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Senate

The Senate met at 12 noon and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious Father, this is a day for rejoicing over the manifold good things You have given us. Help us to take nothing and no one for granted. As we move through this day, help us to savor the sheer wonder of being alive. Thank You for giving us the ability to think, understand, and receive Your guidance. We praise You for the people You have placed in our lives. Help us to appreciate the never-to-be-repeated miracle of each personality.

We are grateful for the challenges we have before us, which compel us to depend on You more. Thank You, too, for the opportunities that are beyond our ability to fulfill so that we may be forced to trust You for wisdom and strength to accomplish them. We rejoice over Your daily interventions to help us; we even rejoice in our problems, for they allow You to show us what You can do with a life entrusted to You. Rather than pray, "Get me out of this," help us to pray, "Lord, what do You want me to get out of this?" Then free us to rejoice in the privilege of new discoveries.

Today, gracious Lord, we express our sympathy to Senator DANIEL AKAKA on the loss of his brother, the Reverend Abraham Akaka, who made such a great impact on the State of Hawaii. Bless this family in their time of need.

And so, Lord, in all things, great and small, we rejoice in You, gracious Lord of all. Through our Saviour and Lord. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator LOTT from Mississippi, is recognized.

Mr. LOTT. Thank you, Mr. President.

SCHEDULE

Mr. LOTT. Mr. President, we have the opportunity this week, I believe, to complete action on the Interior appropriations bill and on the Food and Drug Administration reform package. There has been a lot of work done on FDA, and I believe a consensus is evolving. Hopefully, within a day or day and a half, we could complete action on that bill this week. And if time permits, we will also take up the D.C. appropriations bill which would be the last of the 13 appropriations bills the Senate needs to pass.

Today, though, the Senate will resume consideration of H.R. 2107, the Interior appropriations bill. As announced earlier, there will be no roll-call votes today. Any votes ordered on amendments to this bill, H.R. 2107, will be set aside to occur at a time to be determined by the majority leader in consultation with the minority leader. Presumably, that would be in the morning, hopefully even early in the morning. The Senate will be able, hopefully, to conclude debate on the Interior bill by Tuesday. We have one of our most outstanding chairmen who is managing this bill. I think this one is going to be a handful for him, but they have worked out a number of issues. I feel like we will be able to get an early resolution and complete action on the Interior appropriations bill. Members are encouraged to contact the managers of the bill to schedule floor action on any possible amendments. I hope Members will not wait until sometime Tuesday afternoon or late Tuesday night, or whenever, when it is convenient for them to drop by if they have any amendments. If you have a good amendment, you get more attention, you get a better chance to have it properly considered and even get a vote if you show up early for work and offer your amendment.

As Members are aware, then, there will only be one appropriations bill left, and we will take it up later on this week or the D.C. appropriations bill will come up perhaps early next week. We need Members' cooperation in scheduling floor action, and we will attempt to conclude action on both these bills this week. We will notify the Members when rollcall votes are agreed to.

Under rule XXII, all first-degree amendments to S. 830, that is the FDA reform bill, must be filed by 1 p.m. today. I want to remind Members of that deadline.

I thank my colleagues for their attention, and I wish the chairman and manager of the bill, the great Senator from the State of Washington, good luck in completing his work.

I yield the floor, Mr. President.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

The PRESIDING OFFICER (Mr. ROBERTS). Under the previous order, the Senate will now resume consideration of H.R. 2107, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2107) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1998.

The Senate resumed consideration of the bill.

EXCEPTED COMMITTEE AMENDMENT ON PAGE 46,
LINE 15

The PRESIDING OFFICER. The pending question is the committee amendment on page 46, line 15.

The distinguished Senator from Washington is recognized.

Mr. GORTON. Mr. President, the majority leader has already pointed out what he hopes will be the schedule in connection with this and other bills during the course of the week. As he said, there will not be any votes on any amendments to this bill today, but

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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through most of last week, we expressed our views that today would present a wonderful opportunity to debate what may very well be the most controversial of all of the elements in the bill: the appropriation for the National Endowment for the Arts.

The notices that I have received in connection with amendments include more on that subject, those which are to be more liberal with the National Endowment than the bill has been and those wishing to be more conservative or to restrict its use or even to abolish its appropriation, have stated that they will produce such amendments.

We have asked as many of those Members to be present sometime during today's session of the Senate as possible. Most of them on Friday indicated that they would be able to be here today. Obviously, as the majority leader said, today gives them an opportunity to debate their amendments and to state their views on the National Endowment for the Arts in full and at leisure, where tomorrow may be somewhat more hectic.

So I hope that all of them who are in or around the Capitol and the staffs of all of those Senators who have an interest in the subject will urge them to come to the floor, offer their amendments, speak to the National Endowment for the Arts, complete much of the debate on the subject today so that we can vote tomorrow on that subject.

Having said that, Mr. President, noticing that no such Senators are present today, I have remarks on a subject of importance—vital importance—to the people of the State of Washington, one that has a high local profile and one that has also been of interest to the administration to the extent that it made a specific reference to it in its budget presentation this year. So I will ask the indulgence of the President and will make my remarks with respect to the Elwha River dams at this point.

Mr. President, during the course of the last week, I said publicly that I would consider supporting removal of one of two dams on the Elwha River on the Olympic Peninsula in Washington State. Specifically, with important conditions attached, I can support legislation that would allow the removal of the smaller downriver dam. As this represents something of a change in my position, it warrants a more detailed explanation on my part—what this new position means and, just as importantly, what it does not mean.

For many years, national environmental groups, the Clinton administration, much of the media in the Pacific Northwest, and many Northwest elected officials have pushed for the removal of both dams on the Elwha River.

In 1992, I reluctantly supported legislation to begin the process of having the Government study and acquire both of these dams with an eye toward removing them at some time in the future. Even so, it is no surprise to any-

one from Washington State to hear me say today that I have been less than excited about this proposal. While I always have been enthusiastic about the Federal Government's purchasing these two dams from a local paper company, I have been skeptical that Elwha River dam removal will provide significant benefit to our salmon resources.

For years, I have been told that 100-pound salmon used to fill the Elwha River, and that if we just removed these two dams, those big salmon would return.

While that is the proponents' most compelling argument—perhaps their only argument—for removal, I fear that it is one with the promises that have caused us to spend some \$3 billion on the Columbia River, with little discernible effect, except on our power costs. If dams are the reason that there are no 100-pound salmon swimming in the Elwha River, why are there no huge salmon in dozens of other Olympic Peninsula rivers that have never been dammed? Will we waste our money on the Elwha as we have on the Columbia?

As you can tell, I have severe doubts about the wisdom of knocking down either of these dams under the guise of benefit to the salmon. I am quite certain, however, that there are other clear costs to their removal. Taxpayers must pay the huge costs of that removal. Power generation will be lost, and in the case of the Elwha River Dams, serious questions remain about potential damage to the city of Port Angeles' water supply. As I weigh these costs against the potential benefits to salmon, I have almost always sided against dam removal.

Unfortunately, the issue isn't as simple as a cost-benefit analysis. If it were, the costs of removing the two dams would certainly outweigh the potential benefit to the salmon. But, as I say, it is not just that simple anymore. There is a wild card to this issue that makes me nervous, a wild card that makes me want to act now, a wild card that, if played, could have a devastating effect on the Port Angeles community.

The desire of the Interior Secretary to tear down a dam, a proposal he has advocated consistently, together with the very real and growing threat that a Federal judge, or the Federal Energy Regulatory Commission, may order the removal of Elwha River Dams without congressional approval, present real threats to the community, are beyond our control and cannot be ignored.

A court- or agency-ordered removal may well impose all of the costs of removing the dams on the local community. Jobs would be destroyed, and Port Angeles' supply of clean drinking water would be threatened. The risk of court or agency action is too great and will leave the local community in a terrible position if a judge or Washington, DC, bureaucrat were to suddenly decide that he or she could take charge of this issue.

The lower Elwha River Dam produces only a modest amount of power, about

a third of that produced by the upper Elwha River Dam, and a minuscule amount in comparison to our productive Snake and Columbia River Dams. In addition, Mr. President, the lower Elwha River Dam is in bad physical shape.

So, if Congress acts properly, we can remove the wild card from the deck and assure an important level of community protection. As a consequence, my support for this lower dam's removal is conditioned on legislated protection for Port Angeles' water supply and protection for the jobs created by the local mill. No legislation to remove an Elwha River Dam will pass the U.S. Senate without these protections, except over my strong objections, while I am a Member.

Mr. President, I must tell you that while I believe the course of action I am taking on the issue is the right one, I am disturbed by what is forcing me to take this step in such a hasty manner. I am driven by the threat of court action, or the possibility that the Federal Government might just step in and remove the dams on its own with no thought given to the concerns of the local community.

While I have come to this agonizing decision after years of internal and public debate about the fate of these dams, my decision has been driven by the unilateral activism this administration has demonstrated when it comes to complex environmental issues.

Based upon the Clinton administration's actions last year in Utah, can anyone not justifiably worry that a similar overreaching Federal Government authority will take place on the Elwha River? Is there any doubt that when this administration is faced with deciding between the desires of national environmental organizations and the needs of local communities, it always sides with the national environmental groups?

This is not an easy decision for me—it is made difficult by the dozens of meetings I've had with people most affected by this issue. I've listened to hundreds of local people who live near the Elwha River express their concerns with dam removal and what it means to the local community.

To be fair, I am also impressed by the work of a broad-based coalition of residents who have studied the issue and who may have originated the proposal to deal with the two dams separately, in a staged process. I want to commend the Elwha Citizens' Advisory Committee for its work on this issue, and all of the hard work that went into developing the committee's report, "The Elwha River and Our Community's Future."

I've also listened to the concerns of my constituents in eastern Washington, who while not immediately impacted by the removal of the Elwha River dams, are watching this debate closely because of their concern that something similar could happen on the Columbia or Snake Rivers.

I want to speak specifically to those people right now, Mr. President, and to anyone who might attempt to use my position on this issue as a justification for removing other dams in the Pacific Northwest, or as asserting that I believe the idea to be worth considering.

Because of the controversial nature of this issue, I think it is important that people understand what my position on the Elwha River dams does not mean. Some groups and elected officials support removal of Elwha River dams as a first step, a practice run, toward removing Columbia River system hydroelectric dams. Those who want to make a habit of dam removal should understand this proposition: I will never support their proposals to remove Snake or Columbia River dams—never.

Our Northwest forebears built for us the world's most productive hydroelectric system. It is our great economic legacy and continues today as part of the reason families in the Northwest enjoy the Nation's lowest power rates. This clean and renewable resource does not pollute.

These dams also irrigate productive farmland in Idaho, eastern Washington, and eastern Oregon. These dams have created an enormous and productive aquatic highway that moves our agricultural products to our ports. These dams save Portland, Oregon, and hundreds of other communities from disastrous flooding.

Of course, the Columbia River System dams exact an environmental price. They hurt our salmon runs. That damage was felt primarily in the 1930's and 1940's. Since the last Columbia River dam was constructed we continued to have large and healthy salmon runs. The last decade's alarming decline in Columbia River salmon runs obviously has more profound causes than our hydroelectric facilities alone.

We can do more for salmon especially by acting in a more intelligent and coordinated way to restore our Northwest salmon resources. But the costs associated with removing dams on the Snake or Columbia Rivers will always dwarf the potential benefit to salmon.

Therefore, Mr. President, I intend this year to work with my colleagues to complete acquisition of the two Elwha River dams with dollars from the Land and Water Conservation Fund. In addition, I will introduce legislation authorizing the removal of the lower Elwha River dam. But that bill will also contain three vital conditions I believe to be absolutely necessary at the same time:

First, a 12-year study of the impact of lower dam removal on fish populations before any consideration of removing the upper dam;

Second, a guaranteed hold harmless for the Pot Angeles water supply;

Third, no dam on the Columbia or Snake Rivers System can be removed, breached, or modified in a way that substantially destroys its ability to produce power, and provide irrigation,

transportation or flood control without the prior authorization of Congress.

I think it is vitally important to America's taxpayers that the first condition be met. This is a very costly proposition—the Government estimates that it will cost as much as \$60 million to remove the lower Elwha River dam. My sources tell me that those estimates are way too low and that the final cost could be much higher. Of course, no one really knows what this project might cost, which is why only the lower dam should come down now.

I want to be sure that when the inevitable day comes when national environmental groups and editorial writers push for removal of the upper dam, they have a true idea of what it will cost and whether the removal of the dam will actually work. The best way to do that is to study what happens when the lower dam is removed. We will be able to find out exactly what it costs to take out this dam, and, even better, we can find out once and for all whether removing a dam will actually bring back salmon.

I believe my second condition is only fair to the people of Port Angeles, and is one that should be met with little, or no, opposition.

As for my third condition, I think it is vital to my constituents in eastern Washington, and to my colleagues who represent Montana, Idaho, and eastern Oregon, that we in the Congress, and in the administration make the important statement that the dams on the Columbia and Snake Rivers are not to be touched in the immediate future, unless Congress has debated the issue and agrees.

Radical revisionists in the media, national environmental groups, and in the administration are actually talking more and more about tearing down 1 of the 11 dams on the Columbia and Snake Rivers. Just last week, a prominent Northwest newspaper had a lengthy story about the dam removal movement, and how the proposition for tearing down a dam on the Columbia River System was gaining momentum. As you can imagine, even talking about this subject causes huge concern in the communities that depend upon the river for their livelihoods.

It also causes a profound concern to this Senator, which is why I think it is important that we nip such a proposal in the bud, and nip it now. This legislation is the most appropriate place to do so.

With that, Mr. President, I have completed my thoughts on the policy of this proposal. Let me now discuss the practicality of getting this done in a reasonable amount of time.

Many of the advocates for Elwha River Dam removal think Congress should be able to fund the entire project out of the remaining money in the land and water conservation fund. Because I am chairman of the Interior Appropriations Subcommittee, these people believe that I can simply tell

my colleagues that I intend to take \$18.5 million of this money to complete acquisition, and then grab another \$60 million for removal of lower dam, leaving the remaining dollars—after the \$315 million for the acquisition of the Headwaters Forest in California and the New World Mine in Montana, and the \$100 million in State acquisition grants—for division among the other 49 States.

To those back home who believe that it is either fair or possible that I should be able to do that with a snap of my fingers, I suggest a lack of understanding of how Congress works.

Today we start in earnest on working through this year's Interior appropriations bill. In this bill, I have dealt with Washington State projects in a fair and generous fashion. We have been able to fund an additional \$2 million for the Forest Legacy Program, \$8 million for land acquisition in the Columbia River Gorge National Scenic Area, and an additional \$3 million for forest health research at the Pacific Northwest Research Station.

Other priority projects which have been funded in the Senate Interior appropriations bill and directly benefit Washington State include: An increase of \$3 million over the President's budget request for trail maintenance in the Pacific Northwest; \$2.5 million to develop a visitors center, interpretive center, and educational center at the Vancouver National Historic Reserve; \$500,000 in support of Lewis and Clark National Historic Trail activities; \$2,452,000 to replace the Paradise employee dorm at Mount Ranier National Park; \$750,000 for regional fisheries enhancement; \$840,000 for construction of a trailhead and information station at the Steigerwald National Wildlife Refuge; and \$275,000 for the North Cascades National Park to fulfill its obligations under various settlement agreements relating to the relicensing of hydroelectric projects.

I feel comfortable with what I have accomplished for my State, and proud of that work. I must admit that I would not feel comfortable simply demanding from my colleagues that the remaining acquisition funds come out of the land and water conservation fund without a strong statement of support from the administration and the entire Congress.

I believe such a statement is needed so that my colleagues from around the Nation can understand why their priority items are being placed behind spending an additional \$18 million to complete the acquisition of the Elwha River Dams, and another \$60 million to remove the lower dam. And Washingtonians may well ask themselves if they are willing to give up new projects like those I have already discussed for several years in order to put all of our fair share into Elwha River Dam removal.

Second, there is little chance that funds for removal of the lower dam will come from the land and water conservation fund. Frankly, I would be

embarrassed to ask for such a sum. Out of fairness to other States around the country, I believe the funds for removal of the lower dam need to move through other channels, or at least be specifically authorized to come out of a land and water conservation fund primarily for land acquisition rather than capital improvements.

Just as the original legislation sponsored by Senator Brock Adams needed the authorization of the Energy Committee and the entire Congress, the extraordinary level of funding requested for this project needs to be authorized by Congress as well. My legislation will propose just that. And I hope that this legislation will be considered as swiftly as possible.

I realize that back home I will be criticized for not grabbing all of the funding for this project in this year's appropriations process. To those critics, I suggest an absence of rational thought and fairness.

Washington State does quite well under this year's Interior appropriations bill. Funding the removal of the lower Elwha River Dam would dramatically tip the scales away from fairness, and rightly cause justifiable and successful opposition from my colleagues around the country who have vital programs in their States that need funding.

All of us want to get the most for our States, and in our hearts, we believe that every request for our State is an urgent priority, but in our minds we also know that we can't fund every request. That means we must balance our desire to help our States with the reality that Congress can only fund so many projects for each State.

As I said at the beginning of this debate on Friday, Mr. President, I had 1,800 requests from the 100 Senators in this body for projects in which they had a great interest, the huge majority of which were home-State projects.

That is the reality I face as I work to resolve this difficult issue involving the Elwha River dams. I know it is a reality that critics don't want to hear or acknowledge, but the simple truth is this—full funding of acquisition and removal this year is highly unlikely, and impossible without setting aside almost all other important Washington State projects, and something I am not willing to do.

Therefore, the best solution is to complete acquisition this year, and for that I need the administration to state publicly that this remains one of its top priorities. At the same time, I will start the process for removing the lower dam by introducing legislation for consideration by the Energy Committee, the administration, and the rest of Congress.

Mr. President, I thank you for giving me this time this morning to discuss an issue important for my home State. In summary, I guess I would finish by saying that on this issue of Northwest dam removal, tally me this way: "once, with conditions."

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mrs. HUTCHISON). Without objection, it is so ordered.

NATIONAL ENDOWMENT FOR THE ARTS

Mr. BAUCUS. Madam President, I rise today to speak on the importance of funding for the National Endowment for the Arts, otherwise known as NEA. This endowment makes a tremendous impact on my State, and it worries me greatly that Congress is considering slashing it, or otherwise killing it through block grants.

I think President John Kennedy said it best when he said—and I will quote him now:

When power leads man toward arrogance, poetry reminds him of his limitations. When power narrows the areas of man's concern, poetry reminds him of the richness and diversity of his existence. When power corrupts, poetry cleanses, for art establishes the basic human truths which must serve as the touchstone of our judgment.

The people of my State understand that. Montana boasts a rich cultural heritage which can be seen in the work of such notable artists as Charlie Russell and Kevin Red Star. Our love of the arts can also be seen in the rich crop of literary talent that blankets the State.

I had a chance to witness that love of the arts firsthand last year when I worked with the National Symphony Orchestra on their trip to Montana. They broke into many, many groups—I think there were 120 different ensembles spread across our State—and I was fortunate to be able to conduct the National Symphony Orchestra in their encore performance in Billings, MT.

I think it is even more instructive to look at a smaller, more constructive event where the NEA makes a real difference every year in Montana. Shakespeare in the Park is a group of talented actors who travel around the State every summer offering free productions of Shakespeare to the public. And every July, for over 20 years now, they have come, for example, to Birney, MT. Guess what the population of Birney is. Seventeen.

The troupe of actors sets up their stage just outside of town on Poker Jim Butte. They perform two nights, and it is a big deal for the people of Birney. They hold their annual Birney Turkey Shoot for Spakespeare in order to help subsidize the productions. Every year they attract crowds of 100 to 200 people. Not bad for a town with a population of 17. The audience usually consists of farmers, ranchers, and native Americans. They are people who, without this event, might have to travel over 100 miles to see a Shakespearean play. This year's productions

were Shakespeare's "Love's Labor Lost" and Moliere's "Learned Ladies"—two classic works that everyone should have a chance to see.

The Shakespeare in the Park program relies on the NEA grant they receive every year, and without it they would have to limit where they can go. That means that Birney might not get to see its yearly productions on Poker Jim Butte.

I think the responses to the Shakespeare in the Park productions speak for themselves. One parent, for example, said:

I want to thank you so much for coming to Richey. We are a small community with a total enrollment, grade and high school, of 91. It was great to introduce our children, especially the high schoolers, to Shakespeare and acting. It is rare for them, and us, to attend something other than a sports event.

Or listen to what another student had to say:

I have never had an interest in Shakespeare until I saw your program.

Madam President, I think this last quote is particularly insightful, particularly in this day and age when many people are afraid that the value of our great works has been diminished. Funding the NEA shows our commitment to the classics like Shakespeare, and it helps make sure that our kids can learn firsthand about these valuable works.

There are some in this body, however, who believe that Federal funding for the arts should end. These people believe that Federal funds can be replaced by contributions from private citizens and corporations. While this might be true in populated areas like New York and California, States like mine would have no way of making up the loss. I make that very clear. It just is not possible.

Quite simply, without the NEA, there are no arts in places like Birney, MT, or countless other communities across the country.

There are some who argue that we cannot afford to fund arts programs while we are cutting the budget. But when one looks at the total amount of money we spend in our budget, the figures for the NEA are rather small. The \$99 million the NEA received last year was merely a small fraction of the total budget. That comes to less than 40 cents per person. But when one looks at all the great returns from our investment in the NEA, I believe it is money very well spent.

Finally, there are others who say the NEA should be defunded, eliminated, because it funds obscenity. I believe those are valid concerns, and I have to admit there have been a few poor choices in the past. But I believe that those problems have been addressed, and it would be a shame to focus on a few mistakes when there are so many good, worthwhile projects that the NEA has made a reality.

A complete list of Montana projects, museums, and artists who benefit from the NEA grants would be too long to

give, but the following is a small example of the recipients:

Eight symphony orchestras in cities like Billings, Bozeman, Butte, and Missoula; over 20 nonprofit art museums and galleries such as the Liberty Village Art Center in Chester, the Jailhouse Gallery in Hardin, and the Hockaday Center for the Arts in Kalispell; and nearly 20 performing arts groups like Shakespeare in the Park and the Vigilante Players who tour to communities all across Montana.

In addition, the NEA funds go to organizations which make an effort to reach out to children, to educate them on the importance of arts in our society.

Without a doubt, NEA funding has made a real, positive difference in Montana. That is why I believe we should continue funding this worthwhile program.

My basic philosophy toward the budget is this. We must have a budget that reflects our values. To have no funding for the arts truly takes away some of our humanity, some of what makes our Nation great. Those are not the values I want my budget to reflect. That is why I urge my colleagues to support full funding, with no block grants, for the National Endowment for the Arts.

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. THOMAS. 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. THOMAS. I also ask unanimous consent I might proceed as in morning business for 10 minutes.

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

The Senator from Wyoming is recognized.

Mr. THOMAS. I thank the Chair.

(The remarks of Mr. THOMAS pertaining to the introduction of S. 1176 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. THOMAS. 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.

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

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

Mrs. HUTCHISON. Mr. President, I send an amendment to the desk and ask that it be filed.

I just ask the distinguished manager of this bill if I could work with him to have it brought up at the appropriate time.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I commend the Senator from Texas in proceeding in this fashion. As I announced previously, there are a number of amendments we expect with respect to the National Endowment for the Arts. I believe that the proposal by the Senator from Texas will be a perfecting amendment, that she is attempting to improve it.

The logic in dealing with these amendments will be to deal with those amendments that strike or substantially cut funding for the endowment first. And so the willingness of the Senator from Texas to speak, as I am sure she will quite eloquently, to her proposition but not to introduce it yet will facilitate dealing with the matter when it comes to a vote in a more logical way.

Mrs. HUTCHISON. I will leave it to the discretion of the manager what is the right order because of course there will be a number of amendments dealing with the NEA.

My particular amendment takes the dollar amount that is in the bill and re-allocates it and established a way to spend it. There will be amendments offered that will do other things. And I think it is really a healthy thing that we are going to be debating the NEA and what kind of funding the NEA has and how it is allocated, because I think a number of people in our country have concerns about some of the types of grants that the NEA has approved.

There have been inappropriate uses of NEA funding. The National Endowment for the Arts I think is a program that everyone hoped would establish as a priority a commitment to the arts in this country. I believe that is a proper commitment for our country to encourage arts in our country, to make arts accessible to all the people of our country, to educate our children in the importance of the arts.

All of these things are worthy goals. But because we have seen the funding of obscenity, of pornography, of things that you could not even in your most modest attempts to describe as art, many people have opposed the NEA. And many people have said, "We don't need it. Why would we want the Government involved in this?" I certainly have great respect for that view.

I do believe that there should be a commitment in this country to the arts. I speak as a person who grew up in a town of 15,000. My parents were very careful to try to make sure that I had access to the arts. They gave me ballet lessons for 13 years. You would have thought it would have taken. But after 13 years, I decided that maybe there was something else in my life that would be more successful than ballet.

They also made sure that I went to the nearest big city, when possible, to go to the symphony. They drove me to Houston, sometimes to Galveston, to see plays or to go to an art museum.

But, you know, many children in America are not as fortunate as I was because perhaps they do not have parents who thought this was important or that this would make their education more complete. Some children do not have that opportunity.

I want all children in America to have this opportunity, whether they come from families that do not have time to appreciate the arts because they are working so hard to make ends meet; or whether they come from a rural community that does not have easy access to a major city or regional arts center. I want to try to give that same opportunity that I think was important in my life to every child in America.

I would like to see school districts adopt arts appreciation programs because it is proven in the testing of our children in school that where children do have access to the arts, where they have arts appreciation or arts classes in their school curricula, they also do better in math and science and reading. That is a proven fact.

So we are not talking about something that is just extra that would be nice if we could afford it. We are talking about giving children a more well-rounded education and giving children the chance, by having the full range of education, to do better in the basic subjects.

So that is why I believe it is important for our country to have a commitment to arts education and to provide access to the arts for all the children so that some of them can grow up to be artists or to appreciate the arts and pass that involvement or appreciation on to future generations. I cannot imagine a country that is as developed, as technologically advanced as ours, that does not also have an appreciation for and a commitment to the arts.

That is why I am putting forward an amendment to this bill that would keep the allocation for 1998 exactly where the committee has it, \$100,060,000 to be exact. But under my amendment, I would rearrange the priorities.

Instead of having the NEA make all of the grants with this money, I think it is time that we allocate to the States, in block grants, the bulk of the money. I think it is time that we have a more just and equitable distribution of arts funding.

For one thing, I think giving the money in block grants to the States—and I will talk about the very few restrictions we would put on this—gives the States the ability to fashion programs that will best meet the needs and priorities of their States. They can divide this money among, for example, arts access or education in the schools, transportation from rural areas to regional arts centers, or insurance programs for art museums to be able to sponsor national exhibitions that would otherwise not be seen by the citizens of that region outside of New York or Washington, DC, or California or Texas. I think it is important that states have that flexibility.

Also, under my amendment States would have the flexibility to invest up to 25 percent of their Federal funding in an endowment. I think that is important because I would like to see more States have permanent endowments for funding of arts and access to the arts within the State.

So here is what my amendment does.

First, it limits the administrative costs of the NEA. Instead of allowing the 17 percent of the funding that the NEA now uses for administrative costs, my amendment would set a cap of 5 percent, reducing the money spent on administration to \$5 million down from approximately \$17 million. I think 5 percent should be enough for the allocation that the NEA would be able to grant to national art works.

The NEA grants to national groups or institutions would be 20 percent. The NEA would be allowed 5 percent for administrative costs to administer 20 percent of the total for grants to national groups or institutions.

My amendment would not allow grants to individuals, but only to institutions or groups. NEA would absolutely be prohibited from granting any obscene works. NEA could also not grant seasonal grants such as, for example, giving the Metropolitan Opera \$1 million for its season, whatever works might be performed during that season. Grants would be for a specific project that the Metropolitan Opera would have to specify, so that the NEA would be able to know exactly what it was funding.

My amendment would also prohibit grantees from giving subgrants to other groups.

In other words, 20 percent, or \$20 million, would be available for national grants to groups or institutions. Such groups would be opera companies, symphonies, art museums, ballets, or other groups or institutions that clearly serve a national purpose or exhibit a national stature.

These national grants would require matching grants. If the grantee—an art museum, for example—had a total budget of \$3 million or less, it could cover up to one-third of the art project with Federal grant money. This way, two-thirds of the cost of the project would have to come from the local community or State.

If the grantee—for example, an art museum—has an annual budget of over \$3 million, the maximum Federal funds the grantee could use for the project would be one-fifth of the total cost of the project. So for large institutions, the maximum contribution of Federal dollars would be 20 percent and the other 80 percent would have to come from local or State matching funds. These matching requirements would apply to the \$20 million allocated national grants.

However, under my amendment the bulk of the Federal funds would go to the States in block grants, namely 75 percent or \$75 million. That will guarantee level funding from fiscal year

1997 for every State and territory of the United States, up to 6.6 percent of the total funds available to the States for fiscal year 1998. The only two states that would not be guaranteed level funding from fiscal year 1997 would be New York and California. However, those States would be expected to seek a large portion of the \$20 million in national grants. So under my proposal 75 percent of the Federal funds would go to the States in block grants, and almost every State in this country will get more of the arts funding under this allocation.

Behind me on the charts you will see the differences in the funding for each State. Most States will have a significant amount of funding beyond fiscal year 1997. I think it is time that States have more opportunity to support their school systems or their regional arts centers and provide more access to the arts by more people in this country.

States may use up to 25 percent of their funds to establish or enhance a permanent arts endowment. I think it is a worthy goal to give States this incentive. Under my amendment, States may contribute any amount of money in addition to the 25 percent, but they must match whatever portion they use for an endowment by at least 1 to 1. In other words, if the State of Oklahoma decides to have an endowment for the arts, it can take up to 25 percent of its Federal allocation but it must match that amount, dollar for dollar, with funds from other State, local, or private funds.

Of course, my hope is that eventually every State will have a permanent arts endowment so that they will be able always to ensure access to art that is available within their own communities and within their own States. But permanent endowments will also in the long run assure the States will be able to attract from the outside some of the national touring art shows, such as the wonderful Monet exhibition that traveled to the Fort Worth Kimball Art Museum. Many people in my part of the country would not have been able to see that exhibition had it not traveled to Fort Worth, TX. This is the case all over the country.

Right now the NEA serves a valuable role in supporting an insurance indemnity program that has allowed international blockbuster shows, such as the Jewels of the Romanovs, to travel around the country. People all over America, because of this insurance program, will have access to see the jewels from the Romanov dynasty in Russia that I hear are really incredible. Thanks to NEA funds, Americans have also had the opportunity to see the presentation of Tennessee Williams' "The Glass Menagerie." Shakespeare's "As You Like It" went to 45 communities in 26 States because the NEA helped them with the cost of touring. Those productions traveled to Cincinnati, OH; Keene, NH; and Orange, TX.

I think Senator BAUCUS earlier today talked about the Shakespeare plays

viewed in Montana would not have traveled to Montana but for the help from the NEA. I think it is exciting when Senator BAUCUS says that someone in Montana said he had never even thought of reading Shakespeare until he was able to attend his first Shakespeare outdoor play and began to love Shakespeare and studying Shakespeare seriously. These are the kind of things that I think having a small national funding priority will continue to do for this country.

In Abilene, TX, the NEA has been helpful in starting the Abilene opera. There are so many people in west Texas who had never seen the opera and, in fact, thought the opera was a stuffy event that nobody would really enjoy but would just attend for social purposes. When they went to their first opera, the first opera they have ever had in Abilene, they came back just thinking, "what a joy, what a treasure." These people are now going to encourage people to contribute locally so that they can enjoy more opera productions. NEA funds were the seed corn that gave access to people who had never even seen an opera who now not only have seen one, but loved it and are contributing to bringing that experience to other people, especially children, in the west Texas area.

Regional touring by the best American dance companies to rural towns and small cities has been helped by the NEA. The production of performance specials and art documentaries by the Education Broadcasting Corp., WNET, in New York are now viewed by millions of Americans because that seed corn was planted by the NEA.

So that is why I am not among those who want to just do away with the NEA, because I believe that Americans overall will be more culturally aware and enjoy culture more, if they have the opportunity and exposure to the arts, which is ensured by our having a national commitment to the arts. I don't want to do away with that. Do we need to change the NEA? Yes. Do we need to impose strict prohibitions against obscenity and pornography? Absolutely, because it has been shown that because there have not been enough limits on the NEA, truly inappropriate use of our tax dollars has occurred. But I don't think that means we walk away from this commitment. I think it means that we change NEA, that we get control of it, that we make sure that the money is being used for what we intended it to be used for. But we don't walk away from it.

Let me give another example: Del Rio, TX, is on the border of Mexico. The average per capita income of Del Rio is about one-half of the national per-capita income. The population of Del Rio is 80 percent Hispanic. Yet, despite the economic difficulties that Del Rio faces, the people have a long history of commitment to the arts. In 1992, they converted their old firehouse into an arts center. The new arts center now holds free exhibitions of work

of national, regional, and local artists. It conducts art instruction classes. It offers free children's classes in the summer and supports a children's dance troupe that performs at civic and cultural events. All of this is helped by seed money from the NEA.

Mr. President, I think we have an opportunity here to get control of a funding program that has been abused in the past. But it has not been abused 100 percent. It has been abused but it has also done so much good for places like Del Rio, TX, like Beaumont, TX, like Cincinnati, OH, like Keene, NH. There are so many wonderful stories of young people getting their first access to the arts and their first appreciation for the arts because the NEA gave some grant money, some seed corn, to a local community, which was matched by that local community. Something was made possible because of the national commitment to the arts that has spurred many young people to go into arts as a profession. Artists or dancers or musicians who now belong to a symphony—all of these contributors to the arts in America began their careers from seed corn that came from a national commitment to the arts.

Now, I do understand how people have become very frustrated. But let's do something positive and productive with this frustration. Let's make something very good out of a modest commitment to national arts. Let's give our young children a chance either to excel in the arts or by an appreciation of the arts to make them more well rounded, to allow them to be literate in whatever circles they may walk. Let's allow them to have the same access that their European counterparts have. Many times I have been told that our young people do not have the cultural awareness that many of their age group in European countries have. I think they should. I think they should also appreciate the contribution of Americans to the great art of the world. The more young people to whom we can offer arts access and appreciation, the more of a contribution America will make to the world art community.

I think we have something that is worth keeping, and I think it is our responsibility to support it in a responsible way. That is why under my amendment I preserve the allocation of dollars but redistribute those dollars to allow the States to use arts funds in the way that will best give access to all people in their State. I oppose throwing out the national commitment to the arts, because we have proof that it helps our young people in all of their educational endeavors to have an appreciation and an awareness of the arts. We also know that art adds to the quality of life in our country.

If we are the greatest, freest, fairest nation on the Earth, which I believe we are, I think a commitment to the arts is part of keeping the well-rounded, cultural, thorough education of our young people at the premier level that

we also value for the preservation of our freedom and democracy that are beacons to the world.

Mr. President, I am proud to sponsor an amendment. I will look forward to working with the manager of this bill to introduce it at the most appropriate time. I think this is an important debate that we should be having. I hope in the end when all is said and done that the bill we send to the President will say we have a national commitment to the arts in this country. We want to make sure it is done in the way that will give the most access to the arts to the most people of our country and that will give Americans an appreciation for what America contributes to the world art community.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I do not think it would be possible for a Member of this body to defend more eloquently the mission of the National Endowment for the Arts or the place that the arts in the broadest sense of that term play in our society than we have just heard from the Senator from Texas.

From the beginning of the debate over this issue she has taken a consistently supportive position but not a position that simply supports the status quo blindly. She helped draft the conditions a year or 2 or 3 years ago that prohibited the National Endowment for the Arts from making a broad range of individual grants that were the source of most of what the vast majority of the American people regarded as outrageous misuses of the taxpayers' money. And here today, she does not defend the status quo—though, essentially, the status quo is what is proposed by this bill in its present form—but is attempting to strengthen the Endowment by decentralizing the granting process to a significant degree, and by spreading it in a way that she feels is more equitable across all of the States and jurisdictions of the United States.

So this is one of the amendments that is a friendly amendment, one can say, and it was for that reason that I asked her to defer formally introducing it until we could hear from the opponents of the Endowment itself and deal with the several amendments on this subject in logical fashion.

As the Senator from Texas knows, the committee bill that is on the floor at the present time simply makes a very modest—probably less than inflation—increase in the Endowment, maintains essentially the same conditions that have been imposed on it over the last 2 or 3 years, but does not attempt to change the structure of the way in which those grants are made. I think that the proposal of the Senator from Texas is likely to be considered very carefully and thoughtfully by her colleagues here on the floor and, if not here on the floor, perhaps in a conference committee where, as all Sen-

ators are quite well aware, we will be faced with a House position that is essentially to abolish the National Endowment, and which will almost certainly require us to make some changes in the proposal that is here before the Senate in order to assure an acceptable compromise.

So, without at this point taking a position on the specific amendment proposed by the Senator, I do want to say that I am convinced that it is a constructive contribution to a very important debate.

Mrs. HUTCHISON. Mr. President, I want to thank the Senator for those remarks. I think that he, too, is approaching this in a positive way. Like the Senator from Washington, who is chairing this very important subcommittee, I don't have ideas that I consider to be in concrete and I am not unwilling to change allocations or hear other views. But I think if you are going to make constructive change, you have to start with an outline. I think that is what the Senator from Washington has done. While he has brought the bill to the floor, essentially not changing the status quo, he has always been open to suggestions on ways to make it better. I think, in the end, in conference, if the Senate will speak in what I hope is a decisive way on the approach that it wants to take, then I would like to see us work with the House to do something that will be constructive that will preserve our national commitment to the arts. But I would hope that whatever we do, we make the American people feel comfortable and give them something they think is worth their hard earned tax dollars, something that will give their children better access to the arts and enhance their education, if you will, something that the American people would write if they were standing here on the floor.

I am speaking from my roots. I am speaking as a person who has benefited greatly from growing up in a town of 15,000, with the strong values that this small town gave me, but with wonderful parents for whom I can never fully express my appreciation. They knew that while I learned the values represented in that small town, there were other important things for my education, such as appreciation for the arts, for which they would have to make an extra effort to give me. They did make that extra effort. But, Mr. President, not everyone has parents like I had.

What I want when we finish this bill is for us to have made up for the fact that every parent is not as responsible as mine were and does not give every child the same access that I had, the same opportunities that I had. I want to see that we in the Congress kept our commitment to funding of the arts for our children all over America, from whatever part of the country. If we can take that responsible action, then every girl who grows up in a town of 15,000 with no arts of its own will have

the same access that I was fortunate enough to have, and I think we will be a better country and make a stronger contribution to the arts of the world if we keep this commitment. Thank you, Mr. President.

I yield the floor.

Mr. HUTCHINSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. HUTCHINSON. I have an amendment that I would like to file. I will not offer it at this time, but I would like to file it.

The PRESIDING OFFICER. The amendment will be received.

Mr. HUTCHINSON. We have heard many arguments over the years that the National Endowment for the Arts [NEA] is not living up to its original intent of "broadening public access to the arts." In fact, in NEA's original mandate and mission statement, they are charged with the responsibility of broadening public access to the arts. That is the key question: Have they really fulfilled that? We have heard a lot of debate through the years as to whether the NEA has really fulfilled that mandate.

In fact, one-third of the Federal share currently goes to six of the largest cities in the country. The agency, in addition to sending most of those direct grants to six large cities, has also demonstrated soaring administrative costs. Nearly 20 percent of every dollar that the National Endowment for the Arts expends is spent in overhead here in Washington, DC—much more than most of the Federal agencies—even more, for instance, than the National Endowment for Humanities (NEH). NEH's overhead costs are much, much less than that 19 to 20 percent figure.

Furthermore, the NEA continues to fund what many Americans believe is objectionable art. While we have heard a lot of debate on those issues—the administrative costs, the formula, whether or not it is fulfilling its mandate—very few actual solutions have been offered.

So, this afternoon, I want to present what I think is a common-sense solution to the problems that we have seen in the National Endowment for the Arts. I ask the question: What happens to the novice artist, or the songwriter in middle America, when the NEA funnels one-third of its direct grant funds to only six cities? Those cities are New York, Boston, MA, Los Angeles, CA, Chicago, IL, San Francisco, CA, and the District of Columbia. Each one of these six cities already has well-established arts communities. Yet, the NEA continues to pour a huge amount of its limited resources—over one-third of its direct grants—to those six cities.

So what happens to that new artist, that songwriter just starting out in Arkansas, or in the State of Oklahoma, or in Iowa, or the startup band in Small Town, U.S.A., who doesn't have their dreams realized, when one-fifth of direct grants are sent to multimillion

dollar arts organizations who already benefit from over \$11 billion in private giving each year? In fact, the private giving to the arts, combined with what is spent and purchased on tickets, is almost equal to that which is spent on professional sports in this country.

And most tragic of all, I believe, is: What about the children? As my colleague, Senator HUTCHINSON from Texas, spoke so eloquently on, the children in rural towns across this Nation who only dream of ever seeing the lavish theaters in New York City—what happens to them when they are denied the opportunity to perform a school play because bureaucrats in Washington awarded \$400,000 to the Whitney Museum for one single exhibit rather than their school play?

Mr. President, how can we justify this kind of very, very selective spending? For instance, in the State of Arkansas, the average per-person expenditure from the National Endowment for the Arts amounted to, if you divided it up for every man, woman, and child in the State, 17 cents per person. The State of Arkansas has a per capita income of about \$18,000. My home State received, out of the \$99.5 million appropriated for fiscal year 1997, approximately 17 cents per person. And then we turn around and look at the State of Massachusetts, which has a per capita income of \$30,000—not quite, but almost twice the income in the State of Arkansas—and the National Endowment for the Arts has decided in its infinite wisdom to spend 60 cents per person in the State of Massachusetts.

That is what I regard as very selective spending. In the State of Mississippi, with a per capita income of about \$18,000 per person, they received about 25 cents per person from the NEA last year, while the State of New York, which has a per capita income of \$29,000 per person, received \$1 per person from the National Endowment for the Arts. After looking more closely at the per capita numbers, the NEA used very selective funding. The Midwestern State of Iowa, with a per capita income of \$22,000, received 20 cents per person, while the State of Maryland, with a higher per capita income of \$27,000, received more than twice the per capita expenditure than the State of Iowa—Maryland received 45 cents per person. That is very, very selective spending on the part of the National Endowment for the Arts. How can we justify that?

Then when you break it down by political party, it becomes even more intriguing. Last year, NEA funding totaling close to \$45 million was sent to congressional districts represented by Democrats in Congress, while about \$14 million was sent to congressional districts represented by Republicans across the country. If you break that down by the number of direct grants from the National Endowment for the Arts, you find that almost 1,300 direct grants went to congressional districts represented by Democrats, while only 408 went to congressional districts represented by Republicans.

When the funding is broken down per district, on average, about \$223,000 was sent to districts represented by Democrats, and on average, about \$60,000—almost one-fourth—went to congressional districts represented by Republicans. And you can go on and on.

The fact is that \$3 out of every \$4 going to the States is going to congressional districts represented by Democrats. That is very selective funding. As one observer in Arkansas said, "Why not send the \$100 million to the Democratic National Committee and cut out the middle man?" It has become a very selective funding formula used by the National Endowment for the Arts.

Well, I cannot and will not justify what I think is inequitable and out-of-control spending by an elitist agency rife with problems and abuses.

So, Mr. President, it is time to bring this funding into line and it is time for a solution. So I rise today, along with several of my colleagues, to offer a solution. I see Senator SESSIONS here on the floor. I hope he will speak as a cosponsor of this amendment. I offer a solution that gets the money down to the artists, the songwriters, that startup band, that local writer, the painter on the local level and, most importantly, down to our children—a solution that fulfills the NEA's original mandate and mission statement of "broadening public access to the arts."

When you look at what is spent in Mississippi as compared to what is spent in New York, or in Massachusetts as compared to what is spent in Iowa, I think there is no one who can, with a straight face, defend the National Endowment for the Arts and say they are fulfilling their mission statement of broadening public access to the arts.

So the amendment I am offering today supports my belief that there are potential artists everywhere and in every corner of every State. From the plains of Wyoming to the mountains in West Virginia, from the Mississippi Delta to the potato fields of Iowa, we have budding artists, potential artists, everywhere.

Contrary to Jane Alexander's notion that "the areas of nurturing and development of artists tend to be located in a few States . . ."—by the way, Jane Alexander made that statement in our April hearing before the Labor and Human Resources Committee.

Mr. President, I ask unanimous consent that her statement made before the Labor and Human Resources Committee be printed in the RECORD.

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

Ms. ALEXANDER. Let me suggest an analogy here with regard to the arts. You are correct that Arkansas received very little in the way of awards and dollars this year. Again, they would have received more, of course, had we had the budget that we had before. However, an analogy that might be appropriate is that there are apples grown in practically every State of the United States,

but there are few States that have the right conditions for nurturing and developing apple trees; and then, they are distributed all throughout the Nation.

The same is true of the arts. The talent pools, the areas of nurturing and developing of artists tend to be located in a few States—but there are artists everywhere.

Mr. HUTCHINSON. Ms. Alexander said, “* * * the areas of nurturing and development of artists tend to be located in a few States * * *” I take great exception to that. In fact, I take great offense to that statement. I believe artists are everywhere—in every city, town, and county across this Nation, in every home, in every schoolyard, in every playground in America. It is time that talent is recognized and realized. It is time that the elitist attitude that says that the pools of artistic talent in this country are restricted to a few small States is rejected once and for all. In fact, my home State of Arkansas is the home State to many famous artists; John Grisham, author; William McNamara, painter; Billy Bob Thornton, Academy Award winner for his role in “Slingblade”; Mary Steenburgen, actress; Vance Randolph, famous folklorist; and Maya Angelou, famous poet. On and on the list goes.

So the pool of talent in this country is not restricted to a few States where we should put our limited resources from the National Endowment.

Simply put, my proposal would cut out the Washington middleman and send the arts dollars down to the States so that those who are closest to the unknown writer, the start-up band, or the schoolchild, can make the decisions as to where those wise investments will be made to those individuals who might otherwise have been passed over for the well-endowed Whitney Museum or the Boston Symphony, which has a \$43 million annual income, or the Art Institute of Chicago, which has a \$96 million annual income, or the Metropolitan Opera, which has \$133 million in total annual income. In giving grants to those great, but well-endowed institutions, we rob from those who need it most and who would best fulfill the mandate that the National Endowment espouses.

Additionally, by getting the decision-making out of Washington, the nearly 20 percent in administrative overhead the agency currently maintains is virtually abolished. That 20 percent currently being spent on administrative overhead in Washington would be awarded back to the States. It is the artists all across America who win under this proposal, who stand to be recognized by their home State rather than by a bloated bureaucracy in Washington.

In fact, as we will demonstrate on this chart—and I hope that all of my colleagues in the Senate will take a look—we will have a handout for them—45 out of 50 States will gain under this block grant proposal. Cut out the 20-percent administrative overhead, limit administrative costs to 1 percent, write the checks to the Gov-

ernors, send it to the States’ art councils or to the State legislatures, and in so doing we will have more resources to send directly to those who will benefit most from them.

In fact, all but a few States—45 out of 50—will increase arts dollars compared to last year. Most notably, for Senators MACK and GRAHAM from the State of Florida—Florida will receive almost \$3.4 million more than last year, while the artists in Texas, Senator HUTCHISON’s State, will benefit from close to \$3 million more than in fiscal year 1997. How do we do that? We take that 20 percent bloated administrative cost in Washington, eliminate the National Endowment, let the Secretary of the Treasury write a check to the Governors to go through the legislature or the State arts councils, limit State administrative spending to 15 percent, impose strict auditing requirements, award a \$500,000 basic grant to each State, and then expend the remainder of those dollars under a per capita formula—45 out of 50 States will be winners. Florida, \$3.4 million; Texas, \$3 million. This commonsense solution seeks to give the dollars directly to the States in an equitable fashion, particularly to many underserved areas, and, most importantly, permits more local control of this money.

Moreover, this proposal includes clear and precise language requiring States to conduct strict audits on the Federal dollars they receive, as well as submit a report for public inspection within that State. Let the public know how the money is being spent. Let the public have the reassurance that audits are being performed and that strict accounting measures are being followed. Any State found to have misused their Federal funds under the guidelines set forth in this amendment will be required to repay the money, plus a 10-percent penalty, to the Treasury.

Mr. President, in my efforts to find a solution to the current inequities that exist in the distribution of arts dollars, I solicited feedback on this proposal from a number of individuals, including our current Governor of the State of Arkansas, Gov. Mike Huckabee. We had staff talk with his staff. I personally talked with Governor Huckabee, and was encouraged by his enthusiastic response to this block grant approach. I asked him point blank, “Would Arkansas benefit from having more control over arts dollars for the budding artists, musicians, writers, and actors in Arkansas?”

I am very pleased to report that he gave a resounding thumbs-up to this proposal. He believes very much that this proposal will benefit the State of Arkansas. I quote from Gov. Huckabee’s letter. Mr. President, I ask unanimous consent to have printed in the RECORD the entire letter from Governor Mike Huckabee from the State of Arkansas.

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

STATE OF ARKANSAS,
OFFICE OF THE GOVERNOR,
Little Rock, AR, September 11, 1997.

Hon. TIM HUTCHINSON,
U.S. Senator,
Little Rock, AR

DEAR TIM, I am in full support of the proposed amendment regarding the manner in which grant funds from the National Endowment of the Arts will be distributed to the states. I believe states have a better understanding of their needs and a much closer relationship with our constituents at the state level than a bureaucracy in Washington.

As you are aware, the citizens of Arkansas have recently voted for an increased tax upon themselves, part of which is going to the Department of Heritage, the state agency that is responsible for distributing funds for development of the arts in Arkansas.

As a state, we have a need for the continued support of developing art talents, as well as making the Arts available to the public. I appreciate your leadership on this, and I am in full support. If I can assist this effort in any way, please let me know.

Sincerely yours,

MIKE HUCKABEE.

Mr. HUTCHINSON. Mr. President, Governor Huckabee wrote, “As a State, we have a need for the continued support of developing art talents, as well as making the arts available to the public.” Then Governor Huckabee went on to state that he “believes States have a better understanding of their needs and a much closer relationship with our constituents at the State level than a bureaucracy in Washington.”

I think what Governor Huckabee said would be echoed by Governors—both Democrat and Republican—all across this country; that, if they could receive those funds directly, have control over them, be able to make the decisions as to where those grants should go, we will have a more productive arts community in each one of our States.

Mr. President, it becomes increasingly harder to justify the existence of the National Endowment for the Arts’ Washington bureaucracy when one takes a more careful look at the overhead and the salary costs of this agency.

For example, from 1994 to 1996, the administrative costs of the National Endowment for the Arts went from a little over 14 percent in 1994, 14.4 percent, to almost 19 percent in 1996, at a time when the agency was cut by 39 percent, and was faced with a loss of 89 positions. The administrative costs amount to almost 20 cents on the dollar. At a time when the NEA was cutting budgets and the number of positions at the agency, administrative costs as a percentage of their budget went up to nearly 20 cents on every dollar of our constituents’ hard-earned paychecks.

My constituents in Arkansas wonder why it costs almost \$19 million to distribute just over \$50 million in NEA direct grant funds. They wonder for good reason—\$19 million to distribute \$50 million. These are their hard-earned

tax dollars on the line. I don't doubt that many of my colleagues' constituents have exactly the same questions.

A closer analysis of how the NEA spends its administrative budget raises even further questions about the efficiency and effectiveness of the agency. While the agency repeatedly complains of the draconian effects of the budget cuts on its staff, over 68 percent of the 154 individuals currently employed by the NEA earn over \$50,000 per year. Let me repeat that. The agency complains about the burden that they are facing under the budget cuts that have been imposed over the last couple of years, but at the same time over 68 percent of their staff out of 154 individuals employed by the NEA, are earning over \$50,000 per year. That is the equivalent of an average constituent in Arkansas earning three yearly salaries in just 1 year.

To make matters worse, the NEA's own inspector general uncovered significant problems, deficiencies, and abuses during its audit of grantees from 1991 to 1996. This chart demonstrates some of the inspector general's findings—not a Republican committee nor a Republican chairman—but the NEA's own inspector general found this:

Sixty-three percent of the grantees had project costs that were not reconcilable to their accounting records. That is well over half. Sixty-three percent of the grantees could not reconcile their accounting records.

Seventy-nine percent, over three-fourths, had inadequate documentation of personnel costs charged to the grant. That is money going to individuals. That is personnel salaries that are unaccountable, according to the NEA's own inspector general.

Fifty-three percent had failed to engage independent auditors to conduct grant audits as is required by OMB guidelines. The Office of Management and Budget requires that these audits be conducted, and over half did not do so.

I am curious. Those who are advocates of the National Endowment, those who are advocates of maintaining the status quo—and I heard them speak on the floor of the Senate today—they speak eloquently on behalf of art; they speak eloquently on behalf of culture. But I have not heard any of them respond to these findings conducted by the inspector general that find blatant misuse of taxpayers' funds. Fifty-three percent—over half—not even complying with the Office of Management and Budget's requirement for independent audits.

These numbers are alarming. They are intolerable. They compel us to change the status quo. The best way we can change it is to rid the country of the National Endowment and send the money down to the States where it can truly go to benefit arts on the local level and fulfill the original intent and mandate of the NEA. As if this scenario is not gruesome enough, how is it

justifiable that the NEA assisted in promoting the President's William D. Ford Federal Direct Student Loan Program? That is correct—the NEA, under an interagency agreement with the Department of Education, provided design assistance for marketing materials promoting the President's Direct Student Loan Program. This is the National Endowment for the Arts. This is the agency originally established to broaden access to the arts in this country. This was the agency established so that underserved areas like Virginia, Arkansas, Oklahoma, and Alabama with start-up artists who want the opportunity to build a future in the arts community, would receive funding for these purposes. Instead, we find a grant going for surely a strictly political and not arts-oriented program—the promotion of the President's Direct Student Loan Program. You can take any position you want on the President's Direct Student Loan Program, whether that is the right way to go or not, but to use NEA funds to promote it—that is indefensible.

Although the NEA claims that the Department of Education reimbursed the agency \$100,000 under this agreement, the NEA reports that they have no accounting of the time or expenses they incurred in providing those services.

Mr. President, how much more mismanagement of taxpayer money will we tolerate? When is enough, enough? Well, enough is enough for me.

Mr. President, I cannot sit idly by while our tax dollars are used and abused by a Washington bureaucracy.

The proposal I am offering today, along with several of my colleagues, is the fair solution to an agency run amok. It sends arts money directly to the States, eliminating the high administrative costs currently plaguing the agency. It shifts control from Washington bureaucrats to those closest to our artists and calls for strict auditing by the States. It initiates a more equitable distribution of Federal arts dollars on a per capita basis, benefiting more currently underserved areas, and significantly increasing the award amounts for all but a few States. Most of all, it makes good on the original mission of the NEA—to broaden public access to the arts.

The horrendous realities I have outlined today have compelled many, including myself, to the conclusion that, over the years, the NEA has failed to live up to its legislative mandate of increasing access to the arts and has gotten into the business of picking favorites—making the National Endowment the arbiters of art in our culture.

In summary, the NEA is rife with abuses: extravagant administrative costs; poor management, and a vacuum of oversight, according to the GAO; glaring inequities in distribution; a biased process where the East does better than the South, the big cities do better than rural America, Democratic districts do three times better than Re-

publican districts, higher-income States fare better than lower-income States, and the haves get more and the have-nots continue to have not; wholesale failure to fulfill its original mission to broaden public access to the arts, and the adoption of a kind of trickle-down arts theory in which the arbiters of art reside primarily in Washington, DC. My amendment would end publicly subsidized cultural elitism by sending these decisions back to the States, more money for the arts and less for the bureaucrats, more resources for 45 of the 50 States and less for 5 States, more accountability and more local control.

I urge my colleagues to support this amendment. It is fair. It is equitable. It is common sense. And the artists, musicians, and writers in your home State depend upon the resources that this amendment will make available.

I yield the floor.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER (Ms. COLLINS). The Senator from Virginia is recognized.

(The remarks of Mr. WARNER pertaining to the introduction of S. 1177 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. SESSIONS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SESSIONS. Madam President, I appreciate the opportunity to be here today to join with my good friend from Arkansas, Senator HUTCHINSON in cosponsoring what I think is an outstanding amendment to the fiscal year 1998 Interior Department appropriations bill, an amendment which will do more for the arts in America than we have ever done before. Simply put, the Hutchinson/Sessions amendment will produce more diversity and quality in the arts. We need and I strongly support a healthy arts community in America. It is important and it is valuable.

Madam President, I attended a liberal arts college. I believe in having quality arts to lift and improve the lives of American citizens. I think we ought to strengthen it. I encourage and salute those who contribute selflessly to the symphonies and museums and all sorts of artistic activities in their communities. This is what helps make us the great culture and Nation that we are. I want to make sure that people understand that our goal in passing this amendment is one and one goal only, to eliminate the Washington waste, bureaucracy and mismanagement while continuing to support in a very real way the arts in this country.

Madam President, I oppose the systematic elitism in funding for the arts. I oppose funding of the arcane, the pornographic, the bizarre and just plain silly. I oppose funding to the politically correct crowd and I oppose the partisan funding, as the Senator from Arkansas has so eloquently pointed out. So many of these funds go for partisan reasons. We can do better with

our funding process, and we have far too much money going in directions that are not healthy for America.

I know everybody has a different opinion of art. There is a piece of art work in my hometown of Mobile, AL, a metal structure that is now rusted that a distinguished artist in town was recently commenting about. Someone said, "Well, they wanted something that would attract people's attention." And he said, "Well, you can hang a dead horse in the square and that will attract people's attention but it won't be art."

Now, I know there is difference of opinion as to what art is and what we should do about it, but I feel very strongly that we can do better in managing our moneys.

I am very familiar with the situation of the museum in Mobile, which wanted and sought a grant to receive funding to do art work in the foyer of their auditorium. They got the money, but they were told by the NEA that the artist had to be from New York, and by a NEA preselected artist, and she chose some art work on a burlap type of material. It stayed up for a few years and has now been removed and is currently being stored in the basement of the museum.

But again, I suppose that expenditure was counted as an expenditure to Alabama when in fact it was really an expenditure to New York. So I submit to the Members of this body that we can be for the arts, but we must make sure that the moneys we spend are spent wisely on the arts.

As to the National Endowment for the Arts, I say it has had its chance. Year after year after year they have come before this body, and they have faced strong criticism and questions about their mismanagement and poor funding decisions and still nothing has changed. Madam President, I submit that we can do more and that we can do better with this money.

The sad fact is that the National Endowment for the Arts is captive of an artistic elitism complicated by an insider cronyism and political favoritism undermined by mismanagement and wholly without a vision to make a difference for arts in America. In fact, we have learned, as we have studied the numbers, that only 15 percent of the grants, in fiscal year 1997, by the NEA went to new groups; 85 percent of the grants are just the re-funding of the same old art programs which the NEA has funded before.

The Hutchinson-Sessions amendment does more for the arts. It takes the Senate appropriations figure, \$1,060,000, which has already been propounded in the bill before us today and it eliminates the Washington bureaucracy and sends all the money down to the people. It expands the money to all the regions and States in this country.

I would like to show you a chart that indicates the mission statement of the NEA. The mission statement clearly states:

To foster the excellence, diversity and vitality of the arts in the United States, and to broaden public access to the arts.

Madam President, when you have only six cities receiving one-third of the national expenditures, Boston, Chicago, Los Angeles, San Francisco, New York, and Washington, DC, we are not broadening public access to the arts. And when we have one city, New York City, in fiscal year 1997 receiving more money than a total of 29 other States, including my home State of Alabama, something is wrong. The National Endowment for the Arts is not administering these grants fairly, wisely, or effectively.

Madam President, these are not just my figures or some Republican agenda. NBC's "Dateline" with Jane Pauley on July 17, 1997, exposed these very figures. They pointed out just how disproportionate the funding is. They pointed out that the NEA provided a \$31,000 grant for a film called "Watermelon Woman" which involved sexually explicit homosexual activities, which was paid for entirely by the American taxpayer.

People say, Well, you don't believe in the first amendment, JEFF. You don't respect freedom of the arts.

I respect the freedom of the arts. I respect the first amendment. I am an attorney, and I believe very deeply in the first amendment, but I must say I don't think the hard-working taxpayers of Alabama, who are getting drastically shortchanged in this funding process, ought to be required to fund things that simply offend their sense of decency and their standards of ethics and faith. It is just not the kind of thing we ought to do, and we have every right as representatives of the people to come before this body and demand that governmental agencies adhere to proper standards and spend their money wisely and effectively. And when they do not, we have every right to abolish those agencies and shift that money in a way which will improve the livelihood of the people.

NBC's "Dateline" talked about the Whitney Museum in New York, which has a \$30 million endowment, receiving a \$400,000 NEA grant last year. That is nearly as much money as the entire State of Alabama received last year from the National Endowment for the Arts, and I am also offended by Chairman Jane Alexander's suggestion that artistic endeavors only appear in certain select areas of the country.

The distinguished Senator from Montana, Senator BAUCUS, discussed the Shakespeare in the Park festival in his home State of Montana. I would just point out to the Senator, that under this amendment, as we propose it, the State of Montana would receive a \$165,000 increase in funding. If Alabama only had 8 or 10 projects approved by the NEA—Montana with less people probably has about the same number—that would be \$16,000 additional for each grant recipient in the State of Montana under our amendment. State

after State after State shows benefits and funding increased under our proposal. Over 12 or more States receive twice as much funding. States like Michigan, Alabama, Florida, Indiana receive twice as much funding under the Hutchinson-Sessions amendment as under the present NEA formula for distributing grants. This is an outrage, I submit, in the that way we have allowed for this funding formula to continue.

Madam President, our amendment will eliminate unnecessary bureaucratic spending. It eliminates the arcane, pornographic, bizarre, and just plain silly projects that are being funded by the National Endowment for the Arts. It ends the political favoritism that is being uncovered, which clearly shows that we are not spending the money in an effective way.

So this, I submit to the Members of this body, is a very important vote. We have the opportunity today without any increase in taxes, to provide a historic infusion of funds to local artists in every State across this country. It is critical that we send the money to the States where they can wisely and effectively spend it.

Madam President, if the money is sent directly to my home State of Alabama, the Alabama Shakespeare Festival in Montgomery, one of the finest facilities in the world—a facility which Sir Anthony Hopkins referred to as the finest Shakespeare facility he has ever performed at—would receive more than the \$15,000 they received last year from the National Endowment for the Arts.

Madam President, I feel very strongly about this amendment. I salute my colleague from Arkansas, Mr. HUTCHINSON, for the hard work he has put into it, and I am honored to be an original cosponsor of it.

Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. Madam President, may I inquire of the Chair if there is another amendment pending?

Mr. GORTON. Will the Senator yield?

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. As manager of the bill, I say to my colleague from North Carolina, I asked both the previous two Senators who spoke, and Senator HUTCHISON who preceded them, not to introduce their block grant amendments because it seemed to me most logical that the proposal of the Senator from North Carolina, which would effectively reflect the House position of abolishing an appropriation for the National Endowment for the Arts, logically ought to go first. So I believe the answer to the Senator's question is a committee amendment is the business and the amendment that the Senator from North Carolina proposes, I think, would be in order.

Mr. HELMS. I thank the Senator.

The PRESIDING OFFICER. The first committee amendment is the pending business.

Mr. HELMS. I am sorry, I did not understand the Chair.

The PRESIDING OFFICER. The pending business is the first committee amendment.

Mr. HELMS. That is subject to amendment?

The PRESIDING OFFICER. It is.

Mr. HELMS. I am sorry, I just walked into the Chamber. Is it necessary to set aside that amendment?

The PRESIDING OFFICER. The Senator may either offer an amendment to the first committee amendment, or he may request that all six committee amendments be set aside.

Mr. HELMS. Madam President, Senator ASHCROFT of Missouri is on an airplane at this moment, which I hope is approaching Washington. It has been delayed, but he will be here shortly to offer the amendment on which I desire to speak.

I am honored to cosponsor this amendment, which would eliminate funding for the National Endowment for the Arts. Other Senators will voice their support, I believe, for the Ashcroft-Helms amendment; certainly the distinguished Senator from Oklahoma [Mr. INHOFE], and the senior Senator from Kansas [Mr. BROWNBACK]. In any case, I commend Senator ASHCROFT's willingness to exercise strong leadership on this issue. We will proceed while looking forward to his arrival on the Senate floor.

The other day, JOHN ASHCROFT and I were visiting on this subject, and we were reflecting upon the fact that more than 8 years have passed since an award-winning, blasphemous, and—how to put it—stomach-churning photograph of a crucifix soaked in urine alerted this Senate to the disgusting decision by the National Endowment for the Arts to reward the so-called artist who conceived the concept and submitted it for a grant with a substantial amount of the taxpayers' money.

Along about the same time I came into possession of copies of the so-called, now well-known, Mapplethorpe artistry, which was a homosexual display. I recall bringing that to this floor. The distinguished Senator from West Virginia was sitting right over there, and another Senator was speaking. I don't remember which one. I asked Senator BYRD if he would consider an amendment to outlaw something that I thought was grievously blasphemous, and I thought that he might think so, too. I remember that I showed Senator BYRD the Mapplethorpe photos. I will say that he exclaimed very definitely that he found them repulsive. The bottom line is that he took my amendment and it was accepted on the legislation. That is when the hard feelings developed with certain people who favored not restraining the National Endowment for the Arts.

During the 8 years that have elapsed since that evening that I came and spoke to Senator BYRD, the Senate has learned a very great deal about the

way the National Endowment for the Arts conducts its affairs, and, thank the Lord, so have many millions of Americans found out about it across the land. They constitute loud voice to echo exactly what the House of Representatives did the month before last, I believe it was, in cutting off all funding, zeroing the National Endowment for the Arts. For one thing, it is self-evident that many of the beneficiaries of NEA grants are contemptuous of—how to say it—traditional moral standards.

Now, we have stripped the phony veneer from the curiously elitist nature of those people who are self-selected arts experts. I run into them frequently. I hear from some in North Carolina, one in particular—he was born rich, never did a day's work in his life. He spends much of his time writing letters to me complaining about my not caring about the arts. Well, of course I do care about the arts. I have grandchildren who participate, and I think very well, in the arts. But they don't participate in the kind of things that I am talking about here today.

We have stripped, as I say, the phony veneer from those people. Above all, we have learned the lengths that this crowd supporting the National Endowment for the Arts will go, and has been going, in order to preserve their access to millions of dollars of the taxpayers' money.

I am going to get down to the nitty-gritty. It is going to offend some people here and there. Once the true nature of the National Endowment for the Arts became clear, more and more Senators have joined in supporting simple, commonsense measures to ensure that the NEA is operated in a reasonable manner. We have endeavored, sometimes successfully, sometimes not, to put an end to Federal grants, spending the taxpayers' money rewarding obscene or patently offensive work. We have worked to try to make sure that the NEA grants go to institutions rather than to individual artists. At every step, the arts establishment and its defenders in the left wing media—and in Congress, I might add—have vigorously opposed those reasonable reforms, often implying or downright declaring that anybody opposing such Federal grants is ignorant and indifferent to culture and art.

There is a fellow in Massachusetts who used the words, phony baloney, the other day. I am going to borrow those two words from him and apply it to that kind of stand. I suppose this sort of opposition will continue just as long as the Congress allows the National Endowment for the Arts to cater to phony, self-appointed artists who insist on using the American taxpayers' money to finance anything they want to drag up from the sewer and declare to be art.

But enough is surely enough. Millions of Americans have come to the conclusion that the National Endowment for the Arts is beyond salvation

as a reasonable Federal agency. The amendment which the Senator from Missouri will a little later on send to the desk proposes to fund the NEA at a deserving level, exactly what it deserves—zero. To put it bluntly, I propose that none of the taxpayers' money be wasted by this agency anymore.

I have done my best to work in good faith with administrators, past and present, of the National Endowment for the Arts. The present administrator, Jane Alexander, is a gracious lady. I like her personally, and I think she means well. But the problem persists: Despite all of the rhetoric, despite all the promises, the National Endowment for the Arts continues to underwrite projects that offend the sensibilities of millions of American taxpayers who resent the NEA's giving the taxpayers' money to self-styled artists whose art comes straight from the gutter and the sewer.

So, this amendment that Senator ASHCROFT and I will formally offer shortly keeps faith with the courageous decision of the House of Representatives to withhold funding from the National Endowment for the Arts during the House consideration of H.R. 2107, the Interior appropriations bill. The Senate, simply said, ought to do what is right and follow suit.

Following that vote in the House of Representatives, the NEA's supporters did the usual thing. They trotted out their customary absurdities in describing an America without art, an America without culture unless the Senate restores full funding to the NEA. And they did that with violins being played and weeping voices. Baloney. Perhaps the Senate will default on its responsibilities, but it will have to do it after a number of Senators have made clear why the House action with reference to the NEA was entirely justified.

Madam President, Americans watching and hearing this Senate session this afternoon on C-SPAN should be prepared, sooner or later, for another dose of the same old, tired rhetoric about how the survival of arts in America depends upon the NEA—when the truth of the matter is that American arts were thriving long before the agency received its first penny, its first appropriation, back in 1966, and the arts will continue to flourish and flower long after the NEA has disappeared from the radar screen.

In any event, the American people may be forgiven for wondering precisely how do the powers-that-be at the National Endowment for the Arts define—define—American arts and culture. Let's do a little thinking about that. The agency's recent grant to the Whitney Museum may provide a useful clue. On July 15, 1997, the news program "Dateline" NBC reported that the NEA had given a grant of—now get this—\$400,000 to the Whitney Museum. As NBC pointed out, the Whitney Museum is the beneficiary already of an unusually large private endowment. Yet the museum is nevertheless

deemed by the NEA to be a worthy recipient for Federal taxpayers' dollars.

What exactly is it about the Whitney Museum that makes it so worthy? Certainly, one must hope, not the 1997 biennial exhibition.

The average taxpayer sitting in North Carolina or Idaho, or wherever, will never know anything about this unless the news media tells them or unless they are watching C-SPAN at this moment. But this year's biennial—and this is just an example—this year's biennial featured an exhibit that launched an attack on Santa Claus. The Kansas City Star newspaper reviewed the show and included this observation:

The myth of Santa propounded by Disney and Hallmark is rendered all but unrecognizable by Paul McCarthy's video installation of a wildly perverted Santa's workshop. The main players, raunchy art-girl elves dressed in skimpy elf tunics and sticky-dirty with chocolate sauce, alternately devote themselves to creating confections and performing lewd acts with stuffed animals, one of them large and animate.

Oh, boy, Madam President, if that is art, then the sewer is a swimming pool. In awarding the show's "booby prize" to Mr. McCarthy, the Wall Street Journal's Deborah Solomon wrote this:

Reader, I can only hope you're not eating your breakfast when I tell you that his "Santa's Workshop" revolves around the theme of Christmas personalities doing weird things with excrement.

Indeed. And I hope anyone listening to this debate in this audience this afternoon will inquire of the Senators from their States why they approve of a Federal agency that awards \$400,000 of the taxpayers' money to the curators of a museum who countenance such an exhibit.

Oh, I can hear it, Madam President. I have been hearing it for over 8 years. "Oh," they say, "such grants of questionable taste are purely isolated incidents." The trouble with that is that the evidence suggests otherwise, because last year, \$150,000 of the NEA's funds went to a project by a choreographer named Mark Morris, and he is the very same Mark Morris who once staged a homosexual version of "The Nutcracker Suite," called "The Hard Nut." The taxpayer will be forgiven for wondering whether Mr. Morris' future work will deal with similar material.

I believe we already heard all we want to hear about last year's \$31,500 grant for the production of the film "Watermelon Woman," to which two or three Senators have already alluded on this floor this afternoon. This film was made by and about lesbians and featured in the words of the reviewer "the hottest lesbian sex scene ever recorded on celluloid." And this is one of the art projects that the National Endowment for the Arts, Madam President, said we must have in order to preserve art and culture in our society.

Perhaps worst of all, however, is a travesty that emerged from a \$25,000 grant to an organization called FC2, a bunch of weirdoes responsible for pub-

lishing, among other sickening things, Doug Rice's book entitled "Blood of Mugwump: A Tiresian Tale of Incest."

Oh, boy, what an artistic achievement that is. According to the back cover of the book, the plot, if you can call it a plot, describes "[a] member of a clan of Catholic, gender-shifting vampires [setting] out to discover himself in his sister's body."

Twenty-five thousand dollars of your money, Mr. and Mrs. America, goes so we can keep art flourishing in the United States.

That is not the half of it, Madam President. Suffice it to say that our staff members were—and I am talking about the folks I work for in my office, the finest young people you ever saw—they were just about ready to throw up earlier today after they had glanced through this wretched book's description of incestuous sexual activity, paid for with the taxpayers' money, mind you.

Whether all this garbage is metaphorical or literal or whatever, I don't know, I don't care, and I don't want to know. What I want to know is how long we are going to tolerate the National Endowment for the Arts continuing to fund this kind of garbage. I do know, and I have known this for a long time, and I have said it a thousand times on this floor—and maybe if I live long enough I will say it another thousand times: the American taxpayers should not be forced to pay for stuff like this. But if one opens this book to the copyright page, there it is: The seal of approval from and by the National Endowment for the Arts.

Let me say that again—and I like Jane Alexander, she is a nice lady—but she is not controlling that shop down there. I cannot believe that she is. Let me be clear. I am not calling for censorship. I come from the news business. I made my living that way for most of my life before I came here. But this is not censorship to say we are not going to pay for this kind of mess anymore. I say again what I have said many times, I don't have any problem with some guy going in the men's room and scrawling dirty words on the wall, provided he pays for his own crayons and provided he owns the men's room. Making the taxpayers pay for it is what I object to.

This Doug Rice is entitled to write whatever he pleases. He may try to shock and offend whatever poor souls across America run across his foul literary pretense, but let me reiterate, again and again, the American taxpayers should not be forced to subsidize such sewage as this work.

But you know, Madam President, many Americans believe—and I agree with them—that grants such as these are sufficient reason to end, once and for all, funding for the National Endowment for the Arts. I suspect that the American people would be even more resolute in their opposition to the NEA if they were aware of other practices of the NEA that bring the NEA's legitimacy into question.

To begin with, the American public needs to know about the NEA's practice of carefully rewarding its supporters and past beneficiaries. For example, even the New York Times, liberal as it is, loving the NEA as it does, has reported that 85 percent of this year's recipients have previously fed at the NEA trough.

How have they done it? I will tell you. The NEA does not consider the financial position of its applicants. That would step on some toes, you know. Instead, the NEA continues to hand out money to institutions that have a conspicuous lack of need—they don't need it—for being handed large sums of the taxpayers' money.

Harvard University—now get this, Harvard, which has in its bank accounts an endowment of more than \$6 billion—billion with a "b"—\$6 billion; nevertheless, it was sent \$150,000 by the National Endowment for the Arts. What for? I will quote it to you:

To support augmentation of the Harvard University Art Museum's endowment.

Doesn't that grab you? That just makes me tearful with joy. If you believe that, you will believe anything.

Phillips Academy, one of the most prestigious boarding schools in the country, received \$125,000 from the NEA this year.

The University of California at Berkeley received \$135,500.

Princeton University, with its total endowment exceeding \$2.6 billion that they have already gotten from private sources, nevertheless the good old NEA sent them \$20,000 of taxpayers' money. Now, how do you like them apples?

Yale University—I am not going to let them get off the hook—with a total endowment fund of \$3.5 billion which it had gotten from private sources, received \$100,000 from the NEA for the Yale Repertory Theater for—I want you to guess what for—a celebration of the 100th birthday of a Marxist playwright, Bertolt Brecht.

Boy, I know the people in Shetland Switch will be delighted to hear that their money was sent there. That is exactly what we count on our Federal Government to do.

Additional scrutiny of NEA grants provides countless examples of such financial judgment. For one example, bureaucracy being piled upon bureaucracy. How do they do it? Very simple. The NEA gives grants to the Federal Government itself. That is a neat trick, isn't it? For example, the Federal Facilities Council of the State Department—and I am going to speak to Madeleine Albright about this—will receive from the NEA up to \$10,000—now stay with me—up to \$10,000 "to support a partnership of Federal agencies convened to identify and advance technologies, processes and management practices that improve the planning, design, construction, operation, and evaluation of Federal facilities and enable more effective utilization of limited resources."

Madeleine, you better come home.

Seriously, Madam President, what does all of this mean? For those of us not fluent in the language of bureaucrats, your guess would be as good as anybody's, but only in Washington would one Federal agency fund another Federal agency for a study on how to increase efficiency.

Finally, there are the so-called planning and stabilization grants for which the NEA spent more than 10 million bucks this year. And what is the purpose of those grants? Mostly for giveaway gambits like the \$125,000 grant to Jacob's Pillow Dance Festival, Inc., in Lee, MA, which was given the money not because it needed the money, but they wanted to increase their cash reserve a little bit.

Well, I expect there are some Senators around here who would like to have their cash reserves increased a little bit.

This, to be serious about it, I say to Senators and ladies and gentlemen who may be listening, this is your tax money. And I want to ask you, How's your cash reserve?

But let us be very clear about what the NEA is doing. It is putting your tax dollars—no questions asked—into the bank accounts of artists and institutions for which there is simply no precedent—no precedent—for these handouts.

Even disadvantaged businesses that qualify for low-interest loans from the Government must pay back the money, but not these rich folks. If any of these struggling small businesspeople asked for a cash-direct handout from the Federal Government, they would be laughed off the premises and they would be recommended for a medical examination.

Madam President, I am not going to belabor the subject anymore except for one closing observation. I say this with all seriousness. What does or does not constitute art is not decreed from on high by the National Endowment for the Arts. Art and culture—for better or worse—should remain in the hands of the American people, not bureaucrats. Continued funding of the NEA not only wastes the taxpayers' money on a small contingent of wealthy elitists, it also continues the arrogant assumption that a Government-funded arts establishment must—must—determine what art is fit for public consumption.

I think there is no exaggeration involved in saying that this assumption is contrary to the Founding Fathers' notions of freedom and liberty on which I was taught as a little boy that this Nation was built. In fact, I think that if Jefferson and Franklin and all the rest came around here one of these afternoons, I suspect they would agree with millions of Americans who have so little regard for the entity known as the National Endowment for the Arts.

Thank you, Madam President. I yield the floor.

Mr. DEWINE addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

DAYTON AVIATION HERITAGE NATIONAL HISTORICAL PARK

Mr. DEWINE. Madam President, I would like to take a moment to discuss a project of great importance to me and to the people of the State of Ohio. I am referring to funding for the Dayton Aviation Heritage National Historical Park. This project is currently included in the House version of the bill that we are currently debating. I am very hopeful that it will receive full consideration by the conference committee and be included in the final bill that is reported by the conference committee.

Madam President, on October 16, 1992, Congress established the Dayton Aviation Heritage National Historical Park to commemorate the legacy of two Daytonians, Orville and Wilbur Wright and their significant contribution to human history through their pioneering exploration of flight.

Madam President, in an effort to create a single coordinated facility recognizing the Wright Brothers' work in Dayton, in 1994 the National Park Service assumed responsibility for the remains of the brothers' bicycle company. And then 2 years later, in 1996, the Park Service obtained the surrounding property which is known locally as the Hoover block.

Madam President, the Hoover block has been designated as the core site for Federal management of the Dayton Aviation Park and will be the park headquarters and will also be the primary visitor center.

From 1890 to 1895, this very site served as the location of the brothers' print shop, the print shop called Wright & Wright Job Printers, which, by the way, printed the Tattler, a newspaper founded by the famous Daytonian and Ohioan black poet, Paul Laurence Dunbar.

Madam President, timely restoration of these sites is critical to ensure the building will be renovated and open to the public by the year 2003 when Ohio and the rest of the Nation and the world will celebrate the centennial of powered flight.

Trying to meet this deadline, Madam President, I have been working with my colleagues in the Ohio delegation in the House, most notably, Congressman RALPH REGULA, Congressman DAVID HOBSON, and Congressman TONY HALL, working with them to ensure and secure funding for the upcoming fiscal year so that renovations can proceed without delay.

Madam President, I think that this project has national significance. It has significance for my home community, the Miami Valley in Ohio, and the entire State of Ohio. I grew up about 20 miles from where the Wright Brothers really learned to fly and where they did their pioneer work, where they did their studies, and where they prepared to fly.

Madam President, I note the presence on the floor of my good friend from Washington, Senator SLADE GORTON,

who is of course the chairman of the appropriations Subcommittee on the Interior. I already have had several conversations with my friend and colleague regarding this particular project. He knows well of my personal interest in the project. I really wish to express to him my appreciation for his willingness to pursue this matter in the conference committee.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. GORTON. I thank the Senator from Ohio for his eloquent statement. I know how important this project is to Senator DEWINE. As he has stated, we have talked about this project on several occasions over the past 2 months, and I must confess that the Senator's enthusiasm for his project has rubbed off on this Senator. As my colleagues may know, the Senator from Ohio grew up not far from where the Wright Brothers made their dreams of powered flight a reality. It also is no secret that the legacy of the Wright Brothers is very much alive and well in my own State of Washington.

Madam President, I want to assure the Senator from Ohio that he has convinced me of the merits of this effort to restore this important historical landmark in time for the centennial celebration of powered flight less than 6 years from now. I am strongly inclined to support his position in our inevitable conference with the House of Representatives on the subject.

I also urge my friends from Ohio to keep me and the members of my subcommittee informed of his continued efforts and those of the Dayton community as it prepares for the celebration in the year 2003.

Mr. DEWINE addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. DEWINE. I thank my colleague for his work on this bill and for his commitment to pursue this issue in conference. I appreciate that very, very much. It means a great deal to me and to our community and to our State. I thank him very much.

I yield the floor.

Mr. ABRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. ABRAHAM. Thank you, Madam President.

NATIONAL ENDOWMENT FOR THE ARTS

Mr. ABRAHAM. Madam President, I rise today to speak about a topic which has been ostensibly discussed this afternoon, namely, the portion of the Interior appropriations bill devoted to the National Endowment for the Arts. It is my plan—and still in the process of being drafted—to offer a slightly different type of an amendment from the ones which have been discussed already. I do not have that amendment here, so I will not be introducing it at this time. I am going to be trying to work with some of the others who have concern about this issue to determine exactly how we might finally present

the proposal I am going to discuss here today.

I rise as a Senator who finds himself, and has since he arrived in the Senate, somewhat perplexed as to how we should proceed with regard to funding for the arts. I am an enthusiastic supporter of the arts. I think that it is in the Nation's interest, certainly, to do the most we can with scarce resources to try to encourage young artists, regardless of their specialties, to pursue their interests and their creative skills. And at the same time it is quite clear that the method that has been used recently, at least, has prompted a great deal of controversy and, in my judgment, to a large extent set back the progress with regard to our Nation's artistic activities.

Because what we have had for too long, it seems, is this ongoing debate between whether or not the National Endowment for the Arts is properly funded by the Federal Government or whether it should be eliminated.

What we have is a debate that essentially, on the one hand, argues that taxpayer dollars should not be used to support what many consider to be obscene activities or inappropriate activities, and, on the other hand, we hear from the arts community—and I have certainly heard from a number of individuals representing that community since I have gotten to the Senate—that the efforts on the part of Congress to either limit the funding or to put strings on the funding constitute, if not an explicit form of censorship, certainly an implicit form of censorship.

In addition, I hear in my State a lot of concerns because, as the charts which were here earlier indicate, our State is not getting the sort of revenues and resources to work with as many other states of equivalent size. So there is a frustration both with the inadequacy of the resources which come back to my State of Michigan as well as some concern about whether or not Washington expertise is in the best position to determine which projects in our State should be supported.

In my judgment, the logical solution to all of this is to maintain a national entity which oversees various arts activities and supports those which are worthy of such support but to not have it funded by the taxpayers' dollars. In other words, what we ought to do, in my judgment, is to privatize a national program, an American endowment, if you will, for the arts, one which receives no direct taxpayer support but one which nonetheless can perform some of the national responsibilities that have been outlined by advocates of the existing NEA.

If it were done in that fashion, Madam President, we would be in a position where at a national level determinations could be made as to priority arts programs. Those priorities could be given support, and the support would not necessarily therefore have to come with a lot of strings attached. If

performing artists became a priority, individual artists became a priority, a national endowment not supported by taxpayers' dollars would be able to support such efforts.

Today, because of the handcuffs which have been attached in recent appropriations bills, that cannot happen. In short, we can get away from this debate between obscenity on the one hand and censorship on the other and support the arts in a private fashion.

Some have argued this is not feasible, that there is no way to come up with the resources required. But in my judgment that is wrong. Just as a starting point, it is currently the case that over \$9 billion a year is expended in support of arts activities across this country. Indeed, a number of the individual arts organizations have larger, substantially larger, annual budgets than the National Endowment for the Arts. Indeed, the amount of money that we currently spend in the NEA on an annual basis—\$100 million—is just a fraction of the \$9 billion which is annually expended on these types of programs. It is smaller than that expended by the Lincoln Center, by a variety of other very large and well-known arts organizations.

Indeed, I believe, as we have seen by the remarkable outpouring of support from the arts community itself, whether they are famous artists individually or national organizations, corporations who deal in arts and entertainment, it would seem to me that the ability to raise funds for such an independent entity would be rather within our reach.

My plan basically is to privatize the NEA over the next 3 years. In this year's appropriations bill we would, consequently, reduce funding by approximately one-third, although we would make it feasible for the NEA to expend a percentage of its dollars it has to begin a fundraising program to find ways to privatize the entity at the end of the 3-year period. In other words, we would begin the process. It would not be done overnight. It would allow for existing institutions, who are beneficiaries of NEA support, to not find themselves overnight without any support but on notice that in 3 years the support would be coming from a private entity.

In exchange, what I would envision is to spend these dollars, which would be reduced on an annual basis, on other very important national treasures. It is currently the case, for instance, Madam President, that the Star-Spangled Banner, the actual flag that prompted Francis Scott Key to write our Nation's national anthem, is in desperate need of financial support for purposes of preserving that flag.

Ellis Island, the site of the arrival of millions of immigrants to this country—one of the true historical treasures—is in decay and in desperate need of support. The Presidential Papers of many of our Nation's Chief Executives are in a position where the preservation of those documents is at risk.

My amendment will allocate the funds that are being reduced from the NEA to the support of these national treasures, treasures which I think virtually every Member of Congress could agree deserve support.

If my amendment were to pass this year, my plan would be to follow up with a variety of very specific actions designed to be consistent with the support for a privatized NEA, including a sense-of-the-Senate amendment which I will be offering to specifically express the Senate support for a private ongoing NEA outside of taxpayer support, and other ideas such as a checkoff plan by which taxpayers could direct individual contributions to an independent entity.

The bottom line is this, Madam President, we have to make decisions all the time about priorities. It seems to me in the area of the National Endowment for the Arts, the logical thing is to preserve it in a way that allows it to function in its fullest sense, and to function independently and privately. When I offer my amendment, I will discuss this in greater detail.

In the meantime, I think we have an obligation, whether it is to preserve the Star-Spangled Banner itself, or to renovate Ellis Island so it can be preserved, or to make sure the papers of our Presidents are preserved, we have an obligation to preserve them.

I believe the amendment I will be offering strikes the right balance. My amendment is quite consistent with that offered earlier by Senator HUTCHISON. I have indicated I would support that approach as well, because it does not immediately phase out the support which many of our State and local arts organizations receive. I think my amendment moves us in the right direction because it brings us to a point, in a short period of time, over 3 years, where the National Endowment for the Arts would not have to be here each year trying to justify itself on Capitol Hill, but could operate with unfettered discretion and make its own judgments and eliminate the debate between censorship and obscenity.

The best way to do that is to take the taxpayers out of the picture so they can make independent decisions and not worry about the political debate it finds itself in. Then we can direct the resources which our taxpayers send to Washington to preserve items such as a President's papers, Ellis Island and a variety of other national parks and national institutions in desperate need of support. This would be the most sensible way to approach it.

It is my plan currently to offer an amendment, once it is fully drafted, to that effect.

I yield the floor.

The PRESIDING OFFICER (Mr. ALLARD). The Senator from New York.

Mr. MOYNIHAN. Mr. President, I have the honor to rise in support of the distinguished chairman's remarks in regard to the proposed allocation of appropriations for the National Endowment for the Arts.

I will presume upon the Senate's time on a relatively quiet afternoon to give just a little background of the measure that is before the Senate today.

Once again we seem to be doing a major disservice to ourselves with the politicization of matters that ought to be as far from politics as ever is possible: the support the Government provides, not expensive but nonetheless critical, for the arts of our Nation.

It would seem that the National Endowment for the Arts is challenged on three fronts: first, whether our Nation even needs Federal funding for the arts, second, that the Endowment should do more to reduce objectionable art, and third, that the current grant apparatus disproportionately funds some regions more than others. If I might, I may be able to shed light on this triumverate.

I was present at the creation of the National Endowment for the Arts which we are debating today, which we debated last year, and which we will debate henceforth how long, who knows.

It was begun in a time of great national agreement on this subject and a rather clearer understanding, if I may say, than we sometimes have now, on the nature of this subject. This all began in the summer of 1961 when the musicians in the Metropolitan Opera Orchestra in New York announced they could not continue under the contract they had with the trustees. They were members of local 802 of the American Federation of Musicians.

Indeed, the prospect confronted us all that the Metropolitan, the Met, as we say in New York, would have to cancel its 1961-62 season. Then some inspired person had the thought, why not ask the newly appointed Secretary of Labor, Arthur J. Goldberg, to arbitrate the dispute? It was a natural thing for him to do; he was Secretary of Labor, this was a labor dispute. He was a great supporter of activities of this kind, a man of huge, varied talent. As an American Jew, he had served in the OSS behind German lines during World War II. He had been very close to the steelworkers. He had helped bring about the merger between the AFL and the CIO, what we now call the AFL-CIO, the American Federation of Labor and the Congress of Industrial Organizations.

His wife Dorothy was a supremely gifted artist. He moved easily in the world of the arts, as well as of business and labor and government. He went on, of course, to be an Associate Justice of the Supreme Court, and then in an act of great self-sacrifice—and he knew it at the time; I was with him at the time—he accepted the demand, if you put it that way, from President Johnson that he leave the Court and go to New York to be the United States permanent representative at the United Nations at a time of cold war crisis. It was his way to do such things and to accept such assignments.

Now, in the life of the things he had done, arbitrating a dispute between, I believe, some 62 musicians and a well-established and attractive, civic-minded charity was not especially challenging, except he found something out. He found, as he put it, "Mrs. August Belmont and Mrs. Lewis W. Douglas, who were the leaders of the trustees, didn't have any money." With the best will in the world, they could not meet the requests that the union was making. They were then making \$170 dollars a month. That comes to about \$45 a week. That, sir, amounts to about \$1 an hour. The minimum wage was twice that, or thereabouts, at that time. They were persons of world standing in the arts, but the arts could not provide them a living. What they were asking for was \$268 a month—something like \$60 a week, something like \$1.50 an hour. With the best view in the world, all that Secretary Goldberg could do was to offer them a \$10 a month raise. They made their living teaching and doing other things. They were devoted to music, but they had families, too, and the ordinary interests of persons who live an ordinary life, an ordinary citizen.

What they were caught up with—and I do not want to take the Senate into a long discourse on economics, but it is a matter which comes to this floor in one mode or another almost every day—they were caught up with what came to be known as the cost disease of the personal services. This was a concept worked out by a great American economist, happily still vigorously pursuing his works, William Jay Baumol, then at Princeton University. He and his wife were opera lovers, as it happened, and he, too, noticed about this time that the Metropolitan Opera orchestra always seemed to be about to go on strike—this problem, that problem—and what was the matter here?

His main field in economics is deeply abstract, hugely influential studies of transaction costs and things like that. But he said, well, listen, if I'm an economist, I ought to be able to understand some of this, and he came up with the idea of the cost disease. His colleagues, as is frequently the case in medicine and physics and economics, began to call this Baumol's disease.

It can be very easily explained. The productivity of personal services does not grow, or grows very slowly compared to the productivity generally in the economy. You could put it this way. In 1797, if you wished to perform a Mozart quartet, you needed four persons, four stringed instruments, and 43 minutes. Two centuries go by and to produce that stringed quartet you need four persons, four stringed instruments, and 43 minutes.

If the great Mormon Temple Choir undertook to do a Bach oratory when it was founded, I believe there are 350 members of that choir, so to do a Bach oratory in 1897, that would take 350 musicians an hour and a half. A century goes by and it still takes 350 per-

sons and an hour and a half. That is called Baumol's disease. If you play the "Minute Waltz" in 50 seconds, you speed up productivity but you do not get quite the same product.

That is why teachers are relatively more expensive than farmers. Farmers have quadrupled and quintupled and quintupled again their productivity, but a first-grade teacher can handle about 18 young 6- or 7-year-olds in 50-minute classes; you can put 190 kids in that class and it would not be the same.

That is why we always have friction in our economy between those activities where we depend very much on the personal services and those which involve the mechanized services or the electronic services—think what we have seen in productivity in computation in the last 20 years.

Secretary Goldberg thought what to do, and I think at this removed place in time it is no indiscretion to say he called me in and said, "PAT, I have no money for these musicians. We have to give them hope," and he said, "Write a portion of my arbitration decision which says it's time the Federal Government gets into the business of helping with the arts."

This is not a new idea. George Washington wrote to a Rev. Joseph Willard, March 22, 1781, and said, "The arts and sciences are essential to the prosperity of the state and to the ornament and happiness of human life. They have a claim to the encouragement of every lover of his country and mankind." It was as clear to George Washington as a matter could be. A few years later—that was in 1781. In 1785, Jefferson wrote to Madison:

You see, I am an enthusiast on the subject of the arts, but it is an enthusiasm of which I am not ashamed, as its object is to improve the taste of my countrymen to increase their reputation, to reconcile them to the respect of the world, and to procure them its praise.

And so, Mr. President, on that occasion, the arbitration decision was accompanied by a statement urging U.S. support for the performing arts. The New York Times—and forgive my provincialism, as that is where I come from—announced this on the front page, and this was Friday, December 15, 1961:

Goldberg Urges U.S. To Subsidize Performing Arts. He Asks Business and Labor To Help as He Gives Pay Increase in Met Dispute.

Then it says, "Excerpts from proposals aid for the arts * * *."

Inside, they printed the text of Goldberg's statement urging U.S. support for performing arts.

Washington, December 14—Following is the text of Secretary of Labor Arthur J. Goldberg's statement on "The State of the Performing Arts," which was included in his findings in the Metropolitan Opera dispute.

The statement begins.

The financial crisis of the Metropolitan Opera, which raised the prospect that the 1961-62 season might not take place, may prove to have been an event of larger significance in this history of American culture.

And, sir, it has. As the Senator from Vermont and Senators supporting this measure on both sides of the aisle will know, the National Endowment moved in direct sequence from the Goldberg finding to President Kennedy to the White House where President Kennedy established an advisory commission on the arts and humanities. Let's remember that the humanities are still part of this. Earlier, we heard the distinguished Senator from Michigan talking about the public papers of Presidents, which are now being very steadily published and compiled—they had not been, but now they are.

Now, the question is, were we aware that one day we might be on the floor of the U.S. Senate facing charges like that? Sir, I would like to say with considerable vigor—if that is the term—of course, we were. We knew perfectly well that once the Federal Government got into the question of funding for the arts, we would get into the question of what arts to fund. It is not a very complicated sequence. This statement says,

President Kennedy observed not long ago that the Federal Government "cannot order that culture exist, but the Government can and should provide the climate and the freedom, deeper and wider education, and the intellectual curiosity in which culture flourishes."

And then Secretary Goldberg's prescient finding on the nature of our debate today:

The issue of Federal support for the arts immediately raises problems. Many persons oppose Federal support on grounds that it will inevitably lead to political interference. This is by no means an argument to be dismissed, and the persons who make it are to be honored for their concern for the freedom of artistic expression. In an age in which a third of the globe languishes under the pathetic banalities of "Socialist realism," let no one suppose that political control of the arts cannot be achieved.

I might say that again.

In an age in which a third of the globe languishes under the pathetic banalities of "Socialist realism"—

As it was called in the Soviet Union—

let no one suppose that political control of the arts cannot be achieved.

As we look in that direction in the world right now, we realize that there are limits to such control, and the efforts of Government to control the arts will never, in the end, succeed. I will go back to our statement, sir.

Justice Goldberg said, "The overwhelming evidence is that the free American society has shown deep respect for the artistic integrity of the artist. Every attempt to interfere with that freedom has been met with vigorous opposition, not least from the artistic community * * * Artists are as susceptible to pressure as the next person, but for every artist who capitulates there is another from that unruly band to take his place, which the late Russell Lynes has described as the 'uncaptured, the disrespectful, and the uncomfortable searchers after truth.'"

I don't want to make any special case for work that has no real purpose, save

to shock—although some work that shocks in one generation is revered in the next. We would be very wrong to forget that. Artists have always sort of known it. In 1939, one of the great American painters, John Sloan, one of those who organized the armory show of 1913 in Manhattan, which brought the postimpressionist French painters from the School of Paris to Manhattan, and it shocked everybody. Picasso was shocking, as were the others. But in very short order they came to be revered. It took a generation, but it did happen.

Sloan once said, in 1939—and he had a particular kind of humor in this regard, also a kind of clairvoyance. He said:

It would be good to have a Ministry of Fine Art. Then we would know where the enemy is.

Indeed, I can recall an occasion when this subject was raised in a hearing before the Finance Committee and some witness, someone out of patience, said, "All right, Senator, what would you do to have the Government encourage the arts?" I said, "Well, offhand, the only thing I can think to do would be for the Government to forbid them." That always has a lively effect, as we can look around the history of the world and the history of the 20th century and find out. But what we are doing here is supporting the arts.

The National Endowment began as an effort to provide a living wage for musicians in a situation where, through no fault of their own, through the workings of the economic system—I mean the laws of economics, of productivity change, they needed public support, and it has flourished. It was a very interesting fact that after President Kennedy's assassination, the first thing this body did was to propose that a cultural center that was being discussed for the arts be named the John F. Kennedy Center for the Performing Arts. That was a center that needed public support to make it possible in the present day. Those resources were there, and that activity has become part of the life of our Capital.

Nonetheless it remains the case, inevitably it is the case, that there are places where particularly intensive activities in the arts occur—our third proposition at issue today. It is somehow in the nature of creative work that it tends to concentrate in one place and bring people to it. It is the normal experience of the arts, particularly large and expensive activities which involve musicians and performers and composers, as well as audiences. New York has been such a place since the beginning.

It has been argued that it cannot be fair that one third of NEA grants go to six cities—with New York at the top. As it was when we examined this subject three decades ago, New York is the center of the arts—as it is of the visual arts, as it is of publishing—as it has been from the time we started our Nation with New York as the Capital.

The purpose of culture is not to serve the Nation, but we speak proudly of our role in the last two centuries. And to the extent that we do, we speak of the things that have happened, to an extraordinary degree, things that have happened in the city of New York by people who came from all over the country—and the world—to that center of creative activity.

Some propose that we take money away from the city of New York and distribute it elsewhere. This idea is very different. The idea is to strike at the artistic activities and expressions which are found at the center of the Nation's art world. There is something foreboding here. Do we break up the country into its competing parts? Do we want to go back to a time when those who had kept? They did not share—to reach out and bring to a place that did not have things they might need in health, in education, in standards of relations between labor and management—in a sense of sharing of common culture, of diffusing, and enriching of culture. I do hope not.

It all began, sir—and I will conclude on this thought—at a time of promise in our Nation—great threat and danger, good God, yes, but promise, good spirits and creativity in Government. The Government thought through a problem that the public had, that the polity had, that the culture had, and came up with some answers. They have proven themselves powerfully important in what has now been almost two generations. And I would hope that this moment of unparalleled prosperity, with the United States—we wrote of a third of the world "languishing under the banalities of Socialist realism," all that gone, and could we not relax a little bit and do what the chairman and able committee wishes done and get on with the other matters of State. The arts will be there whether we wish them or not and, in the main, I think we do wish that they will be.

Mr. President, I thank the Chair, I thank my colleagues for their courtesy. May I ask unanimous consent, sir, that the text of Secretary Goldberg's decision on the arts be printed in the RECORD at this point.

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

[From the New York Times, Dec. 15, 1961]

TEXT OF GOLDBERG'S STATEMENT URGING U.S. SUPPORT FOR PERFORMING ARTS

WASHINGTON, Dec. 14.—Following is the text of Secretary of Labor Arthur J. Goldberg's statement on "The State of the Performing Arts," which was included in his findings in the Metropolitan Opera dispute:

The financial crisis of the Metropolitan Opera, which raised the prospect that the 1961-62 season might not take place, may prove to have been an event of larger significance in this history of American culture.

In an age when we must accustom ourselves to a welter of untoward and unwelcome events, there are yet some things that are unthinkable. It was unthinkable that the Metropolitan Opera season should not take

place. Yet suddenly that very prospect faced us. Few events could have produced so instant a national awareness that an artistic calamity of the first order was in the offing. The insistent, repeated warning of artists, critics and benefactors as to the financial crisis of the performing arts in America were confirmed in the most dramatic possible way.

It is worth emphasizing that this situation was confirmed rather than discovered. The problem has been well known to and thoroughly expounded by any number of persons in responsible positions in cultural affairs. This, happily, is a positive factor in the present situation.

We are fortunate in having the present crisis brought vividly to the national attention without any actual loss—the Metropolitan Opera season is taking place. We are doubly fortunate that, confronted with the need to act, we have at hand an abundance of thoughtful, constructive proposals for action. This is perhaps notably true in Congress where legislators such as Senators William Fulbright and Jacob K. Javits, and Representatives Frank Thompson Jr., of New Jersey and John Lindsay of New York have devoted a great deal of attention to this important public issue.

PROBLEM OUTLINED

It is not necessary to review the full range of information which is available on the financial condition of the performing arts, nor to recapitulate the many valuable proposals that have been put forth to improve that situation.

One central fact, however, is worth emphasizing. The problems of the performing arts in America today are not the problems of decline. They are the problems of growth: A growth so rapid, so tumultuous, so eventful as to be almost universally described as an explosion. The specifics have no parallel in history.

America today has some 5,000 community theatres—more theatres than radio and television stations. There are better than 500 opera-producing groups—seven times as many as fifteen years ago. Symphony orchestras now total 1,100—twice as many as only ten years ago, and fifty in the suburbs of Los Angeles alone.

Resources such as these for the consumption of artistic creation do not of themselves insure creativity, but one could hardly hope for a climate more receptive to the creative artist. An era of unequalled achievement may well be upon us.

LONDON STATEMENT NOTED

Recently the times Literary Supplement observed from England, "If neither a Bach nor a Michelangelo has as yet appeared in Detroit, a splendid mass of evidence has been assembled to point the way. Not only is the talent visible in ever-increasing quantity but the facilities for using it exist as nowhere else."

The American artistic scene today is alive and vibrant. At the same time, some of the foremost institutions of American culture are in grave difficulty. The Metropolitan Opera is not alone. Other opera companies, and a number of our leading symphonies, share in a substantially similar financial plight. The artists, moreover, are generally underpaid. The details may differ, but the general condition is the same. The problem, of course, is money. The individual benefactors and patrons just aren't there, as they once were. Just as importantly, as we become more and more a cultural democracy, it becomes less and less appropriate for our major cultural institutions to depend on the generosity of a very few of the very wealthy. That is a time that has passed, and the fact is evident.

HOW TO SAVE IT

The question before the nation, then, is how to restore the financial viability of these institutions and to promote the welfare of the artists upon whom these institutions in the final analysis do and must depend.

It is, to repeat, unthinkable that they should disappear at the very moment when they have achieved an unprecedented significance to the American people as a whole. They are a heritage of the past. They are equally an earnest for the future: they stand as our expectation of the quality of the American creative artists whose works they will perform.

The answer to this question is evident enough. We must come to accept the arts as a new community responsibility. The arts must assume their place alongside the already accepted responsibilities for health, education and welfare. Part of this new responsibility must fall to the Federal Government, for precisely the reasons that the nation has given it a role in similar undertakings.

The issue of Federal support for the arts immediately raises problems. Many persons oppose Federal support on grounds that it will inevitably lead to political interference. This is by no means an argument to be dismissed, and the persons who make it are to be honored for their concern for the freedom of artistic expression. In an age in which a third of the globe languishes under the pathetic banalities of "Socialist realism," let no one suppose that political control of the arts cannot be achieved.

RESPECT FOR INTEGRITY

The overwhelming evidence, however, is that the free American society has shown a deep respect for the artistic integrity of the artist. Every attempt to interfere with that freedom has been met with vigorous opposition, not least from the artistic community. Artists are as susceptible to pressure as the next person, but for every artist who capitulates there is another to take his place from the unruly band which Russell Lynes has described as "the uncaptured, the disrespectful, and the uncomfortable searchers after truth."

The answer to the danger of political interference, then, is not to deny that it exists, but rather to be prepared to resist it. A vigorous, thriving artistic community, close to and supported by a large portion of the public, need not fear attempts at interference. Let our writers and composers and performers give as good as they get. Indeed, when have they done otherwise? The situation is no different from that of academic freedom in our colleges and universities: it is by defending their rights that our faculties strengthen them. This is ever the condition of freedom.

This is not an area in which we are without experience or precedent. For many years the arts have received support from public funds in many different forms. Much experience supports the general proposition that public support is most successful when it represents only a portion of the total funds involved. The principle of matching grants has clearly proved its validity, and should be the basic principle of any Federal participation in support of the arts. The variations of this arrangement are many, and perhaps as a general rule it may be said that the more levels of government, institutions and individuals involved, the more likely it is that the artists themselves will retain control over their work.

6-POINT PARTNERSHIP

The principle of diversity of support for the arts should accompany the principle of

community responsibility. Our objective should be the establishment of a six-point partnership that will provide a stable, continuing basis of financial support for an artistic community that will at once be responsive to the needs and wishes of the public and at the same time free to pursue its own creative interests

I

The principal source of financial support for the arts must come, in the future as in the present, from the public. Art is consumed in many forms, by a vast and widely diverse audience. The essence of a democratic culture is that the artistic community should have a large audience, drawn from all areas of the society, which returns value for value in a direct and equal relationship.

While, if anything, greater provision should be made for special children's concerts and below-cost performances for special groups, the general musical and theatrical public must expect to provide a greater portion of the costs of the performing arts, through devices such as season subscriptions and special associations for the support of particular activities.

II

The patrons and benefactors of the arts have a continuing and vital role to play. It is inevitable that in an age or esthetic creativity the interests and tastes of many of the best artists will run ahead of, or even counter to, the general standards of the time. Here the support of the enlightened patron can have the most profound and fruitful consequences.

Similarly, there are many artistic forms of the past, of which opera is but one; which are simply too expensive to be supported entirely by ticket sales or general purchases. In such instances the support of art patrons makes it possible to preserve for the present and future many of the most profound creative achievements of the past.

III

Private corporations must increasingly expand their support of community activities to include support for the arts. One of the hallmarks of American free enterprise is the remarkable extent to which business has voluntarily contributed to educational, charitable and health activities in localities throughout the nation.

In line with the wider recognition of community responsibility for the arts, business corporations would do well to consider allocating, as a matter of course, a portion of their total contributions to these activities. The Texaco-sponsored broadcasts of the Metropolitan Opera, the television dramas sponsored by the Westinghouse Corporation and the makers of Hallmark Cards, and the institutional advertisements of the Container Corporation of America, using modern art, are good illustrations of another and important form of support which business corporations can give to the arts.

IV

The American labor movement has a responsibility for support of the arts similar to that of American business. This has been recognized to some degree, as in the contributions several unions have made to support children's and other special concerts, but on the whole the community contributions of American trade unions have been directed for activities similar to those which have attracted business support. A parallel adjustment is in order.

V

Local governments, and to a lesser extent, state governments are already providing a considerable measure of support for the arts,

in line with the clearly manifested interest of the American people in expanding the artistic resources available to the general public.

The support of art museums is already a general practice. Everyone accepts the fact that it is appropriate for a state or local government to provide housing and custodial support to such museums. The question naturally arises why this support should not be provided for our operas and symphonies as well. Of course, the main source of public support for the arts should continue to arise from the spontaneous, direct desire of local and state governments to provide for the needs of their own communities. This is an ancient tradition in the arts, one on which we might draw more extensively.

For example, the practice of universities of making provisions for artists-in-residence might profitably be adopted by municipalities—one recalls that Bach for the last quarter century of his life was the Municipal Cantor of Leipzig.

V/

The Federal Government has from its beginning provided a measure of support for the arts, and there can be little question that this support must now be increased. This can and should be done in a variety of ways.

The Federal Government may be a direct consumer of the arts, by commissioning sculpture, painting, and awarding musical scholarships.

One of the most important, and perhaps most proper role of the Federal Government is to help state and local governments and private nonprofit groups build and maintain the physical plants required by the arts. Theaters, concert halls, galleries are the precondition of many of the arts. Public support at all levels of government in the area of helping provide and maintain art facilities poses the minimum danger of Government interference with the arts themselves. A splendid example of such cooperation is the Lincoln Center for the Performing Arts, where city, state and Federal funds are all being combined to provide a magnificent cultural center in New York.

The concentration of public support upon providing physical facilities for the arts should not preclude programs of direct Federal subsidy for theatrical and musical performances and similar activities. However, Federal subsidies of this kind should be granted on a matching basis, with much the larger proportion of funds provided by private sources, or by other levels of government.

LARGER DUTY SEEN

The Government has a larger responsibility toward the arts than simply to help support them. President Kennedy observed not long ago that the Federal Government "cannot order that culture exists, but the Government can and should provide the climate of freedom, deeper and wider education, and the intellectual curiosity in which culture flourishes."

Our concern with the condition of the arts in America must ultimately and principally take the form of concern for the position of the artists. Our principal interest is that the American artist should remain a free man. Without freedom there is no art or life worth having. That there are more comfortable conditions than freedom has no bearing on the central fact.

However, we may also legitimately concern ourselves with the status of the artist in our society. An artist may be well fed and free at the same time. That an artist is honored and recognized need not mean he is any the less independent. America has a long way to go before our musicians, performers

and creative artists are accorded and creative artists are accorded the dignity and honor to which their contribution to American life entitles them.

The President and Mrs. Kennedy have greatly advanced this cause by the inclusion of artist and writers such as Pablo Casals and Robert Frost in a number of the most solemn as well as the more festive occasions of state. The proposal of the President to consider the establishment of a national honors system clearly presents an important area in which Artistic achievement can be further recognized by the nation.

ADVISORY COUNCIL SOUGHT

The most important immediate step which the Federal Government may take is the establishment of a Federal advisory council on the arts. Such a measure has been introduced by Representative Frank Thompson Jr. and others, and is now before the Congress.

The functions of such a council would be fourfold:

(1) Recommend ways to maintain and increase the cultural resources of the United States.

(2) Propose methods to encourage private initiative in the arts;

(3) Cooperate with local, state, and Federal departments and agencies to foster artistic and cultural endeavors and the use of the arts both nationally and internationally in the best interest of our country, and

(4) Strive to stimulate greater appreciation of the arts within the councils of Government.

If it were composed in large part of working artists and artistic directors, it could have important influence on Government policies which have a direct bearing on the resources available for support of the arts. A number of proposals which have come to my attention are perhaps worth noting as instances of a very considerable body of ideas that are worthy of consideration.

TAXES DISCUSSED

Mr. John D. Rockefeller 3d, has pointed out that under present Federal income tax law, a deduction for charitable contributions by an individual is limited to 20 per cent of his adjusted income, or in the case of gifts to churches, operating schools and colleges, and certain types of hospitals and medical research organizations, the limitation is 30 per cent instead of 20 per cent.

Congressman Keogh of New York has introduced legislation which would extend this added 10 per cent to include libraries and museums of history, art or science.

Senator Javits has proposed to add symphony orchestras or operas to this list.

Mr. Rockefeller has suggested it be further extended to include ballet, repertory drama and community arts centers. While it is not possible to forecast with any precision just how much extra support would be forthcoming as a result of such a measure, it is obviously a matter worthy of the attention of an advisory council on the arts.

Another tax matter which merits careful consideration is the problem of artists generally, and performing artists in particular, whose earnings are frequently concentrated in a comparatively short period of years, with the result that they are taxed at a much heavier rate than if their earnings were spread over a normal life employment span.

This is a hardship to the artists, it is also a burden to the managers of theatrical and musical enterprises, who frequently are required to make up some of the difference by paying stars higher salaries than would be required if their tax payments were lower.

Recently forty nations met in Rome to negotiate an international convention for the

protection of performers, producers of phonograms and broadcasting organizations. Parts of this convention concern the protection of performing rights, which correspond for performing artists to the copyright protection now enjoyed by authors. These rights do not exist for performers under United States law. It would seem quite in order for this subject to be given careful consideration.

ROYALTY PROPOSAL GIVEN

Mr. Robert Dowling has recently brought up to date a proposal introduced in Congress in 1958 by Senator Fulbright which would make it possible for the Federal Government to collect royalties on music which is now in the public domain, or becomes so in the future.

Senator Fulbright's bill provided that "all music now or hereafter in the public domain shall be the property of the United States as copyright owner, and be used by it for the benefit of the public."

Although this is a new concept in the United States, the arrangement has been followed for years in other countries, notably France. Senator Fulbright proposed that an administrative body be established which would be authorized to administer the licensing of such music, utilizing the proceeds for the support of the arts, much in the manner of a private foundation devoted to this work.

The sums involved in such an arrangement, while not enormous, are nonetheless considerable. Mr. Dowling has estimated that the total potential income from royalties on music in the public domain, calculated on the same percentage basis as copyrighted material would be \$6,520,000 annually, distributed as follows:

Popular music (records)	\$1,100,000
Sheet music (classical)	3,420,000
Classical music (records)	2,000,000

At this period when the entire body of copyright law is under study, it would seem appropriate to give further attention to this attractive proposal for supporting the arts.

I commend these observations on the state of the arts to the earnest consideration of an advisory council on the arts, when constituted, to the Administration, the Congress, state and local governments and the public.

CONCLUSION

In concluding this award it would not, I feel, be inappropriate to make special note of the needs of the Metropolitan Opera itself. For years this grand institution had had the unfailing support of a great and varied number of New Yorkers and persons from all parts of the country.

The generosity—the magnanimity—of such splendid benefactors as Mrs. August Belmont and Mrs. Lewis W. Douglas is matched only by the devotion of the everyday opera lovers who fill and overflow the galleries. Try as, everyone does, the deficit is always there, and somehow ever more difficult to meet.

An outpouring of support for this great cultural resource would be an inspiring affirmation of the public interest in the preservation and encouragement of cultural activities throughout the nation. It would be an altogether appropriate, and most influential, beginning of an era of widely based and sustained support for the arts in America.

In his message of greetings and good wishes on the occasion of the opening of the 1961-62 Metropolitan Opera season in October, the President said: "The entire nation rejoices that this distinguished cultural asset in our national life will again be bringing the splendid performances of great artists to millions of American homes. For the music of the Metropolitan reaches far beyond the hearing of those gathered in this great hall. It endures, captured and held by human memory, a pleasure and inspiration for years."

For myself, I would wish to thank all those of both parties who have helped me with courtesy and assistance, and who have suffered this entire undertaking with a deep and fully mutual devotion to the art of the opera. I am fully confident that relations between the orchestra and the opera association can reach the level of confidence and cooperation that this shared devotion entirely warrants.

The difficulties of the present have proved the needed stimulus for a large and promising future. We look to the Met with high expectations for ever greater achievement in the musical arts.

Mr. JEFFORDS. First of all, Mr. President, I want to thank the Senator from New York, the ranking member of the Finance Committee, for his excellent presentation on the history of the Endowment. I think it is important that we dwell on that a while, or just a few minutes here anyway, because we have heard some rather severe condemnations of a program of which, in the final analysis, after review, would show has been very helpful in enhancing the availability of the arts in this Nation. I find it problematic that even though we seem to have eliminated all of the policies that have caused problems as part of the 1996 appropriations act, to some, they still seem to exist. Let me talk a little bit about that, after again, thanking the Senator most sincerely for that historical presentation, which was most helpful.

Back in 1996, when we passed the appropriations legislation, we placed prohibitions on policies that have caused difficulty with the Senator of North Carolina and others, on the utilization of funds from the Endowment. First, we placed a prohibition on subgranting. Now, subgranting was a practice in which the Endowment itself would give a grant to an institution and that institution would in turn make grants for other things or to individual performances. An example of such a practice was raised with regard to a program mentioned by the Senator from North Carolina with respect to the Whitney Museum. It is illustrative because it points out how far we would have to go in order to satisfy those who are concerned about painting the Endowment out to be making inappropriate grants—some time, some place, somewhere, some performance will be what someone might call pornographic. Most often, it is that subgrant or another activity, separately funded, which was not issued by the Endowment, like the example of a performance at the Whitney Museum. The Whitney Museum did get a grant for its building, but not for the performance that the Senator from North Carolina mentioned. Now, the Senator from North Carolina would say that because a performance was done in that building, which had received a grant for its construction, it should have been prevented because it, in his determination, would have been offensive. That is an unrealistic standard and I would hate to think that of the programs that we fund in the United States, that we

would go to the extent of censoring what people there participated in or what happens in our places of enjoyment, museums, or any place else.

Another thing we did to prevent some of the types of programming which had become offensive was to prevent seasonal support. Institutions must now specify what specific projects they will support with the funds they receive from the Endowment. And also, even more important from the perspective of trying to prevent the kinds of performances which the Senator from North Carolina was pointing out, was to prevent grants to individuals.

In the House when the issue of some of these grants was raised, Jane Alexander, the Chairman of the NEA—and I will make this a part of the RECORD—pointed out in the House definitively that they were not grants made by the NEA. Still, those are the ones that are used to condemn the NEA.

I ask unanimous consent that a copy of the letter from Jane Alexander to Representatives in the House be printed in the RECORD.

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

NATIONAL ENDOWMENT FOR THE ARTS,
Washington, DC, June 24, 1997.

DEAR REPRESENTATIVE: In recent days you may have received a videotape produced and distributed by the American Family Association (AFA) which contains film scenes that the AFA says were supported by the National Endowment for the Arts during my administration of the agency.

The video apparently contains scenes from five specifically named films. I want you to know that the NEA did not in any way pay for the production of three of the films entitled *Access Denied*, *Coconut Cane* & *Cutlass* and *Bloodsisters*. The fourth film entitled *Nitrate Kisses* was supported by means of an NEA production grant to an individual filmmaker during the previous administration before I became Chairman.

NEA did support production during my chairmanship of the fifth film, *The Watermelon Woman*, by means of a grant to *Woman Make Movies*/Cheryl Dunye in 1995. For your information, *The Watermelon Woman* has been reviewed very favorably, and is showing to audiences in theaters and film festivals throughout the country.

You should know that the NEA has not made any grants to individual filmmakers since 1996, because grants to most individual artists were abolished by Congress that year. We also have not supported the general distribution of films since 1996, because those grants fall into the category of general seasonal operating support, which Congress also abolished in 1996.

The AFA also criticized the agency for supporting *Fiction Collective 2* (FC-2), a small publisher at the University of Illinois, which has introduced some of our newest minority writers of quality to the American public. Over the years, FC-2 has sustained a commitment to intellectual challenge, and some of America's greatest writers have supported it.

As you may know, the AFA has a long record of distributing purposefully inaccurate information about the NEA. The fact remains that this agency has made more than 112,000 grants over the course of its thirty-two year history, and fewer than forty of them have caused some people some problems. That's a record of excellence that any

private business or government agency would envy.

I hope you find this information helpful, and hope that I can count on your support.

Sincerely;

JANE ALEXANDER, *Chairman*.

Mr. JEFFORDS. Mr. President, I want to point out that we should not get off track of what the Senator from New York has attempted to do, and that is to remember why the Endowment was created and what is the importance of the arts, what is the importance of the Federal support for the arts.

We have a huge Nation, a wonderful Nation, and a nation with diverse cultures with wonderful things occurring from one coast to the other, from the North to the South. The arts help us understand life and the NEA help the Nation learn about the good things that are going on in the arts across the country—the good things that will help us understand where we are going, what our society is about, and what we need to do to be happy, to have a good life, and to be able to solve our problems.

The purpose of the Endowment is to allow those areas—those things that are successful, those things that appeal to us, that make our culture rich—our art—to be shared from State to State. The Federal role encourages this exchange and supports all States by collecting, disseminating, and allowing programs to tour all around the country, making sure that programs which are important and essential to education or to assist those in depressed areas that are impoverished are shared.

So I will be offering an amendment which will say that at this time in our Nation we recognize that we have two very serious problems, and they are very closely related:

Education. We know that we must improve education in our Nation. It is essential that we do that. It is essential because in this day and age competition from international economies has created real problems for us, with jobs in the thousands leaving this country and going to others, threatening our Nation's ability to compete right now. For instance, we have 190,000 jobs in the technology area that are going unfilled because we do not have the young people or older people with the skills necessary to perform those jobs. We had one CEO who testified before the Labor Committee who said that he had seriously considered, like others are moving centers of their manufacturing from this Nation to other nations because people there have the skills, they are ready, they are available, and the cost is cheaper.

So one of the purposes and an important function of the Endowment is to try to see how we can help solve that problem of education.

In addition to that, we also have the problem of welfare reform. Some of the greatest problems this Nation faces are in the inner cities with our poor, with violence, and with the incredible problems that people face trying to find direction and meaning in their lives.

What can you do? How can you escape from the pressures that you have in the ghettos?

I have traveled around this Nation and have observed education and welfare programs. Many of these are programs were enhanced by programs put on or financed in part by the National Endowment for the Arts. Let me give you a few of those to demonstrate what I mean.

The thing I would like to talk about first is education; and learning. It is so much easier to understand and to learn if what you are doing is relevant, or in some way relevant, to your life, making it a little bit better, or giving you a way to make it a little bit better.

Let me go through some of the programs that I have witnessed. These were funded by the Endowment, or assisted by the Endowment. Let me take you to the inner city of New York City in the Hispanic area where some of the highest crime rates and some of the highest poverty rates exist.

I visited Ballet Hispanico on a weekend morning where young kids of 5, 6, 7, or 8 years old received instruction in ballet, participating with all the enthusiasm that young kids can have, knowing that when they left there they were going to have just a little bit more hope. This program provided a way that they could see a window through all of the chaos that they live in to be able to take them to a better life.

A more dramatic exhibition of that, also in New York City was a program that I visited—again, a program which was supported by the Endowment—where I saw these young children all drawing kind of frantically on the papers that were in front of them. I asked, "What is going on here?" The teacher informed me that each one of those children had lost a member of their family, by violence, that they had blocked off reality, and they could not communicate about what happened to them. But by drawing and by artistic expression they could let their feelings out, they could break through, there was hope for those children that their life could break away from this poverty and violence which they were in.

Also, one only has to go to listen to the Harlem Boys Choir or so many other demonstrations of what has gone on with the individuals who have participated in NEA funded activities. I also went out to San Diego, CA, and went to a school out there which was an incredible one, a music magnet school, but again in one of the depressed areas of San Diego. This was a middle school of seventh, eighth, and ninth grades, where they had an orchestra, a band, a jazz band. Almost everyone in that school had arrived there in the seventh grade without any skills in music. When I listened to them play, it brought tears to my eyes. To think that these young people when they came to that school did not see a purpose in life but perhaps now saw that there could be some beauty in their lives. I could go right here to Washington, DC. In Washington, DC, we

have a school that is under the tutelage of the Kennedy Center. I was amazed with that one. I found they had artists there who were teaching, but they weren't teaching art. They were teaching math, and they were teaching science. How were they doing that? I went, and I watched these young kids making little pianos. They were learning how to measure them, construct them, and learning their geometry. Then they learned how the sounds came out differently from the little thing they hit it with. They could make music. They understood why the frequencies were different and why the frequencies were made different by the lengths of those strings.

What happened to those students? The math rates went up in that school—not so much for the reading scores, but the math rate went climbing upward.

So we know that using the arts, there are ways in which we can break through to things which are interesting and relevant—music as well as the performing arts and the graphic arts.

So we have a way to realize improvement here. So that is why my amendment would say that what we need in this country is to identify each of these programs all throughout the country and to let other people know in other States what programs are working, what are the ones that break through to those young kids who had suffered from violence and loss in their families. Which ones broke through to help? Is there further evidence of how this could work?

Statistics based on College Board figures, the organization that performs the SATs, show a difference between those students who participated in music and the arts as compared with students who did not. They found there was a dramatic difference. With those who had 4 or more years in music or art, verbal SAT scores went up almost 60 points and math SAT scores went up over 40 points. To a young person who is hoping to break out of poverty, to not get caught on welfare, the thought that by participating in music and art, the window of opportunity could be enlarged and the doors of college or university could be opened wide to them gives you an idea of what can happen if we structure the NEA better so that it identifies, helps fund and allows us to share throughout this broad Nation of ours those successful programs.

I have done a rough analysis and summary of just a few of the successful kinds of programs that we have like this in this country. They are very different. Some use the arts secondarily. Some in different ways teach math or science. Roughly 1 percent of our schools are good; 1 percent are doing the job; 1 percent of our students are getting that kind of education that we need. Ninety-nine percent need to learn from somebody, somewhere, or somehow how they can improve their results. The way they can do it is by being able to know where those programs are, who has them, so that they

can identify and look at them and replicate them.

I think the Endowment, by helping identify, perhaps in cooperation and coordination with the States and the Department of Education, can make those programs available for others to see and to utilize.

One of the advantages of this great Nation is that we have people who are innovative, who can design and find ways to solve these problems. The disadvantage we have over foreign nations is that of replication, getting the people who are in charge of the programs, who are trying to design these things well to become aware of successful programs that already exist.

Let me give you an example of how we differ from other nations, and we have to analyze it as to whether we should be looking at this problem and see if we can correct it. I think we should. We have a program in the area of work force improvement called TECH PREP. It is in combination with the secondary schools and junior colleges or community colleges, and how they can work together and bring some of the courses down into the high school and to pull the students up to the level where when they graduate they will have the ability to get those jobs that I was talking about those \$30-, \$40-, \$50-an-hour jobs paying \$100,000 or \$90,000 that are available in this Nation.

Malaysia came over and took one look at our program, TECH PREP, and said this is a great idea. Look how well it is working. They went back and overnight Malaysia adopted our TECH PREP program. We are still at 1 percent. About 1 percent of the schools in this country have the TECH PREP linkage with other higher educational institutions.

Those are just examples of why it is necessary for us to have programs and methodology to be able to share those great things which are occurring throughout the Nation so that they can be available to all. Those things will not be readily located or identified or provided unless we have some way to collect, to identify, to evaluate, and to let others know about them. I believe the Endowment could help us immeasurably in that area.

Mr. President, I have gone on longer than I wanted to. I suppose I will be back tomorrow when we take this up. I hope that my colleagues will share some other examples of NEA-funded programs that demonstrate the advantage of a Federal system which tries to enhance the arts and our culture, enhances enrichment and educational activities as well as to show what positive results can be achieved by giving young people, at an early age, an interest in learning. The NEA has been successful in these areas.

Mr. President, I yield the floor.

Mr. ENZI. Mr. President, I want to make some comments about funding

the arts, and I rise in strong support of the amendment offered earlier today by my friend and colleague from Arkansas, Mr. HUTCHINSON. I commend him for taking such an active role in the issue. It is an issue that people have very strong and very divergent feelings about. It is that divergence of opinion that brings me to the floor to support this amendment.

In the House, it is my understanding that there is a majority in favor of eliminating funding. We will be voting on that, too. Senator HUTCHINSON is offering an alternative. He has done a lot of research on funding equity to meet the purpose of arts, of getting it out as divergent as possible across the United States, and we have not been doing that with equity.

During the course of this debate we have heard example after example of successful and valuable local projects. We hear about Shakespeare in the Park and we hear about traveling museums, we hear about folk festivals and chamber music, and visiting artists. These are very worthwhile programs, and they yank at the rural heartstrings of both liberals and conservatives alike, but the survival of those activities is not the subject of this amendment. In fact, this amendment would strengthen those programs.

The variety of approaches today alone for funding the arts shows that what we are doing has some major flaws, and there is a saying that if you keep on doing what you have always been doing, you are going to wind up with what you have, or less.

Everyone in this Chamber is familiar with the past trouble surrounding funding for the national endowments. There are too many examples of poor judgment in the granting process, too many examples of taxpayers' money wasted on projects with absolutely no redeeming social or cultural value. There are also those who argue that art is subjective, that Congress should refrain from limiting expenditures in order to foster freedom of expression.

This is not a debate about censorship. It is a debate about spending the people's money. It is a debate about who gets to make the decisions. It is a debate about who can most encourage art participation and who should make those decisions.

Is there any reason why national panels are more qualified to fund art than State or local panels? If the strongest justification for continued arts funding is the value of local programs, then we should recognize that and strengthen what works, eliminating what does not.

Last week the Senate took a historic step in the right direction when we voted to return K through 12 education spending decisions to the local school boards. That vote indicates a frustration we all feel with the abrogation of local decisionmaking authority, with the dissolution of American democracy. Programming decisions, on programs such as education and the arts,

must be subject to local sensitivities and needs. Federal bureaucrats have no accountability to people because nobody lives at the Federal level. People live at the local level, people learn at the local level, and people appreciate and produce art at the local level. Even the Smithsonian, National Gallery, and the Kennedy Center produce and display collections of local art. So if we are going to fund our cultural resources with taxpayers' dollars, then let us give the taxpayers the opportunity and the responsibility to do it right.

In my hometown of Gillette, for example, where I served as mayor for 8 years, we are particularly fond of Camplex—the Campbell County Arts and Activities Center. Representatives from all over northeastern Wyoming take advantage of the performances and exhibits offered at Camplex, and many of those productions are made possible using Wyoming Arts Council support to leverage additional matching funds from local, State, and national sources. In fact, they leverage the resource about 10 to 1. That is local participation, local approval, and local decisionmaking.

I understand the importance of arts and humanities funding in places like Wyoming. I know about the distances between small towns that would never get to participate in the arts if it were not for some funding that helps to get it to them over those distances.

Seeing the arts encourages the talent that lives there. It brings out the talent of the kids, and we do have some very talented kids. Every Senator in this Chamber could point to some successes in their States. There is some misconception out there that conservatives do not appreciate the value of the arts and humanities in our society, but that is not an accurate view. This conservative Senator believes there is a place for arts funding, but that place is not in Washington. This is about an equal chance throughout the United States for equal funding in the arts.

I congratulate the Senator from Arkansas for his middle of the road approach, and I yield the floor.

Mr. BROWNBACK addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. BROWNBACK. Mr. President, I rise in support of the Helms amendment to the Interior appropriations bill. The Helms amendment, which abolishes the National Endowment for the Arts, is the only fiscally responsible approach to the funding of the arts by the Federal Government.

The Federal Government truly has to be downsized and more limited. Some on the Senate floor today have argued, and rightfully so, that the National Endowment for the Arts would function much better as a private endowment funded with private dollars, and I agree. We cannot let the Federal Government continue growing unabated, swallowing up the private function of

our society as it grows. We have been given stewardship over the public purse, and we cannot abdicate that responsibility just to placate some of the special interests in Washington. We cannot continue wasting taxpayer dollars on the National Endowment for the Arts.

NEA funding in this appropriations bill is over \$100 million. I support the arts, but the simple truth is our Federal Government is broke. We simply cannot afford to keep on funding art when we are in this type of fiscal condition and when we have other programs that do struggle which we should be funding.

Before we vote on this issue, I simply ask my colleagues to consider a simple question. If your family was broke, if they were in a tough financial circumstances, if they were looking at an enormous mortgage on their house, enormous debt that they have, would they be out buying art? The simple answer to that is no, they would not.

We are in a similar situation here. We are still struggling to get the budget balanced, and we are going to get there. But once we balance it, we are still over \$5 trillion in debt. That is how big the mortgage is on the country.

We are talking about a program that I just do not think can justify itself, given the financial conditions that we are in and given the role of a limited and focused Government. I do think we ought to support the arts, and that should be done privately. That can occur and should occur. But when we are in this type of fiscal condition, funding art is clearly not an essential. Subsidizing artistic endeavors, inspiring artists is a worthwhile project but not for the Federal Government. The House has seen the wisdom to abolish this Government program. We should have the wisdom to do the same.

In considering this amendment, there are a lot of things that it seems to me the Federal Government could do without—a smaller, better focused Federal Government, a more limited Federal Government—and have a better Federal Government at the end of the day. Here is one clear example. It is one we do not need. It is one we have had extended debate about. It is not as if this is a new topic coming up. It is time to do it, and that is why I am supporting this amendment.

Mr. President, I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

EXCEPTED COMMITTEE AMENDMENT BEGINNING ON PAGE 96, LINE 12 THROUGH PAGE 97, LINE 8

Mr. ASHCROFT. Mr. President, I ask unanimous consent that the Senate

proceed now to the committee amendment on page 96.

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

The amendment is as follows:

NATIONAL ENDOWMENT FOR THE ARTS

GRANTS AND ADMINISTRATION

For necessary expenses to carry out the National Foundation on the Arts and the Humanities Act of 1965, as amended, \$83,300,000 shall be available to the National Endowment for the Arts for the support of projects and productions in the arts through assistance to organizations and individuals pursuant to section 5(c) of the Act, and for administering the functions of the Act, to remain available until expended.

MATCHING GRANTS

To carry out the provisions of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965, as amended, \$16,760,000, to remain available until expended, to the National Endowment for the Arts: Provided, That this appropriation shall be available for obligation only in such amounts as may be equal to the total amounts of gifts, bequests, and devises of money, and other property accepted by the Chairman or by grantees of the Endowment under the provisions of section 10(a)(2), subsections 11(a)(2)(A) and 11(a)(3)(A) during the current and preceding fiscal years for which equal amounts have not previously been appropriated.

AMENDMENT NO. 1188

(Purpose: To eliminate funding for programs and activities carried out by the National Endowment for the Arts)

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

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Missouri [Mr. ASHCROFT], for himself, Mr. BROWNBACK, and Mr. SESSIONS, proposes an amendment numbered 1188 to the committee amendment beginning on page 96, line 12 through page 97, line 8.

Mr. ASHCROFT. 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:

Beginning on page 96, strike line 14 and all that follows through page 97, line 8.

Mr. ASHCROFT. Mr. President, I want to thank Senator HELMS from North Carolina for having participated and spoken in advance about this amendment. This amendment relates to the funding of the National Endowment for the Arts. It's a means whereby arts are subsidized by the Federal Government, where the citizens of this country are asked to participate in funding a variety of things which are designated as art or as worthy of being supported by the Government. I appreciate the leadership of Senator HELMS in this matter. I thank him for his outstanding remarks which he has made earlier today.

On the tomb of English architect Sir Christopher Wren, there is an inscription which reads, "If you would see his monuments, look around you." Each day I am moved by the beauty of the monuments of this historic city, monuments to Washington, to Jefferson, to Lincoln. They are emblematic of what

is great in the art and architecture history of the United States. For years we will stand looking at these monuments as testaments to our faith. Further, they serve to remind us of the central role that artistic and scholarly expression can and should play in our lives.

It is within this context that we must determine what involvement, if any, the Federal Government should have in the arts. It is my belief that arts and humanities funding is primarily a matter for private and local initiatives. There are, however, some areas that do merit Federal assistance. For example, the Smithsonian plays an important part in transmitting the cultural heritage of Americans from one generation to the next. We appreciate the fact that we can learn about what has happened in America by visiting the Smithsonian Institution museums. I think they are of great value.

Conversely, a number of federally funded programs, from, one, for instance, labeled "A Theater History of Women Who Dressed as Men," to projects representing various manifestations of political correctness, are a waste of our taxpayers' resources.

Begun in 1965 as part of President Lyndon Johnson's Great Society Program, the National Endowment for the Arts was supposed to raise the level of artistic excellence and promote a wide variety of art. The agency's budget reached a high of \$176 million just 5 years ago, in 1992, and it is slated to receive \$99.5 million in fiscal year 1997. Although the NEA has funded some worthwhile programs around the Nation, it has managed to create an unbroken record of special favors and embarrassments. Year after year, the NEA has doled out money to shock artists who produce obscene, antifamily, antireligious, so-called works. I will not say they are works of art. Nonetheless, President Clinton has continued his efforts to secure tax dollars for the NEA, requesting \$136 million for the agency in his proposed funding for fiscal year 1998.

Since the beginning of my tenure as a U.S. Senator, I have opposed Federal funding for the National Endowment for the Arts. I believe that Congress has no constitutional authority or valid role to play in funding the NEA. For example, during the 104th Congress, I offered, though unsuccessfully, an amendment in the Senate Labor and Human Resources Committee to reduce authorization levels for the NEA by 50 percent.

On July 15 the House passed legislation eliminating, this year, funding for the National Endowment for the Arts. However, on July 22 our Senate colleagues in the Senate Appropriations Committee took a different approach from the House by providing \$100.06 million in funding for the NEA for fiscal year 1998. This reversed a trend of declining amounts from 1992, and sends the dollar amounts back up again. I was disappointed by this action. That is why I am here today. I am here

today to attempt to persuade my colleagues to end funding for the National Endowment for the Arts.

There are numbers of reasons why we should end funding for the National Endowment for the Arts. Earlier today, Senator HELMS eloquently discussed one of those reasons, that the NEA has consistently funded art that is antifamily, morally objectionable, and obscene. There has been much debate on this point, and this debate, I am sure, will continue. I would like now to discuss some of the other reasons why we should stop funding the NEA.

In a time when we are paying the highest taxes in the history of the United States, why should we continue funding the National Endowment for the Arts? I think our priorities should be to balance the Federal budget as quickly as possible and deliver deep across-the-board tax relief to the American people. Another public gift to the NEA bureaucrats would be a slap in the face of millions of taxpayers who deserve tax relief but were told this year we just don't have enough resources to be able to accord you the relief you deserve. Frankly, that is an inadequate response to individuals while we are funding a variety of art projects which qualify on the basis of their political correctness; art projects which would undermine the very things that parents are trying to teach their children about the values that have made this Nation great.

Second, Congress should not be in the business of making direct subsidies to free speech. I really question whether it is the proper role of the Federal Government to directly subsidize free speech as we do through the National Endowment for the Arts.

Government subsidies, even with the best of intentions, are dangerous because they skew the market. They tend to allocate resources to something that would not be or could not be supported on its own. And they skew the market toward whatever the Government grantmakers prefer. It says that we think a certain kind of art is best and we will pay for that kind of art but we won't pay for other kinds of art. It seems to me, to have the Federal Government as a giant art critic, trying to say that one kind of art is superior to another, one kind of speech is superior to another, one set of values is superior to another, is not something that a free nation would want to encourage.

National Endowment for the Arts grants placed the stamp of official U.S. Government approval on funded art. This gives the Endowment enormous power to dictate what is regarded as art and what is not. Frankly, I believe they have made serious mistakes in the past, suggesting, of things that were nothing more than offensive, obscene material, that they were in fact art.

The Los Angeles Times critic Jan Breslauer demonstrates that the NEA's subsidization of certain viewpoints poses great problems. The Los Angeles Times critic writes:

[T]he endowment has quietly pursued qualities rooted in identity politics—a kind of separatism that emphasizes racial, sexual and cultural difference above all else. The art world's version of affirmative action, these policies . . . have had a profoundly corrosive effect on the American arts. . . .

Here is a critic, accustomed to evaluating art, saying that the National Endowment for the Arts and its subsidies have had a profoundly corrosive effect on the American arts. All too frequently, Government programs, even well-intentioned ones, have a reverse effect, an unintended consequence, an unanticipated impact. And that is what we have here. Critics, understanding, aware, in tune with what is happening in the art world, say that what we are doing with \$100 million of taxpayers' money is having a "profoundly corrosive effect on the American arts."

Here is how the Los Angeles Times critic says it is happening:

. . . pigeonholing artists and pressuring them to produce work that satisfies a politically correct agenda rather than their best creative instincts.

What the critic has really talked about here is that, instead of creating to express himself or herself, the artist ends up trying to create to express or impress Government.

When you have a sale of what the communication is and a subsidy that reinforces the fact that someone is willing to sell their idea and to distort their idea for purposes of selling it, that is nothing more than a prostitution of the arts. It changes arts from their purity—from purity to pandering. It panders after the bureaucracy and has, according to this well-known critic, "a profoundly corrosive effect on the American arts."

Despite Endowment claims that Federal funding permits underprivileged individuals to gain access to the arts, it is important to look at what actually happens. The NEA grants offer little more than a subsidy to the well-to-do. One-fifth of the direct NEA grants go to multimillion-dollar arts organizations, \$1 out of every \$5 goes to the multimillion-dollar art organizations.

Harvard University political scientist Edward C. Banfield has noted that the "art public is now, as it has always been, overwhelmingly middle and upper middle class and above average in income—relatively prosperous people who would probably enjoy art about as much in the absence of the subsidies." The poor and the middle class thus benefit less from public art subsidies than do the museum- and symphony-going upper middle class.

Economist David Sawers of Great Britain argues that "those who finance the subsidies through taxes are likely to be different from and poorer than those who benefit from the subsidies." In fact, the \$99.5 million that funds the NEA also represents the entire annual tax burden for over 436,000 working-class American families. To say to nearly half a million American families, everything you have as an annual tax burden will be taken and spent to

subsidize art, or so-called art, or politically correct expression which has been distorted by the bureaucrats that have demanded that things be politically correct, is an affront to hard-working American families. I think we either ought to spend the money far more wisely or, preferably, we ought to say to those families, we will not tax you so we can demand and elicit from an art community politically correct statements in which they do not necessarily believe but for which they will seek to alter their art in order to get the Federal funding.

In short, the Government should not pick and choose among different points of view and value systems. Garth Brooks' fans pay their own way, while the NEA canvasses the Nation for politically correct "art" that needs a transfusion from the Treasury.

If country music folks can spend their own money to enjoy the art they enjoy, I don't know why those who would patronize the ballet or the symphony or would somehow want to induce the support of politically correct art can't support their own version of what they enjoy in the field of art or performance. It is bad public policy to have these direct Federal subsidies of free expression.

Third, Congress had no constitutional authority to create or fund the NEA.

Although funding for the NEA is small in comparison to the overall budget, elimination of this agency sends the message that Congress is taking seriously its obligation to restrict the Federal Government's actions to the limited role envisioned by the Framers of the Constitution. Nowhere in the Constitution is there any grant of authority that could reasonably be construed to include promotion of the arts.

There has been a little debate about this. I would like to point out that during the Constitutional Convention in Philadelphia in 1787, delegate Charles Pinckney introduced a motion calling for the Federal Government to subsidize the arts in the United States. Although the Founding Fathers were cultured men who knew firsthand of various European systems for public arts patronage, they overwhelmingly rejected Pinckney's suggestion because of their belief in limited, constitutional government. Accordingly, nowhere in its list of the powers enumerated and delegated to the Federal Government does the Constitution specify a power to subsidize the arts. It was considered and overwhelmingly rejected by the founders.

Fourth, the arts receive funding from a variety of other sources, and they really don't need the NEA money. The arts in America have traditionally been funded by the private sector. Up until the creation of the National Endowment for the Arts in the mid-1960s, the arts flourished in this country. As a matter of fact, from my perspective, I don't think we have had a superior

development of arts in America with Federal subsidies or Federal funding. And, if we can believe the criticism of federally funded art as being art which has been distorted in order to follow the dollars of the Federal bureaucrats, insincere art that comes as a result of an enticement to be politically correct and doesn't really represent the expression of the artist, it can't, by definition, be art which would be as sound in quality as art which would have emanated from the conviction of one to convey what one believed.

As a matter of fact, if one was to compare the art generated prior to the NEA to art that has come after NEA, I don't think it would be any problem to see we have had great art throughout the history of the United States and worthy art for our consideration and our heritage in the absence of the subsidy of the Federal Government.

The growth of private sector charitable giving in recent years has rendered the NEA funding relatively insignificant to the arts community. Private funding of the arts has been rising consistently since 1965. It is estimated that individuals alone will donate nearly \$1 billion to the arts and humanities this year. That is the estimate of the House Committee on Education and the Workforce, Subcommittee on Oversight and Investigations.

Overall giving to the arts in 1996 totaled almost \$10 billion, up from \$6.5 billion in 1991, dwarfing the NEA's Federal subsidy. This 40-percent increase in private giving occurred during the same period that the NEA budget was reduced by 40 percent from approximately \$170 million to \$99.5 million. Thus, as conservatives had predicted, cutting the Federal NEA subsidy coincided with increased private support for the arts and culture.

Let me make a point here. When the Government tries to elicit politically correct art through the NEA, it distorts what happens in the artistic community. It distorts it in the favor of a few who would gain a majority in Government. When the private marketplace supports art based on the quality of the art, I believe that is a superior way to do it, and I believe it is superior for art. It is a way of promoting the arts through the private sector and the marketplace which doesn't have the pernicious impact of promoting art which is not for art sake or not for communication sake, but is for the purpose of attracting from the bureaucrats a Federal subsidy.

So not only is it better to have increasing funding coming from the private sector, in terms of providing adequate resources for the arts, but it provides the validity of which and the integrity of which I believe is much more to be desired.

Let me give you an example. National Endowment for the Arts funding is just a drop in the bucket compared to giving to the arts by private citizens. In 1996, the Metropolitan Opera of New York received a \$390,000 grant

from the Endowment. That is a Federal subsidy of \$390,000. That amounted to less than three-tenths of 1 percent of the opera's annual income of \$133 million, and it amounts to less than the ticket revenue of a single sold-out performance.

State and local governments outspend the NEA, and their funding of the arts has been increasing. The arts are a healthy industry, if you would call it such in this country. Employment and earnings of artists are rising. Art attendance is up in virtually every category, and the educational level of artists is rising, too. Ticket receipts for arts are rising.

The National Endowment for the Arts is not operating in an efficient and effective manner. Let me just indicate to you we have a lot of waste in this program. There is a lot of overhead. There is a lot of ineffective spending here. The NEA is not subject, for example, to the Chief Financial Officers Act, the Government Corporations Control Act, or other strict accounting standards. The NEA has not been subject to any outside reviews of its management or accounting procedures. And—listen to this—the NEA has an unusually high administrative cost for a Government agency which now approaches 20 percent.

We talked about whether or not the Endowment's budget would carry funding to common, average people, wage earners. Twenty percent of it goes just to fund the salaries of bureaucrats in Washington, DC, who make the demand that politically correct art be produced by artists who would otherwise paint or otherwise provide other artistic work.

We earlier learned that 20 percent of the budget goes to multimillion-dollar art agencies. So you have 20 percent that goes to the multimillion-dollar art agencies, another 20 percent that goes to the bureaucrats here in Washington, DC, and almost half the budget so far is in categories that clearly aren't going to benefit people, even if the nature of the art produced was valid and had the integrity that art ought to have. Then you have art critics saying that the remaining 60 percent is used to distort what would otherwise be produced in the marketplace.

The National Endowment for the Arts recently wasted millions of dollars of taxpayers' money on a failed computer upgrade. And according to the NEA's own inspector general, a large percentage of grantees fail to document properly their use of Federal funds. So even when they send money out under the agenda of the bureaucracy and there are requirements there be documentation for the utilization of the funds, the NEA's own enforcement office, the inspector general, says, "Well, a large percentage of the people never really explain adequately how they use the resource."

The NEA is not operating in accordance with congressional intent. According to its mission statement, the

NEA is to foster the excellence, diversity, and vitality of arts in the United States and to broaden public access to the arts.

One-third of direct NEA grant funds go to six large cities. One-third of all the funds find their way to New York, Boston, San Francisco, Chicago, Los Angeles, and Washington, DC. The rest of the country is left holding the bag, having made these other locations substantial beneficiaries of the tax resources of America.

Those six cities really leave much of the country without. One-third of the congressional districts fail to get any direct NEA funding. We have 435 districts. We have a lot of folks. So 140 districts, basically, get nothing. And, there is a large disparity in the amount of funding in districts that do receive funding. One-fifth of the direct NEA grants go to multimillion-dollar arts organizations. I already said that.

Moreover, the NEA continues to fund objectionable art, continues to do so despite the attempts by Congress to limit such funding.

I support and I appreciate the arts. Anybody who spent as much time with his mother standing behind him breathing down his neck as he sat on the piano bench and she counted the music and insisted on practicing has developed some appreciation for the arts. I don't play any of them well, but I manage to play three or four instruments. I have had the privilege of cutting a couple records and had a few people record songs I have written myself, but I never expected the Federal Government to come and subsidize what I do. Even the singing Senators don't want a subsidy for what we do. Of course, no one, not even the National Endowment, would construe what we do as art.

But I support the arts and I know that arts enrich our lives and make us better citizens, arts that are created and developed by individuals on the basis of their own sense of communication and not as a source of chasing Federal funding.

I believe we are challenged by the creative efforts and the talents of artists. Sometimes art doesn't have to be magnificent in order to be challenging or inspiring. I have seen inspiring art by children. I have seen inspiring art by those who are less fortunate than most of us, by those who are handicapped, because it represented some sincere expression from them as individuals. That art can teach us, it can help us, it can shape us, and it can challenge us.

No doubt, the abundance and variety of artistic expression in America plays a significant role in shaping our culture. My position in regard to eliminating the NEA should not be interpreted as a repudiation of the arts. It should be interpreted as a means of supporting the arts.

It must be clear that Congress should act pursuant only to its constitutional authority and not simply when Mem-

bers of this body believe that it is a good idea for Congress to support something. Amidst all the rhetoric and all of the accusation lies a central salient fact: that the U.S. Government is a profoundly poor patron of the arts, it is a poor judge of beauty and it is an even poorer judge of inspiration. If we had at our disposal all the money in the world, it would not change this reality.

Our resources should not be devoted toward subsidizing one kind of speech or expression over another, toward saying your sense of creativity is superior, your idea is superior to another. Rather, we should allow as many of those resources to remain in the hands of those who have earned them. When we have sought to elicit artistic achievement by governmental subsidy, according to some of the very best critics, we have distorted and profoundly impaired the ability of artists to operate. They have called our impact a corrosive impact on what would otherwise be art of greater integrity.

With that in mind, I thank Senator HELMS for his eloquent statement and his joining me in this amendment which would allow the Senate to join the House in declining to fund the National Endowment for the Arts.

Mr. BENNETT addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. BENNETT. Mr. President, I have listened with great interest to the debate this afternoon, hearing interesting comments by the senior Senator from New York who, as he said, was present at the creation of the National Endowment, hearing now this eloquent and well-reasoned attack on the National Endowment by the junior Senator from Missouri, I find myself compelled to make a few comments from my own observation that I think will be a little different from some that we have heard.

The Senator from Missouri talks about distorting the arts by virtue of Federal involvement and Federal subsidization. I can only say that is not what happens in my State. The main impact of the National Endowment for the Arts in the State of Utah has been to spread the arts; that is, make them available in areas in rural Utah and in poorer school districts where they would not be available otherwise.

I find no distortion of the arts when a Federal grant goes to support the establishment of string quartets playing Bach and Beethoven and Mozart in areas where the people would not of themselves be able to sustain that kind of musical organization coming into their community. I don't think it is a distortion of good art to have this kind of spreading effect take place in the rural areas of our country.

The Senator from Missouri makes the point that the vast amount of funding for the arts does, indeed, come from the private sector and that the amount of Federal contribution is so small as to be almost negligible, and he uses as his example the Metropolitan Opera.

I would be happy to stipulate that if the National Endowment for the Arts went away, the Metropolitan Opera clearly would not. The Metropolitan Opera has the ability and the visibility to raise the money necessary to stay viable if the NEA were to disappear.

But I stand here as a supporter of the NEA not because I love the Metropolitan Opera. I have been to a few performances. I think it is fine. I would go to more if I had the opportunity to be in New York more often. It is the Utah opera I am concerned about and, yes, the Utah opera would probably survive without support from the National Endowment for the Arts, but the fundraising efforts of those who put on and produce the Utah opera would be hampered.

The National Endowment for the Arts is something like a "Good Housekeeping Seal of Approval" put on a local effort which allows the people who are running that local effort to then go out and do their fundraising and say, "You see what we have here is really a class operation. It's something worthy of your support, worthy of your private contributions. Look. It's good enough that the National Endowment for the Arts has put their seal of approval on it."

There are organizations in Utah that compete heavily for that seal of approval, not because they are involved in any distortion of what they are doing for purpose of seeking a Federal grant.

The Utah Shakespearian Festival, for example, is not going to rewrite Shakespeare's plays just in an effort to get a Federal grant. But if they can get just enough seed money out of the National Endowment for the Arts that says to the people of southern Utah, "The Utah Shakespearian Festival has arrived, the Utah Shakespearian Festival is a first-class operation important enough to come to the attention of the National Endowment for the Arts," they can then take that statement, along with what little amount of money that came along with it, and redouble their fundraising efforts to make sure that the Utah Shakespearian Festival will thrive.

If I may, for just a moment, talk about the Utah Shakespearian Festival. It started as almost a class project at the College of Southern Utah in Cedar City for something to do during the summer. The founder of the festival would probably be a little more grandiose in his description of what he was getting started. This was roughly 30 years ago. It has grown to be one of the top five Shakespearian festivals in the country. People come from all over the country to attend it. And we have a marvelous, marvelous cultural experience in southern Utah as a result of its existence.

Do they need money from the National Endowment for the Arts to survive? No, they do not. But they compete for the money as often as possible even though they are now a multi-

million-dollar operation because they want the seal of approval that comes with the recognition by a centrally located Government agency that says, "You are quality. You have reached the point where you justify our kind of concern."

So those who are involved in the Shakespearian festival are grateful to me for speaking out in their behalf on behalf of the NEA. They are not seeking to distort what they do. They are not, as I say, rewriting Shakespeare's plays so some bureaucrat will love them. They are simply seeking the credibility that comes with association with the National Endowment for the Arts.

I have talked to school districts around the State of Utah. In every case, they have the same story to tell. "If we can just get a few hundred dollars that has the NEA seal connected with it attached to our program, we can then raise far more easily the local money that we need."

No, the Utah Opera will not disappear. The Utah Shakespearian Festival will not disappear. The Utah Symphony will not disappear. Ballet West will not disappear. These are the leading arts organizations in Utah. But the school music programs will be hurt. The orchestras—they are not even big enough to be orchestras. The school musical activities that go on throughout rural Utah will be hurt if the NEA disappears. I think that is something to be concerned about.

The Senator from Missouri says, well, the art in this country was just as good before the NEA as it has been afterward. I will not dispute that. I do not think the NEA has funded the creation of a new Beethoven or a new Michelangelo or a new Shakespeare. But it has made it possible for people to enjoy the productions of the old Michelangelo and Beethoven and Shakespeare in places where they had not had that opportunity previously.

Of course, in my State there is a long history of public funding for the arts. This is, as people perhaps are beginning to get tired of being reminded, the sesquicentennial of the arrival of the Mormon pioneers in Salt Lake Valley; 150 years ago this group trekked across the plains, came in to found what is now the State of Utah. And there has been a great deal of national publicity about that, a great deal of discussion about the difficulties and hardships that they went through.

In the context of this debate, I point out that within weeks after their arrival in the Salt Lake Valley, which was about as inhospitable a place as they could possibly have arrived, they put on a production of the "Merchant of Venice." In their total poverty, having walked across the plains, now exhausted, faced with the possibility of starvation because they were not sure they could get their crops in time to get any kind of a harvest before the winter set in, in a hostile environment where no crops had ever been grown be-

fore, they turned their attention to put on a production of the "Merchant of Venice"—public support for the arts.

You say, "Oh, that was all private money." Well, that is true. They did not have any Federal money. They did not have any money at all. And I am sure it was not the most wonderful production of the "Merchant of Venice" that has ever been put on. But they focused on the renewing, enriching circumstance of the arts. Brigham Young, when he arrived in the valley, planted his cane in the ground and said, "Here we will build a temple to our God," establishing his first priority, which was worship in the manner that they saw fit. That is why they went there, because they were prevented from worshipping the way they saw fit when they had been in the United States. And so they went to leave the United States. When they started out for that part of the world it was part of Mexico.

But the temple was 40 years in the building. Long before the temple was built, they had built the Salt Lake Theater. And they were having plays. They were supporting the arts with public funds.

We recently passed a tax increase in Salt Lake County for one purpose, and one purpose only, to support the arts—public funding going for arts support. The Utah Symphony probably would not survive without that tax increase. And there was a recognition that what the Utah Symphony does for the school children of Utah, what the Utah Symphony does for the cultural atmosphere of the entire State of Utah, the concerts they give all up and down the State that are attended free by schoolchildren and others is worth public funding for the arts.

That is a precedent that I think we cannot lose sight of when we are having this debate here on the floor and saying, "The public has no business funding the arts. Let the private people take care of it."

The public has an enormous stake in seeing to it that the arts flourish in our society, that if we ever get to the point where our schoolchildren have no appreciation for Shakespeare, have no sense of excitement when they hear the "Ode to Joy" from the last movement of Beethoven's 9th Symphony, because they have never heard it before—oh, if they live in a major metropolitan area they will hear it, if they live within the sound of public radio, which some of our colleagues in the House want to destroy as well, they may hear it—but there is nothing quite like hearing it live in your own rural community, maybe badly played, put on by the local folk, and only a few hundred dollars from the National Endowment for the Arts that made it possible, that started the ball rolling, but essential, vital, important to the lives of all of us.

The public, as a whole, has a stake in seeing that the arts flourish. Those who would cancel any kind of Federal participation in the arts will be sending a powerful message that the public

in the United States wants to turn its back on any kind of public involvement in disseminating the impact of the arts throughout our society.

So, Mr. President, with all due respect to my colleagues for whom I have great personal affection who are on the other side of this issue, I make it clear that I stand for funding for the National Endowment for the Arts.

Out of that general statement, let me make some specific comments about the debate we are having.

Is the National Endowment for the Arts the perfect vehicle for this funding activity that I have just defended? Probably not. There are always improvements that can be made in the bureaucracy.

Has the National Endowment for the Arts funded art with which I am disappointed? Absolutely. There is no question that the sense of outrage that has been raised on the floor of this House and the other over the years about some things that have been funded by money from the Federal Government is a legitimate sense of outrage.

Unfortunately, we have ourselves in the circumstance where if you are for the arts you almost have to stand up for this appropriations, in the way the public perceives it. And if you think that there is a problem, you almost have to be with Senator HELMS and opposing everything. I would hope we could get away from that. And I know there are a lot of amendments on the floor.

Senator HUTCHISON from Texas has one that I am almost tempted to vote for, maybe with some tweaking I might be able to vote for it. I wish we could be in the atmosphere where we started out with the amendment of the Senator from Texas and said, "OK, this is a description of where we want to be. Now let's try to work from here towards solution."

But unfortunately, the matter has been so polarized you almost have to pick a side and stand on that side and say, "Any movement away from this side opens me up to misinterpretation," any movement away from a stand for the full amount approved by the subcommittee that Senator GORTON chairs, and on which I serve, is a demonstration you are not in favor of the public support for the arts; or, on the other side, any movement away from total elimination is a demonstration that you are in favor of filthy art. I do not think either of those extremes is accurate in the legislative situation in which we find ourselves.

I would hope that in this Congress we would pass the bill as it came out of the subcommittee—I voted for it in the subcommittee and support it strongly on the floor—and then move toward a more reasoned or, if you will, less emotional analysis of what should be the future of funding for the arts, what should be the restructuring of the National Endowment for the Arts.

Could we perhaps combine the National Endowment for the Arts and the

National Endowment for the Humanities in a single endowment, overseeing both activities, and see if we can't achieve some efficiencies in administration, that some of the same administrative functions could take place to support both activities, and do that in a much less emotionally charged atmosphere that seems to surround this debate?

For that reason, I will support the amendment by the chairman of the full committee, Senator STEVENS, that says once this is all over in this appropriations bill, Congress should hold some hearings on this issue and see where we really ought to go.

But in this emotionally charged atmosphere that we find ourselves, I find that those kinds of conversations get lost in the rhetoric and you have to choose either one side or the other. The highly polarized atmosphere of this debate is, I think, unfortunate.

But in that atmosphere I have made my choice, true to the traditions of the State that I represent, going back 150 years. I have decided to support public funding for the recognition that it is the spreading of the arts throughout all of society that is the great benefit of the arts.

It is not for the elite, who sit in the concert hall and listen to the Metropolitan Opera, to say, "That is a magnificent operatic experience"; it is for the people in the small towns of Utah, who sing those operatic arias, usually rather badly, but are nonetheless inspired by the experience of coming in contact with that which the Metropolitan Opera itself helps preserve for the Nation as a whole.

Would I like to have more money for my State out of the National Endowment? Of course. What politician would not, but not at the expense of dismantling the great artistic organizations that are at the core of the spreading of art throughout our society as a whole.

So I look forward to the passage of Senator STEVENS' amendment, for the coming of some kind of hearings for the examination of the particulars of how we deal with this. But I repeat again, in the polarization that has occurred here where you have to ultimately say you are on one side or the other, I have chosen the side that I have been on. And I wish to make that clear.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I was particularly moved by the remarks of the Senator from Utah and decided I would come to the floor at this time and add my own thoughts, which are in support of the funding for the National Endowment for the Arts.

Mr. President, support for the arts and the humanities, in my judgment, characterizes a civil society. It establishes in many respects that Nation's place in history. We read so much about wars and politicians, but I find that the search for the arts is what really leaves the strongest impression

about a Nation's contribution to mankind.

Throughout our Nation's history, the arts have held a very valued place in our country. I listened earlier to our good friends and colleagues speak, and I went over to my reception room and lifted this volume entitled "The Art in the United States Capitol." Would it not be hypocrisy for those who feel so inclined to no longer help the communities have their own arts, would it not be somewhat hypocritical for us, since we live in and work in this collection of buildings, amidst one of the greatest collections of art in the world, and we are so proud that we put this book out?

Let me read the preface. It is 1976, the year of our bicentennial. 94th Congress of the United States, concurrent resolution.

Resolved by the House of Representatives, the Senate concurring, That there be printed with black and white and color illustrations as a House document, a volume entitled "Art in the United States Capitol," as prepared under the direction of the Architect of the Capitol; and that there be printed 36,400 additional copies of such document, of which 10,300 will be for the use of the Senate, 22,100 copies will be used for the House of Representatives, and 4,000 copies for the use of the Architect of the Capitol.

It is a beautiful volume, Mr. President. I urge those who enjoy, as I do, these magnificent paintings in this great institution to get a copy, if we can find it for them, and place it in their reception room. As the visitors come from all across my State, and indeed from other States, this is the volume which they pick up and go through with great pride. I am astonished we would enjoy what we have and at the same time not try to take the proper steps to provide for the rest of the country a comparable enjoyment.

As my distinguished colleague said, while we may not have, thus far, with the NEA created a Michelangelo, perhaps we have instilled in men to study his works. I often take time to go through our galleries and museums all across this country to enjoy the great contributions of those in our Nation who have placed in history this Nation's contribution to the arts.

I feel it would be a sad contradiction were Members of Congress to turn their back on funding for the arts at the same time we work among this marvelous collection of art and buildings, some of the most priceless pieces of art work in the country and enjoyed by millions of visitors every day to the Capitol of the United States.

The Rules Committee, of which I am a member, has oversight responsibility for these buildings and the works of art proudly displayed. We have a curator, a very knowledgeable individual with whom I have had many, many, enjoyable conversations. Each day our own collection is checked. Often it has to be refurbished. The Capitol Building itself is one of the finest examples of 19th-century neoclassical architecture, and it is noted in the hallways and throughout some 540 rooms of the Capitol that there are over 677 works of

art, including portraits, major paintings, statutes, reliefs, frescoes, murals, sculptures, and other miscellaneous items.

The National Endowment for the Arts and the National Endowment for the Humanities were founded some 30 years ago with the passage of the National Foundation on the Arts and Humanities Act of 1965. Since their inception, the NEA and the NEH have funded numerous museums, symphonies, and projects of historical and cultural significance.

In my State, the economic wealth of Virginia has been the beneficiary of many of those contributions.

In addition, the NEA and NEH grants served as a catalyst for organizations by assisting them in fundraising efforts in their own communities.

How often have I attended these events. And the fact that the National Endowment for the Arts in Washington, DC, recognizes that this particular entity in Virginia is eligible for a grant has enabled them to raise additional funds. It is a force multiplier in the all-important work of raising private contributions.

Have the NEA and the National Endowment for the Humanities made mistakes? Oh, yes, Mr. President, very, very serious errors in judgment and mistakes. But show me any other department or agency of the Federal Government that has not likewise made serious mistakes in the course of their history. We learn by our mistakes. I was here at the time a very serious problem arose with the National Endowment, and I say to my good friend from North Carolina—and I am privileged to sit in front of his desk, a dear and valued friend—how properly he brought that to the attention of the American people. That was a serious example. But I am convinced we have learned from these mistakes, and they shall not be repeated. Fundamental change, nevertheless, is needed, Mr. President.

In July, the Senate Labor and Human Resources Committee, of which I am privileged to be a member, had the opportunity to review, mark up and report legislation reauthorizing the NEA and the NEH.

This measure, the Arts and Humanities Amendments of 1997 (S. 1020) makes progress toward the structural reforms many of us believe need to be made. It focuses the mission of the agencies, while broadening the populations served. It reduces bureaucracy, while increasing accountability. And it sets in motion a process by which a true endowment can be established.

This reauthorization bill represents the bipartisan work of the committee with jurisdiction. During markup, there were three areas of the measure that I believed merited the committee's attention. I put forth three amendments, all of them being adopted.

First, I expressed concern with the authorization levels contained in this

bill. Given the current climate, working toward a balanced budget, which I support, we need to provide a realistic authorization level for the NEA. I offered an amendment to reduce authorization level for the NEA from \$175 to \$105 million, which was successful. Granted, I recognize that permanent reauthorization of these agencies is unlikely at best. But we must be realistic.

I am pleased that the Appropriations Committee has likewise come to a similar level of funding.

Second, I stated that the NEA's advisory panels need to be more geographically representative. Currently, membership on the panels is concentrated in two States: New York and California. Again, I offered an amendment to ensure that no more than 10 percent of panel members were from one State. We need to ensure that America's geographic diversity is represented on these panels, for it is they who determine which works are funded.

Finally, I remain convinced that administrative costs must be limited. Every dollar saved on administrative costs is another dollar available for grantmaking activities. This panel recognized that fact last Congress, when it favorably reported a reauthorization bill with a 12-percent cap on administrative expenses. We need to get to that level. I outline these points simply to illustrate that the reported measure, represents, in my view, a balanced, thoughtful approach to the dilemma of the NEA. As I said, at the hearing before the Labor Committee nearly 2 months ago, I want to express my support for the arts and the maintenance of a national presence. But I also wish to express my strong support for a thorough review of the agency policy.

The Labor and Human Resources Committee put forth a bipartisan consensus predicted on the hearing and amendment process. The framework of S. 1020 represents a solid basis for handling these issues on this bill. I hope that the leaders of both committees of jurisdiction can set forth a consensus that builds on the work done in the Labor Committee and can come together and craft a measure to be put in this bill that reflects and takes into consideration, I think, the very constructive considerations that have been offered by many of my colleagues this afternoon, and can put together a framework predicated on the foundation set in S. 1020.

I understood the desire to report from the Senate Labor Committee and from the Senate the most favorable bill possible from the agencies' perspective. However, presenting the most realistic measure possible will ensure that our priorities are preserved.

As a new member of the Senate Labor and Human Resources, I was pleased to work with Chairman JEFFORDS and other members of the committee to craft this proposal. This measure meets the need for structural

reform, provides appropriate funding levels, and maintains our commitment to the arts.

It is my hope that the work of the committee will be recognized and incorporated in the final legislation funding these agencies.

One thing that this debate makes clear is the need for a thorough revamp of this process. I would support funding for 1 more year with the commitment to evaluate, through hearings before the Labor Committee, appropriate policy changes. It is my hope that a comprehensive review of Federal funding of the arts and the proposed alternatives—several of which have been offered on the floor—will resolve this annual debate.

The United States is the world's leading economic and military superpower, and as we enter the second millennium, I believe we have a special obligation to ensure that the arts are not neglected.

Mr. President, we are approaching the millennium. It would be tragic, I think, for the United States of America to begin to celebrate the millennium having abandoned public support for the arts and, yet, we in the Capitol will still remain in this magnificent set of buildings containing this magnificent art, which were contributions of previous generations.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Mr. President, I ask unanimous consent to be recognized to speak as in morning business.

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

Mr. ENZI. Mr. President, I thank the Chair.

(The remarks of Mr. ENZI pertaining to the introduction of Senate Resolution 122 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

THE BUREAU OF INDIAN AFFAIRS

Mr. BENNETT. Mr. President, with all of the discussions that have occurred in recent weeks regarding the Bureau of Indian Affairs [BIA], it seems that every year about this time, we in Congress scratch our heads and wring our hands over how to improve efficiency with this most cumbersome of Federal bureaucracies. I want to share with my colleagues an experience that one of my constituents recently had with the BIA. It deals with Hodges, Inc., a small construction firm with home offices in Sandy, UT. This is a case with a long and complicated history, but I want my colleagues to have a better understanding of what it is like for a small contractor to conduct business with the BIA.

On June 20, 1994, the BIA awarded to Hodges, Inc., a contract for the renovation of the Taos Pueblo Day School in New Mexico, in the amount of \$649,541. According to this agreement, the renovation work was to have been completed within 120 days from July 5, 1994.

The first problem occurred when the architect of the project was also selected to be the contracting officer's

representative [COR] creating several built-in conflicts of interest. When Hodges, Inc., the primary contractor, pointed out several deficiencies in the design, the COR unfortunately interpreted these comments as personal attacks. Problems escalated as the COR visited the job site only three or four times, and failed to take into account differing site conditions, changes, and payment clauses of the contract. The COR never attempted to determine if the work was satisfactorily completed at the time of invoice preparation.

Unfortunately, the COR and the contracting officer also failed to understand the significance and importance of issuing change orders to the contractor. Numerous incidents occurred during the renovation when change orders were issued to the contractor, directing him to perform a specific repair and to submit a proposal for that work. Under the terms of the original contract, Hodges, Inc., had no choice but to perform these tasks as directed and, in return, the contracting officer was to pay the contractor an equitable adjustment, covering any increased costs and recognize the additional contract performance time as a result of the directed change.

However, the BIA did not always agree with the invoices submitted by Hodges, Inc., and arbitrarily determined the amount it would pay with no attempt to negotiate the payment or understand the nature of the expenses incurred by the contractor.

Mr. President, competent architects and engineers know that renovation of an existing building is frequently far more complicated than new construction projects. Consequently, extra care should be taken to ensure the accuracy of the contract documents. The number of complications during renovation of the Taos Pueblo Day School that can be traced to defects in the plans and specifications led to significant changes to the contract. Singularly, these defects might not have been significant, but the considerable number of defects hindered the contractor's ability to perform in a timely and cost-efficient manner.

Throughout all the performance process, there was no sense of urgency on the part of the BIA in responding to several concerns raised by the contractor, with delays in answering critical correspondence of up to 45 days. The BIA's failure to respond to requests for clarification or direction in a timely manner impacted Hodges, Inc.'s ability to perform its contractual obligation. By September 1994, the antagonistic relationship between the BIA and Hodges, Inc., was so strained as to make any sort of amicable solution very difficult. Rather than having meaningful discussions to resolve the differences, the remaining performance period became a nonproductive paper war.

The contract was terminated for default by the BIA on April 6, 1995. In accordance with the disputes clause of

the contract, Hodges, Inc., appealed the termination for default to the Interior Board of Contract Appeals [IBCA] on June 6, 1995. In October, Hodges, Inc., filed a complaint with the IBCA alleging they were delayed in performing the contract by the BIA's improper administration of several contract clauses. Hodges, Inc., filed claims against the BIA in the amounts of \$16,627.39 for improper administration of payments during contract performance, \$82,394.53 in documenting costs because of equitable adjustments to the contract under the changes clause of the contract, and \$573,398.28 requesting termination for convenience costs.

In December, BIA agreed to a termination for convenience rather than the termination for default, with an effective date of April 6, 1996. On December 12, 1996, the BIA and Hodges, Inc., settled the termination for convenience costs with a payment due to Hodges, Inc., in the amount of \$495,000.00. During the course of the negotiations the parties agreed that payment would be made by the middle of January 1997, the because the project was not yet completed by the construction contractor performing on behalf of the bonding company, the costs that the bonding company incurred would be paid directly to them by BIA.

To almost no one's surprise, BIA did not fulfill its obligation of paying by mid-January. Only after my office contacted the BIA in behalf of Hodges, Inc., and with the oversight of the Department of the Interior, were payments made. The first \$145,000 payment was received on April 2, 1997, a second \$300,000 payment was received on April 16, 1997, and a third \$50,000 payment was received on May 6, 1997. All payments were made well after the convened date, causing undue hardship on the contractor who had made arrangements with its subcontractors in order to clear its own debts.

Unfortunately, chapters in this strange saga continue to be written. BIA has denied the contractor claim to recover interest penalties owed them, and because the bonding company has not received payment from BIA for work beyond the conversion, they have been forced to withhold Hodges, Inc.'s performance and payment bonds with the Small Business Administration. As a result, Hodges, Inc., is limited on the size of contracts it can bid, hindering its ability to do business.

Mr. President, this whole episode has escalated the cost of the renovation of the Taos Pueblo Day School from about \$650,000 to \$1.1 million—\$500,000 over the original amount awarded. That is a half a million dollars that could better be spent improving education, law enforcement or housing. And we wonder why things don't seem to be getting any better for the tribes over the years.

In the coming days, we will discuss the future of tribal funding. As this debate is conducted, I ask my colleagues to also keep in mind that no matter

how funding formulas are changed, failure to force BIA to improve efficiency will only hinder efforts to improve conditions for the tribes. A new funding formula administered by an old, inefficient, and unresponsive bureaucracy is the equivalent of putting new wine in old bottles. I encourage my colleagues to seriously consider the need to restructure BIA in addition to the need to restructure current funding formulas.

THE GRAND STAIRCASE-ESCALANTE NATIONAL MONUMENT

Mr. BENNETT. Mr. President, as my colleagues know nearly a year ago, on September 18, 1996, President Clinton announced the creation of the Grand Staircase-Escalante National Monument under the authority of the Antiquities Act, declaring 1.7 million acres in the State of Utah as a national monument. The majority of the citizens in southern Utah were understandably distressed that they were left out of the designation process. Today, those local citizens continue to be alarmed by the potential negative impact this designation may have on their counties' economies. While we may not wish to reverse the President's designation, we must ensure that the Grand Staircase-Escalante National Monument is sufficiently funded and managed in a way that ensures the integrity of the public comment process.

I have included specific language included in the committee report accompanying H.R. 2107 represents the first opportunity we have to appropriate funds for this monument. I would like to express my appreciation to the chairman, Senator SLADE GORTON and the distinguished ranking member, Senator ROBERT BYRD, for working with me to address the immediate needs of the monument.

The language included in the committee report identifies \$6,400,000 in funding for the monument. This amount, rather than been consolidated in a single line item, has been distributed among 20 different subaccounts within the Bureau of Land Management's budget under "Management of Lands and Resources" account. Because these funds are appropriated through so many separate budget functions, it is extremely important that the moneys allocated for the monument be clearly listed in the report by line item, so that funds are not diverted to other agency programs. In order to ensure that sufficient resources are available during this planning stage, the report language mandates that all of the funds designated in this bill are to be allocated to the Utah BLM office and the on-ground field office. I thank the chairman for his help in this matter.

Mr. President, it is also important that Congress provide maximum flexibility at the field office level to utilize these funds in most effective way. The report language expresses the expectation that funds will be relocated as

needed, with an emphasis on the provision of visitor services. On this matter, the committee directs the BLM to work cooperatively with Kane and Garfield Counties and the State of Utah in accommodating the diverse range of visitor expectations. The agency should look first to the capabilities and expertise of local citizens, private and government entities in addressing the issue of safety, access, and maintenance of the areas visited by the public. The two impacted counties have already signed cooperative agreements with the BLM outlining the goals, expectations and deliverables and defining the counties' participation in the planning process. The reports I have received of this cooperative effort have been encouraging.

The committee is appropriating ample funds to continue the development of a management plan and allow the continuation of the existing cooperative agreements with Kane and Garfield Counties. However, the committee has expressed that the cooperative relationship must not be limited to the management plan, as it has been already expanded to include some short-range search and rescue and other related concerns.

Mr. President, regarding the ever critical matter of schools, President Clinton assured the people of Utah that "the creation of this monument will not come at expense of Utah's children" and that once land exchanges were underway, "the differences in valuation will be resolve in favor of the school Trust." However, the committee rightly so, has expressed its concern that the Department of Interior may be undervaluing school trust lands within the monument. We have been very specific in our instructions to the BLM that this is unacceptable.

In closing, I would like again to thank my distinguished colleagues, Senators GORTON and BYRD and their staff for their assistance in forging the directives that will guide the BLM and the Department of Interior in the planning and management of the Grand Staircase-Escalante National Monument in the next fiscal year.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. BENNETT. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak therein for up to 5 minutes each.

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

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, September 12, 1997, the Federal debt stood at \$5,415,082,668,733.48. (Five trillion, four hundred fifteen billion, eighty-two million, six hundred sixty-eight thousand, seven hundred thirty-three dollars and forty-eight cents)

One year ago, September 12, 1996, the Federal debt stood at \$5,216,902,000,000 (Five trillion, two hundred sixteen billion, nine hundred two million)

Twenty-five years ago, September 12, 1972, the Federal debt stood at \$436,267,000,000 (Four hundred thirty-six billion, two hundred sixty-seven million) which reflects a debt increase of nearly \$5 trillion—\$4,978,815,668,733.48 (Four trillion, nine hundred seventy-eight billion, eight hundred fifteen million, six hundred sixty-eight thousand, seven hundred thirty-three dollars and forty-eight cents) during the past 25 years.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROTH, from the Committee on Finance, without amendment:

S. 343. A bill to authorize the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of Mongolia (Rept. No. 105-81).

S. 747. A bill to amend trade laws and related provisions to clarify the designation of normal trade relations (Rept. No. 105-82).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. LAUTENBERG (for himself and Mr. TORRICELLI):

S. 1175. A bill to reauthorize the Delaware Water Gap National Recreation Area Citizen Advisory Commission for 10 additional years; to the Committee on Energy and Natural Resources.

By Mr. THOMAS (for himself and Mr. CRAIG):

S. 1176. A bill to guarantee that Federal agencies identify State agencies and counties as cooperating agencies when fulfilling their environmental planning responsibilities under the National Environmental Policy Act; to the Committee on Environment and Public Works.

By Mr. WARNER:

S. 1177. A bill to prohibit the exhibition of B-2 and F-117 aircraft in public air shows not sponsored by the Armed Forces; to the Committee on Armed Services.

By Mr. ABRAHAM (for himself, Mr. KENNEDY, Mr. HATCH, Mr. LEAHY, Mr. MURKOWSKI, Mr. DURBIN, Mr. STEVENS, Mr. REED, Mr. GORTON, Mr. INOUE, and Mr. TORRICELLI):

S. 1178. A bill to amend the Immigration and Nationality Act to extend the visa waiver pilot program, and for other purposes; read twice.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. ENZI (for himself, Mr. ABRAHAM, Mr. AKAKA, Mr. ALLARD, Mr. ASHCROFT, Mr. BENNETT, Mr. BIDEN, Mr. BINGAMAN, Mrs. BOXER, Mr. BREAUX, Mr. BROWNBACK, Mr. BRYAN, Mr. BURNS, Mr. BYRD, Mr. CAMPBELL, Mr. CHAFEE, Mr. CLELAND, Mr. COATS, Ms. COLLINS, Mr. CONRAD, Mr. COVERDELL, Mr. CRAIG, Mr. D'AMATO, Mr. DASCHLE, Mr. DEWINE, Mr. DODD, Mr. DOMENICI, Mr. DORGAN, Mr. FAIRCLOTH, Mr. FEINGOLD, Mrs. FEINSTEIN, Mr. FORD, Mr. GLENN, Mr. GORTON, Mr. GRAMM, Mr. GRAMS, Mr. GRASSLEY, Mr. GREGG, Mr. HAGEL, Mr. HATCH, Mr. HELMS, Mrs. HUTCHISON, Mr. HUTCHINSON, Mr. INHOFE, Mr. JEFFORDS, Mr. KEMPTHORNE, Mr. KENNEDY, Mr. KERRY, Mr. LAUTENBERG, Mr. LEAHY, Mr. LOTT, Mr. LUGAR, Mr. MACK, Mr. MCCAIN, Mr. MCCONNELL, Ms. MOSELEY-BRAUN, Mr. MURKOWSKI, Mrs. MURRAY, Mr. NICKLES, Mr. REED, Mr. ROBB, Mr. ROBERTS, Mr. ROCKEFELLER, Mr. ROTH, Mr. SESSIONS, Mr. SHELBY, Mr. SMITH of Oregon, Ms. SNOWE, Mr. SPECTER, Mr. STEVENS, Mr. THOMAS, Mr. THURMOND, Mr. TORRICELLI, and Mr. WELLSTONE):

S. Res. 122. A resolution declaring September 26, 1997, as "Austrian-American Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. THOMAS (for himself and Mr. CRAIG):

S. 1176. A bill to guarantee that Federal agencies identify State agencies and counties as cooperating agencies when fulfilling their environmental planning responsibilities under the National Environmental Policy Act; to the Committee on Environment and Public Works.

THE STATE AND LOCAL GOVERNMENT PARTICIPATION ACT OF 1997

Mr. THOMAS. Madam President, I come to the floor to introduce a piece of legislation which I will submit. It is called the State and Local Participation Act of 1997.

What I would like to do, Madam President, is to introduce a bill that would provide for the opportunity for State, local, and county agencies to participate in the National Environmental Policy Act [NEPA]. This bill is to guarantee that local agencies have