

of speech contrasted with the rights of a candidate? But that is the constitutional law.

But Maine has a very interesting way of handling excessive spending by providing matching funds to candidates when an opponent exceeds certain spending limits. I personally oppose public financing of Federal elections. But I think in a situation where a wealthy individual knew that a multi-million-dollar expenditure would be matched by the State, it would be a deterrence, and, in fact, the State would not have to put up that money. I think that provision is well worth considering.

The final provision of the statute which I have in mind would subject contributions for legal defense funds to be reported. And our Governmental Affairs Committee has heard incredible testimony about moneys brought in by Mr. Yah Lin "Charlie" Trie, something in the neighborhood of \$639,000. He brought it in to the trustees of the President's legal campaign fund. Those moneys were not subject to any reporting requirements. And an article, which appeared in yesterday's Philadelphia Inquirer, points out how these suspect funds were known, and that reporting was delayed.

I ask unanimous consent that the text of this article be printed in the CONGRESSIONAL RECORD.

There being no objection, the material was ordered to be printed in the RECORD, AS FOLLOWS:

[From the Philadelphia, Inquirer, Sept. 1, 1997]

CLINTON AND WIFE REPORTEDLY KNEW OF
SUSPECT FUNDS

QUESTIONABLE DONATIONS TO THE CLINTON DEFENSE FUND WERE HIDDEN UNTIL AFTER THE ELECTION, A PAPER SAYS

LOS ANGELES.—Trustees of President Clinton's legal defense fund acted with the knowledge of the President and Hillary Rodham Clinton in hiding \$639,000 in contributions funneled through Democratic fund-raiser Yah Lin "Charlie" Trie, the Los Angeles Times reported yesterday.

The trustees of the Presidential Legal Expense Trust in June 1996 used accounting measures that would allow them to refund the money from a Taiwan-based religious sect Suma Ching Hai, without reporting the transactions until after the November election, the newspaper reported.

A month earlier, the Times said, the trustees met to discuss the contributions with six administration officials including presidential aides Bruce Lindsey and Harold Ickes and White House attorneys.

The Clintons were informed last spring about the delivery of Trie's checks, as well as the decision not to inform the public, the Times reported.

The trust—which was established in 1994 to raise money for the Clinton's legal bills from Whitewater investigations and a sexual harassment suit brought by Paula Corbin Jones—is supported to operate independent of political influence.

When the donations and refunds were revealed in December, the defense funds and the White House said trustees needed nine months to scrutinize the contributions.

However, confidential congressional records, defense-fund papers and meeting notes show an effort by the White House to

deal with the issue months earlier, the Times reported.

White House special counsel Lanny Davis said there was no attempt to withhold information about Trie's activities. And the executive director of the trust, Michael Cardozo, said its decisions were never influenced by the White House or steered by political motivations.

Although the private trust is not subject to federal laws governing political contributions, the Clintons imposed their own rules. Individuals were limited to contributing \$1,000 a year, and foreigners, corporations, labor unions, political organizations, lobbyists, and federal employees were prohibited from making donations.

Between March and May of last year, Trie made three trips to the trust to deliver a total of \$789,000 mostly in \$1,000 and \$500 checks and money orders. Some money was rejected after some of the money orders were found to be in sequential order and written in the same handwriting, the Times said, and many contributors who appeared to be of Asian descent shared the same surname.

In May, a trust official told White House aides that the Trie-related donors appeared to belong to Suma Ching Hai.

Officials at the meeting were concerned about media coverage of the origin of the donations, the Times reported. Still, Davis insisted "there was no discussion about whether to disclose return of the checks or the effect of disclosure on the election."

Trustees decided to return the money in June, settling on two steps to keep the donations out of the public eye.

First, the trust eliminated the line "Less Ineligible Contributions" on the fund's public disclosure form released last August. Notes taken by Ickes show a reference to "Less ineligible," indicating the accounting procedure may have been discussed as early as April 4.

Second, if any sect members wanted to donate to the legal fund, their names would not be disclosed until the next reporting period—in early 1997, the Times reported.

Mr. SPECTER. I thank the Chair.

That, in a fairly abbreviated statement, Madam President, is the substance of legislation which I propose to offer.

It is my hope that the hearings of the Governmental Affairs Committee will bring substantial public interest to this subject. I know that the Presiding Officer has cosponsored the McCain legislation, is very much in favor of campaign finance reform, and perhaps, if our hearings generate enough public interest, that kind of public demand will be created.

It is worth noting that at an early stage in the Watergate hearings people were disinterested in campaign finance reform at that time. But as those hearings progressed more public interest was stimulated, and campaign finance reform was enacted in 1974. But I believe that this is very, very important if we are to bring back public confidence with what is done in Washington, DC.

Madam President, in the absence of anyone on the floor seeking recognition, I again suggest the absence of quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

DEPARTMENTS OF LABOR,
HEALTH AND HUMAN SERVICES,
AND EDUCATION, AND RELATED
AGENCIES APPROPRIATIONS
ACT, 1998

The Senate continued with the consideration of the bill.

Mr. KYL. Madam President, I at this point ask if the pending business would permit me to offer an amendment.

The PRESIDING OFFICER. Amendments are in order.

AMENDMENT NO. 1056

(Purpose: To increase funding for Federal Pell Grants, with an offset from fiscal year 1998 funding for low-income home energy assistance)

Mr. KYL. Madam President, I have sent an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. KYL] proposes an amendment numbered 1056.

Mr. KYL. Madam 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 41, between lines 17 and 18, insert the following:

Of the funds made available under this heading in Public Law 104-208, to be available for obligation in the period October 1, 1997 through September 30, 1998, \$527,666,000 are rescinded.

On page 56, line 21, strike "\$8,557,741,000" and insert "\$9,085,407,000".

On page 56, line 22, before the period insert "": Provided, That \$7,438,000,000 shall be available to carry out subpart 1 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a)".

Mr. KYL. Madam President, let me simply indicate generally what this amendment does.

This amendment will provide an additional \$528 million for the Pell Grant Program, boosting that level to the amount recommended by the Appropriations Committee. And that money will come from the LIHEAP program. It would be a direct offset. So that the \$528 million would come from LIHEAP and would go to fund Pell grants.

Madam President, this amendment is very simple. It will provide an additional \$528 million for the Pell Grant Program, boosting the amount in the bill to the level recommended by the House of Representatives. Pell grant funding would go from \$6.910 billion to \$7.438 billion. The offset is from the Low Income Home Energy Assistance Program [LIHEAP].

The additional Pell grant funding is intended to finance changes in eligibility—that is, to correct problems that have arisen as a result of the current law phaseout of certain independent students at income levels that are

lower than those for dependent students. Like the House bill, the funding is contingent upon the authorizing committees acting on the proposal. I am not attempting an end run around the normal committee process, just attempting to ensure that the funds will be available should the Education Committee concur in the change.

The Clinton administration originally estimated the cost of the proposal at \$725 million in fiscal year 1998, but it is my understanding that administration officials are now satisfied with the House numbers. In any event, I believe we ought to put as high a priority on Pell grants as the House did in its version of the Labor-HHS bill.

Madam President, it was the Higher Education Amendments of 1992 that established a separate allowance for independent students without dependents. The income protection allowance, which is a fixed amount of a family's income that is excluded from need determination, is based on the family's household size and the number in the household attending college. The problem is that the separate allowance established by the 1992 act creates a substantial disparity among groups of students.

For example, when compared with other students with the same number of family members in the household and one member in college, the allowance for 1997-1998 is \$5,750 less in the case of married students without dependents. It is \$5,940 less in the case of single students without dependents, according to the Department of Education. And because the income protection allowance for independent students without dependents is not indexed for inflation, the gap can only be expected to widen each year.

The proposed change in eligibility, which the funding in my amendment is intended to finance, would bring the proportion of students in this group who would be eligible for Pell grants closer to the proportion that existed prior to the establishment of the separate allowance in the 1992 act. Students in this group are typically older students with annual family incomes of between \$10,000 and \$20,000.

Madam President, here is a State-by-State breakdown of the number of students who lost eligibility under the separate allowance. The numbers, which were supplied by the Education Department, compare the period 1992-1993 before the 1992 reauthorization with the period 1993-1994 after reauthorization:

Alabama	4,399
Alaska	548
Arizona	6,417
Arkansas	2,525
California	24,314
Colorado	5,204
Connecticut	2,645
Delaware	472
District of Columbia	426
Florida	17,792
Georgia	5,196
Hawaii	561
Idaho	1,402

Illinois	10,848
Indiana	5,467
Iowa	4,247
Kansas	4,434
Kentucky	3,754
Louisiana	5,765
Maine	1,364
Maryland	4,047
Massachusetts	5,778
Michigan	15,254
Minnesota	7,432
Mississippi	2,751
Missouri	7,963
Montana	1,561
Nebraska	2,792
Nevada	1,891
New Hampshire	1,098
New Jersey	5,920
New Mexico	2,002
New York	19,477
North Carolina	4,231
North Dakota	1,335
Ohio	12,864
Oklahoma	4,621
Oregon	4,031
Pennsylvania	9,535
Rhode Island	1,314
South Carolina	2,087
South Dakota	1,324
Tennessee	4,972
Texas	15,126
Utah	4,074
Vermont	353
Virginia	5,168
Washington	5,636
West Virginia	1,011
Wisconsin	6,258
Wyoming	730
Puerto Rico, other	3,347

The figures I just cited will give Senators a rough idea of the number of additional students that would benefit from the added funding in my amendment.

Madam President, Professor David Breneman, the dean of the Curry School of Education at the University of Virginia, testified before the Senate Finance Committee back in April about the effectiveness of various forms of Federal aid. He concluded that "the Pell Grant program has the merit of targeting aid to students who would be unable to attend college without the grant." In other words, Pell grants are probably the most efficient and effective way of targeting Federal aid to those students who need it most. And unlike other forms of assistance, which might reach those who have the means and determination to attend college with or without the Government's help, it does less to fuel tuition inflation.

Now I know the offset for the additional Pell grant funding will be controversial for some. It would come from the Low Income Home Energy Assistance Program [LIHEAP], a program that was set up nearly 16 years ago to temporarily—temporarily—supplement existing cash assistance programs and help low-income individuals pay for home fuel costs that were escalating at the time.

But the world is a very different place than it was in 1981. Gone are the long lines at the gas pumps and skyrocketing energy prices. As we prepare to cross a bridge to the 21st century, we should look beyond programs designed to cope with an energy crisis of

20 years ago—a crisis that has come and gone—and focus instead on how to prepare young people for the high technology, more competitive economy of the future.

Madam President, fuel costs have not only stabilized since 1981, they have declined significantly in real terms. Figures provided to me by one of Arizona's majority utilities, Arizona Public Service, indicate that average residential rates for electricity have declined 15 percent in real terms since 1980. And that does not take into account a 1.2-percent rate decrease that just became effective on July 1.

It is no secret that I have been skeptical of the continued need for LIHEAP. I have offered amendments on the subject several times in recent years. But I would point out that in its fiscal year 1995 budget submission, the Clinton administration, too, recommended substantial reductions in the program.

As noted in the President's fiscal year 95 budget,

* * * fuel prices have decreased by 40 percent in real terms; the cost of electricity has dropped by about 13 percent in real terms; and the percent of income spent for home heating for households at or below 150 percent of poverty guidelines has dropped by about one-third.

He went on to propose a 50-percent reduction in funding for the program that year.

Last year, President Clinton proposed outyear cuts in LIHEAP—a \$90 million reduction in 1999, and a \$181 million reduction in 2000. The Office of Management and Budget advised my office that the declining figures were due to standard percentage reductions applied to programs that were not considered a top priority.

Last December, it was widely reported that the Clinton administration would recommend a 25-percent reduction in the program this year. So there has been skepticism about the continuing need for the program, even at the White House.

Madam President, the States themselves have already shown remarkable ability to meet the energy needs of those requiring assistance, refusing to allow public utilities to shut off power to delinquent customers and setting up payment plans and other options. It seems to me that, given the States' track records and the stable or declining price of energy, this is a good time to begin cutting back on LIHEAP spending so that we can target the resources to other pressing needs.

In closing, the bipartisan budget agreement that we passed in July was intended to extend new opportunities in education to middle- and upper middle-income families, and it will through a variety of new tax credits. But we have the chance today to target additional Pell grant assistance to more lower- and middle-income people, so that all American families have the same opportunity to secure a brighter future. I hope my colleagues will join

me in supporting this amendment to put more money into the Pell Grant Program.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Madam President, when the time comes to discuss the matter, there will be very vigorous objection from the managers, both Senator HARKIN and myself, on this amendment. We think that low-income energy assistance is very, very important. But we will await the event after our distinguished colleague from Arizona has had a chance to make his presentation.

In the absence of any other Senator seeking recognition, Madam 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. DORGAN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. DORGAN. Madam President, I ask unanimous consent to be allowed to speak in morning business for 20 minutes.

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

FAST TRACK TRADE AUTHORITY

Mr. DORGAN. Madam President, I noted in a news report recently something which I have heard previously. The news reported that President Clinton and his administration will in just a matter of days from now, on September 10, send a legislative proposal to give President Clinton and this administration something called fast track trade authority.

Now, that might sound like a foreign language to a lot of folks, but the notion of fast track trade authority is relatively simple. It is that trade negotiators shall negotiate trade agreements between the United States and other countries, then bring these trade agreements to the Congress, and they shall be considered in Congress under something called fast track procedures. That means no one here in the Congress is allowed to or will be able to offer amendments to alter that proposed trade agreement.

That is what fast track means. It is a special deal for a trade agreement brought back to Congress so that all Members of Congress are prevented from offering amendments. Members of Congress will be allowed only to vote yes or no on the entire agreement.

The Constitution of the United States in article I, section 8 says, "The Congress shall have the power to regulate Commerce with foreign Nations."

Yet, in recent decades we have developed this notion of fast track trade authority that has given both Republican and Democrat Presidents the opportunity to bring trade agreements to

the Congress under a procedure that handcuffs Members of Congress and prevents them from offering any amendments at any time.

I want to share why I think this is important and why I believe it is inappropriate to grant fast track trade authority to this administration. I should say that when I was in the House of Representatives, I led an effort in the Chamber of the House to prevent fast track trade authority being given to a previous administration as well.

The Washington Post, in an article written by Ann Devroy, titled "Battle Lines Forming Over Clinton's Bid for Fast Track Trade Powers," states the Business Roundtable, among others, will work to help President Clinton get these fast track procedures in place by getting Congress to pass a proposal to give the President fast track powers. "The job won't be easy," it says.

It reports that the Business Roundtable has written in a letter to its members, "The political climate for new trade agreements is not good. Organized labor, human rights groups, protectionists, isolationists and environmentalists are questioning the benefits of trade."

Now, I guess I don't fit any of these descriptions. I am not an isolationist. I am not a member of organized labor. I am not a member of a human rights group. I am not a protectionist. I am not a member of some environmental organization. I am not some xenophobe, and I am not someone from a small town who cannot see over the horizon. I studied a little economics. I even taught a little economics in college. I understand something about the trade issue.

I understand that in international trade this country is not moving forward; it is falling back. We are not winning; we are losing. We ought not proceed to develop new trade agreements until we solve the problems of the old trade agreements. And I want to recite a few of those problems.

This was an interesting article written by a journalist who is a very good journalist. But nowhere in this article in talking about trade authority—and this is the difficulty we have in this Chamber—does it point out that we will have the largest merchandise trade deficit in the history of this country. Nowhere does it point that out. How can you have a discussion of trade and fail to mention in the context of that discussion that we now suffer the largest trade deficit in the history of our country?

I don't understand that. This is not theory. It is not some academic discussion. It is a discussion about whether we are going to proceed to give this administration the ability to have fast track authority for a new trade agreement they or trade agreements they will negotiate, and bring them to Congress and tie our hands so that no amendments may be offered.

Some do not mind, I suppose, that we have the largest merchandise trade def-

icit in history. They say trade is trade. In fact, this article quotes the Business Roundtable as saying, "Those who oppose this question the benefit of trade."

What a lot of nonsense that is. I don't question the benefit of trade. In fact, much of what we produce in my State, an agricultural State, must find a foreign home. I understand the benefits of trade. I also understand the benefits of trade that is fair and the benefits of trade relationships with other countries that are fair trade relationships. I also understand about being taken advantage of. I also understand about trade policies that have been more foreign policy than trade policy over the last half century.

For the first 25 years following the Second World War, our trade policy was foreign policy. It had very little to do with trade. The fact was that this country was bigger, better, stronger and could outtrade and outproduce almost any other country in the world with one hand tied behind its back. So we could afford to exercise a foreign policy disguised as trade policy with dozens of our trading allies and still prevail. And it was just fine, at least in the first 25 years following the Second World War.

During those first 25 years, incomes in this country continued to rise. However, in the second 25 years, we ran into some very shrewd, tough international competitors and it has not been as easy for us to compete unless the trade rules are fair. Unfortunately, the trade rules have not been fair because we have continued to negotiate trade agreements that are more foreign policy than trade policy. As a result we have trade agreements that are fundamentally unfair to American workers and American producers. I want to go through a few of these in this discussion.

The first chart that I want to show is a chart about the merchandise trade deficit in our country. Nobody seems to care much about it here in the Congress. You don't hear people talking about it. There is always this angst about the budget deficit, and we have worked on that and finally have our fiscal house in some order. But there is no discussion at all about the other deficit, the merchandise trade deficit, which is a sea of red ink and growing every single year. In fact, we had the largest merchandise trade deficit in American history last year, and we are most likely going to exceed that this year. We have had deficit after deficit after deficit. There have been 21 straight years of merchandise trade deficits.

Let me just describe what has happened following our trade agreements. We rush off and send our best negotiators to negotiate trade agreements. When they finish negotiating some agreement with some country, whether it be Japan or the GATT agreement or NAFTA or some other agreement, they have a huge celebration or giant feast