court will be split into two circuits, reducing the caseload level in each to a manageable level. During the 1996–97 session, the Supreme Court overturned 96 percent—96 percent—of the decisions reviewed by the ninth circuit. This high overturn rate is a beacon that the Ninth Circuit is not meeting the needs of the people it serves. Last Congress, Chief Judge Wallace stated in testimony before the Senate Judiciary Committee that “it takes about 4 months longer to complete an appeal in the ninth circuit as compared to the national median time.” The caseload continues to increase yearly.

Justice Kennedy of the Supreme Court testified before our committee on April 17 that there are “very dedicated judges on that circuit, very scholarly judges. \* \* \* But, [he thinks] that institutionally, and from a collegial standpoint, that it is too large to have the discipline and the control that is necessary for an effective circuit.”

While some of my colleagues may disagree, the facts lead me to believe it is past time for the ninth circuit to be split, and we are going to hear a considerable amount of debate on that issue later today.

Lastly, for the judiciary, we are providing an additional \$2.2 million to the Supreme Court for renovations in an effort to comply with safety regulations and with the Americans With Disabilities Act at the Supreme Court building.

Moving on to the State Department, we have fully funded to the best of our abilities, the operations carried out by this Department. We made sure that the day-to-day functions of the State Department are funded at an acceptable level, and we are going a long way toward updating their outdated technology systems.

Maintaining infrastructure was a top priority of mine in funding this bill. To do this, we are providing \$40.4 million above the President's request for the Capital Investment Fund so that desperately needed upgrades on information and communications systems can be done. It is quite alarming to hear that the State Department is still using Wang computers and that over-uses, about 82 percent of the radio

equipment, 55 percent of the computer equipment, and 40 percent of the telephone systems are obsolete. These are the people who are representing us in foreign countries and they deserve to have up-to-date equipment.

As a final noteworthy item, this bill covers the U.N. arrears as agreed to during the budget talks this year, in addition to supporting the bicameral U.N. reform package found in S. 903, the Foreign Affairs Reform and Restructuring Act of 1997. The international organization and peace-keeping efforts are also included in this appropriation.

This is a very quick rundown of a very complicated and expansive piece of legislation. I believe it is an extremely strong bill, complying with the ideas that have been guiding the budget process over the last few months. As I mentioned earlier, it is under the President's request and under the House bill. Yet I believe it still represents a sound and strong commitment to the agencies which it has to cover.

Before turning this over to my esteemed colleague and ranking member, I want to recognize the contributions of my staff, which have been extraordinary, the members of my staff that I outlined earlier, Kevin Linsky, Paddy Link, Vas Alexopoulos, Jim Morhard, Carl Truscott, Dana Quam, Josh Irwin, and Luke Nachbar; and I also want to acknowledge the ranking member's staff, who do such a super job—Scott Gudes, Emelie East, and Karen Swanson-Wolf. Their help has made a tremendous difference, and we would not have gotten to this point without their assistance.

I yield to my ranking member.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I thank our distinguished chairman.

Mr. President, this Commerce, Justice, and State appropriations bill is probably the most complicated of the 13 appropriations bills. In it we fund programs ranging from the FBI to our embassies overseas, to fisheries research to the Small Business Administration. It requires a balancing act—considering the priorities of our President, our colleagues here in the Senate, and our Nation, in equitably distributing our subcommittee 602(b) allocation to the many programs in this bill. I think Chairman GREGG has done a masterful job in putting it together, and I support him in bringing this very solid bill before the Senate.

I would especially like to recognize the majority staff who are all new to this bill—Jim Morhard, Paddy Link, Kevin Linsky, Carl Truscott, and Dana Quam, and our Democratic staff—Scott Gudes, Emelie East, and Karen Swanson-Wolf. They have been working night and day to put together this bill. They have done a truly outstanding job, and have ensured a bipartisan spirit was maintained throughout this entire process.

In total, this bill provides \$31.623 billion in budget authority. That is about half-a-billion dollars below the President's budget request \* \* \* and it is right at our section 602(b) allocation. The bill is \$1.4 billion above this year's appropriated levels.

JUSTICE

Once again, our bill makes it clear we're not fooling around with Justice and law enforcement priorities. The bill provides appropriations totaling \$17.3 billion—an increase of \$862 million above last year. Including fees we provide the Department, the total Justice budget comes to \$19.3 billion.

It might be well to note historically that some 10 years ago the bill was right at \$4 billion. We in the Congress run around everywhere, “Cut spending, cut spending, cut spending.” If you want to know where the increases in spending occur, you can look at the space program. I followed the thought, of course, of the distinguished Senator from Arkansas—who has been up in space. They say the interest is trying to get Senator JOHN GLENN back in space. My interest is trying to get the Senator from Arkansas, Senator BUMPERS, out of space. He has been up there for 2 days. But he has been doing a masterful job, trying to save moneys there.

Now, with respect to the Justice Department, the DEA, hundreds of more FBI agents, a new laboratory there, Cops on the Beat, 1,000 more Border Patrol, half a billion more in prisons—we are building prisons. If you haven't gotten a prison in your State, call us; we will be glad to build you one. Because we are not building schools in America, we are building prisons everywhere. So, everybody ought to understand, in the 10-year period under the leadership here of this Congress, trying to cut spending, we have veritably quintupled the Justice Department.

Of this amount, our Federal Bureau of Investigations, the FBI, is provided \$3.1 billion, and we have funded completion of its new laboratory at Quantico as well as \$10 million to enhance efforts to combat child pornography on the Internet.

As, I said, we've made sure the INS will keep our borders secure, by providing an additional, 1,000 Border Patrol agents in the Immigration and Naturalization service. Furthermore, the bill extends section 2451 of the Immigration Act. These fees allow adjustment of status for legal immigrants in the United States and result in the Immigration Service getting almost \$200 million per year for border enforcement and combating illegal immigration. This is important to both INS which needs the funding, and the State Department which no longer has the consular officers overseas to provide for adjustment of status in embassies.

Within the Justice Department, we also provide \$1,033 billion for our prosecutors, the U.S. attorneys. That is an increase of \$55 million. I'm pleased to note that it provides for activation of

the National Advocacy Center to train our Federal and State prosecutors, and it continues State and local violent crime task forces which report to our U.S. attorneys.

So, looking at the Justice grant programs: the COPS Program is provided \$1.4 billion; the local law enforcement block grant is \$503 million; \$590 million is recommended for State prison grants; \$264 million for violence against women grants; \$580 million is provided in Byrne grants and; \$380 million is provided for juvenile justice programs which is over twice the amount as this year.

#### COMMERCE

On the Commerce Department, the bill provides \$4.169 billion for the Commerce Department. That is an increase of \$368 million over this year. Within this Department, the bill provides \$659 million for the Census, which is an increase of \$314 million. This bill does not prohibit statistical sampling, though we will continue to monitor this issue closely.

We have provided \$25 million for the Public Broadcasting facilities grants and have rejected the administration's proposal to terminate this program which assists public television and radio.

The recommendation includes \$200 million for the NIST Advanced Technology Program and \$111 million for the Manufacturing Extension Program. So this bill supports the bipartisan budget agreement which specifically made these technology programs a priority. Another program of interest, the International Trade Administration, has been provided with \$280.7 million.

The biggest account in the Department of Commerce, NOAA, has been provided with \$2.1 billion. We have included \$473 million for Weather Service operations, an increase of \$23 million above the request. This ensures that we won't have a repeat of all the problems we have seen this year. Like cutting the National Hurricane Center. And this bill continues support for the NOAA oceans programs and the NOAA fleet.

I just attended the commissioning of the most modern research vessel in the fleet, the *Ronald H. Brown*. I am pleased to report that, rather than the interest up here—310 million miles away whether or not some little instrument ran into a rock—in contrast, the NOAA fleet is out researching seven-tenths of the Earth's surface, the oceans and atmosphere, mapping the ocean floor and harbors and conducting surveys of living marine resources so that the NOAA fleet is alive and well. And we are not going to scuttle it as has been proposed here previously.

#### STATE

In our title for the State Department and international programs, we have included some \$4 billion for the Department of State, and have supported the consolidation of our international affairs agencies. We have assigned, again, a priority to the operations and facili-

ties of the State Department, for example we included \$105 million to modernize computer and telecommunications systems.

We have included \$100 million for United Nations and peacekeeping arrangements as part of the agreement that was reached with the Administration on the Foreign Relations authorization bill. The recommendation also includes \$20 million for renovating housing and the U.S. Embassy in Beijing.

I have just had a conversation with the Ambassador Designate to the Court of Saint James, which has a magnificent residence there. It was done over by Walter Annenberg. It looks like a beauty to me. It doesn't look like it's falling down. But they are going to close it and get into a multimillion-dollar renovation program over 2 years, while they are in squalor in Beijing.

I can tell you here and now, we have to do something about the Property Division over in that Department of State, so that we can at least have decent housing for those who are willing to sacrifice and lead this Nation's foreign policy, particularly now in the most important nation with respect to foreign affairs, the People's Republic of China.

There is almost \$400 million in the bill for international broadcasting, \$200 million for international exchanges. That is the first time, of course, Mr. President, that the Fulbright and other exchanges have gotten an increase. It should be noted that no funds are included for the National Endowments for Democracy, and the distinguished chairman and I are well able to defend that particular initiative now. I imagine we will be hearing from our colleagues with an amendment. But if they want to bring this up and talk about pork, I never heard of worse ones—although we have had it. This Senator at one time opposed it; at one time supported it at the request—at the fall of the wall. We didn't have an entity that could really bring newspapers and printing presses and election fliers for democratic elections where in countries they had never held a democratic election. It looked to me it might be an exception.

The Department of State, we ought not to be embarrassed, the Department of State ought to be, really, about its front-line position, now, with the fall of the wall, in promoting democracy, individual rights, and the American way the world around. And we need not fund the chairman of the Democratic Party, the chairman of the Republican Party, the Chamber of Commerce and the AFL. I think that here we can make a savings of several million dollars.

Mr. President, this is a good bill. I support it. We have had to make some tough decisions, but under the leadership of Senator GREGG, I think we have made the proper decisions. It is nice to have worked on this State, Justice, Commerce bill, and I urge my colleagues to join in its passage.

I yield the floor.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

#### AMENDMENT NO. 979

(Purpose: To authorize the Administrator of General Services to transfer certain surplus property for use for law enforcement or fire and rescue purposes)

Mr. GREGG. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Hampshire [Mr. GREGG] proposes an amendment numbered 979.

Mr. GREGG. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 65, strike lines 3 through 9 and insert the following:

SEC. 119. Section 203(p)(1) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(p)(1)) is amended—

(1) by inserting "(A)" after "(1)"; and

(2) by adding at the end the following new subparagraph:

"(B)(i) The Administrator may exercise the authority under subparagraph (A) with respect to such surplus real and related property needed by the transferee or grantee for—

"(I) law enforcement purposes, as determined by the Attorney General; or

"(II) emergency management response purposes, including fire and rescue services, as determined by the Director of the Federal Emergency Management Agency.

"(ii) The authority provided under this subparagraph shall terminate on December 31, 1999."

Mr. GREGG. Mr. President, I yield the floor.

Mr. BROWNBACK addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. BROWNBACK. Mr. President, I ask that the previous amendment that has been proposed be set aside and I have an amendment that I will send to the desk.

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

Mr. BROWNBACK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

#### AMENDMENT NO. 980

(Purpose: To prohibit certain corporations from participating in the Advanced Technology Program)

Mr. BROWNBACK. Mr. President, I ask that the pending amendment be set aside. I send an amendment to the desk and ask for its immediate consideration.

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

The assistant legislative clerk read as follows:

The Senator from Kansas [Mr. BROWNBACK] proposes an amendment numbered 980.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place in title VI, insert the following:

SEC. 6 . Section 28(d) of the National Institute of Standards and Technology Act (15 U.S.C. 278n(d)) is amended by adding at the end the following:

“(12) For each fiscal year following fiscal year 1997, the Secretary may not enter into a contract with, or make an award to, a corporation under the Program, or otherwise permit the participation of the corporation in the Program (individually, or through a joint venture or consortium) if that corporation, for the fiscal year immediately preceding that fiscal year, has revenues that exceed \$2,500,000,000.”.

Mr. BROWNBACK. Mr. President, this amendment deals with the Advanced Technology Program which was established to spur high-risk precompetitive research and development. It was intended to make U.S. businesses more competitive in the global marketplace by assisting them in developing technologies which they wouldn't fund on their own.

It was not established to fund research and development which would have been funded in the marketplace anyway. No one believes that the Federal Government should be in the business of taxing American families to subsidize product development, research spending for rich corporations. I think this would be in anybody's definition what former Secretary of Labor Robert Reich qualified and stated was “corporate welfare.”

I have grave concern that the Advanced Technology Program has become just that, a corporate welfare program. While recognizing the importance of a strong Federal role in research and development, I am very concerned that the ATP program is providing too much money to companies that have clearly adequate resources of their own to fund any research that is worth their doing.

My amendment is a simple one, and it should have broad bipartisan support. My amendment says that no company with revenues in excess of \$2.5 billion—revenues in excess of \$2.5 billion—can receive Federal funding through the Advanced Technology Program. We are talking about revenues. This is gross revenues of a company of \$2.5 billion—so this is a pretty large company we are talking about—above which you can't receive funding from the Advanced Technology Program. I think if you are having revenues of \$2.5 billion or more a year, you can afford to fund your own research and development program, and you don't need the Advanced Technology Program.

We use the \$2.5 billion revenue threshold because it would exclude the

500 largest companies in America, the so-called Fortune 500, from receiving welfare dollars.

I think if you are a Fortune 500 company, you can do without corporate welfare dollars. In the word of one Silicon Valley executive—and there have been a number out there to support this provision; we have a letter signed by over 100 CEO's from startup companies in Silicon Valley which say terminate the entire ATP program, get rid of the whole thing. We are saying let's hold it to the largest corporations.

One executive said this:

If you were General Motors with annual sales of \$160 billion and \$20 billion in the bank, why don't you fund this great idea yourself and patent it yourself?

I think the answer to this question is pretty simple, and that is, if there is a Federal subsidy program which will fund corporate R&D for free, even if the company has enough corporate R&D resources, and if that company's competitors are taking the money from the Federal Government, why not take the money from the Federal Government yourself? Therefore, we need to close that loophole so their competitors can't get it and they be forced to take it as well.

What may be most troublesome is that for every grant given to a huge company with a multibillion-dollar budget and CEO making tens of millions of dollars, there is a small company who may have a good idea but can't raise the capital and will do without Federal assistance. The small companies will do without, while the big corporations get it. What we are saying is let's keep it from going to the megacorporation and have more available to the small corporation, which is what we are trying to target in the first place.

We are not talking about a program that gives money exclusively to small business, entrepreneurs or inventors working in their garages. Some ATP money goes to small companies and universities. This amendment would make it more available to them. But the top five companies that participate in the greatest dollar volume of grants from the ATP program are some pretty familiar names: IBM, General Motors, General Electric, FORD, Sun Microsystems. I think they can afford to fund these programs on their own. They don't need corporate welfare, and we should be making more of this available to small companies.

Maybe they get it because they have a great idea or maybe they get it because they have a lobbyist in Washington that watches for these things. That may be part of it as well. Whereas, a small startup company is just busy in their garage, or wherever, trying to hustle enough to make this thing go. We want to make it more available to the small companies, the entrepreneurs and keep it out of the hands of the Fortune 500, all of which have large lobbying staffs to get hold of that here.

According to the Department of Commerce, more than 40 percent of single-applicant grants currently go to large companies—40 percent. Other ATP recipients are AT&T, Black & Decker, 3M, DuPont, MCI, Xerox, Caterpillar, Kodak, United States Steel, Honeywell, Allied Signal, and the list goes on. These industrial giants have the time and the money to fill out ATP applications, but also have the money to fund these projects on their own.

I also take this opportunity to commend Secretary Daley for initiating a review of the ATP program. As he and I have discussed, I believe this review is long, long overdue, and I appreciate that it was instigated very early on in his tenure. The Secretary recognized in his recent report on the program that the question of whether huge corporations should participate in ATP grants to the exclusion of some smaller ventures is a legitimate concern and one that he is concerned about as well. As a result of the Secretary's review, he has proposed changes in the match for single-applicant-large companies to a 60-40 match from the current 50-50 and encourage joint ventures over single applicants.

That is a laudable start, but, my goodness, that is just not far enough when we are talking about a company that has \$2.5 billion in revenues, huge companies. They can afford to do this on their own. It just doesn't go far enough. At most, this would reduce the amount a large company will receive in grants by \$65,000 a year, and that is not much of an incentive for companies like IBM with revenues of \$76 billion annually.

To its credit, this year the Department of Commerce requested input from the public on the ATP. Among the public responses were, listen to this one:

ATP awards large companies even though a smaller company, as a single applicant, may have a better technical and business proposal. In some cases, the large company tries to get the award in a new research file just to shelve the idea and prevent someone from doing the research because it will compete with its existing markets.

Another one:

ATP should not be a time-consuming, expensive proposal preparation contest which it is now.

Another one:

ATP does not provide much assistance for individuals or shoestring startups which need assistance most.

While I am not offering an amendment to kill this program today, I do have grave concerns about it primarily because I believe there is ample private capital for good ideas. Last year alone, the venture capital industry pumped more than \$10 billion into new ventures. Last year, companies raised more than \$50 billion from initial public stock offerings. The top four winners of ATP grants invested more than \$20 billion of their own corporate resources on research and development. We are talking about a total program, the total ATP program of right around or under \$300 million.

I don't think I have the support this year to eliminate this program on an appropriations bill. Many of my colleagues believe that would be more appropriate for the authorizing process, which I think would be as well and a good place to do it as well.

So let me reiterate, today I am not offering a killer amendment. This isn't even an amendment to reduce the funding of this program. It does nothing to the funding of ATP. I am offering an amendment which will make a small change in the program to better enable it to meet its mission of providing funds for high-technology research without replacing private dollars.

I want to note something else, Mr. President, if I can, about people applying for ATP grants and companies that are applying for ATP grants. This is according to a GAO report when they were looking at whether people try to find these first outside the Government. This is the GAO:

When we asked if they had searched for funding from other sources before applying to ATP, we found that 63 percent of the applicants said they had not—

Sixty-three percent—

[and] 65 percent of the winners had not looked for funding before applying to ATP.

In other words, they are going first right to the Federal Government, to the ATP program. These are huge corporations with over \$2.5 billion in revenues, the only ones we are targeting, and they are saying, "Let us take it there first."

This is a simple amendment and will help the small entrepreneur. It will bring some sanity back to the process. It will start to address the issue of corporate welfare, and this is a perfect case.

So, Mr. President, I think this is an appropriate amendment. At the appropriate time, I will urge its adoption and ask for the yeas and nays. I yield the floor.

The PRESIDING OFFICER (Mr. KYL). Is there further debate on the amendment?

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I am reminded of a little ditty they used to have on the radio each Saturday morning for my children: "All the way through life, make this your goal; keep your eye on the donut and not the hole."

The distinguished Senator from Kansas is really, with this amendment, trying to reduce it to a corporate welfare program. The goal, and the eye ought to be on it, was commercialization of our technology, not research. In fact, the research arm of the Defense Department, DARPA as we call it, which has billions of dollars that come over—Greg Fields, working with the National Institutes of Standards and Technology—this is now back in the late seventies because I authored this particular program—in the late seventies in talking with Mr. Fields and the

authorities at the National Bureau of Standards, at the time we called it, found that we had all kinds of technology backed up in research at the National Bureau of Standards on the civilian side that was not being commercialized. In fact, what they call the rapid acquisition of manufacturing parts—it is a wonderful type program—was developed and came really out of the Bureau of Standards. A ship broke down in the Persian Gulf that was 25 years of age, and they weren't making the parts anymore, so the ship couldn't function. It took several months or a year to get the part back out to get the ship moving again and everything else.

The computerization and manufacturing at the defense level of all parts are immediately on the board. Within days, they knew how to punch the computer, get the particular manufacturer, get the part back and going again. That came out of the Department of Commerce that my distinguished colleague has been bent on trying to abolish.

Back to the commercialization. In the late 1970s, down in Houston, TX, they developed the superconductor, and right to the point, with the research initiative, these particular scientists won the Nobel Prize. But the actual commercialization was caused by our Japanese friends who correlated some 22 entities and immediately started developing and commercializing it. Oh, yes, the American scientists won the Nobel Prize; the Japanese entrepreneurs won the profits.

We are going out of business in this country. This has nothing to do with small companies or large companies. The staff, of course, has provided me—but I do not want to get into that because I support DARPA very much. But if we had this particular amendment and it took, then we could put it to DARPA and all other research over in the Defense Department, and then we could grind research to a halt. Because the reality is that the larger companies do have the better research entities. And the larger research companies also have the stock-market-turnaround, get-in-the-black, get-your-stock-increase kind of pressure.

Talk to the CEO of AT&T, a multibillion dollar company. One of the largest corporations ever in the world is in trouble because the chairman that they had momentarily, barely a year, could not turn it around and get it into the black and get it going. He is gone.

Now, Senator Danforth and I, working on this commercialization, said now we are not going to have welfare and we are not going to have pork. So we put in unusual safeguards which this Senator from South Carolina has had to fight personally to maintain.

One safeguard coming with the particular research endeavor was that we had to have this particular request approved, bucked right over to the National Academy of Engineering, and saying, "Wait a minute. Does this really contribute to the Nation's particular

research?" We did not just want company research to increase the profits of a particular company; we wanted a research endeavor that meant something to the basic research technology advancement of the United States of America. This is a national program; it is not a welfare program; it is not a corporate-profit program.

So this is No. 1. The corporation has to come with at least 50 percent of its money. They have to have upfront money they are willing to put in, then bucked over to the National Academy of Engineering for its approval on a national basis, then going back for a third particular test of competition of which were the most deserving because this has been very, very limited.

Look at our agricultural boards. They have multimillions in there for California raisins and "Don't drink the wine before its time," Gallo, and all of those other things. The farm boys around here know how to get things done, but the technology boys are out researching and making money and continuing to research. Then, like GE coming through my office and saying, "We don't have time to turn this particular around," so go sell it to the Saudis because they have the money and they can develop it.

Mr. President, 15 years ago, I put in a bill to cut out the quarterly reporting. That is one of the real bad devices—all this quarterly reporting. The market is going up, the market is going down. Greenspan says something, it goes up billions, it goes down billions, costs or whatever it is. We have to understand the global competition has to steady the boat in this land financially. One of the great initiatives to have it steadied is to do away with quarterly reports.

We all fault the American entrepreneur and corporate leader in saying, oh, he won't invest in the long range. Our Japanese competition, they know how. In Korea, Japan, the competition in the Pacific rim, they get long-range planning. The American corporate head cannot do it under this structure. He has to get in and somehow take the best profits, the bigger profits, go for it. You might have a technology, but if it takes over 3 years, forget it, "We don't have time. We don't have the money. Sell it to somebody else, get a joint venture with the Germans or the Brits or whatever it is."

We are exporting our technology. And the security of the United States of America depends on our superiority of technology. We do not have as many Americans as they do Chinese. Someday we are going to find that out, Mr. President.

Running around with a little boat in the Taiwan Straits, I was on one of those aircraft carriers up in the Gulf of Tonkin 30 years ago. We did not stop 30 or 40 million little North Vietnamese coming down the Ho Chi Minh trail. I do not know how, with a couple of these boats in the Straits of Taiwan, that we are going to stop 1.2 billion

Chinese. So we better sober up in this land, emphasize our technology, get it developed. That is the thrust of the Advanced Technology Program.

So we had all the tests. Like I had commented, I had personally taken it on over on the House side. We had a distinguished colleague over on the House side that every time we got to the State, Justice conference, he wanted to write up one of these particular programs for himself. I said, "This is not corporate welfare. This is not pork. We're going to stand by." We held this bill up in conference for weeks on this one particular point, that it was not corporate welfare, it was not pork. It was a studied program to commercialize, develop, and commercialize the technology that we could get financed. It is a solid program with strong bipartisan support.

Mr. President, I remember when we had the particular—if you can remember. I can hardly remember when the Republicans were in a minority, but there was a day. It was just about 4 years ago. They had a Republican task force in the U.S. Senate at that time chaired by the distinguished majority leader, Senator Dole. They had over a dozen Senators endorse this program as it is, which includes, of course, our distinguished majority leader, Senator LOTT; the former Secretary of the Navy, Senator WARNER; the chairman now of our Appropriations Committee, Senator TED STEVENS; the chairman of our Judiciary Committee, Senator HATCH—you can go right on down the list—the chairman of our Budget Committee, Senator DOMENICI; and others.

I just want the distinguished colleague and friend that I have here from Kansas to understand coming over from the House side with that Walker disease—we had a fellow over there named Bob Walker from Pennsylvania who just took on a personal kind of vendetta against doing anything about commercialization or development of technology or research except in his district. He held up the authorization for this particular measure for several years. Now it has been passed over on the House side. I thank the distinguished Republican leadership for passing that authorization bill and do not want to stultify it now by resolving it into big-little, 2½ billion or whatever it is.

I can tell you here how they move on these large entities here. They move on and do not put the money to it. They sell it. I can give you example after example where I have worked with them in this particular field, and they come by the office and say, "I am headed to so and so just for a joint venture. I will just take it to Japan and get a 49-51 deal. At least I can get my money back out to do some more research." But this has been draining, veritably, the security—not just the technology, but the security—of the United States of America.

It is a well-conceived program, well-administered, just updated by our dis-

tinguished Secretary of Commerce. He has come along. I do not have the exact breakdown. I wish I had the Fortune 500 approach. We know about half of it goes to small companies. I have no objection to it going to small companies. I just have a distaste and would have to vote against that kind of division because if this kind of thing sells, then we are going to begin the big-little and it is really going to miss out on some very, very valued technological programs.

I have example after example that we could get in. I see other Senators wanting to speak. But the point here is, big, little, small, or otherwise, you have to first put up some money, at least half of it. You have to have it reviewed nationally. Some of the smaller companies, they are engaged in research, but they are not engaged in basic research. The smaller companies, by their very nature, only have the moneys for their particular endeavor, their particular profits. Therefore, they do not come. We tried to get the small companies going because that is where jobs are created, trying to get small business. We have a specific program for that. We have in here the Small Business Administration program in Senator GREGG's bill right here and now. So we take care of that when it comes to small business.

I know the administration, under Secretary Daley and his particular study here that we could put in the RECORD, says let us give even again more emphasis to it and require more than the 50 percent from the larger corporations. That particular guideline would be good. I would have hoped that the gentleman would have come with a sense of the Senate to confirm that guideline. But to actually put in law this initiative begins to develop in the minds of everyone that this is a welfare program and what we are trying to do is finance research.

We are not trying to finance research at all. We are trying to finance the development and commercialization of already established research. That really comes for the more affluent larger corporations. They come in with the great innovations because they have basic research. The small company—incidentally, I do not know that I have any—of course, down in my home State it is not welfare. I do know this.

In the debate, it ought to be understood that I had my textile folks come to me and they said that they had a technology program and they knew that I had been the father of the Advanced Technology Program, the ATP, and the manufacturing extension centers. So they said, "We need your help over at Commerce to get this particular"—it had a computerization of the supplies coming in and going out so they would not end up with a warehouse full of bluejeans that they could not sell, whatever it was. Mind you me, I said, No. 1, "I'll not call over there." I never have called over there to talk

to a Secretary about it. "This is not pork. It's not corporate welfare." I told that to my own textile leaders.

Mr. President, you know what they did? They went out to Livermore Labs, through the Energy Department, and got started a \$350 million program in textile research. You see, with the closedown, fall of the wall and the closedown of some of the defense research and what have you, to keep Energy's budget livable and alive, they said, "Sooeey, pig. You all come. We've got money. Anybody that can do it, we are ready to go."

That is what happened. They did not qualify at the National Academy of Engineering for this computerization. It was an advancement. It would have helped out my home industry and that kind of thing, but it had nothing to do with the overall commercialization of a national kind of research unique to the security of the United States itself. So it was turned down.

So we ought to be looking now and do not start this particular kind of initiative for defense, because we have the large companies here that do all—we put this under research in the Defense Department. United Technologies, Lockheed Martin, Texas Instruments, IBM, MIT, Hughes Aircraft, Carnegie Mellon, Northrop Grumman, Loral, Honeywell, GE. I can go down the list of millions and millions and millions. If this particular applied, I can tell you you would not get any defense research, you would not be getting the F-22, the advanced plane, and others of that kind that have come on now to maintain the national defense of the United States.

So I hope that colleagues will understand the genesis of ATP, the practical reality of financing and developing and commercializing the research. The large corporations who developed the unique research in this land of ours can make more money elsewhere, and they have been doing it like gangbusters by exporting it right and left everywhere, and we have been losing out. And we are wondering why we still have a deficit in the balance of trade.

We have gone and manufactured the actual production and commercialization. We have gone from 26 percent of our work force, 10 years ago, and manufactured down to 13 percent. Oh, yes, we are getting the software, we are getting the wonderful jobs at McDonald's and the other hamburger places and the laundries. But the actual production and high-paying jobs are going elsewhere. We are exporting them as fast as we can. We ought not to toy around with the solid nature of the Advanced Technology Program. It is not pork. It is not corporate welfare. The distinguished Senator has come up with an arithmetic formula, and if we begin to apply that to research in America, we are gone goslings.

I yield the floor.

Mr. GREGG. Mr. President, I ask unanimous consent that Tom Wood, a fellow for Senator FRIST's office be

given access to the floor during the debate of the Commerce, Justice, and State appropriations bill, and the same applies to Floyd DesChamps, a detailee from the Department of Energy with the Commerce, Science, and Transportation Committee.

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

Mr. GREGG. Mr. President, I rise in support of the amendment of the Senator from Kansas. The ATP issue has been one of the more contentious issues that we have dealt with within our committee. Last year, it was more contentious than this year because of an agreement reached between the White House and the leadership of the Senate and House. The House and Senate and the White House agreed that this program would be funded. I suspect that they agreed it would be funded because of the strength of the arguments made by the Senator from South Carolina, but I think most people appreciate the fact that I have, since my tenure on this committee, opposed funding for this program. It was over my strong objection that this decision was made. But it was made and I have agreed to live by the budget agreement and, therefore, the money for ATP is in there.

But if you acknowledge ATP even as a program that should proceed forward because of whatever arguments we are inclined to accept, it is very hard to understand how we can justify using a program, the purpose of which is to encourage the development of technologies which might not otherwise evolve. That is the key here—they might not otherwise evolve. It is very hard to justify such a program being used to fund Fortune 500 companies' research initiatives. The fact is that Fortune 500 companies, companies with over \$2.5 billion in sales, have the capacity to pursue any technology they wish to pursue if they determine that it has some value, if it has some economic value and if it is going to produce some sort of worth to them. And it's very illogical to presume that those companies would not pursue those technologies if they felt there is a value and they have the wherewithal to do it. You have essentially created a piggy bank into which these companies can step or put their hands into if they desire to pursue a technology, which they probably would have pursued anyway if they had the financial wherewithal to do it. But in this instance, there are Federal dollars available, so they say let's use the Federal dollars instead.

I think it is much more logical to focus this fund on those entrepreneurs and entities which do not have that sort of flexibility, do not have in-house the capital wherewithal to fund whatever research they desire. That is why I believe we should limit access to these dollars to the smaller companies. And smaller is a relative term here. We are talking about companies up to \$2.5 billion of gross sales. That is a pretty

big entity. I suspect there are a lot of major companies that fall into that category. In fact, within the State of New Hampshire, I am not sure how many companies would have more than 2.5 billion dollars' worth of gross sales; it would not be many. We are retaining the availability of this program to the vast majority of corporate America and to all of the entrepreneurial world.

It is not as if we were handicapping for purposes of this exercise. In fact, there isn't enough money to go around as far as applications are concerned. There are a lot of applications that are not approved. In fact, the Senator from South Carolina cited one in his own State. It just seems much more logical to me that we take this money and, rather than giving it to folks who have the capacity to pursue this research independently and on their own and are simply using the Federal dollars to replace dollars that they would spend anyway, that we give it to companies—or make this money available to entities that do not have the financial wherewithal to pursue these programs; or if they do have it, they would be under more stress than a company that has 2.5 billion dollars' worth of income.

So the amendment of the Senator from Kansas makes an immense amount of sense. It is not a dagger in the heart of this program. In fact, I think it is a strengthening amendment for this program. It will significantly improve the nature of this program. And, really, I am a little bit surprised at the intensity of opposition to it because it appears to be an effort to logically and fairly approach this program, rather than just eliminate it, which would be something that many of us would support also.

So I think the Senator from Kansas has brought forward an excellent amendment. I hope that we can pass it. I will certainly support it.

Mr. BROWNBACK addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. BROWNBACK. Mr. President, I want to rise in response to some of the statements made by the Senator from South Carolina. I deeply appreciate his heart, of where it is about what we need to do to make America a stronger economy, to keep jobs, growth, high technology, and jobs growing and prospering in the United States. I think his heart is clearly in the right place and he wants to do the right thing.

I just think in a nation this big, with an economy this size, with the dynamism that we have in this country, you can't control it out of Washington. That is why the President pronounced, over a year ago, that the era of big Government is over. It seems to me that was an admission that things have changed to the point that you just can't direct all things, and all wisdom doesn't come out of Washington.

This program is one of those that we are talking about in that particular area. You are basically talking about a

program here where you are going to pick winners and losers out of Washington. We have an application process that takes place here. You apply for this and give us your good idea, and we in Washington are going to think about it and see if we think you deserve to get this money or not. If your technology is one we are interested in and if we think this technology is good for our future, then we will decide to give it to you. We will decide those sort of issues from Washington.

I am not even talking about the overall program here. As I mentioned, and as Senator GREGG has mentioned as well, this is actually a strengthening amendment. We are just saying, if you are a Fortune 500 company and have revenues of over \$2.5 billion a year, we are not going to make this program available to you. You are going to have to be, at least, a startup company, because the larger companies do have lobbyists here in Washington, as the Senator from South Carolina knows. They are always coming around looking for things for their companies, as they should be. Many of their companies take it because their competitor takes this. Let's remove that as an opportunity and remove this area of corporate welfare, which truly is corporate welfare.

Now I would like to clear up a couple of other points on this, if we could. One is that I am afraid, too, that some of these programs qualify in the area—we put out a big press release saying this program is going to solve all the problems of technology drifting abroad, and we are going to solve all of the problems of not having good, high-wage, high-skill jobs in the United States because we have the Advanced Technology Program. This will solve all of those problems. This will do it. I think we suffer here from a concept of having a big press release and a very small program to answer that.

Listen once again to the figures. We are talking about a program of \$200 million. That is a large sum of money, but if you look at what venture capital put into new startups last year alone, which was \$10 billion, this is 2 percent of what was put into this from just venture capital. And I add initial public offerings on to that, where people go to the marketplace to raise capital for a good idea, and that was \$50 billion. We are talking about less than 2 percent in this particular program.

If we really want to help business in America—which I think the Senator from South Carolina clearly wants to do; he wants business to stay here in America, to grow in America, and he wants business to prosper—well, then let's do some things that would actually help business: cut taxation, regulation and litigation and manipulation out of Washington. Let's cut capital gains tax rates.

I was just in the Silicon Valley, one of the key areas in this country where startup companies are flourishing with new ideas and products that are going

global rapidly. I was there and talking about the Advanced Technology Program. I have a letter, as I mentioned, signed by over 100 CEO's of startup companies saying, "Do away with this corporate welfare." That is what they called it. These are the people who, arguably, this program started for. They said:

We don't want you directing it because you move too slow; Washington moves too slow in trying to figure out what is taking place in the global marketplace. It can't react fast enough; it can't figure these out. You are going back and basically taking taxpayer dollars from the startup companies to fund more stodgy, slower moving items, many of which end up going to the private market. If you want to help us, cut the capital gains rates; do something about the litigation; as we try to raise capital in this marketplace, do something about the regulatory regime where we have 50 different entities regulating us. Much of that is needed, but can you make it more simplified? What about all the manipulation where you are trying to direct, by the Tax Code, everything we do every day.

Then they gave a great example which I thought was wonderful. There is a little startup company in the Silicon Valley that raised over \$300 million in capital. That is more than the Advanced Technology Program. We are talking about \$200 million in this program. They raised that much. I was speaking to a group of people about 5 miles away from this startup company that raised \$300 million. I was talking to a crowd of about 100 people there. I asked them, "Have any of you heard of this company?" I gave the name of the company. This was a group of 100 people, 5 miles a way. This company has actually raised more money than is in the ATP Program. One person there out of the 100 had heard of it. That is a substantial amount of money, but it is not large compared to the amount of capital being raised and is needed.

If we really want to do something, let's help the overall atmosphere and not try to direct it. As I want to point out yet again, look at what we are talking about with this amendment. We are saying that if you are a Fortune 500 company, if you have over \$2.5 billion in revenues, we think you can find enough capital on your own to fund ideas you think are good. Let's target it for the startup companies. That is what we are supposed to be after with this. These large companies, when they have an idea they want to pursue, have the ability to be able to pursue it. That is how you deal with this issue. If we want to really help corporate America, we have a great chance coming up to cut capital gains and deal with litigation reform, and we can actually do something real.

So those are my responses. I know the Senator from South Carolina has his heart in the right place and his concepts are clear in his mind. If we really want to help them—and I have been there and talked with them—target this and cut it away from the Fortune 500 companies.

Mr. President, I do ask for the yeas and nays on this amendment, and I be-

lieve there is some discussion about holding this vote until 2:45.

The PRESIDING OFFICER. Is there a sufficient second?

It appears there is a sufficient second.

The yeas and nays were ordered.

Mr. GREGG. Mr. President, I ask unanimous consent that at 2 p.m. the Senate proceed to a vote on or in relation to the Brownback amendment No. 980, with no amendments in order to the Brownback amendment prior to the vote.

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

Mr. HOLLINGS. Mr. President, once again, we tried to go to the fundamental that a \$2.5 billion company does not have the ability to develop it or to pursue it or to commercialize it.

Now, why doesn't it have that ability? I emphasize, of course, the way the market and the financing of projects works. You have to have a quick turnaround. A lot of good, fundamental research technology is not developed and not commercialized in the United States for the simple reason that the market financing infrastructure does not allow it.

If you were chairman of the board, then we would see how long you last unless you turn around and get your stock up. And that is the name of the game in America. And they all have to play it. When they get a choice of anything beyond 2 or 3 years, then obviously the board members, everybody wants to look like good guys and making money and everything else for the stockholders. The pressure is there to go ahead and export it, get an arrangement, a split arrangement with any of the other countries that would want to try to develop it. That is our global competition.

Specifically, right here, in Business Week:

To stay in the game, Singapore is stepping up its industrial subsidies.

In September, the Government announced it will pump \$2.85 billion over the next 5 years into science and technology development including research and development grants for multinationals.

No small business. I am trying to get my friend from Kansas to understand we have got the Small Business Administration. We take care of small business. We favor small business. But what we are looking at, to keep the eye on the target, is the development and commercialization of technology. And small business, if they went with good research that could really be proven to the SBA, they would get total financing right now. They would get it underwritten under the SBA technology grants. We worked that program far more than the little \$200 million in this particular endeavor. They have over \$800 million in grant authorization for small business.

Please, my gracious, let us go with it. Global competition is such that the

smallest of the small competitor, Singapore, recently helped fund a \$51 million research development facility for whom? For Sony, a \$2.5 billion corporation:

Last month Lucent Technologies received a grant for a new communications research and development endeavor.

I could go on down reading these articles. I wish everybody in the National Government would be given a book by Eamonn Fingleton entitled "Blind Side." We have all been running around and talking about the bank problems in Japan and, oh, Japan has all kinds of problems, and they really have their back up against the wall; they are not any competition any longer.

The fact is, Mr. President, last year while we had a 2.5 percent growth with the market booming. A rebirth in America, we have the strongest economy, Greenspan says he's never seen such a thing, 2.5-percent growth, Japan had 3.6 percent growth.

The name of the game is market share, market share. They are copying it off right and left. And at this moment, this very moment, for example, the great big automaker, United States of America, exports less cars than Mexico. Mark it down. You are down there in that area, Mr. President. Mexico exports more automobiles than the United States of America.

I just helped break ground for Honda in Timmonsville, SC. Who exports more cars than any other entity in America? Honda; the Japanese. Not General Motors, not Ford, not Chrysler. Honda.

When are we going to wake up to what's going on? Market share. If you read Fingleton's book, you go to the Ministry of Finance. Don't worry about MITI, go to the Ministry of Finance and you get your financing, your large corporations.

Now, please, my gracious, I am for the little man. I am a Democrat. Heavens above. We know the large corporate welfare crowd. But we have been for the little man against hunger. I just voted to take \$5 million off administration in the Department of Agricultural budget to get more lunchroom programs. So don't talk about corporate welfare and try to identify. We are talking about global competition, which, frankly, the White House doesn't even understand.

You know why I say that. We had a course on Tuesday on NAFTA, North American Free-Trade Agreement, where we brought in Mexico in 1994, and we were going to have a sort of update on how it was doing, whether it was a success or not. They wouldn't even send an administration witness to the senatorial committee, and that's why they called off the particular hearing. They are embarrassed that they said we would create 200,000 jobs. We have lost 300,000. I will show you the Department of Labor statistics. We have lost in textiles and apparel 231,000 alone. So instead of increasing it in one direction, we have decreased it in the

other direction; we have been exporting fine, good-paying jobs in the particular industry that predominates my own State. They said, well, we are going to increase trade. We had a plus balance of trade of \$5 billion and we have gone to a \$16 billion minus balance.

And they say exports, exports. Well, exports are up. We are sending parts down there to be assembled into automobiles and the good automobile manufacturer is moving to Mexico. You would, too. I do not blame them. I blame us, you and me. This is the policy. In manufacturing, a third of your operating costs goes into labor, to payroll, and you can save as much as 20 percent by moving to an offshore, or down in Mexico, low wages and little or no worker or environmental protections.

When I say no particular protections, colleagues are running around on this Senate floor saying you have to have a minimum wage, you have to have clean air and clean water and plant closing and parental leave, Social Security, Medicare, occupational safety from hazard, and up and down the list. Whoopee, yea, we are great. And then we put in a policy that says you don't have to do any of that. You can go offshore for 58 cents an hour. Did you see the program on Mexico just last night on public television?

Come on. We are losing the jobs right and left. We are losing our technology right and left. Eamonn Fingleton in his book—and I called him just the other day because he has updated it now with a paperback—projected by 2000 we would be blind-sided. Today, Japan, a country as big as the State of California, manufactures more than the great United States of America. It has a greater manufacturing output. And otherwise by the year 2000 it will have a greater gross domestic product, a larger economy, and I will bet you on it. And I want them to come here and take the bets because I believe he is right. You can just see how the market share goes. You see how the GDP goes and everything else of that kind.

We are going out of business the way of Great Britain. They told the Brits at the end of World War II, the empire was breaking up, they said don't worry about it. Instead of a nation of brawn, we will be a nation of brains; instead of producing products, provide services, a service economy. Instead of creating wealth with manufacturing we are going to become a financial center.

And England today, Mr. President—I have the distinguished President's attention—England, the United Kingdom has less of an economy than little irrelevant Ireland. Mark it down. Read the Economist just a month ago. Yes, Ireland, now bigger, economically than the United Kingdom. All they have is a debating society. London is a downtown amusement park.

Come on. Are we going to head that way as we go out of business, continue to appropriate again more and more moneys and finance our campaigns

with these false promises of "I am going to cut taxes." Oh, the Post is running around: "Are you for cutting taxes? Yes, I'm for cutting taxes." You cannot cut your and my taxes today without increasing our children's taxes tomorrow. We have deficit financing.

We will get into that debate again when they bring the reconciliation bill over. It is not the Chinese trying to get into our elections. If they want to get into our elections, do as the Japanese do. Pat Choate wrote the book, "The Agents of Influence," 7 years ago. One hundred Japanese law firms, consultants here in Washington paid over \$113 million. Add up the pay of the Senators and Congressmen, the 535 Members of Congress, and boy, oh, boy, you get, about \$71.3 million. The Japanese in Washington by way of pay are better represented than the people of America.

When are we going to wake up? Tell the Chinese, "For Heaven's sake, to do the same thing as the Japanese. Give it to a lawyer. Tell them to come around and find some lawyers.

But, no, we want to turn this into corporate welfare, show that we fought against corporate welfare. Absolute folly. There is no corporate welfare at all in this. It is, by gosh, trying to commercialize technology and we will not face up to the reality. We are going out of business and now we want to say to those who do the general research, the unique research, that there is no reason to try and get into anything marginal that is going to take over 3 years to develop. Sell it, move on to the next thing. Let us continue the outflow of business, the outflow of jobs, the outflow of technology, and the outflow of our security. And everybody comes around and says that's a good idea.

I think, to the President's credit, it ought to be emphasized that he put this program down as a quid pro quo in the leadership agreement. Now, the agreement has been on both sides of the aisle, the Democratic and Republican agreement, the White House and the congressional agreement that the Advanced Technology Program would be funded at this particular level and in the manner in which it is currently funded. What we are being asked for in this particular amendment is to violate that agreement. We are running right into a veto situation on a small matter while trying to make it appear as corporate welfare. The opponents of this program don't tell you about the National Academy of Engineering. You show me another grant program that has to be reviewed that way.

I wish we still had Senator Danforth here because he and I worked on this thing over the years to develop the bill's credibility, but now we are going to start tearing down its credibility, by changing it into a small business program for those small companies that can't afford to really commercialize their technology. They can't afford to engage in general research, or in

unique research to begin with, on account of its small nature. They just don't have the labs and facilities that the large companies do. But we want to act as political animals up here, pollster politicians and so we are for tax cuts, when we go up and continue to increase the debt.

We have been reducing the deficit each year for 5 years. Now we are going to use the public till to run around and say we are going to cut revenues while we increase, and we are going to have to go out and borrow the money to do it, because we are in the red. We are not in the black. So we will take that multitrillion-dollar debt and interest costs of \$1 billion a day and increase that for nothing.

In the last 16 years we have increased the debt from less than \$1 trillion to \$5.4 trillion without the cost of a single war. Mr. President, in 200 years of history with the cost of all the wars we have not even reached a trillion. Now we jump to \$5.4 trillion and instead of \$75 billion—\$74.8 billion, to be exact, we are going to up to \$365 billion, \$1 billion a day. That extra \$285 billion, we are spending it for nothing. And there are all these fellows talking about pork and welfare and getting rid of the waste, and using that rhetoric for their reelection next year.

"I am against taxes, I am against the Government, get rid of the Government." That's the big hoopla they have going on, on the other side of the Hill. They are now tasking the leadership of the contract to get rid of the Department of Commerce, to get rid of the Advanced Technology Program, to get rid of all the Government that pays for itself and keeps us secure and keeps us superior as a nation. So now they are going against jobs, against the security of the land, and for corporate welfare, based on this amendment. They say, just on account of the \$2.5 billion measure, that "the corporation has the ability to pursue it," their exact words. Yet, everyone knows that the CEO's do not have the ability if they are going to be a good corporate head. They are going to put their moneys elsewhere because where the turnaround is, there also is the competition, and they also know that the other governments are financing not only the research but development and taking over the market share.

We are going to holler, "let market forces, let market forces"—well, let's look at the market that we developed here in the National Government, through measures such as minimum wage, plant closings, clean air, clean water—which we all vote for, Republican and Democrat. But the companies say, "You don't have any of that in global competition." In addition, they are financing it like we finance research for the aircraft industry.

They have learned from the United States. We finance Boeing, we are proud of them. They produce and ship planes globally. Thank God we still have one industry. Now, however, we

have shipped the technology on the FSX to Japan, and Boeing has had to move the parts manufacturing into the People's Republic of China. We are beginning to lose that segment of manufacturing. We are losing the automobile industry. Now we are going to lose the aerospace industry.

They told me years ago, "HOLLINGS, what's the matter with you? Let the developing nations, the Third World, make the textiles and the shoes and we will make the airplanes and the computers." Now our competition in the global competition is making the airplanes and the computers and the textiles and the shoes and we are running around here jabbering about, "free trade, free trade, free trade, let market forces, let market forces, let market forces," and don't have any realization of the actual market forces that we, as politicians, created.

I hope this amendment will be defeated in consonance with the overall agreement of the leadership in the Congress and the White House on the one hand—and defeated based on common sense and competition on the other hand.

I know my distinguished colleague on the other side of the aisle, the distinguished Senator from Tennessee, Senator FRIST, has been leading now, in our committee. He has been holding hearings, and has been providing leadership on addressing the issues relating to the Advanced Technology Program. I know the others that are interested in this program, including those that I have listed—trying to emphasize, by the way, that this effort is bipartisan. Senator Danforth and I worked this out 10 years ago, and the program is working. It is working well. We need more money. Thousands and thousands of qualified grants still don't receive funding.

I asked, I say, does the Senator from Kansas have the documentation where small business really applied but the big companies got the award? If that occurred we would have it here. He said these little businesses are being denied. I know the Commerce Department, Secretary Daley. I know the administration of this particular program and they look for the small business in order to sustain the credibility and support of the program because since its beginnings, critics have been watching the Advanced Technology Program closely for the simple reason they don't understand. They think, "Well, get rid of the Government. Find out where the pork is. Find out where the welfare is. Characterize it as welfare. Say you have these big Fortune 500 companies, they have \$2.5 billion so they can do it." And they don't understand what they are talking about.

It is a sad day when we even propose an amendment of this kind, because it shows that we really don't understand competition, although we keep running around like parrots, "Competition, competition, competition." We are the ones with these kind of amendments that destroy competition.

We are against welfare but we are the ones with these kind of amendments that create welfare.

I yield the floor.

Mr. GREGG. Mr. President, we are awaiting other Members bringing amendments to the floor. I appreciate the enthusiasm and energy of the Senator from South Carolina in his spirited defense of the ATP program, which he, as he has mentioned and which will be generally acknowledged—he is the father of.

I would say we are going to have a vote on that at 2 o'clock, and at that time I hope Members would support the amendment of the Senator from Kansas because I believe it makes sense and it is a strengthening amendment to the ATP program.

So, at this time I make a point of order a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HUTCHINSON). Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I want to speak very briefly in opposition to the amendment offered by the Senator from Kansas, Senator BROWNBACK, as I understand it.

That amendment, if it were adopted, would essentially prohibit the Advanced Technology Program, which is administered through the Department of Commerce, from allowing participation of large companies.

Let me give you my own understanding of how the Advanced Technology Program works. I think it has been an extremely useful program. It has helped to keep the United States at the forefront of technology development and high-technology industry development in the world, and, to a significant degree, our leadership in that arena, in that area of high technology, is the reason why we enjoy the strong economy we enjoy today.

So I believe the Advanced Technology Program is useful. It has been a great help to many companies. It has been a great help in helping us, as a country, create jobs in the industries of the future.

In order for that program to succeed, though, we need to be sure that taxpayer funds are provided, and they are only a very small portion of the total funds that go into these technology development activities, but they are a catalyst. They bring together companies. They bring together research institutions to do this important work. Those funds also provide a bridge between the Government-funded research and the private-sector research, so that we have national laboratories, such as the two in my State, Los Alamos and Sandia, and we have many large and small companies working together to make breakthroughs in technology.

It is essential, if this program is going to succeed, that we allow the Advanced Technology Program to put the funds where the most good can be done and we not begin to structure this program as though it was some kind of a jobs program or as though it is a doling out of funds to different corporate interests. It is not that. It is an effort by the Federal Government to stimulate cooperative research in areas that show great promise.

Sometimes the people doing that work are in large companies. Sometimes there are a few individuals in a large company who are doing very important work and can benefit from collaborating with researchers in small companies or researchers in national laboratories or researchers in universities around this country.

I think it would be a great mistake for us to begin to limit the companies that can participate in the Advanced Technology Program. To do so would begin to move us down the road toward mediocrity in the technologies that are developed through use of these public funds, and I believe that is a very major mistake.

I know that there have been criticisms over the past that any time the Federal Government invests dollars in research and development activities that private sector companies are engaged in, that somehow or another that is corporate welfare. I strongly disagree with that point of view. I think the taxpayers are well served if we can invest in developing technologies that will create jobs, will produce revenue, will produce additional tax revenue in the future and will keep our economy the strongest in the world.

I very much hope that the Senate will reject the Brownback amendment when it is finally voted on, and I hope we will allow this Advanced Technology Program to continue to be the great engine of innovation and technology development that it has been in recent years.

Mr. ROCKEFELLER. Mr. President, I rise to urge the Senate to reject the amendment offered by Senator BROWNBACK that is designed to weaken a program absolutely critical to the country's technological strength. I thought that the fact that this bill contains the \$200 million in funds needed for the Advanced Technology Program was a sign that we could finally get past a debate that is nothing but a distraction and a danger to our own economy.

I stand here today just as I did last year and the year before to defend this program—this investment in America's economic competitiveness. As I, along with many others in this Chamber, have stated before, this program supports American industry's own efforts to develop new cutting edge, next-generation technologies—technologies that will create the new industries and jobs of the 21st century.

Let me remind my colleagues that ATP does not, and I repeat, does not

fund the development of commercial products. Instead, this program provides matching funds to both individual companies and joint ventures for pre-product research on high risk, potentially high payoff technologies.

The Senate should give credit to Secretary of Commerce Daley, and let us work with him through the authorization process to improve the program. Secretary Daley just met his pledge to conduct a 60-day review of the program to assess the ATP's performance and the criticisms that have been levied against it.

Sure enough, his review took into account comments provided by both critics and supporters of ATP. The Department of Commerce notified more than 3,500 interested parties, soliciting comments about ATP. In fact, Senators LIEBERMAN, DOMENICI, FRIST, and I joined together and provided 1 of the 80-plus comments the Department received.

I commend Secretary Daley for the job he did in undertaking this review. As we all know, there is not a department or program that can't be improved. And as a long time and avid supporter of ATP, I believe that after 6 years of operation, experience shows us some areas that indeed can be improved. This review has done just that. I agree with his suggestion to place more emphasis on joint-ventures and consortia and more emphasis on small and medium-size single applicants. I also support his proposal to shift the cost-share ratio for large single applicants to 60 percent, and I will further review his suggestions to encourage state participation.

As ranking Democrat on the Science and Technology Subcommittee, which has oversight of the ATP, I look forward to working with my colleague Senator FRIST to review this report and to make any necessary legislative changes during consideration of legislation to reauthorize the Technology Administration.

Secretary Daley's review could not have been done at a better time. As I stated, this program has been in existence for 6 years, and this review was conducted on those 6 years of experience. The proposals set forth in this review strengthen a very strong program that is one of the cornerstones to the Nation's long-term economic prosperity.

Some of us in the Senate, Senator HOLLINGS, Senator BURNS, Senator LIEBERMAN, and myself, to name just a few, have been fighting every year for the past 4 years to keep the ATP alive. We welcomed the Secretary's review because we knew that it would validate the arguments we've been making for the past 4 years. A new element also is emerging in this debate that is validating what we have been saying. That new element is the success stories that are finally emerging. The mere ideas receiving grant money 4, 5, and 6 years ago are now technologies entering the market place and enhancing our economy and our livelihood.

Let me close with some success stories that are starting to emerge.

In Michigan for example, there are already two success stories, the first relating to the auto industry and the second relating to bone marrow transplants.

In September 1995, an ATP-funded project, the "2 millimeter (2mm) program," was completed. As a result of this grant, new manufacturing technologies and practices that substantially improve the fit of auto body parts during automated assembly of metal parts was developed. This technology has substantially improved the fit of auto body parts during assembly, resulting in dimensional variation at or below the world benchmark of 2 millimeters, the thickness of a nickel. What does this mean for this Nation's economy? It means that U.S. auto manufacturers can make cars and trucks with less wind noise, tighter fitting doors and windshields, fewer rattles, and higher customer satisfaction. In addition, there is a cost savings between \$10 and \$25 per car to the consumer, and maintenance cost savings is estimated between \$50 and \$100 per car. In addition, this improved quality is estimated to give the U.S. auto manufacturers a 1- to 2-percent gain in market share. Equally important is that this newly developed technology is applicable in the sheet metal industry, and industries as diverse as aircraft, metal furniture fabrication, and appliance manufacturing. Quality improvement from this technology could result in an increase in total U.S. economic output of more than \$3 billion annually.

In 1992, Aastrom Biosciences, a 15-person firm in Ann Arbor, MI, proposed a bioreactor that would take bone marrow cells from a patient and within 12 days produce several billion stem, white, and other blood cells—cells that can be injected into the patient to rapidly boost the body's disease-fighting ability. The technology looked promising but was too risky and long-term at that point to obtain significant private funding.

The national benefit of this program was that it provided a reliable device that would allow blood cells from a patient to be grown in large quantities would reduce health care costs, require fewer blood transfusions, and greatly improve the treatment of patients with cancer, AIDS, and genetic blood diseases. Aastrom submitted a proposal identifying the economic opportunity and technical promise, and in 1992 the ATP co-funded a research project that developed a new prototype bioreactor. Today, after completing the ATP project and proving the technology, the company has over 60 employees, and another 30 providing contract services, a practical prototype, and over \$36 million in private investment to develop their new blood cell bioreactor into a commercial product.

In North Carolina, Cree Research of Durham, won an ATP award in April

1992 to develop improved processing for growing large silicon-carbide crystals—a semiconductor material used for specialized electronic and optoelectronic devices such as the highly desired blue light-emitting diodes [LED's]. In 1992, this market was limited because of difficulties in growing large, high-quality single crystals. With ATP support, Cree Research was able to double the wafer size, with significant improvements in the quality of the larger wafers. Since 1992, LED sales are up by over 850 percent as a result of the ATP-funded technology.

In Texas, a company has developed a cost-effective, microchip-based DNA diagnostic testing platform which contains both a family of diagnostic instruments and disposables. This successful prototype has demonstrated single molecule detection at a tenfold throughput advantage over conventional technologies. Numerous patented products will result from this technology in a market—molecular tools for diagnostics—which is expected to reach \$2 billion by the year 2004.

ATP funded projects from 5 and 6 years ago are becoming success stories all across the Nation.

Mr. President, ATP is working, and the U.S. economy is benefitting; 288 awards have been given thus far, including 104 joint ventures, and 184 single applicants. Small businesses account for 106 awards and are the lead in 28 of the joint ventures. For the \$989 million in ATP funding committed by the Federal Government, industry has committed \$1.03 billion in cost sharing. The success stories, however, show us Mr. President, that the Federal funding and the cost sharing is just the seed money for enormous contributions to our national economy and our global competitiveness. Necessary seed money that bridges the innovation gap in this country between basic research and emerging technologies. I encourage my colleagues to continue their support of this worthy and successful program, and to reject this amendment that will take us backwards and help our foreign competitors while weakening our own economy.

Mr. SMITH of New Hampshire. Mr. President, I rise today in support of Senator BROWNBACK's amendment to the Commerce, Justice, and State appropriations bill for fiscal year 1998. This amendment prohibits the awarding of grants from the Advanced Technology Program [ATP] within the Department of Commerce to corporations with sales greater than \$2.5 billion.

This amendment offered by the Senator from Kansas is a good amendment that should enjoy bipartisan support. After all, I hear my colleagues on both sides of the aisle talking year after campaign year about eliminating corporate welfare. Therefore, I assume a vote to limit grants to the wealthiest corporations in the Nation should be an easy one. Let's be clear about what

firms we are talking about. The companies that have been awarded the largest grant amounts are IBM, General Motors, General Electric, Ford, and Sun Microsystems, among others. Do these sound like corporations in need of one, two or three million dollar grants? To me, these profitable firms sound like companies that could certainly find private sector funding. And this belief is not without basis. In fact, the General Accounting Office [GAO] surveyed 89 grant recipients and 34 near-winners that applied for ATP funding between 1990 and 1993. Of the near-winners, half continued their research and development projects despite a lack of ATP funding. Among those who received grants, 42 percent said they would have continued their R&D without the ATP money.

The Federal Government should not be in the business of providing corporate subsidies. However, we should fund basic science projects that do not have short-term profit-making potential, and would otherwise not be funded by the private sector. The Senator's amendment is a step toward reversing this trend toward funding applied research that ultimately produces handsome profits for these companies. Under his reasonable proposal, the most profitable firms, companies that realize more than \$2.5 billion in sales, would not be eligible for ATP subsidies. While I would prefer to see these corporate subsidies eliminated from our budget, I would be pleased to know that Federal funding is not going to enormously profitable corporations.

Defenders of the ATP corporate welfare program argue that these grants allow research that otherwise would not go forward. How do we know, when many of the grant recipients did not even seek private sector money before coming to the Federal Government? In fact, GAO found that 63 percent of the ATP applicants surveyed had not sought private sector funding before applying for a grant. Other opponents of this amendment are the same Senators who oppose the efforts of the Republicans to ease the tax burden on Americans. At the same time these Members deny taxpayers the chance to keep some of their own money, they turn around and give the hard-earned tax dollar to billion dollar corporations.

However, after hearing so many Senators speak out against corporate welfare, I am confident that this amendment will be approved by a wide margin. I urge my colleagues to support the amendment.

Mr. LIEBERMAN. Mr. President, I rise to speak on the Department of Commerce's Advanced Technology Program or ATP. This is an important program and I have long appreciated Senator HOLLINGS' work in founding and continuing it. The amendment offered by Senator BROWNBACK would prohibit ATP awards to companies with revenues that exceed \$2.5 billion. I oppose Senator BROWNBACK's amendment and

would like to thank Senator FRIST for his floor statement explaining why he too has voted against the amendment. Like Senator FRIST, I think there are several solid reasons as to why Senator BROWNBACK's amendment should be opposed.

My first concern is process—this is an attempt to legislate a very complex issue now being considered by the authorizing committee, on an appropriations bill. The Senate Commerce Committee, Science and Technology Subcommittee under Senator FRIST, the Subcommittee Chair, and Senator ROCKEFELLER, ranking Democrat, are planning legislation on ATP, including a careful look at this issue, later this session. I believe in this case that the Senate should vote to wait and see what action the authorizing committee takes.

I would also highlight recent changes to the ATP proposed by Commerce Secretary William Daley that may assist in resolving this debate. The Secretary's action plan for changes is very responsive to recommendations I and other Members of Congress made. Specifically the evaluation criteria will be changed to put more emphasis on joint ventures or consortia. This will help ensure that the program funds only pre-competitive research and development; for if competitors in the development phase cooperate in research and development, they are very unlikely to allow access to each other's product development efforts.

Secretary Daley has mandated that the cost-share ratio for large companies, applying as single applicants, will be increased to a minimum of 60 percent. Proposals will also be reviewed by venture capital experts to ensure that private sector financing would not be available and a government role is needed. When combined with changes in the evaluation criteria favoring small and medium sized businesses, these changes will result in virtually all ATP grants being awarded to either consortium or small and medium sized company single applicants.

Finally, modifications to the ATP's rules and procedures would help facilitate cooperative ventures between industry and universities and national laboratories. To date, university and Federal laboratory participation has been hindered over concerns regarding intellectual property and project management.

After studying the Secretary's report, I believe that the ATP will emerge both as a more effective program and one with a significantly reduced political profile. Its new structure appears to have answered criticisms raised and is consistent with the bipartisan ideas endorsed by the Senate Science and Technology Caucus of which I am a member.

I believe that the changes introduced by Secretary Daley, now under review by the Commerce Committee, are a better way to ensure the continued effectiveness of the Advanced Tech-

nology Program than the pending amendment which would completely ban large companies from all participation in the ATP. Large companies play a key role in the innovation process through their organizational ability, resources and market experience. To entirely preclude their participation in the ATP would be a mistake. I will vote to oppose this amendment and look forward to Senator FRIST's subcommittee review.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mrs. HUTCHISON. Mr. President, I want to speak on this bill.

I thank Senator GREGG, our subcommittee chairman, and Senator HOLLINGS, our ranking member, for help, for cooperation and commitment to the most important issue facing my State, and that is bolstering the front line of our Nation's defense in the war on drugs.

The U.S. Border Patrol has been funded in this bill. It has been funded to the extent that we will be able to add 1,000 new Border Patrol agents during fiscal year 1998. This bill provides adequate funding for their training and supervision. Moreover, it reflects the ongoing commitment of Congress to put 5,000 new Border Patrol agents on the line and to regain control of our borders by the year 2002.

Mr. President, I have to tell you that this was a hard-fought effort. The Immigration Reform Act passed last year directed the administration to submit a budget request to Congress which included funding for 1,000 new agents. Regrettably, they only requested funding for 500. I and Senator GRAMM have had many discussions with the Attorney General and the INS Commissioner. I am convinced of their commitment to secure our borders. I think they really are sincere. But now they must back that up with the requested resources in future years.

Over the past several months, I have felt and expressed a sense of hopelessness in our Nation's war on drugs. I feel this hopelessness because no matter where I travel in Texas, I meet people who have lost loved ones to drug violence. I know ranchers and farmers along our border who have been intimidated by drug smugglers. They have had their homes shot at in broad daylight. I know of Customs agents of Mexican-American heritage who have been told by drug smugglers to look the other way as cocaine, heroin, marijuana, and methamphetamines are smuggled across the border because their families back in Mexico will be harmed if they do not.

Just this morning, a friend of mine called me to tell me about his friend

who lives in Carrizo Springs. He described gangs of drug thugs and illegal immigrants who are terrorizing residents of this small Texas community. They are scared and they feel helpless. These Texans have the misfortune to live along the front lines of a business that provides \$10 billion to the Mexican economy each year—the drug market.

The Office of National Drug Control Policy reports that approximately 12,800,000 Americans use illegal drugs. Illegal drug use occurs among members of every ethnic and socioeconomic group in the United States. And 10.9 percent of all children between 12 and 17 use illegal drugs and 1 child in 4 claims to have been offered illegal drugs in the last year.

Drug-related illness, death and crime cost the United States approximately \$67 billion each year, including costs for lost productivity, premature death, and incarceration.

I strongly believe and share the view that effective treatment and prevention is needed to break the cycle that links illegal drugs to violent crime. It is the only way to protect our children and save their future.

Mr. President, our southern neighbor, Mexico, is the source of between 20 and 30 percent of the heroin, 70 percent of the marijuana, and 50 to 70 percent of the cocaine shipped into the United States. If the flow of drugs is going to stop, the front line of that war will be along our Nation's border with Mexico. The United States-Mexico border is 2,000 miles long, and Texas has 1,200 miles of that border.

You can see how that border goes. You can see that, of the 2,000, 1,200 miles is along Texas. Texas has been and will continue to be the key battleground in this war.

I am pleased that we have been able to work with the Border Patrol and the committee to correct disparities in placing Border Patrol along the border. As you can see from this chart, Texas has 1.7 agents for every 1 of our 1,254 miles—1.7 for this 1,254-mile border. New Mexico and Arizona do not fare much better. California has 16.3 agents for every one mile of the border. I cannot go home and tell my constituents that we are doing all we can in the war on drugs if Congress and the administration fail to provide the funding for more Border Patrol agents.

Two of Mexico's largest drug cartels, the Juarez cartel and the Matamoros cartel operate from El Paso here and Brownsville, respectively. You can see from this chart that from the Matamoros cartel, the gulf cartel, the drugs go in and over to the eastern seaboard. From the Juarez cartel, it goes into Colorado and Chicago, the Midwest. From the Tijuana cartel, it goes into California, goes to the Pacific Northwest. So you can see what is happening to our country and what not closing the border can do to the amount of illegal drugs that are coming into our country.

As we work on this funding for fiscal year 1998, I will be asking many ques-

tions about deployment of resources from the DEA and from the Border Patrol because we must put the resources where the threat lies. Two-thirds of the illegal immigration and the illegal drugs flowing through Mexico and into our country go through Texas, through McAllen, through Eagle Pass, and through the Del Rio Border Patrol sectors. Two-thirds of the illegal immigration and the illegal drugs go through these corridors. Yet as we have said, there are only 1.7 agents per mile in Texas, and we must do something about that, and that is what this bill is going to address today.

The bill that we pass will fully fund 1,000 new Border Patrol agents. We need this help. It is the highest priority I have. As long as drugs are coming through Mexico into the United States through this border, it should be the highest priority for everyone.

That is why I cannot say enough times how pleased I am that the chairman of the subcommittee, Senator GREGG; Senator HOLLINGS, the ranking member of the subcommittee; as well as our chairman, Senator STEVENS, all agreed that this was a crisis that affects all of us. It is not just the border States; it is all of the States that these drugs funnel into. Nothing is a greater priority than stopping the flow of illegal drugs into our country. When 1 child in every 4 has been offered illegal drugs, we cannot look them in the eye and say we are protecting their future if we do not stop those illegal drugs.

So I want to work with the Attorney General and the Commissioner of INS and General McCaffrey, who is our drug czar, who is trying to grapple with this issue. I want to say to them, no resource is going to be withheld if it will stop the illegal drugs and the illegal immigration into our country that has criminalized our borders.

This bill addresses that today, and I will ask the Attorney General and the Commissioner of INS to help us by deploying the full 1,000 and making sure that we stop the centers where these people are coming through Texas. If we can stop it right now, then our children will have a better future.

Thank you, Mr. President. Once again I thank the subcommittee chairman. I think, if we can work together on a bipartisan basis, we can make a difference for the future of our country. And this is a major first step.

Thank you, Mr. President. I yield the floor.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, in my judgment, there is an urgent need that independent counsel be appointed to investigate and prosecute campaign finance violations arising out of the 1996 Federal elections. The efforts to persuade Attorney General Reno to make that application for independent counsel have thus far failed. It is my view that it is important to consider alternatives in order to have independent counsel appointed.

In my judgment, there are two possible alternatives available. One would be a lawsuit to ask the United States Court of Appeals for the District of Columbia, the appropriate panel on independent counsel, to appoint independent counsel, notwithstanding the refusal of the Attorney General to make that application.

The general rule of law is that a public official may not be compelled to perform a discretionary function, an area of law which I had some experience with as district attorney of Philadelphia. However, there is a narrow ambit, even when considering a discretionary rule, where there may be an application for relief if there is an abuse of discretion by the public official. It is my legal judgment that there has been such an abuse of discretion by the Attorney General in this situation.

Another alternative would be to legislate in the field, to make it abundantly plain that independent counsel should be appointed here, and that the circuit court would have the authority to do so. In my opinion, there is a realistic likelihood of success on litigation at the present time.

Although the independent counsel statute poses certain problems which make it to some extent uncertain, I believe there is a legal basis for proceeding to have the court appoint independent counsel without any modification of pending law. There is the alternative of legislating on this bill which is before the Senate, to make certain modifications of the independent counsel law, which would remove any conceivable doubt about the authority of the circuit court to appoint independent counsel.

Mr. President, on the issue of the exhausting of remedies on requesting that independent counsel be appointed by Attorney General Reno, the record is replete with a whole series of requests having been made by individual Members of Congress and then by the Judiciary Committee of the U.S. Senate. The issue was focused on very sharply with Attorney General Reno in oversight hearings which we had several months ago. I had an opportunity to question the Attorney General on this subject and pointed to two specific instances which, in my judgment, cried out for the appointment of independent counsel.

President Clinton has publicly complained about having been denied national security information which he thought he should have and has complained that such information was denied to him by the FBI and the Department of Justice. In questioning Attorney General Reno on this subject in the Judiciary oversight hearing, she defended that denial of information on the ground that there was a pending criminal investigation and that as a matter of balance, it was her judgment as Attorney General that the information should not be turned over to the President.

On the record in that Judiciary Committee oversight hearing, I disagreed

with her conclusion on the ground that the Attorney General did not have the authority to decide what the President should or should not see on national security matters; the President as Commander in Chief and Chief Executive Officer of the United States has an absolute right to that information. If there were to be a denial to the President, it was not the function of the Attorney General or the FBI to deny that information. However, if the Attorney General felt that a denial of information was warranted under the circumstances, that was a very powerful showing that independent counsel ought to be appointed. If the President of the United States is in any way suspected, that provides a very strong basis that his appointed Attorney General ought not be conducting that investigation. It ought to be handled by independent counsel.

It was pointed out to Attorney General Reno in the course of that oversight hearing that this followed directly her testimony on confirmation where she strongly endorsed the concept of independent counsel both as a matter of avoiding conflict of interest and, as Attorney General Reno said at that time, avoiding the appearance of conflict of interest. Notwithstanding that, she has refused to make an application for the appointment of independent counsel.

A second line of questioning which I pursued with the Attorney General involved the issue of violations of the campaign finance laws. On that subject, there has been substantial information in the public domain about the President's personal activities in preparing television commercials for the 1996 campaign. There is no doubt—and the Attorney General conceded this—there would be a violation of the Federal election law if, when the President prepared campaign commercials, they were advocacy commercials, contrasted with what is known as issue commercials. The activity of the President in undertaking that activity has been documented in a book by Dick Morris and also in public statements by his chief of staff, Leon Panetta.

The Attorney General, during the course of the hearing, disputed my contention that the commercials were, in fact, advocacy commercials. I then wrote to the Attorney General the next day, on May 1, and set forth a series of commercials which President Clinton had edited, or prepared, and asked her if those were, in fact, advocacy commercials. In the letter, I cited the Federal Election Commission definition of express advocacy, which is as follows:

Communications using phrases such as "vote for President," or "reelect your Congressman," "Smith for Congress," or language which, when taken as a whole and with limited reference to external events, can have no other reasonable meaning than to urge the election or defeat of a clearly identifiable Federal candidate.

Mr. President, it is my submission that reasonable people cannot differ on

the conclusion that the commercials that President Clinton prepared were express advocacy commercials. This is an illustration of a commercial:

Protecting families. For millions of working families, President Clinton cut taxes. The Dole-Gingrich budget tried to raise taxes on 8 million. The Dole-Gingrich budget would have slashed Medicare \$270 billion and cut college scholarships. The President defended our values, protected Medicare, and now a tax cut of almost \$1,500 a year for the first two years of college. Most community college is free. Help adults go back to school. The President's plan protects our values.

It is hard to see how anyone could contend that that is not an express advocacy commercial. It certainly fits within the definition of the Federal Election Commission, which is that the language taken as a whole can have no other reasonable meaning than to urge the election and defeat of a clearly identified Federal candidate. That commercial refers to two Federal candidates, and one is President Clinton. It extols his virtues, obviously speaking in favor of the President. That commercial refers to another candidate, former Senator Dole, arguing about his failings.

Mr. President, I ask unanimous consent that at the conclusion of my remarks, my letter dated May 1, 1997, be printed in the Congressional RECORD.

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

(See exhibit 1.)

Mr. KERRY. Mr. President, can I ask the Senator from Pennsylvania what his intentions may be with respect to the floor, timewise?

Mr. SPECTER. I expect to speak at some length, Senator KERRY, and to introduce an amendment to the present bill. There is a vote scheduled for 2 o'clock, and I will have a considerable amount to say, which will not all be said by the time the vote comes up.

Mr. KERRY. Well, Mr. President, if I could inquire again of the Senator—and I appreciate his indulgence here. I did want to speak with respect to the amendment that is pending for the vote at 2 o'clock. It is my understanding that the amendment being submitted by the Senator will not be voted on at 2. So I ask the distinguished Senator if he might be willing to agree to permit some period of time—and I don't need a lot—before 2 o'clock so that I might speak on the pending amendment.

Mr. SPECTER. May I inquire of the Senator from Massachusetts, how much time he would like to have?

Mr. KERRY. I would be pleased to have 6 or 7 minutes.

Mr. SPECTER. Mr. President, I ask unanimous consent that my presentation be interrupted for 7 minutes so that Senator KERRY may speak and that I be entitled to regain the floor.

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

The Senator from Massachusetts is recognized.

Mr. KERRY. Mr. President, I want to speak with respect to the amendment

that seeks to make it more difficult for large companies to be able to participate in the Advanced Technology Program. As a matter of background, Mr. President, for years in this country, we had a structure where we had the Bell Laboratories, or IBM, and other very large entities who were engaged in major research and technology. And for years, this country's economy benefited enormously because of the remarkable amount of private sector and public sector research. The defense industry and other industries had an enormous amount of spinoff. If you look at something like the experience of Route 128 in Massachusetts, or the Silicon Valley, everybody understands that some of the great technology jobs of the present time come from the 1960's and 1970's spinoffs through that investment.

The fact is that our economic structure has changed very significantly in the 1990's. We no longer have that kind of broad-based technology research fueled by the Federal Government. We have a much more specific and targeted kind of research that takes place. And as a result of that, both the Federal Government and the private sector have narrowed the kind of basic science and research that we do, which often results in those spinoffs, which has provided the remarkable foundation of the economic growth we are experiencing now in our Nation.

It is also ironic that, at the very time that we are doing that, Japan and other countries are increasing their technology investment. I believe, last year, Japan committed to a 50-percent increase in their national commitment to science and basic technology research.

So the truth is that, a number of years ago, the Commerce Committee, with the leadership of Senator HOLLINGS, Senator ROCKEFELLER, myself and others, created what is known as the Advanced Technology Program, which is a way to joint venture in the United States between our universities and our laboratories and various entities in the private sector, in order to maximize what was a diminishing ability to move science from the laboratory to the shelf, to the marketplace. It would be most regrettable to turn around now and reduce the capacity of a large company to be able to be part of a consortium, to be able to joint venture with smaller companies in an effort to fill that vacuum and make up for that scientific research.

In point of fact, Mr. President, let me just share a couple of success stories from the Advanced Technology Program from 16 different States in our country. The Advanced Technology Program put together a device that would allow blood cells from a patient to be grown in large quantities, consequently reducing health care costs, requiring fewer blood transfusions and improving treatment possibilities for patients with cancer, AIDS, and genetic blood diseases. It developed manufacturing technologies and practices

that substantially improved the fit of auto body parts during automated assembly of metal parts, which resulted in United States auto manufacturers making cars and trucks with less wind noise, tighter fitting doors and windshields, fewer rattles, and higher customer satisfaction, and potentially increasing United States auto manufacturers' gain in the world market. Another example of success was a development of a new way to solder electronic circuit boards that uses less solder, and is more precise, more efficient, and environmentally benign than current technologies. In addition, there was a development of a process to develop ultrafine ceramic powders that can be heat pressed into parts such as piston heads and turbine blades, and those significantly impact parts manufacturing.

Somebody might sit there and say, well, OK, Senator, these things are all well and good, why didn't these companies just go do it on their own? Why should the Federal Government be involved in supporting that? The answer to that is the reason that we ought to keep this program going: The reality is that the way money functions in the marketplace, it seems it's the best return on investment, fastest or safest, but it doesn't often commit to take some of the higher risks, particularly given the change within the marketplace today. It is a known fact—you can talk to any venture capitalist, and talk to anybody out there seeking the capital—that it is only because of programs like the Advanced Technology Program, where the Government is willing to share not only in the risk, but in the burden of trying to find the processes and the technologies, that we can advance in helping to bring together the special combinations, where we have been able to make things happen that simply would not happen otherwise.

We have created jobs, we have advanced ourselves in the world marketplace. We have maintained our competitive edge as a consequence of this commitment. And to create this arbitrary, sort of means-tested, very precise process of eliminating a whole group of companies that have great technology, but may not be willing to share it with smaller companies absent this joint risk, would be an enormous loss to the American competitive edge. That is the reason that it is so important for the United States to continue this effort. It is also a fact that while large firms are able to pay for their own research and development, they are not always going to pay for the longer term, higher risk, broader applied technology principles that other nations or other companies might benefit from without paying for it.

So, Mr. President, I strongly urge colleagues not to respond to the sort of simple view of this adopting a notion that a large company is automatically able to take care of itself and eliminate this program. We need large com-

panies in combination with small, we need large companies lending expertise to our universities, we need large companies to be part of this combination. Without this combination, those companies, Mr. President, will not make this commitment and America will lose in the marketplace. I urge my colleagues to reject the Brownback amendment. I thank the Senator from Pennsylvania again for his courtesy.

Mr. SPECTER. Mr. President, I was in the process of my contention that the commercials prepared and/or edited by President Clinton constituted express advocacy, and I asked that my letter of May 1, 1997, to Attorney General Reno be printed in the RECORD.

I now ask that the reply from Attorney General Reno, dated June 19, 1997, be printed in the RECORD.

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

OFFICE OF THE ATTORNEY GENERAL,

Washington, DC, June 19, 1997.

Hon. ARLEN SPECTER,  
U.S. Senate,  
Washington, DC.

DEAR SENATOR SPECTER: I have received your letter of May 1, 1997, asking that I offer you my legal opinion as to whether the text of certain television commercials constitutes "express advocacy" within the meaning of regulations of the Federal Election Commission ("FEC"). For the reasons set forth below, I have referred your request to the FEC for its consideration and response.

Under the Federal Election Campaign Act, the FEC has statutory authority to "administer, seek to obtain compliance with, and formulate policy with respect to" FECA, and exclusive jurisdiction with respect to civil enforcement of FECA. 2 U.S.C. § 437c(b)(1); see 2 U.S.C. § 437d(e) (FEC civil action is "exclusive civil remedy" for enforcing FECA). The FEC has the power to issue rules and advisory opinions interpreting the provisions of FECA. 2 U.S.C. §§ 437f, 438. The FEC may penalize violations of FECA administratively or through bringing civil actions. 2 U.S.C. § 437g. In short, "Congress has vested the Commission with primary and substantial responsibility for administering and enforcing the Act." *FEC v. Democratic Senatorial Campaign Comm.*, 454 U.S. 27, 37 (1981), quoting *Buckley v. Valeo*, 424 U.S. 1, 109 (1976).

The legal opinion that you seek is one that is particularly within the competence of the FEC, and not one which has historically been made by the Department of Justice. Determining whether these advertisements constitute "express advocacy" under the FEC's rules will require consideration not only of their content but also of the timing and circumstances under which they were distributed. The FEC has considerably more experience than the Department in making such evaluations. Moreover, your request involves interpretation of a rule promulgated by the FEC itself. Indeed, it is the standard practice of the Department to defer to the FEC in interpreting its regulations.

There is particular reason to defer to the expertise of the FEC in this matter, because the issue is not as clear-cut as you suggest. In *FEC v. Colorado Republican Federal Campaign Comm.*, 839 F. Supp. 1448 (D. Colo. 1993), *rev'd on other grounds*, 59 F.3d 1015 (10th Cir. 1995), *vacated*, 116 S.Ct. 2309 (1996), the United States District Court held that the following advertisement, run in Colorado by the state Republican Federal Campaign Committee, did not constitute "express advocacy":

"Here in Colorado we're used to politicians who let you know where they stand, and I thought we could count on Tim Wirth to do the same. But the last few weeks have been a real eye-opener. I just saw some ads where Tim Wirth said he's for a strong defense and a balanced budget. But according to his record, Tim Wirth voted against every new weapon system in the last five years. And he voted against the balanced budget amendment.

"Tim Wirth has a right to run for the Senate, but he doesn't have a right to change the facts."

839 F. Supp. at 1451, 1455-56. The court held that the "express advocacy" test requires that an advertisement "in express terms advocate the election or defeat of a candidate." *Id.* at 1456. The Court of Appeals reversed the District Court on other grounds, holding that "express advocacy" was not the appropriate test, and the Supreme Court did not reach the issue.

Furthermore, a pending matter before the Supreme Court may assist in the legal resolution of some of these issues; the Solicitor General has recently filed a petition for certiorari on behalf of the FEC in the case of *Federal Election Commission v. Maine Right to Life Committee, Inc.*, No. 96-1818, filed May 15, 1997. I have enclosed a copy of the petition for your information. It discusses at some length the current state of the law with respect to the definition and application of the "express advocacy" standard in the course of petitioning the Court to review the restrictive definition of the standard adopted by the lower courts in that case.

It appears, therefore, that the proper legal status of these advertisements under the regulations issued by the FEC is a question that is most appropriate for initial review by the FEC. Accordingly, I have referred your letter to the FEC for its consideration. Thank you for your inquiry on this important matter, and do not hesitate to contract me if I can be of any further assistance.

Sincerely,

JANET RENO.

Mr. SPECTER. Further, I ask unanimous consent that a letter from the Federal Election Commission, dated June 26, 1997, be printed in the RECORD.

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

FEDERAL ELECTION COMMISSION,

Washington, DC, June 26, 1997.

Hon. ARLEN SPECTER,  
U.S. Senate, Hart Building,  
Washington, DC.

DEAR SENATOR SPECTER: Your letter of May 1, 1997 to Attorney General Reno has been referred by the Department of Justice to the Federal Election Commission. Your letter asks for a legal opinion on whether the text of certain advertisements constitutes "issue advocacy" or "express advocacy."

As the Attorney General's June 19, 1997 letter to you correctly notes, the Federal Election Commission has statutory authority to "administer, seek to obtain compliance with, and formulate policy with respect to" the Federal Election Campaign Act ("FECA"). 2 U.S.C. § 437c(b)(1). The Commission's policymaking authority includes the power to issue rules and advisory opinions interpreting the FECA and Commission regulations. 2 U.S.C. §§ 437f and 438.

Your May 1 letter notes that the Commission has promulgated a regulatory definition of "express advocacy" at 11 CFR 100.22. While the Commission may issue advisory opinions interpreting the application of that provision, the FECA places certain limitations on the scope of the Commission's advisory opinion authority. Specifically, the FEC

may render an opinion only with respect to a specific transaction or activity which the requesting person plans to undertake in the future. See 2 U.S.C. 437f(a) and 11 CFR 112.1(b). Thus, the opinion which you seek regarding the text of certain advertisements does not qualify for advisory opinion treatment, since the ads appear to be ones previously aired and do not appear to be communications that you intend to air in the future. Moreover, "[n]o opinion of an advisory nature may be issued by the Commission or any of its employees except in accordance with the provisions of [section 437f]." 2 U.S.C. §437f(b).

While the FECA's confidentiality provision precludes the Commission from making public any information relating to a pending enforcement matter, I note that past activity such as the advertisements you describe may be the subject of compliance action. If you believe that the advertisements in question involve a violation of the FECA, you may file a complaint with the Commission pursuant to 2 U.S.C. §437g(a) noting who paid for the ads and any additional information in your possession that would assist the Commission's inquiry. The requirements for filing a complaint are more fully described in the enclosed brochure.

I hope that this information proves helpful to your inquiry. Please feel free to contact my office (219-4104) or the Office of General Counsel (219-3690) if you need further assistance.

Sincerely,

JOHN WARREN MCGARRY,  
*Chairman.*

Mr. SPECTER. Mr. President, the essence of the Attorney General's response to me was that she would not respond on the legal issue, notwithstanding she is the Nation's chief law enforcement officer. She passed the buck over to the Federal Election Commission. The Federal Election Commission passed the buck back, saying that these were matters that had already occurred, so they didn't come within advisory opinions. One way or another, Mr. President, we will have a determination as to what is involved there. The alternative of proceeding in court is one which we are currently examining, and as I have noted, there is an issue as to whether that can be done on the existing statute.

I do believe there is a legal basis for so proceeding, but on a novel bit of litigation of this sort, no lawyer can be absolutely certain as to what the result would be. But in the context of what we have on the record with the Attorney General's refusal to appoint independent counsel, in a context where she is denying the President of the United States national security information, and her refusal to proceed to appoint independent counsel where the Attorney General concedes that there has been a coordinated effort by the President so that the only remaining issue is whether there is an advocacy commercial, which on their face, I submit, these commercials are. The problems have been compounded with the conduct of the Attorney General and the Justice Department in the course of the last several days where they have opposed applications for immunity requested for consideration by the Governmental Affairs Committee.

The Governmental Affairs Committee, as is well known, is currently investigating illegal or improper activities in the 1996 Federal elections. A modus operandi has been worked out there which would allow the Attorney General to come in and give the committee the Attorney General's opinion as to whether immunity should be withheld or granted.

The law is plain that the committee has the jurisdiction to make that determination, where the statute gives the Attorney General a period of time to object and additional time for the purpose of putting the Department of Justice's case together. Due to the problems created by the decisions involving Admiral Poindexter and Colonel North go to a point where limited immunity is granted, the prosecutor must prove the case from independent sources and the prosecutor can put a case together, can, so to speak, bundle the case before immunity is granted.

So when the request was made for applications for immunity for five individuals, the Attorney General responded, the Department of Justice responded that they objected to the grant of immunity. That was, so to speak, the straw which broke the camel's back and the chairman of the committee, Senator THOMPSON, made a very forceful public statement on Tuesday saying that he had lost confidence in the Department of Justice to conduct an impartial and appropriate investigation, and that the refusal to agree to those grants of immunity was just beyond the pale, a conclusion with which I agree.

On the basis of the equities here, I believe a very, very strong case can be made out to have the Court, in its supervisory authority, appoint independent counsel notwithstanding the absence of an application by the Attorney General. However, in consultation with my colleagues, I have decided to introduce an amendment to the pending bill which would make certain modifications in the independent counsel statute. These modifications would create new authority for the Congress to seek judicial appointment of an independent counsel where there is a determination that the Attorney General's failure to do so is an abuse of discretion. This authority would reside in the Judiciary Committee, where the full committee or a majority of the majority party members or a majority of the nonmajority party members could petition the Court to appoint an independent counsel where the full committee or a majority of either party's committee members determines that the Attorney General's failure to appoint an independent counsel is an abuse of discretion. This carefully crafts a procedure so that there is a limit of standing as to who may come in and ask for the appointment of independent counsel.

The amendment, which I propose to introduce, would further provide for a judicial determination on independent

counsel with a specification that upon receipt of a congressional application, the Court shall appoint independent counsel where the Court has determined that the Attorney General's failure to appoint an independent counsel is an abuse of discretion.

There are considerations on constitutional issues here, but I believe that other relevant issues must also be considered. Regarding the context of the current factual situation and carefully limiting the petitioning authority to the Congress, and in the context where the Attorney General herself has emphasized the importance of the independent counsel provision, including the avoidance of appearance of impropriety, it is my judgment that this law would pass constitutional muster and would provide an important addition in the interest of justice to solve the problem which we now confront, where the overwhelming weight of evidence—and I don't use that term lightly. It is evidence. It has evidentiary value—calls for the appointment of independent counsel.

There is pending at the present time an amendment so I cannot introduce my amendment now. A subsequent amendment is pending. But it is my intention, as I say, Mr. President, to introduce this amendment. There have been some preliminary indications that the introduction of this amendment might tie up the bill, and I do not intend to tie up the bill. If that is the consequence of the introduction of an amendment, if a filibuster were to follow, I would not persist and subject this appropriations bill to a filibuster. I firmly believe that it is in the public interest in a very serious way to have independent counsel appointed, and it is obvious that all the entreaties to the Attorney General have thus far been unsuccessful and litigation is an option which may be pursued. However, this statutory change would make it certain that the Court would have the authority and that the petitioning parties would have appropriate standing to have independent counsel appointed.

I thank the Chair and yield the floor.

#### EXHIBIT 1

U.S. SENATE,  
COMMITTEE ON THE JUDICIARY,  
Washington, DC, May 1, 1997.

Hon. JANET RENO,  
*Attorney General,*  
*Department of Justice, Washington, DC.*

DEAR ATTORNEY GENERAL RENO: Following up on yesterday's hearing, please respond for the record whether, in your legal judgment, the text of the television commercials, set forth below, constitutes "issue advocacy" or "express advocacy."

The Federal Election Commission defines "express advocacy" as follows:

"Communications using phrases such as 'vote for President,' 'reelect your Congressman,' 'Smith for Congress,' or language which, when taken as a whole and with limited reference to external events, can have no other reasonable meaning than to urge the election or defeat of a clearly identified federal candidate." 11 CFR 100.22

The text of the television commercials follows:

"American values. Do our duty to our parents. President Clinton protects Medicare.

The Dole/Gingrich budget tried to cut Medicare \$270 billion. Protect families. President Clinton cut taxes for millions of working families. The Dole/Gingrich budget tried to raise taxes on eight million of them. Opportunity. President Clinton proposes tax breaks for tuition. The Dole/Gingrich budget tried to slash college scholarships. Only President Clinton's plan meets our challenges, protects our values.

"60,000 felons and fugitives tried to buy handguns—but couldn't—because President Clinton passed the Brady Bill—five-day waits, background checks. But Dole and Gingrich voted no. One hundred thousand new police—because President Clinton delivered. Dole and Gingrich? Vote no, want to repeal 'em. Strengthen school anti-drug programs. President Clinton did it. Dole and Gingrich? No again. Their old ways don't work. President Clinton's plan. The new way. Meeting our challenges, protecting our values.

"America's values. Head Start. Student loans. Toxic cleanup. Extra police. Protected in the budget agreement; the president stood firm. Dole, Gingrich's latest plan includes tax hikes on working families. Up to 18 million children face healthcare cuts. Medicare slashed \$167 billion. Then Dole resigns, leaving behind gridlock he and Gingrich created. The president's plan: Politics must wait. Balance the budget, reform welfare, protect our values.

"Head Start. Student loans. Toxic cleanup. Extra police. Anti-drug programs. Dole, Gingrich wanted them cut. Now they're safe. Protected in the '96 budget—because the President stood firm. Dole, Gingrich? Deadlock. Gridlock. Shutdowns. The president's plan? Finish the job, balance the budget. Reform welfare. Cut taxes. Protect Medicare. President Clinton says get it done. Meet our challenges. Protect our values.

"The president says give every child a chance for college with a tax cut that gives \$1,500 a year for two years, making most community colleges free, all colleges more affordable . . . And for adults, a chance to learn, find a better job. The president's tuition tax cut plan.

"Protecting families. For millions of working families, President Clinton cut taxes. The Dole-Gingrich budget tried to raise taxes on eight million. The Dole-Gingrich budget would have slashed Medicare \$270 billion. Cut college scholarships. The president defended our values. Protected Medicare. And now, a tax cut of \$1,500 a year for the first two years of college. Most community colleges free. Help adults go back to school. The president's plan protects our values."

Sincerely,

ARLEN SPECTER.

Mr. FRIST addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. FRIST. Mr. President, I rise to speak on the underlying amendment briefly, the amendment offered by the Senator from Kansas with regard to his efforts to really hone NIST's Advanced Technology Program to serve the public, the amendment to the Commerce, Justice, State, and Judiciary appropriations bill.

I do wish to thank my colleague, the Senator from Kansas, for his efforts to accomplish what we all want to do, and that is to have NIST's ATP serve in the best way possible the public, using taxpayer dollars. And I, too, am very optimistic and feel very confident that this can be done, yet I want to rise and speak against the amendment and

stress that the approach is different than what I would like to take and therefore explain it.

I am chairman of the Commerce Science, Technology and Space Subcommittee, the committee through which the reauthorization and the authorization for this ATP takes place. That subcommittee right now is looking at all of the information in a very systematic way to see how we best can evolve that program to provide absolutely the best return on our Nation's investment.

I feel strongly that the proper place to effect such changes should be in a more comprehensive approach rather than a shotgun approach, and that is through the committee structure, through the committee that is charged with the reauthorization of NIST's ATP, and that is what we are doing.

Just last week an excellent report was released by the Commerce Department. It is a 60-day report. It put forth recommendations, four reform efforts in place, suggestions, recommendations—conducted by the Commerce Department. And I dare say I bet there has not been a Senator in the room who has read through that report released just last week.

I think the report is a good first step. We need to go much further than that, but I would rather do that on an authorizing bill rather than having it tagged on an appropriations bill in more of a shotgun fashion.

Our subcommittee is right now working on a reauthorization bill that addresses the longstanding concerns which people have with the Advanced Technology Program so that it can become a really more effective vehicle for stimulating innovation in this country, and that is what we want to do, stimulate innovation.

I welcome the input to our subcommittee of all interested parties, including my colleagues from the Commerce Committee and the Senator from Kansas, who is also on the Commerce Committee, in order to craft this more comprehensive legislation. Therefore, I rise to express my opposition to this particular amendment offered by the Senator from Kansas and hope that we will begin the opportunity through the appropriate authorizing subcommittee to effect real change, more comprehensive change where we can consider all of the available data in order to accomplish the necessary change in the NIST's Advanced Technology Program through this reauthorization process. I hope my colleagues will join me in opposition to this amendment, recognizing that we will be addressing all of these issues through the appropriate reauthorizing committee, that of science, technology and space.

I yield the floor.

Mr. GREGG. Mr. President, I make a point of order that a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GREGG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ENZI). Without objection, it is so ordered.

Under the previous order, the question now occurs on amendment No. 980, offered by the Senator from Kansas [Mr. BROWNBACK].

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Massachusetts [Mr. KENNEDY] is necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts [Mr. KENNEDY] would vote "no."

The result was announced, yeas 42, nays 57, as follows:

[Rollcall Vote No. 202 Leg.]

YEAS—42

Abraham	Gorton	McCain
Allard	Gramm	McConnell
Ashcroft	Grassley	Nickles
Bond	Gregg	Roberts
Brownback	Hatch	Santorum
Campbell	Helms	Sessions
Chafee	Hutchinson	Shelby
Coats	Inhofe	Smith (NH)
Collins	Kempthorne	Smith (OR)
Craig	Kohl	Snowe
Domenici	Kyl	Thomas
Enzi	Lott	Thompson
Faircloth	Lugar	Thurmond
Feingold	Mack	Wyden

NAYS—57

Akaka	Dorgan	Leahy
Baucus	Durbin	Levin
Bennett	Feinstein	Lieberman
Biden	Ford	Mikulski
Bingaman	Frist	Moseley-Braun
Boxer	Glenn	Moynihan
Breaux	Graham	Murkowski
Bryan	Grams	Murray
Bumpers	Hagel	Reed
Burns	Harkin	Reid
Byrd	Hollings	Robb
Cleland	Hutchison	Rockefeller
Cochran	Inouye	Roth
Conrad	Jeffords	Sarbanes
Coverdell	Johnson	Specter
D'Amato	Kerrey	Stevens
Daschle	Kerry	Torricelli
DeWine	Landrieu	Warner
Dodd	Lautenberg	Wellstone

NOT VOTING—1

Kennedy

The amendment (No. 980) was rejected.

Mr. HOLLINGS. I move to reconsider the vote.

Mr. KERRY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Indiana.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Indiana.

Mr. LUGAR. I thank the Chair.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senate will please come to order.

Mr. LUGAR. I ask unanimous consent that the pending amendment be laid aside.

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

AMENDMENT NO. 981

(Purpose: To make appropriations for grants to the National Endowment for Democracy)

Mr. LUGAR. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for himself, Mr. MCCONNELL, Mr. LEAHY, Mr. GRAHAM, Mr. LIEBERMAN, Mr. ROTH, Mr. DODD, and Mr. MACK proposes an amendment numbered 981.

Mr. LUGAR. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 113, line 7, after the word "expanded," insert the following new heading and section:

NATIONAL ENDOWMENT FOR DEMOCRACY

For grants made by the United States Information Agency to the National Endowment for Democracy as authorized by the National Endowment Democracy Act, \$30,000,000 to remain available until expended.

On page 100, line 24 strike "\$105,000,000" and insert "\$75,000,000".

Mr. LUGAR. Mr. President, I ask unanimous consent that no second-degree amendment to my amendment be in order.

Mr. BUMBERS. Objection.

Mr. KERRY. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I understand while I was reserving the right to object somebody else actually lodged an objection.

Mr. BUMBERS. Mr. President, I object to the request.

The PRESIDING OFFICER. Objection is heard.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana has the floor.

Mr. KERRY. Mr. President, point of personal privilege, I would simply like to indulge the attention of the Chair. I do this in the most gentle, appropriate way as possible.

I have the utmost respect for the Senator from Indiana. The rules of the Senate are, Senators are recognized as a right of first voice heard by the Chair. Three voices were raised on this side of the aisle. And while I have enormous respect and affection for the Senator from Indiana, I do not think his voice had even been expressed, but he was recognized.

I think the Chair should proceed, if I may say, by the rules of the Senate.

The PRESIDING OFFICER. His voice was expressed. I happened to be looking in his direction and recognized him.

The Senator from Indiana.

Mr. LUGAR. Mr. President, the amendment that I introduce comes to the floor because no funding for the National Endowment for Democracy is in this bill. It has been zeroed out. The bill as written proposes to eliminate the National Endowment for Democracy, a program that has been enthusiastically supported by every administration, Republican and Democratic, since President Ronald Reagan's first term, and by every Congress, Republican and Democratic, since 1983, when it was first launched.

The amendment we are proposing would continue funding for the National Endowment for Democracy at this year's level, namely \$30 million. It does not seek an increase in funding. But it proposes that the funding continue.

The amendment would shift \$30 million from the State Department Capital Investment Fund in the bill to the National Endowment for Democracy.

I point out, Mr. President, that even with the \$30 million shifted from the State Department Capital Investment Fund, that fund will still exceed by \$11 million the administration's request.

The capital investment fund is an important initiative. Many of us have written to Secretary Albright and the President about the importance of strengthening the State Department's technological and communications capability. They are significant and important deficiencies in the State Department. And this bill will go a long way to correct them.

But, Mr. President, the administration requested a total of \$64 million for these purposes. The bill before us includes a funding level of \$105 million, some \$41 million over the President's request. Therefore, Mr. President, I am pleased to announce the administration favors our amendment, it favors support of the amendment because it provides for the National Endowment for Democracy and all that had been requested, and more, for the Capital Investment Fund of the State Department.

Let me point out, Mr. President, an important editorial that appeared in the Wall Street Journal this morning that very succinctly sums up the case that we make.

The Wall Street Journal editorial states—and I quote:

A United States Senate accustomed to forking up multibillions will debate the government's equivalent of the widow's mite today, a \$30 million appropriation to fund the National Endowment for Democracy. An appropriations subcommittee chaired by New Hampshire Republican Judd Gregg decided not long ago in a fit of austerity to defund the NED, on grounds that it was a relic of the Cold War. The same subcommittee awarded the State Department \$100 million, \$40 million more than it requested, just to buy computers.

We don't think for minute that a title with the word "democracy" in it imparts virtue to a federal enterprise in and of itself, and we confess to having had some skepticism of our own about the NED some years after it

was founded in 1984. But a closer look at what the NED has been up to produces some surprises.

Its rather unusual design seems to have encouraged considerably more initiative in its mission of spreading democracy around the world than would be expected of the usual federal agency. Maybe that's because it is not a federal agency, but a free standing foundation with its own board of directors supported by both federal and private money. It channels its grants through four institutes, two of which are operated by the two major U.S. political parties.

One achievement of this Ronald Reagan brainchild was to help Poland's Solidarity break the grip of the Soviet Union in the Cold War days. But it is doing some rewarding work today as well.

Its Republican branch, the International Republican Institute, help set up free elections in Mongolia last year, turning that once-Communist country into a democratic, free market paragon. IRI also is helping villages in China learn how to conduct free and fair elections of local governing committees something they are entitled to do under Chinese law. The Democrats, through their National Democratic Institute for International Affairs, are doing similar work. American politicians are helping teach practical politics at the very foundations of democracy, and doing it on a shoestring.

Is this of value to the U.S.? You only have to ask yourself whether the world is safer with a democratic or an authoritarian China to answer that question. The fact that private corporations are willing to fund special NED projects in non-sensitive situations offers evidence that enlightened businesses value the stability that democracy and a rule of law bring to the countries where they seek to operate. Bulgaria is one such place where new democrats are being offered such aid.

Since news of the defunding became known, the NED has had an outpouring of support from people around the world who have direct knowledge of its contributions.

Hong Kong democratic leader Martin Lee, who faces tough battles ahead in coping with Hong Kong's new Beijing landlords, penned a letter to Senator Connie Mack begging him to help save the NED, Senator Bob Graham has heard from Sergio Aguayo of the Civic Alliance, which has had a strong hand in promoting the multiparty democracy now taking root in Mexico. Jack Kemp, Jeane Kirkpatrick and William Bennett, along with such varied Senate personalities as Richard Lugar, Chris Dodd, John Kyl and Ted Kennedy have weighed in one behalf of NED.

The NED recently sent out an invitation to kindred groups in Germany, Britain, Canada, Sweden and the Netherlands to a meeting in Taiwan in October it will co-sponsor with Taiwan's Institute for National Policy Research. The purpose of this gathering in one of the world's newest democracies is to foster NED-type groups in still more countries. What a shame it would if the U.S. Senate collapsed with an attack of parochialism on the eve of such a bold endeavor.

That is the end of the Wall Street Journal editorial.

Mr. President, I simply make the point that the NED is not a cold war relic. The President of the United States, currently, President Bill Clinton, just as Ronald Reagan at the inception of this, sees the value of this type of activity.

President Clinton has said if we are going to make a difference in Chinese democracy, the National Endowment for Democracy and its International

Republican Institute is on the spur of what needs to happen by promoting the organization of elections in local villages. And this we are doing. These things do not happen by chance.

The President has commended the idea that the National Endowment for Democracy has been involved in Mongolia, has commended the work that is occurring in situations where not only free and fair elections have occurred, but in its unique way the National Endowment for Democracy, by placing labor leaders in nations that have gained democracy, helps build labor unions.

The Chamber of Commerce, by placing businesspeople under the National Endowment for Democracy's auspices, helps market economics get started. Are these important to the United States? You bet they are.

The fact is, a free and fair election can occur, and the cold war may be over, but our Nation needs to relate to other nations that have ongoing sensitivity toward labor-management relationships, market economics, price finding in the markets, freedom of speech, and political dialog that our political parties have fostered.

The suggestion, Mr. President, is this could be done by private enterprise all by itself. But that would have no particular legitimacy. The backing by the Congress, by the administration, by every living Secretary of State, every living National Security Adviser, every living President, of this idea ought to at least weigh in with this body.

There may be Members second-guessing all of these people and saying they are simply out of it. But I would advise Members, they are very much with it. They understand the dynamics of what has to happen in the world and why it is important for these four groups in the National Endowment for Democracy to band together throughout several administrations and with a continuity of effort to make a substantial difference in the world.

Mr. President, I cited a few moments ago letters that have been written. I want to mention specifically one from the Laogai Research Foundation, and a name that all will recognize in this body, Harry Wu, its executive director. He simply says:

Tomorrow (Thursday), in a letter he wrote to me yesterday, in a vote on the Senate floor, you will be presented with a choice to either support the N.E.D. or [to] kill it. I understand that particular . . . programs may, from time to time, draw the ire of lawmakers. [But] may we suggest that when this is the case, leaders such as yourself [must] suggest . . . what internal changes need to be made.

In other words, don't throw out the baby with the bathwater.

If the United States intends to maintain its leading role in world affairs, continued Congressional support of the National Endowment for Democracy is imperative.

I have cited a letter that was written by Jeane Kirkpatrick, Jack Kemp, William Bennett, Lamar Alexander, Steve Forbes, Vin Weber, a whole galaxy of

people involved in Empower America. They are important voices, living, active voices, not relics of the cold war. They understand the dynamics of what we ought to be doing in American politics.

They are joined, as I have suggested earlier, by Sandy Berger, currently the National Security Adviser, and by all the National Security Advisers since the NED was created.

Mr. President, I want to cite specifically a letter from Martin Lee, chairman of the Democratic Party in Hong Kong. Not long ago, many in this Senate honored Martin Lee. Prior to the turnover in Hong Kong, most of us were worried about Martin Lee and democracy.

I simply cite Martin's letter in which he says:

My main purpose in writing now is to express my concern about proposals I understand are before the Senate to consider eliminating funding for the National Endowment for Democracy. I know you have always been a strong supporter of NED and the important work it does around the world, but I wanted to write to express my conviction the National Endowment for Democracy is indeed indispensable in a world where democracy and freedom are not entrenched and where—to cite the example of Hong Kong—all democratic institutions can be wiped out by fiat.

In Hong Kong and elsewhere in Asia—

Martin Lee says

and around the world, the struggle to preserve democracy, political freedom and the rule of law is far from being won.

Let me just simply say, Mr. President, this is serious business. What is being proposed here in our amendment is that \$30 million for computers and technological equipment the State Department did not seek be restored to the National Endowment for Democracy that they did ask for. The request of the President is for this money, leaving fully all of the requests that the administration made for the equipment.

Mr. President, what we have before us we need to see very clearly. There are Members of the body who simply want to kill the National Endowment for Democracy. Now, I resist that idea, and for good reason. The experience of most of us in this Chamber, I hope, would be to say that we have to be active on the front lines, and we have to be active as Republicans, Democrats, labor union members, and business people in our own expertise and synergy and continuity; we have to be active not simply in setting up those activities our diplomacy can do—free and fair elections—but the centers of support of commerce, of labor, of freedom of speech and press and contract law and the details that, alone, make continuity possible and second and third elections in countries transitioning to democracy possible. Mr. President, I do hope that Members will support this amendment. I think it is very important for the foreign policy and security of this country. I thank the Chair.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

AMENDMENT NO. 982 TO AMENDMENT NO. 981  
(Purpose: To make appropriations for grants to the National Endowment for Democracy)

Mr. MCCONNELL. Mr. President, I send a second-degree amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. MCCONNELL], for himself, Mr. LUGAR, Mr. LEAHY, Mr. GRAHAM, Mr. LIEBERMAN, Mr. ROTH, Mr. DODD, and Mr. MACK, proposes an amendment numbered 982 to amendment No. 981.

The amendment is as follows:

On page 113, line 7, after the word "expanded," insert the following new heading and section:

NATIONAL ENDOWMENT FOR DEMOCRACY

For grants made by the United States Information Agency to the National Endowment for Democracy as authorized by the National Endowment Democracy Act, \$30,000,000 to remain available until expended. This shall become effective one day after enactment of this Act.

On page 100, line 24 strike "\$105,000,000" and insert "\$75,000,000".

Mr. MCCONNELL. Mr. President, I ask for the yeas and nays on the second-degree amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MCCONNELL. Mr. President, independence is the first step toward democracy—hardly the last. As our own nation's history records, 87 years after our revolution, President Lincoln stood at Gettysburg to remind a deeply wounded nation—

It is for us, the living to be dedicated . . . to the unfinished work which they who fought here have thus far so nobly advanced . . . the great task remaining before us—that this nation, under God shall have a new birth both of freedom—and that government of the people, by the people and for the people shall not perish from the earth.

We all, at one point or another in our school careers, memorized that famous address. Eighty seven years after our Nation's birth—when we had a strong, well established representative government—Lincoln spoke of our unfinished work—because we saw our democracy, our Government and Nation divided and devastated by civil war—a war which serves as a caution that even healthy, strong democracies suffer attack and setbacks.

One hundred years after President Lincoln reminded us of our unfinished work, President Reagan stood before the British Parliament in 1982 and predicted the certain end of communism.

But, in forecasting communism's imminent demise, President Reagan called upon his country, our allies and our American political parties to "contribute as a nation to the global campaign for democracy gathering force."

This remarkable speech set in motion the people and events which established the National Endowment for Democracy.

President Reagan's message was as simple and pure as it was powerful and enduring—the mission he defined was to create a world illuminated by individual liberty, representative government and the rule of law under God.

Eighty-seven years after our revolution, we needed to recommit ourselves to that purpose at Gettysburg. President Reagan renewed the call and, now, we must rededicate and redouble our efforts to secure democracy around the globe.

With the end of the cold war, this mission and our responsibilities have only just begun. It is not ending, it is the beginning.

The National Endowment for Democracy—and especially its four core institutes—offer the best, most effective, and strongest tools we have available to consolidate the gains we have made in dismantling the structure of Communist and totalitarian governments.

We need to remember that tearing down the weak practices and government architecture of communism is not the same thing as creating or sustaining strong, viable democratic principles, laws and institutions.

Communism has indeed been cast on the ash heap of history. The question remains what will take its place.

Virtually every nation which suffered behind the Iron Curtain has enjoyed some form of free and fair elections—but the first election is not as important as the second then third when there is a real test of democratic principle and practice—when those who have enjoyed elected office must relinquish power if the principle of self determination is to survive. In other words, only after an orderly transition of power from election to election occurs can democracy truly take root.

The key to self-determination—the core of democracy—is the active engagement of citizens in their government. NED and its institutes, in turn are the key to building and encouraging this deep, informed involvement.

These organizations carry out this important work in a number of ways.

In Burma, NED funding is keeping the faint but fervent hopes for freedom and democracy alive. Let me explain why their work is so vital.

Burma and North Korea have a lot in common with the Stalinist era in the Soviet Union. A ruthless 400,000 man military force, led by the State Law and Order Restoration Council—SLORC—have systematically destroyed the education system and detained, tortured, and executed anyone opposing their brutal rule.

NED is a lifeline for the courageous opponents who resist SLORC inside Burma and the large, exiled community who struggle every day to restore the results of the 1990 elections and their leader Aung San Suu Kyi to office.

With less than \$200,000 NED has kept alive the only uncensored, independent newspaper circulated inside Burma. The New Era, a monthly newspaper, is vital to the effort to raise awareness of SLORC's violations of human rights and civil liberties, to assure inde-

pendent reporting of events and to provide counterbalance to SLORC's daily campaign to smear and slander Aung San Suu Kyi.

Let me point out that it's a crime in Burma to have a copy of this newspaper, yet in spite of threats of imprisonment and death, an extraordinary network of students and citizens take this risk to assure monthly delivery and circulation of the New Era.

The NED also supports the Democratic Voice of Burma which produces and transmits a daily morning and evening broadcast of news, features and ethnic language programming as well as broadcasting recordings of Aung San Suu Kyi's speeches, the texts of U.N. decisions and other information of intense interest to Burma's citizens.

Beyond sustaining the independent media, NED supports efforts to strengthen cooperation among the more than 15 ethnic groups which work in peaceful opposition to the military junta. This support has enabled the National Coalition Government of the Union of Burma under the direction of elected Prime Minister Dr. Sein Win to continue to represent to the outside world the views and aspirations of the legitimately elected parliamentarians of Burma.

Although they are victims of one of the world's most repressive regimes, Dr. Sein Win works with his colleagues inside and outside Burma, calling for peaceful dialog to restore democracy to his beleaguered nation.

Burma is just one example of the Endowment's exceptional service to the cause of democracy.

I have also observed the crucial role they have played in the New Independent States of the former Soviet Union.

Each of these countries illustrate my earlier point that while trappings of communism have been dismantled, it is far too early to judge the transition to democracy a complete success.

Communities across the region desperately need precisely the kind of training and support available through NED. One of the most compelling reasons why NED is so vital is illustrated by the work done through their core grantee in Russia.

Although we are all concerned about the reactionary elements which continue to dominate the Russian Parliament, there is some reason to be hopeful. During the last election, in every community and town where the International Republican Institute ran training programs and supported efforts to strengthen local political parties, reformers were elected to office—reformers who shared our interests in free market economies and individual liberties.

Obviously, reformers do not control a majority yet, but IRI's impressive record suggests we should be substantially expanding our support for endowment activities to secure the kinds of governments and societies which share our interests.

The cold war may be over, but repression and authoritarian impulses are alive and well.

NED nourishes the ambitions of all those who want to participate and shape their own great experiment in democracy—Muslim women in the Middle East, journalists under fire in Cambodia, trade unions in Belarus, political scientists in Azerbaijan, legal defense funds in Latin America—all benefit from NED's small grants—all contribute to building the foundation which sustains a healthy democracy.

The National Endowment for Democracy and its core grantees work citizen by citizen and community by community to transform individual aspirations of self-determination into the governing nations which Ronald Reagan defined so well—nations which preserve and protect individual liberty, representative government and the rule of law under God.

NED deserves our support. It does a good job and it does it in service to our national interests. Each democracy which grows is one more trading partner, one less crisis which may require our political or military intervention.

We abandon this extraordinary campaign for democracy gathering force at our own peril.

Ms. MIKULSKI. Mr. President, I am proud to strongly support and cosponsor the McConnell amendment to restore modest funding for the National Endowment for Democracy. I commend the distinguished chairman of the Foreign Operations Subcommittee for his continued leadership on this important matter.

The National Endowment for Democracy is a proven, cost-effective investment in democracy. It represents our national interests and our values.

As a member of the Commerce, State, Justice Subcommittee, I am disappointed that no funds were provided for a program that so effectively strengthens democracy around the world. Today we seek to restore funding to continue this important tool of American foreign policy.

The cold war may be over—but dictatorships and military juntas still exist. Democracy is still fragile in too many countries. Rigged elections still occur, and freedom of speech is not a universal right. The National Endowment for Democracy provides the tools of democracy. It encourages a free press, unions, and multiparty elections. It supports women's participation in the electoral process. It assists grassroots organizations that support democracy and human rights.

The National Endowment for Democracy has a remarkable track record. It was one of the early supporters of the Solidarity movement in Poland. It helped to draft South Africa's constitution.

But NED does not rest on it laurels. Today, in Albania, Burma, and Cuba—NED is supporting democracy. It provides assistance to the only independent newspaper in Bosnia. It is helping

to empower women in Turkey. It is helping Asian organizations to fight against the use of child labor.

Mr. President, the cold war is over—but American leadership is still important. We are still the strongest voice for democracy. I urge my colleagues to join me in supporting the National Endowment for Democracy—one of our most important tools in supporting democracy around the world.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, I rise today to speak in favor of the pending amendment, which will restore \$30 million of funding for the National Endowment for Democracy.

Mr. President, unless we reverse the decision that has been made by the Appropriations Committee, the Senate will be on record as eliminating this unique, flexible, low-cost, public-private partnership, an important foreign policy instrument, an instrument that has proven important today in furthering U.S. interests, as important today as it was in 1983 when established with the active support and leadership of President Ronald Reagan.

Mr. President, the Senate has debated the future of the National Endowment for Democracy virtually every year in recent years. Every year, proponents of continuing the Endowment have prevailed, but the fight has taken a toll. NED's budget has been whittled down by almost 15 percent over the last 3 years, and its authorization is now flat for the next 2 years. Any further cuts will severely hamper NED's ability to carry out its important programs. That is why so many of us are here today concerned that its current budget be sustained at the requested level of \$30 million.

Mr. President, although we once again are debating NED's future, this recurring debate has been, and continues to be, more about our future and our view of the world than it does this one Federal initiative for democracy. It is also about how the American people view America's role in the world. In examining that world view, several fundamental questions must be answered.

First and foremost is the question of whether it is in the interest of the United States of America to remain actively engaged in world affairs.

Second, is it in our interest to creatively promote peaceful democratic change? To put it another way, is it in our interest to stay one step ahead of tomorrow's costly conflicts by promoting peaceful democratic change today?

Finally, does the National Endowment for Democracy make a positive contribution to advancing these interests?

Mr. President, I submit that the answer to each of these questions is yes. I would briefly wish to cite two examples.

First, in our own hemisphere, the United States has had a long and, I

suggest, painful and destructive history of being involved in our hemisphere only when we faced an immediate security, political, or economic crisis. Once the crisis passed, our interests waned and then evaporated.

Mr. President, in large part because of some of the things that the United States led in the last 50 years, we now have a period of democratic government within our hemisphere that we have never known since Christopher Columbus discovered the new world. Those democracies, from Guatemala to Argentina, are new. They are enthusiastic. But they lack the kinds of deep roots that will assure their longevity. It is exactly nations such as that and building those roots that will sustain democracy that the National Endowment for Democracy has exhibited, and it is in exactly those circumstances within Latin America and the Caribbean that the endowment has played such an important role, and I submit will play an even more important role in the future.

Another prime example is China. Those who understand and care about the need for long-term democratic change in China strongly support the National Endowment for Democracy. That is because the National Endowment for Democracy is working with human rights activists to bring to life abuses by the current regime. The endowment is also creatively exploring openings at the local level to help officials establish independent elections.

NED is on the ground working in China every day in ways that very directly further United States national interests. No other agency of this Government is equipped to carry out the kind of innovative grassroots work as is the National Endowment for Democracy.

If we are to successfully engage China over the long term, if we are positively to influence United States-China relations, if we are to reverse our past history and demonstrate a sustained commitment to democratic institutions within our nearest neighbors in the Western Hemisphere, the National Endowment for Democracy must necessarily be an essential ingredient in that United States policy.

Indeed, the long-term impact we are confident NED to have in China is on display today in Mexico, where the Endowment's support of the Civic Alliance, a coalition of non-governmental organizations in that country, paved the way for electoral reform that resulted in the freest elections in Mexico's history. The result has been a deepening of democracy, and a sense among the Mexican people that casting ballots can produce positive change in their lives. The result is a government which is far more stable and responsive to the people's needs. The Mexican people benefit, and so do we.

Mr. President, China and Mexico are only two examples of NED's work. Indeed, the Endowment is helping dissidents in over 90 countries, including

dissidents who are fighting for democratic change in Cuba, Burma, Nigeria, Belarus, Serbia, and Sudan. NED is working to strengthen democratic institutions in Russia, Ukraine, and South Africa. This is vitally important work. And there are many informed observers who see it the same way.

Former Secretaries of State Baker, Eagleburger, Haig, Kissinger, Shultz, and Vance are on record in support of NED. According to them:

During this period of international change and uncertainty, the work of the NED continues to be an important bipartisan but non-government contributor to democratic reform and freedom. We consider the non-governmental character of the NED even more relevant today than it was at NED's founding \* \* \*

Former National Security Advisors Allen, Carlucci, Brzezinski, and Scowcroft also are on record in support. They have stated that:

The endowment, a small bipartisan institution with its roots in America's private sector, operates in situations where direct government involvement is not appropriate.

It is an exceptionally effective instrument in today's climate for reaching dedicated groups seeking to counter extreme nationalist and autocratic forces that are responsible for so much conflict and instability.

Eliminating this program would be particularly unsettling to our friends around the world, and could be interpreted as sign of America's disengagement from the vital policy of supporting democracy. The endowment remains a critical and cost-effective investment in a more secure America.

Mr. President, I ask unanimous to have printed in the RECORD an exchange of correspondence I recently had with National Security Advisor Sandy Berger. He responded in a July 21 letter reaffirming strong administration support the NED and "our opposition to any effort reduce or eliminate NED funding."

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

THE WHITE HOUSE,  
Washington, July 21, 1997.

Hon. BOB GRAHAM,  
U.S. Senate,  
Washington, DC.

DEAR BOB: Thank you for your letter of July 16 regarding funding for the National Endowment for Democracy (NED).

I welcome the opportunity to reaffirm strong Administration support for the NED and our opposition to any effort to reduce or eliminate NED funding. As you correctly note, the President is a dedicated supporter of the NED, as it has been in the forefront of U.S. efforts to promote democracy, civil society and the rule of law around the world. Moreover, it has done so at very little cost to the American public, leveraging modest resources with great effectiveness.

I should also note that the NED, established by President Reagan and strongly supported by each of his successors, has served as a model for democracy-promotion efforts by our democratic friends and allies.

For all of these reasons, we enthusiastically endorse your efforts to restore funding for the NED, and we are prepared to work closely with you to ensure that objective.

Best regards,

Sincerely,  
SAMUEL R. BERGER,  
Assistant to the President for National  
Security Affairs.

U.S. SENATE,

Washington, DC, July 16, 1997.

Hon. SAMUEL R. BERGER,  
Assistant to the President for National Security  
Affairs, The White House, Washington, DC.

DEAR SANDY: The Commerce-Justice-State Appropriation will soon be debated on the Senate floor. As you may know, the Appropriations Committee is recommending that all funding for the National Endowment for Democracy be eliminated.

NED's numerous Senate supporters, including myself, regard this as a serious mistake, since it would cripple the ability of our country to assist the various democratic networks abroad whose continued sustenance is so critical to our national security.

The President has been a dedicated supporter of the Endowment in the past. It would be helpful if he would commit the Administration to reaffirming that support by backing the efforts of the Endowment's friends in the Senate to restore its funding.

Sincerely,

BOB GRAHAM,

U.S. Senator.

Mr. GRAHAM. Mr. President, I would like now to take this opportunity to clarify some misconceptions that have arisen regarding NED and its work over the years. Two of those misconceptions are contained in the report accompanying the bill we are now debating.

The report states that, because NED was created to support democratic movements behind the Iron Curtain, it is no longer needed. Nothing could be further from the truth. Indeed, NED was never intended to be a cold war institution.

In Ronald Reagan's speech that helped launch the Endowment, he offered the following vision of NED:

. . . To foster the infrastructure of democracy—the system of a free press, unions, political parties, universities—which allows a people to choose their own way, to develop their own culture, to reconcile their own differences through peaceful means.

He referred to the work of Western European parties assisting counterpart institutions and of the foundation looking into “how the United States can best contribute as a nation to the global campaign for democracy now gathering force.”

It is true that the Endowment supported Solidarity and other dissidents behind the Iron Curtain.

But that represented a small percentage of its funding. In fact, in the early years of the Endowment, approximately half of its funds went to support the growing democratic movements in Latin America.

This had nothing to do with the cold war and everything to do with the reason NED was created and the reason it exists today—because America believes that the spread of democracy is good for the people of these countries, and ultimately, for the people of the United States as well.

NED's work in the Middle East, in East Asia, in Central Asia, in Africa, in Bosnia, in Mexico, demonstrates that in the post-cold-war world, efforts to foster civil society are even more relevant today than they were when the Endowment was created.

The report accompanying this bill goes on to state that NED was never intended to be a “private-public partnership.” According to the Congressional Research Service, which carefully researched NED's legislative history, “While NED was originally established as a private entity, private funding was not required. Neither the congressional debate in 1983, nor the National Endowment for Democracy Act—the law establishing NED—indicates private source funding would be required.”

It is true that NED does raise some funds in the private sector, primarily to support its International Forum for Democratic Studies, which is a research center and clearinghouse for worldwide information about democracy. In addition, NED has calculated that its funding leverages over 70 cents for every program dollar it grants.

The essential point, however, is that the founders of NED never imagined that this would be a privately funded effort. To the contrary, because NED serves the national interest, it is an entirely worthwhile expenditure of the Federal Government.

Several other misperceptions have dominated this debate in the past. Let me address them as well.

Opponents have suggested that the Endowment duplicates those of the Agency for International Development. AID Administrator Brian Atwood reported to the House Committee on International Relations in March 1996, following an extensive review of hundreds of programs funded by his agency and those of the Endowment. His report stated:

We found that USAID and NED do not duplicate, but rather complement each other's efforts.

In the same report, Atwood outlined a series of steps that AID and NED have taken together to make sure that this lack of duplication continues.

NED and its supporters also have been accused of keeping a GAO report calling for a reassessment of NED's funding from being issued. This is a nonissue originally raised in print by a long time NED opponent. The facts are quite simple:

The General Accounting Office, after an exhaustive study of U.S. Government programs to promote democracy, concluded that there was no significant overlap between those funded by NED and official agencies.

Referring to the stops that have been taken between AID and NED to make sure the lack of duplication between their programs continues, a GAO official wrote to House International Relations Chairman GILMAN and Ranking Member HAMILTON that the Agency's concerns about potential overlap had been allayed.

Another charge frequently made against NED is its funding is used disproportionately for travel. Some of the over 300 programs that are funded annually by the Endowment involve the use of experts from the United States

and abroad who travel pro bono basis to share their knowledge and experiences with grassroots Democrats.

Many of these trips are under adverse circumstances to places that can hardly be regarded as vacation spots and the trips are not only working trips but frequently quite rigorous for participants. The amount of free time that is donated by these experts is rather significant in dollar terms.

Opponents also charge NED with funding meaningless conferences. NED funds in fact are used to assist organizations working inside countries. Occasionally NED funds gatherings of democrats in exile who cannot operate in their home countries. Countries such as China and Cuba fall in this category.

An example of a conference pointed to as insignificant by some NED critics is a meeting held in 1995 in Zagreb, Croatia. In fact this particular conference brought together activists from all the countries of the former Yugoslavia at the height of the war to exchange information.

The meeting succeeded in matching funders and civic groups in the region in desperate need of help. Apart from bringing together democrats in a war situation the meeting has led to a number of worthwhile projects in a region that desperately needs to build up its civil society.

Mr. President, NED deserves our support. I urge my colleagues to support a restoration of this funding.

Mr. KERREY. Mr. President, I rise today to offer my support for the pending amendment. I have long been a supporter of the National Endowment for Democracy because I believe that it serves to promote U.S. interests by fostering democracy throughout the world.

NED was established by Congress in 1983 as a nonprofit, bipartisan organization designed to promote democratic values by encouraging the development of democracy in a manner consistent with U.S. interests, assisting pro-democracy groups abroad, and strengthening electoral processes and democratic institutions. NED accomplishes these goals by providing funding to a wide variety of grantees that operate programs in more than 90 countries throughout the world.

Mr. President, many of my colleagues may be aware of the work that NED-funded grantees have done in Eastern Europe and the countries of the former Soviet Union. These Newly Independent States have benefited immensely from programs designed to help develop the rule of law, grassroots campaigns, party organization, and private sector enterprise. And while the development of truly democratic institutions is a slow process, I believe that over the long run it remains in the interest of the United States to continue our commitment to those who are struggling to build stable, democratic governments.

While NED's work in the newly independent states is commendable, of

equal importance—and often with less publicity—NED grantees are also hard at work in countries like Nigeria, Burma, Cuba, and Mongolia where pro-democracy forces are most in need of assistance, and where the ability of the United States to make a positive impact is at its greatest.

Mr. President, even though in the past decade the world has witnessed a remarkable transformation, and the forces of democracy are on an upswing throughout the world, it remains a fact that approximately two-fifths of the world's population continues to live under authoritarian rule. There clearly remains a need for continued vigilance and support of those groups still striving to achieve democratic reforms. While Congress may have created the National Endowment for Democracy during the cold war, I firmly believe that fostering democracy remains as important today as it was 14 years ago.

Because of the continued need for U.S. assistance to pro-democracy forces, I was disappointed that the Senate subcommittee did not fund the President's request of \$30 million for NED. It is for this reason that I fully support the amendment before the Senate that will fund the National Endowment for Democracy for fiscal year 1998.

Mr. President, there is a reason that four former National Security Advisers to the President have said that the elimination of NED funding would signal America's disengagement from the vital policy of supporting democracy. There is a reason that seven former Secretaries of State from both Republican and Democratic administrations have voiced their belief that NED funding is as vital today as when the program was created. And finally, there is a reason that brave, pro-democracy activists like Harry Wu and Vaclav Havel tell us that NED funding is essential to advancing the cause of democracy. Mr. President, the reason is that they, like many of my colleagues here today, realize that America must maintain its commitment to the ideals and principles of democracy.

Mr. DODD. Mr. President, I rise to support the restoration of funding for the National Endowment for Democracy in the Justice, State, Commerce appropriations bill. The amount is very modest—\$30 million—and the same level of funding as the NED currently receives for this fiscal year.

What is the NED? It is a grant-making organization that is governed by an independent, nonpartisan board of directors. NED monies are utilized to fund the activities of the four independent institutes—the National Democratic Institute, the International Republican Institute, the Free Trade Union Institute, and Center for International Private Enterprise.

In addition to funding the programs of these institutes, NED also provides grants directly to support democratic activist groups throughout the world. This includes grass roots organizations

in Nigeria and Zaire, women's groups in moderate Islamic countries, civic groups who worked to make the recently held Mexican elections open and transparent, pro-democracy groups in Cuba, China and Burma. These are just a small handful of the activities funded by NED.

The endowment also sponsors the Journal of Democracy, a well known and highly regarded scholarly publication on global democracy issues. The journal is part of the work of the International Forum for Democratic Studies—NED's research center. In addition to the publication of the journal, the Forum holds important conferences on issues of particular relevance to democratic societies, such as civil-military relations, economic reform, and the role of political parties.

In other words, NED has become an important focal point for democracy-promotion activities around the globe.

For those who say they don't know what NED or the grantee agencies have been doing with the funds they receive, I would urge them to take a long look at the annual report which NED issues every year. I have with me the latest report for 1996—that report goes into great detail where the monies are being spent. It is my view that if my colleagues would take a look at this publication they would be impressed with the extensive activities being undertaken with relatively small amounts of money.

Mr. President, I strongly agree with President Clinton's assessment of the NED. Earlier this year he said of the NED, "through its everyday efforts, the Endowment provides renewed evidence of the universality of the democratic ideal and of the benefits to our Nation of our continued international engagement."

I urge my colleagues to support the restoration of funding for the Endowment.

Mr. BIDEN. Mr. President, I rise in support of the amendment to restore funding for the National Endowment for Democracy [NED].

Last month the Senate expressed its overwhelming support for the NED when it passed the Foreign Affairs Reform and Restructuring Act of 1997—90 to 5. That legislation provided \$30 million, full funding, for the NED.

Even more recently we voted unanimously to congratulate Mexico on its elections. The NED provided critical support to the Civic Alliance in Mexico, a nonprofit election monitoring and civic education group that played a key role in that success story.

When the Reagan administration proposed the NED, I thought it was a bad idea and voted against it. After seeing all of the good work they have done and are doing, I have been converted to a supporter.

The NED continues to play a critical role in promoting democracy and democratic values, and is vital to U.S. national interests.

Mr. President, let me make this clear—NED is not a foreign aid pro-

gram. This is because it builds self-sufficiency by working with indigenous groups that demonstrate a real commitment to democratic principles.

NED only receives \$30 million, but is very cost-effective. It makes hundreds of grants annually in over 90 countries for civic education, media, human rights, and other organizations dedicated to supporting those who desire democracy.

NED funds support political party training and the establishment of opposition newspapers, helping to promote an independent press. For example, NED has done important work in China through its support of Chinese human rights activists.

Another well-known example is Burma, where the NED has strongly supported Aung San Suu Kyi and the pro-democracy movement there.

Still another important aspect of the NED is that it is rooted in the U.S. private sector, and operates in situations where direct government involvement is not appropriate.

It is particularly effective in reaching those groups seeking to counter nationalist and autocratic forces that are responsible for so much conflict and instability.

The NED provides a successful and cost-effective mechanism for spreading our democratic values and enhancing American security.

This point was made today in a Wall Street Journal editorial that highlights and praises the NED's effective and innovative approach to democracy promotion.

Elimination of this program could be interpreted as a sign of America's disengagement from the vital policy of supporting democracy around the globe.

I urge my colleagues to continue to support this critical democracy-building organization.

Mr. HATCH. Mr. President, once more we are engaging in the increasingly repetitive argument over whether the U.S. Senate should support one of our country's most valuable tools of foreign policy—the National Endowment for Democracy. The Senate subcommittee zeroed out the administration request for \$30 million for the Endowment, although the House of Representatives granted it full funding. Today, Senators LUGAR and others are offering an amendment that will restore the Senate's support for full funding for the National Endowment for Democracy (NED), and I encourage my colleagues to vote in favor of this amendment.

Mr. President, I've been in this body for the entire history of the National Endowment for Democracy, and I make no reservations about my wholehearted support for this organization. My colleagues know I was an original supporter of the NED, and I am a stronger supporter today than I was then.

President Reagan clearly summarized the NED's mission when he stated at its inception:

The objective I propose is quite simple to state: to foster the infrastructure of democracy—the system of a free press, unions, political parties, universities—which allows a people to choose their own way, to develop their own culture, to reconcile their own differences through peaceful means.

I believe that mission statement is as relevant to our goals today as it was in 1982, when the National Endowment for Democracy was founded. And I find it illogical and disingenuous that some argue that the Endowment is a cold war institution which, because we have won the cold war, is no longer relevant. Many appear to agree with me. In a September 1995 letter to our congressional leadership, seven former Secretaries of State said:

During this period of international change and uncertainty, the work of the NED continues to be an important bipartisan but non-governmental contributor to democratic reform and freedom.

It appears that a few still believe, illogically, that because the NED was engaged in fighting for democracy during the cold war, it is no longer relevant. This reasoning is unsound, based on facts of the past, and realities of the present.

First, the past. The NED did have some high-profile involvement with organizations such as Solidarity, which were critical in loosening Moscow's grip on its captive nations. I applaud the NED for that, as I applaud the many other organizations, such as the International Labor Office and other great anti-communists such as Irving Brown, who worked with us to undermine Soviet totalitarian control. But anyone who believes that the cold war was the central or only focus of the NED may not have all the facts.

It is a fact, for example, that during the early days of the National Endowment for Democracy, approximately half of NED's funds were directed toward Latin America. The 1980's, you will recall, Mr. President, was the decade when democracy swept across the Latin American continent. The people of Latin America, and their brave democratic leaders, deserve the credit for this. But it was the wisdom of U.S. foreign policy—and the participation from the NED—that provided important diplomatic and practical support.

Second, the present. The obvious fact is, Mr. President, that support for democracy remains a necessary goal of U.S. foreign policy. Students of history know that democracies are less likely to try to settle their internal and external conflicts with a resort to violence. Observers of current affairs recognize that, while democracy continues to spread, many parts of the world are in desperate need for further democratic development. It is no coincidence indeed that many of these areas are areas where U.S. foreign policy goals are and will be challenged.

To believe that supporting democracy was a need solely of the cold war is a notion that ignores the basic reality that the world remains full of nations where democracy needs support.

And where democracy advances, the risk of conflict that could require a U.S. response declines.

That is why a number of my friends—Jack Kemp, Steve Forbes, Bill Bennett, Jeane Kirkpatrick, Vin Weber, and Lamar Alexander—have circulated a letter from their organization, Empower America, which I would like to quote:

NED helps brave people around the world who are engaged in difficult struggles for freedom. These are America's natural friends. Resisting the enemies of freedom, they need our continual solidarity.

A case in point is China, where the Endowment supports various pro-democracy networks as well as the democracy movements in Tibet and Hong Kong . . .

China is but one example of how NED, which works in over 90 countries, is as relevant to the post-Cold War world as it was in the struggle against Soviet totalitarianism. Examples could be cited from other difficult situations, from Burma to Cuba, from the Balkans to the Middle East. The kind of political assistance NED provides is not foreign aid. NED is more than a program; it is an instrument for transmitting in a peaceful way American democratic values to a world that looks to us to maintain our leadership role.

NED works to expand human freedom and helps people help themselves. It promotes American values and interests. It is realistic and idealistic at the same time. It is internationalist in the best sense of that term. It is truly our kind of program.

Mr. President, among my friends at Empower America, you will not find one person who believes the United States should be the world's policeman. Most of these individuals are very skeptical—like me—about some of this country's recent unilateral as well as multilateral deployments.

But none of these individuals believes that the \$30 million spent on the National Endowment for Democracy is anything but a completely worthwhile expenditure that supports our national interests by supporting the spread of democracy around the world.

The cold war is over, Mr. President, and we won it. We won it with a strong defense posture, with a policy of engagement in Latin America, Afghanistan, and central Europe. And we won it by standing with democrats around the world. Despite the end of the cold war, there are many democratic movements that need our support. As the Empower America letter said: “. . . the brave people around the world who are engaged in difficult struggles for freedom . . . these are America's natural friends.”

I wish that we could do more for these friends of America, Mr. President. But the reality of foreign affairs has always been limited by the need to prioritize limited resources. In my view, an expenditure of \$30 million to support the many activities of the NED throughout the world may be one of the most cost-effective investments we make in the support of American's interests overseas.

The critics of the NED should review the Endowment's materials. For example, this body has spent a large amount of time debating how we should relate

to the rising power of authoritarian China. While we debate the value of sanctions or engagement, who in this body suggests that the support for local elections in China that is conducted by NED with the International Republican Institute is anything but an enormously positive development? Who suggests that NED-supported Chinese activists who monitor and report on the repression of dissidents must not be continued—so that lawmakers around the world can know the truth when we debate complicated issues of engaging China? Who believes that Harry Wu's research foundation—dedicated to monitoring the abhorrent use of prison labor—should not be supported, so that we know how China abuses our trade relations?

Who believes, Mr. President, that the many programs promoting open press, reasoned democratic debate and the rule of law that NED supports throughout the Arab world are not supporting America's goals in that region? Can anyone who is aware of America's uncertain relations with the Islamic world declare that it is not in our interest to promote democratic values there?

Mr. President, I've cited a few examples and endorsements from prominent U.S. foreign policymakers—Republican and Democrat—but I'd like to close my remarks by quoting Martin Lee, who my colleagues surely recognize as Hong Kong's voice of democracy. As we know, the reversion to the People's Republic of China opens a new—and uncertain—page in the recent history of democracy in Hong Kong.

Martin Lee recently wrote a letter to my colleague, Senator MACK. Members of this body know that Senator MACK has devoted a large amount of his time to the difficult process of Hong Kong's reversion, and he is one of the leaders who will increase his attentions to the former British colony now that July 1 has past. Martin Lee wrote:

In Hong Kong and elsewhere in Asia and around the world, the struggle to preserve democracy, political freedom and the rule of law is far from being won. But by supporting key human rights organizations which work for development of democracy and the preservation of the rule of law and human rights in Hong Kong, the Endowment's work in Hong Kong has had profound effect at a critical time. During what I realize is a time of shrinking budgets, I cannot think of better value for money than the National Endowment for Democracy.

Mr. President, Martin Lee is correct: “The struggle to preserve democracy, political freedom and the rule of law is far from being won.” What a sorry signal the United States would be giving democrats struggling around the world if we ended our support for the National Endowment for Democracy. What a shortsighted notion it would be to save \$30 million by abandoning our support for an organization that promotes our political values around the world.

I urge my colleagues to support full funding for the National Endowment for Democracy.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The Senator from California.

Mrs. FEINSTEIN. Mr. President, I ask that the pending amendment be set aside.

The PRESIDING OFFICER. Is there objection?

Mr. SARBANES. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. SARBANES addressed the Chair. The PRESIDING OFFICER. The Senator from California has the floor.

Mrs. FEINSTEIN. I yield the floor, Mr. President, to the Senator from Maryland.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator can't yield the floor. But I will recognize the Senator from Maryland.

The Senator from Maryland.

Mr. SARBANES. Mr. President, I rise in strong support for the amendment now pending. The National Endowment for Democracy has done some extremely effective work around the world in strengthening and assisting in the development of democratic institutions and protecting individual rights and freedoms. Endowment programs have assisted grassroots organizations and individuals in more than 90 countries across the globe.

A great number of distinguished individuals have walked through the Halls of the Capitol over the years whom we have recognized as fighters for human rights, freedom, and democracy. They are leaders from abroad who have come to visit the U.S. Congress as a sign of their respect for American democracy. They have led the way toward democracy and human rights, and freedom in their own countries. In expressing their support for the National Endowment for Democracy, they have underscored the critical assistance that they have received from it, which made it possible for them to pursue democratic efforts in their own countries.

The National Endowment for Democracy has enjoyed broad bipartisan support since it was established in 1983 under the Presidency of Ronald Reagan. Seven former Secretaries of State—James Baker, Lawrence Eagleburger, Alexander Haig, Henry Kissinger, Edmund Muskie, George Shultz, and Cyrus Vance—wrote to the leadership of the Congress in 1995 to express their support for continuing funding of the National Endowment for Democracy. Their letter and stated, and I quote:

During this period of international change and uncertainty, the work of the NED continues to be an important bipartisan but nongovernmental contributor to democratic reform and freedom. We consider the nongovernmental character of the NED even more relevant today than it was at NED's founding 12 years ago.

The NED serves an important role because of the fact that it can operate

as a nongovernmental entity. It can support nongovernmental organizations which, in turn, provide opportunities that would not otherwise be available if these activities were undertaken by a government or governmental agency. This is an extremely important dimension to the work of the National Endowment for Democracy.

Former national security advisers of previous administrations and the President's current Adviser for National Security Affairs, Sandy Berger, have expressed their strong support for the NED. Mr. Berger noted in his letter to Members of Congress this week:

I welcome the opportunity to reaffirm strong administration support for the NED and our opposition to any effort to reduce or eliminate NED funding . . . The President is a dedicated supporter of the NED, as it has been in the forefront of U.S. efforts to promote democracy, civil society and the rule of law around the world. Moreover, it has done so at very little cost to the American public, leveraging modest resources with great effectiveness.

The sweeping and profound changes resulting from the end of the cold war provide ample reason for why we continue to need institutions like the NED, which can operate in a cost-effective manner and at the same time promote our interests and values. Many of the new democracies that have emerged from the implosion of the Soviet Union and the collapse of the Iron Curtain have benefited from the assistance NED and its grantees have provided. Those who paved the way for freedom and democracy in their own countries have consistently testified as to the importance of NED support to the success of their efforts.

In fact, President Vaclav Havel of the Czech Republic stated that "the National Democratic Institute was one of the first supporting actors in the democratic revolution in our country."

And others have made similar statements with respect to the activities of the two party organizations, the business groups, and the labor groups that are the core grantees of NED.

This is a program that is working. It is producing significant results around the world.

I strongly support this amendment, and urge my colleagues to adopt it.

I yield the floor.

Mr. BUMPERS addressed the Chair.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, first of all, I would like to say to my very dear friend, Senator FEINSTEIN from California, who is anxiously awaiting the floor so she can get into the ninth circuit debate, that I am going to object to moving to that amendment until this amendment is disposed of.

Let me also say that I am prepared to enter into a time agreement, but not yet.

Let me start off by saying that Rasputin was a piker compared to the Na-

tional Endowment for Democracy. It took him a long time to die, and it has just taken forever for this boondoggle to die.

I have heard so many people in this body lament the size of Government, the waste of Government, the terrible-ness of Government, and here is \$30 million of wasteful Government spending. There was actually an effort to get NED's appropriation up to \$50 million 3 years ago.

I can tell you that, in this Senator's opinion, the National Endowment for Democracy is without question the biggest waste of money I can think of next to the space station. That is saying something.

It is a cold war relic. Everybody in this body knows that the National Endowment for Democracy was started in 1983 as an answer to communism in the world. We were not only spending \$250 to \$300 billion a year on defense at that point—that was not enough to contain communism around the world—we decided to add \$18 million to bring democracy to the world. We started this program with \$18 million in 1983, and a year after that, it soared up to about \$23 million; the year after that, \$27 million, then \$35 million. Then, finally, I was able to get it back to \$30 million 2 years ago. And this year, in this bill, thanks to the very good judgment of our chairman of this subcommittee, Senator GREGG of New Hampshire, it was sacked as it richly deserved.

Mr. President, we have been holding hearings in the Governmental Affairs Committee. And the headlines in the paper since January have been in anticipation of those hearings about foreign influence in American elections. I want to say that if China had had any judgment at all they would have consulted with the NED before they started trying to influence American elections.

The National Endowment for Democracy has as good a record of meddling in foreign elections as any organization the Earth has ever known. They tried to clean it up a little bit. They used to be very overt, and made no bones about who they were giving money to. But they are still giving out money to influence foreign elections.

One of the things that is the most intriguing of all is: Who do they give this \$30 million to?

At the expense of sounding terribly arrogant, I would just like to say that on the debate on the space station which occurred day before yesterday, I daresay if that debate were held on national television before an American audience of every voter in America, the space station would be dead, dead, dead, at this moment, by an overwhelming vote. But, unhappily, all the people who might be watching that telecast wouldn't be interested in those few jobs that NASA has put in their State.

But now when it comes to boondoggles and giving away money, I invite my colleagues' attention to this:

What happens to this \$30 million? It took me 2 or 3 years for the realization really to soak in that this actually is the case.

Out of the \$30 million, first of all, 15 percent of it, 15 percent of it, or \$4.5 million, goes for NED Administration. And if you look at the way the money is spent, you will find a lot of it going for first class airfare to transport people all over the world, people who every year will write letters to the people who are engaged in this debate. They will write letters about what a wonderful program NED is.

You think of it. If a food stamp program had a 15 percent administrative cost, we would kill it dead. We would not tolerate that for a moment. But we are willing to put aside \$4.5 million, 15 percent of this \$30 million, and allow NED to use that for administrative expense.

But that is not the worst of it. We give the money out as follows. Listen to this, colleagues. CIPE—that's a nice acronym, isn't it. CIPE gets 13.75 percent of the money—\$4.125 million. Who is CIPE? I bet you never heard of them. CIPE stands for Center for International Private Enterprise, but they are really the U.S. Chamber of Commerce. This is a little offspring of the chamber of commerce, CIPE. We give them a neat \$4,125,000 out of this \$30 million.

Let me ask you this: how much of that do you think they spend on administration? Bear in mind, 15 percent comes off the top for NED administration. Then you give the chamber of commerce \$4.125 million, and what do you think their administrative expense is?

Then to even things up, we give an organization called FTUI, to make things even we give them 13.75 percent, also \$4,125,000, the same amount we give the chamber of commerce. Who is FTUI? The Free Trade Union Institute. Why, that's the AFL-CIO. You cannot give money to the chamber of commerce unless you are willing to balance it out and give the AFL-CIO another \$4,125,000. And what do you think their administrative expense is? Lord only knows. I cannot find out.

So you have the administrative expense of the chamber; you have the administrative expense of the AFL-CIO; you have the 15 percent for NED right off the top.

We are not finished. Now we go to the IRI. Whoever heard of the IRI? Now, this is going to be hard for you to believe. I will tell you who the IRI is. That is the International Republican Institute—the Republican Party. Can you believe this, another 13.75 percent, \$4,125,000. We have to be evenhanded. We have to give the chamber \$4.125 million, have to give the AFL-CIO \$4.125 million, have to give the Republican Party \$4.125 million.

And then we get down to the fourth organization, NDI. Who do you think NDI is? Why, you guessed it. It is the National Democratic Institute—the

Democratic Party. And we are going to give them 13.75 percent. They get \$4,125,000. I will say one thing. What do you think the administrative expense is for all those four organizations on top of the 15 percent administrative expense of NED? Who knows? The National Endowment for Democracy is an egalitarian group; they treat everybody the same. But some are more equal than others.

Here is the portion for everybody else. After you get through giving it out most of the money to all these groups who we know will send members to the Senate every year to tell us how wonderful NED is so we will give them another \$30 million the next year after they evenhandedly give everybody \$4.125 million in exchange for writing Senators here saying how wonderful it is, they have \$9 million left. That's what everybody else gets.

Do you know what that amounts to? It comes to an average of \$41,096 for all the grantees who are not part of the chamber of commerce, the AFL-CIO, the Democratic Party or the Republican Party. Everybody else, the other grantees—there are 218 of them for 1996, 218 grants made with the remaining \$9 million, gets an average of \$41,096. Now, ain't that something—218 grants. When you get past the big boys, the Republicans, Democrats, labor and the chamber, you have 218 grants, \$41,096 each. What are they going to do with that? That will not even buy enough first class air tickets to get to the election in Cambodia or wherever. And what is the administrative expense for those 218 grantees? You talk about money well spent and saving the world through democracy.

Mr. President, we spend on the Agency for International Development about \$4 billion a year. And did you know that I am a great champion of that program? And do you know what that is for? That is to help countries help themselves. That is to help them generate electricity so they can develop. That is to teach them how to plant crops so they can feed themselves. And it is also designed to make those people feel kindly toward the greatest democracy of all, the United States of America. And about \$450 million of AID's budget is for democracy-building projects.

And then there is Public Law 480, popularly known as Food for Peace—over \$1 billion a year. Do you know who favors that? The Senator from Arkansas. We help feed people who cannot feed themselves. Mr. President, Public Law 480 has been around as long or longer than any Member of the Senate, with a couple of exceptions, and it is designed to help people keep from starving.

Do you know what else it is designed to do? It is designed to help them feel kindly toward the United States, that great citadel of democracy.

Then, Mr. President, there is that \$13 to \$14 billion a year we spend on that terrible thing that the American peo-

ple have such misconceptions about called foreign aid. And you know something else? I vote for that. I vote for foreign aid. Never made any bones about it. No. 1, it helps farmers because that money also buys food. It helps industry because people buy American products with the aid we give them. It is money well spent.

Do you know what else we expect to get out of it? We expect people to want to be like us. We expect them to want to be democratic. We expect them to want to be free and enjoy the same kinds of freedoms we enjoy here in the United States.

I have just finished listing for you all those billions of dollars we spend for what? To try to build democracy around the world. What good do you think this \$30 million will do in changing China from a Communist nation to a free democracy? None. It is utter waste, \$30 paltry million dollars that ought to be saved. It is nothing.

You have the Voice of America. You have these radio programs to influence the rest of the world about the joys of democracy and how great the United States is. And \$450 million for the Agency for International Development is for democracy building. This is nothing in the world, but in 1983, when Ronald Reagan was President and everybody thought the Communists were going to come up the Potomac River and get us any minute, we thought, well, we will just dump a little more money into this democracy-building business.

You know something else. It was never intended—I want everybody to understand this. It was never intended that the National Endowment for Democracy would be a federally funded agency. We started it off with \$18 million with the clear understanding that within a short period of time they were going to have to stand on their own feet with private contributions. We never intended for that to be another perpetual Government program. And so last year, 1996, do you know what their report shows? Out of \$30 million, they collected from the private sector \$541,000. And if I am not mistaken that is their high watermark.

It is just like so many other Federal programs. It is a program that becomes self-perpetuating because a lot of people find it to their advantage. It is difficult when you think about how I was trying to save \$100 billion, 2 days ago, on the space station. Here I find myself just as exercised, just as exercised about \$30 million because it doesn't really matter. It is money that ought not to be spent. The taxpayers have a right to expect more of us. Can you imagine, Mr. President, can you imagine members of the AFL-CIO and the Chamber of Commerce sitting around the table with some people from a foreign country and trying to explain the joys of democracy, the Chamber member representing what democracy means to him, the head of the labor union telling what democracy means to him.

Why, if those people on the other side were not confused beforehand—

Mr. GREGG. Will the Senator yield?

Mr. BUMPERS. I will be happy to yield for a question.

Mr. GREGG. I was wondering if the Senator would be willing to enter into a time agreement so that we could move on with the bill. The Senator mentioned that after he had spoken for a while he might be willing to consider that. He has spoken now for approximately 40 minutes and the other side has taken approximately the same amount of time.

I was wondering if we could enter an agreement which would limit debate to an additional hour with the time equally divided between the proponents and the opponents and have a vote here at 4:30.

Mr. BUMPERS. Mr. President, let me say to my distinguished chairman, of course, I sit on this subcommittee and he is doing an excellent job. One of the greatest day's work he ever did in his life was when he torpedoed NED in the bill. But let me say, to accommodate the chairman, I will be delighted to agree to 1 hour equally divided, 30 minutes on a side, with a vote to occur at 4:30.

Mr. GREGG. If there is no objection from the other side, I would ask unanimous consent that the vote on the pending amendment be at 4:30, with the hour equally divided.

I would ask, additionally, after the vote on the second-degree amendment offered by Senator MCCONNELL, if the next matter before the body could be the matter of the ninth circuit and the amendment of the Senator from California.

The PRESIDING OFFICER. Is there objection?

Mr. MCCAIN. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. I would ask in that unanimous-consent agreement I be allowed 10 minutes.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. Is there objection?

Mr. BUMPERS. If I may ask—

The PRESIDING OFFICER. Is there objection to the request?

Mr. BUMPERS. There is objection—reserving the right to object, is the request of the Senator from New Hampshire on the McConnell amendment or on the Lugar amendment?

Mr. GREGG. I believe the pending amendment is the second-degree. Whatever amendment is presently pending would be the intention of the Senator.

The PRESIDING OFFICER. The current amendment which is pending is Amendment 982 offered by the Senator from Kentucky, [Mr. MCCONNELL].

Mr. GREGG. And the yeas and nays have been asked on that, is that correct?

The PRESIDING OFFICER. That is correct.

Mr. GREGG. And the Senator from Arizona is asking for 10 minutes. I would suggest that neither myself nor the Senator from South Carolina, both of whom are involved in this issue, have had an opportunity to speak. So we may have to add a little bit more time. Why don't we add an additional—have the vote be at quarter of 5, add an additional 15 minutes with the time, an hour and 15 minutes equally divided, and 10 minutes to the Senator from Arizona. Is that acceptable?

The PRESIDING OFFICER. Is there objection?

Mr. LUGAR. Reserving the right to object.

Mr. DORGAN. Reserving the right to object.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I have been on the floor for the substantial period of this debate. It is my intention to speak on this as well. I have no objection to a time agreement provided there is sufficient time.

Mr. GREGG. How much time would the Senator need?

Mr. DORGAN. Mr. President, 10 or 15 minutes. I guess I would like 15 minutes. I may not use all of it, but I have waited for some while, and I intend to speak in support of it.

Mr. GREGG. The Senator from North Dakota would like 15 minutes, the Senator from Arizona—does the Senator rise in support or opposition to the amendment?

Mr. MCCAIN. I rise in support of the Lugar amendment.

Mr. GREGG. Well, I represent we will get the Senator his time.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, it would be my intention at the conclusion of that time to move to table the Lugar amendment. Of course, if that would prevail, it would take the McConnell amendment with it. When we talk about voting at 4:30, I want to reserve the right to make that motion to table at the expiration of that period of time. So the unanimous-consent agreement does not necessarily pertain to the McConnell amendment.

The PRESIDING OFFICER. Is there objection?

Mr. LUGAR. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I ask unanimous consent, or I will ask unanimous consent as a part of my assent to the idea before us, that I have the right to withdraw my amendment, and I would say, for clarity of all sides, my intent would be to send an amendment to the desk promptly thereafter. I simply want to make certain that all sides know this, so there is not any misunderstanding. But I reserve the right to object until I am certain I could withdraw my amendment and send an amendment to the desk.

Several Senators addressed the Chair.

Mr. GREGG. Mr. President, I withdraw my request, and we will just proceed here and see what happens.

The PRESIDING OFFICER. The Senator from Arkansas retains the floor.

Mr. BUMPERS. Mr. President, I yield the floor.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I rise in opposition to the amendment that is pending and in support of the underlying bill, obviously. I think the Senator from Arkansas had certainly outlined rather effectively the problems with NED, the expense of this program, and the fact that the program, for all intents and purposes, involves a passing of Federal tax dollars, hard-earned tax dollars, on to a number of groups for the purposes of exercises which are of questionable value in the post-cold-war period: the Democratic National Committee, Republican National Committee, the AFL-CIO, and the Chamber of Commerce being the primary beneficiaries of this fund.

I call this the club fund. You know, here in Washington there are a lot of folks who are sort of part of a club. The city has a bit of a clubby atmosphere. It is a you-scratch-my-back-and-I-scratch-your-back club. This is sort of one of the funding mechanisms for the club. I am not too surprised that some community of the press supports the exercise because the club, regrettably, involves some of the press, too. But, as a practical matter, there is very little substance done here.

Let's take China, for example. I suppose if there is an example of a nation where we have concerns about democracy and its impact on our future as a country, China is probably it. How valuable is NED in relationship to China? Well, last year NED sent a lot of people over there. A lot of people took airline flights over there. There were a lot of good trips, I am sure, to China. China is a nice place to visit. I am absolutely sure of that. A lot of people had an opportunity to go there, people who were members of the Republican National Committee, Democratic National Committee, AFL-CIO activists, Chamber of Commerce activists, people who are friends—a lot of people who were friends of members of these different organizations went on trips. All of them went to China for a variety of meetings, and NED committed \$2 million for various programs. They had about, I think, about 20 or 30 different meetings in China to tell China how to become a democracy; \$20 million for 1 billion people. That works out to about 2 cents a person. I think they must have distributed toothpicks that said "vote" on them for 2 cents a person.

The fact is, it had absolutely no impact. All it did was represent a nice trip for a bunch of folks from the United States who probably looked forward to going to China and meeting some folks in China.

The inverse, of course, is that when China tried to influence our elections, I

think we generated a fair amount of outrage here in the United States about that. We are still looking for Charlie Trie. Maybe he is working for NED in China now. The fact is, the influence of elections in the United States by a foreign country tends to really antagonize a few people—as it should, in the post-cold-war period. And vice versa. You know? Vice versa.

So what's the purpose of NED? The purpose of NED is to, for the most part, be a nice gathering of folks who find it is a very effective way to fund various trips, various get-togethers around the globe. What does this amendment suggest we do to pay for these trips, to pay for this club activity? What is the suggestion of the way they are going to fund this? They are going to take the money out of the State Department capital account.

Yes, the White House did not ask for as much money in the capital account as we put into it, because the White House wanted to spend the money on the United Nations and on international operations, international organizations. So they raided that fund for that account. That is a little more legitimate than NED but not a whole lot more legitimate than NED when you are talking about the capital account of the State Department.

I submit to the people who are supporting this amendment that maybe they should read a few of the reports from the State Department about the present status of the State Department's capital situation. Maybe the people who offered this amendment would like to call up the United States on a dial telephone from Lagos. Maybe the people who offered this amendment would like to be working on a Wang computer that cannot communicate with any other computer in the United States. That is what we subject our people to at the State Department.

The present infrastructure of the State Department is a disaster. They can't call home. And the practical effect of this amendment is that a lot of them aren't going to be able to call home. Or maybe when you have a constituent who has a family member who has run into a serious problem in one of these Third World nations and you are out trying to help your constituent out, you are going to be really upset that the State Department can't communicate with its people in the field effectively because 82 percent of the State Department radio equipment, 55 percent of their computer equipment, and 40 percent of their telephone equipment is totally obsolete.

So what does this amendment suggest? It suggests we keep it obsolete so we can fund a bunch of folks at the Republican National Committee, Democratic National Committee, the AFL-CIO, and the Chamber of Commerce—who happen to have the best computer equipment in the world, the best communication equipment in the world—so we can fund them for their trips. What an absolute outrage.

I cannot believe that we would consider doing this to the people who work at the State Department. It is an absolute affront. This is important. Yes, somebody said, this is serious business. You are darned right this is serious business. This is very serious business. You go out to these embassies in some of these Third World countries and you see what we subject our people to, and it is not right. They take their families along with them. They take their families along with them, and they get into some of these countries where Americans aren't all that popular, and their families are driving to work some morning, or driving to school, and their lives are threatened and they have no secure vehicles to travel in because we can't fund it—because we can't fund it. But we can fund a first-class airline ticket to China for somebody here in the United States to go to a meeting to talk about stuff and come back and have a good time on the trip. But we can't fund the protection of an American family serving overseas. It's really incredible.

I heard somebody on this floor citing an editorial from the Wall Street Journal, or some commentary in the Wall Street Journal. You tell me the last time a reporter at the Wall Street Journal used a Wang computer to file their story. You tell me when that happened. Wang was a great company. It started right down the road from where I live. We were very sad to see it go by the way. The fact is that it did. Yet we still ask our people in the field to use Wang computers.

This amendment takes from the capacity of the guys and women who are in the field doing the job of presenting American policy, it takes out of their hands the capacity to do their job and gives it to a bunch of folks who may be well intentioned but who do not accomplish a whole lot.

I just find it unbelievable that the account into which you would dip to pay for the NED is the account which is absolutely critical to upgrading the State Department and giving our people in the field an adequate opportunity to represent us. But that is the amendment, and I look forward to this vote with some enthusiasm because this is going to be a real test of who really cares about the future of our State Department.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, you know now why, in my opening statement on this particular measure, I said I was so enthused about working with the distinguished chairman, the Senator from New Hampshire—he laid it on the line. Last December we had a NATO conference in Paris whereby we elected the distinguished Senator from Delaware the president of the North Atlantic Treaty Organization Council. Senator ROTH is now the president.

Pamela Harriman, the distinguished Ambassador, was there, and she knew

that I was ranking member and had been the chairman. The word had gotten around of our attempt to try to bring the State Department from the Third World into the first world. I am aghast here that those who chaired foreign relations would put in such an amendment, to tell you the truth. I feel just as strongly as the Senator from New Hampshire. Because Pamela Harriman came to me and said, "Can I meet you in the morning?" Then we met for the entire morning. We spent the morning together.

Exactly what the Senator from New Hampshire said was pointed out. Although the Embassy in Paris was nice, their equipment was outdated. Their computers were totally obsolete. They couldn't even get replacement parts for it. Their communications had broken down. They had a premier facility, an embassy, with hundreds of Americans coming in daily—I don't know how you handle a post of that size—but I wouldn't even volunteer for it. It wouldn't be an honor; it would really be a drag, because trying to keep up with national policy while dealing with the visiting firemen and repairmen and all the other problems, the problems that ensue in a wonderful city like Paris. It is really hard work—she was doing an outstanding job. I said to her—the Assistant Secretary, Dick Moose, who used to head up our Foreign Relations Committee, and I have been trying to increase funding for the capital account to modernize telecommunications, to modernize computerization and other equipment in hopes of doing all the good things that the distinguished Senator from Kentucky says that NED does.

Let's assume it is true, and I can tell you, I opposed this in the very beginning and then finally said, "I'm wasting my breath." The one time I actually supported it was when the current Secretary of State, the distinguished Secretary Albright, came to me and said,

We've got an election in Budapest, Hungary, and we can buy some old printing presses out in Indiana and print up voting bills to be handed out and ballots to help conduct an election.

Now everyone is bothered about foreign governments trying to influence our elections? Heavens above, the other day we had, I think, 99 votes commending Mexico on its elections because it was the first time the United States stayed out.

We have been funding activities through Wall Street or otherwise down there with the PRI. That is a big financial fix. Paying off the Mexican debt was just a refinancing. Nothing went to the Mexican people. It all went back up to the banks on Wall Street. It is time we sober up and understand. My colleagues should get the American Chamber of Commerce report in Mexico City 60 days ago and see what it says: Unemployment is down, the economy is down and the forecast is no recovery for several years to come. NAFTA

hasn't worked. It has worked for the financial crowd, and it has worked for those who want to export the industrial backbone of America.

I reviewed, as a member of the Hoover Commission in the fifties, the Central Intelligence Agency. That was our primary function. I can see Sonny Purfoy in the Guatemala election. I can see him in the Greek election. His job was to run elections the world around.

So the Chinese learned to do a little bit of that, and now we are going to have a big Federal program and spend millions of dollars, all to get on national TV to express our horror and surprise. Mature individuals ought to quit acting like children, and let's move on and let's get the work of the Government done. Now that is what I want to speak about, the work of the Government, namely the State Department.

Assume everything said by the distinguished Senator from Indiana, everything said by the distinguished Senator from Kentucky is absolutely true and ought to be done without apology by the Department of State. What is wrong with that? What is wrong is under communism, we said, "Well, we couldn't do that." We always apologized because of our democracy and our freedom and our individual rights.

The Department of State ought to be around as the foremost lead organization, not the Department of Defense, now with the fall of the wall. We ought to be selling democracy. To Secretary Christopher's credit, he finally got them doing business.

I started back 37 years ago as Governor of South Carolina. I went down in Rio de Janeiro and, like the distinguished Senator from North Carolina, Chairman HELMS, I thought of them in that same vein. Why? Because the United States Ambassador, standing up with the Governor of Guana Bera, in the Embassy in Rio in Brazil, reached over into my glass and pulled the ice out of it and threw it on the floor and said, "Don't drink that, Governor, the ice is dirty in this country." How do you think I felt? I said, "That fellow doesn't have any manners." But a lot has happened in 37 years.

Our Department of State has outstanding personnel the world around, and they are trying to work in the business field to help spread capitalism. In my opinion that is what really prevailed with the fall of the wall. It wasn't the CIA or anything else. It was capitalism. I served on the Intelligence Committee, and they never briefed us that the wall was about to fall.

So be that as it may, let's bring our Department of State in and put in a billion more. They gave a billion more in foreign aid and less to the Department of State. The distinguished chairman, the Senator from New Hampshire, comes around and finds some money here, and we put it in the infrastructure to try to build up the Department of State. We come around and we have a crowd that says, "No, the Republican

Party, the Democratic Party, the AFL-CIO, the chamber of commerce"—now, by gosh, they have their minions all over this Capital City, and so they can fix the vote and tell what wonderful work it does. Well, if it is wonderful work, let's let the Department of State, without embarrassment or apology, perform it.

I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER (Mr. ROBERTS). The Senator from North Dakota.

Mr. DORGAN. Mr. President, I have on previous occasions come to the floor of the Senate to support amendments offered by the Senator from Arkansas to strike the funding for the National Endowment for Democracy. I must say that I was surprised and very pleased by the actions taken by the Senator from New Hampshire and the Senator from South Carolina and the subcommittee to strike the funding in the subcommittee and recommend to the full Senate there be no funding for the National Endowment for Democracy.

The chairman and the ranking member say it very simply. They simply cut the \$30 million out. In their report, they tell us that:

The National Endowment for Democracy was originally established in 1984 during the days of the cold war as a public-private partnership to promote democratic movements behind the Iron Curtain. Limited U.S. Government funds were viewed as a way to help leverage private contributions and were never envisioned as the sole or major source of continuing funds for the National Endowment for Democracy.

I might say parenthetically, it wasn't really a private-public partnership, it was public funding. There was never very much private money available. But the subcommittee says:

Since the cold war is over, the committee believes the time has come to eliminate Federal funding for this program.

Once again, I am pleased by this recommendation. I think it is the right recommendation.

We have a weed in North Dakota out in ranching and farming country called the leafy spurge. The leafy spurge is kind of an ugly weed. It grows anywhere, without moisture. You just can't get rid of it. You can cut it, you can spray it, you can mutilate it, you can dig it up, and you come back and it is still growing. We have some things in the Federal budget that remind me a little bit of leafy spurge. It doesn't matter what you do, you just can't kill it.

The chairman and the ranking member bring a proposal to this floor from the committee that says this program is a program that is done, it ought not be funded. I think the Senator from Arkansas, the Senator from New Hampshire, the Senator from South Carolina, and others, have said it well. Most taxpayers, I think, would be surprised to discover that we were spending nearly \$30 million and we were dividing it up and saying to groups, "Take this and go around the world and promote democracy." We would give a pretty big chunk to the National Democratic Party. Then we would give an equiva-

lent chunk to the Republican Party, because you can't give to one without the other. Then we would give a big chunk of money to the U.S. Chamber of Commerce, and then give an equivalent amount of money to the AFL-CIO, and we would say, "With this, promote democracy, promote free enterprise, promote unionism."

It is 1997. The cold war is over. The Soviet Union doesn't exist. There is no Berlin Wall. There is no Warsaw Pact. Democracy has marched across the continents on this Earth, and yet, today, we face an amendment that says, "Let us decide to continue to spend \$30 million a year for the National Endowment for Democracy."

I must tell you that I sort of view these things also in the context of what else is necessary to be done. The Senator from New Hampshire talked about trying to make a telephone call from a U.S. embassy on foreign soil to the United States or to use a computer in an American embassy abroad to try and connect to the United States. He talked about the Department's equipment needs, and I understand that. I think most of us have seen that first hand. He is talking about the needs of the State Department.

Those needs are great, and yet the funding to meet those needs is cut under this amendment, in order to pay for this \$30 million for the National Endowment for Democracy.

There are other needs that frustrate me from time to time, sufficient so that I sit and grit my teeth and wonder why, why can't you get something so small done that would help people who are so important? But you just can't. And yet \$30 million is available for a National Endowment for Democracy.

I think for 4 or 5 years, I have come to this floor to try to get, first, \$1 million, then \$2 million, to deal with the issue of child abuse on Indian reservations. I have been unsuccessful all these years to get that money.

I held a hearing one day, and at the hearing, we heard the story of Tamara DeMaris, a young Indian girl 3 years old who was put in a foster home, and they didn't have enough time to check out the foster home. So this 3-year-old girl was in this foster home, and a drunken party ensued. The 3-year-old girl was beaten severely, her hair was torn out at the roots, her arm was broken and her nose was broken. Why? Because she was put in a foster home and no one checked to see that the foster home was safe. Why? Because one person had 150 cases of children who needed help and didn't have time to check the foster home.

At a hearing on this issue of child abuse, I had a young woman sit at the table and begin to weep. She was in charge of child welfare. She said, "I have stacks of folders on the floor alleging physical abuse and sexual abuse that haven't even been investigated because I don't have the money." She

began to weep. She said, "I don't even have the ability to transport kids to a doctor."

I tried for 4 or 5 years to get money to start a pilot project to deal with those child abuse issues. The money is not available. But \$30 million for the National Endowment for Democracy? A big chunk to the AFL-CIO, to the chamber of commerce, to each political party, and then send some contracts around the world, fly around the world to meetings in the biggest cities in the world and talk about democracy?

We are going to come to a portion of appropriations, as the Senator from Arkansas said, where we will spend \$4 billion for something called the Agency for International Development. That is a program that promotes democracy abroad. That is a program that helps people around the rest of the world. Four billion dollars, I am told. The U.S. Information Agency is a program that helps people around the world; Food for Peace; the contribution we make to NATO.

I was asking somebody today, if we contributed the same amount of our national income as all of our NATO partners do to the defense of Europe, what would it mean to us? I discovered something interesting: \$100 billion a year of savings. If we were contributing the same average amount for defense as all of our allies are contributing, \$100 billion a year. Think of that.

So we spend \$100 billion extra a year to promote democracy, to help our allies, to help defend the free world, and then we spend money in AID, we spend money in USIA, we spend money in Food for Peace in a dozen other ways, and then we want to duplicate it in a minuscule program that doesn't have a reason for being, except that we fund it and it sets up a very well-connected board. The Senator from New Hampshire said, I guess he called it the club, I think that was the reference.

I don't know much about this club. The names I see are some of the most distinguished Americans, no question about that, people for whom I have great respect. I would expect every single one of them associated with this organization would support the organization. I understand that.

The point is, we spend billions and billions of dollars supporting democracy abroad through this Government's programs—the foreign aid program, the Food for Peace Program, USIA, AID, and dozens of others—and there is not a need when the cold war is over, when there is no Soviet Union, when times have changed, to resurrect a \$30 million program that this subcommittee decided it wanted to kill.

It is unusual to see a bill come to the floor of the Senate with a recommendation that says, you know, this program has outlived its usefulness. This program is no longer needed. This money ought to be saved. It is very unusual to see that happen here in Congress. But it happened today when Senator GREGG and Senator HOLLINGS brought a rec-

ommendation to the floor saying this organization that produces these slick annual reports is no longer necessary.

That conclusion is contested by some who say, yes, it is. We want \$30 million more added to the bill to support the continued existence of this organization, the National Endowment for Democracy.

We live in the greatest democracy on the face of this Earth. Half of the people in the last election said they did not want to go vote. If we want to endow a democracy, let us invest this \$30 million here, let us continue an investment in this democracy.

You know, I know some people look at, I suppose, some of the things I talk about on trade and other things I talk about and say, "Well, it's some of the same old story, kind of isolationist, and don't understand things, can't see over the horizon. You just don't have the vision, the breadth of understanding that it takes to know why this is necessary."

I think I do understand this.

I am not a foreign policy expert by any means, nor am I an isolationist, nor do I believe the world is growing larger—it is growing smaller—nor do I believe that we do not have to be involved in what is happening in the rest of the world. But this country can no longer afford to spend money it does not have on things it does not need. And it does not need the National Endowment for Democracy, an organization with a fancy title, that gives its money to the AFL-CIO, the chamber of commerce, the two national political parties, and then goes without much strain to promote democracy abroad.

There is plenty of democracy to promote here at home, plenty of reasons to decide either to save this money or to invest it here in things we need to do in this country and use the promotion of democracy as it is effectively done in AID, in USIA, and Food For Peace, and so many other organizations, yes, including, as Senator BUMPERS said, the foreign aid bill. That is where we promote the principles of democracy abroad. It is where it should be promoted.

Finally, let me just say this. This organization was created on a recommendation offered in 1983, created in 1984 in the middle of the cold war, I assume for good purposes at that time, for people who felt it was a necessary organization. It is now no longer necessary.

The subcommittee is dead right. This is a colossal waste of the taxpayers' money. If we cannot kill this organization, and end this funding, then in my judgment we have a very difficult time taking a look at other areas of questionable funding and making the right choice.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who seeks time?

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, I withdraw amendment No. 981.

The PRESIDING OFFICER. The amendment is withdrawn.

The amendment (No. 981) was withdrawn.

#### AMENDMENT NO. 984

(Purpose: To make appropriations for grants through the National Endowment for Democracy)

Mr. LUGAR. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for himself, Mr. LEAHY, Mr. MCCONNELL, Mr. GRAHAM, Mr. DODD, Mr. ROTH, Mr. LIEBERMAN, and Mr. MACK, proposes an amendment numbered 984.

Mr. MCCAIN. I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

Strike all after the last word in the bill and substitute the following:

"1998

#### "SEC. . NATIONAL ENDOWMENT FOR DEMOCRACY.

"For grants made by the United States Information Agency to the National Endowment for Democracy as authorized by the National Endowment for Democracy Act, \$30,000,000, to remain available until expended. The language on page 100, line 24 to wit, '\$105,000,000' is deemed to be '\$75,000,000'."

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

#### AMENDMENT NO. 985 TO AMENDMENT NO. 984

(Purpose: To make appropriations for grants through the National Endowment for Democracy)

Mr. MCCONNELL. I send a second-degree amendment to the Lugar amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. MCCONNELL], for himself, Mr. LEAHY, Mr. LUGAR, Mr. GRAHAM, Mr. DODD, Mr. ROTH, Mr. LIEBERMAN, and Mr. MACK, proposes amendment numbered 985 to amendment No. 984.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

Strike all after the word "1998" on line 4 of the underlying amendment and substitute the following:

#### SEC. . NATIONAL ENDOWMENT FOR DEMOCRACY.

For grants made by the United States Information Agency to the National Endowment for Democracy as authorized by the National Endowment for Democracy Act, \$30,000,000, to remain available until expended. The language on page 100, line 24 to wit, '\$105,000,000' is deemed to be '\$75,000,000'. This shall become effective one day after enactment of this Act.

Mr. McCONNELL. Mr. President, let me just say very briefly—we are anxious to hear from Senator MCCAIN, and move on to a vote—the capital investment account referred to by the distinguished chairman of the subcommittee and the ranking member will still be \$105 million after the Lugar amendment is approved. That would exceed the President's request by \$10 million and exceed the 1997 level of last year's bill by \$80 million.

The distinguished chairman of the subcommittee certainly raises a valid point with regard to the infrastructure at the State Department. But it will be substantially increased for all the purposes he alluded to even after the amendment restoring the National Endowment for Democracy is hopefully approved.

Just one other point, Mr. President. I just want to mention a letter that was sent to the chairman and the ranking member in support of the National Endowment funding at \$30 million signed by, in addition to Senator LUGAR and myself, Senator GRAHAM, Senator MIKULSKI, Senator LAUTENBERG, Senator MACK, Senator SARBANES, Senator COCHRAN, Senator LIEBERMAN, Senator HATCH, Senator Bob KERREY, Senator INHOFE, Senator DODD, Senator ABRAHAM, Senator KENNEDY, Senator MURKOWSKI, Senators LEAHY, ROTH, KERRY of Massachusetts, ROBB, LEVIN, BREAUX, KYL, DEWINE, COVERDELL, JEFFORDS, MOYNIHAN, REED, HAGEL, TORRICELLI, THOMAS, REID, ROCKEFELLER, FRIST, and of course the distinguished Senator from Arizona, who is about to speak who has been an enthusiastic supporter of this program over the years.

The NED, many of us feel, has done wonderful work, has broad bipartisan support across both party and ideological lines.

Mr. President, we hope the amendment offered by the distinguished Senator from Indiana will be approved.

I yield the floor.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. MCCAIN. Mr. President, the Senator from Kentucky and the Senator from Indiana have made I think a strong and compelling case for this amendment. I am grateful for what they have said and their active involvement in the pursuit of democracy throughout the world.

The Senator from Kentucky just recently completed action on an appropriations bill here that I think embodies frankly what the National Endowment for Democracy is all about. And of course the Senator from Indiana, Senator LUGAR, is acknowledged throughout the world, not only in this body, but throughout the world as one of the foremost experts on national security issues and foreign affairs.

Mr. President, I do not want to repeat a lot of the things that have already been said about this issue, except to try to define really what this debate is all about.

The Senator from North Dakota just talked about the fact that there was no use for this kind of activity by our Government. I understand that. I less understand the Senator from New Hampshire who I have always known to be a person who supported efforts for freedom and democracy throughout the world.

We have people, Mr. President, like Martin Lee, who everyone recognizes as the voice of human rights and freedom in Hong Kong. He says:

In Hong Kong and elsewhere in Asia and around the world, the struggle to preserve democracy, political freedom and the rule of law is far from being won [is far from being won]. But by supporting key human rights organizations which work for the development of democracy and the preservation of the rule of law and human rights in Hong Kong, the Endowment's work in Hong Kong has had a profound effect at a critical time.

I do not know if the Senator from Arkansas, who I have debated this issue for several years with, takes the time or the effort or the trouble to hear from people like Martin Lee and Harry Wu, and people who have suffered—who have suffered—on behalf of fighting for human rights and freedom in their countries.

I wish the Senator from Arkansas would take some time and listen to these individuals, not me, not the Senator from Kentucky, not the Senator from Indiana, but why don't you, I would ask the Senator from Arkansas, listen to people like Martin Lee and Harry Wu, the Dali Lama, the Prime Minister of the National Coalition Government of Burma, the former chief of staff of the President of Chile, the President of Lithuania, the list goes on and on, names that are not known to some in America but are known throughout the world in their struggle for freedom in virtually every part of the world. That is why I am a bit puzzled and confused by the length of this debate and, frankly, the emotion associated with it.

As has already been noted by the Senator from Indiana and the Senator from Kentucky, there is an editorial in the Wall Street Journal this morning. I quote:

Hong Kong democratic leader Martin Lee, who faces tough battles ahead in coping with Hong Kong's new Beijing landlords, penned a letter to Senator CONNIE MACK begging him—begging him—to help save the NED. Senator BOB GRAHAM has heard from Sergio Aguayo of the Civic Alliance, which has a strong hand in promoting the multiparty democracy now taking root in Mexico.

The list goes on and on.

One achievement of this Ronald Reagan brainchild was to help Poland's Solidarity break the grip of the Soviet Union in the Cold War days.

It goes on and on.

Mr. President, as I said, I am not going to take a lot of time. I just want to say as strongly as I can, in the end I think it is fair to say that the opponents of the National Endowment for Democracy are those who define this country only by what we are against

and not by what we are for. It is enough for them that the United States opposed communism, and once the threat communism posed to our own security was defeated, they viewed America's role as the champion of liberal democracy to have become an expensive vanity which deserved to disappear with the Berlin wall.

But such a cramped view of American purpose ignores the service and sacrifice of hundreds of thousands of Americans who were ordered into innumerable battles, not just in defense of American security, but of American values.

It ignores the aspirations of our Founding Fathers who conceived of this Nation as an inspiration for and friend to all peoples who sought their natural right to life, liberty, and the pursuit of happiness.

It ignores the wisdom of Abraham Lincoln who knew that the outcome of our Civil War would affect the world as profoundly as it affected our own society. And it ignores the generous spirit of Ronald Reagan who believed that supporting the forces of democracy overseas was our abiding moral obligation, just as it was a practical necessity during the cold war.

I am proud of America's long and successful opposition to communism, but being an anticommunist is not enough. It was never an end in itself. We are all small "d" democrats in our efforts to help secure the blessings of liberty of what truly distinguishes American history from all other nations on Earth. It was necessary to defeat communism to protect the well-being of Americans, but it was also necessary to defeat communism because it threatened America's best sense of itself and our sublime legacy to the world.

Mr. President, \$30 million is a small investment in preserving that legacy. And I ask all my colleagues to keep faith with the many revered Americans who paid a much higher price than that to keep America a beacon light of liberty.

Mr. President, I yield the floor.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. I am delighted I was here to hear the Senator from Arizona comment on the program. I will call attention to the fact that the bill in the other body has the same amount of money that is in the amendment as proposed here. This matter will be at conference. And it will be a long and sustained conference whether this amendment is adopted or not.

I believe that we should keep on course. I am not an opponent of this matter. As a matter of fact, I have always voted for it. But I do not think it gains anything to have a prolonged discussion here at this time. I will assure Senators who support it, we will do everything in our power to assure the conference of their objectives at conference. But I move to table this

amendment, and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be.

The yeas and nays were ordered.

VOTE ON MOTION TO TABLE AMENDMENT NO. 984

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment. The yeas and nays are ordered. The clerk will call the roll.

Mr. FORD. I announce that the Senator from Massachusetts [Mr. KENNEDY] is necessarily absent.

I further announce that if present and voting, the Senator from Massachusetts [Mr. KENNEDY] would vote "no."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 27, nays 72, as follows:

[Rollcall Vote No. 203 Leg.]

YEAS—27

Allard	Conrad	Hollings
Baucus	D'Amato	Kohl
Bingaman	Dorgan	Lott
Boxer	Faircloth	Nickles
Breaux	Feingold	Shelby
Bumpers	Ford	Stevens
Byrd	Grassley	Thompson
Cleland	Gregg	Warner
Cochran	Helms	Wyden

NAYS—72

Abraham	Gorton	McCain
Akaka	Graham	McConnell
Ashcroft	Gramm	Mikulski
Bennett	Grams	Moseley-Braun
Biden	Hagel	Moynihan
Bond	Harkin	Murkowski
Brownback	Hatch	Murray
Bryan	Hutchinson	Reed
Burns	Hutchison	Reid
Campbell	Inhofe	Robb
Chafee	Inouye	Roberts
Coats	Jeffords	Rockefeller
Collins	Johnson	Roth
Coverdell	Kempthorne	Santorum
Craig	Kerrey	Sarbanes
Daschle	Kerry	Sessions
DeWine	Kyl	Smith (NH)
Dodd	Landrieu	Smith (OR)
Domenici	Lautenberg	Snowe
Durbin	Leahy	Specter
Enzi	Levin	Thomas
Feinstein	Lieberman	Thurmond
Frist	Lugar	Torricelli
Glenn	Mack	Wellstone

NOT VOTING—1

Kennedy

The motion to lay on the table the amendment (No. 984) was rejected.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, there is overwhelming opposition. But I do want to tell the Senate that we are spending time on an amendment that deals with a subject the House has always insisted on in conference. I don't know why we spend time debating here on the floor whether or not we are going to give this subject approval by the Senate, because it is one item that the House will not let us come out of conference on unless we approve it. So we have taken time to get negotiating room with the House, and the Senate won't let us have it. I am sorry to say that I think the Senate just made a mistake.

AMENDMENT NO. 985

The PRESIDING OFFICER. If there is no further debate, the pending business before the body is the second-degree amendment by the Senator from Kentucky.

Is there further debate? If not, the question is on agreeing to the amendment of the Senator from Kentucky.

The amendment (No. 985) was agreed to.

Mrs. FEINSTEIN addressed the Chair.

AMENDMENT NO. 984, AS AMENDED

The PRESIDING OFFICER. The question is now on the first-degree amendment, as amended. Is there any further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 984), as amended, was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MCCONNELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

AMENDMENT NO. 986

(Purpose: To establish a Commission on Structural Alternatives for the Federal Courts of Appeals)

Mrs. FEINSTEIN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from California [Mrs. FEINSTEIN], for herself, Mr. LEAHY, Mrs. MURRAY, Mrs. BOXER, Mr. REID, and Mr. BRYAN, proposes an amendment numbered 986.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 93, line 5, strike all through line 15 on page 97 and insert the following new section:

**SEC. 305. COMMISSION ON STRUCTURAL ALTERNATIVES FOR THE FEDERAL COURTS OF APPEALS.**

(a) ESTABLISHMENT AND FUNCTIONS OF COMMISSION.—

(1) ESTABLISHMENT.—There is established a Commission on Structural Alternatives for the Federal Courts of Appeals (hereinafter referred to as the "Commission").

(2) FUNCTIONS.—The functions of the Commission shall be to—

(A) study the present division of the United States into the several judicial circuits;

(B) study the structure and alignment of the Federal Court of Appeals system, with particular reference to the Ninth Circuit; and

(C) report to the President and the Congress its recommendations for such changes in circuit boundaries or structure as may be appropriate for the expeditious and effective disposition of the caseload of the Federal Courts of Appeals, consistent with fundamental concepts of fairness and due process.

(b) MEMBERSHIP.—

(1) COMPOSITION.—The Commission shall be composed of 10 members appointed as follows:

(A) One member appointed by the President of the United States.

(B) One member appointed by the Chief Justice of the United States.

(C) Two members appointed by the Majority Leader of the Senate.

(D) Two members appointed by the Minority Leader of the Senate.

(E) Two members appointed by the Speaker of the House of Representatives.

(F) Two members appointed by the Minority Leader of the House of Representatives.

(2) APPOINTMENT.—The members of the Commission shall be appointed within 60 days after the date of the enactment of this Act.

(3) VACANCY.—Any vacancy in the Commission shall be filled in the same manner as the original appointment.

(4) CHAIR.—The Commission shall elect a Chair and Vice Chair from among its members.

(5) QUORUM.—Six members of the Commission shall constitute a quorum, but three may conduct hearings.

(c) COMPENSATION.—

(1) IN GENERAL.—Members of the Commission who are officers, or full-time employees, of the United States shall receive no additional compensation for their services, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of duties vested in the Commission, but not in excess of the maximum amounts authorized under section 456 of title 28, United States Code.

(2) PRIVATE MEMBERS.—Members of the Commission from private life shall receive \$200 for each day (including travel time) during which the member is engaged in the actual performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of such duties, but not in excess of the maximum amounts authorized under section 456 of title 28, United States Code.

(d) PERSONNEL.—

(1) EXECUTIVE DIRECTOR.—The Commission may appoint an Executive Director who shall receive compensation at a rate not exceeding the rate prescribed for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(2) STAFF.—The Executive Director, with the approval of the Commission, may appoint and fix the compensation of such additional personnel as the Executive Director determines necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service or the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates. Compensation under this paragraph shall not exceed the annual maximum rate of basic pay for a position above GS-15 of the General Schedule under section 5108 of title 5, United States Code.

(3) EXPERTS AND CONSULTANTS.—The Executive Director may procure personal services of experts and consultants as authorized by section 3109 of title 5, United States Code, at rates not to exceed the highest level payable under the General Schedule pay rates under section 5332 of title 5, United States Code.

(4) SERVICES.—The Administrative Office of the United States Courts shall provide administrative services, including financial and budgeting services, to the Commission on a reimbursable basis. The Federal Judicial Center shall provide necessary research services to the Commission on a reimbursable basis.

(e) INFORMATION.—The Commission is authorized to request from any department, agency, or independent instrumentality of

the Government any information and assistance the Commission determines necessary to carry out its functions under this section. Each such department, agency, and independent instrumentality is authorized to provide such information and assistance to the extent permitted by law when requested by the Chair of the Commission.

(f) REPORT.—No later than 18 months following the date on which its sixth member is appointed in accordance with subsection (b)(2), the Commission shall submit its report to the President and the Congress. The Commission shall terminate 90 days after the date of the submission of its report.

(g) CONGRESSIONAL CONSIDERATION.—No later than 60 days after the submission of the report, the Committees on the Judiciary of the House of Representatives and the Senate shall act on the report.

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Commission such sums, not to exceed \$900,000, as may be necessary to carry out the purposes of this section. Such sums as are appropriated shall remain available until expended.

Mr. D'AMATO addressed the Chair.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. FEINSTEIN. Mr. President, I believe the Senator from New York has a question. I yield to him for a moment.

The PRESIDING OFFICER. The Senator from New York is recognized.

#### STAMP OUT BREAST CANCER ACT

Mr. D'AMATO. Mr. President, I ask unanimous consent that the pending amendment be laid aside for up to 3 minutes; and I further ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 1585, which was just received from the House.

The PRESIDING OFFICER. Is there objection?

Mrs. FEINSTEIN. Mr. President, reserving the right to object, as long as the Chair will recognize the Senator from California following the handling of this measure.

The PRESIDING OFFICER. The Senator's request is so modified.

Is there an objection?

Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 1585) to allow postal patrons to contribute to funding for breast cancer research through the voluntary purchase of certain specially issued United States postage stamps, and for other purposes.

The Senate proceeded to consider the bill.

Mrs. FEINSTEIN. Mr. President, I am proud to support the breast cancer research stamp bill, H.R. 1585, sponsored by Congresswoman SUSAN MOLINARI and approved in the House of Representatives yesterday on a vote of 422 to 3.

I, along with Senators D'AMATO, FAIRCLOTH, and the original 51 cosponsors of my bill, the breast cancer research stamp Act (S. 726), have worked very hard to give life to this innovative

breast cancer research stamp idea, which originated with a physician—Dr. Bodai from my State, and I am happy to see it become a reality today.

At a time when the National Cancer Institute can only fund 26 percent of applications, a drop from 60 percent in the 1970's, this legislation creates an innovative way for citizens to contribute to breast cancer research.

Under this bill:

Postal Service would establish a special rate of postage for first-class mail, not to exceed 25 percent of the first-class rate, as an alternative to the regular first-class postage. The additional sum would be contributed to breast cancer research.

The rate would be determined in part, by the Postal Service to cover administrative costs and the remainder by the Governors of the Postal Service.

Seventy percent of the funds raised would fund breast cancer research at NIH and 30 percent of the funds raised would go to breast cancer research at DOD.

The Postal Service would provide the stamp within a year from the date of enactment.

Within 3 months prior to the stamp's 2-year anniversary, the bill requires the Comptroller General to evaluate the effectiveness and the appropriateness of this method of fund raising and report its findings to Congress.

#### THE BREAST CANCER TOLL

There are 1.8 million women in America today with breast cancer. Another 1 million women do not know they have it; 180,200 new invasive cases will be diagnosed this year.

Breast cancer kills 46,000 women a year. It is the leading cause of death for women ages 35 to 52 and the second leading cause of cancer death in all women, claiming a woman's life every 12 minutes in this country.

For California, 20,230 women were diagnosed with breast cancer and 5,000 women will die from the disease. (Source: American Cancer Society—cancer facts and figures 1996.)

The San Francisco Bay area has one of the highest rates of breast cancer incidence and mortality in the world. According to the Northern California Cancer Center, bay area white women have the highest reported breast cancer rate in the world, 104 per 100,000 population. Bay area African-American women have the fourth highest reported rate in the world at 82 per 100,000.

In addition to the cost of women's lives, the annual cost of treatment of breast cancer in the United States is approximately \$10 billion.

The incidence of breast cancer is increasing. In the 1950's, 1 in 20 women developed breast cancer. Today, it is one in eight and growing.

While we know there is a genetic link to some breast cancers, we do not understand the fundamental cause. In hearings I held as cochair of the Senate Cancer Coalition, we learned that environmental factors may lead to as much

as 90 percent of breast cancer. We know that breast cancer rates vary between countries and when people migrate, they tend to acquire cancer rates closer to those of newly adopted countries within a generation.

Over the last 25 years, the National Institutes of Health has spent over \$31.5 billion on cancer research—\$2 billion of that on breast cancer. In the last 6 years alone, appropriations for breast cancer research have risen from \$90 million in 1990 to \$600 million today.

And the United States is privileged to have some of the most talented scientists and many of the leading cancer research centers in the world such as UCLA, UC San Francisco, Memorial Sloan-Kettering, the Dana Farber Institute, and M.D. Anderson. But researchers need funding. Science needs nourishment. Without it, promising avenues of scientific discovery go unexplored. Questions go unanswered. Cures go undiscovered.

#### CITIZEN CONTRIBUTIONS

The breast cancer research stamp bill allows anyone who chooses to, to conveniently contribute to Federal research and to finding a cure for the breast cancer epidemic. It is an innovative idea originating with an American citizen and I am very grateful for the support of the House yesterday.

I urge my colleagues to support this important legislation.

Mr. THOMPSON. Mr. President, as chairman of the Governmental Affairs Committee, which has oversight responsibility for the U.S. Postal Service, I want to comment on H.R. 1585. This measure directs the Postal Service to issue a semipostal stamp, at a price of up to 8 additional cents per first-class stamp, to raise funds for breast cancer research. Clearly this measure has the votes to pass; a similar measure passed the Senate last week by a vote of 83 to 17. But I want the record to reflect my strong disagreement with it. I think it is a bad idea for several reasons. It will create a precedent for congressional authorization for the issuance of many other fundraising postal stamps for many other worthy causes. As all Members are aware, the Postal Service has plenty of challenges on which it should concentrate. Not all costs of undertaking this new program are quantifiable, and we will be distracting the Postal Service from its responsibility of providing the best delivery service at the lowest price. Note that it is likely that we will soon see an increase in the cost of mailing a first-class letter. If Congress believes additional funds should be spent for this or another purposes, Congress should appropriate the funds directly. That is our responsibility.

Mr. HOLLINGS. Mr. President, I want to convey my strong support for the Stamp Out Breast Cancer Act, H.R. 1585. I may have created confusion on this point by voting last week against an amendment offered by my friend Senator FEINSTEIN of California when