# SENATE—*Thursday, April 6, 1989*

*(Legislative day of Tuesday, January 3, 1989)*

The Senate met at 11 a.m., on the expiration of the recess, in the old Senate Chamber for a special Bicentennial Session of the Senate, and was called to order by the President pro tempore [Mr. BYRD].

## THE U.S. SENATE 200TH ANNIVERSARY SPECIAL SESSION

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Eternal God, the Alpha and the Omega, sovereign Ruler of history, supreme Ruler of nations, in this awesome moment we are reminded of the words of Benjamin Franklin when he moved the Continental Congress to open with prayer: "I have lived a long time, Sir, and the longer I live the more convincing the proofs I see of this truth—that God governs in the affairs of men. And if a sparrow cannot fall to the ground without His notice, is it possible that an empire can rise without His aid?"

Thank You, almighty God, for the faith of our fathers in which our beloved Nation was conceived and born.

On this 200th birthday of the first session of the U.S. Senate may we never forget the faith which inspired a political system that has endured. For this rich and abiding legacy we thank Thee in His name who is incarnate truth. Amen.

The PRESIDENT pro tempore. The Senate will be in order. The Secretary will read the preamble and the first section of the convening resolution.

The Secretary of the Senate (Mr. WALTER J. STEWART). Senate Resolution 93, to provide for a special Bicentennial Session of the Senate on April 6, 1989.

S. RES. 93

Whereas the Senate of the United States achieved its first quorum and conducted its first legislative session on April 6, 1789;

Whereas on April 6, 1989, the Senate commemorates two centuries of existence under the Constitution of the United States;

Whereas the Senate's first two centuries were inextricably bound to the development of our national heritage of individual liberty, representative government, and the attainment of equal and inalienable rights, and;

Whereas it is appropriate and desirable to provide for the observation and commemoration of this unique anniversary: Now, therefore, be it

*Resolved*, That the Senate at 11:00 a.m. on April 6, 1989, shall assemble in legislative session for ceremonies in the Old Chamber previously used by the Senate from 1810-1859, for ceremonies commemorating the Bicentennial Session of the Senate. Following remarks made by the President pro tempore, the Senate shall reassemble in the current chamber for further ceremonies commemorating the Bicentennial Session and shall recess at 12:45 p.m.

The PRESIDENT pro tempore. The Assistant Secretary will read from the Senate Journal of April 6, 1789.

The Assistant Secretary of the Senate (Ms. JERI THOMSON). Journal of the United States, April 6, 1789:

The Senate assembled at 11:00 am. The following twelve Senators answered to their names: Mr. Langdon, Mr. Wingate, Mr. Strong, Mr. Johnson, Mr. Ellsworth, Mr. Paterson, Mr. Elmer, Mr. Maclay, Mr. Morris, Mr. Bassett, Mr. Lee, and Mr. Few.

"Being a quorum, consisting of a majority of the whole number of Senators of the United States, the credentials of the aforementioned Members were read, and ordered to be filed.

"The Senate proceeded by ballot to the choice of a President, for the sole purpose of opening and counting the votes for President of the United States. John Langdon, Esquire, was elected.

"*Ordered*, That Mr. Ellsworth inform the House of Representatives that a quorum of the Senate is formed; that a President is elected for the sole purpose of opening the certificates and counting the votes of the electors of the several States in the choice of President and Vice President of the United States; and that the Senate is now ready in the Senate Chamber, to proceed, in the presence of the House, to discharge that duty: and that the Senate have appointed one of their Members to sit at the clerk's table to make a list of the votes as they shall be declared; submitting it to the wisdom of the House to appoint one or more of their Members for the like purpose:"

The PRESIDENT pro tempore. The Chair recognizes the former Senator from Missouri, Mr. Eagleton.

## THE COMPROMISE OF 1850 COMPROMISE IN 1989

Mr. EAGLETON. Mr. President, many a night, while waiting out some interminable speech before a vote, I would take refuge on a big leather couch in the Democratic Cloakroom and stare at that lithograph on the south wall. For some time, I confess, I was only vaguely aware that it depicted an historic event that had occurred in the old Senate Chamber.

Then one night, when the television networks had belched out their final tributes to vacuity, I went up and studied the lithograph in detail. By God, there was old Henry Clay addressing the Chair. Daniel Webster was listening with his head—that great Webster head—propped up by his left arm. John C. Calhoun, with that ominous, severe look he carried around late in life, was standing near the curtains. It was 1850—and the Senate was compromising once again. Not only does that lithograph, by Robert Whitechurch, hang in the Democratic Cloakroom, but it hangs here in this Chamber as well—to my right—in this majestic old Senate Chamber. It served, coincidentally, as the cover for this morning's commemorative stamp ceremony as well.

Many say that the era of 1850 was the zenith of the U.S. Senate. Never again, it is said, would such talents of first-rank stride the halls of the Capitol.

Clay, Webster, and Calhoun—the Great Triumvirate—for 40 years—stretching from Madison to Pierce—they had dominated the American political scene. Each of the triumvirate had lusted for the White House—so many times, it is impossible to make a precise count. Instead each was forced to look on as a succession of second-rate generals and second-rate politicians occupied the Presidency. In the aggregate, their presence in the Senate constituted America's greatest political intellect of the first half of the 19th century. They were the second generation, the children of the Revolution having taken over from the Founding Fathers. It fell to them to protect, enhance, and give form to the legacy of 1787, the Constitution and the Union.

Although tariffs and matters of internal development caused some political division, there was one issue—one overriding issue above all—that threatened their political inheritance—slavery.

By 1850, Clay, Webster, and Calhoun were approaching their twilight years—about to give way to another political generation—but the spark of genius was still there. Clay—the Great Compromiser—would try one final compromise to try to save the Union. He knew that in a just-born and already divided nation with a government teetering on dissolution, there could be no knockout political victory on an issue such as slavery—not in 1850. If this fledgling republic were to be saved, if union rather than disunion were the overriding objective, then a compromise, Clay believed, had to be struck.

Daniel Webster knew slavery to be a great wrong. But he was also convinced that the Union had to be saved and thought that that was his highest obligation. It could only be saved by

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

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compromise. But he knew that any flirtation with the Fugitive Slave Act could savage his reputation and his political career. Yet out of obligation—and with a tinge of political arrogance—he joined the compromise in one of his greatest oratorical performances.

Calhoun had philosophically traveled through the vineyard of compromise. He had been there before. He loved his country, but he was less worshipful of the framework of the Founding Fathers than were the two others. What they had wrought in 1787 was not to him an immortal document of governance. Although compromise might once again be a palliative of postponement, there would, in his mind, have to be structural change in the Union—if indeed, there were to be a Union at all. Calhoun had the trump card. He could call the game whenever he wanted. Webster and Clay believed in the game above all else.

The compromise was made, but, like its predecessors, failed—as 700,000 dead Americans were to attest.

What of this word "compromise"? Is it so inherently offensive as to taint both the subject matter and the participants? Is it betrayal, always? Some great Senators have seemingly thought so. Fighting Bob La Follette, the Wisconsin Progressive, whose portrait hangs with Clay, Webster, Calhoun and Senator Robert Taft in the Senate Reception Room, felt compromise to be morally unacceptable. In more contemporary times, Paul Douglas of Illinois and Wayne Morse of Oregon shared such views.

But today, compromise is de facto woven into the constitutional fabric of this Nation. We are a people of widely divergent and strongly held views whose representatives are charged with keeping disagreements from destroying our Government's capacity to function effectively.

We have, for reasons Madison could not have anticipated, a permanently Democratic House of Representatives. As the electoral clout of this Nation continues westward, there seems to be a Republican lock on the Presidency.

In terms of our recent political experience, we are left with the Senate as the only part of our governmental structure that may swing with change in voter attitude. This political combination is compromise personified.

Compromise is not only the art of smoke-filled-room politicians. It is not the "sellout" painted by those on the losing side. Compromise, in my judgment, has gotten a bad rap. It is the essence of our political existence—the grease for the skids of government. Without it we screech to a halt, paralyzed by intransigence.

And so today we celebrate the 200th birthday of the U.S. Senate. And as we do so in this historic Chamber, let us rethink this matter of compromise. Here in this room has been sheltered the structural side of our democratic Government for decades. That government's life force—what makes it work and endure—is our capacity to accommodate differences and to find a way beyond parochial, partisan, and ideological concerns to live together as a free nation.

We remember the poet Yeats' very gloomy assessment: "things fly apart; the center will not hold." Well, in the United States, with the tragic exception of the Civil War which had to be fought, the center has held: through expansion to the continental boundaries; through the transition from an agricultural to an industrial to a technological society; through Depression and world wars; through McCarthyism and nearly a half century of Cold War. It has held without religious or racial homogeneity. It has held without the reassuring and unifying symbol of a King or Queen. It has held without the built-in assurances provided by a parliamentary system.

The center has held because of our understanding of the importance of compromise. Those who have been privileged to serve in this Senate cannot all be the equal of Webster, Clay and Calhoun, or their modern counterparts—Humphrey, Muskie, Baker, Javits, Mansfield, and Jackson. But every Senator carries forward the legacy and traditions to the best of his or her ability, and every Senator learns lessons both from their triumphs as well as their failures.

So the lesson of that Whitechurch lithograph is not in the tragic failure of what Clay and Webster sought to do. The lesson is that without some accommodation and compromise, our Government cannot function and we will not be able to preserve the values we hold in common and in trust for future generations.

The PRESIDENT pro tempore. The Chair recognizes the former Senator from Tennessee, the former majority leader of the United States Senate, Mr. Baker.

## THE ROLE OF THE SENATE

Mr. BAKER. Mr. President, my former colleagues and friends, it is a delight to be here, to be chosen, along with Senator Eagleton, to make these remarks on this momentous occasion.

I also knew if I lived long enough, sooner or later I would be on television in the Senate.

Mr. President, I spent 18 years in the Senate and I loved every day of it, though I will confess, as I have to many of you, I loved some days more than others. I am reminded today that when I first came to the Senate in 1967, I went for a walk down one of these majestic Capitol corridors with our late colleague, Senator Norris Cotton, of New Hampshire. And after we had walked a ways Norris Cotton said to me, "Howard, do you smell the white marble?" I said, "No, Norris, I don't believe you can smell marble." And he said, "One day you'll smell the marble, and you'll never get over it."

Unless you have been a Senator for a while, that counsel may mystify you as much as it did me on that day so long ago. But after serving in this body for a few years, I really discovered that you can smell white marble, you can sense and understand and appreciate the surroundings that make this place so great and house so many great men and women as the nesting place for the future hopes and aspirations of this Nation in so many ways.

I discovered at roughly the same time that once one is so thoroughly acclimatized to the special atmosphere of the Senate, the air in any other place is pretty thin.

This is a special place, my friends. It is not, as Mark Russell of an earlier day said, "a body of elderly gentlemen charged with high duties and misdemeanors."

It is, instead, the institution which has nurtured the Websters, the Clays, and Calhouns of America, the Lodges, the Lafollettes, the Russells, the Longs, the Johnsons, the Mansfields, the Tafts, the Dirksens, three Kennedys, three Byrds, a Thurmond, an Eagleton, a Stennis, a Javits, a Dole, occassionally a Margaret Chase Smith, and all too infrequently an Ed Brooke.

These men and women of distinction—and others like them—have been drawn to the Senate by the special role which this institution and its Members play and have played in the mainstream of the life of this Nation.

Mr. President, that role has been steadily evolving since the earliest days of the Republic, and indeed since the Constitution first spoke with such exquisite imprecision about the role of the Senate. Those of us who have occupied this and the other Chamber have attempted to define it.

The charter document says, for example, that anyone who is 30 years old, a 9-year resident in the United States, residing in the State that he or she will represent, is qualified to be a Senator, and it sets the term of a Senator at 6 years, which, as you know, is the longest elective term in our national political system.

For the institution itself, the Constitution requires that the Senate give equal representation to several States, that is try impeachments, and that it give advice and consent to the President on treaties and nominations, and beyond that the Constitution requires very little.

But 200 years of experience and precedents have given the Senate much richer definition. Powers implicitly granted by the Constitution have

been more explicitly acknowledged and more aggressively exercised with every new Congress.

I believe, Mr. President, that the danger we face in modern times, that we faced in my time in this Chamber, in this Senate, and that these men and women face today, is not that the Senate will do too much but that the Senate will do too little.

Ever since 1913, when the Constitution was amended to provide for the direct popular election of Senators—rather than election by the several State legislatures—its seems to me that some unfortunate law of political physics has tended to merge the missions of the Senate with that of the House of Representatives. While I have unlimited respect for the other body, as we say—and, indeed, both my father and my mother served in the House of Representatives—I believe that conceiving of and exercising the powers of the Senate as the mirror image of the powers of the House of Representatives is a temptation and a tendency which must be resisted because if we do not, we will lose the speciality of the Senate itself as a particular constitutional body.

These remarks and this comparison is not meant to diminish the House of Representatives in any way. Indeed, the House in so many ways is the front line of American democracy. Its 2-year terms are intentionally short, its local constituencies relatively small, so as to keep its Members close to the people and highly responsible to the public will.

But the Senate is different, and we all know that. We feel that without being told, certainly by me. Thomas Jefferson spoke it well when he said that the Senate is the saucer in which the passions of the Nation should be poured to cool.

We might speak of it today as a kind of national board of directors to set broad general policy, for I believe that the Senate was never intended to manage the day-to-day affairs of our Government, but, rather, to work in its special constitutional way, its unique and special way with the Chief Executive of our Republic in the formulation of public policy and its execution.

A Senator has more insulation from his electors than any other officer in the Government, including the President and Vice President of the United States.

The constituency a Senator serves is not only the people of his State but the State itself, the embodiment of the theoretical sovereignty of our Union, and in the Senate alone does the term "United States" have a literal political, and parliamentary meaning.

Similarly, the 6-year term, the longest in elective politics, encourages the historic view, and I may say the heroic judgment, by the Members of this body, and while "government by public opinion" is sacred to the Members of the House of Representatives, it is subject to proof in the Senate of the United States.

As we all know with varying degrees of approval or disapproval, the rules and the precedent of the Senate encourage extended debate among men and women who need no such encouragement. In the Senate a determined minority, sometimes even a minority of one, may make the Senate stop and consider carefully the consequences of its action. I look about this room and I can see individual Members with whom I have served, who aroused the index and quotient of frustration in my leadership role to the point where I could hardly stand it and on both sides of the aisle. But in retrospect, my friends, I wish to pay them a compliment because you who stood on principle, you who slowed the forward progress of the Senate's deliberations, far more often than not represented the very essence of the greatness of this body and required us to be that institution in which the passions of the Nation were allowed to cool.

My friends, I have had the privilege not only of serving in this body but also, and unexpectedly, to serve at the right hand of the President of the United States, and perhaps that gives me uniqueness of view and perspective that I might share with you in the concluding part of these remarks.

As you know, the President of the United States has many powers, inherent and explicit. He is the embodiment of our nationhood in so many ways; he is one of two officials that are elected by the entire Nation, but he has specified powers as well. And those specified powers in relation to the responsibility of the U.S. Senate are the matters on which I would like to speak.

The President of the United States may negotiate treaties with foreign powers, but he may ratify them only by and with the advice and consent of the Senate. The President may nominate whom he or she chooses for the principal officers of the executive branch, but the Senate must agree. Whatever partisan differences may separate the President of the United States and the Senate of the United States, the Constitution requires that a partnership be formed between the President and the Senate in these specified matters, and whether we like it or not that partnership begins on Inauguration Day and moves forward with varying degrees of tranquility throughout the Presidential and senatorial terms and sessions. The quality of that partnership, in my view, is for each President and each Senate to determine, but in those unhappy times when the partnership has suffered the Nation has inevitably suffered, and when that partnership has prospered, I believe so have we all.

For 8 years before I came to Washington and for almost 3 years thereafter, my father-in-law, Senator Everett McKinley Dirksen, of Illinois, was the Republican leader of the U.S. Senate and for the first 2 years of his tenure in that office his counterpart on the Democratic side was Senator Lyndon Baines Johnson, of Texas. I believe I am betraying no great confidence when I say that from time to time at the end of a legislative day Senator Dirksen and Senator Johnson would retire to a private quarter to discuss the issues and personalities of the day as only a couple of unrepentant politicians can do. There was magic in those moments, and they continued long after Senator Johnson became President Johnson. Those meetings did not save the country the sorrow of Vietnam, but they did help win the battle for civil rights. The did not solve every problem in Lyndon Johnson's or Everett Dirksen's "in" box, but, my friends, they solved their share. There was a bond of fundamental trust and personal goodwill about those meetings and those men, and it is well understood that if a national crisis should suddenly arise, the President of the United States and the Republican leader of the Senate could counsel frankly and deal effectively with one another.

That is the nature of the partnership implied by the constitutional responsibilities. I think we need those relationships throughout our history; we have always needed them. We need them today maybe more than ever. It is my hope that the Senate looks to its past today and will rediscover the real meaning, the essence of this institutional greatness, but among the elements that I hope it ascertains and redefines is the nature of friendship and civility and understanding and partnership between this body and the executive authority of the Government of the United States.

My friends, these remarks were too long perhaps, but I could not avoid the temptation to share these thoughts with you that have occurred to me over that day in January of 1985 when, as I recall, only the Presiding Officer, the distinguished occupant of this chair and I were on the floor at the moment of adjournment, that moment of my term ending, and I said something which now must join that long and growing list of issues on which I was wrong when I said these are the last words I will speak on the floor of the Senate of the United States.

[Applause.]

The PRESIDENT pro tempore. The Chair wishes to recognize the distinguished former majority leader of the United States Senate, Ambassador to Japan, the Honorable Mike Mansfield.

Would you stand, Mr. Mansfield, and be recognized by your former colleagues?

[Applause.]

The PRESIDENT pro tempore. Would those others of our former colleagues who are here today please stand and be recognized by the Senate?

[Applause.]

The PRESIDENT pro tempore. One hundred thirty years ago, on Tuesday, January 24, 1859, Vice President John C. Breckenridge addressed the Senate from this desk before proceeding in a body to the new Chamber, which we all know so well.

"The Senate is assembled for the last time in this Chamber," he said. "Hereafter, the American and the stranger, as they wander through the Capitol, will turn with instinctive reverence to view the spot on which so many great materials have accumulated for history. They will recall the image of the great and the good whose renown is the common property of the Union, and chiefly perhaps they will linger around the seats once occupied by the mighty three, Clay, Calhoun, and Webster, whose names and fame associated in life-death has not been able to sever, illustrious men who, in their generation, sometimes divided, sometimes led, and sometimes resisted public opinion, for they were of that higher class of statesmen who seek the right and follow their convictions."

Vice President Breckenridge then invited the assembled Senators, as I invite you now, to rise and form a procession to the Senate's new Chamber. And as they did, they closed a door upon a golden era in the Senate's history and marched toward their own destinies. Members of the Senate of the 101st Congress, continue in that march forward. I invite you now to join the procession that will follow their steps and honor their memory.

The Senate still stand in recess and proceed immediately to the Senate Chamber.

## RECESS

Thereupon, at 11:36 a.m., the Senate recessed until 11:47 a.m.; whereupon, the Senate reassembled when called to order by the President pro tempore.

## RECOGNITION OF FORMER SENATORS

The PRESIDENT pro tempore. Before proceeding with the program, the Chair recognizes two former Members of this body, both of whom are majority leaders, and will ask them to stand and be recognized. Senator Mansfield.

[Applause, Senators rising.]

The PRESIDENT pro tempore. Senator Baker.

[Applause, Senators rising.]

The PRESIDENT pro tempore. Those others of our former colleagues who are present today, would you please stand?

[Applause, Senators rising.]

## THE STATES IN ORDER OF ADMITTANCE TO THE UNION

The PRESIDENT pro tempore. The Secretary will now call the role of the States in the order of admittance to the Union.

Mr. STEWART. The State of Delaware.

Mr. ROTH. Mr. President, Delaware was the first State admitted and was admitted to the Union on December 7, 1787, and the first two Senators were George Read, and Richard Bassett.

Mr. STEWART. The State of Pennsylvania.

Mr. HEINZ. Mr. President, the State of Pennsylvania was the second State admitted to the Union, and was admitted on December 12, 1787. The first two Senators were William Maclay and Robert Morris.

Mr. STEWART. The State of New Jersey.

Mr. BRADLEY. Mr. President, New Jersey was admitted to the Union on December 18, 1787, and the first two Senators were Jonathan Elmer and William Paterson.

Mr. STEWART. The State of Georgia.

Mr. NUNN. Mr. President, the State of Georgia was admitted to the Union January 2, 1788. The first two Senators were William Few and James Gunn.

Mr. STEWART. The State of Connecticut.

Mr. DODD. Mr. President, Connecticut was admitted to the Union on January 9, 1788. The first two Members of the Senate were Oliver Ellsworth and William Johnson.

Mr. STEWART. The State of Massachusetts.

Mr. KENNEDY. Mr. President, the Commonwealth of Massachusetts ratified its Constitution on February 6, 1788. Our first two Senators were two distinguished attorneys, Tristram Dalton, from Newburyport, MA. He held the seat which I hold today, and was Speaker of the House of Representatives of the State of Massachusetts. He was an eloquent speaker at the ratification of the Constitution. The second Senator was Caleb Strong, who occupied the seat which my colleague, JOHN KERRY, holds today, and he was a member of the Massachusetts Constitutional Convention which ratified the Constitution.

Mr. STEWART. The State of Maryland.

Mr. SARBANES. Mr. President, the State of Maryland was the seventh State admitted to the Union on April 28, 1788. Its first two Senators were Charles Carroll of Carrollton, and John Henry.

Mr. STEWART. The State of South Carolina.

Mr. THURMOND. Mr. President, the State of South Carolina was admitted to the Union on May 23, 1788. The first two Senators were Pierce Butler and Ralph Izard. South Carolina could not be the first State to be admitted to the Union, but we were the first State to secede in 1861. [Laughter.]

Mr. STEWART. The State of New Hampshire.

Mr. RUDMAN. Mr. President, the State of New Hampshire is the ninth State to be admitted to the Union and was admitted on June 21, 1788. The two Senators were Paine Wingate, a farmer; and John Langdon of Portsmouth, who was a seaman and a merchant. Senator Langdon was the first President pro tempore of the U.S. Senate.

Mr. STEWART. The State of Virginia.

Mr. WARNER. Mr. President, Virginia is the 10th State, and was admitted June 25, 1788. William Grayson was a U.S. Senator, as was Richard Henry Lee.

Mr. STEWART. The State of New York.

Mr. MOYNIHAN. Mr. President, the State of New York is the 11th State to enter the Union, was admitted on July 26, 1788. Our two Senators were Philip Schuyler and Rufus King. Senator King incidentally, had signed the Constitution.

Mr. STEWART. The State of North Carolina.

Mr. HELMS. Mr. President, the State of North Carolina was admitted to the Union on November 21, 1789. Our two first Senators were Benjamin Hawkins and Samuel Johnston.

Mr. STEWART. The State of Rhode Island.

Mr. PELL. Mr. President, the State of Rhode Island was admitted to the Union on May 29, 1790, and its first two Senators were Theodore Foster and Joseph Stanton, Jr.

Mr. STEWART. The State of Vermont.

Mr. LEAHY. Mr. President, Vermont was the first State to join the Union after the 13 original States on March 4, 1791. The first two Senators were Moses Robinson and Stephen R. Bradley. Senator Bradley also served as President pro tempore of the 7th and 10th Congresses. Vermont started a tradition which for 200 years with one exception elected only Republican Senators.

Mr. STEWART. The State of Kentucky.

Mr. FORD. Mr. President, the Commonwealth of Kentucky was admitted to the Union June 1, 1792. Its first two Senators were John Brown from 1792

through 1805, and John Edwards, who served from 1792 to 1795.

Mr. STEWART. The State of Tennessee.

Mr. SASSER. Mr. President, the State of Tennessee was the 16th State admitted to the Union on June 1, 1796. The first two Senators from Tennessee were William Cocke, who served from 1796 to 1797 and William Blount, who also served from 1796 to 1797.

Mr. STEWART. The State of Ohio.

Mr. GLENN. Mr. President, the State of Ohio was admitted to the Union on March 1, 1803, and the first two Senators were John Smith and Thomas Worthington.

Mr. STEWART. The State of Louisiana.

Mr. JOHNSTON. Mr. President, the State of Louisiana was admitted to the Union on April 30, 1812. Its first two Senators are John N. Destrehan and Allan B. Magruder.

Mr. STEWART. The State of Indiana.

Mr. LUGAR. Mr. President, Indiana was admitted to the Union on December 11, 1816, our two first Senators were James Noble, 1816 to 1831, and Waller Taylor, who served from 1816 to 1825.

Mr. STEWART. The State of Mississippi.

Mr. COCHRAN. Mr. President, the State of Mississippi was admitted to the Union on December 10, 1817. Our two first Senators were Walter Leake and Thomas Hill Williams.

Mr. STEWART. The State of Illinois.

Mr. DIXON. Mr. President, the State of Illinois was admitted to the Union on December 3, 1818. Our first two Senators were Jesse B. Thomas, who served from 1818 to 1829, and Ninian Edwards, who served from 1818 to 1824.

Mr. STEWART. The State of Alabama.

Mr. HEFLIN. Alabama was admitted to the Union on December 14, 1819. The first U.S. Senator elected was John Williams Walker, who had served as president of the First Constitutional Convention of Alabama. His seat is now held by the Honorable RICHARD SHELBY. The second U.S. Senator that was elected was William Rufus King. Senator King later became the President pro tempore of the Senate, and later the Vice President of the United States. I hold his seat.

Mr. STEWART. The State of Maine.

Mr. COHEN. Mr. President, the people of Maine wisely separated from the State of Massachusetts and on March 15, 1820 when the State of Maine was admitted to the Union. Its first two Senators were John Holmes and John Chandler.

Mr. STEWART. The State of Missouri.

Mr. DANFORTH. Mr. President, the State of Missouri was admitted to the Union on August 10, 1821. Its first two Senators were Thomas Hart Benton and David Barton.

Mr. STEWART. The State of Arkansas.

Mr. BUMPERS. Mr. President, Arkansas was admitted to the Union on June 15, 1836. Our first two Senators were William Fulton, and Ambrose H. Sevier.

Mr. STEWART. The State of Michigan.

Mr. RIEGLE. Mr. President, the State of Michigan came into the Union 152 years ago, and was admitted on the date of January 26, 1837. Our first two Senators were Mr. Lucius Lyon, and Mr. John Norvell.

Mr. STEWART. The State of Florida.

Mr. GRAHAM. Mr. President, the State of Florida was admitted to the Union on March 3, 1845. The first two Senators were David Levy Yulee, and James D. Westcott, Jr.

Mr. STEWART. The State of Texas.

Mr. BENTSEN. Mr. President, the Republic of Texas, the first Republic to join the United States, joined its ally to the north, on December 29, 1845 as a State in the United States. Its first two Senators were Thomas J. Rusk, and Sam Houston.

Mr. STEWART. The State of Iowa.

Mr. GRASSLEY. Mr. President, the State of Iowa was admitted to the Union on December 28, 1846 and our first two Senators were George W. Jones, who served from 1848 to 1859, and Augustus C. Dodge, who served from 1848 to 1855.

Mr. STEWART. The State of Wisconsin.

Mr. KASTEN. Mr. President, the State of Wisconsin was admitted to the Union on May 29, 1848. Our first two Senators were Henry Dodge, who served from 1848 to 1857, and Isaac P. Walker, who served from 1848 to 1855.

Mr. STEWART. The State of California.

Mr. CRANSTON. Mr. President, California was admitted to the Union on September 9, 1850. Our first two Senators were John C. Fremont, the pathfinder, who also was our first Governor, and who ran for President twice; and William M. Gwin. Fremont served from 1850 to 1851, and Gwin from 1850 to 1855.

Mr. STEWART. The State of Minnesota.

Mr. DURENBERGER. Mr. President, Minnesota was the 32d State admitted to the Union on May 11, 1858, 131 years ago last month. At the time of admission, Minnesota was the third largest State in the Union by land area, but it was inhabited by 150,000 individuals. Our original Senators were Henry M. Rice, our first senior Senator, who eventually became one of the two Minnesotans whose statue is in the Capitol. James Shields, the other Senator from Minnesota, eventually served three different States in the United States.

Mr. STEWART. The State of Oregon.

Mr. HATFIELD. Mr. President, the State of Oregon was admitted to the Union on Valentine's Day, February 14, 1859. Our firt two Senators were Delazon Smith and Joseph Lane.

Mr. STEWART. The State of Kansas.

Mr. DOLE. Mr. President, the State of Kansas was admitted January 29, 1861. The first two Senators were James H. Lane and Samuel C. Pomeroy.

Mr. STEWART. The State of West Virginia.

The PRESIDENT pro tempore. The State of West Virginia was the 35th star in the field of stars. It was born in the midst of the Civil War on June 20, 1863. The first two Senators were Peter G. Van Winkle and Waitman T. Willey.

Mr. STEWART. The State of Nevada.

Mr. REID. The State of Nevada was admitted to the Union as the 36th State on October 31, 1864, and is known as the Battle-Born State. The first two Senators were William M. Stewart and James W. Nye.

Mr. STEWART. The State of Nebraska.

Mr. EXON. Mr. President, the State of Nebraska came into the Union on March 1, 1867. Our first two United States Senators were Thomas W. Tipton and John M. Thayer.

Mr. STEWART. The State of Colorado.

Mr. ARMSTRONG. Mr. President, the State of Colorado was admitted into the Union on August 1, 1876. We were represented at that time in the State by Henry M. Teller and Jerome B. Chaffee.

Mr. STEWART. The State of South Dakota.

Mr. PRESSLER. Mr. President, the distinguished State of South Dakota was admitted to the Union on November 2, 1889. The Senators were Richard F. Pettigrew and Gideon C. Moody.

Mr. STEWART. The State of North Dakota.

Mr. BURDICK. Mr. President, Benjamin Harrison approved the admission of North Dakota to the Union on November 2, 1889. We are celebrating our centennial this year. North Dakota's first Senators were Lyman R. Casey and Gilbert A. Pierce.

Mr. STEWART. The State of Montana.

Mr. BAUCUS. The State of Montana, the 41st State entered into the Union, also celebrated its centennial this year and was admitted to the Nation on November 8, 1889. Our first

two Senators were Wilbur F. Sanders and Thomas C. Power.

Mr. STEWART. The State of Washington.

Mr. ADAMS. The State of Washington was admitted to the Union on November 11, 1889. We are celebrating our centennial this year. Our first two Senators were John B. Allen from Walla Walla and Watson C. Squire from Seattle.

Mr. STEWART. The State of Idaho.

Mr. McCLURE. Mr. President, on the Fourth of July, Independence Day for our Nation, in 1890, citizens of Idaho celebrated the action taken the previous day in this city with the admission of the State of Idaho to the Union on July 3, 1890. Our first two Senators were George L. Shoup and William J. McConnell.

Mr. STEWART. The State of Wyoming.

Mr. WALLOP. Mr. President, the State of Wyoming was admitted into the Union on July 10, 1890. It was the first State to grant women suffrage and has been known since as the Equality State. Our first two Senators were Francis E. Warren and Joseph M. Carey.

Mr. STEWART. The State of Utah.

Mr. GARN. Mr. President, Utah was admitted to the Union on January 4, 1896. Our first two Senators were Frank J. Cannon and Arthur Brown.

Mr. STEWART. The State of Oklahoma.

Mr. BOREN. The State of Oklahoma was admitted into the Union November 16, 1907. Our first two Senators were Robert L. Owen and Thomas P. Gore, the great Senator who was totally blind and who served in the Senate until 1921.

Mr. STEWART. The State of New Mexico.

Mr. DOMENICI. The State of New Mexico was admitted into the Union January 6, 1912. Our first Senators were Thomas B. Catron and Albert B. Fall.

Mr. STEWART. The State of Arizona.

Mr. DeCONCINI. The State of Arizona was the 48th State admitted on St. Valentine's Day, February 14, 1912. The first Senators were Henry F. Ashurst, who served until 1941, and Marcus A. Smith, who served until 1921.

Mr. STEWART. The State of Alaska.

Mr. MITCHELL. Mr. President, the State of Alaska was admitted to the Union on January 3, 1959. Its first Senators were E.L. Bartlett and Ernest Gruening.

Mr. STEWART. The State of Hawaii.

Mr. INOUYE. Mr. President, the State of Hawaii, the 50th State of the Union, was admitted to the Union on August 21, 1959. Our first two Senators were Hiram L. Fong and Oren E. Long.

The PRESIDENT pro tempore. I ask the Senator from South Carolina [Mr. THURMOND] to assume the chair.

The PRESIDING OFFICER (Mr. THURMOND). The distinguished President pro tempore of the Senate is now recognized.

## TWO-HUNDREDTH ANNIVERSARY OF THE FIRST MEETING OF THE U.S. SENATE

Mr. BYRD. Mr. President, today we commemorate the 200th anniversary of the first meeting of a brand new entity: The Senate of the United States of America. The fact that this same Senate continues to flourish today is remarkable, for in 1789, many doubted that the Constitution under which it was established would endure beyond a generation or two. There were no examples in history to guide those who sought to build a republic based on the consent of the governed; there was no support in traditional political theory to encourage those embarking on this grand experiment. And yet this bold undertaking of representative government, confounding skeptics for two centuries, has succeeded. Much credit for that success belongs to the genius of those who framed our Constitution. But credit also goes in great measure to those who brought the Constitution to life. That is the story of men more than words—specifically the men of the first Senate.

When the roll was called in the Senate Chamber at New York City's Federal Hall on the morning of April 6, 1789, 12 Senators from the 11 States answered to their names. Rhode Island and North Carolina had not ratified the Constitution. From New Hampshire, there was John Langdon, who has sold 70 hogsheads of rum to outfit troops for the Continental Army; and Paine Wingate, a Harvard-educated Congregational minister. From Massachusetts came Caleb Strong. Connecticut sent two aggressive Federalists: Oliver Ellsworth and William Johnson. Pennsylvania's two Senators were Robert Morris, reputedly the richest man in America, and William Maclay. William Few made the hazardous journey from Georgia. From nearby New Jersey came William Patterson and Jonathan Elmer. Richard Bassett represented Delaware. With the arrival of Richard Henry Lee of Virginia, the Senate secured its first quorum.

All told, 29 men would take their seats in the Senate during the First Congress. Though their nation was new, most of them were no strangers to statecraft. Most had signed the Declaration of Independence, served in the Continental Congress, or attended the Constitutional Convention. George Read of Delaware had done all three. All but one of these new Senators had served in their States' legislatures. Many had been in uniform during the Revolutionary War. Only two, Johnson of Connecticut and Wingate of New Hampshire, had been lukewarm to independence. Most, but not all, had been born in the American colonies. Pierce Butler of South Carolina had been born in Ireland and first visited North America as an officer in the British Army. The majority described themselves as landowners and planters, but more than one-third were lawyers, and there were surveyors and merchants. These men are our colleagues, links in a continuous chain that stretches back 200 years and, the Lord willing, will extend ahead for countless generations.

Reading their diaries and letters, we feel a kinship that transcends the years. During the First Congress, one Senator's house was robbed while he was away. Another's wife died. William Grayson of Virginia died in office, the first Senator to do so. They worried about children growing up back home without them, and about infants with measles. They grew weary during long sessions and complained about their lodgings. And one wrote home about the excellent pineapple he had tasted.

On April 6, 1789, these first Senators got down to business and immediately became embroiled in bitter squabbles. Maclay grumbled that nothing was getting done, but he did not have our advantage of perspective. In fact, despite their differences, rooted in geography, ideology, and economic standing, those early Members left an enormously impressive record of achievement. They counted the first electoral votes, inaugurated the first President, and made certain that the President understood that their constitutional powers would not be trifled with. They established precedents at every turn. They passed the first revenue-producing bill, created the first executive Departments of War, State, and Treasury, recommended the 12 amendments to the Constitution, and arranged for the first census to count the Nation's 4 million inhabitants. They established the first bank of the United States, passed the Judiciary Act creating a system of Federal courts, and decided upon a permanent home for the National Government.

The First Congress adjourned in March 1791, in Philadelphia, where it settled in for a 10-year stay while the new Federal district was readied on the banks of the Potomac. Despite their differences, those first Senators could look back with satisfaction. They had gotten a new nation on its feet and underway. They had faced the very real dangers of falling into anarchy or depotism, but they had triumphed. In one form or another, they

had confronted, for the first time, challenges that would reappear in the decades ahead. These included secession, States rights, constitutional amendment, admission of the new States, threats of war, military preparedness, inflation, depression, unfavorable trade balances, taxation, sectionalism, minority rights, government patronage of the arts and sciences, veterans' pensions, and congressional salaries. These first Senators established a strong foundation that allowed a growing nation to address these problems through the next two centuries.

May we in our own time so discharge our duties that those who stand in our places a hundred years from now, will say of us: They did well—they faithfully discharged the trust that was confided to their hands.

[Applause.]

The PRESIDENT pro tempore. The United States Marine Band will now play "Columbia, the Gem of the Ocean."

(The band played "Columbia, the Gem of the Ocean.")

[Applause.]

The PRESIDENT pro tempore. The Chair recognizes the senior Senator from Kentucky [Mr. FORD].

## THE SENATE IN 1789

Mr. FORD. Mr. President, as the Senators of the First Congress entered New York City's Federal Hall on the morning of April 6, 1789, they found that workmen were still putting the final touches to their new Chamber. Federal Hall had previously served as New York's City Hall and as the meeting place of the old Congress under the Articles of Confederation. Amidst painters and carpenters, the Senators settled into their richly carpeted 40-by-30-foot Chamber on the second floor. The Chamber's most striking features were its high arched ceiling, tall windows curtailed in crimson damask, fireplace mantels of beautifully polished marble, Presiding Officer's chair elevated 3 feet from the floor and topped with a crimson canopy, and the ceiling adorned with a sun and 13 stars.

Much of the institution that these new Senators shaped during the coming months endures today. In some ways, we might feel at home on the floor of the 1789 Senate; but in others, of course, we would be absolute strangers. We would recognize the Senate's officers. The first 12 Senators began by electing a President pro tempore, 47-year-old John Langdon of New Hampshire, and appointing a secretary, a doorkeeper, a chaplain, and three messengers.

We would not recognize the Senate's 1789 workload or many of its procedures. The Senate generally met each day from 11 a.m. until 2 p.m. A Senator at that time could introduce a bill only after he had given the Senate a day's notice of his intention, and had secured the permission of a majority of Members. Under these rules, a majority could—and did—thwart the introduction of any bill it found objectionable. A more common form of initiating legislation was for a Senator to move that a committee be appointed to report a bill to achieve a specific goal.

Committees conducted their business before and after Senate sessions, and on Saturday mornings. Committee members were elected in secret balloting by vote of the entire Senate. The member receiving the highest number of votes, generally the Senator who initiated the proposal, became the chairman. Most committees were composed of three members, although particularly significant matters were assigned to five- or seven-member panels. This system placed great burdens on the more active and innovative members, while a few Senators served on no committees at all. Committees seldom heard witnesses and never kept transcripts. As soon as a committee completed its work, it ceased to exist. The Senate waited until 1816 to establish its first permanent legislative committee.

The Constitution's framers had intended that the Senate would devote most of its energies to reviewing legislation conceived of and passed by the House. And, indeed, in the First Congress, 143 measures were introduced in the House, while only 24 originated in the Senate. While the House focused on revenue-related measures, the Senate tended to be more active in matters related to courts and judicial procedure, organization of state and territorial governments, foreign affairs, and banking.

The Senators of 1789 lost no time in trying to assert their superiority over the House. First, they decided that all Senate communications to the House should be carried there by the Secretary of the Senate, but that in the reverse case, two members of the House would bring the communications to the bar of the Senate. The House replied, with a mixture of amusement and resentment, that it would send messages any way it pleased—and it did. Next, the Senators tried to enhance their prestige by proposing a pay differential in their favor. You can imagine how that was greeted.

What was interpreted as the Senate's ultimate display of arrogance was actually not intended as such. The Senate of 1789, unlike the House, deliberated behind closed doors. For 5 years, the Senate's closed doors fed suspicions that dark, antidemocratic plots were hatching within. In fact, Senators were only following the precedent set by the continental Congresses. Senator Samuel Johnson of North Carolina thought the closed-door policy was for the best. He believed that opening the doors to visitors would only encourage posturing by Members and would cost money. Senator Paine Wingate of New Hampshire agonized over the decision to let even one spectator view the Senate at work. He reasoned, "I am not a friend to mystery and hypocrisy, but there are certain foibles which are inseparable from men and bodies of men and perhaps considerable faults which had better be concealed from observation. How would all the little domestic transactions of even the best regulated family appear if exposed to the world?" How indeed, Senator Wingate.

The PRESIDENT pro tempore. The Chair recognizes the distinguished Senator from Oregon [Mr. HATFIELD].

## THE SENATE OF 1889

Mr. HATFIELD. Mr. President, 100 years ago, during the 51st Congress, this chamber housed 88 Senators from 44 States. Those included five States admitted to the Union during that Congress: Idaho, Montana, North Dakota, South Dakota, and Washington. Presiding as Vice President was Levi P. Morton of New York, whose marble bust stands just outside this Chamber. John J. Ingalls of Kansas served as President pro tempore, and his statue stands today in Statuary Hall. As a matter of fact, 6 of the Senators who served during the 51st Congress are memorialized in statuary within the Capitol, a reminder to us of the high standing of U.S. Senators at the close of the Senate's first century.

The Senate 100 years ago was both quite similar and quite different from the Senate of today. Reading through the CONGRESSIONAL RECORD of the era, we find much of the same parliamentary language, the references to distinguished colleagues and honorable gentleman—although none to gentlewoman yet. We find the same high precentage of lawyers—57 out of 88—with the rest of the Members listing largely business or agriculture as their occupations. We find them meeting in this same Chamber, at these same desks, with the same snuff boxes.

But back then, of course, there were no television cameras, and for the most part the Senate was a much quieter place than today. According to the Washington Evening Star, the Senate Press Gallery in 1889 was frequented chiefly by reporters who wanted a quiet place to sleep in the afternoons, since the Senate's proceedings lacked the hustle and bustle of the House.

Or, as House Speaker Tom Reed quipped: "The Senate is a nice quiet sort of place where good Representatives go when they die."

In those days, Senators were elected not by the people but by State legisla-

tures, and they sometimes acted like ambassadors from sovereign States. Among those Senators are names we still recognize: California's Leland Stanford, the railroad executive who endowed a great university, to become the Nation's greatest university, Stanford; Illinois' Shelby M. Cullom, who drafted the Interstate Commerce Commission Act; John Sherman of Ohio, who gave his name to the Sherman Antitrust Act; Michigan's James McMillan, author of the "McMillan Plan" which transformed Washington into a monumental city; and Justin Morrill of Vermont, author of one of the great educational acts in American history, establishing land-grant colleges.

These Senators drafted their legislation at a fairly leisurely pace. Members of the 51st Congress did not take their seats until December 1889, more than a year after the general elections. They took lengthy recesses to escape Washington during the hot summer months since the Capitol was not yet air-conditioned, and adjourned at the beginning of October.

While in session, Senators of the 51st Congress served on 42 standing committees and 11 select committees. Along with such familiar names as Finance and Foreign Relations, committees a century ago included those on Coastal Defenses, Fisheries, and Improvement of the Mississippi River. There was a modern-sounding Select Committee To Inquire Into All Claims of Citizens of the United States Against the Government of Nicaragua. There was also a Committee on Revolutionary War Claims—long after there were any living Revolutionary War veterans to make claims.

This was really a sinecure committee, which neither met nor handled legislation but existed only to provide its chairman with a committee room and a clerk—important commodities in the days before Senators had office space or much staff. The first Senate Office Building was not completed until 1909.

One hundred years ago the Senate had only 291 employees, a fraction of today's numbers, but enough to cause the New York Times to complain about a "very costly Senate." Those were the days when the Senate employed stable hands and wagon masters, and, when needed, only 34 Capitol policemen. Like the Senators they served, the staff included some memorable members, such as Secretary of the Senate Anson McCook, one of the "Fighting McCook" brothers of the Civil War; or the venerable assistant doorkeeper Isaac Bassett, with his long-flowing white beard, who had worked for the Senate since he was a page in the era of Daniel Webster; or the Senate's Chief Reporter of Debates, Dennis Murphy, who had first been hired by John C. Calhoun, a half century earlier.

Despite these ties with the past, the Senate of 1889 was moving into a new era. During the 1880's, the Senate Chamber had been converted from gas to electric light, the first Senate telephone operator was employed, and the first electric bell system summoned Senators to the Chamber to vote. There was no Congressional Research Service, and the Library of Congress was still located inside the Capitol, along the west front, where it housed half a million volumes with "no department of literature or science being unrepresented."

The Senate of a century ago has left us a gift. In 1886, it resolved to place marble busts of Vice Presidents in the niches that line our Gallery walls. In 1889 a bust of Hannibal Hamlin, Abraham Lincoln's first Vice President, who was still living at the time, was installed. The busts of Hamlin, Jefferson, Adams, Calhoun, Van Buren, and other Vice Presidents from our first century now, today, gaze down upon a Senate entering its third century, carrying on the traditions established in their generations and now entrusted to us.

[Applause.]

The PRESIDENT pro tempore. The Chair recognizes the senior Senator from Alaska [Mr. STEVENS].

## HISTORY IN THE NEW SENATE CHAMBER

Mr. STEVENS. Thank you, Mr. President. I am delighted to see the presence in the Chamber of our two former leaders with whom I have the privilege to serve.

The Senate has just had a memorable visit to the Old Senate Chamber, an impressive, almost reverential place dedicated to our predecessors who served there. Some think of that Chamber as the historical setting, the meeting place of the Senate, and this Chamber as an arena in which we go about every day business, the business of the Senate. But much history took place in this Chamber as well.

Where we stand today, Union soldiers in fresh blue uniforms first camped in Washington in 1861. The Senate was out of session when these troops, who arrived to protect the Capitol, soldiers from a Massachusetts regiment, were quartered right here in the Senate. One of them discovered Jefferson Davis' old Senate desk and took out his vengeance against the Confederacy by stabbing that desk with his bayonet. Today a small piece of wood inlay in that desk covers the gash. But it is a reminder of that passional era.

Just think, in this room the Senate sat as a court of impeachment on President Andrew Johnson. A tremendous battle raged between Congress and the White House over the nature of post-Civil War reconstruction with the President seeking a speedy restoration of the South to the Union, while legislators demanded Federal protection for the rights of freed men.

When the Senate cast its ballots in 1868, they fell one vote short of removing President Johnson from office. Many have asked what would have been the fate of the American Presidency, if that vote had gone the other way. But just think of the high drama that unfolded here 7 years later when that same Andrew Johnson came to take his oath as a U.S. Senator, administered by some of those who had voted on that impeachment. He was the only former President to serve in the Senate.

Or imagine the scene in 1881 when the Senate found itself evenly divided between Republicans and Democrats. That is the only time it has happened in our 200-year history. At that time a Republican Vice President, Chester A. Arthur, cast a tie-breaking vote to enable Republican Senators to organize the committees. But in typical Senate fashion, the Democrats were permitted to control all patronage appointments of Senate officials in that Senate.

And think of the icy-cold day in 1909 when heavy snows drove the President-elect William Howard Taft's inauguration off the platform and into the Chamber, the only Presidential inauguration that has taken place in this Chamber although many Vice Presidents have taken their oaths here, and many of us were here when Nelson Rockefeller took his in 1974.

And just listen, listen to the echoes of the filibusters that have taken place here over 130 years. In 1917 a little group of willful men, as Woodrow Wilson called them, tied the Senate up in a filibuster that defeated Wilson's bill to arm American merchant ships in advance of the American entry into the First World War.

It was a result of that filibuster that the Senate adopted the first cloture rule, and we are still figuring out how to make it work. Here, filibusters were terminated to enact critical civil rights legislation in the 1950's and the 1960's.

And look at the front row here of the leaders, occupied by the Democratic leader and the Republican leader. Not until the 1920's did the parties designate majority and minority leaders. And not until 1927 did the Democratic leader take his seat on that side of the aisle, and not until 1937 did the Republican leader take his seat on that side of the aisle in the front-row desk.

Great constitutional clashes have taken place on this floor, such as when the Senate defeated Woodrow Wilson's Treaty of Versailles in 1919, or

when it refused to act on Franklin Roosevelt's court-packing plan in 1937.

Think also of the times that the Senate and the President have acted in concert in the dark days after Pearl Harbor, or during the foreign policy bipartisanship period between President Harry Truman and the Republican 80th Congress.

As Senator from Alaska, I hope I am not amiss in invading your time by reminding you of two important historical events. On April 9, 1867, the Senate approved in this Chamber the treaty by which the United States purchased Alaska from Russia. That is the smartest real estate deal the Senate was ever involved in.

And I was in this Chamber sitting up there in the Gallery 31 years ago, on June 30, 1958, when as Assistant Secretary of Interior I witnessed the Senate voting 64 to 20 to admit a new State, the first one in 45 years, as Alaska came into the Union. And the same year thereafter, Hawaii came in as our 50th State.

Those are historic occasions that I remember, as I think of the history of this Chamber. In addition to personal memories, we can read on yellowed copies of the CONGRESSIONAL RECORD of historic events that would be important to each of you.

But just think, as a result of the Senate's action recently, future Americans will look at video tapes that are being kept in storage to record the historical events that take place as the Senate continues to perform its constitutional duties.

Thomas Jefferson called the Congress a great theater. The Old Senate Chamber, with its wonderful acoustics, provided a stage for great debates of the Websters, the Clays, and the Calhouns. This Chamber is our stage, and we are its players for the time being. I think we are, indeed, fortunate to have a part in this 200th anniversary of the United States Senate and particularly a part in the 100th anniversary of the Senate's rival to this great Senate Chamber. Thank you, Mr. President.

[Applause.]

The PRESIDENT pro tempore. Master Gunnery Sergeant Michael Ryan, accompanied by the United States Marine Band, will now sing "America the Beautiful."

[Singing of America the Beautiful.]

[Applause.]

The PRESIDENT pro tempore. The Chair recognizes the majority leader, Mr. MITCHELL.

## THE SENATE OF 1989 AND BEYOND

Mr. MITCHELL. Mr. President, Members of the Senate, earlier, Senator FORD and Senator HATFIELD described the Senate of 1789 and 1889. I have been asekd to speak briefly on the Senate of 1989 and beyond.

The Senate today is, in many ways, the same as it was in the past, but in other important ways, it is different. Unlike the institutions of 1789 and 1889, the Senate today is popularly elected. Its Members reflect directly the aspirations and demands of the people of 50 States. Today's Senate debates and votes in full public view, unlike the closed sessions of 200 years ago. Americans can see the Senate in action, judge its deliberations and reach their own conclusions about the institution and its Members. Sometimes that is a good thing.

Yet, like its predecessors, today's Senate still gives a powerful voice to the minority. It retains its important role in the appointment of executive and judicial officials. It remains an institution with unique authority to define the conditions of American life and the circumstances in which American rights are exercised.

Unlike the world of the past, ours is fast changing. Former adversaries have become partners. They are testing their new economic strength as often against us as with us. The less-developed nations no longer wait patiently for recognition of the needs of their new and growing millions.

Within our society, our traditions remain strong, but our basic institutions change to meet new circumstances. Family values endure, but family responsibilities have evolved. Free enterprise remains central to our system, but its responsibilities become clearer. Technology provides much comfort, but it imposes heavy demands on the environment. Change, more change, more rapid change are the hallmarks of our century.

Yet the Senate is the institution intended not to promote change but to temper it, to moderate the speed with which the Nation hurtles into the future. Former Senator Sam Ervin spoke truly when he said:

> Efficiency is not necessarily the be all and the end all of democratic government. We tolerate a certain amount of inefficiency because we know it is the price we must pay for liberty.

Can an institution devised to restrain change be created in shaping the Nation for its third century? I say yes.

The Senate possesses a responsiveness and depth unmatched elsewhere in Government. Six-year terms and staggered elections make the Senate a continuing body with experience and renewal. Senators can and do serve with many Presidents through many different crises, foreign and domestic. They confront continuing internal reform and external threat. Each Senator, although only 1 of a body of 100, may take upon himself or herself the sole responsibility for halting an initiative of the whole body or of the executive or of the House. Each Senator has that power and that responsibility.

The Senate is the principal partner of the executive in the conduct of foreign affairs, through the treatymaking authority and the confirmation power. We may share in the risks the President wishes to take or reject them, and we also share in the public judgment of the outcome.

There are no easy parallels in history to 20th century America. Here in our Nation our economy is entering a postindustrial age where Americans compete in an international workplace. Medical technology offers new hope and longer life to millions and huge costs to all. Prosperity is high but leaves many untouched.

Change abroad is also unprecedented in scope and pace. Never before has mankind's activity threatened the international environment.

Never before have the peoples of the world been so vulnerable to the actions of terrorists and madmen. Never before have the prosperous societies of the West seen first hand the tragedy of famine and deprivation in the Third World.

Can a 200-year-old institution respond to such change? We answer that question affirmatively every day. Throughout its existence, despite its built-in bias against haste, the U.S. Senate has been a revolutionary body. It has not become an aristocracy of birth or wealth, as many predicted. It has not paved the way for a parliamentary system, wholly deferential to the executive, as some feared. The Senate has been a guardian of tradition without becoming a barrier to change.

Hubert Humphrey, citing Emerson said:

> If * * * it is a "standing insurrection," it is a standing insurrection against the ancient enemies of mankind: war, poverty, ignorance, injustice, sickness, environmental ugliness, economic and personal insecurity.

We will never know greater honor than to serve in this body. We can justify that honor by striking down those ancient enemies, now and through our third century of existence.

The men who wrote the Constitution had as their central objective the prevention of tyranny in America. They were brilliantly successful. In 200 years we have had 41 Presidents and no kings. The institution most responsible for that happy result is the Congress.

As our distinguished colleague, Senator SARBANES, has so eloquently put it, an independent legislature is the distinguishing feature of democracy. All forms of government have executives. In many that is all there is. There is an abundance of government, present and past, without independent legislatures. Democracy is different, and the American democracy is unique.

Here in the most free, the most open, the most just society in all of human history, individual liberty has reached its zenith. The Congress, the independent American legislature, is the principal reason for that. As we enter our third century that is our proud heritage and our great responsibility.

[Applause.]

The President pro tempore. The Chair recognizes the Republican leader, Mr. DOLE.

## AS WE HONOR THE PAST, WE MUST LOOK AHEAD

Mr. DOLE. Mr. President, first let me observe that nothing has changed in 200 years. We do not have a quorum here now.

We are down to 41 but I have included former Members to take us over 50. So we are in good shape. [Laughter.]

I want to thank my colleagues, and my former colleagues, certainly the presiding President pro tempore, the members of the Bicentennial Commission, our Senate officers and our historic curator. They deserve thanks for the contributions of this very special celebration, and it is a very special celebration. I want to thank particularly my former colleagues, Senator Eagleton and Senator Baker, for their participation.

I recall very well as we left the Old Chamber. It reminded me that in 1984 I was elected majority leader in that Chamber. It was an exciting moment at the time but it was also a time, as I am certain others in the leadership would agree, for some very sobering thoughts about the responsibilities that come to the job. Leading the greatest democratic body on the face of the Earth is certainly a challenge. It is an opportunity. It is one that is shared by five of us who are here today, the Presiding Officer, myself, the distinguished present majority leader, Senator Mansfield, and Senator Baker.

I guess as I looked around at the time knowing I would be following in the footsteps of Mike Mansfield, Howard Baker, ROBERT BYRD, Lyndon Johnson, and Robert Taft, the thing I thought about was that each of these men had made a different for America. So I was comforted and also inspired because I knew each of these men either personally or I had learned of their energies and their efforts as leaders. And each had a dedication and a vision to make a difference. That is why we are here after 200 years. That is why we are going to be here after another 200 years.

Certainly as we honor the past, we all must sort of look ahead. I have been asked to look ahead 200 years. And what the Senate is going to look like in 2189 is anyone's guess. Maybe by then we will have adopted Senator Russell Long's idea of voting from home. [Laughter.]

Or voting from overseas. [Laughter.]

We will not have to interrupt our travels. [Laughter.]

But no doubt about it, there are going to be a lot of changes, not only in the 200 years but 100 years or 50 years. I think it has already been observed that those who established the first quorum certainly never thought we would have television in the Senate, or computer terminals in every office, or an automobile parking lot on Capitol Hill, or political action committees. I guess we can only guess what this place would look like two centuries from now. But I am confident of one thing, I am not certain which party or there may be another party around by then which will prevail at that time, but the strength of the institution will prevail just as it has for two centuries despite world wars and depressions, or technological revolution.

The Senate will live on, rich in tradition and richer still in democracy, and there will be another ROBERT BYRD to keep us on our toes and to make certain we get the history right. There will be others to follow other leaders in the Senate now and their committees. I happen to believe that two centuries from now the people's business will come first just as it does now, and not the business of the special interests. It is never easy but we can only be true to our forefathers' dream that we judge issues not by whether they are popular but whether they are best for America. I can think in my short time in the Senate, some would say I have been here too long, we have sailed against the wind many times before. I think we will continue to do that in the next 100 or 200 years.

One of our greatest Senators, who has been referred to a number of times already this morning, said it best in my view in the historic original Chamber. It was Deniel Webster who proclaimed "I speak not as a Massachusetts man, not as a Northern man, but as an American." If our colleagues will stick to Senator Webster's invaluable road map the American people, and the men and women who represent them, will never lose their way.

Thank you. [Applause.]

## EXPRESSION OF SENATE CONFIDENCE

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. MITCHELL. Mr. President, I submit a resolution and ask for its immediate consideration.

The PRESIDENT pro tempore. The Secretary will read the resolution to the Senate.

The Secretary read as follows:

A resolution (S. Res. 94), to express the Senate's confidence, hope, and trust for those who will serve in the Senate during its third century.

The PRESIDENT pro tempore. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 94) was agreed to, as follows:

S. RES. 94

*Resolved,* That the Members of the Senate of the 101st Congress extend to all who will serve in the Senate during its third century—

(1) our confidence that their deliberations and actions will be enlightened by an appreciation of the Senate's rich history and guiding traditions;

(2) our hope that they will strive ceaselessly to meet the aspiration of Daniel Webster that the Senate be a body to which the Nation may look, with confidence, "for wise, moderate, patriotic, and healing counsels"; and

(3) our trust that they will uphold the prerogatives of the Senate under the Constitution and will remain ever attentive to the well-being of their constituents, their Nation, and their world.

## RECESS

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate stand in recess until 1:25 p.m.

There being no objection, the Senate, at 1 p.m., recessed until 1:25 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. SANFORD].

The PRESIDING OFFICER. At the request of the majority leader, the Senate, without objection, will stand in recess until 1:45 p.m.

There being no objection, the Senate, at 1:26 p.m., recessed until 1:45 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. SANFORD].

## RESERVATION OF LEADERSHIP TIME

Mr. KENNEDY. Mr. President, I ask unanimous consent to reserve the leadership time.

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

## MORNING BUSINESS

Mr. KENNEDY. Mr. President, what is the pending business?

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business.

## THE BICENTENNIAL OF THE UNITED STATES SENATE

Mr. WARNER. Mr. President, it gives me great pleasure today to share with my colleagues biographical information on the first two Members of this body from the Commonwealth of Virginia.

As my colleagues are aware, Virginia played a pivotal role in the founding of our country, and apart from Washington, Jefferson, Madison, and others of our distinguished predecessors, Virginia's first U.S. Senators played an important role in the First Congress.

At this point in the RECORD, I ask unanimous consent that biographies of the Honorable Richard Henry Lee and the Honorable William Grayson be printed for the benefit of my colleagues.

There being no objection, the biographies were ordered to be printed in the RECORD, as follows:

Lee, Richard Henry (brother of Arthur Lee and Francis Lightfoot Lee), a Delegate and a Senator from Virginia; born at "Strafford," in Westmoreland County, Va., January 20, 1732; after a course of private instruction attended Wakefield Academy, England; returned in 1751; justice of the peace for Westmoreland County in 1757; member of the house of burgesses 1758-1775; Member of the Continental Congress 1774-1780; a signer of the Declaration of Independence; brought forward the resolution, in accord with instructions given in the Virginia convention of May 17, 1776, declaring "that these united Colonies are, and of right ought to be, free and independent States," etc.; author of the first national Thanksgiving Day proclamation issued by Congress at York, Pa., October 31, 1777, after the capture of Burgoyne's army at Saratoga, N.Y.; member of the State house of delegates in 1777, 1780, and 1785; served as colonel of the Westmoreland Militia in engagement with the British at Stratford Landing on April 9, 1781; again a Member of the Continental Congress 1784-1787 and served as President of the Congress in 1784; member of the Virginia convention which ratified the Federal Constitution June 26, 1788; elected to the United States Senate and served from March 4, 1789, until his resignation October 8, 1792; retired from public life; died at his home, "Chantilly," Westmoreland County, Va., June 19, 1794; interment in the old family burying ground at "Mount Pleasant," near Hague, Westmoreland County, Va.

Grayson, William (father of William John Grayson and uncle of Alexander Dalrymple Orr), a Delegate and a Senator from Virginia; born in Prince William County, Va., in 1740; attended the University of Pennsylvania at Philadelphia; pursued classical studies in England, and was graduated from the University of Oxford; studied law at the Temple in London; returned to Virginia and practiced law in Dumfries; during the Revolutionary War was appointed aide-de-camp to General Washington August 24, 1776; commissioned colonel of a Virginia regiment January 1, 1777; distinguished himself at the Battle of Monmouth in 1778; member of the board of war in 1780 and 1781; Member of the Continental Congress 1784-1787; delegate to the Virginia convention of 1788 for the adoption of the Federal Constitution, which he opposed; elected to the United States Senate and served from March 4, 1789, until his death in Dumfries, Va., March 12, 1790; interment on the old family estate at Belle Air near Dumfries, Va.

Mr. WARNER. It is fitting, indeed, that on this 200th anniversary of the convening of the U.S. Senate that we have allotted this time to honor those who first served in the positions we now hold. The Senate is now 100 strong and directly elected by the American people, but it still serves the function for which it was originally intended: Equal representation for each State of the Union.

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## ALABAMA'S FIRST SENATORS

Mr. HEFLIN. Mr. President, I rise today on this bicentennial of the U.S. Senate to pay tribute to the original Senators from the State of Alabama. During the historic 200 years of this great body, Alabama has been fortunate to have many outstanding statesmen represent us in the Senate. Names like John Sparkman, John Tyler Morgan, Edumund Pettus, Clement Comer Clay, Lister Hill, Hugo Black, and Jim Allen come to mind, but perhaps none of these had as great an impact on Alabama as our first two Senators, John Williams Walker and William Rufus King.

These great men each played a large role in helping Alabama achieve statehood in 1819. Both John Williams Walker and William Rufus King had played prominent roles in other States before coming to Alabama and helping make possible the transition from territory to State.

John Williams Walker was elected as Alabama's first U.S. Senator by Alabama's first general assembly on October 25, 1819. He had moved to Alabama from Georgia and his friendship with Georgia Senator Charles Tait helped pave the way for Alabama's admittance into the Union.

Although Walker suffered from tuberculosis, he managed to overcome the disease and achieve many great successes. Although orphaned at the age of 9 and raised by his brothers, he was graduated from Princeton with honors.

After moving to the Huntsville area of Alabama, John Williams Walker was soon elected to the Alabama Territorial Legislature and by 1818 had risen to the position of house speaker. It was here that his friendship with Georgia Senator Charles Tait helped clear the way for Alabama's statehood. Walker served as president of the first Alabama Constitutional Convention. He had served as a U.S. territorial judge appointed by President James Monroe but gave that up so he could be elected our first Senator.

John Williams Walker was a distinguished Senator and represented Alabama well. Perhaps his greatest accomplishment in the Senate was the passage of the Land Relief Act of 1821 which helped land owners survive the economic depressions which ravaged the country.

Unfortunately, John Williams Walker's tenure in the Senate was limited by his bad health. He retired from the Senate in November of 1822 and died in Alabama 4 months later. His service to Alabama and the Nation are recognized in the State by a monument at his gravesite in Huntsville and by Walker County in northwest Alabama which bears his name.

Alabama's other original Senator, William Rufus King, also distinguished himself with his service to Alabama and the Nation. He was elected in November of 1819 to the short term as U.S. Senator.

William Rufus King had many ties to the State of North Carolina before coming to Alabama. He was born there and was graduated from the University of North Carolina before launching his political career. He served in the State legislature and in the U.S. House of Representatives before representing the United States in Italy and Russia. He returned from overseas to settle in Dallas County in the Alabama Territory. Today the city of Selma, AL, can thank William Rufus King for his leadership in establishing their community.

King's prominence in Alabama politics appears when he was named a member of the Constitutional Convention in 1819, headed by the other future Senator John Williams Walker. As his sharp legal mind and keen intellect became apparent, William Rufus King's influence grew. He was one of only three men who drafted the final document at the Constitutional Convention which enabled Alabama to join the Union.

King's health was much better than Walker's and he served the Senate continuously for 25 years until 1844. He rose in prominence and in power, serving as President pro tempore of the Senate from 1836 until 1841. He would have continued to serve in the Senate had not the fight over the annexation of Texas prompted President Tyler to appoint King as the Minister to France. Both France and England were concerned about the United States admitting the Republic of Texas to the Union. King's outstanding diplomatic skills enabled him to alleviate France's fears about the annexation and thus diffuse a potential international conflict. England followed France's lead and lost interest in the Texas annexation.

William Rufus King returned to the U.S. Senate in 1848 to fill a vacant seat. It was here that King began to gain more national recognition. In 1852, King defeated Jefferson Davis to win the Democratic nomination for Vice President under Franklin Pierce.

They won the general election. King was not able to relish the victory for tuberculosis drove him to seek refuge from the winter in Cuba. When Congress realized that William Rufus King would not be able to be sworn in at the inauguration on March 4, 1853, they authorized the United States consul to Havana to give King the oath of office on that day in Cuba. It was then that King became the only major elected American official to take the oath of office on foreign soil.

King realized the extent of his sickness and returned home, reaching Dallas County only 2 days before his death on April 18, 1853. His death brought to an end the career of one of Alabama's most outstanding statesmen. He remains one of the few men ever to serve as a U.S. Representative, Senator, and Vice President.

Although Alabama was not yet a State when this Congress convened in 1789, this bicentennial of Congress remains an important time to examine the history of this historic institution. Senators John Williams Walker and William Rufus King both placed their mark on Alabama and on this Nation. Each one played a large role by shaping my great State and by beginning the tradition of great legislators Alabama has sent to Congress.

## THE BICENTENNIAL OF THE UNITED STATES SENATE

Mr. THURMOND. Mr. President, I rise today on this historic occasion with a profound sense of pride and patriotism. We are gathered here to celebrate the 200th anniversary of the Senate of the United States. This great democratic institution was initially considered a experimental and revolutionary departure from the norm of government. Over the centuries, it has proven to be a flexible, fair and vital branch of the Government of our Nation.

However, the First Congress had a few difficulties at the outset. In fact, it seems that obtaining a quorum was almost as difficult then as it sometimes is today.

The first session of the Congress was scheduled to convene in New York on March 4, 1789. Only 13 Members of the House of Representatives, from 5 of the 11 States that had ratified the Constitution at the time, were present on that day. Thus, the House met and adjourned every day until April 1, when the 30 of the 59 elected members arrived in New York and the House finally reached a quorum.

On April 6, 5 days later, the Senate reached a quorum as well, although the President of the Senate, Vice President John Adams, did not arrive for another 2 weeks. Thus on April 6, 1989, we recognize the Bicentennial of the United States Senate.

The passage of time can have a fascinating effect on historical events—it has the power to transform the new into the old, the revolutionary into the traditional, and the experimental into the tested. This process characterizes the transformation which the U.S. Senate and our Government has undergone. Our unique system of government, a daring and risk-laden proposal in its time, has become the model of democracy for the free world.

Additionally, it is awe-inspiring to consider the tremendous foresight of our Founding Fathers. The documents, devices and tools of government they implemented 200 years ago are still flourishing today, watered by the spring of truth and justice. It is this factor—the timelessness of the principles of justice, truth and democracy—that energizes our system of government and endows it with perpetual life. Though times may change, the value of the principles on which the United States are founded are everlasting.

In closing, I would like to take this opportunity to reflect on the significance of the spirit of this occasion. The lofty feelings of pride and joy that we share for that which our Nation has achieved are relevant to our contemporary situation as well. I suggest we take this moment to look toward the future, interpreting the buoyant spirit of success as a harbinger of that which is to come. Let us be inspired on this important day to work for the good of the United States with renewed diligence and vigor.

## BICENTENNIAL STAMP CEREMONY

Mr. MITCHELL. Mr. President, this morning the Old Senate Chamber was the site of a ceremony to dedicate a stamp commemorating the 200th anniversary of the U.S. Senate's first quorum.

During the ceremony at 9:30 a.m., statements were made by the chairman of the Bicentennial of the U.S. Senate, the Senator from West Virginia [Mr. BYRD], the Republican leader [Mr. DOLE], the Senator from Delaware [Mr. ROTH], the Postmaster General, Anthony M. Frank, and myself.

I ask that these statements be printed in the CONGRESSIONAL RECORD.

### WELCOME REMARKS

Mr. BYRD. Mr. President, as chairman of the Commission on the Bicentennial of the United State's Senate I welcome my distinguished colleagues, Senators GEORGE MITCHELL, BOB DOLE, and JOHN GLENN, the Postmaster General Anthony Frank, and our invited guests to this ceremony dedicating the Senate Bicentennial stamp.

It is my hope that this commemorative stamp, depicting the eagle and shield above me, will act as an emissary to the people.

What better way to remind Americans of the Senate's bicentennial than by affixing it to the mail delivered to them each day.

As we all know, this date marks the official beginning of the Senate.

It is the 200-year anniversary of its first quorum.

Though the Senate's work had been delayed almost 5 weeks, the Senators present on April 6, 1789, wasted no time in getting to work. Everything these men did was done for the first time. They elected John Langdon of New Hampshire the first President pro tempore, counted the ballots that elected George Washington our first President and John Adams Vice President, and set about establishing the organization of the Senate. Not surprisingly one of the first items of contention in those early days was compensation for Members. The old saying "history repeats itself" could not be more true.

For this very reason, it is important that we are celebrating this occasion. That first Senate, to some degree, addressed almost every problem that would confront it in the years ahead. It set in motion the wheels that would make the Senate the greatest deliberative body in the world. The Senate is a great institution that is steeped in two centuries of history and traditions. It is, I believe, much greater than the sum total of its one hundred parts. Though some would find fault with its practices, it will surely endure for all the centuries to come.

Mr. MITCHELL. Mr. President, it is appropriate that the first quorum of the Senate that was achieved, on April 6, 1789, be commemmorated by the issuance of a stamp to mark the anniversary, for the Post Office was one of the very first Government departments to be reestablished when the new Congress began its work 200 years ago.

At that time, 75 post offices and 2,000 miles of post roads served the people of the Thirteen Colonies. When the service moved to Washington eleven years later, its entire inventory—records, furniture, and all—fitted into two wagons.

It was no accident that among the first orders of business for the new Senate was the reestablishment of Postal Service. The Constitution itself commanded it.

The Founders knew that for a nation to come into being from the 13 States with their far-flung people, communication was essential. That meant a postal system.

The first Congress is justly remembered for its achievements in drafting the Bill of Rights, in setting up the judicial branch, in establishing the major Government departments.

But to our forebears, the people of the Thirteen Colonies, no agency of

Government was as important as the Postal Service. And its importance to our people continued through the 19th century, when postal contracts were a primary source of reliable financing that made possible the construction of our Nation's transportation system.

The Service pioneered in the use of waterways and canals before railroads and highways thrust into the western wilderness. The Service was in the forefront of rail use as the lines were laid down.

With the introduction of rural free delivery in 1896, the long isolation of America's farmers was broken, as local governments were forced to improve access to farming communities across the Nation.

The adoption of parcel post paved the way for mail order services to farms and rural communities, bringing to Americans in remote districts the most modern goods of their age.

Today electronics make instant news, instant communication and instant delivery of letters a routine fact of life. Our communications network is the most efficient and complex in the world. Americans have it in their power to be the best-informed people in the world.

And that fact of today's life rests in large part on the historic role of the Postal Service in its efforts to give all Americans a way to reach each other. The Pony Express, which brought the two coasts to within 12 days' distance; the efforts of the first rural carriers, braving unpaved trails and unmarked roads to reach remote farmhouses, all played their part in helping our Thirteen Colonies grow into the great Nation we share today.

We salute the Congress that 200 years ago recognized this need, and the Postal Service which has worked to meet that need ever since.

THE EAGLE AND THE SHIELD

Mr. ROTH. Mr. President, I want to commend the U.S. Postal Service for the creation of this handsome stamp in honor of the Senate bicentennial. I am sure it was not an easy job to find the right symbol to express what the Senate is and has been. If you look around the Senate Chamber we are surrounded by symbols of our history—there are snuff boxes, and spittoons, mahogany desks, and marble busts of our past Presiding Officers. But I doubt whether any of those items would have expressed much meaning on a stamp.

The choice of the eagle and the shield, in my opinion, was exactly what was needed. The eagle and the shield have hung in the Capitol for at least 164 of our 200 years of Senate history. They were perched above the Senate when Henry Clay, Daniel Webster, and John C. Calhoun debated the great issues of this country in the decades before the Civil War. The strength and vigilance of the eagle, and the protection offered by the shield are the qualities of leadership that Senators have always worked to provide this country. Those are symbols that we are proud to exhibit to the Nation and the world on this commemorative stamp.

STAMPS OF THE BICENTENNIAL OF CONGRESS

Mr. FRANK. Senator BYRD, Members of the Senate, distinguished guests, ladies and gentlemen. Good morning. I am very pleased to be here to help celebrate the 200th anniversary of the first quorum of the United States Senate.

Several years ago, the Postal Service received thousands of requests to create a series of stamps celebrating the bicentennial of the U.S. Constitution. We did just that.

The Constitution series consists of more than 20 philatelic issues that pay tribute to our country's beginning. Each stamp and postal card highlights a major event in the development of our federal system—from the convening of the Constitutional Convention, to ratification of the document of the Thirteen Original States, to the drafting of the Bill of Rights.

This Senate stamp is one of four commemoratives specifically recognizing the separate branches of our Federal Government. This week, we are issuing stamps honoring the House of Representatives and the Senate. On April 16, at Mount Vernon, we will issue a commemorative stamp honoring the executive branch. Next year, a stamp honoring the judicial branch will complete the group.

The entire Constitution series offers every American the opportunity to create a personal collection of U.S. history. This series, more than any other, provides a complete perspective on the development of our unique form of Government. Those who buy and receive these stamps will be reminded anew of the importance and influence of our country's ideas and institutions in shaping their own lives and serving as a beacon of freedom and hope for peoples throughout the world.

A truly successful stamp design can indeed convey such complex ideas in a fraction of a second. Like all art forms, stamps are universally understood and so have great power to unite people and bridge the gulfs created by language and alphabet.

But stamps are a miniature art form, and their design extremely difficult. To create an image and a message in 1 square inch—that is the challenge—an enormous challenge.

I am sure you will join me in congratulating Howard Koslow for meeting that challenge in superb fashion in his design of this Senate stamp. Howard, thank you for your excellent work. [Applause.]

Stamps, postal cards, and envelopes provide a unique honor roll of persons and events important in our national history and life—persons and events deserving wide and lasting attention throughout the United States and, indeed, the entire world.

In a very real sense, stamps are our Nation's "calling cards"—powerful traveling billboards featuring our heritage—commemorating those people, events, institutions and achievements which comprise this great Nation's progress and success. Stamps—colorful, miniature works of art—provide a panorama of American history from the landing of the *Mayflower* to the landing on the Moon. They portray America's arts, crafts, and architecture—its great moments in sports—the natural glories of our land as well as our many achievements in space and aviation.

Former Chief Justice and Bicentennial Commission Chairman Warren Burger has called for a deepened national understanding of American history, noting that:

"Nothing could be more important than teaching our young people the value of the Nation's Constitution." Hence, the Commission is giving scholarship and education a high priority in its bicentennial commemoration activities.

Commission Staff Director Mark Cannon has also stressed the need for an "educational revolution," which would raise American's awareness of their constitutional heritage. He sees "promoting education as the most vital challenge of the bicentennial commemoration."

We sincerely hope the Postal Service's philatelic series commemorating the bicentennial of the Constitution will further understanding of American history. And in a much broader context, we do this routinely through our Benjamin Franklin stamp clubs.

During the last decade, we established some 37,000 Benjamin Franklin stamp clubs, with more than 1 million members, mostly in elementary schools. These stamp clubs use stamps to teach students—to help them relive great events and meet great people who have shaped our country.

Interesting children in history is far easier through stamps than through textbooks. Stamp collecting is a hobby that children naturally enjoy. The beauty of postage stamps and their graphic portrayals of historic events, cultural achievements, and the natural beauty of this land from the Chesapeake Bay to the Pacific Ocean fascinate and absorb youngsters like few other collectibles.

Many Benjamin Franklin stamp club members as well as students nationwide will discover the new constitution series of stamps in their classrooms, and on mail received in their homes. And through these new issues they will learn a little more about the Con-

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stitution and all it has meant to our Nation for 200 years.

Through the constitution series Americans, both young and old, can follow the critical chain of events that began with the convention called "for the sole and express purpose of revising the Articles of Confederation. * * *" They can follow the months of debate and compromise that preceded the creation of a document that has proven to be the most successful blueprint for popular sovereignty in human history.

The Postal Service is proud of this philatelic tribute to the Constitution and pleased to issue this new commemorative stamp in honor of the bicentennial of the U.S. Senate.

Two hundred years ago, the business of our Government as required by the U.S. Constitution began to unfold. John Langdon of New Hampshire was selected President pro-tem of the Senate and the first ballot count for President of the United States began. Since that time, the Constitution has stood as our personal charter for liberty and a beacon of democracy that can be seen around the world.

This commemorative stamp provides all Americans the opportunity to collect and preserve a piece of our constitutional heritage. It serves as a small-but-powerful symbol for the world, transforming millions of letters into filers for freeedom.

And now, it gives me great pleasure to dedicate this new 25-cent commemorative stamp honoring the U.S. Senate. It is appropriate that Washington, DC, is the only city in the United States where these stamps may be purchased today. But starting tomorrow, 138 million of these tiny pages of American history will go on sale in 40,000 post offices across the country, carrying the story of one people, one government, one freedoms.

Thank you.

At this time, it is my pleasure to present souvenir albums to a few destinguished guests. By tradition, the first album goes to the President of the United States and this album will be presented to George Bush.

## ADDITIONAL INFORMATION ON THE "EXXON VALDEZ" INCIDENT

Mr. STEVENS. Mr. President, I want to provide further insight into the circumstances surrounding the tragic oilspill in my home State of Alaska, and I would like to have printed in the CONGRESSIONAL RECORD four articles. One is from the Anchorage Times, two are from the New York Times, and one is from the Washington Post.

In yesterday's Anchorage Times, which is one of my hometown papers, an exclusive story sheds additional light on the situation in the wheelhouse of the *Exxon Valdez* when it went aground in Alaska's Prince William Sound.

The ship's third mate at the helm at the time of the impact was unaware that the captain, who had left the bridge, had put the ship on autopilot just before leaving the bridge. The time lost because the rudder did not respond to human commands, and the confusion in the wheelhouse until it was discovered that the ship was proceeding on a computer-set course on autopilot, was likely a contributing factor to this great tragedy. The Anchorage Times article describes that situation in depth.

The New York Times has made thoughtful comments in two recent editorials. The first appeared on March 30. It helps put in perspective the issue of further exploration for additional oil in the Arctic. Bearing in mind that 25 percent of the oil consumed by our Nation comes from Alaska, that New York Times editorial makes the point that the recent oilspill in Prince William Sound should not preclude oil exploration in the Arctic National Wildlife Refuge.

In the April 5 edition of the New York Times, a second editorial addresses a need for more clearly defined rules of marine safety. The article calls for clear, workable, realistic regulations to be in place to assure quicker and more adequate response should a tragedy, such as our recent tragedy, occur anywhere in our Nation's waters.

Mr. President, the Washington Post article that I mentioned is a column by Michael Herz that appeared also on April 5. Herz brings out the point that unless clearcut plans are tested and tested regularly before a spill and properly coordinated, those plans are not worth the paper they are printed on. Documents alone and industry promises are not enough to ensure that the environment of this country will receive adequate protection.

Mr. President, many people are asking me about suggestions. I want to commend these articles to the Senate and urge those who want to find out more about what happened and what should be done to read these articles.

Mr. President, I ask unanimous consent that the articles I mentioned be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Anchorage Times, Apr. 5, 1989]

AUTOPILOT LED SHIP TO REEF

COMPUTERS OVERRODE HUMAN HAND

(By Joe Hunt)

VALDEZ.—Confusion in the wheelhouse may have allowed the ship's computers to override human commands, keeping the Exxon Valdez on a course toward catastrophe, according to a Coast Guard investigator.

The confusion likely lasted for only 90 critical seconds, Mark DeLozier, chief marine investigator with the Coast Guard in Valdez, said Tuesday, but the captain of the Exxon Valdez plotted a course so perilously close to known reefs that the last minute and a half doomed the ship to the record books of great marine disasters.

Captain Joseph Hazelwood, 42, was not at the controls when the 987-foot tanker ran aground March 24, but he may have committed his vessel to its fateful perch upon Bligh Reefs before turning the ship over to this third mate, DeLozier said. The Coast Guard is conducting a separate investigation from the National Transportation Safety Board.

DeLozier described the details leading up to the grounding in the first public disclosure of how the Exxon Valdez grounded itself on well-charted and well-known reefs 25 miles south of Valdez. The accident tore open the ship's hull, releasing 10.1 million gallons of oil and changing the course of nature in Prince William Sound.

Testimony from the captain and crew members who were in the wheelhouse during the night of the accident shows that Hazelwood may have deliberately steered the tanker out of the designated shipping lanes before retiring to the lower deck, DeLozier said.

Hazelwood turned over the vessel to third mate Gregory Thomas Cousins, 38, while the tanker was on a course leading straight towards the reefs, the Coast Guard investigator said.

In describing the accident, DeLozier spoke in terms of minutes rather than miles. The Exxon Valdez was about nine minutes from impact when the captain left the wheelhouse, he said.

Though Hazelwood left instructions to gently steer the tanker back into the shipping lanes, he failed to tell his third mate that the ship was being controlled by automatic pilot, DeLozier stated. There is no way to confirm that the automatic pilot played a part in the accident, but DeLozier was told by at least one crew member that it was turned on and caused a delay in turning the vessel, "We're not confident exactly who put it in automatic pilot," DeLozier cautioned, "and we're not absolutely sure that it was."

DeLozier said that Hazelwood, in relinquishing control of the wheelhouse, failed to tell the third mate that the ship's controls were set on automatic pilot. About 4½ minutes before impact, Cousins ordered that the tanker turn 10 degrees to the right, just as the captain instructed, DeLozier said.

The rudder didn't respond. A ship will not respond to controls when the automatic pilot is engaged, DeLozier explained. After losing perhaps one precious minute and cruising perilously toward the reef, Cousins realized that the ship was not turning and ordered helmsman Robert Kagan to steer the boat another 10 degrees to the right. Again the tanker didn't respond.

The vessel was about three minutes away from running aground on Bligh Reef when someone in the wheelhouse realized the automatic pilot was on, DeLozier said. He wasn't sure who first recognized the problem.

Though Cousins ordered full right rudder immediately after disengaging the automatic pilot, it was too late.

The crew in the wheelhouse had about three very anxious minutes as they tried to avoid crashing on the rocks, but the tanker—more than three football fields in length—was slow to respond.

"There's not much time to react," DeLozier said. "The ships don't react that quickly."

According to the ship's logs, the tanker ran aground at 12:04 a.m. on Good Friday, March 24, 1989.

Six days later, the National Transportation Safety Board announced that Hazelwood had a blood-alcohol level of .061 even though the blood sample was taken nine hours after the ship went aground. The operator of a tanker cannot have a blood-alcohol content of more then .04 by federal law.

The alcohol may have impaired the captain's judgment and caused the missed communication about the automatic pilot, DeLozier said.

"When one person relieves another, the normal procedure is to communicate exactly (the state of the wheelhouse)," he said, "Since Mr. Hazelwood was under the influence, maybe this had something to do with the lack of proper relief."

The communication problem and Hazelwood's unauthorized movement out of the shipping lanes pale when compared to the charge of operating a tanker while intoxicated, DeLozier said.

"The mere fact that the guy was under the influence is enough to prove all charges that may or may not be filed as a result of the casualty," DeLozier said.

A tape recording of communication between Hazelwood and the Coast Guard's vessel traffic control center shows that the captain failed to respond to a request that he notify them of his location.

Hazelwood requested permission to alter course to avoid ice floes from the Columbia Glacier floating in the shipping lanes. The Coast Guard controller approved the request but also asked that the ship notify him when it entered the northbound shipping lane, according to the taped transcript.

The Coast Guard did not hear from the Exxon Valdez again until Hazelwood, talking slowly and in a deep, tired voice informed them of the grounding. The transmission was made at 12:28 a.m.

After making the initial contact with the Coast Guard, Hazelwood made the following transmission: "Yeah, we should be on your radar here. We've fetched hard aground. . . . We're leaking oil. We're going to be here a while. I just wanted to make a report."

DeLozier said it was not surprising that 24 minutes separated the official time of grounding and the time the Coast Guard was informed of the oil spill.

No one was looking at the clock at the time of grounding, he theorized, and the notation in the log book was probably made several minutes after impact. Plus, he said, the captain and crew might have taken a few minutes to assess the situation.

DeLozier discounted a published theory that the captain and third mate were trying to take a treacherous shortcut when the ship went aground. "Some of the rumors we hear that he intentionally made a short cut, that's not feasible," he said. "That's so far off the mark that even this idiot wouldn't have done it."

The tanker's path toward disaster began after the ship's pilot, an expert charged with navigating the tankers in and out of Port Valdez, left the vessel at Rocky Point outside of the Valdez Narrows.

As third mate Cousins assisted the pilot off the vessel from the main deck, Hazelwood contacted the Coast Guard to make his request to move about in the shipping lanes. The first transmission was made at 11:25 p.m., 39 minutes before the grounding.

Hazelwood: "The pilot disembarked and at this time we are hooking up sea speed (a 43-minute process in which the ship builds up its cruising speed.) Estimated time of arrival at Naked Island 0100 (1 a.m.)."

Coast Guard: "Roger that, sir, request updated ice report when you get down through there."

Hazelwood: "OK, I was just about to tell you judging from our radar we were just about to divert from the TSS and end up in the inbound lane if there is no conflicting traffic."

Coast Guard: "No reported traffic. I've got the Chevron California one hour out and the Arco Alaska is right behind them."

Hazelwood: "That will be fine. We may end up over in the inbound lane. We'll notify you when we leave the TSS and cross over the separation zone. Over."

Coast Guard: "Roger that. We'll be waiting your call. Traffic out."

Five minutes later, Hazelwood called the traffic control center again. "Present time going to alter my course to 200 and reduce speed to about 12 knots and winding my way through the ice. Naked Island ETA will be a little out of whack, but once we are clear of ice out of Columbia Bay we'll give you another shout. Over."

Coast Guard: "Roger that, sir, we'll be waiting your call. Traffic standing by."

The Coast Guard did not hear from the captain again until after the accident, according to DeLozier. Hazelwood apparently altered his course again to a heading of 180, a change of 20 degrees, without informing the control center.

That heading, said DeLozier, while charting the direction on a map, put the Exxon Valdez on a collision course with Bligh Reef.

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[From the New York Times, Mar. 30, 1989]

OIL ON THE WATER, OIL IN THE GROUND

Does the Exxon tanker spill show that Arctic oil shipping is being mismanaged? Should the industry have been better prepared to cope with the accident? Should the spill deflect President Bush from his plan to open more of Alaska to oil exploration?

Six days after the Exxon Valdez dumped 240,000 barrels of crude into the frigid waters of Prince William Sound, questions come more easily than answers. But it is not too early to distinguish between the issue of regulation and the broader question of exploiting energy resources in the Arctic. The accident shouldn't change one truth: Alaskan oil is too valuable to leave in the ground.

Exxon has much to explain. The tanker captain has a history of alcohol abuse. The officer in charge of the vessel at the time of the spill was not certified to navigate in the sound. The company's cleanup efforts have been woefully ineffective. Local industries, notably fishing, face potentially disastrous consequences, and the Government needs to hold the company to its promise to pay. More important, Washington has an obligation to impose and enforce rules strict enough to reduce the risks of another spill.

That said, it's worth putting the event in perspective. Before last Friday, tens of thousands of tanker runs from Valdez had been completed without a serious mishap. Alaska now pumps two million barrels through the pipeline each day. And it would be almost unthinkable to restrict access to one-fourth of the nation's total oil procuction.

The far tougher question is whether the accident is sufficient reason to slow exploration for additional oil in the Arctic. The single most promising source of oil in America lies on the north coast of Alaska, a few hundred miles east of the big fields at Prudhoe Bay. But this remote tundra is part of the Arctic National Wildlife Refuge, and since 1980 Congress has been trying to decide whether to allow exploratory drilling.

Environmental organizations have long opposed such exploration, arguing that the ecology of the refuge is both unusual and fragile. This week they used the occasion of the tanker spill to call for further delays while the damage from the Exxon Valdez spill is assessed.

More information is always better than less. But long delay would have a cost, too: Prudhoe Bay production will begin to tail off in the mid-1990's. If exploration is permitted in the refuge and little oil is found, development will never take place and damage to the environment will be insignificant. If development does prove worthwhile, the process will undoubtedly degrade the environment. But the compensation will be a lot of badly needed fuel.

Environmentalists counter that, at most, the refuge will add one year's supply to America's reserves. They are right, but one year of oil is a lot of oil. The 3.2 billion barrels, if found, would be worth about $80 billion at today's prices, enough to generate at least $10 billion royalties for Alaska and the Federal Government. By denying access to it, Congress would be saying implicitly that the absolute purity of the refuge was worth at least as much as the forgone $10 billion.

Put it another way. Suppose the royalties were dedicated to buying and maintaining parkland in the rest of the nation—a not unthinkable legislative option. Would Americans really want to pass by, say, $10 billion worth of land in order to prevent oil companies from covering a few thousand acres of the Arctic with roads, drilling pads and pipelines?

Washington can't afford to assume that the Exxon Valdez accident was a freak that will never happen again. But neither can it afford to treat the accident as a reason for fencing off what may be the last great oilfield in the nation.

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[From the New York Times, Apr. 5, 1989]

OIL AND DIRTY HANDS

The wreck of the Exxon Valdez: It's already the largest American oil spill. It may yet turn out to be America's most profound environmental disaster. It undermines the oil industry's credibility and threatens future exploration. And its traces will last for years to come, grim reminders of carelessness and official self-deception.

But this catastrophe can yet bring some measure of redemption by jolting Congress to write credible regulations for oil exploration and shipping, persuading the bureaucracy to enforce them and forcing industry to honor its trust.

It is true, as President Bush has said, that there is not direct connection between the wreck of the Exxon Valdez and the bill he favors to open up the Arctic National Wildlife Refuge to exploratory drilling. The accident could as easily have occurred off the coast of Lousiana.

But in terms of public perception, the connection has already been made. Support for the bill is dwindling fast and won't be revived without tough new regulations. Interior Secretary Manuel Lujan, an advocate of aggressive exploration, seems to grasp this point more clearly than does Mr. Bush.

"If the image of an uncareful and uncaring industry prevails among the U.S. public," he told an industry group on Monday, "then we can kiss goodbye to domestic oil and gas exploration in the [refuge], offshore, and in the public lands."

In relative terms, the Alaskan spill is small (see box). The 1978 spill from the Amoco Cadiz in prime fishing waters off the Brittany Coast was seven times bigger. But its damage was mitigated by high winds and heavy seas that broke down the oil and prevented formation of a continuous slick.

The special horror of the Alaskan spill lies in its location. Breathtakingly rich in animal life, the frigid waters of Prince William Sound are ringed by islands and largely isolated from the sea. The oil may thus resist chemical degradation for years. Even now, the spreading slick has turned the sound into a marine graveyard.

A public outraged by the sight of oil-soaked birds and sea otters has been made angrier still by evidence of industry irresponsibility. Exxon recertified the captain despite his drinking problems. The ship was in the hands of an unqualified third mate when the accident occurred. Cleanup efforts were confused and slow.

Yet others are also to blame. While Exxon is plainly responsible for the accident, the Clean Water Act of 1972 gives the Coast Guard responsibility for developing and monitoring plans for containing a spill.

The regulations are full of high-minded language calling for "regional response teams" and "on-scene coordination." As a practical matter, however, the Coast Guard has ceded responsibility to the Alyeska Pipeline Service Company, the eight-company consortium that operates the Valdez oil terminal.

Alyeska's record is one of appalling smugness. In 1981, it disbanded a 20-man round-the-clock emergency crew. In 1987, in an updated contingency plan, it boasted that it could deploy the necessary equipment in five hours. But when disaster came, the company had trouble finding the barrier booms designed to encircle the spill and a ship seaworthy enough to carry them to the scene.

In the end, it took 35 hours to circle the ship, still longer to mount an attack with much-touted chemical dispersants that, in cold water, may have been of little value anyway. And by then the oil was floating miles from the ship.

The rules clearly need tightening up. The limits of liability are now a puny $100 million for cleanup costs and unspecific economic damage; these surely need to be raised. But what the Exxon Valdez disaster demands even more is a wrenching shift of attitudes. It will be hard indeed to persuade the public to take the risks involved in seeking oil in inhospitable places until a complacent bureaucracy cleans up its act and until an equally complacent industry comes forward with clean hands.

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[From the Washington Post, Apr. 5, 1989]

EXXON'S FAILED PROMISES

(Michael Herz)

The Exxon Valdez, impaled on the rocks and bleeding oil into Prince William Sound, should be a stark warning to the public agencies charged with protecting bays and coastlines throughout the country that industry can't be trusted to meet its promises to produce and ship oil without damage to the environment.

Federal regulations require that oil terminals, pipelines, drilling platforms and storage facilities on or under the ocean or on the shore have oil spill contingency plans. Under the law, operators of such facilities must promise through these weighty documents that they can respond to spills quickly and effectively.

But documents alone and sincere-sounding industry promises aren't enough to ensure that the environment will be protected. Both the Valdez spill and experience in other areas demonstrate that without monitoring of the oil industry's readiness to respond to spills—as promised in their plans—the plans are virtually worthless. Without skeptical, continuous governmental tests of oil spill response equipment and personnel, the environment will always be the loser when the real emergencies occur.

The operators of the Alyeska Terminal at the end of the Alaska Pipeline had dutifully drafted an oil spill contingency plan to meet the regulations. The plan detailed response and cleanup operations for the area and was approved by both federal and state governments.

But on the 24th of March, the contingency plan was put to its first real test and found to be seriously wanting. In a region held not to be treacherous by the Coast Guard, under the command of an apparently inebriated master, an Exxon tanker without a protective double bottom ran aground and dumped the largest quantity of oil ever spilled in U.S. waters. Public officials who failed to demand that industry prove its response capability must share a full measure of blame with Exxon and its employees.

And the proof of this? Instead of there being seven oil skimmers in five hours as promised in the contingency plan, three arrived at the stricken tanker more than 12 hours after the grounding, and skimming did not begin for 18 more hours. Pitting three small skimmers against 10 million gallons of oil is like trying to empty a swimming pool with an eyedropper.

Over the next two days, when moderate weather conditions were optimal for mechanical containment and recovery, little oil was skimmed despite the contingency plan's claim that thousands of barrels a day could be contained and recovered, even under storm conditions.

Chemical dispersants, which might have decreased the surface volume of the spill and reduced the impacts of oil on beaches and shorelines, were not applied. And oil booms which the plan said would be made available to prevent oil from entering fish hatcheries, streams and other sensitive habitats, were in short supply.

In short, the promises contained in the contingency plan could not be kept.

This should come as no surprise to anyone familiar with the way in which compliance with environmental laws or regulations is monitored. Too often, potential polluters are asked to be their own watchdogs. In the case of federal oil spill contingency plans there never has been an effective federal enforcement program to monitor the degree to which promised performance could be delivered.

Under the federal Coastal Zone Management Act, states are empowered to come to their own conclusions about the effectiveness of federal actions; in at least one case, a state has demanded that industry prove its ability to meet its promises.

In notable contrast to the federal laxity in monitoring plans, the California Coastal Commission has for more than 10 years had a staff person who has been responsible for evaluating plans. * * *

## ARCHBISHOP IAKOVOS

Mr. MOYNIHAN. Mr. President, this past weekend marked a significant event in the religious life of the Greek Orthodox Church in North and South America. April 1 marked the 30th anniversary of the ordination of Archbishop Iakovos as primate of the Greek Orthodox Archdiocese of North and South America. Commemoration exercises took place in New York City and throughout two continents. I would like to pay tribute in this body to this extraordinary leader.

Archbishop Iakovos is a religious leader, humanitarian, educator, and international leader. Archbishop Iakovos' religious activities alone are awe-inspiring. He is the spiritual leader of over 2 million Greek Orthodox, founder and chairman of the Standing Conference of Canonical Orthodox Bishops in the Americas, chairman of the Standing Conference's "Orthodox Catholic Consultation," and former co-president of the World Council of Churches from 1959–68. He was also received in private audience by Pope John XXIII at the Vatican in 1959—the first Greek Orthodox Archbishop to visit the Pope in 350 years. This is just a sampling.

Archbishop Iakovos was born in Turkey, trained at the Ecumenical Patriarchate's Theological School in Istanbul, and also received a master's degree in Sacred Theology from Harvard University School of Divinity. His educational activities include: president of the board of trustees of St. Basil Academy in Basil, NY; president of the Board of Education of the Greek Orthodox Archdioceses of North and South America; and trustee of Anatolia College.

But, Archbishop Iakovos has educated people throughout the world in other profound ways. He has lectured and preached widely, addressing many Roman Catholic, Protestant, and Jewish groups and various universities and institutions. In this, he has encouraged and promoted exchange. As the leader of the delegation of Ecumenical Patriarchate to the World Council of Churches Assembly, he initiated the Orthodox dialogs with Judaism. Even as he has worked to establish similar dialog with Catholics, Anglicans, Lutherans, Southern Baptists, and black church leaders.

His service to the cause of civil and human rights has been undaunted. He was active in the civil rights movement and marched with the late Dr. Martin Luther King, Jr., in Selma, AL, in 1965. Internationally, Archbishop Iakovos has been an advocate, indeed a beacon for human rights and religious freedom. He has led protests against repressive governments throughout the world and also serves on the honorary board of the advisory council on Religious Rights in Eastern Europe

and the Soviet Union of the Senate Foreign Relations Committee.

The Archbishop's accomplishments and service to the world community are boundless. I congratulate Archbishop Iakovos and the Greek Orthodox Archdiocese on this significant occasion.

## PATIENT OUTCOMES RESEARCH ACT OF 1989—S. 702

Mr. PRYOR. Mr. President, as chairman of the Senate Special Committee on Aging, I am delighted to join Senator MITCHELL and many of my colleagues on the Senate Finance Committee in introducing the Patient Outcomes Research Act of 1989. This watershed legislation has great potential to reduce unnecessary and inappropriate health care services, and their costs, by developing ways to accurately evaluate the effectiveness of treatments.

Over the past several years we have devoted a great deal of attention to technology assessment and to the licensure and certification of various health care providers. Too little attention, however, has been paid to measuring specific treatment outcomes. We have little useable data that adequately assesses the result of particular medical interventions. As a result of this void of information, it is practically impossible to determine whether a particular treatment was necessary in the first place and/or whether it achieved what it was intended to achieve.

The practice of medicine never has been and probably never will be an exact science. This helps explain why there appears to be wide variations in the rates of the use of certain procedures from provider to provider and from community to community. However, we all benefit if we can provide more detailed and useful information to physicians about the effectiveness of various medical interventions.

The legislation contains an important provision to establish practice guidelines as part of a crucial strategy to implement the outcomes research results. Based on the research findings produced, a practice guidelines committee—comprised of practicing health care professionals—will be established to develop both patient management and practice guidelines. It is important to note that the primary goal of these guidelines will be to improve the quality of care received by patients.

It goes without saying that the information that is expected to emerge from today's effort will eventually provide significant benefits to both patients and physicians. It will give doctors the information they need to make decisions on what treatment option(s) would be most appropriate and beneficial to their patients. Reductions in inappropriate treatment approaches will not only improve patient care, but it will reduce unnecessary medical expenditures. In addition, these guidelines also have great potential to make an invaluable contribution to addressing the medical malpractice problem. Physicians following general guidelines probably would be less likely to be on the losing end of a malpractice suit. These facts help explain why both major aging advocacy groups and the American Medical Association are supportive of this initiative.

The financing for this legislation will come primarily from Medicare's Hospital Insurance trust fund, and to a lesser extent, from the general fund. Contributions from these two sources makes good sense. Medicare, the primary public health insurer in this country, will be the primary payor of this bill. However, the research envisioned by this legislation will benefit not only Medicare beneficiaries—it will benefit all health care consumers in our society at large. Therefore, the general fund will appropriately contribute its fair share.

This legislation is consistent with and will complement a recent request of the General Accounting Office [GAO] to conduct a study to develop clinical practice guidelines that direct practitioners to the most cost-efficient and effective treatment options. Senator HEINZ, Senator MITCHELL, and myself initiated this study to help to develop policies and procedures for setting priorities for outcomes research, determining the most appropriate and cost-effective research strategy within a given priority area, and for developing practice guidelines.

Mr. President, this bill is a logical step in our continuing effort to improve the quality of care for all of our Nation's citizens while at the same time contributing significantly to our commitment to reducing or decelerating health care expenditures by identifying treatments that do not contribute to good patient outcomes. I urge my colleagues to support this bill, which I find to be one of the most exciting and promising pieces of legislation in the health care arena today.

## A TRIBUTE TO SAMUEL A. COTHRAN

Mr. THURMOND. Mr. President, on March 31, 1989, Samuel A. Cothran, publisher of the Aiken Standard newspaper and one of South Carolina's most respected journalists, retired after more than 50 years of service to his profession. Although Mr. Cothran's involvement in the publishing field will be greatly missed, his many accomplishments will serve as a model for others who aspire to pursue a career in journalism.

A native of Laurens, SC, Mr. Cothran is an alumnus of Davidson College and a cum laude graduate of the University of South Carolina. He began his professional career in 1939 when he joined the staff of the News and Courier in Charleston, SC. Following a stint in the U.S. Army infantry in 1941, where he attained the rank of lieutenant colonel, Mr. Cothran returned to the News and Courier. In 1960, he was promoted to managing editor, where he served for 8 years before becoming editor and publisher of what was then the Aiken Standard and Review.

Under Mr. Cothran's leadership, the newspaper in Aiken experienced tremendous growth. In 1969 the newspaper, which was operating in a cramped building and used linotype machines and hot-lead production methods, moved to a 24,000-square-foot newspaper publishing plant fully modernized with the latest equipment. The newspaper's name was soon shortened to the Aiken Standard and its distribution was changed from morning to evening. Since that time, Mr. Cothran has continued to seek out new and innovative publishing procedures. Some recent modifications include the installation of computers and a million dollar press, the addition of a Sunday newspaper, and the publication of the State's only locally edited Sunday magazine.

The results of Mr. Cothran's hard work and foresight have been phenomenal. In 1968, the Aiken Standard had a circulation of just under 4,000 and employed only a handful of people. Now, 21 years later, the newpaper boasts over 16,000 subscribers and employs approximately 93 South Carolinians.

Mr. Cothran's many contributions to the State, however, are not limited to his work within his profession. Mr. Cothran has served his community as chairman of the Hitchcock Foundation Board of Trustees, president of Friends of the Hopeland, a member of the advisory board of the Salvation Army, and a member of the Aiken Chapter of the American Red Cross. He has also served as president of the Aiken Chamber of Commerce and was selected as Aiken's Man of the Year for 1989.

Although Mr. Cothran's conservative and patriotic editorials will be greatly missed by his readers, the Aiken Standard will continue to serve as a testament of his hard work and dedication for years to come.

I would like to congratulate Mr. Cothran on a fine career and wish him the best of luck for a productive and fulfilling retirement. I would also like to recognize his devoted family, his wife, Nona, and his three sons, Samuel A. Cothran, Jr., of Summerville; Thomas C. Cothran, of Minneapolis, and Frank C. Cothran, of Aiken.

Mr. President, I ask unanimous consent that the following newspaper article concerning Mr. Cothran be printed in the RECORD.

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

DEVOTION TO PRINCIPLES MARKED 50-YEAR CAREER

Not many persons are privileged to work with great success in the chosen profession for half a century. That is the accomplishment of Samuel A. Cothran, who retired Friday as president, publisher and editor of the *Aiken Standard*.

His retirement at 73 came as a climax to a career that took him from cub reporter to the top position in a growing South Carolina daily. For 21 years he has directed the fortunes and editorial policies of this newspaper. And they have been momentous years.

When the *Aiken Standard and Review*, as it was then known, was purchased by its present owners, the Evening Post Publishing Co. of Charleston, in 1968, it was a five-day morning newspaper with a circulation of less than 4,000. Published by Mrs. Annie Howell King, it was largely a family enterprise, with Mrs. King—an elderly widow—sometimes performing almost single-handedly.

For its purchase price, the new owners received a generous supply of good will and a collection of outdated equipment that was barely up to producing a newspaper.

As publisher, Mr. Cothran literally started from scratch. A new building was constructed, and new equipment installed throughout. In the years since, that equipment itself has been replaced several times to keep up with the latest trends in newspaper publishing.

Meanwhile, the staff grew from a handful to today's total of 92 employees.

With the dedication of the new plant in 1968, the *Aiken Standard* adopted a shortened name and became an afternoon newspaper. Major milestones since that time included the installation of computers, the installation of a million dollar press, the addition of a Sunday newspaper and the appearance of a Sunday magazine, the only locally-edited magazine published by a South Carolina newspaper.

Although affiliated with the Charleston newspapers, the *Aiken Standard* has maintained its own new policies and editorial independence. Employees soon learned that there was one boss, Samuel A. Cothran. They knew him as a retiring individual who could delegate authority but who did not hestitate to make his wishes known on matters of principle.

He took a personal interest in the editorial page, which reflected his conservative and patriotic viewpoint and also his natural flair for orderly makeup.

Some of Mr. Cothran's accomplishments in the community are known. He served as president of the Greater Aiken Chamber of Commerce and as chairman of the Friends of Hopelands. As chairman of the Hitchcock Foundation he was instrumental in bringing about the purchase of additional acreage from the Hitchcock heirs and also the implementation of a forestry improvement program.

He has served as an elder of the Presbyterian Church, first at historic First (Scots) Church in Charleston and later at the First Church in Aiken.

He was honored in January as the local Chamber of Commerce's Man of the Year.

Although he took his first permanent newspaper job 50 years ago, Mr. Cothran's newspaper career actually predates that. He worked as a correspondent for the *Charlotte Observer* while a student at Davidson College, and later did summer work with the *Greenwood Index-Journal*. While working with the *Charleston News and Courier*, he was co-author of the book, "Charleston Murders."

Journalism in South Carolina is significantly better because of the half century contribution of Mr. Cothran. His years at the helm of the *Aiken Standard* earn him a permanent place of honor in the annals of this newspaper. We as colleagues and employees salute him for his high principles and for his service to his profession and to this community.

## THE "ANASTASIS"—A FAMED MERCY SHIP DOCKS AT WILMINGTON, NC

Mr. HELMS. Mr. President, I am proud that the mercy ship M/V *Anastasis* has docked in Wilmington, NC. The M/V *Anastasis* and her sister ship, the M/V *Good Samaritan* are fully equipped surgical hospitals funded by the interdenominational organization "Youth With a Mission." Both, ships provide medical and dental care to Third World areas.

The M/V *Anastasis* and her crew of doctors and nurses has just returned from her third trip to Jamaica since Hurricane Gilbert struck the island last fall. When the *Anastasis* leaves Wilmington on April 20 she will be sailing to the Yucatan peninsula area of Mexico.

Mr. President, the *Anastasis'* 450-man crew includes volunteers from more than 25 countries and almost every Christian denomination. The crew consists of doctors, nurses, dentists, medical technicans, builders, teachers, electricians, and plumbers—and 50 of their children.

Not only are these volunteers unsalaried—they pay for their room and board while they are on board. Their support comes from local churches, mission boards, friends, and family. These volunteers are truly dedicated.

Thus far this dedication has taken the *Anastasis* and the *Good Samaritan* to Greece, Malta, Guatemala, Haiti, Granada, Honduras, the Dominican Republic, Jamaica, the Amazon River, New Zealand, the South Pacific, Mexico, the United States, and Canada.

Mr. President, everywhere these vessels go, they provide medical assistance, food, medical and agricultural supplies, and training. They are an outstanding example of Christian charity and of love, compassion, and hope. And since they were purchased for their scrap value, they are also excellent examples of what can be accomplished by the private sector when governments permit it to function without interference.

Mr. President, Heather Choate, the *Anastasis'* director of communications, summed up their mission when she stated that they "are not designed to go speeding to a disaster. We find it most effective to go in a few weeks or months later, after a place has faded from the news, when people are trying to pick up the pieces and they need housing, medical attention, and moral support."

Mr. President, North Carolina welcomes the *Anastasis* to our State and we are honored to help her reprovision for her next mission of mercy.

## KANSAS CITY COMIC RELIEF

Mr. DANFORTH. Mr. President, Kansas City, MO, is proud of a local initiative to bring health care to homeless people. In response to the success of the national Comic Relief campaign sponsored by Home Box Office, Kansas City developed its own Comic Relief.

Spearheading the effort is the Swope Parkway Health Center. The Center's Health Care for the Homeless program is meeting a pressing need in the community. Funds raised by the first Comic Relief helped purchase a mobile health care van, enabling the center to reach more homeless people in Kansas City.

The second Kansas City Comic Relief event was held last month. Congressman ALAN WHEAT and I were honored to serve as the cochairmen of the event. As with the first campaign, sponsors and supporters included cable television systems in the Kansas City area: American Cablevision, Jones Intercable, and Telecable.

Swope Parkway Health Center hopes to use this year's proceeds for a homeless family clinic. The drive will enlist service agencies throughout Kansas City, representatives of business and labor, and city government.

Swope Parkway Health Center intends to pioneer a promising new approach to meeting the needs of homeless families in Kansas City: comprehensive counseling services on all the needs of homeless parents and their children. As presently envisioned, the new program would offer one-stop counseling and referral on health care, nutrition, housing and other needs. There is to be a special emphasis on helping homeless teenagers, as well as teen-aged children of homeless families.

The success of Swope Parkway Health Center's efforts to help the homeless is due in large part to the humanitarian vision of its staff and volunteers. Enthusiastic community support has enabled their vision to become a reality. I commend to the attention of my colleagues this fine example of community service.

## TRIBUTE TO TEMPLE UNIVERSITY SCHOOL OF DENTISTRY

Mr. SPECTER. Mr. President, during April 1989, the Temple University School of Dentistry, the second-oldest dental school in the United States in continuous existence, is celebrating its 125th anniversary.

Temple's School of Dentistry has consistently provided quality education and clinical training for its students. The school is acknowledged as an international leader in pioneering dental research and technology. Temple's dental students leave the school as dentists who are prepared to provide the highest level of dental care to communities all over the world.

The Temple School of Dentistry also makes substantial contributions to the local community. It provides dental health care to thousands of residents of Philadelphia and surrounding areas each year. In addition, its community outreach programs furnish the school's elderly and very young neighbors in north Philadelphia with free dental care.

The school's commitment to the future of dentistry and dental education is worthy of note. This dedication to dentistry is evident in the fact that it is constructing a major new clinical facility. The opening of this facility in 1990 will provide a substantial asset to the school as it prepares the next generation of dentists.

Temple has truly set the standard for excellent achievement and service in the field of dentistry. The achievements of the school and its graduates have benefited dental patients throughout the Nation and around the world. Therefore, on the occasion of its 125th anniversary, it is altogether fitting that the U.S. Senate take note of the great success of the Temple University School of Dentistry and commend its achievements in this field.

## TRIBUTE TO JENNINGS COUNTY, IN, ON ITS STRONG STAND AGAINST DRUGS

Mr. COATS. Mr. President, drug abuse takes its hostages from every age group in every social class and in every American community. But it is the young who suffer most.

Four out of ten high school seniors use illegal drugs regularly. One in twelve uses cocaine. The average age for first-time drug abuse has dropped below 13.

These are not just statistics, they're lives. I've seen what drugs can do to families. They are a factor in teen suicide, in family breakup, in crime, even in the spread of AIDS through dirty needles.

Drug addiction is slow suicide that merits our compassion and help. It is the root of an industry that brings corruption and bloodshed wherever it's found. But most damagingly, it is a trap that robs our children of life and hope, and our families of stability and love.

So it is encouraging that much of the leadership in the fight against drugs has come from young men and women—those who have the most to lose from addiction.

I recently came across a model example of this type of activism—a coalition of students, school administrators and community leaders who have combined their efforts in a strong stand against drug abuse. Jennings County, IN, declared the last week in March "Substance Use Prevention Week," bringing police officials, medical professional and representives from Students Against Drunk Driving into schools to present programs on substance use and abuse. Every class in every county school was given material to review on the drug abuse crisis.

To set the tone for the week, fifth and sixth grade students were asked to write antidrug and antialcohol slogans and the winners were aired on local radio stations.

Their efforts were interesting and encouraging.

"I have hope! I don't do dope!" and "I would rather give hugs than take drugs." by Chris Brewer, a sixth grader from North Vernon Elementary School.

"Drugs are like shooting stars—you start out high, then you die!" by Chuck Brewer, a sixth grader from North Vernon Elementary School.

"People say yes, people say no! You know which way to go!" by Natalie Brown, a fifth grader from Scipio elementary.

"If you want to be cool, keep drugs from your school!" by Patricia Brooks, a fifth grader from Graham Creek Elementary School.

"Be smart, be cool, you don't need drugs to go to school!" by Jeremiah Johnson, a fifth grader from North Vernon Elementary.

"Scrambled eggs are your brains if you have drugs in your veins!" by Will Johnson, a fifth grader at Scipio Elementary.

"Say no! Stay in control!" by Kevin Peacock, a sixth grader at Graham Creek Elementary.

"Drugs might not cause pain, but they can really hurt your brain!" by Joey Stidham, a fifth grader at Brush Creek Elementary.

"My future's so bright, don't ruin it! Don't drink and drive!" by Christy Wilson, a fifth grader at North Vernon Elementary.

## FEDERAL GASOLINE TAX HIKE

Mr. HEFLIN. Mr President, I rise today to voice my opposition to the proposal to raise the Federal gasoline tax. This would place an unfair burden on lower and middle income families as well as all rural drivers.

This proposed Federal tax increase would especially hurt my State since Alabamians rank seventh nationally in per capita gasoline usage. This figure stands so high since many Alabamians must commute many miles from rural areas to urban areas for work each day. These people do not have the benefit of the type of public transportation often available in metropolitan areas and must drive to earn a living.

Another problem with this tax is how to use the funds which would be earned. Under the current law, the Federal fuel tax funds a highway trust fund for upkeep of the roads. Under the proposal, this additional tax would not serve as an additional user tax but as a way to reduce the Federal deficit. In my judgment, it is unfair to place the budget reduction burden on one group of people. In this case an undue burden would be placed on both the rural people who rely on their automobiles to survive and the people with low incomes whose taxes could increase greatly with no resulting increase of benefits.

I urge my colleagues not to adopt this Federal gasoline tax increase. While I agree that reducing our Federal deficit should remain one of our top priorities, I do not believe the savings should come at the expense of lower income families and the rural areas of this Nation. Everyone should share the burden.

## GREEK INDEPENDENCE DAY—SENATE JOINT RESOLUTION 64

Mr. HEFLIN. Mr. President, I am proud to rise today as a cosponsor of "Greek Independence Day: National Day of Celebration of Greek and American Democracy." The histories of our two cultures have much in common and indeed, the foundations for many of our ideas about democracy are based in Greece. This year, the day designated as Greek Independence Day, March 25, represented the 168th anniversary of the start of the Greek revolution against the Ottoman Empire.

Many of the ideas which served as the basis for the democracy in America came from ancient Greek philosophers like Aristotle and Plato. In a statement that could have been paraphrased from our Declaration of Independence, Aristotle said that, "The basis of a democratic state is liberty." These ideas survived the centuries to influence our Founding Fathers' ideas of the ideal state.

Just as the United States has gained from Greek ideas, so has Greece gained from the United States. In the 1820's when Greece began its struggle to escape the oppression of the Ottoman Empire, the people looked to the

American Revolution for inspiration and in fact used our Declaration of Independence as a model for their own.

This day celebrating Greek and American democracy offers us the opportunity to rejoice in the common heritage which has lead us both to the democracy and freedom which we today enjoy. both nations enjoy the liberty and equality made possible by democracy.

I am proud that our two countries share so many of the same traditions which make them both great. This day provides us with the opportunity to reflect on the glorious cultures found in both the United States and in Greece. This important occasion should serve to remind us the debt we owe Greece as the birthplace of American democracy.

Thank you, Mr. President.

## ORDER OF PROCEDURE

Mr. KENNEDY. Mr. President, for the information of the Senate, I understand the Senator from Mississippi has a comment to make as if in morning business, and then we will go about the business of the legislation increasing the minimum wage.

Mr. LOTT. Mr. President, I ask unanimous consent to proceed for 2 minutes.

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

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

## CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The time for morning business has expired.

## MINIMUM WAGE RESTORATION ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 4, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 4) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Human Resources, with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Minimum Wage Restoration Act of 1989".

SEC. 2. RESTORATION OF MINIMUM WAGE.

Paragraph (1) of section 6(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

"(1) except as otherwise provided in this section, not less than $3.35 an hour during the period ending December 31, 1989, not less than $3.85 an hour during the year beginning January 1, 1990, not less than $4.25 an hour during the year beginning January 1, 1991, and not less than $4.65 an hour after December 31, 1991;".

SEC. 3. CHANGE IN ENTERPRISE TEST.

(a) GENERAL.—Subsection (s) of section 3 of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(s)) is amended to read as follows:

"(s)(1) 'Enterprise engaged in commerce or in the production of goods for commerce' means an enterprise that—

"(A)(i) has employees engaged in commerce or in the production of goods for commerce, or that has employees handling, selling, or otherwise working on goods or materials that have been moved in or produced for commerce by any person; and

"(ii) is an enterprise whose annual gross volume of sales made or business done is not less than $500,000 (exclusive of excise taxes at the retail level that are separately stated); or

"(B) is an activity of a public agency.

"(2) Any establishment that has as its only regular employees the owner thereof or the parent, spouse, child, or other member of the immediate e family of such owner shall not be considered to be an enterprise engaged in commerce or in the production of goods for commerce or a part of such an enterprise. The sales of such an estalbishment shall not be included for the purpose of determining the annual gross volume of sales of any enterprise for the purpose of this subsection.".

(b) PRESERVATION OF COVERAGE.—

(1) IN GENERAL.—Any enterprise that on December 31, 1989, was subject to section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) and that because of the amendment made by subsection (a) is not subject to such section shall—

(A) pay its employees not less than the minimum wage in effect under such section on December 31, 1989;

(B) pay its employees in accordance with section 7 of such Act (29 U.S.C. 207); and

(C) remain subject to section 12 of such Act (29 U.S.C. 212).

(2) VIOLATIONS.—A violation of paragraph (1) shall be considered a violation of section 6, 7, or 12 of the Fair Labor Standards Act of 1938, as the case may be.

(c) CONFORMING AMENDMENTS.—

(1) Section 13(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(a)) is amended by striking out paragraphs (2) and (4).

(2) Section 13(g) of such Act is amended—

(A) by striking out "paragraphs (2) and" and inserting in lieu thereof "paragraph"; and

(B) by striking out ", except that" and all that follows in such subsection and inserting in lieu thereof a period.

(d) TECHNICAL AMENDMENTS.—Section 3(r) of such Act (29 U.S.C. 203(r)) is amended—

(1) by inserting "(1)" after "(r)";

(2) by striking out ": Provided, That, within" and inserting in lieu thereof a period and "Within";

(3) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(4) by striking out "For purposes of this subsection" and inserting in lieu thereof the following: "(2) For purposes of paragpraph (1)";

(5) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respetively; and

(6) by striking out "public or private or" in subparagraph (A) (as so redesignated).

(e) EFFECTIVE DATE.—The amendments made by this section shall become effective on January 1, 1990.

SEC. 4. PUERTO RICO, VIRGIN ISLANDS, AND AMERICAN SAMOA.

(a) SPECIAL INDUSTRY COMMITTEES.—Section 5 of the Fair Labor Standards Act of 1938 (29 U.S.C. 205) is amended—

(1) in the first sentence of subsection (a), by striking out "Puerto Rico or the Virgin Islands, or in Puerto Rico and the Virgin Islands," and inserting in lieu thereof "American Samoa";

(2) in the second sentence of subsection (a)—

(A) by striking out "such island or islands" and inserting in lieu thereof "American Samoa"; and

(B) by striking out "Puerto Rico and the Virgin Islands" and inserting in lieu thereof "American Samoa";

(3) by striking out subsection (e); and

(4) in the section heading, by striking out "PUERTO RICO AND THE VIRGIN ISLANDS" and inserting in lieu thereof "AMERICAN SAMOA".

(b) MINIMUM WAGE.—Section 6 of such Act (29 U.S.C. 206) is amended—

(1) in subsection (a)(3)—

(A) in the first sentence, by striking out all that follows "appoint" through the period at the end of the sentence and inserting in lieu thereof "pursuant to section 5 and 8."; and

(B) by striking out the second sentence; and

(2) by striking out subsection (c) and inserting in lieu thereof the following new subsection:

"(c)(1) The rate or rates provided by subsection (a)(1) shall be applicable in the case of any employee in Puerto Rico who is employed by—

"(i) the United States,

"(ii) an establishment that is a hotel, motel or restaurant,

"(iii) any other retail or service establishment that employs such employee primarily in connection with the preparation or offering of food or beverages for human consumption, either on the premises, or by such services as catering, banquet, box lunch, or curb or counter service, to the public, to employees, or members of guests of members of clubs, or

"(iv) any other industry in which the average hourly wage is greater than or equal to $4.65 an hour.

"(2) In the case of any employee in Puerto Rico who is employed in an industry in which the average hourly wage is not less than $4.00 but not more than $4.64, the minimum wage rate applicable to such employee shall be increased on January 1, 1990, and each January 1 thereafter through January 1, 1994, by equal amounts (rounded to the nearest 5 cents) so that the highest minimum wage rate prescribed in subsection (a)(1) shall apply on January 1, 1994.

"(3) In the case of an employee in Puerto Rico who is employed in an industry in which the average hourly wage is less than $4.00, except as provided in paragraph (4), the minimum wage rate applicable to such employee shall be increased on January 1, 1990, and each January 1 thereafter through January 1, 1995, by equal amounts (rounded to the nearest 5 cents) so that the highest minimum wage rate prescribed in subsection (a)(1) shall apply on January 1, 1995.

"(4) In the case of any employee of the Commonwealth of Puerto Rico, or a municipality or other governmental entity of the Commonwealth, in which the average hourly wage is less than $4.00 an hour and who was brought under the coverage of this section pursuant to an amendment made by the Fair Labor Standards Amendments of 1985 (Public Law 99-150), the minimum wage rate applicable to such employee shall be increased on January 1, 1990, and each January 1, thereafter through January 1, 1996, by equal amounts (rounded to the nearest 5 cents) so that the highest minimum wage rate prescribed in subsection (a)(1) shall apply on January 1, 1996.".

(c) WAGE ORDERS.—Section 8 of such Act (29 U.S.C. 208) is amended—

(1) in the first sentence of subsection (a), by striking out "Puerto Rico and the Virgin Islands" and inserting in lieu thereof "American Samoa";

(2) by striking out the second sentence of subsection (a);

(3) in the third sentence of subsection (a)—

(A) by striking out "Puerto Rico or the Virgin Islands, or in Puerto Rico and the Virgin Islands," and inserting in lieu thereof "American Samoa"; and

(B) by inserting before the period at the end of the sentence ", and who but for section 6(a)(3) would be subject to the minimum wage requirements of section 6(a)(1)";

(4) in the third sentence of subsection (b)—

(A) by striking out "Puerto Rico or in the Virgin Islands" and inserting in lieu thereof "American Samoa";

(B) by striking out "Puerto Rico and the Virgin Islands" and inserting in lieu thereof "American Samoa"; and

(C) by striking out "section 6(c)" and inserting in lieu thereof "section 6(a)(3)"; and

(5) in the section heading, by striking out PUERTO RICO AND THE VIRGIN ISLANDS" and inserting in lieu thereof "AMERICAN SAMOA".

(d) EMPLOYMENT UNDER SPECIAL CERTIFICATES.—Section 14(b) of such Act (29 U.S.C. 214(b)) is amended by striking out "(or in" and all that follows through "section 6(c))" each place it appears in paragraphs (1)(A), (2), and (3).

SEC. 5 TIP CREDIT.

The third sentence of section 3(m) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(m)) is amended by striking out "in excess of 40 per centum of the applicable minimum wage rate," and inserting in lieu thereof "in excess of (1) 45 percent of the applicable minimum wage rate during the period ending December 31, 1990, and (2) 50 percent of the applicable minimum wage rate after December 31, 1990,".

Mr. KENNEDY. Mr. President, today the Senate begins debate on the minimum wage. While we deliberated on this issue at some length in the past Congress, we have yet to pass this long overdue increase for our Nation's low-wage workers.

Last fall, we spent several weeks in extended debate on the minimum wage, but could not obtain cloture on debate. But during consideration of that bill, then-Vice President Bush announced he also favored an increase in the minimum wage, and as President, he has put forth a proposal that goes part way toward giving low income workers the fair pay they deserve.

So we have made some progress. Eight years of stonewalling against the minimum wage has ended. We may differ on the specifics of the proposal, but almost all of us now agree that an increase in the minimum wage should be enacted into law.

Last year marked the 50th anniversary of the Fair Labor Standards Act, which established our national policy that the minimum wage should be a living wage, that no one who works full time in America should be condemned to a lifetime in poverty. Six times Congress has reaffirmed this policy by raising the minimum wage, and six times our Nation and its workers have prospered.

But we have entered the ninth year without an increase in the minimum wage, and it has suffered severe erosion due to our neglect. The minimum wage has not increased 1 cent since January 1981—but consumer prices have increased 40 percent.

Over 14 million of our Nation's lowest paid workers have patiently awaited our action. They should wait no longer. The President has sent us a proposal for an increase. The House of Representatives has sent us an increase. Now it is time for the Senate to act, and give our lowest paid workers the long overdue increase they deserve.

The American people know that $3.35 an hour is not a living wage. A Gallup poll last June found that 76 percent of the American people think the minimum wage should be over $5 an hour. That support was consistent throughout the country: 80 percent in the East, 75 percent in the Midwest, 75 percent in the South, and 74 percent in the West. Even 67 percent of Republicans thought the minimum should be over $5 an hour.

Opponents of an increase claim that minimum wage workers are just kids. Well, they are just kidding; 72 percent of workers earning less than $4.65 are adults—not teens. Women bear an extra burden, too. While women make up 45 percent of the labor force, 63 percent of the workers earning less than $4.65 an hour are women.

Opponents also claim that the minimum wage workers are just part-timers, earning some pocket change.

But over 6.5 million full-time workers earn less than $4.65 an hour. Over 3.8 million are heads of households; 2.4 million of these workers live in poverty, and if you include the children of those households, this legislation will improve the lives of 4.6 million people in poverty.

Opponents of the legislation point to studies showing job loss, or inflation, or business failures which they predict will occur if the minimum wage is increased.

I point to the historical record. Six times economists have predicted higher unemployment if the minimum is increased, six times we have increased it, and six times the Nation has prospered. These doom and gloom prophesies have never come to pass, and they will not do so now.

The minimum has not been increased since January 1981. From January 1981 to January 1989, private employment has gone up 21 percent, and inflation has increased 39 percent.

I say, compare the period 1961 to 1969. The minimum wage increased 60 percent, total private employment increased 27 percent, and inflation went up only 22 percent.

From 1971 to 1979, the minimum wage increased 81 percent, total private employment increased 25 percent, and inflation went up 79 percent.

If the minimum wage causes inflation, why is the rate for the last 8 years double what it was in 1961-69, when the minimum wage went up 60 percent?

If the minimum wage leads to slower job growth, why did employment grow faster in the 1960's and the 1970's than in the 1980's, when the minimum has not gone up one cent?

The opponents can cite all the studies that their special interest money can buy: But the historical employment statistics prove that their inflated estimates of job loss and inflation are false.

We have done our best in this legislation to reach a fair compromise with the Bush administration. They requested four specific changes in the act. They asked that the tip credit provision be increased from the current 40 to 50 percent. I have serious reservations about that change, and I am concerned that many low-paid waiters and waitresses may be shortchanged on their wages.

Nevertheless, the committee adopted the tip credit proposal suggested by the administration, and offered by Senator HARKIN.

The administration also asked us to increase and expand the small business enterprise test. The committee accepted that suggestion, and adopted the Jeffords amendment expanding and increasing the small business enterprise dollar test to $500,000.

The administration asks that we limit the increase in the minimum wage to $4.25 an hour. But that is only a 26-percent increase, during a time inflation has gone up 40 percent. The administration's proposal gives too little protection, and the Senate will have an opportunity to vote on this critical issue which is the fundamental issue at the heart of our pledge that no man or woman who works full time should have to live a lifetime in poverty.

The administration also insists that we include a provision, a so-called training wage that would enable employers to pay a lower rate for the

first 6 months to anyone who switches jobs.

That proposal too is unfair, and the Senate should reject it. It is not a fair training wage. It is the same subminimum wage that special interest groups have supported for years as a way to undermine the basic concept of the minimum wage.

The Senate will have an opportunity to vote on the administration's alternative, and I hope that if the sense of the Senate is to adopt a training wage, we shall write one that is worthy of the name, and not simply a back-door device to undercut a fair minimum wage.

I look forward to the debate, although many in this Chamber feel that the issue has been debated long enough. I hope we can achieve a time agreement on the debate and the amendments to be offered. The issues before us are clear, the choices are simple. I want the Senate to proceed in as expeditious a manner as possible. The lowest paid workers in America have waited 8 years for some economic justice—and 8 years is long enough.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER (Mr. ADAMS). The Senator from Utah.

Mr. HATCH. Mr. President, it seems just like yesterday that Senator Kennedy and I were here on the floor of the Senate debating an increase in the minimum wage. In fact, it has been about 6 months, and I suppose my good colleague from Massachusetts is just putting into practice the old adage: "If at first you don't succeed, try and try again."

During this debate, we will no doubt hear him argue that it has been 8 years since the minimum wage was last raised, as he has already argued. Now, that is true enough.

I wonder if Senators have given any thought to the reason why a minimum wage has not been enacted since 1977. Could it be that there are legitimate doubts about the effectiveness of a minimum wage as a means of helping the working poor? Could it be that Members of Congress are genuinely concerned about the job losses that will inevitably occur if the minimum wage is raised? I cannot help but think, Mr. President, that if raising the minimum wage was such an all-fired, good idea, we would have passed an increase by now regardless of who was President of the United States or which party controlled the Congress.

Despite his own reservations about the efficacy of a minimum wage increase for helping the Nation's working poor, President Bush has extended the opportunity to the Congress to enact a minimum wage increase. He has proposed a compromise which I will offer in the ordinary course at the appropriate time. But first, since it has been 6 months since we last discussed this issue, I would like to reiterate some of the major concerns I have with this legislation.

Mr. President, the Fair Labor Standards Act was established some 50 years ago. It established the minimum wage, and really more than 50 years ago was established. The Fair Labor Standards Act was passed as a depression-era protection for workers whose wages, because of the tremendous surplus of labor might have fallen under 25 cents an hour. There is no question that at the time, the Fair Labor Standards Act was landmark legislation. So there is a question today, Mr. President, about the wisdom of raising the minimum wage to the level provided for in S. 4 and without providing a workable training wage for new hires. While adjustments to the statutory minimum wage have been made over the last 50 years, the purpose of the minimum wage has markedly changed since 1938. Then it was simply a wage floor. Today it is touted as a means of helping the poor.

Mr. President, increasing the minimum wage is an ineffective means of helping the poor in this country and cannot achieve this goal. In fact, the evidence is overwhelming that this legislation will eliminate jobs and that really no positive impact will occur to the economy.

There are several reasons why Senators ought to oppose this bill: No. 1, it will cost jobs. Virtually everybody who knows anything about this admits that.

No. 2, it will result in wage inflation, not justified by economic growth.

No. 3, its adverse impact will not be borne equally by the States or by all States in all regions of the country.

No. 4, it will not help, but it will hurt the working poor.

No. 5, it provides no recognition that the difficulties faced by the unskilled in entering the labor market are serious difficulties.

And No. 6, it will result in price increases for certain products and services.

Mr. President, I would like to expand on each of these points because they are all important points. No. 1: Opinion among American economists is nearly unanimous that an increase in the minimum wage will cause a disemployment effect; that is, loss of jobs, not only of those jobs which already exist, but those new jobs which will not be created as a result of an increase in the minimum wage.

Robert R. Nathan and Associates, normally an economist who does work for the unions, certainly not a conservative economist, but a liberal economist, he estimated that 882,000 jobs would be lost over 3 years given an increase of 39 percent in the minimum wage.

Dr. Gerard Adams, another liberal economist, professor at Wharton School who testified before the Labor and Human Resources Committee, estimated a disemployment effect of around 200,000 jobs, and he does not take into consideration the disemployment effect of teenagers, one of the major groups we want to do some good for and get into the work force and get opportunity for and do some good with.

The Congressional Budget Office last year, certainly a conservative estimator in the matter, estimated losses of between 175,000 and 350,000 based on a 36-percent increase, which is less than what the Kennedy bill is but probably what it will wind up with before we finish on the floor. You are talking even the Congressional Budget Office.

The Labor Department, which probably knows more about it than anybody else, examines it more carefully than anybody else and yet still has been conservative through the years in these types of estimates, estimated the job loss at various levels of increase. Even at $4 per hour, the Labor Department estimates between 200,000 and 400,000 lost jobs; at $4.25 an hour, 270,000 to 540,000 jobs lost. If you increase it to $4.65 an hour, which is what the Kennedy bill will do, by 1992, that will cost between 400,000 and 600,000 lost jobs. That is basically what Robert Nathan says—who usually does his economic work for the unions in this country.

The Institute for Research on the Economics of Taxation estimated a loss of 300,000 to 750,000 with an increase of 39 percent.

I suppose we could collect a few more of these estimates for the record, or commission a few dozen more studies, but I do not think the message is going to be any different. Even novice economists know that if the price of a product or service goes up, we are inclined to buy less of it. The minimum wage hike will automatically increase the price of labor to employers without a corresponding increase in productivity, and it stands to reason that they will try to use less labor in the production or delivery of their goods and services. Congress had better realize that fact before it legislates away not only many of today's jobs but also jobs for the future.

No. 2. Job losses caused by a minimum wage increase are, of course, exacerbated by the ripple effect. The ripple effect is caused when workers who are more experienced or have greater skills than minimum wage workers require higher wages in order to maintain pay differentials that existed before the statutory minimum wage increase. The chart I have here details the effects of the proposed increases in the minimum wage on higher wages. For example, employees earning $4 an hour today would have to have raises to $5.15 if workers earn-

ing $3.35 an hour were raised to $4.65 by virtue of this legislation. Workers earning $5 an hour would need raises because they are senior to, or have more skills than, workers who were earning $4, and so it goes on up the pay ladder.

These estimates come from a study by Prof. Ronald Krumm of the University of Chicago and his doctoral student, Li-Wei Chao. They also find that the ripple effect could result in a cumulative hike in U.S. labor costs of 2.1 percent, or over $48 billion, and that by anybody's estimate is a conservative estimate. I find it incongruous that Congress, which has been so concerned with America's ability to compete worldwide, would legislate $48 billion in additional labor costs. And that is a conservative figure. We might be legislating a lot more than that if we adopt the Kennedy approach to the minimum wage. How can this possibly help America's international market position?

But even more important, the study also concludes that the real damage caused by the ripple effect is to compound the disemployment which will result from a minimum wage increase. Let me quote from the Krumm study:

> These ripple-induced wage increases are by no means benign. Quite the contrary, since they are unaccompanied by any offsetting increase in productivity that creates the profits necessary to pay the higher wages, they can only result in employment losses in job classifications traditionally compensated at rates higher than the minimum.

Even more alarming is the fact that the study shows that the adverse impact falls disproportionately on those whose current wages are closest to the new minimum, that is, those on the bottom of the wage scale. So, what the minimum wage increase really does is provide economically unjustified wage increases for more highly paid skilled labor at the expense of those who are struggling. Frankly, Mr. President, this is not only bad economic policy, it is morally shameful.

No. 3. There are inequities in the regional impact of this legislation. Several recent studies have found that an increase in the Federal minimum wage will have a disproportionate impact on States and regions which have lower average wages. The South and Midwest, in particular, which are struggling to attract new business and industry, will suffer significant job losses.

This chart shows the geographic distribution of minimum wage earners by census region. As it shows, 43 percent of minimum wage earners are in our Southrn States and 29 percent are in the Midwest. It has been pointed out by the bill's proponents that the South, for example, is unaffected by a minimum wage increase. Declining unemployment rates have been offered as evidence. But if Senators have studied the economic literature, they know that the real impact of the minimum wage is a disemployment effect. And, their good common sense will tell them that if a higher proportion of minimum-wage earners live in a given area, they will be affected by an increase more than workers in other areas. To suggest otherwise is like saying that Utah suffers the same as gulf coast States from a hurricane.

As you can see, 43 percent of the South are on minimum wage, 29 percent in the Midwest, 14 percent in the West, and 14 percent in the Northeast, I suppose because of the only 14 percent in the Northeast, it is easy to understand why Senator KENNEDY is not as concerned about these issues as those of us who really are concernd about the real impact of these issues.

The bill's proponents have also argued that the impact of the minimum-wage increase is dependent on the gap between the current statutory minimum and the average wage. If, for example, the average wage is $12 per hour, the negative impact will be less than if the average wage is $10 per hour. The argument goes that because the current minimum wage is only 36 percent of the national average wage the increase will simply fill in the gap and lead only to negligible job losses and costs due to the ripple effect.

The flip side to this argument, however, is that not all States are average. Many States have lower than average wages; in other words, the gap between the minimum and the average wage is much narrower. Other States have higher than average unemployment.

A study conducted by Profs. Richard McKenzie and Curtis Simon of Clemson University for the National Chamber Foundation estimated that nearly 1.9 million jobs will be lost by 1995 given a minimum wage rate of $4.65. Southern States would absorb a full one-third of these losses, or about 635,000 jobs. Job losses in the Midwest are projected at 446,000 jobs.

These findings are consistent with a study done by Prof. Ronald Krumm of the University of Chicago. He found that, overall, areas in and bordering the deep South would be most negatively affected by a minimum wage increase.

Senator KENNEDY's own efforts to help the people of Puerto Rico by alleviating the severe ramifications of the minimum-wage increase in that area is one which I supported. I believe it is ironic, however, that we are providing relief from the effects of minimum wage to Puerto Rico, but not to many areas of the United States with similar problems.

Why is it we are so compassionate to Puerto Rico but we do not recognize the disemployment effect in all of the other regions where it will occur and occur just as badly as in Puerto Rico.

Mr. President, if we can acknowledge the particular economic situation in Puerto Rico, why can we not allow Utah, or Texas, or Alabama, or North Dakota, or any other States, the same consideration? Would it not be the right thing to do?

No. 4. A most important reason to oppose S. 4, is that it will not help the working poor.

I think this is obvious if we start the rhetoric long enough to think about it. Let me take a minute to work through it because this is an extremely important point.

First, the number of minimum-wage earners is 3.9 million. This has declined by 50 percent since 1981. Stop increasing the minimum wage and the number of minimum-wage earners declines. Second, it was 3.9 million minimum-wage earners, and only 336,000 are heads of household living in poverty. That is only 8.8 percent of all minimum-wage earners but that is the group which is in most need and which we all want to help.

These are the heads of households, working poor, 8.8 percent. As this chart shows, the overlap between poverty and the minimum-wage workers is minimal. This blue circle shows minimum wage population, 3.97 million. Seven percent of these minimum-wage earners are single. Sixty percent are between the ages of 16 and 24. Just look at it. It is 66 percent which are part time.

The working age poverty population is 20.698 million. The number who are on the minimum wage living in poverty is this little overlap in here, 336,000 households living in poverty and earning the minimum wage.

Mr. President, we ought to be concerned about these people I agree. But our main concern is increasing the minimum wage for everybody in here, causing the loss of jobs, and these people go down the drain in the bargain. It would be far better to have an earned income tax credit for them. I believe before this debate is over that perhaps even the Senator from Massachusetts will offer it. If he does, I will support it even though it will cost a lot of money because there is a group of people who deserve that type of support. But that would be a far more intelligent way of solving this problem than it would be to continue to increase the minimum wage which causes such a disemployment effect.

This bill will increase the minimum wage across the board even though 80 percent of the intended beneficiaries are not poor. Moreover, depending upon which job loss estimate you want to accept, this legislation will price a substantial percentage of the target group out of the job market altogether, because they are the workers most likely to be unskilled, uneducated, undertrained, and unable to compete for

jobs at the higher legislative wage level. Employers can justify higher wages only if productivity and skill levels increase. That is not the case here. Who are the minimum wage earners?

Let us go through it again. Eighty-two percent of all minimum-wage earners are members of families with family incomes above the poverty level—82 percent above the poverty level. Seventy percent of the families with incomes of 150 percent above the poverty level or higher. Nearly 60 percent are under the age of 25, nearly 60 percent of them. Teenagers account for over 36 percent of all minimum-wage earners, 65 percent of whom report that school is their major activity. Sixty percent of all minimum-wage workers have never been married and 66 percent work part time.

Those are the real figures. I think they tell a real story here.

It is also important to remember that 80 percent of all part-time employees prefer part-time work and that 90 percent of all the new jobs created during the current economic expansion, which history books will refer to as the great recovery, work full-time jobs. Clearly the minimum wage which was created in 1938 only to provide a wage floor was never intended as an antipoverty tool, and that is the main argument of the distinguished Senator from Massachusetts and that argument has no defense. It has no logic. It has no science behind it. It has no economics behind it, and frankly it is a good cliche that sounds good and no wonder a majority of the people in this country are for increasing the minimum wage—that is the just thing to do. If they knew all the facts, they would resoundly say that is a lousy system.

Let us come up with something better. That is what I would like to do because we have to fight the minimum wage all the time. We never get to coming up with the right system.

I think when you stop and think about it, the evidence is mounting that the minimum wage is not only ineffective as such a tool as an antipoverty tool, but also it is very detrimental to the very people we want to help.

Let me take this next chart. As this next chart shows, the job loss of a $4.65 minimum wage is far greater than the number of householders living in poverty and earning the minimum wage who might benefit. For instance, the lost job opportunities at the $4.65 minimum wage, according to the Labor Department, almost reaches 700,000. But of those, guess who loses the bulk of those jobs? The number of householders in this column living in poverty and earning the minimum wage get hit the hardest. I do not think this is refutable. The fact of the matter is, this is an old idea that really ought to be thrown out.

It is hard to argue against because it is hard to argue why should we pay people more. But the fact of the matter is most people who are on the minimum wage, and get trained go on to make more in a relatively short period of time because our labor forces are diminishing and it is tough to get quality employees who have some background and training to do the jobs in this country.

Look at what happens. The minimum wage goes up, as Senator KENNEDY would like it to do and I know he is sincere in what he is doing, and I admire him for the facts he wages, albeit how wrong they are. Every time it goes up, the minimum wage goes up, and so does the loss of jobs. And the loss of jobs to those who are really the working poor go up too.

Well, these things are very important because we are simply eliminating jobs for the unskilled workers in our society with this fiction called the minimum wage. I have to say the union leaders love the minimum wage because if you can push up from the bottom the wages of 3.9 million people, 39 percent over a 3-year period, then they can make their demands at the top.

It has been a fiction they abused for years. I give them credit for it. It is a marvelous thing that they have been able to do. However, at this particular point in our society, we are having trade deficits that we cannot live with because we price ourselves out of the marketplace. And the minimum wage has played a major role in this particular effort. You do not need to take my word for it exclusively.

Let me quote from a couple of studies conducted for the Minimum Wage Study Commission. As Senators know, this Commission was chaired by former Congressman James O'Hara, was established by the 1977 Fair Labor Standards Act Amendments. Its report was issued in 1981.

This is from the study entitled, "The Short- and Long-Run Effects of Minimum Wages on the Distribution of Income," by Behrman, Taubman, and Sickles:

> * * * both the minimum wage rate and the Fair Labor Standards Act coverage reduce the mean earnings for those with low education and [presumably] low skill levels * * * There is practically no evidence that minimum wage provisions increase the earnings [or improve] the poverty position of the least educated. * * * Moreover, there is some evidence that these provisions increase unemployment and nonparticipation. * * * Thus the minimum wage policy appears to be a poor policy with effects that often have been misunderstood or misrepresented.

This comment is from a paper submitted for the Commission report entitled "Minimum Wages and the Distribution of Income," by Johnson and Browning:

They go on to say this:

> * * * the additions to household income produced by increasing the minimum wage are spread quite evenly across the distribution of household income. Households in the lower half of the distribution receive only about one half of the total "benefits" [sic] of this policy. In terms of the share of total benefits accruing to low-income households, the minimum wage compares unfavorably with government transfer programs.* * * Increasing the minimum wage redistributes income within income classes as well as across income classes. *More than 80 percent of low-income households are harmed by the minimum wage* [emphasis added].

That is a startling quote, but it is true. And, I cite also from Datcher and Loury's paper, "The Effect of Minimum Wage Legislation on the Distribution of Family Earnings Among Blacks and Whites":

> [Increases in the minimum wage] have had a positive effecct on the earnings of older white men, a significant negative impact on teenage black and white women and little or no effect on other workers as a whole * * * Overall, high income families tend to benefit relatively more than low income families.

More recently, there is this from a study by Burkhauser and Finegan at Vanderbilt University:

> The once strong bond between low wages and poverty has been broken. Most of the higher wages mandated by the Kennedy-Hawkins bill will go to workers in households far above the poverty line. And even under the most favorable assumptions, fewer than half of the full-time working poor will be helped by a higher minimum wage. * * * Today, whether a family headed by a low-wage worker falls above or below the poverty line turns mainly on variables largely beyond the reach of minimum wage policy.

There is more, but I will save the time and not read it. Suffice it to say that if the U.S. Congress votes to increase the minimum wage as provided in S. 4, the bill before us today, because we say we are concerned about helping the working poor, we have perpetrated a real fraud on the American people. We should know better.

No. 4. One better way to help the inexperienced and unskilled in our society to remove some of the barriers which prevent them from getting into the job market. This legislation provides absolutely no employment or learning opportunities.

The sponsors of the bill have argued that the demographic changes in our work force will solve the disemployment problem. They argue that we need not worry that jobs for teenagers will be lost since there will be fewer teenagers to fill them anyway.

This apparent willingness to sacrifice hundreds of thousands of entry-level jobs for unskilled workers is hard to understand. The sponsors seem to assume that all teenagers would be qualified to work at the higher mandated wage level. Employers will not pay high wages to workers whose skills

are insufficient to perform the job or whose work habits are untested. While it is certainly true that many employers today are offering $4, $5 and $6 per hour to attract teenage workers, we must point out that not all teenagers will be eligible for those jobs.

And what about the immigrant father who lacks English language skills, or the single mother who never finished high school? Will they find jobs at higher wage levels?

Today our economy is creating good jobs at good wages. As this chart illustrates, over 18 million of the new jobs created between 1982 and 1988 have paid wages of $10 an hour or more. Only 5 million jobs created between $5 and $10 an hour; we have actually lost jobs which pay less than $5 an hour.

There has been a reduction of 8.1 percent. Jobs between $5 an hour and $9.99 an hour have gone up 5 million. There has been 8.1 million reduction in lower income jobs and minimum-wage jobs. There has been an increase of 5 million in jobs between $5 and $10 an hour, $10 an hour or more. There has been an increase in jobs of 18.4 million. Now, that ought to tell us something.

I remember when the Carter administration was justifiable in bragging about a million new jobs in those 4 years. The Reagan administration has had an increase of 20 million jobs, during which time the minimum wage did not go up a nickel, and that is only 6 years of the Reagan administration. That is something you just cannot ignore, even though I am sure there can be arguments made that it had nothing to do with minimum-wage jobs, but I do not think those arguments hold very much water.

I might say today, our economy has created good jobs at good wages. I think that chart basically shows that. Applicants for higher paying jobs have to be literate; they have to be proficient; they have to have basic mathematic skills, and a minimum-wage hike will only exacerbate the loss of entry-level job opportunities. It really hurts women and minorities.

While we have all supported Federal programs to provide training and educational opportunities, and I plan to continue my support for programs like JTPA and the Carl Perkins Vocational Education Act as well as ideas like Senator Kennedy's JEDI proposal, we must recognize that an increase in the minimum wage will also raise the height of that first hurdle into the job market. I do not believe we can write off hundreds of thousands of jobs that are the stepping stones for unskilled and inexperienced workers. That is why it is so critical that an increase in the minimum-wage rate also include an 80-percent 6-month differential for new hires which would save a substantial number of entry-level jobs.

This administration is arguing for that trend, the 6-month training wage. It will save an awful lot of jobs, really. If we do not increase it, let us do something smart so we can decrease the loss of jobs. It is an important fact that the number of minimum-wage workers declined by 50 percent since the last raise in 1981. This is proof that individuals are not stuck in the minimum-wage jobs. Rather, they earn while they learn. They get raises, they get promoted, and they become employable in other occupations and industries.

I worked my way through school as a janitor. Last year when we debated this bill, my colleague from Massachusetts joked about that. He said surely I did not need a 3- or a 6-month training wage. Well, I will say to my friend from Massachusetts that if I needed or wanted that job—and I certainly did at the time—and a special wage for 6 months would have given the employer the incentive to hire me, then I did need a training wage. I worked for 60 cents an hour to start, as I recall.

You see, Mr. President, I believe in free labor markets. People should have the choice whether or not to accept a job for a given wage. The decision to take a job for the proposed new "hire" wage is a worker's own business. We should not be up here in Washington foreclosing an individual's options. That job as a janitor helped me get where I wanted to go—which, back then, was through college and law school. I would venture that most of us in this body have had similar job experiences. They were then, and are now, a means for self-improvement.

Mr. President, I do not think we can simply agree to eliminate hundreds of thousands of jobs—jobs for those who cannot yet compete at the higher wage level—without mitigating the adverse impact with a meaningful, workable training wage. The administration is proposing as such.

No. 6. The list of objections to this bill would not be complete without mentioning the inevitable impact of an arbitrary increase in labor costs on inflation. While the precise impact of the minimum wage on inflation is still being calculated, there is general agreement that the effect is positive.

Dr. Gerald Adams testified that the impact was "moderate," up to two-tenths percent annually. Dr. Beryl Sprinkel, Chairman of the Council of Economic Advisors under President Reagan, has projected that a minimum wage of $4.65 an hour would result in price increases for consumers of $13 billion.

But there is also going to be a big surprise for Congress when the bill comes due for increased costs of Federal programs such as Medicaid and Medicare. Every taxpayer in America is going to be socked to pay for that. Labor costs, for example, comprise 60 percent of all nursing home expenses. Since nursing homes cannot often do with fewer employees and still maintain adequate patient care, these increased labor costs will be passed on to patients, families of patients, and to the Federal Government.

That is to the consumers and the taxpayers. That is what it comes down to.

Currently, Medicare and Medicaid pick up 68 percent of all nursing home costs. The appropriations required to meet these additional costs could easily be into the billions of dollars depending on the ripple effect.

Now, let us ask ourselves another question. Who in our society is least able to afford these price increases? The working poor, that is who. A few cents rise in the price of gasoline or groceries matters more to the person earning $5 an hour than it does to the person earning $20 an hour. So, Mr. President, if Jane Smith is fortunate enough to keep a job at the higher wage level, her raise will be eaten up rather quickly with this congressionally induced inflation. The sponsors of this bill argue that the buying power of the minimum wage has eroded significantly since 1981. That is true. But does it make sense to anyone here to raise the minimum wage—promising recipients that they will have more change in their pockets—when the very act of passing this legislation reduces the value of the increase? Is Jane Smith really better off? I think is doubtful.

I think there are an increasing number of economists and commentators and writers and editorial boards who also think it is doubtful.

Let me just conclude by saying, Mr. President, that this proposal to increase the minimum wage to $4.65 an hour is absolutely counterproductive to helping the working poor. The evidence is overwhelming. If Congress passes this legislation, rhetoric will once again have triumphed over substance. It is time we stopped legislating by platitude and stood up to the facts about this measure.

The proponents say this bill is necessary to guarantee a living wage for all workers. I submit to my colleagues that if a living wage is our goal, we ought to pass a minimum wage of $10, $16, or $20 an hour. Of course, there would be no jobs, and a higher wage would not mean a thing.

But if that logic applies then why do we not do it the right way?

The proponents say we must raise the minimum wage to compensate for people's lost buying pewer. Mr. President, a higher wage is no compensation for someone who does not have a job.

I urge my colleagues and fellow Senator to look carefully at the negative impact of this type of legislation and

the negative impact it will have on our national economy in terms of the deficit and trade, on the economies of their States and local areas, and especially on those people in our country who are looking for opportunities. There really are better policies for us to pursue.

I might add I think the distinguished Senator from Massachusetts and I can sit down and come up with those policies, and when we get together a lot of good can be done. We do not happen to be together on this, and I am afraid the constituencies are with good reason for not being together.

Mr. President, at least, I hope Senators will consider the compromise proposed by President Bush.

As I view this matter the distinguished Senator from Massachusetts will probably offer an amendment which will be a substitute for this bill which will reduce it from $4.65 an hour I guess down to what the House will take, $4.55 an hour, what they passed.

The President has tried. Even though he realizes the disemployment effect of the minimum wage, he realizes the feeling of the general public that it is something that he just has to live with, so he has gone better than halfway, would increase the minimum wage 30 cents an hour for each of the next 3 years up to $4.25 an hour.

Let me just say this: I admire the President for standing up to his campaign pledge to support a modest increase in the minimum wage along with a meaningful training wage. He has not waffled on this particular score one iota. He has not played political games by "low-balling" the first offer only to engage in nickel and dime negotiations. The package he has proposed is straightforward. It provides for a substantial increase in the minimum wage yet is sensitive to the job losses which would result. In my opinion, it is a worthy alternative to the proposal now before us. I hope our Senators will support it.

It is up to the Senators here. If we would support that, I think we would have an increase in the minimum wage this year. If we do not support it and we cling to these outmoded approaches of the past and we do not do what really should be done which is to try and alleviate some of the disemployment effect through an appropriate training wage such as proposed by the President, then it seems to me the President's threat to veto this legislation will be carried out.

I do not think there is any question that he intends that because he knows that there are all kinds of considerations in our economy and in our life and in our political life that have to be taken, and he has done his best, it seems to me, to come up with a reasonable approach to try and meet everybody halfway on this thing.

There are some who do not want a minimum wage at all. I have to say I think we would probably be better off without it, but I am willing to vote for the President's proposal of the good faith embodied in that proposal. I cannot support the proposal of my friend and colleague from Massachusetts because I believe it really does do a lot of harm, it has done a lot of harm, and will do a lot of harm in the future, and I would like to see it voted down.

Mr. President, I yield the floor to my colleague.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I would like to take a few moments to respond to the points that have been raised by my friend about the whole question about job loss.

I have a good deal of confidence in the Nathan Associates as other Members do here. And the Nathan Associates were quoted. Of course that is not really relevant because their study was on a different issue which included a higher wage and indexation and that is not the issue that is before us. They did their study for the retailers who are completely opposed to any increase whatsoever, and their study was not related to this bill other than as a general study on the minimum wage.

The Senator from Utah mentioned the Congressional Budget Office as being an authority on figures. The fact is that they do have information, they do have some expertise, and their figures for this year on our proposal are 125,000. I think that is important. The CBO report does not support excessive figures of the Chamber of Commerce, such as 600,000. They estimate 125,000.

According to Business Week, which is not known as being an instrument of policy for the trade union movement or for liberal policies, according to Business Week on this proposal, the figure for last year's bill is 100,000 by 1990.

The fact is, Mr. President, that Business Week itself addressed this issue, and I will include the article in the RECORD—imagine what they are saying is that there are those who are trying to underestimate and those who are trying to overestimate—but a close look at how each side reaches its conclusion throws doubt on both their estimates. Indeed, the harm from a higher minimum may not only be less than conservative figures but even less than liberals think.

That is Business Week.

So, Mr. President, I am not prepared to accept the inflated figures of the Chamber who have used these arguments over a very long period of time.

The best thing to do, Mr. President, is to look at what happened in terms of the job market the last six times that we have seen a raise.

Let us look at the record, rather than accepting the projected estimates and various studies that primarily are sponsored by groups and organizations that are opposed to increasing the minimum wage.

Let us look what has happened over the history of the increase.

In the 1949 amendments, Congress raised the minimum wage from 40 to 75 cents an hour in 1949, an 87.5-percent increase. During the deliberation of the amendments, business organizations consistently warned of significant increases in unemployment and inflation as a result of the legislation. Yet overall unemployment decreased from 5.9 percent in 1949 to 5.3 in 1950, youth unemployment fell from 13.4 to 12.2 percent, and total employment rose more than the prior year when there was no increase in the wage.

In the 1955 amendments, Congress raised the wage to $1 an hour, a 33-percent increase. Again Congress heard stern predictions from business groups of the certain unemployment and inflation which would follow as a consequence of the increase.

The U.S. Chamber of Commerce warned in testimony to the committee, "Low-paid workers who are covered by the law will have been barred from jobs by Members of Congress."

We heard that argument here on the floor of the U.S. Senate this afternoon, almost word for word the same, about all those who are going to be barred from work by the increase in the minimum wage.

Yet, overall unemployment fell from 4.4 to 4.2 percent, youth unemployment slightly increased from 11 percent to 11.1, and total employment increased more in 1956 than in the prior 2 years, in which there had been no increase.

1961 AMENDMENTS

Congress increased the minimum wage to $1.15, and to $1.25 in 1963, and expanded coverage to retail and service establishments. Again during consideration of the legislation, business opponents predicted significant impact on unemployment and inflation. In testimony before this committee, the U.S. Chamber of Commerce stated: "Many retail and service employers have already predicted layoffs * * * if brought under coverage of the $1.25 law." The chamber went on to assert: "Whatever good might result from minimum wage legislation would be far outweighed by the unemployment and inflation the legislation would provoke."

SAME ARGUMENTS, SAME GROUPS

Yet retail and service employment, which had increased 1.2 percent between 1960 and 1961 when not covered by the FLSA, jumped 3.3 percent between 1961 and 1962. Overall unem-

ployment fell from 6.7 to 5.5 percent, youth unemployment fell from 16.8 to 14.7 percent, and overall employment increased six times as much as in the prior year when there had been no increase. Inflation increased at a lower rate in the year after the increase in the minimum wage took effect than in the year prior to the increase.

1966 AMENDMENTS

Congress increased the minimum wage from $1.25 to $1.40 in 1967, to $1.60 in 1968, and expanded the coverage of the FLSA. Once again this committee received testimony from a variety of business organizations predicting significant adverse employment and inflationary impact. Yet unemployment fell from 3.8 percent in 1966 to 3.6 percent in 1968, youth unemployment fell from 12.8 to 12.7 percent for the same time period, employment increased by over 3 million workers, and labor market participation rates hit a postwar high in 1969.

The increase which took effect in 1968 raised the minimum wage to 55.8 percent of the average hourly earnings, the highest relative level of the minimum wage. Yet careful study of its impact on employment led Secretary of Labor George Schultz—George Shultz—that name must ring a bell to all Americans and to our Republican friends here, careful study led George Schultz in his report to Congress in 1970 to state:

There was continued economic growth during the period covering the third phase of the minimum wage and maximum hours standards established by the FLSA Amendments of 1966. Total employment on nonagricultural payrolls (seasonally adjusted) rose in 28 out of 32 consecutive months between January 1967 and September 1969. In the most recent 12-month period, employment climbed 3.2% * * * between September 1968 and September 1969. Employment rose in all major nonagricultural industry divisions during the 12-month period between September 1968 and September 1969. In retail, services and State and local government sector—where the minimum wage had its greatest impact in 1969, since only the newly covered workers were slated for Federal minimum wage increases—employment rose substantially.

The report to Congress of Secretary of Labor Hodgson the following year confirmed Secretary Shultz' analysis:

In view of the overall economic trends, it is doubtful whether changes in the minimum had any substantial impact on wage, price, or employment trends.

These are, Mr. President, from a Republican administration, a Republican Secretary of Labor.

Of much greater significance, however, is the fact that the 15-cent boost did help 2 million workers recover some of the purchasing power eroded by the steady upward movement of prices which had started even before the enactment of the 1966 amendments.

We should not be surprised, Mr. President, that these are Republican Secretaries of Labor, because this should not even be a partisan issue.

President Eisenhower recommended an increase in the minimum wage three different times. So we are not surprised with these quotes. We have had Republicans who know what the full impact of those increases were on the issues of inflation and employment, and they recommended the increase anyway.

1974 AMENDMENTS

Congress increased the minimum to $2 in May 1974, $2.10 in 1975, and $2.30 in 1976. In hearings before this committee prior to passage of the increase, again businesses testified to the adverse employment impact of the proposal. One witness for the American Retail Federation testified that they would be forced to implement alternatives, including: "Obviously to reduce the number of employees. The first ones to go would have to be marginal employees we in many cases are carrying now. We would also have to suggest retirement to employees who are no longer productive but who we are currently carrying."

Yet even during the 1975 recession during which unemployment rose from 5.5 percent in 1974 to 7.6 percent in 1976 and youth unemployment increased from 16 to 19 percent, retail employment increased by 655,000 jobs, a 5.2-percent increase.

1977 AMENDMENTS

Congress increased the minimum wage in four steps, to $2.65 in 1978, $2.90 in 1979, $3.10 in 1980, and to the current $3.35 in 1981. This committee again received testimony from business organizations predicting significant job loss stemming from passage of the amendments. The U.S. Chamber of Commerce testified that the proposed minimum wage increase would result in about 2 million lost jobs. They offered as evidence a study providing a State-by-State breakdown of the lost jobs totaling 1,977,000 by 1980, if the minimum wage reached $3.15 an hour—the bill which passed reached $3.10 by 1980. The chamber witness stated:

Rather than help a person who is now making $2.30 by raising the minimum wage to $2.65 or $3, you are hurting him because you put him out of work.

The same arguments that we heard a little while ago, Mr. President? Yes.

So the minimum wage may be $3, but his wage is zero unless he can collect welfare, because his job is eliminated.

The chamber testimony also calculated a first year job loss of 400,000, 387,000 of which would be teenage jobs. Minority teenage unemployment would increase almost 6 to 45 percent with a $2.65 minimum the first year.

One retailer testified that 5,800 of 29,000 convenience stores would have to close if the minimum wage increase became law. He concluded:

The minimum wage increases contemplated by S. 1871 could sound the death knell for a large number of convenience food stores. It could force mass layoffs and could cause some companies to completely go out of business.

Yet the following table demonstrates what the actual employment impact was.

Mr. President, I ask unanimous consent to have that printed in the RECORD.

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

| Year | Impact minimum wage | Percent increase | Unemployed percent | Youth unemployed percent | Total employed [1] (thousands) |
|---|---|---|---|---|---|
| 1977 | $2.30 | | 7.1 | 17.8 | 88,734 |
| 1978 | 2.65 | 15.0 | 6.1 | 16.4 | 92.661 |
| 1979 | 2.90 | 9.4 | 5.8 | 16.1 | 95.477 |
| 1980 | 3.10 | 6.9 | 7.1 | 17.8 | 95,938 |
| 1981 | 3.35 | 8.1 | 7.6 | 19.6 | 97.030 |
| 1982 | 3.35 | | 9.7 | 23.2 | 96.125 |

[1] Civilian, nonagricultural industries.

(Mr. KOHL assumed the chair.)

Mr. KENNEDY. As the table indicates, total employment increased 8,296,000 1977-81. The only decline in employment occurred in 1982, a year in which there was no increase in the minimum wage. Employment increased 3,313,000 in 1977, also a year in which there was no increase, and it increased 3,927,000 in 1978, the year a 15-percent increase of the minimum wage went into effect. Teen employment increased 382,000 in 1978, as compared to an increase of 352,000 in 1977 when there was no increase in the minimum wage. Minority teen unemployment declined 1.8 percent in 1978 when the minimum wage reached $2.65, instead of the almost 6-percent increase projected by the U.S. Chamber of Commerce testimony in 1977.

Contrary to the testimony projecting 5,800 of the 29,000 convenience stores closing if the minimum wage were increased, the number of convenience stores increased, Mr. President. It did not decrease by 5,800, it increased by 4,100 between 1977 and 1978, as compared to an increase of 2,000 between 1976 and 1977 when there was no increase in the minimum wage.

Retail employment also increased by 1.3 million, Mr. President.

I think this shows quite clearly, Mr. President, what has happened in the past. As I was reviewing the record of all the things the chamber has said we could see that these are the same tired old arguments that we have heard in the past. Each and every time this body has debated this issue, it is almost the same words. And each time the chamber has been wrong.

Mr. President, assume that there was a job loss. Let us even take what I consider the exaggerated figures of the chamber which talk about a

600,000 or 700,000 job loss. And let us compare these figures to the Department of Labor's projections for the labor force and employment growth from now until 1992. The Labor Department's projections are for 5,260,000 growth in job opportunities between 1989 and 1992—5,260,000.

They also estimate that the growth in the labor force will be 4.4 million. According to the Labor Department's own statistics, there will be 868,000 more jobs than workers.

So even if you took their position, even if you believe their projections, it is effectively a wash. I am not prepared to accept their estimates, but I am just using their figures to show that job loss will be a wash even using their statistics: five million two, the Department of Labor's own figures on growth in jobs and growth in the labor force. Mr. President, I ask unanimous consent that a DOL table showing these figures be printed in the RECORD.

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

*DOL projections for labor force and employment growth, 1989-92*

[In millions]

| | |
|---|---|
| Labor force growth: | |
| 1989 | 122.932 |
| 1990 | 124.457 |
| 1991 | 125.947 |
| 1992 | 127.332 |
| Employment growth: | |
| 1989 | 113.606 |
| 1990 | 116.537 |
| 1991 | 118.606 |
| 1992 | 118.872 |

Labor force growth, 4.4 million 1989-92.
Employment growth, 5.26 million 1989-92.
886,000 more jobs than workers.

Mr. KENNEDY. Mr. President, I think it is better to look at the history of this issue. Quite clearly the major forces determining employment levels are varied and related to our general economic conditions. There has been a much more dramatic impact in teenage employment, in overall employment, than simply those following adjustments of the minimum wage. And I do not think that anyone who reviews the history and analyzes what has happened over a period of time can really question the fact that increasing the minimum wage has very little effect on job loss.

Mr. President, I would like to take a few more minutes on this issue with the charts back here to review these issues for the Members of the Senate, and to summarize the last three decades on the issues of inflation and jobs. These are on the retail trades.

On this chart we see that the CPI, between 1961 and 1969, went up 22 percent. Minimum wage went up 60 percent over that period of time. The actual employment in these areas of retail trades increased 31 percent. And the average wage increase actually went up 47 percent. So what we had, Mr. President, is an increase in the minimum wage, an expansion in terms of employment and an increase in the average hourly wage.

Here, we see 1971 to 1979. The CPI showed a 79 percent rate of inflation. Minimum wage went up 81 percent, almost keeping equal, at least in terms of purchasing power—an 81 percent increase in the minimum wage over this period. Total employment went up 32 percent. To summarize, we had a significant increase in the minimum wage, high rates of CPI, but the employment increased by 32 percent, and we saw a 74 percent increase in the average wage.

Now, 1981-89, what has happened? Thirty-nine percent increase in the Consumer Price Index. Zero, Mr. President, a zero percent increase in the minimum wage. What has happened in employment? It has not increased as much as it did in the previous decade or the decade before that. Zero increase in the wage, and yet the expansion in the job market was less than it was in the seventies and sixties.

So, Mr. President, you can look at it either epoch by epoch, in terms of the increase in the minimum wage, or you can look at it decade by decade. Either way, the history has been the same.

This represents the economic history, Mr. President. And these charts tell a different story than the opponents' dire predictions.

Mr. President, we hear a lot about who is affected by this and who is not. But I think it is important to try at least to take a look at who is really affected by the increase. We hear figures for this, heads of households in poverty, single heads of households, people on AFDC, in poverty, eligible for transfer payments. Let us look at the broad strokes. We will get into greater detail if anybody wants to, Mr. President. These are again extrapolated from the Department of Labor figures.

Hourly wages in low-wage industries have lost ground to inflation since 1981. This chart makes that very clear.

This column here represents the amount of inflation we have had since 1981: 39 percent. Look at the individual Americans who have lost out in terms of purchasing power, those who have not kept up with the cost of living.

In the variety stores, 250,000. Apparel and textile, 1,088,000.

In retail trade in general, 19 million Americans have seen their wages increase slower than inflation Mr. President.

These are workers. They have families. Nineteen million. And we hear, oh, they are just part-time workers, some going to school—these are the facts, Mr. President: 19,264,000.

Service station, 634,000 of our fellow citizens. The various eating and drinking establishments, 6,168,000. And the food stores—3 million people—their wages have increased 5.6 percent; a far cry from the 39 percent increase that inflation has had.

There are people who are making it in America. But these individuals, our fellow citizens, have not kept up even with the inflation level. And that is the issue before this body.

Mr. President, I saw a couple of charts that were used by my good friend from Utah. I would put a slightly different interpretation, on them than did the Senator from Utah. I am sorry he is not on the floor, but I am sure he will have the opportunity to respond. These were the charts that were put forth by Secretary of Labor Elizabeth Dole. She testified about that lost job opportunities versus the number of householders benefited.

She reported that the number of households living in poverty and earning the minimum wage is this number here, 336,000 heads of household. And this number was the job loss that she estimated, about 650,000.

Mr. President, this same chart was just presented by my good friend from Utah. This is comparing apples and oranges.

What you really ought to be doing is looking at the number of people below $4.65, that is, those affected by S. 4. You cannot use $3.35, as the number of people and then say well, if you boost it to $4.65 you are going to lose all these jobs—that is an irrelevant comparison. What you have to say, even using their figures, if you are going to go to $4.65 an hour, you add up all the numbers of people who are going to benefit from $4.65. It gives a little different view, hopefully, for our colleagues: 1.3 million heads of household will be assisted.

And, as I mentioned before, we are not prepared to accept the 600,000 as I mentioned. Jerry Adam at the Wharton School estimates it down here at 100,000. But, even if it is 600,000, given what is going to happen in the labor market, we think it is virtually de minimis in terms of the loss, and the general economic climate is going to have a great deal more of an impact.

So Mr. President, these are just a few of the items to address the questions of inflation that were raised during the course of this debate.

I see some of my friends on the floor. I have several other points that I would like to make but I will resist that temptation at the present time and permit others to speak on this issue.

The PRESIDING OFFICER. The Senator from Washington.

Mr. ADAMS. Mr. President, I rise in support of S. 4 and urge the Senate to act to approve this important legislation. Last week, our colleagues in the House acted to raise the minimum wage to $4.55 per hour over a 3-year

period. It is now incumbent upon the Senate to act without further delay.

S. 4 is a good bill which has been carefully crafted by the Senate Labor and Human Resources Committee. It will raise the minimum wage to $4.65 per hour over 3 years—10 cents more than the House bill.

Enactment of this legislation will mark the first time the minimum wage has been raised in 8 years. During those 8 years, the purchasing power of the minimum wage has decreased by 38.5 percent. In two-thirds of our States, basic welfare benefits provide greater cash income than do full-time work at the current minimum wage. What this means is that many people who currently are dependent on welfare cannot take a minimum wage job because they cannot afford to do so. This is an American tragedy and runs counter to all of the goals and objectives of our recent welfare reform efforts which aimed at getting welfare-dependent Americans into productive jobs.

I am pleased and proud that my own State of Washington has recognized the importance of this minimum wage increase. Seventy-seven percent of the people of Washington State voted last year to raise the State's minimum wage to $3.85 per hour this year and to $4.25 per hour next year. This is an overwhelming public expression of support for a decent living wage for those among us who are struggling to live on minimum wage salaries.

But I am pleased to say that my State has gone further to recognize the importance of addressing other needs of minimum wage workers. In Washington State, there are 720,000 people under the age of 65 who do not have any health insurance whatsoever.

Forty percent of these uninsured are children. Half of the uninsured are under the age of 25. And, nearly one-half of these people are minimum wage workers or members of families dependent on minimum wage jobs for livelihoods.

To address this ongoing tragedy, in Washington State we have begun a program of basic health benefits for minimum wage workers. Unfortunately, at this point we are not capable of providing such coverage to all of these needy workers—but we have made a start. We will serve 30,000 of these 720,000 workers.

Reality is, Mr. President, that we have to address the health needs of these workers, the day-care needs, and the need for education and training among these workers if we are to hope to end the cycle of poverty in their lives. So the debate will not end here today with this bill, but it will continue in the future in conjunction with other proposals and other bills.

As we consider this bill today, I want to address one point in particular—who labors under the minimum wage. It is often argued that we do not need to increase the minimum wage because it is basically students and nonpoverty workers who work in these jobs. While there are certainly significant numbers of this working population, Department of Labor data reflects the fact that there are over 14 million hourly workers earning less than $4.65 an hour. Sixty-three percent of these 14 million workers are women. Blacks and Hispanics also represent a disproportionate share of these workers. In contrast, only 27 percent of those earning less than $4.65 an hour were teenagers.

As importantly, of these 14 million workers, 6.5 million of these low-wage workers were full-time workers and 3.8 million were heads of households.

I also want to destroy another myth which usually accompanies debates over minimum wage increases—that they will be inflationary. Historically, this simply has not been the case. And the Congressional Budget Office has estimated that the inflationary impact of this increase will be minimal—between 0.2 and 0.3 percentage points per year.

Finally, before closing, I want to address the issue of the so-called training wage. The problem I have had to date regarding the specific proposals which have been attached to this concept, such as that suggested by the administration, is that they do not involve any legitimate training. They do not provide any educational or skill-enhancement programs which will help the minimum wage worker to secure a higher paying job. I simply do not buy the argument that many minimum wage workers deserve to get paid a lower wage initially for each job hire. I find the House-adopted provision a great improvement over the administration proposal, but still believe that the House-adopted provision could be improved in the ways I have suggested.

In conclusion, this is a badly needed bill long overdue. We cannot in good conscience continue to turn our heads the other way from the needs of the less fortunate in our society. If we are to have a first-class work force in the future, then we need to make sure that those who need a decent living wage, more education, health care and day care have access to it so that they can concentrate on improving their skills and moving to higher paying jobs. S. 4 is one small step toward achieving this goal. It deserves our full support.

Mr. President, in summary I rise in support of Senate S. 4, and I want to compliment the chairman of this committee not only for his long efforts in bringing this bill forward, but for his excellent explanation which I hope he will go forward with further this afternoon in laying to rest once and for all the myth that paying people a decent wage in America keeps people from having jobs. That has been disproved again and again, and it is very important that we make that point. I hope that he will go forward further. I intend to make a few remarks with regard to that.

Mr. President, I am very much in support of the bill that has come out of the committee to raise the minimum wage to $4.55 an hour. Most of the discussions so far today have been back and forth on wage loss. I want to talk about something else, and I will also address that. But we should first look at the fact that this is the first time that the minimum wage has been looked at, Mr. President, in 8 years. And during those 8 years, the purchasing power of all of those people who have been working at the minimum wage has decreased by 38 percent. Let us just think for a moment about the additional amount of economic activity that would be created by people being paid a decent minimum wage because if there is one thing that is true, Mr. President, it is those who are working at the minimum wage pour their money back into the economy, and it does make this economy turn over and at very basic levels—shoes, food, housing, clothing. These are people working full time to support their families or themselves, and if we look at the amount of money that they receive at a minimum wage, we find—and this is the tragic part—that in many States, people cannot take a minimum wage job because they can do better receiving welfare.

That is an American tragedy that runs counter to everything we all believe in, and I would say to my friends on the other side of the aisle who are constantly saying we must make the private sector work better, the private sector should not be bottomed on wages that are below what the Government has to pay as welfare.

One of the reasons I came to speak today early on in this bill, Mr. President, is that people may be worried—some of my colleagues—about what do the American people think about the minimum wage.

We just had a vote in my home State to raise the State minimum wage. Seventy-seven percent of the people in the State of Washington, Mr. President, voted last year to raise the State's minimum wage to $3.85 per hour this year and to $4.25 per hour next year. This was overwhelming public support for a decent living wage for those among us who work full time but are not able, on their minimum wage salaries at present, to make a poverty wage.

So I am pleased to say that my State has gone further to recognize the importance of addressing the needs of minimum wage workers that we have been prepared to do here. So now let

us do it in this body, in the U.S. Senate. Let us face the fact that the minimum wage is too low. It has been admitted to be too low. The plan that has been worked out by the committee is a good plan. It phases in the wage over a number of years, but it does begin to make up for the fact that a large number of people in the United States are not given a decent wage that would take them above what they would be paid by being on welfare.

Mr. President, there is one other thing that bothers me very much and I hope we will address later in this Congress, and surely it is a matter that we should be aware of now. Senator MIKULSKI and I raised it at the time of the debate on the minimum wage but felt the necessity that people have this cash and this benefit. We did not want to cloud this issue. But that is the fact that there are people under 65, nearly 38 million in the United States, but in the State of Washington alone, 720,000 people who do not have any health insurance at all. These are in the minimum wage area. Forty percent of these uninsured people have children. Half of the uninsured are under the age of 20 and nearly one-half of these people are minimum wage workers, members of families dependent on a minimum wage.

We thought that we should perhaps try to take a few pennies of this and create pools for minimum health benefits for the minimum wage workers. Those were to be very minimum benefits. They were to simply see that children got the necessary immunizations, that broken arms were taken care of, the children who were sick who could not go to a child care center had a place to go.

We hope in my State that we will be on the cutting edge of this, and we are trying to do it. We have begun a program of basic health. The reason I mention it today is that there are many things that should be done in the minimum wage and poverty area that we are not even talking about in this Congress. I hate to see the debate focus only on a $4.65 minimum wage when we do not even have any health benefits for the people who are there.

So we are starting in the State of Washington, and it is a small effort. At this point we just are not capable of covering all of them, but our basic program will start to cover 30,000 of the some 720,000 workers that need a minimum health benefit. Maybe we will stumble somewhat along the way, Mr. President, but better that we stumble full of heart than to walk straight with a cold mind.

We need to know that the families that are growing up now, and we do have a baby boom generation, that are only now beginning to have health problems and are beginning to have children and are beginning to work at jobs that are very low on this wage scale and have no health benefits, no pension plan. I say this to point out that what the chairman of this committee is asking for and what this committee is bringing to the Senate is a very minimum thing for a great number of people in the United States and does not address many of their other needs.

These are working people that we are talking about, Mr. President. These are not people that we are helping on welfare. We have tried helping with Medicaid and welfare. A number of people in the minimum wage area are not receiving any of these benefits.

These are the people below the age of 65.

It has often been said, Mr. President, that a society is judged by how it treats its elderly, and I think that is true.

A society is also judged by how it treats its children and its young people and the poor in its society. And so, Mr. President, when we talk about the minimum wage, I want people who are opposed to know that there were those of us on the committee urging the chairman to do more in terms of health care benefits being folded into the minimum wage, and we backed off from that position to unite solidly behind the chairman and this committee by trying to see that we do a decent thing for our working poor in the United States.

It is often argued—and that is why I am hopeful that the chairman will continue on with the explanation of the charts, and I see that the Senator from Illinois, who is also an expert in this field, is here also to explain this—again and again we do not need to increase the minimum wage because it is just students, nonpoverty workers who work at these jobs.

Well, sure, we have some students that work at minimum-wage jobs, but the Department of Labor data reflects the fact that there are over 14 million hourly workers earning less than $4.65 an hour; 63 percent of these people—and I hate to use statistics because these are people, flesh and blood and bone and heartache—63 percent of these 14 million people are women and blacks and Hispanics representing a disproportionate share.

Mr. President, our society is changing. We see it around us. We may like it or not like it, but it is a fact. We have single-parent families, many headed by women, many at this minimum wage level, and we are trying to react as a society as we should, as a decent people—yes, as a fairer and better society. And when we are talking about a $4.65 wage to support a family we are talking about very little money, and in this case this is after 3 years.

Historically we have found, as the chairman said—and I will not repeat it—we do not have this enormous job loss. What we do have, Mr. President, is a little lifting of a group in our society that deserves it, that works very hard.

Finally, before closing, I want to address the issue that has not come up yet but will in the form of an amendment. I just wanted to state my position on it and others will say more. But it is the so-called training wage. The problem I have with the proposal that will be presented by the Republicans is that there is no training involved. It is simply the old, old argument—and I heard it in Congress when I was in Congress, and I heard it come up when I was in the Cabinet—this is for the subminimum wage because you have to let people get into the society and they should be trained.

Well, now, if we had some training attached to this, I would say let us do it. But it has been used, unfortunately, by many, many in this country employing people to simply rotate people through at a lower wage—always, always the lower wage. All we are trying to do is floor out a wage here so people can live on it.

So if somebody wants to put some real training into it, I am very prepared to listen to that and perhaps vote for it, to have a lower wage, but it ought to have a cut-off date and it ought to be for first hires. It should not be just a two-tier minimum wage system. I find the House has adopted a very good bill, and I know we will debate it and it may be what we will pass. I happen to think that we are dealing with such low levels of wage for a decent living, Mr. President, that we should pass the Senate bill. That is why I support it. I support it because it is 8 years overdue. I support it because it gives people who work a chance to have reward for their work. It is a very small step.

I close, Mr. President, by saying as chairman of the Subcommittee on District of Columbia Affairs, I just finished a set of hearings, contentious in part, difficult in many other parts, on the drug and crime problem in the District of Columbia. It is not the kind of committee that usually arouses a great deal of controversy but in this case it does because we have, as many say, a war on the streets. It involves our young people. It involves poor people. It involves the impact of horrifying new drugs upon them. One of the things that is repeatedly stated by the officials, both police and administrative, is that there is no hope in these neighborhoods, that people are attracted to the immediate money. When they are given an alternative or even after they have had treatment, if somebody says, "We will give you a job," when we give people a job or create a job, Mr. President, the job has to have something to it in terms of wages.

I think what we are doing is very small. I do not say it will compete with these other kinds of wages, but it does give the family that is able to avoid the scourge a chance to say, "You, my son or daughter, can work into this work force and you will be fairly treated, you will have at least enough money that you can carry on a life that gives you some of the things you would like to have, not everything but some of the things."

I think a minimum wage is an important thing for this country. We can argue about the amount, but I think we ought to be a decent people and a fair people and a people that reward work among the young and the less fortunate and the untrained and not be either cruel or feel that because we have maybe been more fortunate we do not recognize that some people work all day very hard for very little. Let us give them a little bit more.

I thank the Chair. I hope we will pass this bill.

Mr. SIMON. Mr. President, I rise in support of this legislation. I join my colleague from Washington in that endeavor.

Let me just add my appreciation to Senator KENNEDY for his leadership.

We just went through ceremonies today honoring the 200th anniversary of the Senate. It was very interesting to me as we heard the names of Webster, Clay, Calhoun, on down through Paul Douglas and others more recently, a great number of those names were not people who bore the titles of leaders, but they were in fact leaders of this body. Senator KENNEDY does not bear the title of one of the leaders of this body other than the committee chair position that he holds but in fact is of the leaders and has been using that leadership to fight for the less fortunate. And I commend him for that and particularly for his leadership on this.

One of the things that is happening in our country, it is one of these things that is not happening dramatically so it does not erupt in headlines, we have a shrinking middle class, some people moving up, a lot more moving down. If that trend continues, that is bad news for the future of our country because those in the middle class understand the opportunities, and they feel they have hope. Those who get pushed down, you can only get pushed down so many times and you start giving up.

When I was in the State legislature in Illinois, we had no minimum wage law in Illinois. I remember sponsoring a bill, a 75-cent minimum wage law. I remember having a waitress come in and testify in behalf of my bill trying to support herself and three children under a minimum wage law. After I heard her testimony, I said no one can turn her down, and my bill was voted down by that committee.

We test whether we are a civilized society, not whether we respond to the whims and the wishes of the rich and the powerful, by whether we help people who really need help. I heard my distinguished friend from Utah, Senator HATCH, say that more than 80 percent of our population will be hurt if we pass a minimum wage law. I suppose if you want to calculate it out, each of us may pay a penny or two more on a meal we buy in a restaurant or whatever it may be. We may get hurt a little bit short-term, but long-term, all of us benefit by an increase in the minimum wage. You can turn that same argument about short-term against just about everything this Congress does. Social Security—when we pay into Social Security, short-term, that does not help me at all. Long-term, it helps me. My guess is my distinguished friend from Utah would favor the President's proposal to have a capital gains tax. Properly constructed, I might even support it, though frankly, not going back to the kind of capital gains tax we had where in 6 months you can get capital gains. But 95 percent of us do not get any benefit from the capital gains tax. The question is not who immediately benefits or if 100 percent of our people benefit short-term; the question is long-term, do all of us benefit? Long-term, do we do what is necessary to build a better future in our country? And I think clearly this helps us long-term.

January 1, 1981, the present minimum wage went into effect, $3.05 an hour. If we were to apply the inflation index, Consumer Price Index, we would be at $4.59 today, and by January 1, 1992, when the last phase of this bill goes into effect, we would be at $5.26. None of the bills, none of the three proposals, the House proposal eventually is $4.55, ours eventually at $4.65, and the President's at $5.25, come anywhere near just keeping up with the cost of living. And who benefits?

Well, one of the things we talk about here and we make speeches out on the stumps, we have to help women who face real problems in our society, particularly if their husbands leave them. We have all experienced the problems of people we run into. Sixty-three percent of the people now drawing the minimum wage, my friends, are women. If you want to do something that really helps women in our society, let us increase the minimum wage. We have already in this bill accepted some of the compromises that the President has suggested. The tip credit is in here. We have raised the minimum exemption for a small business to $500,000. And if it goes to conference or perhaps here on the floor, we might accept that 60-day training period. These are compromises that I hope the White House will consider, and I hope our colleagues will consider that as we vote on amendments on this.

The charge is made that we face unemployment as a result of this. Very interesting. Since 1981, 10 States have raised their minimum wage above the Federal minimum wage. In all these States, except for Alaska, because of the recession Alaska experienced in 1982 and the Nation did, employment increased and unemployment decreased or remained the same. The same has been true as you look at the pattern of unemployment following the minimum wage increase.

In 1949 before the minimum wage went into effect, the unemployment rate was 5.9 percent. Afterward, 5.3 percent; 1955, 4.4 percent and 4.1 percent; 1961, 6.7 percent and then down to 5.5 percent; 1966, 3.8 percent unemployment before the minimum wage increase, 3.6 percent afterward; 1974—and here we had a recession—5.6 percent before the minimum wage increase went into effect, 7.6 percent afterward; 1977, 7.1 percent unemployment before it went into effect, 6.1 percent afterward; 1982—and again a recession year—7.6 percent before, 9.7 percent afterward.

What these statistics suggest, Mr. President, is that there is really very little relationship between the unemployment rate and the minimum wage. And there is just no question that we can be helping some people.

Let me just add one thing that we have not calculated in all of this, and I do not know exactly what the savings would be. But there can be no question, I serve on the Budget Committee, that we are going to save dollars in the Federal budget because as you raise it, lift the income of those who are living below the poverty line, we are going to have to spend less money on welfare, less money on food stamps, less money on medication, and the other things, the other safety net things that we have in our society.

Then it is also interesting to see how the minimum wage that we are talking about affects a family of three compared to the poverty line. In 1968, the mimimum wage for a family of three was 120 percent of the poverty line. In other words, 20 percent above the poverty level. In 1974, 5.7 percent above the poverty line, 103.7 percent there; 1976, 105.4, or 5.4 percent above the poverty line.

Now let us look at where we are today. In 1988, 74 percent; 1989; this is an estimate now for 1989, 70.5 percent.

If this bill goes into effect we will be still by 1992 at 85 percent or below the poverty line for a family of three.

We are nowhere near where we were on a number of earlier occasions. If we keep the current law and do not change, by 1992 we will be at 61 percent of the poverty line for someone who works for a family of three, who

is working full time, I might add. We are not talking about part-time employment.

Under the administration proposal, it would be the 78 percent. Well, clearly, we can do better. Let me just add—and I have seen a variety of figures; I know that Secretary Dole used one set of figures and Senator KENNEDY used another, and I saw another figure where it says 560,000 heads of households would be affected.

I do not know whether the figure is 360,000 or 560,000 or 860,000, but what we know is, there are hundreds of thousands of people in this country today who are heads of households, trying to get by on the minimum wage. If we really want to help people here, let us pay something like this.

Senator ADAMS, a few minutes ago, mentioned something else that I think is important. People who draw the minimum wage, they spend it all. Savings are very, very minimal. So that there is a stabilizing factor to our economy, in the same way that Social Security has. I think we will never again, as a nation, experience the kind of depression we had in the late 1920's and early 1930's, because we have Social Security, because we have unemployment compensation, and because we have the minimum wage.

This stabilizes our economy so that we do not have these huge eruptions back and forth. The Washington Post, the other day, had an editorial, and I will not read it, but I ask unanimous consent, Mr. President, to have this printed in the RECORD.

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

TOKEN WAGE

President Bush is to be commended for opening the door to an increase in the minimum wage, which Ronald Reagan prevented for eight years. But the gradual increase Mr. Bush is proposing is smaller than it sounds and not enough. Its effect would chiefly be to institutionalize the lost ground of the Reagan years rather than to recoup it.

The minimum wage has traditionally been maintained at nearly half the average wage in the economy. The last increase, to $3.35 an hour in 1981, preserved it in that zone; it was 46.2 percent of the average wage in that year. It has since declined to 34.4 percent, the estimate for this year—from nearly a half to about a third. Mr. Bush would lift it to $4.25 an hour, but not until 1992. That would equal only 38.1 percent of the average wage in that year, if the inflation estimates of the Congressional Budget Office are correct.

The minimum wage has also tendered over time to be enough to keep a family of three at about the poverty line if the earner worked full-time year-round. In 1981 it would have produced 96.1 percent of the necessary income by this standard. This year it will produce an estimate 70.5 percent. Mr. Bush would take it back in 1992 to only 78.1 percent.

Not even the Democratic bill the House passed two weeks ago would restore the wage completely. It would move the minimum to $4.55 in 1992, 40.8 percent of the likely average wage and 83.6 percent of the poverty line for a three-member family. But that would be tending in the right direction.

The president says he won't negotiate on the amount, that his first offer was also his last and he will veto anything higher. He wants and probably needs to show the Democrats he can't be pushed around, and he may have enough Republican votes to be sustained. But this is not the issue on which to have such a fight. The poor have been left out of the general prosperity of recent years. Real incomes in the poorest part of society have declined, income inequality is up, and the poverty rate for this stage of the business cycle in much too high. Weak wages at the bottom are among the reasons. A genuine increase in the minimum would help to correct this sick condition; a token increase would only perpetuate it.

Mr. SIMON. Finally, Mr. President, we went through a Presidential campaign where, frankly, there were not any speeches that I think history is going to write about. There were few phrases here and there. One of the phrases that stood out—and let me hasten to add, while I was involved in the Presidential race, I regret to say I did not make any speeches that history is going to write about—was from George Bush, our President, who said he wanted to build a "kinder and gentler America." We want to build a kinder and gentler America, and I think the question is: For whom?

Let us build a kinder and gentler America for middle-income America. Let us build a kinder, gentler America for people who are struggling to get by, working for $3.35 an hour. Millions of Americans are working at that figure.

We can do much better, Mr. President. You have been in business, Mr. President, in the State of Wisconsin. I was in business in the State of Illinois. I want a healthy business climate, but we do not need to have wages at $3.35 to have a healthy business climate.

We have exempted those small businesses. If their gross is less than a half million dollars a year, they are exempted, so small businesses can get started. We can do better in this country. One of the ways we are going to do better for a lot of people who need that help is through an increase in the minimum wage. I hope we do what is right.

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

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

Mr. BURNS. Mr. President, everyone agrees that an increase in the minimum wage will result in job loss. At least 60 studies performed by different economists confirm that fact. The question is not whether or not jobs will be lost, it is how many.

I come from a State where small businesses and farms make up a large portion of our economic base. A large increase in the minimum wage will only hurt those people, thus dealing another blow to Montana's already weakened economy. While I commend the members of the committee for including the tip credit provision and raising the small business threshold to $500,000, the final numbers which came out of the committee are unacceptable to me. I will, however, support the Bush administration's compromise to raise the minimum wage to $4.25 over 3 years with a 6-month new hire training wage. The important selling point for me on the Bush proposal is that it will save 423,000 of the possible 650,000 losses under the $4.65 proposal in S. 4.

In Montana any job loss is a big job loss. Montana's economy is much weaker than the national economy. As of October 1988, our average hourly wage was $8.76 compared to the national average of $9.45. Our average per capita income for 1987 was $12,347 whereas the national average was $15,481. Maybe States like Massachusetts, Vermont, and Rhode Island can afford to increase the minimum wage to $4.65 an hour, but a State like Montana cannot! When fully implemented the $4.65 increase would result in Montana losing 1.7 percent of all its jobs—that is definitely a step in the wrong direction for Montana.

To those who say that history has not proven that increases in the minimum wage result in job loss, I ask a few simple questions—why is it when I go to the grocery store that the checker bags my groceries? Where are those that used to bag them and carry them to the car for me? Why do I see self-service this and self-service that wherever I go, be it a gas station or a restaurant? The answer is that those are the low-skill, entry-level jobs of days gone by where the minimum wage and good business common sense clashed.

I also want to point out that in the agriculture business—an area which is very near and dear to my heart—the application of the minimum wage from 1967-78 led to a loss of about 60,000 agriculture jobs as represented by the number of hired farm workers. There may be certain businesses which pay employees minimum wage when they could afford to pay them more and still make a profit. However, that does carry over the most small businesses and farms. The ranch/farm economy is such that an increased minimum wage cannot be passed on to consumers. Any increase will result in more layoffs in bad years, and fewer raises in good years since a farmer or rancher has a much lower margin of

profit. One farmer from Montana put it this way, "I am opposed to any minimum wage scale as only the worth of an employee will determine the wage. If we want good help on our ranch we must pay good wages and we have provided a safe, rewarding and learning experience for many people in the past 25 years. All of them go on to obtain higher paying jobs and with them goes the vast experiences they obtain on a ranch as well as knowing they earned it."

This rancher effectively points out the worth of making sure that the minimum-wage worker remains affordable to the employer! That unskilled, untrained worker gets a chance to start his or her first job, gain skills, and move on. Another example of this is a regional manager of Pizza Hut in Great Falls, MT. He started with Pizza Hut 15 years ago at minimum wage in high school and worked his way up to regional manager. That is what our economy is all about—giving those who most need it an opportunity to gain skills and knowledge to increase their market value. That is why if we raise the minimum wage, we must include a training wage. So that businesses can still afford to give young people, uneducated people, and people with few skills a chance to work their way up to regional manager.

One aspect which I think has been overlooked is that when the employer is able to start someone at a reasonable minimum wage or training wage, then he or she is able later to give that person a raise as an incentive. Is that not what a raise is anyway—an incentive. If we are requiring employers to start an employee at a wage that is barely affordable to them, how do we expect them to give raises? There is not a single person who does not feel good when he or she gets a raise—except the Members of this body possibly. There is an inherent value in being able to give or get a raise and I think we are jeopardizing that if we raise the minumum wage to $4.65 an hour.

Finally, the argument that an increase in the minimum wage will make it a livable wage pulling many out of poverty is just not supported by the facts. Figures show that 80 percent of those earning minimum wage do not fit the profile of the working poor. Only 8.6 percent of those earning minimum wage are heads of households. And 90 percent of them are part of households above the poverty level. In fact, the Labor Department estimates that only 1 percent of workers are both below the poverty threshold and minimum wage earners. If we are going to help the poor, the minimum wage is certainly not an effective way to do so. Also, the people most likely to lose their jobs are those who the proponents of S. 4 are claiming to help.

I hope that my colleagues will give some thought to these points. All of the statistics aside—let us look at the value of giving the unskilled a chance. A minimum-wage job is certainly better than no job at all. Let us consider the value of a raise. Let us consider the diversity of this country that we live in and the economic makeup of it. The small business person and farmer in Montana wants to create jobs and provide much needed training, but many people in Washington are making it awfully difficult for them to do so. I urge you all to join me in supporting the President's compromise giving both the business person and the minimum-wage worker a break.

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

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

Mr. BYRD. Mr. President, I ask unanimous consent that I may speak out of order.

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

## SHOULDERING THE RESPONSIBILITY TO COUNTER AIRLINE TERRORISM

Mr. BYRD. Mr. President, the Department of Transportation announced a series of measures this past Tuesday, April 3, 1989, on aviation safety, particularly aimed to shoring up our capacity to guard against and thwart terrorist actions directed at the Nation's airlines. The disaster last December at Lockerbie, Scotland, where a terrorist-planted device succeeded in the destruction of Pan Am flight 103 and extinguished the lives of 270 innocent human beings could happen again unless measures like those taken by the Department of Transportation this week are not followed up with a concerted nationally directed effort to upgrade the technology, training, and procedures necessary to protect against these sinister forces.

Mr. President, a fundamental issue has arisen in connection with counterterrorism in the world's airways. Who should bear the primary responsibility of combating terrorist activities against government? Today, the airlines carry that burden, with some assistance from the Federal Government, but the U.S. airlines are merely convenient symbols for terrorists to attack. From a political standpoint, the aim is to weaken the United States. It is an international political strategy, not a commercial strategy. The response to such a concerted attack on our Nation, then, should properly be the domain of the Federal Government. We should not expect the commercial airlines to alone carry the burden of protecting American citizens against essentially political-military attacks on the United States.

Recent commentary has indicated that airline security systems are antiquated, cannot match the growing technical threat posed by the terrorists, and may not have the financial ability to do so. The proposed new security steps by the Secretary of Transportation, particularly requiring deployment of explosive detection systems in the United States and overseas where U.S. airlines operate are steps in the right direction. Also, the announcement that FAA security specialists will provide greater surveillance and assistance to U.S. carriers operating at the busiest airports is another step in the right direction. More is needed, and a fundamental reorientation of the allocation of responsibility in this area needs urgent review.

Airline representatives today are making a vigorous case that if the threat to the airlines is sabotage by terrorists, then the Government should finance the acquisition of the proper equipment and the personnel training programs to cope with it.

Suggestions are being made to use the airline trust fund, now some $5.8 billion in surplus for these purposes. We ought to investigate the advisability of reinstating a program which was in existence in the late 1970's, to reimburse airlines for security costs incurred in international operations. The costs of combating terrorism are going to be high, but the key determination of the allocation of responsibility needs to be sorted out. Mr. Noel Koch, who was the key Pentagon counterterrorism official during the Reagan administration, has written a cogent brief on this point in the Washington Post last Sunday, April 2, 1989, in which he said that "what the airlines really need from the Federal Government is more direct assistance, and less responsibility for matters beyond their competence." He maintains that the "United States is the leading target of international terrorism today, and our airlines are both powerful and accessible symbols of America herself. But the U.S. Government does next to nothing to protect air travelers—dumping the burden on the airlines."

Mr. President, our innocent air travelers need to be reassured that their Government is doing everything possible to protect them from terrorist actions. A review is in order and, so while I commend Secretary Skinner for the initiatives that he has undertaken, more must be done and soon. It is clear that the full range of resources available in the Federal Government

should be coordinated to approach this threat, including those in our intelligence agencies, and that all possible cooperative measures need to be taken with our European allies and intelligence services. If the technology now being used by international terrorists is not effectively countered, the safety of our international carriers and their passengers will remain at risk, a situation I think we can all agree is unacceptable and deserving of substantial new efforts on the part of all branches of our Government.

## MINIMUM WAGE RESTORATION ACT

The Senate continued with the consideration of the bill.

Mr. METZENBAUM. Mr. President, is the Senator from Ohio correct in his understanding that the issue on the floor at the present time is the minimum wage bill?

The PRESIDING OFFICER. That is correct, the issue on the floor is the minimum wage bill.

Mr. METZENBAUM. Mr. President, I rise to address myself to the fact that the increase in the minimum wage is long overdue. Minimum wage workers, working 40 hours a week, 52 weeks per year, earn $6,900. That is nearly $3,000 below the poverty level for a family of three.

Now I ask you to think about that. I ask my colleagues on the other side of the aisle to think about the fact that you are asking a person, a family person, to live on $6,900 a year. You know it is an impossibility. I know it is an impossibility. The President knows it is an impossibility. With that $6,900, you have to pay the rent, put food on the table, buy clothes for the children, and pray, literally pray, that there will be no health emergencies because you do not have the dollars to pay for these necessities. It is impossible to pay for these necessities when you earn only $134 a week for full-time work.

Oh, we will hear all the statistics today about job loss and the dire impact on business. I was a business person. I had people working for me and I can say without any fear of contradiction that a few cents an hour extra is not going to cause many businesses to retract.

It is an age-old argument. Any time there has been any proposal around the Congress to do something for those who need assistance—whether it had to do with Social Security in the first instance, or with minimum wage or Medicare or Medicaid or women and infant children's assistance—whatever the proposal has been the argument has always been the same: It is going to have such a terrible impact on business. Meanwhile profits of corporations have zoomed and the stock market has gone to untold highs. But the working poor have been left behind.

We are talking about tired, old arguments that are not applicable to the issue before us today. Suffice it to say that we have had six increases in the minimum wage since 1938 and none of the dire predictions have ever come to pass. This is not a debate about statistics. And I must say that I am concerned that we are being told by the President at this time that this is a matter that we can go so far and no further.

But I thought we were living in an age of cooperation, not confrontation. Can somebody really stand here and tell me that there ought to be and there must be a 6-month training wage instead of a 2-month training wage? I do not even believe in a 2-month training wage but I am willing to compromise on that point. But beyond that, can somebody tell me that there should be a training wage without any training?

It is absurd. It does not make sense. It is illogical. If you were going to train the people during that period, so be it. But this Senate ought not to be putting itself in the position of being defender of McDonald's and Wendy's and Burger King and all the others that want to pay the minimum wage, and all the others that are insistent that there be a training wage.

A training wage to be a McDonald's employee, to flip hamburgers—who are you kidding?

What we are talking about is how we treat the poorest members of our society. It is about basic human dignity. It is about the quality of life. It is about the ability of a person to take home enough money that he does not have to go on charity.

The minimum wage was enacted over 50 years ago to establish a minimum standard of decency. That standard has eroded dramatically. The purchasing power of the minimum wage has declined by nearly 40 percent in the 8 years since the last increase.

Go out and try to buy anything. Try to buy a cantaloupe. My wife brought home some watermelon the other day. Stores sell watermelon now in little pieces at so much a pound. Stores sell cantaloupes the same way. That was not the way it was a few years ago. Even 8 years ago we were not selling fruits and vegetables in that manner. But those extra costs are impacting upon the poor families in this country to the point that they cannot buy watermelon and cantaloupe and yes, they cannot even buy adequate food to feed their families.

We must restore the standard of decency so the lowest paid workers in our economy can share in the economic gains touted by the administration.

But, having said that, let me say that I do not think that we are doing enough. I think that this is a drop in the bucket. It is merely a step in the right direction. But although the step is in the right direction, we are being told there is a line in the sand and we cannot go any further or there will be a veto.

Why a veto? Why? Because we are going to rip the whole economy apart by giving people an extra 30 cents an hour, while we are saying to them that there should not be a training wage for 6 months and we compromised to the point of 2 months? I say I do not really approve of that. But others have agreed upon it, the House has agreed upon it, and I understand the manager of the bill is willing to agree to it. Under those circumstances I would not fight it.

But I cannot deny the fact I want to work with the President of the United States. I think this President is an able and well-intentioned human being. I think this is a President who is reasonable. And I have seen evidence of that reasonableness in a number of different areas already.

I just say to you, Mr. President, do not give us a take it or leave it proposal. That is the kind of administration we had for the last 8 years: confrontation, confrontation, confrontation, while the budget deficit went to untold heights. The people of this country suffered. And corporations made more money than they ever made before.

I think many of us in this Congress who want to see a change in the minimum wage law have already expressed themselves. We said: "OK, I do not like the training wage but I will go along with it for 30 days, provided there is some training." And then the House put in 60 days for a training wage. So some of us have said we do not like it but if that is the price we have to pay to compromise, we will go along with it.

But now we are told 35 Members of the Senate have signed a letter to the President announcing: No way, no way are we going to pay anything more than the pittance that has been advocated by the administration.

Why? Why should 35 Senators join together and take that kind of solid position? There are so many truly important issues in this country to resolve as a team. Why choose the minimum wage to say "we will not go one step beyond this?" I support the concept that these Senators are advocating—they want to support the President. But these Senators can support the President better by saying: "Come, let us reason together. Let us work this out."

If minimum wage increase goes down because there was an adamant position on the part of the administration and 35 Members of the U.S. Senate, I cannot believe that any Senator will sleep better by reason of that

fact. I think Senators would have trouble in explaining it to their wives, explaining it to their children, as to why they were so determined that there could not be some modification.

The legislative process is about compromise, not confrontation. It would be a cruel blow to the working poor for President Bush to veto a reasonable minimum wage bill.

We can all agree that there is a need to improve training. But the administration's proposal has nothing to do with training. There is no requirement for training in the administration training wage. The 6-month period that the administration advocates contradicts the Department of Labor's own estimates of the training needs for lower skill minimum-wage jobs.

Listen to this. This is amazing. The Department of Labor publishes a comprehensive volume entitled, "The Dictionary of Occupational Titles." It lists every job in the economy, including a job description, qualifications, and training time required.

According to the Department's own estimates, it takes 30 days or less to "learn the techniques, acquire information, and develop the facility needed for average performance" for such jobs as delivery driver, laundry worker, custodian, food service worker, dish washer, housekeeper, parking lot attendant, mail clerk, and sanitation worker.

If we stop to think about it, apparently the administration believes it will take 6 times longer to train minimum wage workers for lower skill jobs than its own experts in the Department of Labor have found to be the fact.

If we must have a training wage, then tie it to training. Make it for a reasonable period and adopt it on a temporary basis to test its impact. The House-passed provision of 60 days for first hires, with a requirement for on-the-job training with a sunset provision in 1992 to allow us to assess the impact makes much more sense than the administration's proposal. I am frank to say it goes further than I am inclined to go. But I believe, as I said earlier, that legislation is the art of compromise and so I would go along with that.

But it cannot be denied the working poor need to earn a living wage. They hve gone without a raise for 8 years. The time has come for us to do the right thing by restoring the minimum wage as a basic standard of decency.

The President said during the campaign, and I accept it and I believe he meant it and I believe he means it now, that we ought to have a kinder, gentler Nation.

If it is to be a kinder, gentler Nation, then we have to worry about those who do not have any lobbyists speaking for them here in the Halls, of the Senate.

They are the working poor who do not want to be on welfare but who want to make enough money to feed their families, not very well at best, but at least to keep themselves off charity.

This is an administration, this is a Senate, this is a Congress, this is an America that makes it clear that we think that people ought to work, not go on charity. And every so often we get a special proposal about how we are going to see to it that people get jobs rather than have to be on welfare.

But the fact is that welfare standards are set in such a way as to see to it that people at least have the bare sustenance. In too many instances, the minimum wage provides for less sustenance than is available under welfare. It is not the fault of welfare because welfare is based upon what people need. It is based upon need considerations. But instead of talking about basic needs, we are fighting here about 30 cents an hour; we are fighting about how long a training wage; we are fighting about the failure to have any actual training during that training period.

I say to my colleagues, relent, ease up, win another battle, but in this battle, you are being cruel, you are being inhumane, and you are being unfair. Do not do that to those who do not have any lobbyists in these Halls. Do not do that to poor people who want to work to earn enough money to provide for their families. I yield the floor.

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Vermont [Mr. JEFFORDS].

Mr. JEFFORDS. Mr. President, I have heard some eloquent, very fine, emotional statements about minimum wage. I wish to take a somewhat different tack. Let us take a look at the basic principles which caused the creation of the minimum wage and examine whether or not the situations have changed in the last 50 years.

Mr. President, the minimum wage has been an issue before this body for at least the 50 years that have passed since the enactment of the Fair Labor Standards Act of 1938. The arguments have remained much the same over the years.

Some elements of this debate are axiomatic. Increasing the price of labor will reduce the demand for labor, period. Some workers will benefit from an increase, period.

But while the debate has remained quite similar over the years, the problems have changed tremendously. Our family structure has changed, our expectations of women have changed, and we are concerned today about having too few workers with the skills to fill our jobs, a notion that was unthinkable back in the depth of the Depression.

The story of a woman who lives not far from me in Vermont really brought this point home. She lived through the Depression, and in the midst of it was working as a school teacher, one of the few professional avenues open to women at the time. She explained very matter-of-factly that when she got married back then she quit her job. No one asked her to do so; she simply understood that since her husband was employed, it was unconscionable that she, too, would hold down a job at that time when jobs were so scarce.

Those were obviously extreme circumstances. But her story does underscore the changes that have taken place since the Fair Labor Standards Act was enacted.

Today, we no longer expect that women will stay at home, indeed, most women with young children are in the work force. When the minimum wage was adopted, perhaps one-third of the women were in the work force. Now, it is about two-thirds. This is a startling fact, fewer than 10 percent of all families with children contain a mother who is at home caring for the children with a father working outside the home. Ten percent; less than ten percent.

Congress is trying to come to grips with these changes, whether through child care, family and medical leave or a host of other proposals to accommodate the nature of today's work place and work force. But this effort at accommodation seems sorely lacking in our approach to the minimum wage.

We do need to establish a minimum standard of living, both for those who work and those who do not. But we cannot establish such a standard for the working poor through the use of the minimum wage alone. Such a policy is doomed to failure.

The vast majority of minimum wage earners are not the poor family of three that had served as a benchmark of sorts for the minimum wage. Indeed, almost three-quarters are single, and only 14 percent of minimum wage earners are a head of household in the poverty area. A somewhat higher percentage of minimum wage earners, about one in five, do live in poverty households.

These households, however, are not necessarily going to be helped much by an increase in the minimum wage. The larger barrier for such households is a lack of work, not a lack of pay. Only 15 percent of the householders of families in poverty work full time, year round. Thus, the concern that an increase in the minimum wage will decrease hours or job opportunities is very real.

Charles Brown, a senior economist with the Minimum Wage Study Com-

mission, estimated that it takes a 22-percent increase in the minimum wage to effect a 1-percent increase in poverty household income. It is also worth noting that while the real value of the minimum wage has declined over the past 5 years, so, too, has the poverty rate.

Given the preponderance of minimum wage earners in one- or two-person families, perhaps our benchmark should be revised to reflect the wage levels required for one- or two-person households to remain out of poverty.

At the same time, we need to address the very real needs of larger families, as a matter of equity and as a critical factor in preventing the deterioration of the family structure. We can and should do this by revising the earned income tax credit, or EITC, to reflect family size, adjusting the credit based on the number of dependents.

The advantages to doing so are several. First, the benefits of such a policy are targeted directly to those who need it the most, the working poor. Second, any disemployment impact is minimized. Third, other economic dislocation, such as an impact on inflation or competitiveness, are reduced as well. Finally, the reward for working will actually increase for those families which need the greatest assistance.

A reform of the EITC will certainly reduce Treasury revenues, but it is important to remember that much of what is really being reduced are payroll taxes from the working poor.

Moreover, the policy and economic offsets to these losses are tremendous. Welfare and other transfer payments would be reduced to those already working, while the increased incentive to work would certainly have an impact on those who do not now hold jobs.

In other words, sure, we are going to lose some revenue, but if you look at the other side of the coin, you can obviously see that if you reduce the number of people on welfare, the gain for transfer payment is going to exceed certainly any loss of revenues for those individuals.

While the Minimum Wage Restoration Act would restore the minimum wage rate, a reform of the EITC would do far more to accomplish everyone's goal of a living wage for the working poor.

Unfortunately, I doubt that much of our discussion will be directed at the policy that underlies the minimum wage, or even our goals. Instead, we will argue whether the rate should be at one level or another, and whether the length of the training wage should be 6 months or 60 days.

This may be unavoidable, but I think there is a more important debate that we should get into. That debate is this: What should our society guarantee to the individual or the head of household who is willing to work full time, year round to support a family? This seems to me to be the principal reason behind the enactment of the Fair Labor Standards Act, and strikes me as the issue we should address in these amendments to that act.

Before us are two proposals, with differing rates, differing training wages, and differing approaches. The Democrats argue that their proposal will do the most good; the Republicans say theirs will do the least harm.

The biggest policy difference between the two lies in the training wage proposals. In one fashion or another, this concept has been around for some time. The Fair Labor Standards Act contains a few differentials, and many States have adopted them for certain categories of workers.

Secretary Dole has argued persuasively that low-wage workers need education and training to equip them to fill higher paying jobs.

I certainly agree with her and look forward to working with her and my colleagues on these issues in the months ahead. In fact, I will be offering an amendment during the course of considering this legislation that will attempt to deal with this issue but only in a small way, unfortunately.

But as we all know, our efforts to educate and train our workforce have been insufficient. Many workers, particularly young ones, lack the basic skills necessary in order to get entry-level jobs. The higher we raise the cost of that job, the less likely an employer will be to hire that young, inexperienced worker.

In some markets, the increases we are discussing will have little or no effect. But in others, the effect could be significant. That is why I support establishing a meaningful training wage.

It seems to me that "meaningful" connotes two things: first, that job opportunities will be retained—in other words, we do not reduce the number of job opportunities, and second, that we will induce some behavior that would not otherwise occur.

If I read the administration's economic analysis correctly, it satisfies the first test, but assumes failure on the second. More specifically, it believes that costs will be dampened in industries with seasonal or high-turnover jobs but that employer behavior in other industries will be unaffected by the training wage. In other words, employers in those industries will eliminate just as many job opportunities as if no training wage existed.

This strikes me as unfortunate. While employers certainly have no control over the seasonal nature of some jobs, and may have only limited control of turnover, I hope we could affect the behavior of employers who provide more stable employment.

The Democratic alternative probably fails on both of the principles I set forth. As a policy matter, I think 60 days makes a lot more sense than 6 months. It does not take 6 months for an employee to learn minimum wage skills. Either the employee acquires them over the course of a few weeks or the employer lets the employee go. It is unreasonable to assume that an employer who might be forced to eliminate jobs due to tight profit margins is going to tolerate incompetence for 6 months.

But I am not convinced that a training wage should be limited to the first job. The language adopted by the House has mechanical problems. For example, an employee would be ineligible for the training wage if he or she had worked for any employer for any period of time.

While I am not sure of the intent behind the choice of words, a court might construe "work" to mean something even broader than employment, the defined concept used throughout the act.

Moreover, the practical enforcement problems could doom this provision to the same fate that has befallen the current student-learner provisions—so complex that employers do not bother to use them. Again, we should not have a training wage if it is not going to provide an incentive for employers to behave differently.

Finally, I am not sure that such a wage should be limited to a single job. For the hard-to-employ youth, it may take a second or third job to get them started in a good employment relationship, especially, for instance, if his first one should be terminated.

I hope we agree on the purpose of a training wage; to save jobs and promote the hiring and training of low-skilled workers. If we are agreed, perhaps we can agree to some combination of the proposals of the administration or by the House, not this body, or some variation that would provide a simple entry-level rate that could be maintained only by leveraging some tangible training.

In conclusion, once we finish this debate, I hope we will begin to look anew at what it is we are trying to accomplish and how we should best accomplish it. While the Minimum Wage Restoration Act might restore the minimum wage rate, it will do very little to help the working poor.

Let me quote from the part from one relevant observer on this issue:

> The country needs and, unless I mistake its temper, the country demands bold, persistent experimentation. It is common sense to take a method and try it; if it fails, admit it frankly and try another. But above all, try something.

I know my Democratic colleagues chafe when Republicans use the words of Franklin Roosevelt, but I think his

approach may be as important as his legislative legacy. I think we should read those words again and again.

I know we are probably not going to take a dramatic turn and adopt changes to the EITC in the course of this debate. But I am also fairly confident that this legislation will be vetoed and that a veto will be sustained.

But if there is one benefit in the procedural course we are undertaking, I hope it is that all parties will look closely at the proposals put forward by Senator BOSCHWITZ, Representatives PETRI, DOWNEY, and others to reform the EITC, and that we will put their proposals into place.

Earlier today, we commemorated the two centuries of history of this institution. Let us profit from that rich experience but not become prey to it. I hope my colleagues will reexamine the changes of the past 50 years and renew our commitment to the working poor.

I thank the Chair.

Mr. KENNEDY. Mr. President, will the Senator yield for a question?

Mr. JEFFORDS. I am happy to yield.

Mr. KENNEDY. Mr. President, the Senator has mentioned the earned income tax credit, and I expect we will have an opportunity to debate that issue in the time. I do not want by silence to indicate that this is not a useful suggestion or idea. It would be very helpful in certain circumstances. We have had the opportunity in reviewing the earned income tax credit issue to evaluate the Boschwitz proposal of last year, for example. We found that with regards to the individual minimum wage worker, for a married couple, and a married couple with one child the increase in the minimum wage in our proposal is the better for them. If we move beyond that to larger families, the earned income tax credit as it was proposed by the Senator from Minnesota does have a positive impact. I do not want to exclude the possibility of consideration of the earned income tax credit at some time. Of course, we have been conditioned by what the administration has stated with regards to the budget; an earned income tax credit would add to the deficit. But I believe it is an idea that the Senate should consider at a future date. We also believe that with the increase in the minimum wage you will move a number of families out of eligibility for transfer payments which will result in lowering the Federal deficit. But we have been unable to quantify that.

So for the point I am making, I will consider the earned income tax credit as posed by the Senator from Minnesota last year. The administration has not indicated favoring that proposal. Secretary Dole did not, as the Senator remembers, during the course of our hearings. There is no other indication that they would. But I wanted to give that assurance to my good friend from Vermont, who has been very much involved in the shaping of this legislation, of my position. We talked about this briefly during the course of our markup. But that is at least where this Senator comes out on this issue.

I do not know whether the Senator has any additional remarks in reaction to that comment.

Mr. JEFFORDS. I would like to add a word or two. I think, again, if we go back and look at the major purpose of the legislation originally, it was to help the working poor family. We did that very successfully in the thirties by providing a minimum wage to bolster the family income, but now as we look at the 14 percent we will be helping by this approach I agree with the Senator that the $4.50 area will take care of the one- and two-dependent family.

But for those that need help in the three above, we do have little by this legislation. Plus that, if we go any higher, then we have all the additional problems of job dislocation which has been discussed rather extensively previously.

So my hope is that we do not just ignore this in our emotional debates over the issues of levels and training wages and not recognize that there is a very viable program which can be instituted which would help all of the working poor. Although the problems of estimating the impact upon the deficit are difficult, the fact is that the revenue loss occurs in one budget and one committee's responsibility, and the gain occurs in another committee with respect to reduced transfer payments. It is unfortunate the way the committee structures are set up in both the House and Senate, and we never seem to have a forum in which to openly discuss these matters and come up with a rational program to try to take care of these very difficult issues.

I hope we will not avoid this issue in this debate. It is unfortunate that we probably cannot come to the proper conclusion just by the nature of the way the House and Senate operate, and the fact we cannot pull these estimates and changes together. We really do not have any good figures.

Mr. KENNEDY. I thank the Senator. I particularly appreciate his comment about the way the Budget Act performs. If we were able to provide additional savings it would be useful and helpful to be able to use those savings in the other areas of human need.

I do not think there can be any argument about the fact that there will be welfare savings as a result of increasing the minimum wage. I believe that there will be important savings as people move off of welfare and move into better paying jobs. But we have not been able to estimate that savings.

But the benefit in my State is equal to about $5.20 an hour on welfare. We are talking about $3.35 here. If we are going to try to move people off of welfare, we have to raise the minimum wage. I am amazed that people are working even now. Yet we have millions of Americans who are working because they want to work. We are talking about people who want to work. If we were able to move the minimum wage up, do something in the areas of day care, health care, and skills training, then we are going to save the taxpayers money—I believe billions of dollars.

But we are going to try to see to the extent that the Senator can help us quantify those savings, and see if we cannot perhaps at least get credit for those savings for our particular function. It is a different issue than the general question of minimum wage but I think around here it is enormously important because we will be trying to deal with more programs such as voluntary service programs, and initiatives in health and education.

I appreciate the comments. I thank the Senator from Vermont for his very constructive comments on the whole issue.

Mr. JEFFORDS. Mr. President, I would like to make one further comment if I may. I think it is also important that we talk about EITC, and that we also do not forget what the purpose of the training wage certainly ought to be, and that is to improve the skills of people to be able to either increase their present employment under some circumstances, if it is allowed under that provision, or at least ought to urge employers to conduct some sort of training along with the wage or else we will not accomplish any of the goals.

As I pointed out, neither of the proposals of the House and Senate nor the administration reach the two basic goals which ought to be the goals of the training wage. I hope that in the course of time we will also along with the EITC give some serious thought as to forgetting about the emotionalism on each of these extreme positions on the issue and talk constructively about some options that we can use to try to get our employers to have some meaningful use for the training wage.

I thank the Chair and I thank the body. I at this time note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. NICKLES. Mr. President, I rise today in opposition to the proposal as passed by the Labor Committee, Senator KENNEDY's bill, to increase the minimum wage from $3.35 to $4.65. That increase as many of us have heard, a lot of people are for it and many people are against it. I came out against it because I evaluated it and believe it would be very detrimental to my State and to the economy of the United States. I think it would cost jobs.

We have heard a lot today about helping the working poor. I want to help the working poor. I think putting the working poor out of a job is the meanest thing we could do. I have heard people say if you are against this bill you are mean, that you really did not care about helping those on the lowest end of the economic ladder. I say if we pull the ladder up, and if they cannot get that first job and reach it, we have done the cruelest thing of all. That is exactly what we would do.

I do not know of anybody who disputes the fact that if we increase the minimum wage from $3.35 to $4.65 we are going to cost jobs, thousands of jobs, estimated to be hundreds of thousands of jobs.

The Congressional Budget Office estimates that as many as 500,000 jobs would be lost. In my State of Oklahoma, it is estimated by the Chamber of Commerce that we would lose 10,000 jobs. Ten thousand jobs in the first year, 25,000 jobs in 4 years—25,000 jobs. We fight for jobs. We are hungry for jobs. We have gone through a difficult economic time in the last few years. We want jobs.

And the Senate of Oklahoma certainly does not want us passing laws that are going to cost us jobs, which are going to put thousands of people out of work. Unfortunately, it would be putting the people out of work who need the jobs, in many cases, the most. These are people who are trying to get started, trying to grow economically, trying to earn a living, trying to learn how to make a living, trying to get started in a business. Eighty percent of all new jobs are created in small business, and small businesses are the ones that pay minimum wage.

This is not going to impact negatively on General Motors and some of the larger companies. They pay a lot more. I think it will have a negative impact on them, because it will hurt the economy. I will talk about that momentarily. It will cost jobs. To give you an example, I, like many of my colleagues, went back to my State the last couple of weeks, and I traveled around and went into a lot of rural communities. I went into one town, Colgate, OK, population of about 5,000. I went into a grocery store—it was kind of interesting—a little grocery store, which was not a big national chain or anything, but I talked to the manager, and I shook hands with some of the employees. I asked the manager, "You have several people carring out groceries. What do you pay them?" Their ages, I would guess, would be 16 or 17; they were teenagers. He said, "We pay them about $3.50 or $3.60, something along that line." I said, "Can you afford to pay them $4.65?" He said, "No, we would just have self-serve. People would have to bag their own groceries." That is what we do in some of the big chains. I guess that is a fact of life now. He would not provide those jobs.

In Colgate, OK, there are not that many jobs. These people in high school and other areas would like to have a job. I do not think we should pass a law in Washington, DC—maybe it is appropriate for the State of Massachusetts—but I do not believe it would be appropriate in Colgate, OK, and I do not think it would be appropriate in many areas of this country.

Basically, it would say that, "We are sorry, but if that job is not worth $4.65, you do not have a job." That is exactly what we would be doing if we pass the increase in minimum wage to $4.65.

What we are, in effect, saying is that it is Federal law, and that you cannot pay less. So if the job is not worth $4.65, unless the employer wants to be very generous and maybe lose money economically on it or something, you do have a job. It is against the law. Mr. Employee and Mr. Employer, if you decide to get together and pay $4 an hour, and that is possibly a mutually beneficial arrangement, maybe, for a young person and an employer, to enter into an agreement where the pay would be $4 an hour, "We are sorry for the both of you, but that is against the law. If you cannot pay $4.65, do not do it."

I have a couple of teenagers. I have one who is making $4 an hour. I do not know if that employer would increase that job to $4.65, or if my teenager would be out of a job. I told my teenager, who happens to drive a car, "I want you to help pay for the gas." That was part of the deal. So she has a part-time job, and it pays $4 an hour. I do not want to price that job out of the marketplace. I do not want to deprive thousands of young people, thousands of people, who are trying to get started.

I do not want to pass a law that says that it is against the Federal law for you to have that job, because there are thousands of jobs that are in that category, somewhere between $3.35 and $4.65, thousands of them, hundreds of thousands of them. On some of them, I am sure, those wage rates would be increased, and some of those jobs would be priced out of existence.

If I am interested in sacking groceries, and that is one of the first jobs a lot of people get, because maybe they are in high school and they want a part-time job on the weekend. Maybe another one would be pumping gas. I have a son who is pumping gas. He did that part time in the summertime, pumping gas. He made less than $4.65 at one station, and he made more than that at another station. In some stations in Oklahoma, I think they pay less than $4.65. That job was important because it taught him something. It was telling him what it meant to show up on time, what it meant to get a job. He said, "Well, this is what I can make at this job. What can I do to make more money?"

I have the distinction of being the youngest Member of the Senate, and 20 years ago I worked for minimum wage. It was only 20 years ago. The minimum wage at that time was $1.60 an hour. But I learned a business. It was, actually, a janitor service. I worked for a janitor service when I was going through college, and my wife and I both did it for $1.60 an hour. We did not think that was enough, incidentally. We asked for a raise. We waited about 1 month, and we received a nickel. We received $1.65. We did not think that was enough, so we started our own janitor service and employed a lot of people. We happened to make a fair amount of money. We employed a lot of people and, incidentally, we paid them more than minimum wage. But what I am saying is that there was the opportunity to learn. We learned through that experience, and we started a business. Again, that is where 80 percent of all new jobs are created, in small business. A lot of them do start in that area of $3-and-something, not $4.65. We are going to price a lot of jobs out of existence. We are going to deny a lot of people opportunity if we increase this arbitrarily to $4.65.

I have heard the comments, well, they need it to be a living wage, and so on. I do not know if they are trying to turn a lot of jobs into welfare programs or what. Certainly, I am sympathetic. I want people to make more. I would like for everybody to make $8 or $10 or $12 or $16 an hour. I think that would be great.

Mr. KENNEDY. Will the Senator yield?

Mr. NICKLES. I will be happy to yield when I conclude a few of my comments.

I do not think we make any sense whatsoever to be mandating wage rates which will put people out of work. I do not think we make any sense whatsoever, when in the guise or disguise of trying to say we want to help people, we put people out of work.

We deny them the opportunity to work. We tell them if that job does not pay a certain level, $4.65 an hour, we

are sorry. We are sorry that you do not have a job now. A lot of times, and in many cases, we are talking about young people. They cannot get a job, and they do not learn work skills and work habits. They still need money, and how are they going to make money?

In a lot of neighborhoods, and this is just not in big cities, they find there is easy money in drugs. I was with a couple police officers in Oklahoma, and I wanted to see some of the drug problems that we had. So we drove around into an area that has a reputation of having a drug problem. I saw a youngster, who was 12, 13, or 14 years old on a bicycle. The officer said that he is probably already involved in drug trafficking. I said, "You have got to be kidding. How in the world could this youngster, who looked as innocent as my 13-year-old, do this?" He said, "He is probably serving as a scout, and somebody probably gave him $20 and said, 'If a car like this one pulls in, ride down here and let us know.' He is working as a lookout. He would notify the drug people."

He said, "The next thing you know, they will give him a little more money for delivering this little sack or brown paper bag over to another apartment in the housing complex. Maybe this time they will give him $50." Again, that youngster may or may not know that there are drugs inside. Maybe it is crack or some other type of drug, and that is easy money.

Would it not be better if that individual had the opportunity to have a job, to show up for work on time, to have the opportunity to be able to put a little money in his back pocket, maybe to buy gas for his automobile, or to buy some other type of commodity or something, to at least allow that individual to learn in the marketplace, instead of saying, "Well, I am sorry, youngster; if you cannot get a job above $4.65, it is not worth it. It is against the law, against Federal law, because we passed a law that says if you cannot get that amount for it, too bad."

Then what about the economic impact? I have already talked about the individual, but I am also concerned about the national economic impact. I have heard comments about it being inflationary. It is. No one can say it is not inflationary. It will increase the price of goods and services sold in the United States. The Council of Economic Advisers states that raising the minimum wage, as proposed, will cost consumers an extra $13 billion a year in higher prices. Some people think that if the Federal Government is not writing that check, maybe that is not too bad. Actually, it is estimated in a study by Makenzie and Simon of Clemson University that it would cause Federal spending to increase by $1 billion, because of an increase in unemployment benefits. We put people out of work.

They are not paying taxes. They are drawing unemployment and that has a negative impact on the economy.

Actually, according to the Institute for Research in the Economics of Taxation, they estimate that the Senate bill would increase the deficit by about $7 billion. The cost of raising the minimum wage would rise from an increase in Government spending as those who lose their jobs file for unemployment insurance and expand their use of food stamps. Government revenues would decline because fewer people would actually be working.

But there is no doubt if you increase the minimum wage, with the ripple effect throughout the country, there will be higher inflation.

I happened to be expressing some concerns to Alan Greenspan not too long ago that I think he is increasing interest rates too much. He has really been tightening down the money supply. With increasing interest rates, the prime interest rate now is 3 percent higher than it was a year ago. The T-bill rates, what we pay for money, is 3½ points higher than what it was just a year ago.

You might say, why? The Fed, the Federal Reserve, is concerned about inflation. They think inflation is getting heated up so they are making some precautionary moves. They are tightening up on money. They are increasing interest rates, trying to slow down the economy.

I am concerned about that, but I will tell you this will drive inflation up. This will put more pressure on Alan Greenspan and crew to jack the price of money up even higher, increase interest rates more.

If you happen to be in the housing market, if you are trying to buy a house, it is much more difficult today than it was a year ago because the price of borrowing money is higher. If you want to buy an automobile, the cost of borrowing money is higher. Why? Because the Fed is concerned about inflation.

If we passed this bill we are going to be increasing inflation. That will make us less competitive internationally. And that is another point.

Let us think about the macro effect of this on the economy.

Every Senator that I know of in this body has complained about our large trade deficit. Every Senator that I know of would say, "let us be more competitive."

This bill will not make us more competitive; it will make us less competitive. This bill will mean that, yes, we will be importing more and we will be exporting less.

And let us face it. There are a lot of things we can do in Congress that instead of helping our economy, instead of helping our competitiveness, we can do just the opposite. That is exactly what this bill is. It will increase the cost of domestic production. It will increase inflation. It will increase the cost of doing business in America. And I do not think we should be doing that. It will cost jobs.

We should be employing more people. We actually have today 19 million more Americans working today than we did in 1982. That is the longest, fastest, growing economic expansion in our Nation's history. Let us not mess it up. Let us not make it worse by higher interest rates. Let us not make it worse by additional Federal rules and regulations, whether it be increasing minimum wage or other Government mandates to make business more expensive in the United States than our competitive partners and allies.

I think this is a serious issue. Certainly macroeconomically it is important, but most of all, it is important to that youngster in Colgate, OK, who wants to have a job. Again, maybe it is pumping gas or maybe it is sacking groceries, or maybe it is working at the laundry, maybe it is washing cars. Whatever it is, let us not price that job out of the marketplace. Let us not tell him we would just as soon have him be unemployed and make $4 an hour. Let us not make it against the Federal law for a youngster or for a person to work for $4 an hour.

That is exactly what we would be doing if we pass this bill.

I will be happy to yield to my friend from Massachusetts.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. NICKLES. I am happy to yield.

Mr. KENNEDY. If I could just ask a very brief question, I just have one question I would like to ask.

Mr. NICKLES. I am happy to answer.

Mr. KENNEDY. If I could, does the Senator from Oklahoma know what the AFDC and food stamp benefits for a family with three persons are in Oklahoma?

Mr. NICKLES. Imagining that the Senator from Massachusetts has that figure, I would be happy for him to share it with me.

Mr. KENNEDY. It is a maximum of $546 for anyone who is on welfare in Oklahoma. And does the Senator know that that is $10 more than what the minimum wage is today? Does the Senator know that?

I head a great deal of comment from the Senator from Oklahoma. But actually, the benefit package for not working in Oklahoma is more than the minimum wage.

Does that concern the Senator from Oklahoma since he is talking about disincentives?

Mr. NICKLES. I appreciate the Senator's question.

Let me just make a couple comments.

One, concerning welfare benefits, and they vary from State to State, and maybe they are larger in the State of Massachusetts. I am asking the Senator, what are they in the State of Massachusetts? They are $546 in Oklahoma.

Mr. KENNEDY. Six hundred ninety-four dollars in Massachusetts and $546 in Oklahoma, and that does not include the Medicaid in Oklahoma which would mean that if you do not work for a minimum wage you would be $250 better off by not working.

Mr. NICKLES. I think it is my time. One, I would like to correct the Senator.

Mr. KENNEDY. I just wondered how the Senator would respond to that observation.

Mr. NICKLES. I would be happy to.

First, I think the facts are about 80 percent, of the people who are on minimum wage are not from welfare homes. If they are not on minimum wage they are not on welfare because most of them, like my daughter or like my son, or other people who have minimum-wage jobs, their family is not on welfare.

You do have some individuals and some families who happen to be earning minimum wage, and that may be their sole source of income, but only 12.5 percent of minimum wage earners are heads of households.

The Senator from Massachusetts is acting like every minimum wage earner is a head of household. That is not correct. Only one out of eight is a head of a household. So you have seven out of eight that is not a head of household.

So I think that is an important fact.

I heard the Senator from Ohio making the same statement like if they are not making the minimum wage they are going to be on welfare. That is not the case.

My daughter, if she does not have that job or that job is priced out at $4 an hour, she is not going to be on welfare. My family is not going to be on welfare. I doubt that the family of the Senator from Massachusetts is going to be on welfare.

So we are not talking the case, well, we are either going to increase the minimum wage or we are going to increase welfare payments. That is not the case.

Mr. KENNEDY. The fact is the benefit package for not working in Oklahoma is $250 more than working for the minimum wage. The fact is people cannot afford to work at the minimum wage with that kind of alternative.

We are trying to get them off welfare.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. LAUTENBERG). The Senator from Oklahoma has the floor.

Mr. NICKLES. I appreciate that and I appreciate the question from the Senator from Masachusetts.

The facts are, Mr. President, that 10,000 Oklahomans will lose a job if this bill passes. It is estimated in 3 or 4 years that 25,000——

Mr. KENNEDY. Will the Senator yield?

Mr. NICKLES. I will not yield at this time.

Twenty-five thousand Oklahomans will lose their jobs in 4 years if this bill becomes law. I think that would be a mistake.

I want those 10,000 or 25,000 Oklahomans to have a job. I want those youngsters who are working in that grocery store to have a job. Those youngsters will not be on welfare unless maybe they are priced out of a job, they cannot get a job, and then they would go on welfare. I think that would be a serious mistake.

Let us help those youngsters. Let us help people get involved and climb the economic ladder. But if they are priced out to where they cannot start, where they do not have the opportunity to get that first job, that increases the likelihood that they will be perpetually on welfare.

Let us help them to learn work habits. Let us help them to get involved in the economic train.

Mr. KERREY. Mr. President, will the Senator yield?

Mr. NICKLES. I will be happy to yield to the Senator from Nebraska.

Mr. KERREY. Mr. President, I am genuinely trying to listen to this debate and reach a rational conclusion myself. I appreciate that the Senator from Oklahoma has had some experience in a small business. I myself was in business in 1978, 1979, 1980, and 1981 when the last minimum wage increase went into effect.

I would just like to know, does the Senator think we should have a minimum wage? Should that rule be in place?

Mr. NICKLES. The Senator from Nebraska is asking a good question. That question is somewhat moot. I personally economically would say it might be a good time to abolish the minimum wage. That is not my proposal.

My proposal is, really, let us just leave the minimum wage where it is today. Let us not make it worse. Let us not put people out of work.

If I wished that the minimum wage were to be abolished over that, I would offer that. But that is not my intention. My intention is just let us not put people out of work any more than what we are doing with the present minimum wage at $3.35.

Mr. KERREY. If I hear the Senator correctly, then he thinks the 30-30-30 being proposed by President Bush should be rejected.

Mr. NICKLES. That would be correct.

To give the Senator a little more of my argument, or at least my thoughts on it, I think $4.25 would be a mistake. I think it is going to cost jobs. It will not cost us as many jobs as $4.65, but it is going to cost jobs. I think it is less damaging to the economy, less inflationary, and it will not cost quite as many jobs.

The estimates are—and I might read some of these. I mentioned CBO estimates it is going to cost 500,000 jobs. The Council of Economic Advisers estimates that it is going to cost 600,000 jobs. Robert Nathan & Associates estimates as many as 887,000 jobs will be lost if we pass the bill of the Senator from Massachusetts.

A Clemson University study calculates as many as 339,000 jobs for teenagers alone would be lost. And on and on.

There are many studies. There are going to be thousands of jobs that will be lost. That is at $4.65. And if you increase it to $4.25, certainly there are going to be thousands of jobs lost, as well. I do not want to see those jobs lost.

In the Senator's State of Nebraska and in my State of Oklahoma, we are having a difficult time. It is difficult in rural communities. I do not have to tell the Senator from Nebraska that.

If you go into a rural community and look at some of these shops that are really struggling, many of them are really just struggling to survive. Go down their main streets. Look at the drug store. Look at the hardware store. Look at the grocery store. Ask them if they are making any money. Most of them are not. Ask them what they pay their people. And maybe a lot of them will tell you, maybe $3.50 to $4 an hour. Ask them if they can afford to pay $4.65.

A lot of them will tell you they are not making any money right now and so if you increase their wages—maybe it is 50 cents, maybe it is $1 an hour—A lot of them are going to say they just cannot do it, so they are going to employ fewer people. They may go out of business or they may just get by and make it even more of a mom and pop operation and not employ the high school youngster.

I do not think we should deny opportunities to people getting started economically and I believe, and all of these studies believe, that we would be denying opportunities, whether it would be at $4.65 or even at $4.25 to a lesser extent.

Mr. KERREY. Will the Senator yield for one more question?

Mr. NICKLES. I am happy to yield.

Mr. KERREY. Does the Senator have a sense of what would happen if

we were to lower the minimum wage, let us say, to $2.30 an hour? Would that be something the Senator would think would be beneficial to rural Oklahoma?

Mr. NICKLES. No, I think that by leaving the minimum wage the last 7 years at $3.35, we have actually created, since 1982, 19 million new jobs. Most of those new jobs have been in small business.

Let us just leave the minimum wage where it is today and let us allow more new jobs to continue to be created. Let us not price out some of those. Let us not have this micromanagement from Washington, DC, that says this job is not worth $4.65 so you do not have a job. Maybe in Lincoln, NE, pumping gas, maybe it is a good deal for a 16-year-old to pump gas for $4 an hour. That 16-year-old might like to have that job. And it may be beneficial to the owner of that gas station, but he may not be able to afford $4.65 an hour.

Mr. KERREY. Do I hear the Senator saying to lower the minimum wage to $2.35 would be a mistake?

Mr. NICKLES. I did not say that. That is not my proposal. If the Senator would like to offer it, I will certainly consider it.

Mr. KERREY. Would the Senator forecast his expectation that it would produce good or bad to lower it to $2.35?

Mr. NICKLES. As I told the Senator, my belief would be to let us leave it at $3.35 where it is. We had 19 million new jobs created in the last 7 years. That is phenomenal job creation. Let us not distort it. Let us not hamper that.

If the Senator would like to propose abolishing the minimum wage, as I said, I would probably support that, but that is not my intention today. My intention is to let us try not to hamper this economy.

I happen to think we have a great, vibrant economy if we in Congress do not distort it and impair it, and I am afraid that is what we are going to do. I am afraid if we follow up with mandated benefits and other types of legislation that is being proposed, that that also will hamper our economy. I would not like to see us do that.

Mr. KERREY. Just for the Senator's information, my conclusion, both, by the way, as a business person who, to some extent, has a conflict of interest as a Senator voting on a minimum wage, I have concluded the Nation needs a minimum wage, that needs a rule setting the minimum wage. I do not see it as a poverty program. I do not see it as an effort to do anything other than to say this is the minimum wage standard.

What I am wrestling with is at what level it should be, whether it should be $3.35, $4.25, or $4.65.

What I see in front of us is essentially a proposal to raise the minimum wage in January 1990. Senator KENNEDY is proposing to raise it by 50 cents and President Bush by 30 cents. So I am really wrestling with a 20-cent differential at the moment and trying to measure what that impact would be, whether or not in the end I think it is fair.

It seems to me that all the numbers, particularly the forecasts, which forecasts all sorts of bad things. Unfortunately, Senator KENNEDY presents statistics that show the forecast did not come to pass.

If he would have asked me, had you been a politician in Nebraska and come into my store in 1978 and asked me what I thought about the minimum-wage increase, I would have said it would have been devastating. I did not like it. Fortunately, I was able to pass it on and survive.

I would not stand here and propose reducing it back to $2.35 an hour, which is what it was in 1977 when I objected to the increase to $3.35.

So I find myself discounting the economic forecasts and giving more credence to what actually happened in the aftermath of previous increases.

Mr. NICKLES. I appreciate the Senator's comments. I also appreciate the personal experience.

I would encourage him to go back to the store owners. He mentioned he was able to pass it on.

I ran a business during that time, too. We also went through a very hyperinflation period, if you remember, in the late 1970's, where all businesses were passing things on rather readily.

I remember when I was elected to this body we had an inflation rate of 13 percent, so business was in the process, in the habit, of passing it on, passing it on. And, of course, that is a real hidden tax to a lot of people. To a lot of people who are on fixed incomes, inflation is a very punitive tax. It hits them very hard. It erodes the financial ability of our country.

We found ourselves in very difficult times back in 1979 and 1980. So the Federal Reserves, they wanted to squeeze out the inflation, so they increased interest rates, too, and we had the prime interest rate up to 21½ percent back in 1980 and 1981 and 1982. Our country went through a heck of a recession to wipe out that inflation that was caused back in the late 1970's. So I hope we do not repeat that.

I am not saying this bill alone would do it, but there are a lot of things that we are looking at in Congress that will make us less competitive internationally, that will increase costs, that will put some people out of work. Some businesses have the capability of passing it on. I used to be in one of those businesses at one time. Price increases were good. We were in a good, strong, healthy economy.

But I also know in rural America today they cannot pass it on. They are not making any money.

We can mandate big increases. If we want to solve the welfare situation and we can say, "Well, let's make this better than welfare, let's make it $10 an hour."

But a lot of businesses will not be able to pass it on. They cannot stay in business indefinitely losing money, so they will employ less people. And I do not think anybody really disagrees with that.

Maybe in a growing, thriving economy, you can pass it on. In a lot of areas, you cannot.

I would tell you right in this area around Washington, DC, and Virginia and Maryland, this is not going to be that bit of an issue. They pay more than that right now. If they do, they can pass it on. This is a thriving economy.

But if you go into the rural areas, you go into the cities and towns that have populations of 5,000 that are predominantly dependent upon agriculture, they cannot pass it on.

Those youngsters will not have a job. They will have to leave those rural communities. They will not have the opportunity to stay in their home community where they graduated high school or maybe, if they go to college, they will not be able to go back to those small communities for a job. They will have to go to the big city. They will have to go to the east coast. They will have to go to the west coast. They will have to migrate to find a job.

Let us not price them out. Let us not make it more difficult. Let us not make it too punitive for small business owners across America to survive. Let us not hamper vigorous economy that has been doing quite well in job creation. That is the best welfare program in the world: Job creation in the private sector.

Nineteen million new jobs in just the last 7 years is phenomenal. Let us not deter that. That has happened in spite of the fact we did not increase the minimum wage in the last 7 years and we have had thousands, millions of new jobs. Let us not pass a law that almost any serious economic analysis says is going to cost us hundreds of thousands of jobs. That would be a serious mistake.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Can I ask the Senator, briefly, did the Senator from Oklahoma favor a cost-of-living increase for 32 million senior citizens on Social Security?

Mr. NICKLES. The Senator is correct.

Mr. KENNEDY. So the Senator voted for a cost-of-living increase for 32 million seniors.

Mr. NICKLES. If the Senator would yield? To correct my colleague, the cost-of-living increase was already in law.

Mr. KENNEDY. Fine. But the Senator supports that?

Mr. NICKLES. That is correct.

Mr. KENNEDY. Does the Senator support the cost-of-living increase that we have given the 2.5 million service men and women over the period of the last 7 years?

Mr. NICKLES. That would be correct.

Mr. KENNEDY. So the Senator supports the 32 million senior citizens' raises for costs of living and, as I understand what the Senator says, he supports it for 2.5 millon other Americans.

Did the Senator oppose the cost-of-living increase for the Federal employees?

Mr. NICKLES. No.

Mr. KENNEDY. Another 2 million there. Thirty-two million seniors, but according to the Senator from Oklahoma that is not going to have this devastating effect on the economy. The cost-of-living increase for 2.5 million service men and women, that is not going to disrupt our economy. The cost-of-living increase for 2 million Federal employees, that is not going to cost us. That is 38 million.

But raises for the 4 million people whose families are living in poverty is evidently going to destroy the American economy, according to the Senator from Oklahoma.

Mr. NICKLES. Will the Senator yield? Since the Senator made that comment, I might refer——

Mr. KENNEDY. I will yield for a brief question

Mr. NICKLES. I will make a comment.

Mr. KENNEDY. I am happy to yield the floor if the Senator wants it.

Mr. NICKLES. Well, just to put somewhat of a different light on it, we did not pass a law by giving COLA's and Social Security. That was made law some time ago and continued on in the previous Congress.

Mr. KENNEDY. But the Senator has not—I think I have the floor. The Senator has not offered anything——

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

Mr. KENNEDY. The Senator has not offered any resolution or amendment to change it. I have not heard the Senator come over here on the floor of the Senate and speak against it as he has done with regard to the current proposal: a cost-of-living increase for working men and women who are at the bottom of the economic ladder.

Mr. NICKLES. Will the Senator yield for a question?

Mr. KENNEDY. I just ask, has the Senator spoken against it?

Mr. NICKLES. I have talked about COLA's on more than one occasion.

Mr. KENNEDY. Favorably, I imagine.

Mr. NICKLES. The point I want to make is that with respect to COLA's, we did not have a law that put people out of work. The Senator's bill is going to put hundreds of thousands of people out of work. Giving people a COLA did not do so.

They earn those COLA's, maybe by their work in the Federal Government, maybe by their contribution in Social Security. But we did not pass a law that said if you do not make $4.65 an hour you cannot have a job. There is a big difference.

Mr. KENNEDY. I listened to the Senator and the Senator has made those arguments. We have addressed those issues at very considerable length earlier in the debate. We will probably have to come back to it. I see other Senators on the floor. We will get a chance to come back to the issue of job loss.

First of all, Senators say very few people are going to be affected. Remember that, early in the debate? Very few people. Only a few heads of households.

It has already been put in the RECORD that it will be over 4 million people who are working in poverty and who will be assisted by this legislation. But nonetheless——

Mr. NICKLES. Will the Senator yield for a question?

Mr. KENNEDY. Four million is a good deal larger than the population of many States—if I can finish without interruption? I do not know what the population is of Oklahoma, but we are talking about affecting 4 million people with this legislation.

We have heard the argument about how disruptive this is going to be to our economy and yet we have effectively provided this kind of protection for about 40 million other Americans at least.

Mr. NICKLES. Will the Senator yield?

Mr. KENNEDY. I just have a great deal of trouble following the logic of that particular argument.

We have addressed the other issues earlier in terms of the whole question of the impact on employment.

I will yield, if the Senator would be good enough to answer this question. Could my colleague tell me, in the six times that we have raised the minimum wage what the job impact has been on your State?

Mr. NICKLES. I do not have a total access—just a second, Senator, let me finish. But I would estimate that it had a negative impact on employment.

Our job creation would have been greater had my colleagues not been making increases in the minimum wage.

I would also like to ask the Senator a question. The Senator mentioned this 3.9 or 4 million people who are on minimum wage and their welfare status. Is my daughter on welfare? She is making minimum wage, close to it.

Mr. KENNEDY. I do not expect so. I am using Department of Labor statistics, figures. We have already put those in the RECORD.

Mr. NICKLES. The Senator is characterizing that every person on minimum wage is on welfare. That is not the case.

Mr. KENNEDY. The Senator is not correct. That is not what I have said.

I see other Senators who wish to speak on that. We put this in the RECORD, the Department of Labor figures. I put them in the RECORD to indicate exactly the point that we were making in terms of poor earners, poor heads of households, family members who are working for minimum wage and also living in poverty. Those are the points I was making.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, I listened with some interest to the debate recently taking place here on the floor. I think we see some of the problems with the differences that arise in our Nation. Obviously, the difference between Massachusetts and Oklahoma—I am from Indiana, right in the middle. And I rise, not to oppose an increase in the minimum wage, in fact I rise to support an increase in the minimum wage. But not to the degree that the Senator from Massachusetts suggests.

I think the debate that just transpired is an indication of some of the problems that we encounter when we mandate at a national level a certain standard. I am not necessarily saying that we should not do this in this instance with minimum wage. We have a minimum wage standard in place, and I think that is proper, and I am going to support an increase in that standard.

On the other hand, it does illustrate the problem that we have when we try to say here in Washington, DC, that everything is the same across the country.

The cost of living, and therefore the need for a certain minimum wage level, in Boston, MA, is not the same as the cost of living and the need for a wage in Enid, OK, or Fort Wayne, IN, or whatever.

We continually run into this problem, whether we are talking about minimum wage or parental leave or child care benefits or other benefits that are prescribed on a mandated na-

tional basis. But that is another subject for another time, and I am sure we will have plenty of opportunities to debate that.

Let me state that I am one Senator who is convinced that an increase in the minimum wage is justified. I do think that by doing so, we can assist an element of the public, the working poor, often those a step below or just a step above welfare and above poverty. And that since the minimum wage has not been increased since January of 1981, and since it has lost in that time period nearly 20 percent of its value to inflation, that an increase in the minimum wage is justified.

It is true, as the Senator from Oklahoma earlier said, that many people employed at the minimum wage level are not poor. They are second-income workers or young people with part-time jobs. I have two daughters who have worked at minimum wage level at a part-time job to supplement other income, or to provide spending money. and many of the mimimum wage jobs currently occupied are occupied for that purpose.

In addition, the number of minimum wage earners has declined by 2.6 million, or 40 percent, since 1982, a fact that I think is due largely to the robust economy of the past 6 or 8 years, which has enabled many of these people to move into higher-paying jobs.

In fact, during 1988 alone, the number of minimum wage earners declined by 770,000, a fact that I think we ought to acknowledge. According to the Labor Department, 72 percent of minimum wage earners are single; 67 percent work only part-time; 58 percent of all minimum wage workers are under 25 years of age; 36 percent are teenagers, and 61 percent of those young people are full-time students who need part-time work to help pay for their school expenses or to provide some extra spending money.

Nonetheless, we are faced with a significant number of families who are dependent on this wage as their sole or primary source of income. For those estimated households, the estimate runs somewhere in excess of 325,000, earning the minimum wage and living in poverty, an increase will be very welcomed news. I am convinced that a healthy increase in the minimum wage will provide help to those low-income working families that are having difficulty making ends meet. In the long run, it is a vibrant, growing, dynamic economy, with sustained job growth and creation combined with programs of improved education and job training.

These are the best methods of moving these working poor into the mainstream of American economic life and keeping them there. But for now, a reasonable minimum wage increase will keep them ahead of inflation and off the welfare rolls, and I think that is a good beginning and one we ought to pursue.

Anyone who approaches this debate without conflicting priorities, without a sincere struggle between commitments, has not really, in my opinion, understoood what is at stake.

Yes, we must be concerned about a fair working wage for the poor, but we also must be concerned about lost job opportunities, and to the extent these goals are in conflict, often we find that we must either choose or compromise.

The choice is not, as some have framed it, between compassion and greed, compassion toward workers and the greed of employers. I submit that it is a choice between compassion and compassion for those with jobs now and those who must find them in the future.

Today we have a choice to make in the Senate. Senator KENNEDY's original bill, S. 4, would boost the minimum wage over 3 years from $3.35 to $4.65, what I consider an excessive 39-percent increase and particularly troublesome because it does not include a training wage differential. I will talk about that in a moment.

The House recently passed a substitute which would raise the minimum wage over 3 years to $4.55, 10 percent less than the bill we are considering, with a 60-day training period set at $3.35 for the first year and at 85 percent of the applicable wage after that, but only for those hired for the initial time.

I am pleased to note that in committee we were able to amend S. 4 so that it agrees with the administration's package in two important ways. First, the small business exemption was raised from the current $362,000 to $500,000 and extended to all businesses grossing that amount, not just the retail and services establishments, as were previously covered, and, second, we passed the tip credit liberalization from 40 to 50 percent over 2 years, which I think is especially significant.

As a sponsor of the tip credit bill and as one who submitted an amendment to the committee and was ultimately offered by another Senator, I was pleased that we were able to provide some assistance to the 600,000 small businesses and their more than 8 million employees who constitute the food service industry in America, which, incidentally, is America's largest retail employer. These two amendments were included in the House bill and are both in the Bush package. So at least small business will receive some compensatory relief should the Congress approve a minimum wage increase, which I think they will.

But the problem, as I said, with these bills lies in the undeniable connection between a minimum increase and job loss. According to the Labor Department, a 10-percent increase in the minimum wage will result in the loss of 100,000 to 200,000 jobs. Other studies show similar results. Thus, an increase to $4.55 an hour up to 700,000 jobs, and an increase to $4.65 up to 800,000 jobs.

The Institute for Research on the Economics of Taxation has said that S. 4 will lead to a loss of a minimum of 300,000 to 750,000 in the next few years. Obviously, that differential is an indication of how imprecise our estimates are on just what the minimum wage will do. Obviously, many employers are already paying over the minimum wage. The labor market has dictated that. In this area and even in Indiana, a number of minimum wage employers, typical minimum wage employers, are now paying substantially more than minimum wage, and so the labor market has dictated that. But I think it is still undisputable the fact that increase in the minimum wage in the past has cost jobs, and it will in the future. That is why it is important to consider what I think are some mitigating factors.

In the Labor and Human Resources Committee, I was prepared to offer three amendments to attempt to deal with this problem of job loss. Not to eliminate it completely, but at least to alleviate it considerably.

One of the amendments that I submitted was to provide a training wage for new hires. If that failed, then to follow it up with a youth minimum wage recognizing the fact that often the biggest problem we have in our labor force is in our employing youth, particularly minority youth. Statistics are staggering about the amount of youth who are not in the labor force and not able to find jobs. We want to provide that incentive for that.

The third was to increase the tip credit to 50 percent, all, as I said, designed to minimize the negative impact of a minimum wage increase.

When the distinguished Senator from Utah, the ranking Republican of the Labor Committee, offered the administration's package, I withdrew my own amendments and threw my support behind that package. I was sorry to see that it failed in committee on a 10-to-6 vote but gratified that we were able to make minor adjustments; as I indicated, the increase in the small business exemption, as well as the increase in the tip credit.

I also think it is appropriate that the President has said that he is going to stick to his guns. We need to give credit here where credit is due. The President of the United States, during the campaign, made a promise to the American people that he would support an increase in the minimum wage, and he has fulfilled that promise in what I think is a more than generous way.

While many were calling for no increase in the minimum wage, holding the line at $3.25, others were calling for a substantial increase of nearly 40 percent to $4.65. The President said I will meet you more than half way. I will support an increase in minimum wage, which I think almost guaranteed such an increase, and I will not just go one-third of the way or half of the way, I will go more than half of the way. The President's proposal of $4.25 an hour, 30 cents a year for 3 years, is nearly a 75-percent makeup of the difference between the two.

I think that is often overlooked in the debate. We should not shape the debate on whether the administrative, the President, or a number of us want no increase, versus the increase offered by the Senator from Massachusetts, but rather just what amount should that increase be. The majority of this body, I am convinced, supports an increase and supports a generous increase—30 cents a year for 3 years, raising it to a level of $4.25.

The other important part, and I think the most significant difference between the President's proposal and the proposal on the Senate floor here today, is the inclusion of the training wage, and it is that that I want to focus on here for the next few moments.

The President has proposed a training wage equal to 80 percent of a minimum wage with a $3.55 floor for all new hires for a 6-month period. Proponents of S. 4, the bill of the Senator from Massachusetts, want no training period but as the House leadership took this up a compromise proposal was offered for a 60-day subminimum for first hires only. I would not be surprised if eventually we might be talking about some sort of proposal similar to that in this Chamber. I think we ought to carefully examine the one time only proposal, even though it is not before us at this particular time. The House Democratic substitute is no compromise simply because it raises the minimum wage to $4.55, 10 cents lower than the original bill. For one thing we need to remember that it moves the implementation date from January 1, 1990 to October 1 of this year, which effectively raises the rate to $4.61, not to $4.55 an hour, making the substitute a 4 percent reduction over 9 months—not much of a compromise.

Also, I am suspicious of the provision in the bill for creating a minimum wage review board to determine the need for increasing the minimum wage every 2 years. This could amount to back-door indexing, with regular recommendations for substantial future minimum wage increases regardless of their impact on jobs and the economy.

I submit that we have had a significant amount of problems with our deficit in this country by automatically indexing programs which removes Congress from what I think is its constitutional role of overseeing the laws we implement. We ought to debate the next increase with modifications in the law on this Senate floor, on the House floor, in Congress, and with the executive branch rather than automatically indexing provisions which in times of inflation can get us into severe trouble.

As I said, the major problem with the substitute is that its training wage is almost meaningless. The Democratic training wage would be available only to employees with no work history. Essentially that would restrict the pool to 16-year-olds only, hardly enough to make it worthwhile to employers and increase and preserve jobs for entry level workers. Moreover, the employer would be faced with the burden of proving that the new worker had never held a previous job or be penalized for paying that worker the subminimum wage. And the paperwork involved just in that process alone, in meeting that burden of proof perhaps would be a significant enough disincentive to employers to not hire anybody at the training wage.

In contrast, the training wage offered by the administration in their package is a meaningful incentive for employers and new workers alike. The President's training wage will clearly mitigate the effects of increasing the minimum wage by enabling youth and inexperienced workers to enter the work force and receive valuable on-the-job training and work experience for up to 6 months. Businesses are understandably reluctant to employ individuals lacking in training or experience, especially when wages rise rapidly and new hires can be justified often only if they are more productive. With a training wage, employers will be more receptive to giving such workers a chance. In other words, a training wage acts as an incentive to employers to provide entry level employment to those who need it the most—the youth, the unskilled, minorities, and those who need a helping hand. That is the direction that we ought to be going.

Now, I have also had some personal experience as an employee and as an employer with the minimum wage. Most of us can remember our first job. The employer is not certain: "What has been your background? What have you done?" "Well, I haven't worked before." "How do I know you can do the job or that you will be a dependable employee?" "Well, give me a chance."

When wages are competitive, employers are willing to do that. But when wages reach a certain level, employers are often reluctant to look at an unskilled, untrained, inexperienced worker and say, "I'll give you a chance." They look at the wage rate and say, "I'm not sure at this wage rate that I ought to take a chance at letting you prove yourself."

Unfortunately, we see that those most in need of the entry level job, the young, minorities, are the ones who need that first chance. It is the training wage, and perhaps it is misnomered—it is a training wage to some extent—in many instances will provide for training, much-needed training, and in this complex society that we are entering, the computer age, scientific age, we no longer have the kind of entry level jobs that do not require some kind of training, but often it is that incentive to the employer that allows the employer to give the employee a chance to prove themselves, to get in on that first rung of the economic ladder, to prove that they can show up for work on time, that they are dependable, that they are productive when they are working, and that they will stick to it, that they have the ability to learn the job and to perform satisfactorily. Often if that is the case, workers are moved quickly from that entry level wage rate to a higher rate to begin that move up the ladder where many of us started.

I started at 75 cents an hour. I do not know what it says about my age. I did not think it was very much at the time, but it was a chance to get in the door. It was a chance to prove that I could do the job. I did the job and I was moved up, a magnificent increase, to 90 cents an hour. Obviously, it bought more during those days than it buys now. But I think the same principle applies. That same incentive was needed then, but it is needed even more now because of the complexity of today's jobs. No longer do we walk in and are taught in an hour what the job ought to be. It requires more sophisticated training even at places like McDonald's, which is typically used as a minimum wage job. There is some training in customer relations, in operating the equipment, in demonstrating that you can be a capable, effective employee.

So I think the issue before us is not whether or not we are going to have a minimum wage increase. I think most would argue that we will, and most support that. I do also. But the question is how far ought we go? Has the President been fair in his proposal? What conditions ought to be attached to the minimum wage increase? I submit that 30 cents an hour over a 3-year period, moving the minimum wage from $3.35 to $4.25, is a more than generous offer on the part of the President. It meets the opposition. It meets those who have been pushing for a minimum wage for a number of years more than halfway. It means that we have come a long way since those days just a couple of years ago when the position of the executive

branch and the position of many in Congress was no increase whatsover—let us hold it at $3.25. We are concerned about inflation; we are concerned about job loss.

Those were legitimate concerns. But today's labor force pressures are putting an upward pressure on the minimum wage and, as I said, many employers now are paying more than the minimum wage for entry-level jobs. But increases in the cost of living and other factors have justified an increase in the minimum wage.

Thirty cents a year over 3 years to $4.25 is more than generous, more than halfway. Most importantly, we have made some substantive changes with a tip credit, a small business exemption that will provide mitigating factors to what I think are very legitimate concerns about job loss. But most important of all is the concept of the training wage which I would like to expand the definition of to an entry-level wage, training wage, new-hire wage, minority-hire wage, youth-hire wage, because that is what we are talking about. Those are the people who need the incentive, need the provisions in the law that gives the employer the incentive to give them that first chance to prove they belong in the work force, that they can do the job and then move up the ladder to economic success.

Without that training wage we are going to see a significant job loss. We are going to see no alleviation of the problem of minority unemployment, of minority youth unemployment, of teenage unemployment.

We want those kids in the summers to be able to go to the employer and offer themselves up for a meaningful work experience. We want that employer to have the incentive to offer them, give them that job. And second, we need to recognize that today's jobs require training, that most jobs today are not walk in the door and go to work; walk in the door, be assigned to someone, be put through a training period and taught the skills necessary to be effective.

Employer after employer as I travel throughout the State of Indiana says, "I cannot take the employee in the door and assign them a job and turn them loose," for whatever reason. The school is not adequately training or not enough emphasis on the right things. Many new workers seeking jobs today need extensive training. The employers have programs, worked out in conjunction with local educational institutions. Often these training periods go even longer than 6 months but in most instances a significant amount of training must be provided.

So in recognition of the changing workforce, in recognition of the changing job demands, recognition of the changing skills that are needed in today's workforce, a training wage makes a great deal of sense.

Mr. President, I would like to submit along with my statement two editorials, one written in the Washington Times dated June 15, 1988, and the second written in the Fort Wayne News-Sentinel entitled "The New Minimum Wage Takes More Than It Gives" and I ask unanimous consent that it be printed in the RECORD.

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

[From the Fort Wayne News-Sentinel, Mar. 28, 1989]

THE NEW MINIMUM WAGE TAKES MORE THAN IT GIVES

The Bush administration should not only veto Congress' increase of the minimum wage but do so in a way that makes clear how cynically this issue has been manipulated.

That has been especially true of Sen. Ted Kennedy, whose political ambition requires him to posture in the name of the working poor. * * *

James Kilpatrick, a columnist who has written long and persuasively on this issue, put together some facts that to our knowledge are uncontested. For starters, he urges you to understand whose jobs, exactly, would be affected by the bill now on the president's desk.

The labor force, Kilpatrick reminds us, is estimated at 123.4 million persons, of whom 116.7 million are employed. Roughly 61 million of the employed are paid at hourly rates. Of these, 2.0 million currently earn the $3.35 minimum; another 1.3 million earn less than $3.35, but these are mostly special cases—the blind, the mentally incompetent, the employees of very small establishments that are exempt from federal law.

Then who are those 2.6 million workers eligible for the proposed increase in the minimum wage?

The Bureau of Labor Statistics says that 1.4 million of them are 16 through 20 years of age; another 864,000 are in the 20 to 24 bracket. "These are very young people just starting out in the labor market," Kilpatrick notes. "Most of them are working part time. Very few of them are the sole support of a family. Many are still in high school; almost none have education beyond high school."

OK, so they aren't the mythical symbol of Ted Kennedy's speeches—the head of a family of four, stuck at the old wage for the past eight years, working 40 hours a week, 52 weeks a year, but don't suburban teenagers, conscripted into summer jobs by their middle-class parents, deserve a break, too?

Perhaps, if it could be accomplished in a vacuum. But arbitrarily raising the cost of business, as does the bill, has the broadest consequences. Many marginal job opportunities will simply disappear. Certain small manufacturers, barely making ends meet, will decide to get along with, say, 10 persons on an assembly line instead of 12. And other salaries will have to be raised in tandem, taking the price of goods and the rate of inflation up with them.

Small cost to pay? Maybe, but for even smaller benefit. In the end, assuming one could actually find Kennedy's idealized minimum wage family, it is good but its members would prefer that Congress had left well enough alone.

[From the Washington Times, June 15, 1988]

THE MINIMUM-WAGE COWARDS

There's good news and bad news on the House minimum wage front. The good news is that there's a good chance of defeating House Resolution 1834, which would increase the minimum wage to $4.55 an hour from its present level of $3.35 an hour. The bad news is that an alternative, pushed by a bipartisan coalition led by Wisconsin Republican Thomas Petri and Minnesota Democrat Timothy Penny, would increase the minimum to $4.00 an hour by 1991.

Congressional debate over the increase has degenerated into an ugly brawl. The original bill approved a couple of months ago by the House Education and Labor Committee and pushed by committee chairman Augustus Hawkins would have increased the minimum wage to $5.05 by 1992. But then things started to unravel for minimum wage boosters. On March 25, the Congressional Budget Office reported that the increase would lead to higher consumer prices and destroy 500,000 jobs.

That report, the non-partisan Congressional Quarterly noted at the time, "barely saw the light of day" before it was superseded by a second version that omitted any reference to the measure's effect on the economy. "We requested certain information," noted Vermont Rep. Jim Jeffords, a liberal, pro-labor Republican. "But the majority . . . didn't like the looks of it, so it got deleted."

Since then, the minimum wage increase has been political trouble on the House side. The Democratic leadership, uncertain it has the votes to pass an increase, has been forced to delay a vote on the issue for several months, and has scaled back the increase to $4.55 an hour. That in turn has led to the Rube Goldberg compromise drafted by Reps. Petri and Penny.

They would increase the wage to $4.00 an hour in exchange for an expanded Earned Income Tax Credit—the idea being that conservatives will agree to a tax credit that makes work more attractive to low-skill workers whose earnings place them near the poverty line. But the problem is that such subtle changes still fail to repeal the economic law that makes a higher minimum wage a bad thing.

The minimum wage law is bad because it throws its ostensible beneficiaries—poor and low-skill laborers—out of work and reserves the higher-wage jobs for middle and upper class part-time workers with educational and job skills. It achieves this result by pricing the marginal workers out of the labor market and leaving behind retirees, educated housewives and others for whom work is more a recreation than a necessity.

The fact that the Petri-Penny proposal is the main "alternative" to a $4.55 minimum shows that many Hill conservatives at this point lack the courage of their own convictions and have decided to promote the politically convenient "alternative" even if it throws hundreds of thousands of marginal workers out on the streets.

Back in 1984, the Reagan Administration joined with the National Conference of Black Mayors, representing over 250 cities, to endorse a reduction to $2.50 an hour for young people up to age 22 during the summer months, a proposal Labor Secretary Ray Donovan estimated would create 640,000 jobs. Today, Republicans have ceded the moral and political high ground, and

the only question is how high the minimum wage should go.

That would be a tragic mistake. Young and underskilled workers would be poorly served by patronizing politicians who feel a greater need to look good than do good. A higher minimum wage will hurt the very groups it claims to help, which is why the House should reject the minimum-wage bill, as well as the Petri-Penny "alternative."

Mr. JEFFORDS. I yield the floor.

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

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

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington [Mr. GORTON] is recognized.

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

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

Mr. GORTON. Mr. President, my home State, Washington, has very liberal and generous election laws. It is quite easy to get one's name on the ballot in Washington, and we have a voter's guide that allows a candidate to have his position printed and mailed to every registered voter for a mere $25 fee.

In 1988, one of the eight Presidential candidates on the general election ballot in Washington State was Larry Holmes of the Workers World Party. Mr. Holmes articulated a wide-ranging agenda that included, among other things, increasing the minimum wage to $10 an hour.

But not even Senator KENNEDY, who is leading on this bill, makes this extreme a proposal. This is an interesting fact, because, of course, it arises out of the proposition that the Senator from Massachusetts knows that to adopt such a proposal would create a devastating increase in the unemployment and a very sharp increase in inflation.

Nevertheless, the only difference between Mr. Holmes' proposal and that of the Senator from Massachusetts is the degree to which all Americans, including the working poor, would be hurt, the number of jobs lost, the percentage of increase in the rate of inflation, the negative effects on the economy. The only difference between what the Workers' World Party proposes and the proposal which is before us now is the degree to which all Americans, including the working poor, would be harmed. So, what is the issue before us today?

The issue, as we have been told so many times by the proponents of S. 4, is poverty. The proponents talk about the problems of the "families in poverty" and the "working poor" and say the solution is to raise the minimum wage.

But would raising the minimum wage lift people out of poverty? If it would, why do the proponents not ask us to raise the rate to $10 an hour and really give them a lift?

I will answer that question, Mr. President. The answer is that the facts tell us that this proposal will not work. What are the facts?

Fact No. 1 is, fewer than 4 percent of the entire American work force earned the minimum wage in 1988.

The fact is, 60 percent of those earning the minimum wage are less than 25 years of age.

The fact is that less than 9 percent of those earning minimum wage—or less than one-half of 1 percent of the entire American work force—are heads of households living below the poverty line.

And perhaps the most telling fact of all, during the same time period that the American economy was creating 19 million new jobs, the number of workers earning only the minimum wage declined by 2.6 million, or 40 percent.

In other words, more people are working, and they are working at increasingly higher rates of pay. Today, the people earning the minimum wage are not heads of poverty stricken households. Today, the typical minimum wage earner is young, single, works part time and lives at home—in a household above the poverty line.

So, what will the true impact of raising the minimum wage be?

The first impact would be a loss of jobs. Even the proponents do not argue about that—they only argue about the amount of job loss. According to competing estimates, raising the minimum wage to $4.65 an hour will result in 200,000 to 650,000 lost jobs.

When confronted with these facts, the proponents of raising the minimum wage merely shrug and repeat the worn-out line that we have to raise the rate to "help the working poor." Frankly, I do not understand the rationale that Government helps the working poor by taking away their jobs.

The real tragedy of this loss of jobs is that it will hurt the young people—particularly minority youth—who need their first work experience, who need the part-time work, and most especially, who need the opportunities to rise above the drug culture gripping so many of this group. With teenage unemployment in my own State at 16.5 percent, and double that for minority youth, it is impossible to tell these young people that Congress was really only thinking of their own good when we eliminated their first job. That is why I am committed to implementing President Bush's training wage as part of this package—because I want these kids to work, learning the values of honest employment and opportunity.

The second impact of raising the minimum wage would be an increase in the inflation rate, already a source of concern to economists. By raising the minimum wage to $4.65 per hour, as per the provisions in this bill, the majority party wants us to increase inflation by 0.2 percent and cause the consumers to lose between $3 and $10 billion in purchasing power. I came across a perfect example last week of what this means to consumers: I was in Vancouver, WA, jogging with Alex Fink, a local high school student, and we started talking about the new Washington State minimum wage, which was raised to $3.85 this year and $4.25 next year. Alex told me something I find very interesting. Alex had noticed that since the higher State minimum wage had taken effect, the price of hamburgers at the local burger establishment had already increased by 10 cents. This clearly demonstrates what happens—raise the minimum wage and you raise inflation. And for every 0.2 percent increase in inflation, another 230,000 jobs will be lost. Here we are, once again, taking jobs away from the people we supposedly would help with this proposal.

The cruelest impact of raising the minimum wage is that it will probably increase the number of people living in poverty. Some women who are working part time to supplement their household income could lose their job, and that would hurt their families. A number of seniors who supplement their Social Security with a part-time job would be out of luck. It would become increasingly difficult for recent high school graduates to get that first job. And all these people would be paying more for the necessities of life because of increased inflation.

The last time the minimum wage was increased, the poverty rate actually began to rise for the first time in the post-World War II American history. Is that the legacy the majority seeks to recreate?

Clearly, if the issue is how do we help the working poor, the answer is not to raise the minimum wage. There are many proposals being offered, such as child care tax credits and increasing the earned income tax credit, that speak much more directly to the point and need to be acted upon.

Unfortunately, we cannot act on these proposals. I am sure that if I were to offer an amendment to this bill increasing the earned income tax credit, I would be ruled out of order because we are not allowed to generate tax questions in this body. Congressman PETRI, who has been trying for over a year to increase the earned income tax credit, was not allowed to

introduce such an amendment in the House—because the majority party leadership would not let that happen under the rules.

It is a shame that the majority party is more interested in demogoging on this issue than in actually doing something to help the working poor. I fervently hope they will soon step out from in front of the television cameras and join us in our efforts to increase the earned income tax credit.

But today the proposal is increasing the minimum wage. I believe Robert Samuelson said it best in yesterday's Washington Post:

Raising the minimum is an expedient way for Congressmen to pretend they're helping the poor. Everyone wants to be seen doing good even though little good is being done. The best thing that could happen is nothing.

I agree. Ideally, we should be working on this issue in an entirely different fashion, but it is clear that some increase will, nevertheless, be passed. Those who are more concerned with their image than with actually helping the poor have turned on the propaganda machine and the steamroller is on its way.

The voters in Washington State decided last November what they wanted the minimum wage to be when they raised the State's minimum wage to $4.25. I agree. I intend to support the President's veto if this Congress passes a bill which raises the Federal minimum wage to more than $4.25 and does not include a training wage.

I urge my colleagues to reject the proposal before us and to support the decision of the citizens of the State of Washington and of the President of the United States.

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

The PRESIDING OFFICER (Mr. ADAMS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

The Senator from Florida.

## MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Kalbaugh, 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.)

## REPORT WITH RESPECT TO NATIONAL EMERGENCIES IN PANAMA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—PM 30

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs:

*To the Congress of the United States:*

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the Panamanian emergency is to continue in effect beyond April 8, 1989, to the *Federal Register* for publication.

The actions and policies of the Noriega/Solis regime in Panama continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. If the Panamanian emergency were allowed to lapse, the current sanctions imposed against the Noriega/Solis regime, including the blocking of Panamanian governmental assets, would also lapse, impairing our Government's ability to apply economic pressure on the Noriega/Solis regime. In these circumstances, I have determined that it is necessary to maintain in force the broad authorities that may be needed to deal with the situation in Panama.

GEORGE BUSH.

THE WHITE HOUSE, *April 6, 1989.*

## MESSAGES FROM THE HOUSE

At 1:47 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House had passed the following bill and joint resolutions, in which it requests the concurrence of the Senate:

H.R. 18. An act to amend title 4, United States Code, and the Uniform Time Act of 1966 to establish a single poll closing time in the continental United States for Presidential general elections;

H.J. Res. 112. Joint resolution designating April 23, 1989, through April 29, 1989, and April 23, 1990, through April 29, 1990, as "National Organ and Tissue Donor Awareness Week"; and

H.J. Res. 173. Joint resolution to designate April 16, 1989 and April 6, 1990, as "Education Day, U.S.A.".

### ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker has signed the following enrolled joint resolution:

S.J. Res. 43. Joint resolution designating April 9, 1989, as "National Former Prisoners of War Recognition Day".

The enrolled joint resolution was subsequently signed by the President pro tempore (Mr. BYRD).

## MEASURES REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 18. An act to amend title 3, United States Code, and the Uniform Time Act of 1966 to establish a single poll closing time in the continental United States for Presidential general elections; to the Committee on Rules and Administration.

## MEASURES PLACED ON THE CALENDAR

The following joint resolutions were read the first and second times by unanimous consent, and placed on the calendar:

H.R. Res. 112. Joint resolution designating April 23, 1989, through April 29, 1989, and April 23, 1990, through April 29, 1990, as "National Organ and Tissue Donor Awareness Week"; and

H.J. Res. 173. Joint resolution to designate April 16, 1989 and April 6, 1990, as "Education Day, U.S.A.".

## ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, April 6, 1989, he had presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 43. Joint resolution designating April 9, 1989, as "National Former Prisoners of War Recognition Day".

## 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. LOTT (for himself and Mr. COCHRAN):

S. 713. A bill to provide for establishment of a revolving loan fund for the development of wayports and to establish a commission to propose areas suitable for the location of such wayports; to the Committee on Commerce, Science, and Transportation.

By Mr. McCLURE (for himself, Mr. FORD, Mr. SYMMS, Mr. BURNS, Mr. GARN, Mr. MATSUNAGA, Mr. THURMOND, Mr. LOTT, Mr. CONRAD, Mr. ROCKEFELLER, and Mr. COCHRAN):

S. 714. A bill to extend the authorization of the Water Resources Research Act of 1984 through the end of fiscal year 1993; to the Committee on Environment and Public Works.

By Mr. HEINZ:

S. 715. A bill to direct the Secretary of Transportation to carry out a highway demonstration project to extend Pennsylvania State Route 33 to provide a limited access highway to connect Interstate Routes I-78 and I-80; to the Committee on Environment and Public Works.

By Mr. ROTH:

S. 716. A bill to amend the copyright laws to permit the unlicensed viewing of videos under certain conditions; to the Committee on the Judiciary.

By Mr. HEINZ (for himself and Mr. JEFFORDS):

S. 717. A bill to amend the Harmonized Tariff Schedule of the United States to provide duty-free treatment for ice and field hockey gloves and pants; to the Committee on Finance.

S. 718. A bill to amend the Harmonized Tariff Schedule of the United States to provide duty-free treatment for certain sports clothing; to the Committee on Finance.

By Mr. METZENBAUM (for himself, Mr. SIMON, Mr. BIDEN, and Mr. KENNEDY):

S. 719. A bill to amend the McCarran-Ferguson Act to limit the Federal antitrust exemption of the business of insurance, to reaffirm the continued State regulation of the business of insurance, and for other purposes; to the Committee on the Judiciary.

By Mr. BOREN (for himself, Mr. HEINZ, Mr. MOYNIHAN, Mr. SYMMS, Mr. DANFORTH, Mr. PRYOR, and Mr. DURENBERGER):

S. 720. A bill to amend the Internal Revenue Code of 1986 to extend and modify the targeted jobs credit, and for other purposes; to the Committee on Finance.

By Mr. BAUCUS (for himself, Mr. HARKIN, and Mr. STEVENS):

S. 721. A bill to amend title XIX of the Social Security Act to provide coverage for certain prenatal and postnatal care services, and for other purposes; to the Committee on Finance.

By Mr. KENNEDY (for himself, Mr. DODD, and Ms. MIKULSKI):

S. 722. A bill to amend the Federal Food, Drug, and Cosmetic Act to revise the authority under that act to regulate pesticide chemical residues in food; to the Committee on Labor and Human Resources.

By Mr. HARKIN:

S. 723. A bill to authorize the Secretary of Agriculture to establish and carry out programs to eradicate the disease of scrapie in the sheep and goat populations of the United States and to conduct research regarding scrapie, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. GRAHAM:

S. 724. A bill to modify the boundaries of the Everglades National Park and to provide for the protection of lands, water, and natural resources within the park, and for other purposes; to the Committee on Energy and Natural Resources.

S. 725. A bill to amend the Internal Revenue Code of 1986 to require any general election candidate who receives amounts from the Presidential Election Campaign Fund to participate in debates with other such candidates; to the Committee on Rules and Administration.

By Mr. KERRY (for himself and Mr. CRANSTON):

S. 726. A bill to amend the Coastal Zone Management Act of 1972 regarding activities significantly affecting the coastal zone; to the Committee on Commerce, Science, and Transportation.

## SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. MITCHELL (for himself, Mr. DOLE, Mr. ADAMS, Mr. ARMSTRONG, Mr. BAUCUS, Mr. BENTSEN, Mr. BIDEN, Mr. BINGAMAN, Mr. BOND, Mr. BOREN, Mr. BOSCHWITZ, Mr. BRADLEY, Mr. BREAUX, Mr. BRYAN, Mr. BUMPERS, Mr. BURDICK, Mr. BURNS, Mr. BYRD, Mr. CHAFEE, Mr. COATS, Mr. COCHRAN, Mr. COHEN, Mr. CONRAD, Mr. CRANSTON, Mr. D'AMATO, Mr. DANFORTH, Mr. DASCHLE, Mr. DECONCINI, Mr. DIXON, Mr. DODD, Mr. DOMENICI, Mr. DURENBERGER, Mr. EXON, Mr. FORD, Mr. FOWLER, Mr. GARN, Mr. GLENN, Mr. GORE, Mr. GORTON, Mr. GRAHAM, Mr. GRAMM, Mr. GRASSLEY, Mr. HARKIN, Mr. HATCH, Mr. HATFIELD, Mr. HEFLIN, Mr. HEINZ, Mr. HELMS, Mr. HOLLINGS, Mr. HUMPHREY, Mr. INOUYE, Mr. JEFFORDS, Mr. JOHNSTON, Mrs. KASSEBAUM, Mr. KASTEN, Mr. KENNEDY, Mr. KERREY, Mr. KERRY, Mr. KOHL, Mr. LAUTENBERG, Mr. LEAHY, Mr. LEVIN, Mr. LIEBERMAN, Mr. LOTT, Mr. LUGAR, Mr. MACK, Mr. MATSUNAGA, Mr. MCCAIN, Mr. MCCLURE, Mr. MCCONNELL, Mr. METZENBAUM, Ms. MIKULSKI, Mr. MOYNIHAN, Mr. MURKOWSKI, Mr. NICKLES, Mr. NUNN, Mr. PACKWOOD, Mr. PELL, Mr. PRESSLER, Mr. PRYOR, Mr. REID, Mr. RIEGLE, Mr. ROBB, Mr. ROCKEFELLER, Mr. ROTH, Mr. RUDMAN, Mr. SANFORD, Mr. SARBANES, Mr. SASSER, Mr. SHELBY, Mr. SIMON, Mr. SIMPSON, Mr. SPECTER, Mr. STEVENS, Mr. SYMMS, Mr. THURMOND, Mr. WALLOP, Mr. WARNER, Mr. WILSON, and Mr. WIRTH):

S. Res. 94. Resolution to express the Senate's confidence, hope, and trust for those who will serve in the Senate during its third century; considered and agreed to.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LOTT (for himself and Mr. COCHRAN):

S. 713. A bill to provide for establishment of a revolving loan fund for the development of wayports and to establish a commission to propose areas suitable for the location of wayports; to the Committee on Commerce, Science, and Transportation.

WAYPORT DEVELOPMENT ACT

Mr. LOTT. Mr. President, today I am pleased to introduce legislation which would establish a 15-member Commission to examine the feasibility of suitable locations for remote transfer airfields, referred to as "wayports." These were originally suggested by James F. Sheppard, an official of the Federal Aviation Administration.

Speaking as one who utilizes our Nation's aviation system quite regularly—as most Members of this body do—it is clear to me our airports suffer from increasing airport and airspace congestion. It is forseeable that the wayport concept would expand the country's strained air capacity by locating remote wayports which would consist largely of runways and terminals in rural areas. This legislation is identical to the bill Representative ROY ROWLAND has introduced in the other body.

Congestion in the skies is approaching the breaking point at many of our major airports. The wayport concept is a new and relatively unexplored idea. Without a complete investigation by the Federal Aviation Administrator, we will be unable to adequately assess the costs and benefits of such a project.

This legislation establishes a revolving loan fund from the dollars earmarked for airports in the Federal Airport and Airway Trust Funds. It provides an opportunity to open the door to solving the problem most large airports face because of the inability to take on more flights than they were originally designed to handle. Accommodating extra demand for flights has been unsuccessful largely due to the obvious obstacles of airport expansion designs. Local opposition to airport noise, and lack of open land for construction both have contributed to the fact that no major airport has been built in the United States in about 15 years.

With the projected number of air travelers expected to increase dramatically in the 1990's, steps must be taken to alleviate airport congestion before the problems continue to mount without workable solutions in sight. Additionally, I would like to point out that my home State of Mississippi and other States have been actively working to determine what actions to be taken on the State level to implement the wayport concept.

Mr. President, I am honored to have the opportunity to introduce this legislation today with the distinguished senior Senator from Mississippi, Mr. COCHRAN. I ask unanimous consent that the text of the Wayport Development Act be printed in the RECORD.

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

S. 713

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the "Wayport Development Act of 1989".

SEC. 2. ESTABLISHMENT OF PROGRAM.

(a) IN GENERAL.—Not later than 665 days after the date of the enactment of this Act, the Administrator shall establish a program for making loans for projects for wayport planning and wayport development for wayports located in areas identified in the final report of the Commission under section 7(b)(4).

(b) CONDITION OF ESTABLISHMENT.—The Administrator shall not establish a loan program under this Act if, within the 120-day period beginning on the date of the submission to the Congress of the report of the Commission under section 7(b)(4), a joint

resolution is enacted into law in accordance with section 8 disapproving such report. The days on which either House of the Congress is not in session because of an adjournment of more than 3 days to a day certain shall be excluded in the computation of such 120-day period.

SEC. 3. LIMITATIONS ON LOANS.

(a) LOANS TO DESIGNATED WAYPORT AUTHORITIES.—The Administrator may approve loans under a program established under section 2 for wayport authorities designated by the Administrator under section 4 to be eligible for such loans.

(b) MAXIMUM AMOUNT.—The maximum amount of loans under this Act in a fiscal year for financing projects for wayport planning and wayport development for a particular wayport shall be the amount established by the Commission under section 7(a)(3).

(c) MAXIMUM PERCENTAGE OF COSTS.—

(1) IN GENERAL.—The aggregate amount of loans under this Act for projects for wayport planning and wayport development for a particular wayport shall not exceed 90 percent of the costs of such projects. Except as otherwise provided in this Act, any costs of projects for wayport planning and wayport development for a particular wayport not paid with loans under this Act may be paid for from any other funding source, except a source of Federal assistance.

(2) IN-LIEU CONTRIBUTIONS.—The non-Federal share of any project for wayport planning or wayport development carried out with financial assistance under this Act may be paid by non-Federal contributions of property and services necessary for carrying out the project, including non-Federal development of transportation systems which will provide access to a wayport developed with such assistance.

SEC. 4. DESIGNATION OF ELIGIBLE WAYPORT AUTHORITIES.

(a) APPLICATIONS.—

(1) IN GENERAL.—A loan under this Act may only be made to a wayport authority which—

(A) submits an application for such loan containing such information as the Administrator may require by regulation; and

(B) is designated by the Administrator to be eligible for loans under this Act.

(2) INVITATION OF APPLICATIONS.—Not later than 45 days after the date of the establishment of a program under section 2, the Administrator shall publish notice in the Federal Register inviting submission by wayport authorities of applications for loans under this Act.

(3) DESIGNATION OF ELIGIBLE WAYPORT AUTHORITIES.—Not later than 12 months after the date of the publication of a notice under paragraph (2), the Administrator shall designate wayport authorities which are eligible to receive loans under this Act.

(b) CRITERIA FOR DESIGNATION OF WAYPORT AUTHORITIES.—The Administrator shall designate wayport authorities eligible to receive loans under this Act on the basis of the following criteria:

(1) ABILITY TO REPAY.—The applicant's ability to repay the loan.

(2) CAPABILITY FOR UNDERTAKING PROJECT.—The applicant's capability for undertaking the proposed project.

(3) ECONOMIC IMPACT.—The impact of the proposed project on the economy of the area in which the wayport will be located, including the number of jobs which will be created and retained as a result of such improvements.

SEC. 5. TERMS AND CONDITIONS OF LOANS.

(a) MAXIMUM TERM OF LOAN.—The maximum term for any loan under this Act shall be 25 years.

(b) INTEREST RATE.—Loans under this Act shall be repaid at an interest rate that will ensure that the amount of funds in the Wayport Revolving Loan Fund established by this Act will increase, not counting future appropriations, at approximately the rate of inflation as determined by the Administrator.

(c) PAYMENT.—The amount of a loan approved by the Administrator under this Act shall be paid to a wayport authority—

(1) in full on the date on which the Administrator determines that the wayport authority is actively engaged in wayport development; or

(2) according to such schedule as may be established for payment of loans under this Act in the report of the Commission under section 7(b)(4).

(d) REPAYMENT.—The Administrator shall not require a wayport authority to begin repayment of a loan under this Act before the end of the grace period determined by the Commission under section 7(a)(3).

(e) AUDITS.—Projects funded with loans under this Act shall be subject to such audits as the Administrator determines are appropriate to carry out the objectives of this Act. After reasonable notice, a recipient of a loan under this Act shall make available to the Administrator for inspection such records as the Administrator may require to carry out the objectives of this Act.

(f) ADDITIONAL TERMS AND CONDITIONS.—In addition to the terms and conditions otherwise set forth in this section, loans under this Act shall be subject to such other appropriate terms and conditions as the Commission includes in its final report under section 7(a)(5) and are approved by the Administrator.

SEC. 6. WAYPORT REVOLVING LOAN FUND.

(a) ESTABLISHMENT.—There is established in the Treasury of the United States a fund to be known as the Wayport Revolving Loan Fund, consisting of such amounts as may be appropriated to such fund under subsection (b) plus all amounts deposited into such fund by the Administrator under subsection (c).

(b) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to the Wayport Revolving Loan Fund from unobligated amounts in the Airport and Airway Trust Fund not more than $1,500,000,000 for each of fiscal years 1991, 1992, and 1993.

(2) BUDGETARY TREATMENT.—Amounts appropriated to the Wayport Revolving Loan Fund under the authority of this section shall for budgetary purposes be treated as intra-agency transfers until distributed in the form of a loan under this Act.

(c) REPAYMENT OF LOANS.—

(1) DEPOSITS INTO LOAN FUND.—The Administrator shall deposit into the Wayport Revolving Loan Fund all amounts the Administrator receives for repayment of loans under this Act, including interest on such loans.

(2) DEPOSIT IN THE TRUST FUND.—The Administrator shall deposit into the Trust Fund all amounts the Administrator receives as repayments of loans under this Act, including interest on such loans, after the Administrator issues a finding under subsection (f) that the Wayport Revolving Loan Fund is no longer needed for financing projects for wayport planning and wayport development under this Act.

(d) AVAILABILITY.—Amounts in the Wayport Revolving Loan Fund shall be available to the Administrator for making loans to wayport authorities for financing wayport planning and wayport development projects in accordance with this Act.

(e) INVESTMENT.—

(1) IN GENERAL.—The Secretary of the Treasury shall invest amounts in the Wayport Revolving Loan Fund. Such investments may be made only in interest-bearing obligations of the United States. For such purpose, such obligations may be acquired (A) on original issue at the issue price, or (B) by purchase of outstanding obligations at the market price. Any obligation acquired by the Wayport Revolving Loan Fund may be sold by the Secretary of the Treasury at the market price.

(2) INTEREST.—(A) Except as provided in subparagraph (B), the interest on, and the proceeds from the sale or redemption of, any obligations held in the Wayport Revolving Loan Fund shall be credited to and be a part of the Wayport Revolving Loan Fund.

(B) Interest and proceeds referred to in subparagraph (A) earned during fiscal years 1991, 1992, and 1993 shall be deposited into the Trust Fund.

(g) TERMINATION OF LOAN FUND.—

(1) IN GENERAL.—The Wayport Revolving Loan Fund shall terminate, and the balance of amounts in such fund shall revert to the Trust Fund, upon issuance of a finding by the Administrator that the Wayport Revolving Loan Fund is no longer needed for financing projects for wayport planning and wayport development under this Act.

(2) SUBSEQUENT LOAN REPAYMENTS.—Amounts received by the Administrator after the date of the termination of the Wayport Revolving Loan Fund in the form of repayments of loans under this Act shall be deposited into the Trust Fund.

SEC. 7. ADVISORY COMMISSION.

(a) ESTABLISHMENT AND DUTIES.—There is established in the Department of Transportation an advisory commission, to be known as the Wayport Development Commission, which shall—

(1) propose a list of areas suitable for the location of wayports to be planned and developed with loans under this Act;

(2) propose design and cost criteria which shall apply to projects for wayport planning and wayport development carried out with financial assistance under this Act;

(3) determine the maximum amount of loans for a fiscal year which may be made under this Act for a particular wayport;

(4) determine a grace period of not more than 4 years, during which a wayport authority shall not be required to begin repayment of a loan under this Act;

(5) propose such other terms and conditions for loans under this Act as the Commission considers appropriate;

(6) propose requirements for the administrative structure for wayport authorities receiving loans under this Act;

(7) propose requirements a wayport authority must meet to demonstrate its ability to carry out a wayport development project with a loan under this Act; and

(8) propose indicators for measuring community support necessary for the success of such a project.

(b) ACTIVITIES OF COMMISSION.—

(1) STUDY.—Upon completion of appointment of the members of the Commission, the Commission shall undertake a study—

(A) to identify areas of the country that are suitable for the location of wayports which will—

(i) serve the air transportation needs of the general region of the country in which the wayport is located; and

(ii) best coordinate with, and reduce congestion of, the national air transportation system;

(B) to develop design criteria, cost criteria, and other matters relating to the development of a modular design and an efficient runway configuration that could be used for the cost-effective construction of all such wayports; and

(C) to make proposals regarding the matters referred to in subsection (a) (5) through (8).

(2) CRITERIA FOR IDENTIFYING LOCATIONS FOR WAYPORTS.—In conducting a study under paragraph (1) to identify areas of the country which are suitable for wayports, the Commission shall consider—

(A) the location of existing primary airports; and

(B) existing and projected air traffic congestion, as identified by the most recent national airport system plan published under section 504 of the Airport and Airway Improvement Act of 1982 (49 U.S.C. App. 2203).

(3) INITIAL REPORT TO ADMINISTRATOR.—

(A) SUBMISSION TO ADMINISTRATOR.—Not later than 1 year after the completion of appointment of the members of the Commission, and based upon the study conducted under paragraph (1), the Commission shall submit a preliminary report to the Administrator proposing—

(i) areas of the country which are suitable for the location of wayports to be planned and developed with financial assistance under this Act;

(ii) design criteria and cost criteria which the Commission has determined are appropriate for application to wayports planned and constructed with financial assistance under this Act; and

(iii) the matters referred to in subsection (a) (3) through (8).

(B) COMMENTS OF ADMINISTRATOR.—Not later than 45 days after the date on which the Administrator receives the preliminary report of the Commission under this paragraph, the Administrator shall transmit to the Commission comments regarding the proposals of the Commission included in such report.

(4) FINAL REPORT.—

(A) IN GENERAL.—Not later than 60 days after receiving comments from the Administrator regarding the preliminary report of the Commission under paragraph (3), and based upon the study conducted under paragraph (1) and the comments of the Administrator provided under paragraph (3), the Commission shall submit to the Congress and to the Administrator a final report—

(i) identifying not less than 4 and not more than 6 areas of the country which are suitable for the location of wayports to be planned and developed with financial assistance under this Act;

(ii) describing design criteria and cost criteria which the Commission has determined are appropriate for application to wayports planned and constructed with financial assistance under this Act;

(iii) describing a schedule for payment of amounts loaned under this Act;

(iv) establishing pursuant to subsection (a)(3) a maximum amount of loans;

(v) establishing pursuant to subsection (a)(4) a grace period; and

(vi) making final proposals regarding the matters referred to in subsection (a) (5), (6), (7), and (8).

(B) LIMITATION ON IDENTIFICATION OF AREAS.—The areas identified in the final report submitted to the Congress under paragraph (4) shall not include any area located in the State of the State official appointed to the Commission pursuant to subsection (c)(12).

(c) MEMBERSHIP.—The Commission shall be composed of the Administrator and 14 other members appointed by the Administrator not later than 45 days after the date of the enactment of this Act, including—

(1) 1 member with knowledge and experience in the engineering and design of airports;

(2) 1 member with experience as an air traffic controller;

(3) 1 member who represents the Airport Managers' Association;

(4) 1 member who represents the aircargo industry;

(5) 1 member who represents general aviation;

(6) 1 member who represents the United States Postal Service;

(7) 1 member who represents the Airline Pilot Association;

(8) 1 member who represents the aerospace industry;

(9) 1 member who represents the National Association of State Airport Officials;

(10) 1 member who represents the interests of local governments;

(11) 1 member who represents persons engaged in air transportation of passengers;

(12) 1 member who is a State government official; and

(13) 2 members who have knowledge and experience in other areas of aviation.

(d) PAY.—

(1) IN GENERAL.—Except as provided in paragraph (2), each member of the Commission shall be paid at a rate not to exceed the rate of basic pay payable for positions under section 5316 of title 5, United States Code.

(2) OFFICERS AND EMPLOYEES OF UNITED STATES.—Members of the Commission who are full-time officers or employees of the United States shall receive no additional pay, allowances, or benefits by reason of their service on the Commission.

(3) EXPENSES.—Members of the Commission while attending meetings of and hearings held by the Commission shall be entitled to travel or transportation expenses in accordance with section 5703 of title 5, United States Code.

(e) QUORUM.—10 members of the Commission shall constitute a quorum but a lesser number may hold hearings.

(f) CHAIRMAN.—The Administrator shall serve as Chairman of the Commission.

(g) MEETINGS.—The Commission shall meet at the call of the Chairman or a majority of the members of the Commission.

(h) POWERS.—

(1) HEARINGS AND SESSIONS.—The Commission may, for the purpose of carrying out its duties under this Act, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate.

(2) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Commission may, if so authorized by the Commission, take any action which the Commission is authorized to take by this subsection.

(3) OBTAINING OFFICIAL DATA.—The Commission may obtain from the Department of Transportation information necessary to enable it to carry out its duties under this Act. Upon request of the Administrator, the Secretary of Transportation shall furnish such information to the Commission.

(i) STAFF.—The Commission may hire such staff as may be approved by the Administrator. Each member of such staff may be paid at a rate of basic pay payable for positions under section 5316 of title 5, United States Code.

(j) EXPERTS AND CONSULTANTS.—With the approval of the Administrator, the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

SEC. 8. CONGRESSIONAL CONSIDERATION OF COMMISSION REPORT.

(a) TERMS OF THE RESOLUTION.—For purposes of section 2(b), the term "joint resolution" means only a joint resolution which is introduced before the 585th day after the date of the enactment of this Act, and—

(1) which does not have a preamble;

(2) the matter after the resolving clause of which is as follows: "That Congress disapproves the report of the Wayport Development Commission established by the Wayport Development Act of 1989 as submitted to the Administrator of the Federal Aviation Administration on ", the blank space being appropriately filled in; and

(3) the title of which is as follows: "Joint resolution disapproving the recommendations of the Wayport Development Commission.".

(b) REFERRAL.—A resolution described in subsection (a), introduced in the House of Representatives shall be referred to the Committee on Public Works and Transportation of the House of Representatives. A resolution described in subsection (a) introduced in the Senate shall be referred to the Committee on Commerce, Science, and Transportation of the Senate.

(c) DISCHARGE.—If the committee to which a resolution described in subsection (a) is referred has not reported such resolution (or an identical resolution) before the 585th day after the date of the enactment of this Act, such committee shall be, as of that day, discharged from further consideration of such resolution, and such resolution shall be placed on the appropriate calendar of the House involved.

(d) CONSIDERATION.—(1) On or after the third day after the date on which the committee to which such a resolution is referred has reported, or has been discharged (under subsection (c)) from further consideration of such a resolution, it is in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution (but only on the day after the calendar day on which such Member announces to the House concerned the Member's intention to do so). All points of order against the resolution (and against consideration of the resolution) are waived. The motion is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the respective House shall immediately proceed to consideration of the joint resolution without intervening motion, order, or other business, and

the resolution shall remain the unfinished business of the respective House until disposed of.

(2) Debate on the resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the resolution. An amendment to the resolution is not in order. A motion further to limit debate is in order and not debatable. A motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the resolution is not in order. A motion to reconsider the vote by which the resolution is agreed to or disagreed to is not in order.

(3) Immediately following the conclusion of the debate on a resolution described in subsection (a) and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final passage of the resolution shall occur.

(4) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution described in subsection (a) shall be decided without debate.

(e) CONSIDERATION BY OTHER HOUSE.—(1) If, before the passage by one House of a resolution of that House described in subsection (a), that House receives from the other House a resolution described in subsection (a), then the following procedures shall apply:

(A) The resolution of the other House shall not be referred to a committee and may not be considered in the House receiving it except in the case of final passage as provided in subparagraph (B)(ii).

(B) With respect to a resolution described in subsection (a) of the House receiving the resolution—

(i) the procedure in that House shall be the same as if no resolution had been received from the other House; but

(ii) the vote on final passage shall be on the resolution of the other House.

(2) Upon disposition of the resolution received from the other House, it shall no longer be in order to consider the resolution that originated in the receiving House.

(f) RULES OF THE SENATE AND HOUSE.—This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a resolution described in subsection (a), and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

SEC. 9. REGULATIONS.

The Administrator shall issue such regulations as are necessary to carry out the objectives of this Act.

SEC. 10. ANNUAL REPORT.

(a) IN GENERAL.—The Administrator shall prepare and transmit to the Congress an annual report on the loans made under this Act, repayment of such loans, the status of projects for wayport planning and wayport development funded with such loans, and the current and projected financial condition of the Wayport Revolving Loan Fund.

(b) TERMINATION OF EFFECTIVENESS.—This section shall cease to be effective on the earlier of—

(1) the date on which all loans under this Act have been repaid; and

(2) the date of the enactment into law of a joint resolution of disapproval in accordance with section 8.

SEC. 11. DEFINITIONS.

For purposes of this Act—

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Federal Aviation Administration.

(2) AIRPORT.—The term "airport" has the meaning such term has in section 503(a)(1) of the Airport and Airway Improvement Act of 1982 (49 U.S.C. App. 2202(a)(1)).

(3) AIR TRANSPORTATION.—The term "air transportation" has the meaning such term has in section 101(9) of the Federal Aviation Act (49 U.S.C. App. 1301(10)).

(4) COMMISSION.—The term "Commission" means the Wayport Development Commission established by section 7(a).

(5) PRIMARY AIRPORT.—The term "primary airport" has the meaning such term has in section 503(a)(12) of the Airport and Airway Improvement Act of 1982 (49 U.S.C. App. 2202(a)(11)).

(6) TRUST FUND.—The term "Trust Fund" means the Airport and Airway Trust Fund established by section 9502 of the Internal Revenue Code of 1954 (26 U.S.C 9502).

(7) WAYPORT.—The term "wayport" means an airport used primarily as a location at which passengers and cargo may be transferred between connecting flights of air carriers engaged in air commerce.

(8) WAYPORT AUTHORITY.—The term "wayport authority" means any public agency which, either individually or jointly with one or more other public agencies, submits to the Administrator, in accordance with section 4, an application for financial assistance under this Act.

(9) WAYPORT DEVELOPMENT.—The term "wayport development" means any of the activities described in section 503(a)(2) of the Airport and Airway Improvement Act of 1982 (49 U.S.C. App. 2202(a)(2)) which are undertaken with respect to a wayport by a wayport authority.

(10) WAYPORT PLANNING.—The term "wayport planning" means planning as defined by such regulations as the Administrator shall prescribe.

(11) WAYPORT REVOLVING LOAN FUND.—The term "Wayport Revolving Loan Fund" means such fund established by section 6(a).

Mr. COCHRAN. Mr. President, I am pleased to join Senator LOTT today in introducing the Wayport Development Act of 1989. This measure is identical to legislation introduced in the other body by Representative ROY ROWLAND.

Air traffic in the United States has more than doubled during the last decade, and the Federal Aviation Administration [FAA] estimates that by 1999 annual passenger boardings will exceed 800 million. The Wayport Development Act will provide a long-term solution to growing airport and airspace congestion problems—a solution that can be in place before the year 2000 and can grow with the Nation's transportation needs into the next century.

The wayport concept will relieve the strain at major hub airports by establishing four to six regionally located facilities in rural areas. Wayports will differ from conventional airports by functioning merely as transfer points for cargo and passengers. Just as the Interstate Highway System was developed in the 1950's to bypass congested cities, the wayport system will bypass congested airports. Activities not required at large metropolitan airports, such as airline transfers and connections, express and cargo transport, general aviation and postal service activities, can be diverted to regional wayports.

This system will overcome the historical problems associated with locating new conventional airports in metropolitan areas. Restrictions imposed by noise, environmental problems, and lack of space will be greatly reduced or eliminated. Rural land will cost less, and estimated operational costs will be two-thirds less than at conventional airports. Since wayports will serve only as transfer points, infrastructure needs such as hotels, parking garages, and major highways will be minimal.

The bill we are introducing today will establish a Wayport Development Commission, chaired by the FAA Administrator, to study the feasibility, design, cost, and site selection of wayports. The Commission will submit its recommendations to Congress 1 year after appointment of members, and the recommendations will be deemed approved for implementation unless Congress disapproves them within 120 days.

The FAA will be the granting agency and will select one site within each region from bids submitted by local authorities. Financing for construction will come from a Federal revolving loan fund fed by the existing surplus in the Aviation Trust Fund. To minimize the budget impact, initial funds will be provided through an intra-agency account transfer. A State match of 10 percent will be required, with repayment of the loan over a specified period, to be determined by the Commission, as the wayports become self-sustaining.

Mr. President, a stable future for our air transportation system requires a national commitment to relieve the problems caused by increasing air congestion. The wayport concept has the potential for resolving these problems. I urge all Senators to join my State colleague and me in supporting this legislation.

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By Mr. McCLURE (for himself, Mr. FORD, Mr. SYMMS, Mr. BURNS, Mr. GARN, Mr. MATSUNAGA, Mr. THURMOND, Mr. LOTT, Mr. CONRAD, Mr. ROCKEFELLER, and Mr. COCHRAN):

S. 714. A bill to extend the authorization of the Water Resources Research Act of 1984 through the end of fiscal year 1993; to the Committee on Environment and Public Works.

WATER RESOURCES RESEARCH ACT AUTHORIZATION

● Mr. McCLURE. Mr. President, today my colleagues and I are introducing legislation to reauthorize the Water Resources Research Act of 1984 for 5 more years.

This bill passed the House last year unopposed but the Senate failed to vote on it prior to adjournment. It is becoming more critical each day to move quickly on this legislation since the authorization for the Water Resources Research Program expires on September 30, 1989.

There are 54 institutes currently in existence as a result of this act. These institutes, funded through the Department of the Interior, USGS, make funds available on a competitive basis to educational institutions, private firms, foundations, agencies of State or local government for research on water problems. The funds were originally made available on a one-to-one matching grant basis through 1985, 1.5:1 in 1987, and a 2:1 match in 1989. My bill will return the matching level to the original one-to-one match.

The objective of the institutes is to plan, facilitate, and conduct research in water resources, to promote the spread and application of research results, and to provide training of scientists and engineers through their participation in this research. Each institute operates a program of multiyear research and information transfer projects focused on State and regional priorities, in conjunction with the USGS to avoid duplication of efforts.

More than half of the expenditures for research in this program deal with water quality deterioration. The principal themes of this research are: contaminant-source identification, transport mechanism, fate of contaminants, and methods to restore water quality or to prevent further degradation. Research on water shortages, the second major category, is conducted principally in the western States, focusing on increased efficiency of irrigation, artificial recharge, and conjunctive use of surface and ground water.

Funding levels for fiscal year 1989 are $10.8 million, resulting in a Federal grant to each of the institutes of $105,000. Fiscal year 1990 budget request level is $5.2 million which would result in a grant to each institute of $52,000.

This is a good program, one which deserves our support. In Idaho these funds have been used for diverse research programs. Grant funds were used to complete a study of heavy mineral loading of Lake Coeur D'Alene and funds from the program were used to help gather data in water quality studies in watersheds in south central Idaho. Many useful models have resulted from research efforts funded through the water resource research institute located at the University of Idaho. I want to see this research continued.

The U.S. Department of Agriculture is the lead agency in researching ground water quality in rural areas of this country. USDA efforts to gather data on ground water quality will be enhanced by the reauthorization of these research institutes. These institutes will be a focal point for the cooperative efforts which will be necessary to deal with the ground water quality issues before us.

I urge my colleagues to join me in this effort to reauthorize the Water Resource Research Act of 1984 and support this legislation.●

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By Mr. HEINZ:

S. 715. A bill to direct the Secretary of Transportation to carry out a highway demonstration project to extend Pennsylvania State Route 33 to provide a limited access highway to connect Interstate Routes I-78 and I-80; to the Committee on Environment and Public Works.

DIRECTING THE SECRETARY OF TRANSPORTATION TO CARRY OUT A HIGHWAY DEMONSTRATION PROJECT IN PENNSYLVANIA

● Mr. HEINZ. Mr. President, by now it has become clear that enactment of the 1987 Surface Transportation Assistance Act, better known as the Highway Act, has been an important boost for our national economy. Construction work is ongoing to improve the quality of our Nation's highways, which are arteries of commerce and which stimulate economic development.

But even as this work continues, there are numerous other worthy highway projects which will become ready for construction by the time the 5-year funding cycle authorized in the 1987 act comes to a close.

Among the most important of these projects is the extension of Route 33 in Bethlehem, PA. This project consists of constructing a 3-mile extension at a cost of $68 million that will connect Route 22 in Bethlehem to Interstate 78, and will comprise the final leg of a 4-lane limited access north/south highway linking Interstates 78 and 80, two major east-west interstates in Pennsylvania.

The legislation I and Congressman RITTER are introducing today directs the Secretary of Transportation to undertake this project, which will demonstrate methods by which connection of two interstates will accomplish four important objectives in highway planning and construction.

First, the project will demonstrate how such connections can foster economic development and job creation by providing limited access transportation to a high-growth area.

Second, it will show how such projects significantly decrease the use of local roads by through traffic, particularly heavy trucks, and thereby promote highway safety.

Third, the project will demonstrate one means to reduce intraregional and interregional travel time and the concomitant transportation costs that result from delays and congestion.

Finally and most important, the project will demonstrate how to increase the efficiency and optimize the value of interstate routes as well as other Federal investments. Chief among these are the Lehigh Valley Industrial Parks, Inc., a project supported by $2 million in Economic Development Administration grants which is now responsible for $109 million in economic activity each year and sustains more than 7,000 jobs. The Route 33 extension will provide the infrastructure for the full potential of the Lehigh Valley project to be realized and the corridor along the extension is ripe for development of new industrial parks, particularly given the shortage of available land in Northampton County.

The economic benefits of the Route 33 extension will be significant and far reaching. An economic impact study funded by non-Federal sources has shown that this project could lead to as many as 15,000 new jobs by the year 2010, based on projected increases in the demand for industrial land such as that located along the Route 33 corridor.

What this demonstrates is that this area of Pennsylvania has a vibrant and growing economy, but one which cannot sustain the present rate of growth without improved infrastructure. By linking the growing corridors of Route 22 and Interstate 78, the Route 33 extension will prevent Lehigh and Northampton Counties from being strangled, quite literally, by their own growth.

Mr. President, we all know that the next highway authorization bill will not be considered by the Congress until the present legislation expires in 1991. At this time, it would be my hope that this project could be authorized, just as the 1987 act authorized construction of a number of worthy projects, such as the Basin Street rail crossing, which, when completed, will greatly reduce congestion in the city of Allentown.

However, it is important to begin preparing for the next highway bill well in advance of the time it will be considered. Local officials have spent years and significant amounts of their tax revenues on the economic impact study I have referred to, and this legislation indicates that the Federal Gov-

ernment is willing to undertake an important role in completing the project.

Mr. President, the Route 33 extension is a vital project, and one that is well worth our attention and Federal support.

I ask unanimous consent that the text of the bill be printed in the RECORD immediately following my remarks.

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

S. 715

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. PENNSYLVANIA DEMONSTRATION PROJECT.

(a) PROJECT DESCRIPTION.—The Secretary of transportation shall carry out a highway project in the vicinity of Bethlehem, Pennsylvania, of approximately three miles to extend Pennsylvania Route 33 on the Federal-aid primary system from its terminus at United States Route 22 to Interstate Route I-78 for the purpose of providing a four-lane limited access highway connecting Interstate Routes I-78 and I-80 and demonstrating methods by which connection of two interstate routes will—

(1) foster significant economic development and job creation by providing high speed, limited access motor vehicle transportation to an area in dynamic economic transition;

(2) appreciably decrease the use of local roads by through traffic particularly by heavy trucks and thereby promote highway safety;

(3) reduce intraregional and interregional travel-time, and reduce transportation costs; and

(4) increase the efficiency and optimize the value of such interstate routes.

(b) REPORT.—Not later than January 31, 1994 the Secretary of Transportation shall submit to Congress a report on the results of the project authorized by subsection (a).

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated, out of the Highway Trust Fund (other than the Mass Transit Account), to carry out subsection (a) $500,000 for fiscal year 1989, $1,000,000 for fiscal year 1990, $8,000,000 for fiscal year 1991, $68,000,000 for fiscal year 1992.

(d) APPLICABILITY OF TITLE 23.—Funds authorized by this section shall be available for obligation in the same manner as if such funds were apportioned under chapter 1 of title 23, United States Code, except that the Federal share of the cost of any project under this section shall be 100 per centum and such funds shall remain available until expended and shall not be subject to any obligation limitation.●

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By Mr. ROTH:

S. 716. A bill to amend the copyright laws to permit the unlicensed viewing of videos under certain conditions; to the Committee on the Judiciary.

VIDEO VIEWING IN GROUP HOMES

● Mr. ROTH. Mr. President, the legislation I introduce today, is a matter of simple equity. It would erase a glitch in our copyright law that discriminates against people confined in hospitals, hospices, nursing homes, or other similar group homes who would like to watch a video movie. Copyright law says that if you or I wish to buy or rent a video movie for home viewing, we may do so without negotiating a license and paying a fee to the copyright owners. In contrast, those confined to a hospital or a nursing home are prohibited from doing what you or I can do without a license.

Copyright law makes a distinction between the kind of home you live in. If you are healthy and wealthy enough to live in an apartment or residential home either alone or with members of the family, then the law says you don't have to buy a license. But if you are not so wealthy and healthy as to reside privately or in a family setting, if you must live with nonfamily members, if you are in need of care but cannot afford a private nurse or private accommodations in a hospital, then copyright law comes down on you with full force. You cannot watch a video movie without a license.

I find this distinction rather bizarre. The rank discrimination against those least able to pay is not something Congress intended when it wrote the revised copyright code in 1976. Congress knew that people in hospitals and nursing homes were entertained in common areas, not in a traditional family setting. That is one reason why Congress fashioned an exception to the licensing requirement for watching television in common areas.

Why did not Congress provide a similar exception for watching videos? Why is it permissible to watch a movie on television but not on a VCR? The answer is fairly obvious: In 1976, television was, as it is today, an integral part of American life, whereas VCR's have been a more recent phenomenon. Congress provided the appropriate exception for the technology it knew, not for what was to come. My bill updates the television exception to include VCR's.

While my bill tracks the language of the television exception, it is narrower in scope. The television exception applies to public viewing in common areas by any person. My VCR exception applies only to "a hospital, hospice, nursing home, or other group home providing health or health-related care and services to individuals on a regular basis." In other words, the provision could not be drafted more narrowly to achieve its purpose. Nevertheless, the motion picture industry objects, lest it lose any advantage, no matter how inappropriate.

Recognizing the weakness of its position, the Motion Picture Licensing Corp., which seeks to collect licensing fees from group homes, has sought to charge only "reasonable" fees. But that effort sadly misses the point. No matter what the charge, it is not a charge that must be paid by the wealthy and healthy, who live alone or in a family setting. Moreover, the fee sought by the Motion Picture Licensing Corp., would grant the payor only a partial license since the corporation is authorized to negotiate for only a fraction of the movie copyright owners that exist.

Such fees add up fast. Charging every viewer pennies a day can well mean that a health care facility must pay tens of thousands of dollars a year. The industry suggestion that these costs be passed along to Medicare does not strike me as reasonable. I can well understand that the industry may wish to oppose any contraction of copyright protection that it enjoys. But, in my opinion, fighting for advantages that it does not deserve can only leave it open to public ridicule and even larger legislative losses.

Many of our senior citizens living in group settings live day to day, in poor health, with modest means. For these, their group setting is their only home. Their fellow patients or residents are the only family they have left. Copyright law should not discriminate against them simply because they fail to constitute "a normal circle of a family and its social acquaintances." As a matter of simple equity, this wrong should be made right. A home is a home.

The legislation is identical to S. 2881, which I introduced in the 100th Congress on October 12, 1988. I ask unanimous consent that the text of my bill be printed in the RECORD at this point.

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

S. 716

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 110 of title 17, United States Code, be amended by adding after paragraph (5) the following:

"(6) the performance or display of a work by means of a video cassette recorder and a television set of a kind commonly used in private homes, if

"(A) the performance or display occurs in a hospital, hospice, nursing home, or other group home providing health or health-related care and services to individuals on a regular basis;

"(B) no direct charge is made to see or hear such performance or display; and

"(C) the performance or display is not further transmitted to the public;".

Redesignate the subsequent paragraphs accordingly.●

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By Mr. METZENBAUM (for himself, Mr. SIMON, Mr. BIDEN, and Mr. KENNEDY):

S. 719. A bill to amend the McCarran-Ferguson Act to limit the Federal antitrust exemption of the business of insurance, to reaffirm the continued State regulation of the business of insurance, and for other purposes; to the Committee on the Judiciary.

INSURANCE COMPETITION IMPROVEMENT ACT OF 1989

● Mr. METZENBAUM. Mr. President, today I am introducing legislation to amend the McCarran-Ferguson Act to repeal the blanket exemption of the business of insurance from the Federal Antitrust Laws. I am pleased to be joined by Senators SIMON, BIDEN, and KENNEDY in this effort.

This legislation has three purposes: First, to reaffirm the authority of the States to regulate insurance; second, to promote free competition in the sale of insurance by eliminating the industry's general immunity from the antitrust laws; and third, to provide a safe harbor for certain joint activities by insurers, such as pooling historical loss data, which are essential to the business of insurance and benefit consumers.

This legislation is similar to a bill I introduced last session. The purpose of that legislation was exactly the same as the purpose of this proposed legislation: to subject insurance companies to the antitrust laws while preserving the full power of the States to regulate and tax their activities.

There is nothing inconsistent about applying the Federal antitrust laws to insurance companies while preserving State regulation of the industry. In the original debates on the McCarran-Ferguson act, President Franklin Roosevelt himself saw no inconsistency. In urging Congress not to sacrifice the antitrust laws, he wrote that:

> There is no conflict between the application of the antitrust laws and effective State regulation of insurance companies, and there is no valid reason for giving any special exemption from the antitrust laws to the business of insurance. The antitrust laws prohibit private rate fixing * * *. The antitrust laws do not conflict with affirmative regulation of insurance by the States such as agreed insurance rates if they are affirmatively approved by State officials. (Congressional Record, Vol. 91, Part 1, 79th Cong., 1st Sess. P. 482 (1945).

The Congress plainly did not intend to repeal the application of the antitrust laws to insurance when it enacted McCarran-Ferguson. The history of the act was exhaustively examined by the 1979 National Commission for the Review of Antitrust Laws and Procedures. In its report to the President and the Attorney General, it concluded that:

> Both the language of the McCarran-Ferguson Act, and the act's legislative history, make clear that the purpose of the insurance immunity was to permit state regulatory mechanisms to function without federal intervention, and not to give the industry broad license to operate without antitrust scrutiny. As the Supreme Court recently noted, the purpose of making antitrust immunity dependent on State regulation was to end the "system of private government" prevalent in the insurance industry before McCarran-Ferguson, and while agreements among insurers might be permitted, "public supervision of agreements is essential."

Nevertheless, as historically interpreted by the courts, the exemption has in fact served as a broad grant of immunity for unsupervised collective behavior by insurers. Courts have refused to require that the State regulation be comprehensive or effective as a condition for the permitting immunity to attach. Rather, as one court put it, "If a State has generally authorized or permitted certain standards of conduct, it is regulating the business of insurance under the McCarran Act." (Report of the Commission, p. 232)

This interpretation by the courts has given insurance companies a virtually absolute exemption from the Federal antitrust laws, contrary to the intent of the Congress when it wrote the McCarran-Ferguson Act. This is so even though many other industries that are similarly regulated by the States must nonetheless conform to the strictures of the Federal antitrust laws in the conduct of their business. This inequity cannot persist.

Whatever the reasons may have been for an exemption in 1945, there are none today. The case for repealing the insurance industry's antitrust exemption is overwhelming. Insurance is vital to the Nation. No one can be secure without it. Yet those who provide it do not have to comply with our national policy of free competition.

How can the Congress explain to the American people why the insurance industry is exempt from antitrust prohibitions that apply to every other industry, when the price of insurance has skyrocketed? How can the Congress explain that the rules of free competition should not apply to this vital industry when authoritative studies, including the landmark report of the Justice Department under President Ford, have concluded that competition, where it has existed, has been beneficial, and that the "full application of competitive principles, as embodied in the Federal antitrust laws, to the business of insurance would be consistent with the Public interest." ("The pricing and marketing of Insurance," a report of the U.S. Department of Justice to the task group on antitrust immunities, Jan. 1977, pp. 3, 31-34.) The Department further found that experience with competitive pricing of insurance "dispelled the historic notion that price competition would result in price wars, mass bankruptcies or excessive profits, the very reasons advanced by the industry for the antitrust exemption granted the industry in 1945." (DOJ report at 31.)

This February, a special commission of the American Bar Association issued a report to the ABA House of Delegates which recommended repeal of the McCarran-Ferguson exemption. (Report of the ABA commission to improve the liability system, recommendation 3.1 and 3.2; Feb. 1989.) The commission also recommended continued protection for certain joint activities and retention of State regulatory authority over insurance. The commission offered the following rationale for repeal:

> [T]he commission recommends enhancing competitive market forces as a means of improving the insurance industry. The continued existence of McCarran-Ferguson is inconsistent with that objective * * *. [T]he commission believes, in general, the insurance industry should be subject to normal antitrust doctrine except in those narrow circumstances where cooperative behavior has legitimate procompetitive consequences. (ABA commission report at 66.)

The ABA house of delegates recently approved the commission's recommendations.

Therre are several important reasons why legislation to repeal the exemption will promote competition without unduly interfering with the State's authority to regulate insurance or the ability of insurance companies to share historical risk data. First, requiring insurance companies to live by the rules of free competition would not undercut State regulatory policies regarding ratesetting. Almost all States have abandoned setting specific rates for insurance coverage. Instead, insurance companies have considerable flexibility in setting rates, subject to filing requirements. In addition, the Supreme Court has made clear that business conduct which is subject to a clearly articulated State regulatory scheme and actively supervised by the State is not subject to Federal antitrust law. The Supreme Court has recently held, for example, that collective ratemaking activities, permitted under a clearly articulated and actively supervised State policy, do not violate the antitrust laws. (*Southern Motor Carriers Rate Conf.* v. *U.S.*, 471 U.S. 48 (1985.)

Second, the proposed legislation would not prevent insurance companies from sharing information for the benefit of consumers. Courts recognize that joint activities by competitors which promote competition are permissible under the antitrust laws. Recently, the Supreme Court clearly stated that joint activities which reduce costs and enable products to be marketed more efficiently will be upheld. *Broadcast Music, Inc.* v. *Columbia Broadcasting System*, 441 U.S. 1 (1979). This principle would apply to sharing information about risks, joint underwriting of large-scale projects, and other joint activities which promote a more efficient and productive insurance industry. These considerations led the National Commission for the Review of Antitrust Laws and Procedures to recommend in 1979 that:

> The current broad antitrust immunity for the business of insurance granted by the McCarran-Ferguson Act should be repealed. In its place, narrowly drawn legislation should be adopted to affirm the lawfulness of a limited number of essential collective activities under the antitrust laws. * * *

The Commission believes that the current immunity is not only overly broad, but also unnecessary: Those collective activities by insurers that are essential to the functioning of a competitive industry would likely pass muster under the traditional rule of reason analysis of Sherman Act, Section 1. Similarly, where collective activity or other insurance company behavior is affirmatively mandated by a State in its capacity as sovereign, and effectively supervised by independent State officials, such behavior would fall within the judicially recognized "State action" exception to the antitrust laws. (Report of the Commission, pp. 225-26)

In short, the argument that the insurance industry requires an antitrust exemption to function effectively is nonsense. The antitrust laws allow joint activities by insurance companies which are in the public interest.

The bill which I am introducing today clarifies that certain indisputably essential joint activities would be legal under the antitrust laws. These activities are:

Joint collection and exchange of historical loss data, a task which is essential to assessing risk accurately and which cannot be performed adequately by many insurers acting on their own;

Joint preparation and filing of policy forms for voluntary use by individual insurers, a practice which benefits consumers by promoting the use of standardized forms and aids comparison shopping;

Joint collection and exchange of information on fraudulent claims; and

Joint research and on-site inspections for classifying public fire defenses.

This bill also would not affect joint underwriting and pools which do not unreasonably restrain trade, and would leave untouched State-mandated or approved residual market mechanisms, which insure high risk individuals who are not eligible for private coverage.

This list of permissible joint activities is not necessarily exhaustive. If the industry can show that other joint activities are also in the public interest and should not be prohibited by the antitrust laws, then additional, carefully defined exemptions can be made for those activities as well. These issues can best be pursued in hearings on this legislation, where the industry and other interested observers can comment. All other activities would be subject to the antitrust laws, and their legal status would be determined by the courts, applying general antitrust principles.

Finally, repealing the exemption will permit challenges to blatantly anticompetitive activity that is now immune from attack. Currently, a "back room" conspiracy to fix prices or allocate markets in the insurance industry could not be challenged by the Department of Justice, the Federal Trade Commission, or private plaintiffs. This type of conduct cannot be defended and should not continue to be immunized.

Repealing the exemption also would allow the Government to enforce the laws prohibiting unfair and deceptive trade business practices against insurance companies which mislead or take unfair advantage of their customers. Insurance companies are among the country's largest national advertisers, spending hundreds of millions of dollars a year on television advertisements and other forms of promotion. Yet today, if an insurance company misleads consumers in its advertising or marketing of insurance, the Federal Trade Commission is, in most cases, foreclosed from acting.

In short, the bill I am introducing today would simply apply the same standards of free competition and fair play to insurance that apply to other industries, without in any way diminishing the power of the States to regulate insurance as they do now.

The bill provides for a delayed effective date to enable the insurance industry to review its activities for potential antitrust liability. In particular, the bill provides that the repeal of the exemption is deferred for 1 year after the date of enactment. In addition, no criminal penalties or treble damages can be assessed for 2 years. Finally, no antitrust remedy is available for 2 years if the defendant in an antitrust case has relied in good faith on an advisory opinion by the Department of Justice. These provisions provide ample time for the industry to review its activities and ensure that they are in full compliance with antitrust standards.

This industry is too big, too important to every American, to remain exempt from antitrust scrutiny. Today, access to insurance and affordable prices have become critical problems for individuals, businesses small and large, and even governmental bodies. Requiring insurance companies to play by the rules of free competition, just as other companies do, will not solve all of the industry's problems, but it will be a positive—and long overdue—step in the right direction.

Representatives of the Reagan administration and a broad array of business, professional, governmental, labor, and consumer organizations all recognize that the antitrust exemption is not in the public interest and have called for repeal. Even segments of the industry have begun to see the light, and are at least supportive of a congressional reexamination of the exemption.

Congress eventually does the right thing. The antitrust exemption for the business of insurance outlived its legitimate purpose a long time ago. It is time to repeal it.

I ask unanimous consent that a copy of the bill and a statement by Senator SIMON be reprinted in the RECORD.

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

S. 719

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Insurance Competition Improvement Act of 1989".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. (a) The Congress finds and declares that—

(1) the continued regulation and taxation by the several States of the business of insurance is in the public interest; and

(2) the Federal antitrust laws comprise an essential component of congressional policy in favor of competition and consumer protection, and the current broad exemption from the antitrust laws afforded the insurance industry has adversely affected free competition and consumers of insurance.

(b) It is the purpose of this Act to promote free competition among insurers and to protect consumers of insurance by modifying the current antitrust exemption of the business of insurance.

AMENDMENTS TO THE MCCARRAN-FERGUSON ACT

SEC. 3. (a) The first section of the Act entitled "An Act to express the intent of the Congress with reference to the regulation of the business of insurance", approved March 9, 1945 (15 U.S.C. 1011), commonly known as the McCarran-Ferguson Act, is amended by striking out the period and inserting in lieu thereof the following: "; but that a continued broad exemption of the business of insurance from the Federal antitrust laws is not in the public interest.".

(b) Section 2(b) of the McCarran-Ferguson Act (15 U.S.C. 1012(b)), is amended by striking out all after "insurance" the second place it appears and inserting in lieu thereof a period.

(c) Section 3 of the McCarran-Ferguson Act (15 U.S.C. 1013) is amended to read as follows:

"SEC. 3. (a) Except as provided in subsection (b) and (d), the antitrust laws shall apply to the business of insurance and to acts in the conduct of such business.

"(b) The antitrust laws shall not be construed to prohibit any agreement, understanding, or concert of action between or among insurers, any insurance advisory organizations or their members, any individual insurers or any other persons that is limited to—

"(1) collecting, compiling, and disseminating historical data on paid claims or reserves for reported claims from insurers or any other source, provided that such information is made available to an appropriate State regulatory agency;

"(2) preparing and filing policy forms and endorsements for voluntary use by individual insurers, provided that such forms do not include benefit levels;

"(3) conducting research and on-the-site inspections in order to prepare classifications of public fire defenses; and

"(4) collecting, compiling, and distributing information relating to fraudulent claims and other fraudulent practices, provided that such information is made available to an appropriate State regulatory agency.

"(c) Nothing in this Act or any State law shall render the antitrust laws inapplicable

to any agreement to boycott, coerce, or intimidate, or to any act of boycott, coercion, or intimidation.

"(d) Insurers and other persons participating in joint underwriting, pools, or residual market mechanisms may, in connection with such activity, act in cooperation with each other in the making of rates, rating systems, policy forms, underwriting rules, surveys, inspections, and investigations, if the residual market mechanism is required by law or is approved by and subject to the active supervision of an appropriate State regulatory agency, or if the joint underwriting or pools do not unreasonably restrain trade.

"(e) Nothing in this Act shall be construed to prohibit any State from establishing or approving a residual market mechanism.

"(f) Nothing in this Act shall be construed to prohibit any State from requiring a worker's compensation and employers' liability insurer to adhere to the uniform classification system and uniform rating plan applicable to these categories of insurance in such State, but no such insurer shall agree with any other insurer or with an insurance advisory organization to adhere to or use any rate.

"(g) As used in this section, the term—

"(1) 'advisory organization' means any organization which is comprised of, or is controlled by, one or more insurers and which prepares policy forms and endorsements for use by its members or subscribers, compiles and promulgates insurance-related statistical data, prepares and revises insurance rating plans and classification systems, and provides assistance in the preparation of insurance rates;

"(2) 'antitrust laws' means the Sherman Act (15 U.S.C. 1 et seq.), the Clayton Act (15 U.S.C. 12 et seq.), and the Federal Trade Commission Act (15 U.S.C. 41 et seq.);

"(3) 'residual market mechanism' means an arrangement, either voluntary or mandated by law, involving participation by insurers in the equitable apportionment among them of insurance which may be afforded applicants who are unable to obtain insurance through ordinary methods;

"(4) 'joint underwriting' means a voluntary arrangement established on an ad hoc basis to provide insurance coverage for a commercial individually rated risk under which two or more insurers contract with the insured at a price and under policy terms agreed upon between the insurers, or negotiated between the underwriter and the insured; and

"(5) 'pool' means a voluntary arrangement, other than a residual market mechanism, established on an ongoing basis, under which two or more insurers participate in the sharing of risks on a predetermined basis by means of an association, syndicate, or other pooling agreement.".

SEC. 4. (a) This Act and the amendments made by this Act shall become effective one year after the date of enactment.

(b) In any action brought under the provisions of the antitrust laws alleging a violation of those laws for conduct that would have otherwise been lawful under the provisions of the McCarran-Ferguson Act on the day before the effective date of this Act, no award of treble damages or criminal penalties shall be awarded against any such person for conduct by such person occuring within two years after the date of the enactment of this Act.

(c) During the two-year period referred to in subsection (b), no relief shall be granted against any person in an action referred to in subsection (b) for conduct by such person during such period, if such person has, in good faith, relied upon an advisory opinion issued by the Department of Justice.●

Mr. SIMON. Mr. President, I rise to compliment our distinguished colleague from Ohio for the introduction of his bill to narrow the antitrust exemption granted to the insurance industry under the McCarran-Ferguson Act. I am pleased to be a cosponsor of the legislation.

I, too, introduced legislation on this subject in 1986 and 1987. The legislation introduced today by my friend from Ohio embraces many of my own ideas in this area and is an appropriate place to begin the debate on this important subject in the 101st Congress.

There is no doubt in my mind that the antitrust laws can and should be made generally applicable to insurers. This will be good for insurers and, I am convinced, will be good for the industry itself.

We should seek maximum reliance on competition in the insurance industry because competition is the very lifeblood of our economic system. Like the Senator from Ohio, I believe the sun has set on whatever justification there was for the antitrust exemption the business of insurance now enjoys.

Today, the industry is protected by an immunity from the antitrust laws that, while not absolute, is broad. A more sensible approach is that embodied in this legislation, which narrows the immunity by establishing safe harbors that immunize specific, essential and pro-competitive activities.

For example, it makes good sense to allow insurers to share basic loss data. The laws of large numbers are such that individual small companies simply do not have statistically reliable experience to set rates on their own. They need data about losses from a larger segment of the industry—but they do not need to know what profits or overhead should be. This bill strikes that balance.

When I first became involved with this issue in 1985, there was little support for amending McCarran-Ferguson. Today, the picture has changed dramatically.

A broad coalition of organizations and elected officials now favors modification of the insurance industry's antitrust exemption. Among these are the American Bar Association, the American Association of Retired Persons, the American Bankers Association, the AFL-CIO, the Small Business Legislative Council, the National Association of Attorneys General, Consumers Union, the Federal Trade Commission—the list continues and is a long one.

It is my hope that we will soon be able to add insurers, industry trade associations and insurance regulators to this list. While this hasn't happened yet, there are some encouraging signs.

The National Association of Insurance Commissioners Advisory Organizations Activities Working Group passed a resolution recommending the industry advisory or ratemaking organizations "Should not be allowed to file or distribute final rates that contain provisions for expenses and profits and that this general principle should apply to all regulatory environments." This is one of the practices that would be barred under Senator METZENBAUM's bill. My previous bill contained similar provisions.

The board of directors of the Insurance Services Office, the industry-controlled rating organization that compiles advisory premium rates for most of the Nation's property/casualty companies, announced this week that it would alter its operations to comport with the NAIC group's recommendation.

The Independent Insurance Agents of America also passed a resolution calling for similar changes.

I am delighted that we are beginning the debate on the McCarran-Ferguson Act with a recognition by the insurance industry that it has heard the messages coming from the Congress, State attorneys general and insurance consumers that change is needed. I commend the industry for the steps it has taken.

I would now urge insurers to take a logical next step and work with the Congress to help us refashion the McCarran-Ferguson Act in ways that will benefit both consumers and the insurance industry.

Neither Senator METZENBAUM nor I desire to do anything that will hurt the insurance industry. It comprises a vital piece of our economy and the services it provides are essential to our national well-being. I should also add that my home State of Illinois is the number two insurance State in the Nation.

The Judiciary Committee needs the active assistance of the insurance industry in addressing outstanding issues of concern to insurers and to members of the committee. For example, small insurance companies are worried that they will be unable to price their products prudently without the benefit of final advisory rates. I want to be sure that the committee fully explores any potential harm this legislation might cause these companies, particularly the county mutuals that fill such an important niche in the market in rural America.

Another issue which I feel deserves a full examination by the committee during our debate on the McCarran-Ferguson Act is the relationship between State regulation of insurance rates and the antitrust laws.

The specific question is whether narrowing the Federal antitrust immunity, as Senator METZENBAUM and I propose, will result in more and more anticompetitive State rate regulation that undercuts the pro-competitive benefits we seek. And, if the answer is "yes," what should we do about it?

On this point, the National Commission for the Review of Antitrust Laws and Procedures concluded in 1980:

Given the competitively structured nature of the insurance industry, it is not suprising that the evidence presented to the Commission appears to demonstrate the regulatory schemes requiring prior state approval of rates have had an adverse effect on competition. The 1977 Department of Justice Report found that the benefits of open competition, when compared with prior approval regulation, included less adherence to bureau advisory rates, rates as reasonable or lower than in other states, and greater efficiency in distribution. Other studies and economic commentaries have confirmed these findings. Indeed, two recent reports concerning insurance company behavior in Illinois, the only state having no insurance rate regulation, came to the identical conclusion that performance was, on average, as good or better than that in comparable, more regulated states.

The empirical evidence developed from many studies that have been conducted on insurance rate regulation suggests, Mr. President, that the most rigidly regulated environments may not reproduce the benefits to consumers that result when market forces are permitted the freest possible reign in establishing insurance rates. These benefits include fair prices that truly reflect the costs of providing insurance; more moderate price increases over time; and more innovative product offerings from insurers.

As the National Commission Report suggested, Illinois has been a proving ground for the benefits of open competition ratemaking. In 1971, Illinois' property and casualty rating law expired, leaving the State without a rate regulatory law except that for workers compensation insurance. The next year, instead of enacting a new rating law, the Illinois General Assembly passed legislation allowing insurance advisory organizations to combine loss information from its member insurers, but not to make final advisory rates.

Numerous studies of the Illinois insurance market have all come to the same conclusion: prices for property and casualty insurance in Illinois are reasonable in terms of cost to insurers, and the vigorous competition in Illinois has moderated rate increases to the public.

The American Bar Association made reference to an aspect of this issue in its statement of support for this bill. The ABA stated that it did not believe that State regulation of insurance rates—

* * * should in general exempt insurers from the antitrust laws under the state action doctrine. In other words, the door to free and open price competition permitted by the repeal of the McCarran-Ferguson Act should not be closed by state regulation which commands joint pricing activity by various insurers.

While I think the committee should have the benefit of a formal presentation of this impressive body of evidence, I am not yet prepared to say that we can do away with State regulation of insurance rates. For example, there are States where only one or two companies provide coverage in certain commercial lines such as medical malpractice and day care. The discipline of the market might well be insufficient to assure the public affordable insurance in these instances.

I look forward to exploring these and other issues with my colleagues on the Judiciary Committee.

In closing, Mr. President, I would just say that I hope the insurance industry will heed the sound advice offered it by T. Lawrence Jones, who for 19 years was president of the American Insurance Association. Mr. Jones suggested in testimony before the Judiciary Committee in 1987 that:

The time has come for the insurance industry to rid itself of the negative public and official attitudes stemming from the McCarran-Ferguson Act * * * the insurance industry would be wise to seize this opportunity to work with the Committee and other relevant Committees of the Congress to redefine the relationship of the federal antitrust laws to the industry and to state regulation.

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By Mr. BOREN (for himself, Mr. HEINZ, Mr. MOYNIHAN, Mr. SYMMS, Mr. DANFORTH, Mr. PRYOR, and Mr. DURENBERGER):

S. 720. A bill to amend the Internal Revenue Code of 1986 to extend and modify the targeted jobs credit, and for other purposes; to the Committee on Finance.

EXTENSION OF TARGETED JOBS TAX CREDIT

● Mr. BOREN. Mr. President, today Senator HEINZ and I, along with our colleagues Senators MOYNIHAN, SYMMS, DANFORTH, PRYOR, and DURENBERGER are introducing legislation that will extend for 3 years the Targeted Jobs Tax Credit [TJTC]. TJTC is not only the most cost effective program we have ever enacted, but it has also been responsible for inducing employers to hire over four and a quarter million structurally unemployed Americans since its inception in the fall of 1978. In fiscal 1988, nearly 520,000 welfare and SSI recipients, vocational rehabilitation referrals, economically disadvantaged youths 18 to 24 years old, ex-offender, Vietnam-era veterans, and summer youth were hired.

In Oklahoma alone in the fiscal year 1987, 11,000 individuals who traditionally would have been at the end of the hiring line were given preferential hiring consideration by employers. Of that number 1,800 came off the welfare rolls. What is more, over the 10 years of the program, more than 33,000 Oklahomans have been introduced to the work world and escaped from dependency on government assistance programs as a result of the TJTC program. As these figures show, the usage of TJTC has increased as the program has proven itself and gained the confidence of private sector employers, who are traditionally reluctant to incorporate government programs into their employment and hiring policies. The program has been successful in encouraging employers to change their hiring practices and actively seek out TJTC eligible workers at a relatively inexpensive average cost per job to the Federal Government of under $700.

Some might question why we need to extend a tax incentive to hire the structurally unemployed when unemployment is at its lowest in over a decade and a half. But when TJTC was originally enacted in the late 1970's, unemployment was also relatively low. What was true then remains true today. The official unemployment rate among minority youths and rural Americans is almost three times as high as the official overall unemployment rate, underscoring the importance of an incentive to hire from targeted populations. Because of poor job skills, and little if any work history, employers traditionally are reluctant to hire individuals they know from experience will cost more to train and who have higher work dropout rates.

Another factor affecting unemployment is that all too often the available jobs are not where the applicant lives. Many of these individuals come from poor minority communities where they have been led to believe by peers that if they don't have basic job skills, no one will hire them or allow them to advance beyond an entry level position. A similar picture of disproportionate high unemployment exists in rural America.

As a Senator from a predominantly rural State dependent on the depressed oil industry, I am particularly aware of whole streets and towns with boarded up buildings. I am also acutely aware of the plight of dislocated workers and the ever increasing burden on Oklahoma's social services programs.

After 10 years of the TJTC Program, the reality today is that many employers have been convinced that it is in their economic interest to actively recruit from this large relatively untapped labor pool. Employers understand that there is enough incentive in TJTC to offset the increased cost of training, supervision and special efforts needed to retain these workers. Many companies actually use TJTC to pay for the cost of transporting workers daily from where they live to the

job site. Many employers experienced in the use of TJTC have learned that if they want to both attract and keep these workers, they must offer them opportunities for promotion and higher wages.

In addition to extending TJTC for 3 years, our proposed legislation would restore eligibility of the 23 and 24-year-old economically disadvantaged youth. During consideration of the Technical Corrections Act of 1988, because of last-minute revenue constraints rather than policy considerations, this group was eliminated from TJTC eligibility.

From a policy standpoint, this action has been harmful to this important segment of the targeted youth. Prior to 1989, these economically disadvantaged youth people have been benefited from job opportunities made possible through TJTC. The 23 and 24-year-olds have especially acute needs for a helping hand to escape the poverty cycle. Those who have reached age 23 and 24 without successfully obtaining stable employment are often facing their last chance to become productively employed rather than becoming resigned to government assistance or succumbing to the lure of crime and drugs. Unlike teenagers who enter the workforce as first-time workers with lower paying hourly jobs, the older youth are often supporting themselves or have taken on responsibilities of supporting their own families. They need the TJTC incentive for employers to assume hiring risks.

Senator HEINZ and I ask that you join us in cosponsoring this legislation. I also ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 720

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. 3-YEAR EXTENSION.

(a) IN GENERAL.—Paragraph (4) of section 51(c) of the Internal Revenue Code of 1986 (relating to termination) is amended by striking "December 31, 1989" and inserting "December 31, 1992".

(b) EXTENSION OF AUTHORIZATION.—Paragraph (2) of section 261(f)(2) of the Economic Recovery Tax Act of 1981 is amended by striking "and 1989" and inserting "1989, 1990, 1991, and 1992".

SEC. 2. AGE LIMITATION FOR ECONOMICALLY DISADVANTAGED YOUTH.

(a) IN GENERAL.—Subparagraph (B) of section 51(d)(3) of the Internal Revenue Code of 1986 (relating to age requirements) is amended by striking "age 23" and inserting "age 25".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to individuals who begin work for the employer after December 31, 1989.

SEC. 3. EXTENSION OF CREDIT TO INDIVIDUALS WHO HAVE COMPLETED DRUG REHABILITATION PROGRAM.

(a) IN GENERAL.—Section 51(d)(1) of the Internal Revenue Code of 1986 (relating to members of targeted groups)—is amended—

(1) by striking "or" at the end of subparagraph (I),

(2) by striking the period at the end of subparagraph (J) and inserting a comma and "or", and

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

"(K) a drug rehabilitation referral.".●

● Mr. HEINZ. Mr. President, I am pleased to be joining Senator BOREN today in introducing a 3-year extension of the target jobs tax credit [TJTC]. Without this extension, TJTC will expire at the end of this year. I believe that it is important that TJTC be extended for an additional 3 years. Since its inception in 1978, 4½ million structurally unemployed individuals have found jobs because of this program. TJTC works, and needs to be extended.

TJTC allows employers a tax credit for employment of individuals belonging to one of nine targeted groups. The amount of the credit is generally equal to 40 percent of the first $6,000 of wages paid to a member of a targeted group in the first year of employment. The nine targeted groups of employees are the following:

First, economically disadvantaged youths—ages 18 to 22;

Second, economically disadvantaged summer youths—ages 16 to 17;

Third, economically disadvantaged youths participating in cooperative education programs;

Fourth, economically disadvantaged Vietnam-era veterans;

Fifth, economically disadvantaged exconvicts;

Sixth, certain handicapped workers;

Seventh, certain work incentive employees;

Eighth, AFDC and general assistance recipients; and

Ninth, supplemental security income recipients.

Last year during the Technical Corrections and Miscellaneous Revenue Act of 1988, disadvantaged youths aged 22 to 24 were dropped from coverage at conference. While both the Senate and the House tax bills extended TJTC, and modified the program, their modifications—which were added as a way to reduce the cost of the program—were not identical. At conference both modifications were taken. I believe that this was clearly a mistake. As a result I will work to add the economically disadvantaged 23- and 24-year-olds back in the program through the legislation Senator BOREN and I are introducing today.

TJTC is aimed at workers with severe barriers to employment, such as low literacy, lack of communication and problem solving skills, and physical, mental, or emotional handicaps. These individuals comprise an economic underclass in our inner cities. Trapped in a vicious circle of poverty and dependency they drop out of sight, and on the dole. Even in the best of times, these structurally unemployed have great difficulty finding jobs.

The idea behind TJTC is to focus employer demand on disadvantaged workers by means of a tax incentive. By getting these workers off welfare rolls and into private sector jobs, both the individual and society benefit and the financial drain on the Treasury is reduced in the long run.

Over the last few years, in numerous congressional hearings and countless visits back to Pennsylvania, I have talked to individuals who have found jobs because of TJTC. Often they had abandoned hope of finding anyone who would take a chance on them. Then they were certified, or they found an employer who understood TJTC, and would give them a chance. A chance is all they needed to prove themselves.

The companies that use TJTC have told me how they work to keep their TJTC employees. They use the money they earn from the credit to train these individuals, and help them become good employees. The limitation with the program is not in the product, but in the repeated threat of the program ending. Each year we go through the process of extending TJTC for a year at a time. That process has got to stop. Employers are not going to invest the time and money into TJTC if they do not think it will be around next year. A 3-year extension will end the confusion caused in this program.

Mr. President, I urge my colleagues to cosponsor this legislation.●

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By Mr. BAUCUS (for himself, Mr. HARKIN, and Mr. STEVENS):

S. 721. A bill to amend title XIX of the Social Security Act to provide coverage for certain prenatal and postnatal care services, and for other purposes; to the Committee on Finance.

COVERAGE OF CERTAIN PRENATAL AND POSTNATAL SERVICES

● Mr. BAUCUS. Mr. President, today I am introducing a bill for the women and children who live in rural America, the Rural Obstetrical Care Access Act of 1989. I am pleased that my distinguished colleagues Senator HARKIN of Iowa and Senator STEVENS of Alaska are joining me as original cosponsors.

Last year, I introduced the Rural Health Payment Reform Act of 1988, which called for authorization of Medicaid demonstration projects to improve obstetrical care in rural America. Mr. President, demonstration projects are no longer adequate to address what is rapidly becoming a national tragedy and a national disgrace.

We live in the most wonderful country in the world. As infants are delivered and take their first breath of life they are offered almost unlimited freedom to reach their full potential as human beings. How sad then, in a land as bountiful as ours, when that potential is abrogated or lost because of inadequate access to obstetrical services.

Rural America is in the midst of a serious crisis attempting to provide acceptable obstetrical care.

In my own State of Montana, where more than two-thirds of the population lives outside of our cities, there have been drastic decreases in the numbers of providers of obstetrics care. Between 1986 and 1988 almost half the family doctors in my State stopped delivering babies, and the number of obstetricians decreased by 12 percent. As of January 1989, 45 percent of Montana's 56 counties had no obstetrical services.

The reason for this loss of providers in Montana is clear—skyrocketing malpractice premiums. In 1988, family practitioners with obstetrical coverage paid almost $25,000, and obstetricians almost $40,000 in annual premiums. All doctors who deliver babies pay the same insurance premium regardless of the number of deliveries annually. This means that a doctor must deliver 50 babies each year just to pay for malpractice premiums. The majority of rural family practitioners deliver fewer babies than sufficient to cover their liability costs.

These financial constraints on the low volume provider are magnified by the inadequate payment they receive when caring for women receiving Medicaid. A study by the National Governors' Association in 1988 revealed that the average Medicaid payment for total obstetrical care covered 44 percent, and in one State only 14 percent, of the community charge. This can severely restrict access, especially in a State like Montana, where 28 percent of deliveries are paid for by Medicaid.

What does this mean to a pregnant woman in Montana? Well, if she lives in McCone County, where the sole family doctor gave up his obstetrical practice, she might have to travel as far as 100 miles to see an obstetrician. If it's January or February, transportation can be abruptly stopped because of severe weather conditions. How can we expect her to get adequate prenatal care, let alone a safe delivery? To feel safe some Montana women move into a motel in a larger city for 2 to 3 months prior to their due date. This is just not right.

But this is not just a problem in Montana. Due to the cost of malpractice insurance, 19 percent of the Nation's family physicians have stopped delivering babies during the past 5 years. Increasingly, those providers who still practice obstetrics are refusing to take care of women receiving Medicaid. Concerns about the effect of low participation are especially acute in rural areas. Major participation problems in rural areas have been identified by 35 of the 50 States. In a national survey of obstetricians, inadequate reimbursement was the most commonly expressed reason for refusing Medicaid patients. Thus, despite Congress' mandating Medicaid eligibility in the Medicare Catastrophic Coverage Act of 1988 for women below 100 percent of poverty by 1990, access may be prevented by the inability of current payments to cover malpractice premiums.

The human and economic costs to society of a policy that ignores these issues of access, access that should begin soon after conception, are extraordinary. They include:

An infant mortality rate that places the United States near the bottom of industrialized nations. This rate is generaly worse in rural areas.

High infant mortality directly correlates with low birth weight. Low birth weight directly relates to the absence of prenatal care. In 1985, 210,000 women received little or no prenatal care; an additional 660,000 received inadequate prenatal care.

The costs of caring for a low birth weight infant are 28 times the cost of providing prenatal care and delivery. One stay in a neonatal intensive care unit can cost hundreds of thousands of dollars.

The malpractice crisis will require much attention in the coming months as an important source of health care costs. Reasonably, however, this complex issue has multiple causes, with no single perfect solution. The best efforts to resolve the crisis will share responsibility between Federal, State, and local governments.

The bill we are introducing today will give States the option to increase their Medicaid reimbursement for obstetrical care to a level that will help anchor the obstetrical provider in rural America. The bill gives an increased Federal match—90 percent—for obstetrics services in rural health manpower shortage areas when the payment to a provider is equal to at least 80 percent of that which the State provides in its own employee insurance package. This level of reimbursement should help to maintain that most critical element of access, keeping a provider within a reasonable distance of the patient.

We hope that our colleagues from both sides of the aisle will carefully consider this legislation, and join us in working to ensure that the women and children of rural America receive the proper health care they deserve.

Mr. President, I ask unanimous consent that the text of the Rural Obstetrical Care Access Act of 1989 be included following my statement. I would also ask unanimous consent to include in the RECORD an article from the Great Falls Tribune, by Linda Caricaburu, "Obstetrics Care Precarious for Rural Mothers-to-be."

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

S. 721

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. COVERAGE OF CERTAIN PRENATAL AND POSTNATAL SERVICES.

(a) IN GENERAL.—Section 1903 of the Social Security Act (42 U.S.C. 1396b) is amended by inserting after subsection (m) a new subsection as follows:

"(n) For purposes of this section, the term 'prenatal and postnatal care services' means those services made available by a State to pregnant women covered under the plan of prenatal, delivery, postpartum services, and those services relating to any other condition which may complicate pregnancy, but only if—

"(A)(i) such services are provided by a physician (as described in section 1861(r)), or

"(ii) such services are provided by a certified nurse midwife as described in section 1861(gg); and

"(B) such services are provided in an area that—

"(i) is designated (under section 332(a)(1)(A) of the Public Health Service Act) as a health manpower shortage area; and

"(ii) is a rural area (as defined in section 1886(d)(2)(D)).".

"(b) PAYMENT TO STATES.—Section 1903(a) of such Act (42 U.S.C. 1396(b)(a)) is amended—

(1) by striking "plus" at the end of paragraph (6);

(2) by redesignating paragraph (7) as paragraph (8); and

(3) by inserting after paragraph (6) the following new paragraph:

"(7) with respect to services described in subsection (n), an amount equal to 90 per centum of so much of the sums expended during such quarter if the State's payments under the State plan for such services is equal to or greater than 80 per centum of the allowable charge for those services under the group health plan (or an average of the plans excluding health maintenance organizations (as defined in subsection (m)) offered by the State to State employees for such services; plus".

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[From the Great Falls Tribune, Feb. 5, 1989]

OBSTETRICS CARE PRECARIOUS FOR RURAL MOTHERS-TO-BE

Every morning, 19-year-old Mary Jacquot checks the weather report and road conditions from her home in Lincoln.

Nine months pregnant, Jacquot faces an 80-mile drive on mountain roads to her physician in Missoula and the hospital where she plans to have her second child. She is painfully aware of the OB crisis.

In 1986, more than 200 obstetricians and family practitioners delivered babies in Montana. The number is down to about 120, and dropping, according to the Montana Medical Association.

Small, rural communities have seen the greatest impact, and nearly one fourth of

the state's 56 counties offer no delivery services. The MMA says 19 more counties are in danger of losing obstetrics care.

Jacquot's first child, born a year and a half ago, was delivered by her husband and her sister, a nurse, in Florida. She said she would have preferred a home birth for her second child.

"But in Florida, if anything went wrong, I was only 10 miles from a doctor and a hospital," she said. "Here in Lincoln, we're 80 miles from Missoula, 90 miles from Great Falls and about 60 miles to Helena."

On the lonely stretch of road between Jordan and Circle in eastern Montana, 22-year-old Michelle Ramsbacher is four months pregnant. Her monthly prenatal visits entail a 110-mile drive to Miles City.

"Sometimes, it's kind of scary," she said. "I try not to think about it too much, but you wonder whether you'll make it to town on time."

Two years ago, Ramsbacher could have delivered her baby 30 miles away, in Jordan. But the town has since lost its only physician and the hospital has closed.

Last year, then-Gov. Ted Schwinder formed an advisory council to study obstetrics. After seven months, the council concluded the shortage of obstetrics care could be traced to "skyrocketing malpractice insurance rates, a variety of tort-related issues and inadequate Medicaid reimbursement rates."

The council said the problem is "widespread and worsening, especially in rural areas." Among the worst effects reported were the "possible increase in the number of low birthweight babies, the factor most closely associated with infant mortality."

According to the National Commission to Prevent Infant Mortality, prenatal care, which may prevent low birthweight conditions, may cost as little as $400. The lifetime costs of caring for a low birthweight baby may reach $400,000.

Brian Zins, executive director of the Montana Medical Association, says the hefty increases in malpractice insurance rates for physicians who deliver babies is a major contributor to the OB crisis.

Insurance rates for obstetrical care in 1973 ranged from $1,900 to $3,500 per year. By last year, the rates had soared to a range of $20,000 to $67,000.

Rates are not based on the number of deliveries performed so a doctor must deliver a lot of babies to pay the premiums, Zins said. The state Department of Social and Rehabilitative Services estimates a doctor must deliver 50 babies a year just to "break even."

Those in the medical and insurance industries say one reasons rates are increasing is that lawsuit damages are increasing. Gary Neely, a Billings attorney specializing in medical liability, wrote recently: "A doctor who delivers babies now has a 50 percent chance of having a claim against him or her every two years."

Zins says tort reforms are necessary to alleviate the glut of lawsuits and the hopes of some people that they may "get rich quick" by suing a doctor.

"Unfortunately, most tort reform takes 6 to 10 years before you see the effects," he said. "We can't wait that long: we need help now."

A recent congressional study recommended that the federal government help in extending malpractice protection to rural and migrant health center physicians, but did not elaborate on a plan.

Some doctors are also dropping obstetric care from their practices because they are not reimbursed enough from Medicaid, the federal/state program that reimburses physicians for care given to poor people.

In 1986, the average physician's fee for a normal delivery in Montana was $778, while the fee for a Caesarean birth averaged $1,098, not including hospital costs. Last year, the average physician fees were $1,150 and $1,542 respectively.

According to an obstetrics advisory council report, Blue Cross and Blue Shield would reimburse physicians up to $1,175 last year for a normal birth. Medicaid, however, reimbursed only $619. The Medicaid reimbursement rate for this year will be $622.

"What it comes down to is, if you have a significant Medicaid practice, you've got a significant problem," Zins said. "You can't afford to do it."

EDITOR'S NOTE. Last Tuesday, Mary Jacquot and her husband drove through a blizzard from Lincoln to her doctor's appointment in Missoula. The doctor induced labor and the Jacquots had a healthy baby girl.●

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By Mr. KENNEDY (for himself, Mr. DODD, and Ms. MIKULSKI):

S. 722. A bill to amend the Federal Food, Drug, and Cosmetic Act to revise the authority under that act to regulate pesticide chemical residues in food; to the Committee on Labor and Human Resources.

FOOD SAFETY AMENDMENTS

● Mr. KENNEDY. Mr. President, I rise to speak on behalf of the Food Safety Amendments of 1989, a bill I take pleasure in introducing today. This legislation will significantly enhance Federal oversight over the use of dangerous pesticides on our Nation's food supply, and provide greater assurance to all Americans that we truly have the safest food supply in the world.

Americans all across the Nation are concerned about the safety of the food we consume. Recent reports of the danger to children from the use of cancer-causing pesticides on apples have led many to question the benefits and risks of these chemicals. The scare involving the contamination of Chilean grapes with cyanide raises questions about the extent of food inspection by the Federal Government. Recent cover stories in Time and Newsweek, television reports, and numerous articles in newspapers across the country question the safety of the food supply. Obviously, the Federal Government is not doing enough to assure the American public of the safety of the fruits, vegetables, meats and fish that we eat.

Pesticides and other chemicals are commonly used by farmers to protect crops from infestation. These products have significantly improved crop yield and productivity, but at what expense to the health of our citizens? Many pesticides known to cause cancer and other adverse health conditions are commonly used by farmers. The two Federal agencies charged with the task of assuring the safety of the food supply and protecting the public health, the Environmental Protection Agency and the Food and Drug Administration, permit the use of these dangerous chemicals. To respond to the real and justifiable concerns about the safety of our food supply, we need to strengthen the authority under the Food, Drug and Cosmetic Act to limit pesticide and other chemical residues on foods and move toward removing from the marketplace chemicals known to give rise to adverse health effects.

An opinion poll conducted by the Food Marketing Institute revealed that the public considers pesticide residues among the most serious hazards affecting food safety. In 1987, according to a food industry poll, 76 percent of the public found pesticide residues a serious hazard. An additional 20 percent of those polled rated pesticides in food something of a hazard.

Reports from government and the private sector underscore the public's concern. In 1987, the National Academy of Sciences reported that legal applications of only 28 pesticides could lead to cancers for up to 6 individuals for every thousand people exposed. The Environmental Protection Agency has identified at least 25 other carcinogenic pesticides which are legally used on food. In 1988, a book entitled "Pesticides Alert," written by the Natural Resources Defense Council [NRDC], a national environmental organization, revealed that washing may not remove pesticide residues most often found in 26 common fruits and vegetables. Earlier this year, the Natural Resources Defense Council issued a report, "Intolerable Risk: Pesticides in Our Children's Food," which provides good evidence of the unconscionable risk of cancer to our children. In 1986 Congress' investigative arm, the General Accounting Office, reported that the current pesticide monitoring techniques used by the Food and Drug Administration can identify only 40 percent of the pesticides which the agency classifies as posing moderate to high health hazards.

As reports and analyses of the dangers of pesticides in food continue to be discussed and debated, one thing is clear—the current law is not protecting the public. The Environmental Protection Agency under the Federal Food, Drug and Cosmetic Act [FFDCA] is responsible for establishing limits on the allowable concentrations of pesticides in food. Unfortunately, they have failed to incorporate the newest health and safety data available when setting these standards.

EPA's new "commonsense" approach toward cancer-causing pesticide and chemical residues on foods appears to be based in good science, but is in fact poorly defined. The risk-benefit standard under which EPA prefers to regulate, allows a small risk

of cancer which counters the zero-tolerance cancer policy inherent in the law; this can no longer be tolerated. Under their definition of "negligible risk," the EPA will impose subjective risk assessments with little scientific basis. EPA officials maintain that this new policy, announced on October 12, 1988, provides better protection than the current law which requires strict consideration of the potential risk of cancer from pesticide residues.

In addition, the current calculation of negligible risk does not take into account total consumption of various food products for specific population groups, and does not consider inert ingredients. We need to strengthen the statutory requirements concerning food safety. And EPA has a very large task in the years ahead to ensure that legal food is in fact safe food.

The legislation I am introducing today amends and enhances the EPA's current authority under the FFDCA to set tolerances for pesticides that may remain in food. The bill is written as a substitute for section 408 of the FFDCA. The bill makes many important improvements in both EPA procedures and authorities which will help improve the public's confidence in the safety of our food supply.

This bill does not amend the basic pesticide regulatory statute, the Federal Insecticide, Fungicide and Rodenticide Act [FIFRA]. FIFRA is the statute that requires EPA to register pesticides before they may be used in this country. The bill I am introducing only ensures that pesticides which may remain as residues on food are adequately regulated under the FFDCA.

The bill incorporates many of EPA's current practices but also establishes certain fundamental reforms that have been recommended by the National Academy of Sciences to improve the safety of foods bearing pesticide residues. One of the most important provisions of this bill establishes a risk-based food safety standard that is consistent with the other regulatory authorities under the FDA relating to food additives, color additives and environmental contaminants. The bill establishes and defines as a standard "negligible risk," and specifies that all pesticides and chemicals used on food agriculture products must be found in quantities with less than a negligible risk of causing adverse human health effects in identifiable population groups such as infants and children.

Both old pesticides and newer pesticides would be required to meet the same standard. The creation of a single regulatory standard for pesticides in food is important because the National Academy of Sciences has found that old pesticides are not currently regulated as strictly as newer chemicals. NAS reported that 90 percent of estimated dietary cancer risk from pesticides stems from tolerances set before 1978. Additionally, a unitary regulatory standard is important because NAS found that pesticide residues in raw agricultural commodities are not currently regulated as strictly as they are when they occur in certain processed foods. Obviously, there is no health benefit to this differential protection of our food supply. The bill I am introducing today would remedy this unwarranted inconsistency.

A new standard would be established such that for any currently used pesticide exceeding the negligible risk standard in all of its food exposures together, its manufacturer would be provided a reasonable time period to achieve compliance with the standard before the tolerance is rescinded; that is, the product removed from the market. Two years following the enactment of the bill, each food exposure of a particular pesticide must be less than the negligible risk standard. Within 4 years of enactment, all of the food exposures of a pesticide in total must be less than the negligible risk standard.

Another important provision under this bill is the establishment of authority for the Administrator of EPA to require the submission of health and safety data. Because many tolerances were set on the basis of incomplete or outdated health and safety data, authority to require additional data is essential. Even for the few tolerances which are based on today's science, EPA also needs the authority to update the data if new concerns or new scientific evidence emerge. The bill grants EPA such authority. Deadlines established by the Administrator must be complied with in order to retain tolerances for pesticide residues in food. I expect and urge EPA to strictly enforce data submission deadlines. The bill also creates a narrow exception to ensure that food which was lawfully treated with the pesticide before the deadline can be marketed.

Improvement in our food safety laws to protect the public from potentially dangerous pesticide and chemical residues is vitally needed and long overdue. This bill will enhance our ability to safeguard the public health while giving due weight to the interests of farmers, the food industry and chemical companies. I intend to work with all parties to ensure the enactment of food safety legislation at the earliest possible opportunity. I look forward to consideration of this bill by the Labor Committee, and I urge all of my colleagues in the Senate to support this critically important legislation.

Mr. President, I ask uanimous consent that the text of the bill be printed in the RECORD.

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

S. 722

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE, REFERENCE.

(a) SHORT TITLE.—This Act may be cited as the "Food Safety Amendments of 1989".

(b) REFERENCE.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Federal Food, Drug, and Cosmetic Act.

SEC. 2. DEFINITIONS.

(a) PESTICIDE.—

(1) Section 201(q) (21 U.S.C. 321(q)) is amended to read as follows:

"(q)(1) The term 'pesticide chemical' means—

"(A) any substance which is a pesticide within the meaning of the Federal Insecticide, Fungicide, and Rodenticide Act and which is or has been used in the production, storage, or transportation of a raw agricultural commodity or processed food, and

"(B) all active and inert ingredients of the pesticide within the meaning of the Federal Insecticide, Fungicide, and Rodenticide Act.

"(2) Except as provided in subparagraph (B), the term 'pesticide chemical residue' means a residue in or on any raw agricultural commodity or processed food of—

"(A) any pesticide chemical, or

"(B) any other substance that is present in the commodity or food as a result of the metabolism or other degradation of a pesticide chemical.".

(2) Paragraphs (1) and (2) of section 201(s) (21 U.S.C. 321(s)) are amended to read as follows:

"(1) pesticide chemical residue in or on a raw agricultural commodity or processed food; or

"(2) a pesticide chemical to the extent that it is intended for use or is used in the production, storage, or transportation of any raw agricultural commodity or processed food; or".

(b) OTHER DEFINITIONS.—Section 201 (21 U.S.C. 321) is amended by adding at the end the following:

"(bb) The term 'processed food' means any food other than a raw agricultural commodity and includes any raw agricultural commodity that has been subject to processing, including canning, cooking, freezing, dehydration, or milling.

"(cc) The term 'Administrator' means the Administrator of the Environmental Protection Agency.".

SEC. 3. ADULTERATED FOOD.

Section 402(a)(2) (21 U.S.C. 342(a)(2)) is amended to read as follows:

"(2)(A) if it bears or contains any added poisonous or added deleterious substance (other than a substance which is a pesticide chemical residue in or on a raw agricultural commodity or processed food, a food additive, a color additive, or a new animal drug) which is unsafe within the meaning of section 406;

"(B) if it is a raw agricultural commodity or processed food and it bears or contains a pesticide chemical residue which is unsafe within the meaning of section 408(a); or

"(C) if it is or if it bears or contains—

"(i) any food additive which is unsafe within the meaning of section 409, or

"(ii) a new animal drug (or conversion product thereof) which is unsafe within the meaning of section 512; or".

SEC. 4. TOLERANCES AND EXEMPTIONS FOR PESTICIDE CHEMICAL RESIDUES AND PESTICIDE CHEMICALS.

Section 408 (21 U.S.C. 346a) is amended to read as follows:

"TOLERANCES AND EXEMPTIONS FOR PESTICIDE CHEMICAL RESIDUES AND PESTICIDE CHEMICALS

"SEC. 408. (a) REQUIREMENT FOR TOLERANCE OR EXEMPTION.—

"(1) GENERAL RULE.—Except as provided in paragraph (5), any pesticide chemical residue in or on a raw agricultural commodity or processed food or any pesticide chemical added to a raw agricultural commodity or processed food shall be deemed unsafe for the purpose of section 402(a)(2)(B) unless—

"(A)(i) a tolerance for such pesticide chemical residue or pesticide chemical in or on such commodity or food is in effect under this section and the quantity of such residue or chemical is within the limits of such tolerance, or

"(ii) an exemption from the requirement of subparagraph (A) is in effect for such pesticide chemical residue, and

"(B) except as provided in paragraph (2), in the case of an inert ingredient of a pesticide chemical residue or pesticide chemical, the ingredient is generally recognized, among experts qualified by scientific training or experience to evaluate the safety of inert ingredients, as safe.

"(2) INERT INGREDIENTS.—

"(A) GENERAL RULE.—An inert ingredient of a pesticide chemical residue or a pesticide chemical, which ingredient is not generally recognized, among experts qualified by scientific training or experience to evaluate the safety of inert ingredients, as safe, may be included in a pesticide chemical residue or a pesticide chemical but only if the Administrator determines that—

"(i)(I) the inert ingredient is essential for the active ingredient of the pesticide chemical residue or the pesticide chemical with which the inert ingredient is combined to have the effect the active ingredient is intended to have, or

"(II) it is not scientifically feasible, given the nature of the active ingredient of the pesticide chemical residue or pesticide chemical with which the inert ingredient is combined, to use with such active ingredient an inert ingredient which is generally recognized, among experts qualified by scientific training or experience to evaluate the safety of inert ingredients, as safe, and

"(ii)(I) if the inert ingredient is described in subclause (I) of clause (i), the tolerance for the active ingredients of the pesticide chemical residue or pesticide chemical with which it is combined includes the inert ingredient, or

"(II) if the inert ingredient is described in subclause (II) of clause (i), the inert ingredient has a tolerance which is separate from the tolerance for the active ingredient of the pesticide chemical residue or pesticide chemical with which it is combined.

"(B) RISK STANDARD.—

"(i) ESTABLISHMENT.—The tolerance of an active ingredient of a pesticide chemical residue or pesticide chemical may include an inert ingredient described in subparagraph (A)(i)(I) or a separate tolerance may be established for an inert ingredient described in subparagraph (A)(i)(II) if the risk to human health, including the health of identifiable population groups with special food consumption patterns, from dietary exposure to the combination of the inert ingredient and the active ingredient with which it is combined is negligible.

"(ii) REVOCATION OR MODIFICATION.—The tolerance for an inert ingredient or the tolerance for an active ingredient which includes an inert ingredient shall be revoked or modified if the risk to human health, including the health of identifiable population groups with special food consumption patterns, from dietary exposure to the inert ingredient and the active ingredient with which it is combined is greater than negligible.

"(iii) DIETARY EXPOSURE.—In applying the criteria of subsection (b)(2) to determine if the risk from dietary exposure to an inert ingredient when combined with an active ingredient is negligible, the dietary exposure shall be considered to include the inert ingredient and the active ingredient with which it is combined.

"(3) PROCESSED FOOD.—

"(A) TOLERANCES.—If a pesticide chemical residue is present in or on a raw agricultural commodity in conformity with a tolerance that is in effect under this section, if such commodity has been subjected to processing, and if the resulting pesticide chemical residue on the resulting processed food does not have a tolerance, the resulting pesticide chemical residue remaining in or on the resulting processed food shall not be considered unsafe within the meaning of section 402(a)(2)(B) if—

"(i) such residue has been removed from such processed food to the extent possible in good manufacturing practice, and

"(ii) the concentration of the residue of such chemical in such processed food is not greater than the tolerance prescribed for the pesticide chemical residue in such commodity when such processed food is ready for sale to consumers.

"(B) EXEMPTIONS.—If an exemption from the requirement for a tolerance is in effect under this section for a pesticide chemical residue in or on a raw agricultural commodity and if the pesticide chemical residue is present in or on a processed food because such food is made from such raw agricultural commodity, the pesticide chemical residue shall not be considered unsafe within the meaning of section 402(a)(2)(B) if such pesticide chemical residue has been removed during processing to the extent possible in good manufacturing practice.

"(4) PESTICIDE CHEMICALS WITH NO DETECTABLE RESIDUES.—If a pesticide chemical is added to a raw agricultural commodity or processed food and leaves no detectable residue, a tolerance shall be established for the pesticide chemical at a level which is the least amount of the pesticide chemical which can be detected by the method of detecting and measuring the pesticide chemical specified by the Administrator under subsection (b)(2)(E).

"(5) EFFECT OF A TOLERANCE OR EXEMPTION.—While a tolerance or exemption from the requirement for a tolerance is in effect under this section for a pesticide chemical residue or pesticide chemical with respect to any raw agricultural commodity or processed food, such commodity or food shall not by reason of bearing or containing any amount of such residue or chemical be considered to be adulterated within the meaning of section 402(a)(1).

"(b) GENERAL RULE FOR TOLERANCES.—

"(1) AUTHORITY.—

"(A) PESTICIDE CHEMICALS.—The Administrator may, in accordance with subsection (a)(4), promulgate regulations establishing, modifying, or revoking a tolerance for a pesticide chemical which leaves no detectable residue in or on a raw agricultural commodity or processed food—

"(i) in response to a petition filed under subsection (d), or

"(ii) on the Administrator's initiative under subsection (e).

"(B) PESTICIDE CHEMICAL RESIDUES.—The Administrator may, in accordance with this subsection, promulgate regulations establishing, modifying, or revoking a tolerance for a pesticide chemical residue in or on a raw agricultural commodity or processed food—

"(i) in response to a petition filed under subsection (d), or

"(ii) on the Administrator's initiative under subsection (e).

"(C) EXPIRATION DATE.—A regulation establishing or modifying a tolerance for a pesticide chemical residue or pesticide chemical may contain a provision stating an expiration date for the tolerance.

"(2) STANDARD.—

"(A) NEGLIGIBLE RISK STANDARD.—Except as provided in subparagraph (D)(ii) and section 5 of the Food Safety Amendments of 1989—

"(i) a tolerance may be established for a pesticide chemical residue in or on a raw agricultural commodity or a processed food only if the risk to human health, including the health of identifiable population groups (such as infants and other children) with special food consumption patterns, from dietary exposure to the pesticide chemical residue is negligible, and

"(ii) the tolerance for a pesticide chemical residue in or on a raw agricultural commodity or a processed food shall be revoked or modified if the risk to human health, including the health of identifiable population groups (such as infants and other children) with special food consumption patterns, from dietary exposure to the pesticide chemical residue is greater than negligible.

"(B) CRITERIA FOR NEGLIGIBLE RISK.—For purposes of subparagraph (A), the term 'negligible' means—

"(i) for pesticide chemical residues in or on a raw agricultural commodity or a processed food which are not likely to have any adverse human health effect below an identifiable level, the level at which the pesticide chemical residue will not cause or contribute to any known or anticipated adverse effects on human health, and

"(ii) for pesticide chemical residues in or on a raw agricultural commodity or a processed food which are likely to have an adverse human health effect at any level, the level at which the pesticide chemical residue—

"(I) is not likely to cause or contribute to any additional adverse human health effects in the population exposed to the pesticide chemical residue, and

"(II) will not cause or contribute in the population exposed to the pesticide chemical residue to a risk of adverse human health effects which exceeds a rate of one in a million,

using conservative risk assessment models.

In establishing a pesticide chemical residue level under clause (i) the Administrator shall include an ample margin of safety which is based on consideration of the nature of the toxic effects, the validity, completeness, and the reliability of the data about the pesticide chemical residue, the variability of individual sensitivities and the sensitivities of population subgroups to the adverse effects, and the possibility that human susceptibility to the adverse effects is significantly greater than that of test animals. For purposes of the preceding sentence, a margin of safety for a level of a pes-

ticide chemical residue is not ample unless human exposure per unit of body measurement to the pesticide chemical residue is at least 100 times less than the no observable effect level in animals on which the pesticide chemical residue was tested. The no observable effect level is the level of exposure which reliable experimental data, derived from exposing animals to the pesticide chemical, shows induces no adverse effects in the experimental animals.

"(C) EXPOSURE.—For purposes of subparagraph (A)—

"(i) in determining dietary exposure to a pesticide chemical residue, the Administrator shall take into account the dietary exposure resulting from the consumption of the raw agricultural commodity or processed food for which the tolerance is proposed or is in effect, all other tolerances or exemptions in effect for the same pesticide chemical residue, and all other sources (including drinking water) of dietary exposure to the same pesticide chemical residue, and

"(ii) in calculating dietary exposure to the pesticide chemical residue in or on the raw agricultural commodity or processed food for which the tolerance is proposed or is in effect, the Administrator shall consider the level of exposure to be the amount of exposure that would occur if all the commodities and food for which the pesticide chemical residue has a tolerance have amounts of pesticide chemical residues equal to their respective tolerances and if human exposure to the pesticide chemical residue at the tolerance level occurs for a period equal to a lifetime, except that—

"(I) the Administrator may calculate dietary exposure based on the percent of the raw agricultural commodities or processed food in which the pesticide chemical residue occurs if the Administrator has reliable data indicating the percent of such commodities or food in which such residue occurs and that the national distribution of such percent of such commodities or food does not vary significantly from the distribution of the total amount of such commodities or food, and

"(II) the Administrator may calculate dietary exposure to a pesticide chemical residue based on the actual levels of the pesticide chemical residue that occur if the Administrator has reliable data indicating the actual residue levels which occur and establishes a new tolerance or modifies an existing tolerance so that the tolerance permits amounts of the pesticide chemical residue which are no greater than the residue levels which are used to calculate the dietary exposure.

"(D) RULES FOR LEVELS.—

"(i) PHYSICAL OR OTHER TECHNICAL EFFECTS.—A tolerance for a pesticide chemical residue in or on a raw agricultural commodity or processed food which is directly treated with the pesticide chemical producing the residue shall not be established or left in effect at a level higher than the Administrator finds to be reasonably required to allow the accomplishment of the physical or other technical effect for which the use of the pesticide chemical involved is intended.

"(ii) UNAVOIDABLE PERSISTENCE.—If some or all tolerances or an exemption from the requirement for a tolerance for a pesticide chemical residue are revoked and the pesticide chemical residue will unavoidably persist in the environment and contaminate raw agricultural commodities or processed food, the Administrator shall establish a new tolerance under subsection (e) for the pesticide chemical residue. The level permitted by the tolerance may not be greater than the level that permits such unavoidable levels to remain in raw agricultural commodities and processed food. The Administrator shall evaluate any such tolerance at least once a year to determine whether modification of such tolerance is necessary so that the tolerance provides only for the level of the pesticide chemical residue that is unavoidable.

"(E) PRACTICAL METHODS OF ANALYSIS.—

"(i) GENERAL RULE.—Except as provided in clause (ii), a tolerance for a pesticide chemical added to a raw agricultural commodity or processed food or a pesticide chemical residue in or a raw agricultural commodity or processed food shall not be established by the Administrator or allowed to remain in effect unless the Administrator determines, after consultation with the Secretary, that (I) there is a method for detecting and measuring the levels of such pesticide chemical or pesticide chemical residue on such commodity or food which will detect the level of the chemical or residue at the level established by the tolerance, and (II) such method is the best available practical method. A method shall be considered practical only if it can be performed by the Secretary on a routine basis as part of surveillance and compliance sampling of raw agricultural commodities and processed foods for pesticide chemical residues with the personnel, equipment, and other resources available to the Secretary.

"(ii) SPECIAL RULE.—If the Administrator determines that a method for a pesticide chemical residue is not practical and the method is a method which only detects and measures levels of a single pesticide chemical or pesticide chemical residue, the Administrator may establish or leave in effect a tolerance for the pesticide chemical or pesticide chemical residue if the Administrator determines that a method of analysis which detects and measures levels of the pesticide chemical or pesticide chemical residue and other chemicals and residues is not scientifically feasible. The Administrator shall, every 2 years after the date of the determination, review the determination to determine if the determination could still be made.

"(3) FACTORS TO BE CONSIDERED.—In determining whether to establish, modify, or revoke a tolerance for a pesticide chemical residue for a raw agricultural commodity or processed food, the Administrator shall consider—

"(A) the probable consumption of such commodity or food by the population group which consumes the greatest amount of such commodity or food or is at the greatest risk from exposure to such residue on such commodity or food,

"(B) the cumulative effect of such residue in the human diet, taking into account any chemically or pharmacologically related substance in such diet, and all other ways in which the consumer may be exposed to the same residue, and

"(C) safety factors which in the opinion of experts qualified by scientific training and experience to evaluate the safety of pesticide chemical residues are generally recognized as appropriate for use in connection with animal experimentation data.

"(c) GENERAL RULE FOR EXEMPTIONS.—

"(1) AUTHORITY.—The Administrator may promulgate regulations establishing, modifying, or revoking an exemption from the requirement for a tolerance for a pesticide chemical residue in or on a raw agricultural commodity or processed food—

"(A) in response to a petition filed under subsection (d), or

"(B) on the Administrator's initiative under subsection (e).

A regulation establishing or modifying an exemption for a pesticide chemical residue may contain a provision stating an expiration date for the exemption.

"(2) STANDARD.—

"(A) RISK STANDARD.—

"(i) ESTABLISHMENT.—An exemption from the requirement for a tolerance may be established for a pesticide chemical residue only if the residue presents no risk to human health, including the health of identifiable population groups (such as infants and other children) with special food consumption patterns, from dietary exposure to the pesticide chemical residue, because human health is not affected by dietary exposure to the pesticide chemical residue at any level that could reasonably be expected to occur.

"(ii) REVOCATION.—An exemption from the requirement for a tolerance shall be revoked if the residue presents a risk to human health, including the health of identifiable population groups (such as infants and other children) with special food consumption patterns, from dietary exposure to the pesticide chemical residue, because human health is affected by dietary exposure to the pesticide chemical residue.

"(B) EXPOSURE.—For purposes of subparagraph (A)—

"(i) in determining dietary exposure to a pesticide chemical residue, the Administrator shall take into account the dietary exposure to the raw agricultural commodity or processed food for which the exemption from the requirement for a tolerance is proposed or is in effect, all other tolerances or exemptions in effect for the same pesticide chemical residue, and all other sources (including drinking water) of dietary exposure to the same pesticide chemical residue, and

"(ii) in calculating dietary exposure to a pesticide chemical residue in or on a raw agricultural commodity or processed food for which an exemption is proposed or in effect, the Administrator shall consider the maximum amount of residue that could reasonably be expected to occur on the raw agricultural commodity or processed food if the instructions for use of the pesticide chemical were not followed.

"(C) PRACTICAL METHODS OF ANALYSIS.—

"(i) GENERAL RULE.—Except as provided in clause (ii), an exemption from the requirement for a tolerance for a pesticide chemical residue in or a raw agricultural commodity or processed food shall not be established or allowed to remain in effect by the Administrator unless the Administrator determines, after consultation with the Secretary, that there is a method for detecting and measuring the levels of such pesticide chemical residue on such commodity or food and that such method is the best available practical method. A method shall be considered practical only if it can be performed by the Secretary on a routine basis as part of surveillance and compliance sampling of raw agricultural commodities and processed foods for pesticide chemical residues with the personnel, equipment, and other resources available to the Secretary.

"(ii) SPECIAL RULE.—If the Administrator determines that a method for a pesticide chemical residue is not practical and the method is a method which only detects and measures levels of a single pesticide chemical or pesticide chemical residue, the Ad-

ministrator may establish an exemption for the pesticide chemical residue if the Administrator determines that—

"(I) a method of analysis which detects and measures levels of the pesticide chemical residue and other residues is not scientifically feasible, or

"(II) there is clear and convincing data which indicate that no pesticide chemical residue will be detectable on raw agricultural commodities or processed foods when sold to consumers.

The Adminstrator shall, every 2 years after the date of the determination that subclause (I) or (II) applies, review the determination to determine if the determination could still be made.

"(d) PETITIONS FOR A TOLERANCE OR EXEMPTION.—

"(1) GENERAL RULE.—Any person may file with the Administrator a petition proposing the issuance of a regulation establishing, modifying, or revoking a tolerance for a pesticide chemical or a pesticide chemical residue or establishing or revoking an exemption of the pesticide chemical residue from the requirement of a tolerance. A petition to revoke a tolerance, to revoke a tolerance and establish a new tolerance, or to revoke an exemption and establish a tolerance may request the Administrator to take such action under subsection (e)(4).

"(2) PETITION REQUIREMENTS.—

"(A) ESTABLISHMENT.—A petition under paragraph (1) to establish a tolerance for a pesticide chemical or pesticide chemical residue or to establish an exemption from the requirement of a tolerance for a pesticide chemical residue shall contain—

"(i)(I) an informative summary of the petition and of the data, information, and arguments submitted or cited in support of the petition, including a summary of the reports required under clause (iv) respecting the safety of the pesticide chemical or pesticide chemical residue and a characterization of the exposure to the pesticide chemical or pesticide chemical residue due to any tolerance already granted for the pesticide chemical or pesticide chemical residue and the additional exposure to the pesticide chemical or pesticide chemical residue which would result if the requested tolerance were granted, and (II) a statement that the petitioner agrees that such summary or any information it contains may be published as a part of the notice of filing of the petition to be published under this subsection and as part of a proposed or final regulation issued under this subsection,

"(ii) the name, chemical identity, and composition of such pesticide chemical or the pesticide chemical which produces such residue,

"(iii) data showing the requested amount, frequency, method, and time of application of such pesticide chemical,

"(iv) full reports of tests and investigations made with respect to the safety of such pesticide chemical, including full information as to the methods and controls used in conducting such tests and investigations,

"(v) full reports of tests and investigations made with respect to the nature and amount of the pesticide chemical residue that is likely to remain in or on the raw agricultural commodity or in or on the processed food when ready for sale to consumers, including a description of the analytical methods used,

"(vi) practical methods for detecting and measuring the levels of such pesticide chemical residue in or on the raw agricultural commodity or processed food,

"(vii) practical methods for removing any pesticide chemical residue which would exceed any proposed tolerance,

"(viii) a proposed tolerance for such pesticide chemical or pesticide chemical residue, if a tolerance is proposed,

"(ix) all relevant data bearing on the physical or other technical effect such pesticide chemical is intended to have and the quantity of such pesticide chemical required to produce such effect,

"(x) if the petition relates to a tolerance for a processed food, reports of investigations conducted using the processing method used to produce such food,

"(xi) such other data and information as the Administrator requires by regulation to support the petition.

If information or data required by this subparagraph is available to the Administrator, the person submitting the petition may in lieu of submitting the information or data cite the availability of the information or data. The Administrator may require a petition to be accompanied by samples of the pesticide chemical with respect to which the petition is filed.

"(B) INERT INGREDIENTS.—A petition to establish a tolerance for an inert ingredient of a pesticide chemical residue which tolerance will be separate from the tolerance for the active ingredient of the pesticide chemical residue with which the inert ingredient is combined and a petition to establish a tolerance for an active ingredient of a pesticide chemical residue which includes the inert ingredient with which it is combined shall each contain for the inert and active ingredients the information required by subparagraph (A).

"(C) MODIFICATION AND REVOCATION.—The Administrator may by regulation establish the requirements for petitions to modify or revoke a tolerance or to revoke an exemption from the requirement for a tolerance.

"(3) NOTICE.—A notice of the filing of a petition which the Administrator determines has met the requirements of paragraph (2) shall be published by the Administrator within 30 days after filing. Such notice shall announce the availability of a complete description of the analytical methods available to the Administrator for the detection and measurement of the pesticide chemical residue with respect to which the petition is filed and shall include the summary required by paragraph (2)(A)(i).

"(4) ACTIONS BY THE ADMINISTRATOR.—The Administrator shall, within 180 days of the submission of a petition under paragraph (1) and after giving due consideration to the petition and any other information available to the Administrator—

"(A) issue a final regulation in accordance with the petition establishing, modifying, or revoking a tolerance for the pesticide chemical or pesticide chemical residue,

"(B) issue a final regulation in accordance with the petition establishing or revoking an exemption of the pesticide chemical residue from the requirement of a tolerance,

"(C) issue a final regulation—

"(i) establishing, modifying, or revoking a tolerance for the pesticide chemical or pesticide chemical residue which is different from the tolerance requested in the petition, or

"(ii) establishing or revoking an exemption of the pesticide chemical residue from the requirement of a tolerance which is different from the request in the petition for the establishment or revocation of the exemption, or

"(D) issue an order denying the petition.

The Administrator may not take the action described in subparagraph (A) or (B) with respect to a petition unless the petition meets the requirements of paragraph (2).

"(5) NOTICE.—Before issuing a final regulation under subparagraph (A), (B), or (C) of paragraph (4), the Administrator shall issue a notice of proposed rulemaking and provide a period of not less than 30 days for public comment on the proposed regulation, except that a shorter period for comment may be provided if the Administrator finds that it would be contrary to the public interest to do so and states the reasons for that finding in the notice of proposed rulemaking.

"(6) EFFECTIVE DATE.—

"(A) GENERAL RULE.—Except as provided in subparagraph (B), a regulation issued under paragraph (4) shall take effect upon publication.

"(B) DELAY.—

"(i) GENERAL RULE.—If a regulation issued under paragraph (4) revokes or lowers one or more tolerances for a pesticide chemical residue or revokes an exemption for a pesticide chemical residue, the Administrator shall, in accordance with clause (ii), delay the effective date of the regulation to permit the tolerance or exemption to remain in effect at the level in effect immediately before such regulation is issued only—

"(I) for raw agricultural commodities and processed foods which, on the date of the publication of the regulation, contain such pesticide chemical residue in an amount which is not more than such level and for processed foods which are made from raw agricultural commodities which on such date contained such amount of such residue, and

"(II) if dietary exposure to the pesticide chemical residue in or on the raw agricultural commodities or processed foods described in subclause (I) meets the negligible risk standard prescribed by subsection (b)(2).

For purposes of subclause (II), dietary exposure shall be determined only with respect to the tolerances or the exemption which are subject to the regulation and only with respect to the period of consumption of such commodities and food.

"(ii) PERIOD OF DELAY.—The effective date of such a revocation or modification shall be delayed under clause (i) for each type of raw agricultural commodity or processed food which contains such pesticide chemical residue until such type of raw agricultural commodity or processed food is sold to consumers in the course of the usual practice for persons engaged in the production, processing, transportation, storage, and distribution of that type of raw agricultural commodity or processed food.

"(7) FURTHER PROCEEDINGS.—Within 60 days after a regulation is issued under paragraph (4), any person adversely affected by the regulation (including a person without an economic interest) may file objections thereto with the Administrator, specifying with particularity the provisions of the regulation deemed objectionable and stating reasonable grounds therefor. An objection may include a request for a public evidentiary hearing upon any such objection. A copy of each objection filed by a person other than the petitioner shall be served by the Administrator on the petitioner. The petitioner shall have 30 days to make a written reply to the objections. The Administrator may, upon the initiative of the Administra-

tor or upon the request of the person who filed an objection and after due notice, hold a public hearing if and to the extent the Administrator determines a public hearing is necessary to receive factual evidence relevant to material issues of fact raised by such objections. As soon as practicable (but not later than 60 days after receiving such reply or after completion of the hearing, if a hearing was found to be necessary), the Administrator shall issue an order under this paragraph stating the action taken upon each such objection and setting forth any revision to the regulation issued under paragraph (4) that the Administrator has found to be warranted. If a hearing is held, the order issued under this paragraph and any revision to the regulation issued under paragraph (4) shall, with respect to questions of fact at issue in the hearing, be based only on substantial evidence of record at such hearing, and the order issued under this paragraph shall set forth detailed findings of facts, and conclusions of law or policy, upon which such revision shall be based. The revised regulation issued under this paragraph shall not take effect before the 90th day after its publication unless the Administrator finds that emergency conditions exist necessitating an earlier effective date, in which event the Administrator shall specify in the order issued under this paragraph his findings as to such conditions.

"(8) JUDICIAL REVIEW.—

"(A) GENERAL RULE.—Any person (including a person without an economic interest) who will be adversely affected by—

"(i) an order issued under paragraph (4) denying a petition, or

"(ii) an order issued under paragraph (7) or a regulation which is the subject of such an order,

may obtain judicial review of such order or regulation by filing in the United States Court of Appeals for the circuit wherein such person resides or has its principal place of business, or in the United States Court of Appeals for the District of Columbia Circuit, within 60 days after publication of the order under paragraph (4) or (7), a petition praying that the order or regulation be set aside in whole or in part.

"(B) PETITIONS.—A copy of the petition shall be forthwith transmitted by the clerk of the court to the Administrator, or any officer designated by the Administrator for that purpose, and thereupon the Administrator shall file in the court the record of the proceedings on which the Administrator based the order or regulation, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have exclusive jurisdiction to affirm or set aside the order or regulation complained of in whole or in part. The standard of review shall be that specified in section 706 of title 5, United States Code.

"(C) ADDITIONAL EVIDENCE.—If application is made to the court for leave to adduce additional evidence, the court may order such additional evidence to be taken before the Administrator and to be adduced upon the hearing in such manner and upon such terms and conditions as the court may seem proper if such evidence is material and there were reasonable grounds for failure to adduce such evidence. The Administrator may modify the Administrator's findings as to the facts by reason of the additional evidence so taken and may modify the order or regulation accordingly. The Administrator shall file with the court any such modified finding, order, or regulation.

"(D) JUDGMENT.—The judgment of the court affirming or setting aside, in whole or in part, any order under paragraph (7) and any regulation which is the subject of such an order shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28 of the United States Code. The commencement of proceedings under this paragraph shall not, unless specifically ordered by the court to the contrary, operate as a stay of a regulation or order.

"(e) ACTION ON ADMINISTRATOR'S OWN INITIATIVE.—

"(1) GENERAL RULE.—The Administrator may issue a regulation—

"(A) establishing, modifying, or revoking a tolerance for a pesticide chemical or a pesticide chemical residue, or

"(B) establishing or revoking an exemption of a pesticide chemical residue from the requirement of a tolerance.

"(2) EFFECTIVE DATE.—

"(A) GENERAL RULE.—

"(i) PUBLICATION.—Except as provided in subparagraph (B), a regulation issued under paragraph (1) shall take effect upon its publication.

"(ii) FURTHER PROCEEDINGS AND REVIEW.—Upon publication, a regulation issued under paragraph (1) shall be subject to paragraph (7) of subsection (d), except that copies of objections filed under such paragraph are not required to be served on any interested person by the Administrator and there is no requirement for a time period within which interested persons may make a written reply to the objections. If a regulation has been subject to further proceedings under such paragraph (7), the regulation shall be subject to review in accordance with paragraph (8) of subsection (d).

"(B) DELAY.—

"(i) GENERAL RULE.—If a regulation issued under paragraph (1) revokes or lowers one or more tolerance for a pesticide chemical or pesticide chemical residue or revokes an exemption for a pesticide chemical residue, the Administrator shall, in accordance with clause (ii), delay the effective date of the regulation to permit the tolerance or exemption to remain in effect at the level in effect immediately before such regulation is issued only—

"(I) for raw agricultural commodities and processed foods which, on the date of the publication of the regulation, contain such pesticide chemical residue in an amount which is not more than such level and for processed foods which are made from raw agricultural commodities which on such date contained such amount of such residue, and

"(II) if dietary exposure to the pesticide chemical residue in or on the raw agricultural commodities or processed foods described in subclause (I) meets the negligible risk standard prescribed by subsection (b)(2).

For purposes of subclause (II), dietary exposure shall be determined only with respect to the tolerances which are subject to the regulation and only with respect to the period of consumption of such commodities and food.

"(ii) PERIOD OF DELAY.—The effective date of such a revocation or modification shall be delayed under clause (i) for each type of raw agricultural commodity or processed food which contains such pesticide chemical residue until such type of raw agricultural commodity or processed food is sold to consumers in the course of the usual practice for persons engaged in the production, processing, transportation, storage, and distribution of that type of raw agricultural commodity or processed food.

"(3) NOTICE.—Before issuing a regulation under paragraph (1), the Administrator shall issue a notice of proposed rulemaking and provide a period of not less than 30 days for public comment on the proposed regulation, except that a shorter period for comment may be provided if the Administrator finds that it would be contrary to the public interest to do so and states the reasons for that finding in the notice of proposed rulemaking.

"(4) IMMINENT HAZARD.—

"(A) GENERAL RULE.—If the Administrator determines that—

"(i) revocation of an exemption under subsection (c) from the requirement for a tolerance for a pesticide chemical residue in or on a raw agricultural commodity or processed food,

"(ii) in conjunction with the revocation of such an exemption, establishment of a tolerance for the pesticide chemical residue covered by the exemption under which tolerance only residues which meet the standard under subparagraph (A) or (B) of subsection (b)(2) will be permitted to remain on the commodity or food,

"(iii) establishment of a tolerance for a pesticide chemical residue in or on a raw agricultural commodity or processed food which is lower than a tolerance permitted in a regulation in effect for such pesticide chemical residue and under which new tolerance only residues which meet the standard under subparagraph (A) or (B) of subsection (b)(2) will be permitted to remain on the commodity or food, or

"(iv) revocation of a tolerance in effect for a pesticide chemical residue,

is necessary to prevent an imminent hazard to the public health, the Administrator shall, without regard to the procedures required for such action, by order take such action. In issuing such an order, the Administrator shall give prompt notice of the action to the person who requested the exemption or tolerance which will be changed by the order. Such an order shall be effective upon its issuance and shall be published in the Federal Register.

"(B) PROCEDURE.—

"(i) HEARING.—Within 5 days of the publication in the Federal Register of an order issued under subparagraph (A), any interested person may request the Administrator to hold a public hearing on the order. If the Administrator receives a request for a public hearing within the time period prescribed by the preceding sentence, the Administrator shall commence such hearing within 5 days of the receipt of the request. Within 10 days of the completion of such a hearing, the Administrator shall either affirm the order which was the subject of the hearing or revise it. The Administrator shall publish in the Federal Register any revised order.

"(ii) EFFECT OF HEARING.—If a hearing is requested under clause (i) with respect to an order issued under subparagraph (A), the Administrator shall not delay the effective date of the order. Such an order—

"(I) may not be judicially reviewed under chapter 7 of title 5, United States Code, until the order has been affirmed or revised by the Administrator after the completion of the hearing, and

"(II) may not be stayed by a court while the order is being judicially reviewed.

"(5) DEFINITION.—For purposes of this subsection, the Administrator may find an imminent hazard exists with respect to a pesticide chemical residue if the Administrator determines that the risk to human health, including the health of identifiable population groups (such as infants and other children) with special food consumption patterns, from dietary exposure to the pesticide chemical residue is significantly greater than the negligible risk standard prescribed by subsection (b)(2).

"(f) SPECIAL DATA REQUIREMENTS.—

"(1) DETERMINATION OF INADEQUATE DATA.—If a tolerance is in effect for a pesticide chemical added to a raw agricultural commodity or processed food or tolerance or an exemption from the requirement for a tolerance is in effect for a pesticide chemical residue in or on a raw agricultural commodity or processed food and the data contained in the petition under subsection (d) which had been submitted to establish the tolerance or exemption from the tolerance for such pesticide chemical or pesticide chemical residue, including a petition submitted before the date of the enactment of this paragraph, are not adequate to support the continuation of such tolerance or exemption because—

"(A) based on the data contained in the petition and other data available to the Administrator, there is reason to believe that dietary exposure to such pesticide chemical or pesticide chemical residue from all known sources (including drinking water) may present a risk to human health, including the health of identifiable population groups (such as infants and other children) with specific food consumption patterns, that is greater than the negligible risk standard prescribed by subsection (b)(2), or

"(B) the data contained in the petition do not meet the requirements of clauses (iv) and (v) of subsection (d)(2)(A),

the Administrator shall take the action described in paragraph (2).

"(2) ACTION BY ADMINISTRATOR.—When the Administrator makes the determination described in paragraph (1) with respect to a tolerance or exemption for a pesticide chemical or pesticide chemical residue, the Administrator shall, within 30 days of the date of the determination, require the submission of data to support—

"(A) the existing tolerance, or

"(B) a new tolerance for such chemical or residue,

which meets the standard under subsection (b)(2) or (c)(2), unless the Administrator initiates an action under subsection (e) to modify or revoke the tolerance or to revoke the exemption because such tolerance or exemption does not meet the standard under subsection (b)(2) or (c)(2).

"(3) SUBMISSION OF REQUIRED DATA.—When the Administrator requires the submission of data under paragraph (2), the Administrator shall publish in the Federal Register an order—

"(A) requiring one or more interested persons to notify the Administrator that such person will submit the required data,

"(B) describing the type of data required to be submitted,

"(C) describing the reports required to be made during and after the collection of the data,

"(D) requiring the submission of the data and reports referred to in subparagraphs (B) and (C), and

"(E) establishing deadlines for the actions described in subparagraphs (A) and (D).

The Administrator may revise any such order to correct an error.

"(4) DEADLINES.—

"(A) GENERAL RULE.—Except as provided in subparagraphs (B) and (C), if an order is issued under paragraph (3) with respect to a tolerance or exemption and a deadline in the order is not met, the tolerance or exemption shall be considered revoked.

"(B) DELAY REQUEST.—Any person identified under paragraph (3)(A) may request the Administrator to delay the effective date of the revocation. If the Administrator determines that extraordinary circumstances beyond the control of such person prevented such person from submitting the required data, the Administrator may delay the effective date of the revocation for a period no longer than such time as is necessary for such person to submit the data.

"(C) DELAY.—

"(i) GENERAL RULE.—If a tolerance or exemption is to be considered revoked under subparagraph (A), the Administrator shall, in accordance with clause (ii), delay the effective date of the revocation to permit the tolerance or exemption to remain in effect at the level in effect immediately before the order is issued under paragraph (3) only for—

"(I) raw agricultural commodities and processed foods which, on the date of the deadline in the order, contain such pesticide chemical residue in an amount which is not more than such level, and

"(II) processed foods which are made from raw agricultural commodities which on such date contained such amount of such residue.

"(ii) PERIOD OF DELAY.—The effective date of such revocation shall be delayed under clause (i) for each type of raw agricultural commodity or processed food which contains such pesticide chemical residue until such type of raw agricultural commodity or processed food is sold to consumers in the course of the usual practice for persons engaged in the production, processing, transportation, storage, and distribution of that type of raw agricultural commodity or processed food.

"(5) FURTHER PROCEEDINGS AND REVIEW.—Within 60 days of the date of a deadline in an order under paragraph (3) which has not been met, any person adversely affected (including any person without an economic interest) by—

"(A) the revocation of a tolerance or exemption prescribed by paragraph (4)(A), or

"(B) the effective date of a revocation established under paragraph (4)(C),

may file objections to the revocation or the effective date in accordance with paragraph (7) of subsection (d) and all provisions of such paragraph shall apply. If such revocation or effective date is subject to further proceedings under such paragraph (7), the order issued under paragraph (4) in response to the objections shall be subject to review under paragraph (8) of subsection (d).

"(6) EVALUATION OF DATA.—Within 90 days of the date of the receipt of data and reports under paragraph (3), the Administrator shall evaluate such data and reports and determine whether action is required under subsection (e) with respect to the pesticide chemical residue for which the data and reports were submitted so that such residue meets the negligible risk standard prescribed under subsection (b)(2).

"(g) CONFIDENTIALITY OF DATA.—

"(1) GENERAL RULE.—Data submitted to the Administrator in support of a petition under subsection (d) which have not previously been made available to the public without restriction shall upon request of the petitioner be considered as entitled to confidential treatment by the Administrator until publication of a regulation or order under subsection (d)(4) in response to the petition unless disclosure of such data is allowed by this subsection or subsection (h) or is otherwise required by law.

"(2) DISCLOSURE.—Data that are entitled to confidential treatment under paragraph (1) shall not be revealed to any person other than—

"(A) either House of Congress, to the extent of matter within its jurisdiction, any committee or subcommittee thereof, or any joint committee of Congress or any subcommittee of such joint committee,

"(B) employees of the United States authorized by the Administrator to examine such data in the carrying out of their official duties under this Act or other statutes administered by the Environmental Protection Agency, or

"(C) contractors with the United States authorized by the Administrator to examine such data in the carrying out of contracts under such statutes under such security requirements as the Administrator may provide.

"(3) SUMMARIES.—Notwithstanding any provision of this subsection or other law, the Administrator may publish the informative summary required by subsection (d)(2)(A)(i) and may, in issuing a proposed or final regulation or order under this section, publish an informative summary of the data relating to the regulation or order.

"(h) ACCESS TO DATA IN SUPPORT OF PETITION.—

"(1) GENERAL RULE.—If data in support of a petition is submitted to the Administrator, the Administrator, before acting on such petition, shall provide, in accordance with this paragraph, public access to health and safety data that are submitted or cited in support of such petition. To obtain access to such data, a person shall send by certified mail—

"(A) not later than 30 days after the publication under subsection (d)(3) of a notice of the filing of a petition, and

"(B) simultaneously to the Administrator and to the petitioner,

a request for such access and the affirmation required by paragraph (2). Unless within 15 days after the receipt by the Administrator of a request for access to such data and of an affirmation complying with paragraph (2) the petitioner submits to the Administrator an objection to the request asserting that the affirmation is inaccurate and the reasons for the objection, the Administrator shall grant the request. If an objection to a request is submitted to the Administrator within such 15-day period, the Administrator shall determine whether to grant the request within 5 days after the receipt of the objection. If the Administrator determines to grant the request, access shall not be permitted until 5 days after the petitioner making the objection has been notified that access has been granted. If access to data is denied, comments on the petition for which such data were submitted or cited shall be filed within 60 days after the decision of the Administrator denying access.

"(2) RESTRICTION.—Data referred to in paragraph (1) may be made available only to a person who provides an affirmation (and such supporting evidence as the Administrator considers necessary) which—

"(A) states that the person is not engaged in, and is neither employed by nor acting (directly or indirectly) on behalf of any other person or affiliate thereof engaged in, the production, sale, or distribution of a pesticide chemical,

"(B) identifies any business, employer, or other person, if any, on whose behalf the person is requesting access to the data, and

"(C) states that the person will not intentionally or recklessly violate this subsection. For purposes of this paragraph, an affiliate of a person is a person who directly or indirectly, through one or more intermediates, controls or is controlled by or is under common control with the other person. Section 1001 of title 18, United States Code, shall apply to an affirmation made under this paragraph.

"(3) COMMENTS.—

"(A) GENERAL RULE.—Data supporting a petition may be made available under paragraph (1) to a person only for the purpose of permitting the person to comment to the Administrator on such petition. Such comments may reasonably quote data submitted to the Administrator. No person, including the Administrator, may make such comments public before the decision of the Administrator on the petition for which such data were submitted or after such decision if the petition is denied.

"(B) RESTRICTIONS.—A person who obtains data under paragraph (1) (directly or indirectly) may not—

"(i) publish, copy, or transfer the data to any other person to obtain approval to sell, manufacture, or distribute a pesticide chemical anywhere in the world, or

"(ii) use the data for any purpose in any court or agency of the United States or any State or political subdivision thereof before the decision of the Administrator on the petition for which such data were submitted or after such decision if the petition is denied.

"(4) PROCEDURE.—Data made available under paragraph (1) may be examined at an office of the Environmental Protection Agency or an appropriate State agency under the conditions prescribed by this subsection and may not be removed from such office. The Administrator shall maintain a record of the persons who inspect data. A copy of such record shall be sent to the data submitter on request. Once access to data supporting a petition is granted, the data may be examined and notes may be taken for use in developing comments on the petition. Such comments on the petition shall be filed within 60 days after the decision of the Administrator granting access, unless the comment period is extended by the Administrator for an additional 30 days for good cause.

"(i) OTHER REGULATIONS.—

"(1) REGULATIONS UNDER SECTION 406.—Regulations affecting pesticide chemical residues in or on raw agriculture commodities promulgated, in accordance with section 701(e), under the authority of section 406(a) upon the basis of public hearings instituted before January 1, 1953, shall be deemed to be regulations issued under this section and shall be subject to modification or revocation under subsections (d) and (e).

"(2) REGULATIONS UNDER SECTION 409.—Regulations establishing tolerances for pesticide chemical residues in processed food under section 409 on or before the date of the enactment of this subsection shall be deemed to be regulations issued under this section if the pesticide chemical residue for which the tolerance was established meets the negligible risk standard under subsection (b)(2). If such pesticide chemical residue does not meet such standard, the 409 regulation for such residue shall be deemed to be a regulation issued under this section for such residue and the residue shall be subject to section 5 of the Food Safety Amendments of 1989.

"(j) F.D.A. MONITORING OF PESTICIDE CHEMICAL RESIDUES.—The Secretary shall conduct surveillance and compliance sampling of raw agricultural commodities and processed foods for pesticide chemical residues to determine if the pesticide chemical residues are in compliance with this section. As part of such surveillance and compliance sampling, the Secretary shall—

"(1) sample those raw agricultural commodities and processed foods for which there are tolerances under this section which are the subject of a notice under section 5(b)(1)(B) of the Food Safety Amendments of 1989 during the period section 5 of such Amendments applies, and

"(2) sample those raw agricultural commodities and processed foods for which there are tolerances under this section if the tolerances were established on a dietary exposure based on actual levels of the pesticide chemical residue under subsection (b)(2)(C)(ii)(II).

"(k) FEES.—The Administrator shall by regulation require the payment of such fees as will in the aggregate, in the judgment of the Administrator, be sufficient over a reasonable term to provide, equip, and maintain an adequate service for the performance of the Administrator's functions under this section. Under such regulations, the performance of the Administrator's services or other functions under this section may be conditioned upon the payment of such fees. Such regulations may further provide that the continuation in effect of a tolerance or exemption shall be conditioned upon the payment of an annual fee and for waiver or refund of fees in whole or in part when in the judgment of the Administrator such waiver or refund is equitable and not contrary to the purposes of this subsection.".

SEC. 5. EVALUATION OF EXISTING PESTICIDE CHEMICAL RESIDUES.

(a) INITIAL ACTION.—

(1) EVALUATION.—Within 90 days of the date of the enactment of this Act, the Administrator of the Environmental Protection Agency shall—

(A) for each pesticide chemical residue which is required to have a tolerance or an exemption from the requirement for a tolerance under section 408 of the Federal Food, Drug, and Cosmetic Act, evaluate all available data with respect to the safety of such pesticide chemical residue and the nature and amount of such residue remaining in or on raw agricultural commodities and processed foods, and

(B) determine if there is reason to believe that dietary exposure to such a pesticide chemical residue may present a risk greater than the negligible risk standard prescribed by section 408(b)(2) of such Act.

(2) SUFFICIENT DATA.—If with respect to any pesticide chemical residue which is evaluated under paragraph (1)—

(A) the Administrator determines that data for the pesticide chemical residue are sufficient to determine that dietary exposure to the pesticide chemical residue presents a risk greater than such negligible risk standard and that additional data are needed to support the continuation of a tolerance for the pesticide chemical residue or of the exemption for such chemical under such section 408, and

(B) the Administrator intends to issue a subsection (b)(1)(B) notice for the residue, the Administrator shall, within 30 days of the date of such determination, take the action described in section 408(f)(2) of the Federal Food, Drug, and Cosmetic Act.

(3) INSUFFICIENT DATA.—If with respect to any pesticide chemical residue which is evaluated under paragraph (1) the Administrator determines that the data are insufficient to make the determination described in subparagraph (B) of paragraph (1), the Administrator shall, within 30 days of the date of such determination, take the action described in section 408(f)(2) of such Act. When the Administrator determines that the data with respect to a pesticide chemical residue are sufficient to make such determination, the Administrator shall make the determination within 90 days of receiving the sufficient data.

(b) DETERMINATION OF RISK GREATER THAN NEGLIGIBLE.—

(1) ACTION BY THE ADMINISTRATOR.—If the Administrator of the Environmental Protection Agency determines under subsection (a) that dietary exposure to a pesticide chemical residue may present a risk greater than the negligible risk standard prescribed by such section 408(b)(2), the Administrator shall—

(A) initiate an action under section 408(e) of such Act to—

(i) lower one or more tolerances applicable to the pesticide chemical residue so that dietary exposure to the pesticide chemical residue meets such negligible risk standard,

(ii) revoke any exemption in effect for the pesticide chemical residue and establish one or more tolerances for the residue so that dietary exposure to the residue meets such negligible risk standard, or

(iii) revoke the exemption or all tolerances for the pesticide chemical residue if—

(I) lowering one or more tolerances for the pesticide chemical residue or establishing one or more tolerances upon the revocation of an exemption will not result in dietary exposure to the pesticide chemical residue meeting such negligible risk standard, and

(II) the risk from dietary exposure to the pesticide chemical residue during the 4-year period beginning on the date of the Administrator's determination is significantly greater than such negligible risk standard, or

(B) if the risk presented by dietary exposure to the pesticide chemical residue, during the 4-year period beginning on the date of the Administrator's determination, is not significantly greater than such negligible risk standard, issue a notice in the Federal Register containing the information prescribed by paragraph (2) and specifying that the requirements of paragraph (3) apply.

(2) NOTICE CONTENT.—A notice issued under paragraph (1)(B) for a pesticide chemical residue shall—

(A) state the name of the pesticide chemical residue for which the notice is issued,

(B) specify the raw agricultural commodities and processed foods for which the pesticide chemical residue has tolerances or an exemption and specify the level of the residue permitted under the tolerances,

(C) specify the dates the tolerances and the exemption were issued,

(D) specify the risk presented by dietary exposure to the pesticide chemical residue and by each tolerance and any exemption

issued for the pesticide chemical residue, and

(E) specify any identifiable population group (including infants and other children) with a special food consumption pattern for which the risk presented by dietary exposure to the pesticide chemical residue may exceed such negligible risk standard.

(3) REQUIREMENTS.—If a notice is issued under paragraph (1)(B) with respect to a pesticide chemical residue—

(A) then, within 2 years of the date of the issuance of the notice, the person who petitioned for the tolerance for the pesticide chemical residue or any other person who advises the Administrator that such person will submit the data required by this subparagraph shall submit to the Administrator data for such pesticide chemical which indicate the lowest residue level which is reasonably required to allow the accomplishment of the physical or other technical effect for which the use of such pesticide chemical is intended,

(B) then, within 2 years of the date of the issuance of the notice, there shall be a method for detecting and measuring the levels of such residues which meets the requirements of section 408(b)(2)(E) of such Act,

(C)(i) if the notice was issued for a pesticide chemical residue with one or more tolerances, then, within 2 years of the date of the issuance of the notice, the risk presented by dietary exposure under each tolerance for the pesticide chemical residue must not be greater than the negligible risk standard prescribed by such section 408(b)(2), except that for purposes of this clause such standard shall be considered to have been determined for each tolerance in effect for the pesticide chemical residue without regard to any other tolerance in effect for the residue, and

(ii) if the notice was issued for a pesticide chemical residue with an exemption, then, within 2 years of the date of the issuance of the notice, the exemption shall be revoked and one or more tolerances shall be established so that the risk presented by dietary exposure under each tolerance for the residue meets such negligible risk standard as described in clause (i), and

(D) then, within 4 years of the date of the issuance of the notice, the risk presented by dietary exposure to the pesticide chemical residue must not be greater than the negligible risk standard prescribed by such section 408(b)(2).

(4) CONSEQUENCES.—

(A) DATA NOT SUBMITTED.—If the data required to be submitted by paragraph (3)(A) for a pesticide chemical residue are not submitted to the Administrator within the time prescribed by such paragraph, each tolerance or the exemption in effect for the pesticide chemical residue shall be considered revoked, except as provided in subsection (c). A person required to submit such data may request the Administrator to delay the effective date of the revocation. If such a request is made and if the Administrator determines that extraordinary circumstances beyond the control of such person prevented such person from submitting the required data, the Administrator may delay the effective date of the revocation for a period no longer than such time as is necessary for such person to submit the data.

(B) METHOD OF ANALYSIS NOT APPROVED.—If the method of analysis required by paragraph (3)(C) for a pesticide chemical residue is not approved by the Administrator by the expiration of the 2-year period beginning on the date of the issuance of a notice under paragraph (1)(B) for the pesticide chemical residue, each tolerance and the exemption for the pesticide chemical residue shall be considered revoked, except as provided in subsection (c).

(C) SPECIAL RISK STANDARD.—

(i) RESIDUE WITH TOLERANCE.—Within 30 days of the expiration of the 2-year period beginning on the date of the issuance of a notice under paragraph (1)(B) for a pesticide chemical residue with one or more tolerances, the Administrator shall determine from the best available data if the requirements of paragraph (3)(C)(i) have been met. If the Administrator's determination is that such requirements have not been met—

(I) the Administrator shall, within 30 days of the date of such determination, take action under section 408(e) of such Act to modify one or more existing tolerances so that the risk presented by dietary exposure to the pesticide chemical residue under each tolerance in effect for it is not greater than the negligible risk standard as described in paragraph (3)(C)(i), or

(II) if the Administrator determines that tolerances that will enable the pesticide chemical residue to meet such standard are not feasible, each tolerance in effect for the pesticide chemical residue shall be considered revoked, except as provided in subsection (c).

(ii) RESIDUE WITH EXEMPTION.—Within 30 days of the expiration of the 2-year period beginning on the date of the issuance of a notice under paragraph (1)(B) for a pesticide chemical residue with an exemption, the Administrator shall determine from the best available data if the requirements of paragraph (3)(C)(ii) have been met. If the Administrator's determination is that such requirements have not been met all tolerances and any exemption in effect for the pesticide chemical residue shall be considered revoked, except as provided in subsection (c).

(D) NEGLIGIBLE RISK STANDARD.—Within 30 days of the expiration of the 4-year period beginning on the date of the issuance of a notice under paragraph (1)(B) for a pesticide chemical residue, the Administrator shall determine if the requirements of paragraph (3)(D) have been met. If the Administrator's determination is that the requirements have not been met—

(i) the Administrator shall—

(I) within 30 days of the date of the determination, initiate action under section 408(e) of such Act to modify one or more tolerances so that the risk presented by dietary exposure to the pesticide chemical residue meets the negligible risk standard prescribed by such section 408(b)(2), and

(II) within 180 days of the date of the determination, complete such action, or

(ii) if the Administrator determines that tolerances that will enable the pesticide chemical residue to meet such standard are not feasible, each tolerance in effect for the pesticide chemical residue shall be considered revoked, except as provided in subsection (c).

(c) PIPELINE.—

(1) GENERAL RULE.—The Administrator of the Environmental Protection Agency shall, in accordance with paragraph (2), delay the effective date of a revocation of a tolerance or exemption under subsection (b)(4) to permit the tolerance or exemption to remain in effect at the level in effect immediately before the date revocation was to take effect only—

(A) for raw agricultural commodities and processed foods which, on the date the revocation was to take effect, contain such pesticide chemical residue in an amount which is not more than such level and for processed foods which are made from raw agricultural commodities which on such date contained such amount of such residue, and

(B) if dietary exposure to the pesticide chemical residue in or on the raw agricultural commodities or processed foods described in subparagraph (A) meets the negligible risk standard prescribed by such section 408(b)(2).

For purposes of subparagraph (B), dietary exposure shall be determined only with respect to the tolerances which are subject to the revocation and only with respect to the period of consumption of such commodities and food.

(2) PERIOD OF DELAY.—The effective date of such revocation shall be delayed under paragraph (1) for each type of raw agricultural commodity or processed food which contains such pesticide chemical residue until such type of raw agricultural commodity or processed food is sold to consumers in the course of the usual practice for persons engaged in the production, processing, transportation, storage, and distribution of that type of raw agricultural commodity or processed food.

(d) FURTHER PROCEEDINGS AND REVIEW.—Within 60 days of the date of a revocation under subsection (b)(4) determined without regard to subsection (c), any person adversely affected (including any person without an economic interest) by—

(1) the revocation of a tolerance or exemption prescribed by subsection (b)(4), or

(2) the effective date of a revocation established under subsection (c),

may file objections to the revocation or the effective date in accordance with paragraph (7) of section 408(d) of the Federal Food, Drug, and Cosmetic Act and all provisions of such paragraph shall apply. If such revocation or effective date is subject to further proceedings under such paragraph (7), the order issued under paragraph (7) in response to such objections shall be subject to review under paragraph (8) of such section 408(d).

SEC. 6. REVISED NEGLIGIBLE RISK STANDARD.

(a) NEW STANDARD.—Effective upon the expiration of 6 years after the date of the enactment of this Act, subparagraphs (A) and (B) of section 408(b)(2) of the Federal Food, Drug, and Cosmetic Act are amended to read as follows:

"(A) NEGLIGIBLE RISK STANDARD.—Except as provided in subparagraph (D)(ii) and section 5 of the Food Safety Amendments of 1989—

"(i) a tolerance may be established for a pesticide chemical residue in or on a raw agricultural commodity or a processed food only if the risk to human health, including the health of identifiable population groups (such as infants and other children) with special food consumption patterns, from dietary exposure to—

"(I) the pesticide chemical residue, and

"(II) all other pesticide chemical residues which have a tolerance for such raw agricultural commodity or processed food and which are usually used on the same raw agricultural commodity or processed food as the pesticide chemical residue for which the tolerance is to be established,

is negligible, and

"(ii) the tolerance for a pesticide chemical residue in or on a raw agricultural commodity or a processed food shall be revoked or modified if the risk to human health, in-

cluding the health of identifiable population groups (such as infants and other children) with special food consumption patterns, from dietary exposure to—

"(I) the pesticide chemical residue, and

"(II) all other pesticide chemical residues which have a tolerance for such raw agricultural commodity or processed food and which are usually used on the same raw agricultural commodity or processed food as the pesticide chemical residue for which the tolerance is to be established,

is greater than negligible.

"(B) CRITERIA FOR NEGLIGIBLE RISK.—For purposes of subparagraph (A), the term 'negligible' means—

"(i) for pesticide chemical residues in or on a raw agricultural commodity or a processed food which are not likely to have any adverse human health effect below an identifiable level, the level at which the pesticide chemical residue combined with all other pesticide chemical residues which have a tolerance for such raw agricultural commodity or processed food and which are usually used on the same raw agricultural commodity or procesed food as the pesticide chemical residue will not cause or contribute to any known or anticipated adverse effects on human health, and

"(ii) for pesticide chemical residues in or on a raw agricultural commodity or a processed food which are likely to have an adverse human health effect at any level, the level at which the pesticide chemical residue combined with all other pesticide chemical residues which have a tolerance for such raw agricultural commodity or processed food and which are usually used on the same raw agricultural commodity or processed food as the pesticide chemical residue—

"(I) is not likely to cause or contribute to any additional adverse human health effects in the population exposed to the pesticide chemical residue, and

"(II) will not cause or contribute in the population exposed to the pesticide chemical residue to a risk of adverse human health effects which exceeds a rate of one in a million,

using conservative risk assessment models.

In establishing a pesticide chemical residue level under clause (i) the Administrator shall include an ample margin of safety which is based on consideration of the nature of the toxic effects, the validity, completeness, and the reliability of the data about the pesticide chemical residue, the variability of individual sensitivities and the sensitivities of population subgroups to the adverse effects, and the possibility that human susceptibility to the adverse effects are significantly greater than that of test animals. For purposes of the preceding sentence, a margin of safety for a level of a pesticide chemical residue is not ample unless human exposure per unit of body measurement to the pesticide chemical residue is at least 100 times less than the no observable effect level in animals on which the pesticide chemical residue was tested. The no observable effect level is the level of exposure which reliable experimental data, derived from exposing animals to the pesticide chemical, shows induces no adverse effects in the experimental animals.".

(b) ACTION BY ADMINISTRATOR.—Within one year of the effective date of the amendment made by subsection (a), the Administrator of the Environmental Protection Agency shall take action under section 408(e) of the Federal Food, Drug, and Cosmetic Act to revoke or modify all tolerances for pesticide chemical residues which do not meet the standard prescribed by such amendment.

SEC. 7. REVIEW OF EXISTING TOLERANCES.

Except as provided in section 5, not later than 180 days after the date of the enactment of this Act, the Administrator of the Environmental Protection Agency shall determine for each tolerance for a pesticide chemical residue established under section 408 of the Federal Food, Drug, and Cosmetic Act and in existence on the date of enactment whether the Administrator is required to take the action described in section 408(f)(2) of such Act. If the Administrator determines that the Administrator is required to take such action, the Administrator shall take such action within 180 days of the date of the determination.

SEC. 8. REVIEW OF EXISTING EXEMPTIONS.

(a) SUBMISSION OF DATA REQUIREMENTS.—Except as provided in section 5 of the Food Safety Amendments of 1989, not later than 180 days after the date of the enactment of this Act, the Administrator of the Environmental Protection Agency shall publish in the Federal Register an order which—

(1) provides a list of all pesticide chemicals and pesticide chemical residues which, on the date of the enactment of this Act, have exemptions from the requirement for a tolerance and which do not meet the requirements of section 408(c) of the Federal Food, Drug, and Cosmetic Act,

(2) requires the identification of the person who will submit the necessary data to continue the exemption or to establish a tolerance for such pesticide chemical residues,

(3) describes the type of data required to be submitted,

(4) describes the reports required to be made during and after the collection of the data,

(5) requires the submission of the data and reports referred to in paragraphs (3) and (4) not later than 48 months after the issuance of the order, and

(6) establishes deadlines for the actions described in paragraphs (2), (3), (4), and (5).

(b) DEADLINES.—

(1) GENERAL RULE.—Except as provided in paragraphs (2) and (3), if an order is issued under subsection (a) with respect to an exemption and a deadline in the order is not met, the exemption shall be considered revoked.

(2) DELAY REQUEST.—A person identified under subsection (a)(2) may request the Administrator of the Environmental Protection Agency to delay the effective date of a revocation. If the Administrator determines that extraordinary circumstances beyond the control of such person prevented such person from submitting the required data, the Administrator may delay the effective date of the revocation of the exemption for a period no longer than such time as is necessary for such person to submit the data.

(3) PIPELINE.—

(A) DELAY.—If an exemption is to be considered revoked under paragraph (1), the Administrator shall, in accordance with subparagraph (B), delay the effective date of the revocation to permit the exemption to remain in effect at the level in effect immediately before the order is issued under subsection (a) only for those—

(i) raw agricultural commodities and processed foods which, on the date of the deadline in the order, contain such pesticide chemical residue in an amount which is not more than such level, and

(ii) processed foods which are made from raw agricultural commodities which on such date contained such amount of such residue

(B) DELAY PERIOD.—The effective date of such revocation shall be delayed under subparagraph (A) for each type of raw agricultural commodity or processed food which contains such pesticide chemical residue until such type of raw agricultural commodity or processed food is sold to consumers in the course of the usual practice for persons engaged in the production, processing, transportation, storage, and distribution of that type of raw agricultural commodity or processed food.

(4) FURTHER PROCEEDINGS AND REVIEW.—Within 60 days of the date of a deadline in an order under subsection (a) which has not been met, any person adversely affected (including any person without an economic interest) by—

(A) the revocation of a tolerance or exemption prescribed by such subsection, or

(B) the effective date of a revocation established under paragraph (3),

may file objections to the revocation or the effective date in accordance with paragraph (7) of section 408(d) of the Federal Food, Drug, and Cosmetic Act and all provisions of such paragraph shall apply. If such revocation or effective date is subject to further proceedings under such paragraph (7), the order issued under paragraph (7) in response to such objections shall be subject to review under paragraph (8) of subsection (d).

(c) EVALUATION OF DATA.—Within 90 days of the date of the receipt of data and reports under subsection (a), the Administrator of the Environmental Protection Agency shall evaluate such data and reports and determine whether action is required under section 408(e) of the Federal Food, Drug, and Cosmetic Act with respect to the pesticide chemical residue for which the data and reports were submitted so that a pesticide chemical residue meets the negligible risk standard prescribed under section 408(b)(2) of such Act.

SEC. 9. INERT INGREDIENTS.

(a) LIST.—Not later than 180 days after the date of the enactment of this Act, the Administrator of the Environmental Protection Agency shall publish in the Federal Register a list of inert ingredients—

(1) which are generally recognized, among experts qualified by scientific training or experience to evaluate the safety of inert ingredients, as safe, or

(2) which are required under section 408(a)(2) of the Federal Food, Drug, and Cosmetic Act to either have a tolerance or to be included in the tolerance for an active ingredient of a pesticide chemical residue or pesticide chemical.

(b) SUBMISSION OF DATA REQUIREMENTS.—Not later than 180 days after the date of the enactment of this Act, the Administrator of the Environmental Protection Agency shall publish in the Federal Register an order for inert ingredients described in subsection (a)(2) which—

(1) requires one or more interested persons to notify the Administrator that such person will submit the necessary data to establish a tolerance for such ingredient,

(2) describes the type of data required to be submitted,

(3) describes the reports required to be made during and after the collection of the data,

(4) requires the submission of the data and reports referred to in paragraphs (2) and (3), and

(5) establishes deadlines for the actions described in paragraphs (1), (2), (3), and (4).

(c) DEADLINES.—

(1) GENERAL RULE.—Except as provided in paragraph (2) or (3), if an order is issued under subsection (b) with respect to an inert ingredient and a deadline in the order is not met, any pesticide chemical or pesticide chemical residue which contains the inert ingredient shall be considered to be unsafe for purposes of section 402(a)(2)(B) of the Federal Food, Drug, and Cosmetic Act.

(2) DELAY REQUEST.—A person identified under subsection (b)(1) may request the Administrator of the Environmental Protection Agency to delay the effective date of such determination. If the Administrator determines that extraordinary circumstances beyond the control of such person prevented such person from submitting the required data, the Administrator may delay the effective date on which such pesticide chemical is to be considered unsafe for a period no longer than such time as is necessary for such person to submit the data.

(3) PIPELINE.—

(A) DELAY.—If a pesticide chemical or pesticide chemical residue is to be considered unsafe under paragraph (1), the Administrator shall, in accordance with subparagraph (B), delay the effective date on which the pesticide chemical or pesticide chemical residue would be considered unsafe to permit the inert ingredient to be considered safe only for those raw agricultural commodities and processed foods which, on the date of the deadline in the order, contain the inert ingredient and for processed foods which are made from raw agricultural commodities which on such date contained such inert ingredient.

(B) DELAY PERIOD.—The effective date on which the pesticide chemical or pesticide chemical residue containing the inert ingredient is to be considered unsafe shall be delayed under subparagraph (A) for each type of raw agricultural commodity or processed food which contains the inert ingredient until such type of raw agricultural commodity or processed food is sold to consumers in the course of the usual practice for persons engaged in the production, processing, transportation, storage, and distribution of that type of raw agricultural commodity or processed food.

(4) FURTHER PROCEEDINGS AND REVIEW.—Within 60 days of the date of a deadline in an order under subsection (b), any person adversely affected (including any person without an economic interest) by—

(A) a pesticide chemical or pesticide chemical residue being considered unsafe, or

(B) the effective date of the pesticide chemical or pesticide chemical residue being considered unsafe established under paragraph (3),

may file objections to the pesticide chemical or pesticide chemical residue being considered unsafe or to the effective date in accordance with paragraph (7) of section 408(d) of the Federal Food, Drug, and Cosmetic Act and all provisions of such paragraph shall apply. If consideration of the pesticide chemical or pesticide chemical residue being considered unsafe or such effective date is subject to further proceedings under such paragraph (7), the order issued under subsection (b) in response to such objections shall be subject to review under paragraph (8) of such section 408(d).

(d) EVALUATION OF DATA.—Within 90 days of the date of the receipt of data and reports under subsection (b), the Administrator of the Environmental Protection Agency shall evaluate such data and reports and determine whether action is required under section 408(e) of the Federal Food, Drug, and Cosmetic Act with respect to the pesticide chemical residue for which the data and reports were submitted so that a pesticide chemical residue containing the inert ingredients for which the data and reports were submitted meets the negligible risk standard prescribed under section 408(b)(2) of such Act.

SEC. 10. REVIEW OF GENERALLY RECOGNIZED AS SAFE PESTICIDES.

(a) GENERAL RULE.—Pesticide chemicals and pesticide chemical residues which on the day before the date of the enactment of this Act do not have tolerances or exemptions from tolerances under section 408 of the Federal Food, Drug, and Cosmetic Act because they are generally recognized as safe shall on or after such date not be considered unsafe under section 402(a)(2)(B) of such Act solely because the chemicals do not have such a tolerance or exemption.

(b) SUBMISSION OF DATA REQUIREMENTS.—Not later than one year after the date of the enactment of this Act, the Administrator of the Environmental Protection Agency shall publish in the Federal Register an order which—

(1) provides a list of all pesticide chemicals which on the day before the date of the enactment of this Act do not have tolerances or exemptions from tolerances under section 408 of the Federal Food, Drug, and Cosmetic Act because they are generally recognized as safe,

(2) requires the identification of the person who will submit the necessary data to establish a tolerance or exemption for such pesticide chemical,

(3) describes the type of data required to be submitted,

(4) describes the reports required to be made during and after the collection of the data,

(5) requires the submission of the data and reports referred to in paragraphs (3) and (4) not later than 48 months after the issuance of the order, and

(6) establishes deadlines for the actions described in paragraphs (2), (3), (4), and (5).

(c) DEADLINES.—If an order is issued under subsection (b) with respect to a pesticide chemical and a deadline in the order is not met, the Administrator of the Environmental Protection Agency may issue an order declaring the pesticide chemical to be unsafe for the purpose of section 402(a)(2)(B) of the Federal Food, Drug, and Cosmetic Act.

(d) FURTHER PROCEEDINGS AND REVIEW.—Within 60 days of the issuance of an order under subsection (a), any person adversely affected by the order (including any person without an economic interest) may file an objection to the order in accordance with paragraph (7) of section 408(d) of the Federal Food, Drug, and Cosmetic Act and all provisions of such paragraph shall apply. If such order is subject to further proceedings under such paragraph (7), the order shall be subject to review under paragraph (8) of such section 408(d).

SEC. 11. REVIEW OF EXISTING METHODS OF ANALYSIS.

Within 180 days of the date of the enactment of this Act, the Administrator of the Environmental Protection Agency shall determine for each method of detecting and measuring levels of pesticide chemical residues which are subject to section 5(b)(3)(B) of the Food Safety Amendments of 1989 if the requirements of section 408(b)(2)(E) of the Federal Food, Drug, and Cosmetic Act have been met. The Administrator shall issue a notice in the Federal Register identifying each pesticide chemical for which there is such a method which does not meet such requirements. Any such method which does not meet such requirements shall be revised so that it meets such requirements within 3 years of the date of the issuance of the notice. If upon the expiration of such 3 years, a method does not meet such requirements, then any tolerance or exemption in effect for the pesticide chemical residue subject to such method shall be considered revoked.

SEC. 12. DEFINITIONS.

(a) IN GENERAL.—The terms used in sections 5 through 11 of this Act which are the same as the terms used in section 408 of the Federal Food, Drug, and Cosmetic Act shall have the same meaning as is prescribed for those terms by sections 201 and 408 of such Act.

(b) DIETARY EXPOSURE.—As used in section 5 of this Act, the term "dietary exposure" refers to dietary exposure as determined under section 408(b)(2)(C) of the Federal Food, Drug, and Cosmetic Act.

(c) EXEMPTION.—As used in sections 5 through 11 of this Act, the term "exemption" means an exemption from the requirement for a tolerance under section 408 of the Federal Food, Drug, and Cosmetic Act.●

● Mr. DODD. Mr. President, I rise in enthusiastic support of legislation being introduced today by my colleagues Senator KENNEDY and Congressman WAXMAN. The Food Safety Amendments of 1989, by Amending the Federal Food, Drug and Cosmetic Act, will enable the Environmental Protection Agency the authority it needs and deserves to establish risk-based tolerances for food-use pesticides. Further, and as important, it will simplify the defined procedure regarding regulation of these products.

Three weeks ago the Labor and Human Resources Committee, Subcommittee on Children, Families, Drugs and Alcoholism, which I chair, held a hearing on "Pesticide Residues and Their Health Risks to Children." The particular focus of the hearing was on the chemical daminozide [ALAR] and its breakdown product, UDMH. The issue of pesticide risks has become one of increasing concern to parents. The goals of the hearing were to clarify this charged, highly publicized issue, and allow all parties to present their views. Our intent was to provide parents with the balanced information they need to choose what their children eat. That objective I believe was met. However, we now need to go further. Important testimony given during the hearing made it clear that even though interim data is sufficiently worrisome in regard to its carcinogenic properties, a particular chemical pesticide—in this case, daminozide—can endure protracted periods before the EPA can finally cancel

the pesticide's registration. This is all due to peculiarities of the law which are both outdated and inadequate.

The Food Safety Amendments of 1989 will establish risk-based food safety standards which are consistent with the regulatory authority already in place for the Food and Drug Administration relating to food and color additives, and environmental contaminants. The EPA will regulate all pesticide residues in raw and processed foods, by using a negligible risk standard. Currently the registration of older pesticides that may pose risk exceeding a negligible risk standard can continue to be maintained. This bill will allow EPA to reduce the high risks associated with certain types of pesticides more quickly. If the EPA determines that test data suggest a certain pesticide poses greater than a negligible risk of causing cancer it would be removed from the market.

It is time to move on this vitally important area. The National Academy of Sciences issued a report in 1987 "Regulating Pesticides in Food" which criticized the U.S. pesticide regulatory authority and efforts. In 1988, the OTA released a similar report with consistent recommendations; new and improved methods for detection and regulation authority are needed. Numerous congressional hearings have been held. The recommendations have been common. A survey conducted this year by the Food Market Institute showed that approximately 75 percent of consumers polled are very concerned about the risks posed by pesticides in foods—a higher percentage than those worried about other components in foods, salt, cholesterol, fats, additives. There is a new administration, and a new and very well regarded Administrator of the EPA. I encourage my colleagues to join me in assisting the Agency in the ways that it can to ensure the safe use of chemicals and pesticides.●

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By Mr. GRAHAM:

S. 724. A bill to modify the boundaries of the Everglades National Park and to provide for the protection of lands, waters, and natural resources within the park, and for other purposes; to the Committee on Energy and Natural Resources.

EVERGLADES NATIONAL PARK PROTECTION AND EXPANSION ACT OF 1989

● Mr. GRAHAM. Mr. President, I am pleased to introduce the Everglades National Park Protection and Expansion Act of 1989, an extremely important piece of legislation in the preservation of a world class resource in southern Florida. I want to thank my friend and colleague, DANTE FASCELL, who is introducing identical legislation today in the other body.

This legislation is vital to the immediate recovery and long-term restoration of Everglades National Park. The park was established in 1947, and since that time has suffered loss of flora and fauna. The ecological deterioration was exacerbated by canal projects in the 1960's, authorized prior to the National Environmental Policy Act and the Endangered Species Act.

As a result, the potential impacts of the central and southern projects were never fully assessed or understood in light of these statutes. This legislation offers the potential to mitigate the damages visited upon Everglades National Park by the central and southern projects and the loss of adjacent wetlands to development.

Since the 1930's, the park has lost about 90 percent of its wading bird population. The roseate spoonbill population has plummeted 50 percent since the 1980 census. For the last 2 years, at least 50 percent of the park's alligator reproduction has been destroyed. Since the 1950's, the endangered woodstork population has declined from 2,370 nesting pairs to 373 pairs in the 1980's. For the last 2 years, we have experienced total reproduction failure due to conditions aggravated by water management activities. The proposed addition will restore 35 percent of the former woodstork historic feeding range.

The last remaining habitat available to the park population for the endangered Florida panther will be protected in the park. Current the only known male panther in the park population utilizes the area to be added to the park. The proposed addition will also enhance the habitat available to the endangered snail kite and the endangered cape sable sparrow.

Everglades National Park is in danger of dying. Not from a single fatal blow, but from the cumulative impacts of numerous activities. Without this proposed addition and the subsequent alterations in water management practices, Everglades National Park could face ecological collapse within the next few decades if we fail to promote restoration to a more natural State.

This legislation is based upon recommendations of the East Everglades Land Acquisition Task Force, established by Governor Martinez in March 1988. Its members included Federal, State, and local government representatives, as well as two private citizens. Task force participation, bill drafting, and expansion support have been borne out of bipartisan cooperation.

Approximately 110,000 acres would be added to the Everglades National Park, of which about 43,000 acres would be transferred from the State to the Federal Government. The remaining acreage would be purchased on an 80 percent-Federal—20 percent-State cost-sharing basis, at an estimated total acquisition cost of $40 million.

The areas to be acquired, consistent with the task force recommendations, include: 70,740 acres in the northeast shark river slough—8,350 of these are already publicly owned; 34,560 acres in the East Everglades Wildlife and Environmental Conservation Area, jointly owned by the State and the south Florida water management district; and 2,300 acres in an area between the East Everglades Wildlife and Environmental Conservation Area and the L-31 canal.

This is a proposal that is vital if we are to save the fragile subtropical wilderness. We must restore the river of grass to the extent humanly possible, given the human deterioration imposed on this unique ecosystem. The expansion we are proposing complements the acquisition of the big cypress addition on the northern side of the everglades, approved last year. Such buffers to the park will make possible the preservation of the precious resource we call the everglades.

Mr. President, I invite and encourage cosponsorship of this important piece of preservation legislation. I ask unanimous consent that the full text of my bill be printed in the RECORD following my statement.

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

S. 724

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the "Everglades National Park Protection and Expansion Act of 1989".

TITLE I—EVERGLADES NATIONAL PARK EXPANSION

SEC. 101. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress makes the following findings:

(1) The Everglades National Park is a nationally and internationally significant resource and the park has been adversely affected and continues to be adversely affected by external factors which have altered the ecosystem including the natural hydrologic conditions within the park.

(2) The existing boundary of Everglades National Park excludes the contiguous lands and waters of the Northeast Shark River Slough that are vital to long-term protection of the park and restoration of natural hydrologic conditions within the park.

(3) Wildlife resources and their associated habitats have been adversely impacted by the alteration of natural hydrologic conditions within the park, which has contributed to an overall decline in fishery resources and a 90 percent population loss of wading birds.

(4) Incorporation of the Northeast Shark River Slough and the East Everglades within the park will limit further losses suffered by the park due to habitat destruction outside the present park boundaries and will preserve valuable ecological resources for use and enjoyment by future generations.

(5) The State of Florida and certain of its political subdivisions or agencies have indicated a willing ss to transfer approximately 35,000 acres of lands u. r their jurisdic-

tion to the park in order to protect lands and water within the park, and may so transfer additional lands in the future.

(6) The State of Florida has proposed a joint Federal-State effort to protect Everglades National Park through the acquisition of additional lands.

(b) PURPOSE.—The purposes of this Act are to—

(1) increase the level of protection of the outstanding natural values of Everglades National Park and to enhance and restore the ecological values, natural hydrologic conditions, and public enjoyment of such area by adding the area commonly known as the Northeast Shark River Slough and the East Everglades to Everglades National Park; and

(2) assure that the park is managed in order to maintain the natural abundance, diversity, and ecological integrity of native plants and animals, as well as the behavior of native animals, as a part of their ecosystem.

SEC. 102. BOUNDARY MODIFICATION.

(a) AREA INCLUDED.—The boundary of the Everglades National Park (in this Act referred to as the "park") is hereby modified to include approximately 110,000 additional acres (in this Act referred to as the "addition") as generally depicted on the map entitled "Boundary Map, Everglades National Park Addition, Dade County, Florida", numbered 160-20,013, and dated April, 1989. The map shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior.

(b) BOUNDARY ADJUSTMENT.—The Secretary of the Interior (in this Act referred to as the "Secretary") may from time to time make minor revisions in the boundaries of the park in accordance with section 7(c) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-4 and following). In exercising the boundary adjustment authority the Secretary shall ensure all actions will enhance resource preservation and shall not result in a net loss of acreage from the park.

(c) ACQUISITION.—(1) Within the boundaries of the addition described in subsection (a), the Secretary may acquire lands and interests in land by donation, purchase with donated or appropriated funds, or exchange. For purposes of acquiring property by exchange, the Secretary may, notwithstanding any other provision of law, exchange the approximately one acre of Federal land known as "Gilberts' Marina" for non-Federal land of equal value located within the boundaries of the addition. Any lands or interests in land which are owned by the State of Florida or any political subdivision thereof, may be acquired only by donation.

(2) It is the express intent of Congress that acquisition within the boundaries of the addition shall be completed not later than 5 years after the date of enactment of this section. The authority provided by this section shall remain in effect until all acquisition is completed.

(d) ACQUISITION OF TRACTS PARTIALLY OUTSIDE BOUNDARIES.—When any tract of land is only partly within boundaries referred to in subsection (a), the Secretary may acquire all or any portion of the land outside of such boundaries in order to minimize the payment of severance costs. Land so acquired outside of the boundaries may be exchanged by the Secretary for non-Federal lands within the boundaries, and any land so acquired and not utilized for exchange shall be reported to the General Services Administration for disposal under the Federal Property and Administrative Services Act of 1949 (63 Stat. 377).

(e) OFFERS TO SELL.—In exercising the authority to acquire property under this Act, the Secretary shall give prompt and careful consideration to any offer made by any person owning property within the boundaries of the addition to sell such property, if such owner notifies the Secretary that the continued ownership of such property is causing, or would result in undue hardship.

(f) AUTHORIZATION OF APPROPRIATIONS.—(1) Subject to the provisions of paragraph (2), there are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

(2) With respect to land acquisition within the addition, not more than 80 percent of the cost of such acquisition may be provided by the Federal Government. Not less than 20 percent of such cost shall be provided by the State of Florida.

(g) ASSISTANCE.—Upon the request of the Governor of the State of Florida, the Secretary is authorized to provide technical assistance and personnel to assist in the acquisition of lands and waters within the Kissimmee River/Lake Okeechobee/Everglades Hydrologic Basin, including the Big Cypress Swamp, through the provision of Federal land acquisition personnel, practices, and procedures. The State of Florida shall reimburse the Secretary for such assistance in such amounts and at such time as agreed upon by the Secretary and the State. Notwithstanding any other provision of law, reimbursement received by the Secretary for such assistance shall be retained by the Secretary and shall be available without further appropriation for purposes of carrying out any authorized activity of the Secretary within the boundaries of the park.

SEC. 103. ADMINISTRATION.

(a) IN GENERAL.—The Secretary shall administer the areas within the addition in accordance with this Act and other provisions of law applicable to the Everglades National Park, and with the provisions of law generally applicable to units of the national park system, including the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916 (39 Stat. 535; 16 U.S.C. 1-4). In order to further preserve and protect Everglades National Park, the Secretary shall utilize such other statutory authority as may be available to him for the preservation of wildlife and natural resources as he deems necessary to carry out the purposes of this Act.

(b) PROTECTION OF ECOSYSTEM.—The Secretary shall manage the park in order to maintain the natural abundance, diversity, and ecological integrity of native plants and animals, as well as the behavior of native animals, as a part of their ecosystem.

(c) PROTECTION OF FLORA AND FAUNA.—The park shall be closed to the operation of airboats—

(1) except as provided in subsection (d); and

(2) except that within a limited capacity and on designated routes within the addition, owners of record of registered airboats in use within the addition as of January 1, 1989, shall be issued nontransferable, nonrenewable permits, for their individual lifetimes, to operate personally-owned airboats for noncommercial use in accordance with rules prescribed by the Secretary to determine ownership and registration, established uses, permit conditions, and penalties, and to protect the biological resources of the area.

(d) CONCESSION CONTRACTS.—The Secretary is authorized to negotiate and enter into concession contracts with the owners of commercial airboat and tour facilities in existence on or before January 1, 1989, located within the addition for the provision of such services at their current locations under such rules and conditions as he may deem necessary for the accommodation of visitors and protection of biological resources of the area.

(e) VISITOR CENTER.—The Secretary is authorized and directed to expedite the construction of the visitor center facility at Everglades City, Florida, as described in the Development Concept Plan, Gulf Coast, dated February 1989, and upon construction shall designate the visitor center facility as "The Marjory Stoneman Douglas Center" in commemoration of the vision and leadership shown by Mrs. Douglas in the protection of the everglades and Everglades National Park.

TITLE II—FORT JEFFERSON NATIONAL MONUMENT REDESIGNATION STUDY

SEC. 201. FORT JEFFERSON NATIONAL MONUMENT REDESIGNATION STUDY.

The Secretary shall prepare and transmit to the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives, not later than 2 years after the date of enactment of this Act, a feasibility and suitability study of expanding and redesignating Fort Jefferson National Monument in the Dry Tortugas as Fort Jefferson National Park. The study shall include cost estimates for any necessary acquisition, development, operation, and maintenance, as well as alternatives, including a joint Federal and State management scheme, to further protect the waters, reef tracts, fisheries, and shallow banks in and around the Florida Keys and Fort Jefferson National Monument.●

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By Mr. GRAHAM:

S. 725. A bill to amend the Internal Revenue Code of 1986 to require any general election candidate who receives amounts from the Presidential Election Campaign Fund to participate in debates with other such candidates; to the Committee on Rules and Administration.

NATIONAL PRESIDENTIAL DEBATES ACT OF 1989

● Mr. GRAHAM. Mr. President, our colleagues in the Senate are well aware of the excessive amounts of money being spent on political campaigns. Among the alarming trends resulting from the necessity to amass a huge campaign war chest in order to be elected is what I call the privatization of our traditional public campaign process.

We have witnessed the traditional campaign's evolution into campaigns orchestrated and structured around carefully crafted television commercials—many of them negative in nature. Traditional campaigning and contact with voters are often minimized. The range of issues is narrowed to a few that can be broadcast in 30-second TV commercials.

Joint public appearances and debates with other serious candidates for the same office are avoided. Finally, a

disproportionate amount of time is spent by candidates raising money to bankroll this limited but expensive agenda.

Mr. President, our rich political heritage of a two-way dialog between the candidate and the voter is waning. What had been a publicly owned event has become a privately managed and privately staged effort.

In 1978, when I first ran for Governor of Florida, I participated in nearly 20 debates and public appearances with the other candidates. When I was campaigning for the Senate in 1986, my opponent and I received invitations to at least 10 major debates. Only one debate took place.

Mr. President, I believe the focus of our political campaigns should return to contact with voters. One way to achieve that goal is to require candidates for national office to appear with their opponents in debates in order to qualify for public financing of their campaigns. Debates are a time-honored forum of the political process that offer candidates an unfettered method of communicating with voters.

During consideration of congressional campaign finance reform in 1987, I offered an amendment that would have required candidates for the Senate in the general election to participate in at least two debates or forums. As my colleagues know, this legislation was not enacted. When the Senate next considers congressional campaign finance reform legislation, I intend to again pursue my amendment.

Today, I am introducing legislation that would require candidates for President of the United States who accept money from the taxpayer funded Presidential Election Campaign Fund to participate in four debates during the general election period. Congressman MARKEY is introducing identical legislation in the House of Representatives.

Each debate would be at least 90 minutes, with at least 30 minutes devoted to questions and answers or discussion directly between the candidates. Candidates for Vice President would be required to engage in at least one debate. These debates would be sponsored by nonpartisan organizations.

This year, an estimated 30 million Americans will check a box on tax returns that sends $1 to the fund that pays for our Presidential elections. If the public is going to support Presidential campaigns financially, then the public deserves to see the candidates answer tough questions, think on their feet, and address the issues of the day. With this bill, the public wins, the candidates win, and the political process wins.

Mr. President, I ask unanimous consent that the text of S. 725, the National Presidential Debates Act of 1989, be printed in the RECORD at the conclusion of my remarks.

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

S. 725

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Presidential Debates Act of 1989".

SEC. 2. DEBATES BY GENERAL ELECTION CANDIDATES WHO RECEIVE AMOUNTS FROM THE PRESIDENTIAL ELECTION CAMPAIGN FUND.

(a) IN GENERAL.—Chapter 95 of the Internal Revenue Code of 1986 (26 U.S.C. 9001 et seq.) is amended by inserting after section 9003 the following new section:

"SEC. 9003A. PRESIDENTIAL ELECTION DEBATES.

"(a) IN GENERAL.—In addition to the requirements specified in section 9003, in order to be eligible to receive any payments under section 9006, the candidates of a party in a Presidential election shall agree in writing—

"(1) that the candidate of such party for the office of President will participate in not less than four debates with all other candidates for that office who are eligible under such section 9006;

"(2) that the candidate of such party for the office of Vice President will participate in not less than one debate with all other candidates for that office who are eligible under such section 9006; and

"(3) to participate in such debates as sponsored by a nonpartisan organization or organizations having no affiliation with any political party.

At least one of the debates referred to in paragraph (1) shall be held in the month of September before the Presidential election and at least two of such debates shall be held in the month of October before such election. Each debate under this section shall last at least 90 minutes, of which not less than 30 minutes shall be devoted to questions and answers or discussion directly between the candidates, as determined by the sponsor. No debate under this section may be held less than one week before the election. The sponsor of the debates shall announce the time, location, and format of each debate prior to the first Monday in September before the Presidential election.

"(b) INELIGIBILITY.—If the Commission determines that a candidate failed to participate in a debate under subsection (a) and was responsible at least in part for such failure, the candidates of the party involved shall—

"(1) be ineligible to receive payments under section 9006; and

"(2) pay to the Secretary of the Treasury an amount equal to the amount of the payments made to such candidates under such section.".

(b) CLERICAL AMENDMENT.—The table of sections for chapter 95 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 9003 the following new item:

"Sec. 9003A. Presidential election debates.".

SEC. 3. TECHNICAL AMENDMENT.

Section 9007(b)(5) of the Internal Revenue Code of 1986 (26 U.S.C. 9007(b)(5)) is amended by inserting "or section 9003A(b)" after "this subsection" each place it appears.●

By Mr. KERRY (for himself and Mr. CRANSTON):

S. 726. A bill to amend the Coastal Zone Management Act of 1972 regarding activities significantly affecting the coastal zone; to the Committee on Commerce, Science, and Transportation.

OFFSHORE OIL AND GAS LEASING

Mr. KERRY. Mr. President, I rise today to introduce legislation that is designed to make congressional intent clear on an issue of great concern to coastal States. The specific question that my legislation intends to make clear addresses the on-going debate over whether or not Congress intended for the Outer Continental Shelf [OCS] oil and gas lease sales proposed by the Interior Department to be subject to review by those coastal States affected.

The tragedy that occurred 3 weeks ago in Prince William Sound has certainly raised a myriad of questions relating to the issues surrounding the exploration and transportation of oil and gas, particularly in environmentally fragile areas.

In following the events of the past 3 weeks, so many thoughts have come to mind: The incident has highlighted our dependence on oil. It has brought to bare this Nation's lack of a cohesive energy policy. It has shown the need to develop an absolute strategy to lessen our dependence on oil through conservation, such as fuel efficiency of automobiles and alternative energy sources. It raises the concerns about whether or not we can safeguard our environmentally fragile areas both in the oceans and on land from the hazards of oil transportation and oil and gas related activities. Can the United States satisfy our need for oil while at the same time provide necessary protection to our national resources?

What are man's capabilities? Given the inadequate operation in Prince William Sound—first the accident itself, and then the inability to clean up the spill, the delays, the lack of equipment, the faulty contingency plan, can we ever truly be ready in the future for an incident of this magnitude?

Daily for almost 3 weeks we have witnessed the frustration of the Alaska State Government officials, the anger of fishermen, and the dire concerns of environmentalists. This issue has focused the spotlight on when is it safe to drill and extract oil and gas from land and sea, and when is it safe to transport oil across the ocean.

In Massachusetts I have heard from my own fishermen, coastal property owners, State officials and concerned citizens fearing that this type of tragedy could occur off our coast if oil and gas drilling is permitted on Georges Bank, our richest fishing ground.

For that reason, Mr. President I feel it is imperative to introduce today legislation that requires additional safeguards in the planning for off-shore Federal activities such as oil and gas leasing particularly in environmentally sensitive areas. My bill gives the States more authority over all Federal activities that occur within or outside but close by of their coastal zone.

Mr. President this bill responds to the ongoing debate on what Congress intended when it included under the Coastal Zone Management Act [CZMA], a provision that requires that all Federal activities affecting a State's coastal zone, be carried out in a manner that is consistent with the provisions of the State's coastal management plans? In my opinion what Congress had intended is clear, Federal and State governments should act cooperatively and jointly in managing our Nation's coastal zones. Nonetheless, a 1984 U.S. Supreme Court decision Interior versus California, has confused the issue and muddied the consistency interpretation of the CZMA.

The Supreme Court in a 5 to 4 decision ruled that the Interior Department's sale of OCS oil and gas leases is not an activity "directly affecting" a State's coastal zone and therefore is not subject to being consistent with the provisions included in a State's coastal management plan.

This interpretation is very narrow and raises some serious questions. First of all, the Supreme Court decision focused solely on activities within a State's 3 mile coastal zone. It ignored the affect of activities outside of the zone that could seriously affect the coastal zone itself.

In my view it is not difficult to understand that a very strong correlation exists between activity outside of a State's coastal zone and its impact on activity within a State's coastal zone. In Massachusetts for example, Interior's proposed lease sale No. 96 includes areas on Georges Bank which as I noted earlier comprise some of the most sensitive and important areas to the State's fishing interests. Our rich fishing areas support the port of New Bedford, which catches 95 percent of its fish off of Georges Bank and is economically one of the No. 1 ports in the country. In addition, it also supports the port of Gloucester which is the No. 3 port in the Nation for tonnage of food fish landed. The fishing industry in Massachusetts generates approximately $1.5 billion annually and has created roughly 40,000 jobs.

Considering that Georges Bank is one of the most productive off-shore habitats in the world, common sense would dictate that any activity on Georges related to off-shore oil and gas drilling is an activity that does have a significant environmental and economic impact on Massachusett's coastal zone.

I have also heard arguments that we should not be concerned over the affects of a lease or a sale because it is merely a financial transaction bearing no actual consequences on our ocean's natural resources. It does not take an economist to realize that once huge sums of money are invested in the oil and gas drilling process, that it will be close to impossible to stop such activity regardless of the environmental consequences. Furthermore, over a decade ago, eight exploratory wells were drilled on Georges at a cost of $800 million, and no oil was found. A study conducted just a few years ago, predicted a 70-percent chance that no oil will be found at all in the areas that are proposed under the Interior's current plan, yet they still plan on forging ahead with their overzealous efforts to find oil in and around Georges Bank. Such rationale is inappropriate.

And what are the economic gains of OCS oil and gas leasing on Georges? With the most generous estimates scientists predict that Georges can produce a total of 10 days worth of U.S. oil. The stakes for 10 days of oil are too high—an Interior Department environmental impact study on a previously proposed sale on Georges Bank, predicted that approximately 10 spills could occur within a 30-year period. That is 10 spills equaling more than 1,000 barrels per spill or a total of 10,000 barrels of oil destined to destroy our coastal resources.

Mr. President, to further add to the concern of drilling on Georges Bank, is its unique hydrological currents. There is scientific evidence that a gyre (clockwise water circulation pattern), occurs on roughly 10,000 square miles of Georges Bank. This circulation of water currents traps and keeps water in place. The positive consequences, are that fish like this habitat and therefore spawn and nurse in one area. The negative side however is that if there were to be an oilspill, oil would be trapped in the gyre for extended periods of time. Based on oceanographic models of water circulation on Georges Bank conducted by the Department of the Interior, it is estimated that oil could stay in the gyre for up to 2 months.

After witnessing the herring fishery closure in Prince William Sound, after just 2 weeks, imagine what 2 months of oil would do to our cod, haddock, flounder or lobster fishery. We've seen on the nightly news what 2 weeks of oil has done to the marine mammals and birds in Valdez. Imagine what would happen after 2 months.

Mr. President, keeping all of this in mind, it is critical that States be involved at the initial leasing phase to offer their expertise. I think we owe it to all citizens in every coastal State, to allow the experts who know their coast, and live there to make the decisions for its future. Particularly, decisions, as we have witnessed in Prince William Sound, that could have consequences for a long time to come.

The legislation I am offering today clarifies that Federal activities should be reviewed by States for consistency with their already federally approved coastal management plans. I urge my colleagues to join with me in cosponsoring this important legislation.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

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

S. 726

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* that section 307(c)(1) of the Coastal Zone Management Act of 1972 (16 U.S.C. 1456(c)(1) is amended to read as follows:

"(c)(1) Each federal agency activity within or outside the coastal zone that directly affects any land or water use or natural resource of the coastal zone or that may lead to such effects shall be carried out in a manner which is consistent to the maximum extent practicable with the approved state management programs. A federal agency activity shall be subject to this paragraph unless it is subject to paragraphs (2) or (3) of this subsection.

## ADDITIONAL COSPONSORS

S. 35

At the request of Mr. DANFORTH, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponosr of S. 35, a bill to provide for the establishment of rural enterprise zones, and for other purposes.

S. 177

At the request of Mr. DECONCINI, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 177, a bill entitled the Cable Compulsory License Non-Discrimination Act of 1989.

S. 185

At the request of Mr. DIXON, the names of the Senator from Tennessee [Mr. SASSER], and the Senator from New York [Mr. D'AMATO] were added as cosponsors of S. 185, a bill to amend title 18 of the United States Code to punish as a Federal criminal offense the crimes of international parental child abduction.

S. 243

At the request of Mr. MCCLURE, the names of the Senator from Georgia [Mr. FOWLER], the Senator from Kentucky [Mr. MCCONNELL], the Senator from Alabama [Mr. SHELBY], the Senator from Iowa [Mr. HARKIN], the Senator from Indiana [Mr. COATS], the Senator from Washington [Mr. GORTON], and the Senator from Vermont [Mr. JEFFORDS] were added as co-

sponsors of S. 243, a bill to provide for the extension of regional referral center classification of certain hospitals under the medicare program and to continue the payment rates for such hospitals.

S. 318

At the request of Mr. JOHNSTON, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 318, a bill to facilitate the national distribution and utilization of the coal.

S. 342

At the request of Mr. DANFORTH, the names of the Senator from Michigan [Mr. LEVIN], the Senator from Louisiana [Mr. JOHNSTON], and the Senator from Maryland [Mr. SARBANES] were added as cosponsors of S. 342, a bill to amend the Internal Revenue Code of 1986 to provide that certain credits will not be subject to the passive activity rules, and for other purposes.

S. 344

At the request of Mr. NICKLES, the name of the Senator from Georgia [Mr. FOWLER] was added as a cosponsor of S. 344, a bill to require certain work on aircraft to be performed by a domestic repair station.

S. 386

At the request of Mr. METZENBAUM, the names of the Senator from Massachusetts [Mr. KENNEDY], the Senator from Ohio [Mr. GLENN], the Senator from Colorado [Mr. WIRTH], the Senator from Connecticut [Mr. DODD], the Senator from New York [Mr. MOYNIHAN], the Senator from Washington [Mr. ADAMS], and the Senator from New Jersey [Mr. LAUTENBERG] were added as cosponsors of S. 386, a bill to control the sale and use of assault weapons.

S. 408

At the request of Ms. MIKULSKI, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 408, a bill to establish a corporation to administer a National volunteer service program.

S. 419

At the request of Mr. SIMON, the names of the Senator from Florida [Mr. GRAHAM], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Texas [Mr. BENTSEN], and the Senator from Oregon [Mr. HATFIELD] were added as cosponsors of S. 419, a bill to provide for the collection of data about crimes motivated by race, religion, ethnicity, or sexual orientation.

S. 439

At the request of Mr. PELL, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 439, a bill to establish a program of grants to consortia of local educational agencies and community colleges for the purposes of providing technical preparation education, and for other purposes.

S. 448

At the request of Mr. SIMON, the name of the Senator from Washington [Mr. ADAMS] was added as a cosponsor of S. 448, a bill to amend the Immigration and Nationality Act to change the level, and preference system for admission, of immigrants to the United States.

S. 458

At the request of Mr. DECONCINI, the names of the Senator from Hawaii [Mr. INOUYE], and the Senator from Maryland [Mr. SARBANES] were added as cosponsors of S. 458, a bill to provide for a General Accounting Office investigation and report on conditions of displaced Salvadorans and Nicaraguans, to provide certain rules of the House of Representatives and of the Senate with respect to review of the report, to provide for the temporary stay of detention and deportation of certain Salvadorans and Nicaraguans, and for other purposes.

S. 476

At the request of Mr. SIMON, the names of the Senator from Indiana [Mr. LUGAR] and the Senator from Illinois [Mr. DIXON] were added as cosponsors of S. 476, a bill to increase the number of refugee admission numbers allocated for Eastern Europe/Soviet Union and East Asia.

S. 479

At the request of Mr. HATCH, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 479, a bill to amend the Internal Revenue Code to allow for deduction of qualified adoption expenses and for other purposes.

S. 488

At the request of Mr. FOWLER, the name of the Senator from Hawaii [Mr. MATSUNAGA] was added as a cosponsor of S. 488, a bill to provide Federal assistance and leadership to a program of research, development and demonstration of renewable energy and energy efficiency technologies, and for other purposes.

S. 489

At the request of Mr. KENNEDY, the name of the Senator from Oregon [Mr. PACKWOOD] was added as a cosponsor of S. 489, a bill to transfer certain funds available for State legalization assistance grants to programs to assist refugees.

S. 570

At the request of Mr. DANFORTH, the names of the Senator from New Jersey [Mr. LAUTENBERG] and the Senator from Michigan [Mr. LEVIN] were added as cosponsors of S. 570, a bill to amend the Internal Revenue Code of 1986 to enhance the incentive for increasing research activities.

S. 578

At the request of Mr. DANFORTH, the names of the Senator from New York [Mr. MOYNIHAN], the Senator from Hawaii [Mr. INOUYE], and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of S. 578, a bill to amend title 10, United States Code, to provide for consideration of whether certain defense agreements adversely impact the international competitive position of United States industry.

S. 579

At the request of Mr. GLENN, the names of the Senator from North Dakota [Mr. CONRAD], the Senator from New York [Mr. MOYNIHAN], the Senator from Kentucky [Mr. FORD], the Senator from Illinois [Mr. SIMON], and the Senator from Connecticut [Mr. LIEBERMAN] were added as cosponsors of S. 579, a bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to direct the Secretary of Transportation to establish Federal motor vehicle safety standards to require that a schoolbus is equipped with a system of mirrors that provide the driver when seated with an unobstructed view of certain areas under and alongside of the schoolbus, and for other purposes.

S. 606

At the request of Mr. BOND, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 606, a bill to amend the Agricultural Act of 1949 to permit producers to plant supplemental and alternative income-producing crops considered to be planted to a program crop.

S. 625

At the request of Mr. NICKLES, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 625, a bill to eliminate artificial distortions in the natural gas marketplace, to promote competition in the natural gas industry, and for other purposes.

S. 670

At the request of Mr. ARMSTRONG, the names of the Senator from Virginia [Mr. ROBB] and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 670, a bill to recognize the organization known as the Retired Enlisted Association, Incorporated.

S. 682

At the request of Mr. SIMON, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 682, a bill to amend chapter 33 of title 18, United States Code, to prohibit the unauthorized use of the names "Visiting Nurse Association," "visiting Nurse Service," "VNA," "VNS," or "VNAA," or the unauthorized use of the name or insignia of the Visiting Nurse Association of America.

SENATE JOINT RESOLUTION 56

At the request of Mr. GARN, the names of the Senator from Indiana [Mr. COATS], the Senator from Virginia [Mr. ROBB], and the Senator from Louisiana [Mr. BREAUX] were added as

cosponsors of Senate Joint Resolution 56, a joint resolution designating April 23 through April 29, 1989, and the last week of April of each subsequent year as "National Organ and Tissue Donor Awareness Week."

SENATE JOINT RESOLUTION 57

At the request of Mr. PELL, the names of the Senator from Montana [Mr. BURNS] and the Senator from Missouri [Mr. BOND] were added as cosponsors of Senate Joint Resolution 57, a joint resolution to establish a national policy on permanent papers.

SENATE JOINT RESOLUTION 62

At the request of Mr. ARMSTRONG, the names of the Senator from Vermont [Mr. JEFFORDS], the Senator from Wisconsin [Mr. KASTEN], the Senator from Montana [Mr. BURNS], the Senator from Minnesota [Mr. DURENBERGER], and the Senator from North Carolina [Mr. HELMS] were added as cosponsors of Senate Joint Resolution 62, a joint resolution designating May 1989 as "National Stroke Awareness Month."

SENATE JOINT RESOLUTION 78

At the request of Mr. HEINZ, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of Senate Joint Resolution 78, a joint resolution to designate the month of November 1989 and 1990 as "National Hospice Month."

SENATE JOINT RESOLUTION 81

At the request of Mr. DIXON, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of Senate Joint Resolution 81, a joint resolution to designate the week of October 1 through 7, 1989, as "National Health Care Food Service Week."

SENATE JOINT RESOLUTION 84

At the request of Mr. HATCH, the names of the Senator from Indiana [Mr. LUGAR], the Senator from South Carolina [Mr. THURMOND], the Senator from Virginia [Mr. WARNER], and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of Senate Joint Resolution 84, a joint resolution to designate April 30, 1989, as "National Society of the Sons of the American Revolution Centennial Day."

SENATE JOINT RESOLUTION 88

At the request of Mr. WIRTH, the names of the Senator from Maine [Mr. MITCHELL], the Senator from Vermont [Mr. LEAHY], and the Senator from Rhode Island [Mr. PELL] were added as cosponsors of Senate Joint Resolution 88, a joint resolution to establish that it is the policy of the United States to reduce the generation of carbon dioxide and for other purposes.

SENATE RESOLUTION 13

At the request of Mr. DOLE, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of Senate Resolution 13, a resolution to amend Senate Resolution 28 to implement closed caption broadcasting for hearing-impaired individuals of floor proceedings of the Senate.

SENATE RESOLUTION 63

At the request of Mr. SYMMS, the name of the Senator from Missouri [Mr. BOND] was added as cosponsor of Senate Resolution 63, a resolution expressing the sense of the Senate that the Federal excise taxes on gasoline and diesel fuel shall not be increased to reduce the Federal deficit.

SENATE RESOLUTION 92

At the request of Mr. SYMMS, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of Senate Resolution 92, a resolution expressing the sense of the Senate regarding Section 89 of the Internal Revenue Code of 1986.

## AMENDMENTS SUBMITTED

## MINIMUM WAGE LEGISLATION

### DECONCINI AMENDMENT NO. 18

(Ordered to lie on the table.)

Mr. DECONCINI submitted an amendment intended to be proposed by him to the bill (S. 4) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes; as follows:

At the appropriate place, insert the following new section:

SEC. . TEMPORARY TRAINING WAGE.

(a) IN GENERAL.—Section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) is amended by adding at the end thereof the following new subsection:

"(g)(1) Any employer may, in lieu of the minimum wage prescribed by subsection (a)(1), pay any employee the wage described by paragraph (2), if such employee has not been previously employed by such employer.

"(2) The wage referred to in paragraph (1) shall be at least a wage equal to 85 percent of the wage prescribed by section 6, but at least $3.35 an hour.

"(3) An employer may pay an employee the minimum wage authorized by paragraph (1) for a period not to exceed 90 days beginning with the day the employee began employment with the employer, except no employer may pay the minimum wage authorized by paragraph (1) for a period exceeding 45 days beginning with the day the employment began with the employer if such employee has been previously employed in substantially the same training wage employment capacity by any employer for a period greater than 45 days.

"(4) No employee may be displaced by any employer (including partial displacement such as reduction in hours, wages, or employment benefits) as a result of an employer paying the rate described in this subsection.

"(5) No employer convicted of violating this Act may pay any employee the wage permitted under this subsection.

"(6)(A) Any person who willfully violates this subsection shall on conviction thereof by subject to—

"(i) a fine of not more than $25,000 or to imprisonment of not more than 6 months, or both; and

"(ii) any other penalties prescribed in section 16.

"(B) No person shall be imprisoned under this subsection except for an offense committed after the conviction of such person for a prior offense under this subsection.".

"(b) STUDY.—Not later than 2 years after the date of enactment of this Act, the Secretary of Labor shall transmit to the President and to Congress a report that describes—

"(1) youth and Older American worker employment levels;

"(2) employee turnover rates;

"(3) high school drop-out rates; and

"(4) any other information the Secretary considers would be relevant to the termination or extension of the temporary training wage authorized in section 6(g) of the Fair Labor Standards Act of 1938 (as added by subsection (a)).

"(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to an employee first employed by an employer on or after January 1, 1990, and shall terminate on the date that is 3 years after the date of enactment of this Act.

● Mr. DECONCINI. Mr. President, I rise in strong support of an immediate increase in the minimum wage. Yet, I caution that my support is not unequivocal. Political and economic necessity requires that we, as a nation, reevaluate our national minimum wage policy. For a half-century, our Government has operated under the assumption that our minimum wage policy advanced the interests of all American workers. Today, a great number of leading economists, business interests and the editorial boards of our Nation's print media have developed a large body of evidence to the contrary. At the same time, equally notable economists, labor interests and the human rights community urge maintenance of the minimum wage policies—policies that have withstood the test of time for over 50 years.

President Bush has also indicated support for a higher minimum wage. However, he qualified his position after the election. He now conditions his support of the minimum wage increase upon congressional passage of a two-tiered wage structure. The administration argues that a lower entry-level training wage can minimize the negative impacts resulting from minimum wage increases. I tend to believe that this might be correct. But, I seriously question why the administration, in its proposal, failed to target the training wage to those most affected.

In short, the administration advocates and opposes a national minimum wage policy in the same breath. Further, this administration, like the last, argues for reduced labor costs for certain businesses, just as our national data indicates that demand will soon

outstrip the supply of the workers that the preferred businesses currently employ. Conceptually, a training wage may hold promise if this two-tiered policy works in concert with other national job training and welfare policies. The administration's current training wage proposal must not be passed as is.

Without coordination, a two-tiered minimum wage policy allows only a preferred class of employers to exploit certain workers. In turn, a training wage encourages displacement of higher skilled workers by lesser skilled, subminimum workers in the same business. Indiscriminate usage of a subminimum wage over time increases governmental employment and human services expenditures—in effect, a gift to certain special interest businesses—of billions in subsidies paid by U.S. taxpayers. We cannot justify this hefty gift, especially since the Targeted Jobs Tax Credit Program grants businesses large subsidies to employ low-skilled, hard-to-employ workers. In this year alone, the estimated cost of TJTC is over a quarter of a billion dollars.

Mr. President, I disagree with the administration's training wage, but I do not want to further delay passage of an increase in the minimum wage. No one can deny that the proponents of S. 4 have insufficient votes to enact that bill without some type of training wage. Unfortunately, more ardent minimum wage proponents, though with good intentions, have offered a counter training wage proposal which is also politically and practically unrealistic. While their first-job training wage proposal goes in the right direction, it fails in practice since it affects too few for too short a period of time.

Mr. President, I believe that I understand the politics and process of the Senate as well as my colleague from Massachusetts who authored S. 4. I have a great deal of respect for him. I know that he is committed to the best interests of our Nation. But, I must respectfully reject his present position on the training wage issue. Instead of supporting compromise, the proponents appear to be resisting it in the belief that President Bush will veto any compromise proposal as well. Even if true, the Senate should fully debate the merits of S. 4 and make any modifications that the majority deem appropriate. That is what the legislative process is all about.

As for myself, I cannot tolerate inaction. Partisan, bullying politics, are impeding vital economic aid to the most unfortunate and unskilled members of our labor market. The working poor wait in the wings—hoping that partisan politics will subside, and cooler heads will prevail. The simple fact of the matter is that we don't have a perfect solution to establishing a fair and decent wage for low-skilled jobs. I do not pretend to have the best solution to our current impasse, but I have yet to hear any offer which is an acceptable approach to immediate passage.

I firmly believe that the President and Congress, with input from all interests, have the ability to create a coordinated minimum wage policy which properly utilizes a training wage. However, this process will take a little more time and will require a significant shift in the manner in which opponents and proponents alike are presently debating the bill before us today.

Many of my colleagues remember the debate on this issue last September. Many of my colleagues on this side of the aisle criticized me for expressing my support of a training wage, and urged that I forego the very same amendments that I am proposing today for discussion purposes. No doubt these same Senators will criticize me again, but I challenge them to show me progress on this bill.

As I stated earlier, the administration said that it will veto any increase above $4.25 per hour and any increase without an unrestricted 6-month training wage for any worker, regardless of experience. The Senate and House Labor Committees both propose a slightly higher minimum wage amount and a 60-day training wage applying only to the first job. As such, both proposals are administratively efficient. However, efficiency has its price in terms of fairness and scope.

I propose a training wage at 85 percent of the minimum wage for no greater than 90 days for any individual who has not previously worked in substantially the same training wage capacity for a period greater than 45 days. In all other cases, an employer may choose to pay any worker a training wage of at least 85 percent of the minimum wage, but for a period no greater than 45 days.

While this proposal lacks ease of administration, it has a greater rational basis than any that I have heard to date. But enforcement convenience presents an insufficient basis for rejection of this compromise. I trust that the Department of Labor can draft appropriate regulations and penalties to deter efforts to circumvent the intent of this amendment. As always, Congress maintains considerable ability to address any shortcomings in regulations, enforcement and sanctions. My amendment also increases sanctions for noncompliance and requires study of the effects of this training wage experiment.

In conclusion, I want to reiterate that our working poor have waited long enough for an increase in the minimum wage. They want and need an increase now. I believe they share my belief that Congress should not merely establish a posture, but should establish a definite policy. We must bargain in good faith whether or not a veto can be sustained; neither side should stonewall this debate with the intent to reopen negotiations after the anticipated veto. That style of leadership is foreign to our democracy.

Our Constitution and common law tradition entrusted the legislative branch of government to provide for public welfare. The American public now demands our leadership. Courage in the face of obstinance can only foster greater trust. Weakness will only breed distrust.●

## SENATE RESOLUTION 94—EXPRESSING CONFIDENCE, HOPE, AND TRUST IN THOSE WHO WILL SERVE IN THE SENATE DURING ITS THIRD CENTURY

Mr. MITCHELL (for himself, Mr. DOLE, Mr. ADAMS, Mr. ARMSTRONG, Mr. BAUCUS, Mr. BENTSEN, Mr. BIDEN, Mr. BINGAMAN, Mr. BOND, Mr. BOREN, Mr. BOSCHWITZ, Mr. BRADLEY, Mr. BREAUX, Mr. BRYAN, Mr. BUMPERS, Mr. BURDICK, Mr. BURNS, Mr. BYRD, Mr. CHAFEE, Mr. COATS, Mr. COCHRAN, Mr. COHEN, Mr. CONRAD, Mr. CRANSTON, Mr. D'AMATO, Mr. DANFORTH, Mr. DASCHLE, Mr. DECONCINI, Mr. DIXON, Mr. DODD, Mr. DOMENICI, Mr. DURENBERGER, Mr. EXON, Mr. FORD, Mr. FOWLER, Mr. GARN, Mr. GLENN, Mr. GORE, Mr. GORTON, Mr. GRAHAM, Mr. GRAMM, Mr. GRASSLEY, Mr. HARKIN, Mr. HATCH, Mr. HATFIELD, Mr. HEFLIN, Mr. HEINZ, Mr. HELMS, Mr. HOLLINGS, Mr. HUMPHREY, Mr. INOUYE, Mr. JEFFORDS, Mr. JOHNSTON, Mrs. KASSEBAUM, Mr. KASTEN, Mr. KENNEDY, Mr. KERREY, Mr. KERRY, Mr. KOHL, Mr. LAUTENBERG, Mr. LEAHY, Mr. LEVIN, Mr. LIEBERMAN, Mr. LOTT, Mr. LUGAR, Mr. MACK, Mr. MATSUNAGA, Mr. MCCAIN, Mr. MCCLURE, Mr. MCCONNELL, Mr. METZENBAUM, Ms. MIKULSKI, Mr. MOYNIHAN, Mr. MURKOWSKI, Mr. NICKLES, Mr. NUNN, Mr. PACKWOOD, Mr. PELL, Mr. PRESSLER, Mr. PRYOR, Mr. REID, Mr. RIEGLE, Mr. ROBB, Mr. ROCKEFELLER, Mr. ROTH, Mr. RUDMAN, Mr. SANFORD, Mr. SARBANES, Mr. SASSER, Mr. SHELBY, Mr. SIMON, Mr. SIMPSON, Mr. SPECTER, Mr. STEVENS, Mr. SYMMS, Mr. THURMOND, Mr. WALLOP, Mr. WARNER, Mr. WILSON, and Mr. WIRTH) submitted the following resolution; which was considered and agreed to:

S. RES. 94

*Resolved*, That the Members of the Senate of the 101st Congress extend to all who will serve in the Senate during its third century—

(1) our confidence that their deliberations and actions will be enlightened by an appreciation of the Senate's rich history and guiding traditions;

(2) our hope that they will strive ceaselessly to meet the aspiration of Daniel Webster that the Senate be a body to which the Nation may look, with confidence, "for wise, moderate, patriotic, and healing counsels"; and

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(3) our trust that they will uphold the prerogatives of the Senate under the Constitution and will remain ever attentive to the well-being of their constituents, their Nation, and their world.

## NOTICES OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. BUMPERS. Mr. President, I wish to announce that the Committee on Small Business will hold a hearing on Thursday, April 13, 1989, at 9:30 a.m. in 428A Russell Senate Office Building to assess the impact of section 89 of the Internal Revenue Code on small business.

For additional information, please call Tracy Crowley, hearing clerk of the committee, at 224-3099.

SENATE IMPEACHMENT TRIAL COMMITTEE

Mr. BINGAMAN. Mr. President, I wish to announce that the Senate Impeachment Trial Committee will meet in SD-628, Dirksen Senate Office Building, on Wednesday, April 12, 1989, at 1:30 p.m., to hear arguments of the parties on pretrial issues in the impeachment of Judge Alcee L. Hastings.

For further information concerning this meeting, please contact Tony Harvey, administrator of the Senate Impeachment Trial Committee staff, on extension 4-2311.

COMMITTEE ON SMALL BUSINESS

Mr. BUMPERS. Mr. President, I would like to announce that the Small Business Committee will hold a full committee hearing on the nomination of Susan Engeleiter to be Administrator of the Small Business Administration on Tuesday, April 11, 1989. This hearing was originally scheduled for Monday, April 10, 1989. The hearing will be held in room 428A of the Russell Senate Office Building and will commence at 2:30 p.m. For further information, please call Tracy Crowley, of the committee staff at 224-3099.

## AUTHORITY FOR COMMITTEE TO MEET

COMMITTEE ON ARMED SERVICES

Mr. KERREY. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Thursday, April 6, 1989, at 2 p.m. in open session to receive testimony on the negotiations on conventional forces in Europe.

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

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. KERREY. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Thursday, April 6, 1989, at 10 a.m. to conduct a hearing on "Federal Leadership in Science."

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

COMMITTEE ON VETERANS' AFFAIRS

Mr. KERREY. Mr. President, the Committee on Veterans' Affairs would like to request unanimous consent to hold a hearing on Veterans' healthcare oversight on Thursday, April 6, 1989, at 8 a.m.

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

SUBCOMMITTEE ON SURFACE TRANSPORTATION

Mr. KERREY. Mr. President, I ask unanimous consent that the Subcommittee on Surface Transportation, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on April 6, 1989, at 3:30 p.m. to hold a hearing on S. 255, legislation to authorize appropriations for the Local Rail Service Assistance Program.

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

Mr. KERREY. Mr. President, I ask unanimous consent that the Subcommittee on Surface Transportation, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on April 6, 1989, at 2 p.m. to hold a hearing on S. 462, legislation to authorize appropriations for the National Railroad Passenger Corporation [Amtrak].

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

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. KERREY. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on April 6, 1989, at 9 a.m. to hold a hearing on the *Exxon Valdez* oil spill.

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

COMMITTEE ON INDIAN AFFAIRS

Mr. KERREY. Mr. President, I ask that the Select Committee on Indian Affairs be authorized to meet on April 6, 1989, beginning at 2 p.m., in 216 Hart Senate Office Building, on Indian water policy.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. KERREY. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, April 6, 1989, at 2 p.m. to hold a closed hearing on intelligence matters.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. KERREY. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, April 6, at 2 p.m. to hold a nomination hearing on John D. Negroponte, to be Ambassador to Mexico.

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

## ADDITIONAL STATEMENTS

### ENGLISH, THE OFFICIAL LANGUAGE

● Mr. SIMON. Mr. President, there is a movement in this country to make English the "official" language of our country. I am not sure what that means exactly, but I do know the way to help those who come to this country without the ability to speak English is to provide opportunities for language classes. Proclamations declaring English the official language will not help a bit. In a column I write for newspapers in my State, I discuss this issue. I ask to have it printed in the RECORD.

The column follows:

"OFFICIAL" OR NOT, ENGLISH IS NATION'S LANGUAGE

(By Senator Paul Simon)

Periodically one issue arises that has superficial appeal: Make English the official language of the United States. (A few go even further and want to make "American" the official language.)

The reality is that English *is* the official language of our country. Anyone who lives in the United States and wants to participate in any meaningful way in our economy or in our political process has to learn English.

Exactly what it would mean to declare English the official language I don't know—and neither do its sponsors.

When I appeared in a debate with the person promoting this idea in California, I asked: "Does this mean there could be no court interpreters for someone in a California trial who speaks only Chinese? Does this mean that we would prohibit New Mexico from printing documents in both English and Spanish?" And on and on. No these things were not meant.

It is unclear precisely what is meant, other than the same vague anti-foreign feeling that has been part of our country since its earliest days.

Many believe that today we have the highest percentage of our population speaking English than at anytime in our history.

But that misses a basic point. Years ago, you could come into this country and easily get a job swinging an ax or a sledgehammer, and if you spoke Swedish or Italian or Polish instead of English, that was no great obstacle to getting a job.

Today, we are a vastly different society. To get most jobs you have to fill out an application form, impossible to do if you don't read English. If you are a custodian in a plant or a school, your employers want you to be able to read and understand the instructions for using cleaning compounds and chemicals.

Farming is no longer relatively simple chores. Farming today means operating milking machines and computers, in addition to the more routine duties.

In the world of 1989 and beyond, acquiring an adequate education is increasingly important. And almost as essential is being able to speak and read and write English.

The way to really deal with the problem for those who do not have this skill is not to advocate making English the official language, but providing classes for those who do not speak English.

And one of the ironies of the campaign to make English the official language is that many of those who back it are the same people who vote against funding classes to teach people how to speak English.

In Los Angeles there are about 35,000 on the waiting list to get into classes to acquire English skills and approximately 83,000 in California.

There were 4,749 on waiting lists last year to get into these adult education classes in Illinois. New York City has a waiting list of 10,000.

Yes, learning the English language is important in our nation with so many immigrants.

But the way to handle the problem is not pious-sounding proclamations that English is our official language. The way to deal with the problem is to provide funding for classes so that those who do not speak English can learn it.●

## REFRESHING EDITORIAL

● Mr. COCHRAN. Mr. President, we all read editorials, but most Senators prefer their own to those written by others. And we are good at putting each other's op-ed pieces in the RECORD with laudatory comments about the intelligence and leadership qualities of the author, if he is a member of one's own party.

We also use articles from the editorial page as evidence of public support for, or opposition to, a position we have taken on a bill or proposal.

Occasionally, I encounter such a well-written and well-reasoned article on the editorial page that I am moved to cut it out and put it in the RECORD for no reason at all except to say to my fellow Senators: "Hey, stop for a minute and read this—carefully—and see if you don't feel refreshed, and even impressed."

That is the way I felt when I read the article by Meg Greenfield on March 28, 1989, in the Washington Post. I hope you do, too. Here it is:

The article follows:

[From the Washington Post, Mar. 28, 1989]

(By Meg Greenfield)

DON'T BET ON A "SURE THING"

Moscow, March 23.—Patriarch Pimen, head of the Russian Orthodox Church, won a seat in the new Soviet parliament, but Georgi Arbatov, the Kremlin's longtime expert on the United States, lost in a surprise defeat, the official Tass news agency reported today."

What? Only a couple of years ago, you would have taken this AP story as evidence that the reporter who filed it had either succumbed to the eternal journalistic temptation to perpetrate a hoax or, more likely, had been drugged out of his head by the KGB. But there it was: actual elections of a sort, surprise outcomes, a churchman's victory and a party apparatchik's loss—all publicly reported, yet, in the official Soviet press. I take this snippet of news as the text for my sermon today. It will be a very upbeat affair; its theme, as we preachers say, is: anything is possible, especially that which has been universally adjudged impossible.

The last few years have surely been the years in which just about everything we knew couldn't happen, did, starting of course with George Bush's election (to succeed another president who also couldn't possibly even get his party's nomination, let alone be elected) and proceeding through an absolutely awesome array of confounded domestic political predictions and upended articles of faith concerning the conduct of our enemies and friends abroad. What I find encouraging about this is the light it casts on the contemporary gloomy assumptions that have displaced the ones that were so recently proven wrong. The principal one at the moment concerns drugs. Drugs? Hell, we can't do anything much about drugs (the wisdom goes), and it was even (some say) downright irresponsible of Bush to claim so categorically that we both could and would. When I listen to the evidence propounded in support of this discouraging proposition and others like it, I am myself inclined to agree. What makes me doubt it is the shattering of so many other fatalistic certitudes over the years.

The examples are everywhere. I have just been reading Taylor Branch's wonderful book about the civil-rights movement, "Parting of the Waters," and have been continually struck by how utterly unattainable much of what we now take for granted once seemed. Importantly, it seemed unattainable in our lifetime to some of those who most wanted to see the changes come about, black and white leaders both who were morally (and miserably) certain that neither the system nor the society could be made to give. Seriously deficient as they still are, racial relations as they now exist in the United States, especially in the South, could not even be imagined as recently as the early 1960s.

And the same is surely true of the transformation for the better of societies and systems all over the world. When the aged fascist dictators of Spain and Portugal were succeeded in the 1970s, we all "knew" that the prospect for that peninsula was gruesome. Given left-wing pressures and right-wing military reactions and a populace utterly unpracticed in political self-expression and democratic rule, you could only foresee some bleak, threatening outcome, one that bears no resemblance to the way things did turn out. There are counterparts among democratically evolving authoritarian societies in every quarter of the globe, and there are the convulsive surprises that have occurred in China and the Soviet Union. Yes, I know: things can yet turn in a different direction in all these places. But it is impossible to sit, as I did last fall in a suite in a fancy Washington hotel with a bunch of newspaper colleagues drinking diet soda with Andrei Sakharov and chatting openly with him about his opinion of the Soviet government—this man whom, a couple of years before, we had pretty much given up for dead—and not be humbled by the fallibility of your own most confidently held assumptions.

Not everyone takes from this common contemporary experience the good cheer I do. The first thing that often happens is that people pocket the good news and simply demand the next step, not pausing to register the fact of basic change at all. The Soviet Union is no true democracy, racial discrimination still exists and so forth; the shortcomings of where we are obliterate the recollection of the horror of where we were. Another response is to use the new circumstance retroactively to justify the old, denying a change or a different past altogether. See, this argument runs, I told you that the Argentines—or the Hungarians or Russians or Chinese—weren't monsters. This is the spirit in which is generally alleged that the cold war was a nasty figment of a belligerent Western imagination.

I concede a tiny grain of truth in this. Dire exaggeration and extreme gloom have regularly created distorted national perceptions of everything from the immutability of Eastern European governments to the imminent destruction of the planet or the pauperizing of the country because of malign political, social, economic and/or environmental forces. But it is a mistake to dismiss the profound changes that occur in conditions around the world as something akin to the recognition of an optical illusion, the mere correction of a misperception.

To do this is, first, to deny the importance of human agency—the capacity of people to make things happen, the fact that a Martin Luther King or a Mikhail Gorbachev or a Lyndon Johnson or a Deng Xiaoping coming at a particular moment may be conclusive. And it is also to perpetuate our unfortunate habit of missing large important trends while concentrating on the itty-bitty daily stuff. Social and cultural and economic transformations, fed in part by the technology of transportation and communication, prepared the way for much of the change political leaders have been able to effect in recent years. We don't look at that though. We tend to stay mired in some original impression and get jolted out of it only when even our hard-bitten complacency can no longer pretend that the fish in the picture looks like a tree.

We had as many good reasons to believe the incredible political changes we have witnessed would never come about as we do now to suppose that we are doomed to an incurable drug-and-crime scourge. All the depressing supporting data are there. I hate to sound like Pollyanna, but I don't believe it. And I have plenty of historical precedent on my side.●

## LONDON INFORMATION FORUM STATEMENT

● Mr. DECONCINI. Mr. President, on April 18, a meeting of vital importance to all who cherish the right to freedom of expression will begin. Known as the London Information Forum, the meeting was mandated by the Concluding Document of the Vienna Review Meeting of the Conference on Security and Cooperation in Europe [CSCE]. At the forum, the 35 signatory states of the CSCE, or Helsinki process, will discuss ways to improve the circulation of, access to, and exchange of information; cooperation in the field of information; and the improvement of working conditions for journalists.

Information is the most important defense of any free people seeking to guard their freedom or of any unfree people seeking to gain their liberty from a tyrannical government or an oppressive political system. The free

flow of information is also crucial to lowering the barriers of distrust and animosity among nations.

Accordingly, a fundamental political goal of the Helsinki Final Act is to foster the free flow of people, ideas, and information. Whether in the area of the security and economic cooperation provisions of baskets I and II or the cultural exchange sections of basket III, information is the base upon which rest all other commitments made in the Helsinki Final Act.

As Chairman of the Helsinki Commission, I wish to underscore to you the significance of the London Information Forum's subject matter. In this seemingly new world of glasnost and perestroika, it is often quite difficult to separate the provisional from the enduring policy, the cosmetic from the structural change. At the forum, the West will have the opportunity to examine exactly what is going on in the field of information in the East as well as to encourage these nations to move ahead with systemic liberalization of the media and all facets of the dissemination of information.

To conclude, I would like to quote the words of the distinguished journalist and rights activist Leonard Sussman, who said at a recent Commission hearing that:

> The Helsinki Accords are a dynamic tool, something quite unique in diplomatic history. The accords marshall the power of information, of international persuasion, even the artful use of public shame to spotlight the oppressive deeds of signators. No part of the Helsinki Process is more vital than assessing the free flow of information within and between countries. For on that flow, and on the diversity of information depend all other aspects of the Helsinki Process; indeed, the guarantees of human rights and national security found in all baskets of the Final Act. Information is the key element, not just in the CSCE, but in fulfilling all promises of freedom for the human race.●

## ACKNOWLEDGMENT OF LEADERSHIP, EDUCATION AND DEVELOPMENT FELLOWS

● Mr. WALLOP. Mr. President, I would like to take a moment to acknowledge a group of 19 men and women, from my fine State of Wyoming. These Wyoming citizens are in Washington, DC, representing the Wyoming Leadership, Education and Development Program, better known as the LEAD fellowship.

LEAD is designed to create, stimulate, and enhance leadership in Wyoming's agricultural sector. Its focus is on issues and policies related to agriculture in Wyoming, the United States, and the world. LEAD will provide our State with a highly motivated, well-informed cadre of leaders who will speak forcefully and articulately on behalf of Wyoming.

These participants represent nearly every sector of agriculture and related businesses. Their education in public policy and government during their first year in this program is achieved through attendance of regional and national seminars. The 2-year curriculum includes seminar topics on governmental and international affairs, communications, societal issues, resource management, and the arts. The LEAD fellows will begin the international phase of their program 1 year from now.

LEAD is sponsored by the University of Wyoming, College of Agriculture, the Cooperative Extension Service and private donors. I feel very fortunate to have this group come to town on behalf of Wyoming. They deserve a great deal of recognition and credit for their 2-year commitment to this program. There is much to be learned from this group of individuals sitting in this room today. I applaud and welcome all of you in the Wyoming LEAD Group III to Washington, DC. I look forward to working with you and am confident in the leadership you will bring to our State in the years to come.

I ask that a list of their names be printed in the RECORD.

The list of names follows:

WYOMING LEAD FELLOWSHIP, 1988-90

Mr. Thomas L. Davis.
Mrs. Patricia A. Frolander.
Miss Cynthia R. Garretson.
Mr. T. Clay Gibbons.
Miss Patricia A. Hoopengarner.
Mr. John R. Kaiser.
Mr. Michael I. Lohse.
Mr. William H. McClurg.
Mr. Oliver C. Hill.
Mr. Jose O. Montemayor.
Mr. Robert F. Frary.
Mr. Stevan H. Meuller.
Mr. Francis A. Philp.
Mr. Reuben R. Ritthaler.
Mr. Kent C. Shurtleff.
Mrs. Bonnie G. Smith.
Mr. John W. Snyder.
Mr. W. Robert Stoddard.
Miss Lois A. Van Mark.
Mr. Gary A. Zakotnik.●

## NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 35, PARAGRAPH 4, PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

● Mr. HEFLIN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee has received a request for a determination under rule 35, for Jadine Nielsen and Roy Greenaway, members of the staff of Senator CRANSTON, to participate in a program in China, sponsored by the Chinese People's Institute of Foreign Affairs, from May 17–June 1, 1989.

The committee has determined that participation by Ms. Nielsen and Mr. Greenaway in the program in China, at the expense of the Chinese People's Institute of Foreign Affairs, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Rita Lewis, a member of the staff of Senator DASCHLE, to participate in a program in Korea, sponsored by the Korea Development Institute, from March 17–26, 1989.

The committee has determined that participation by Ms. Lewis in the program in Korea, at the expense of the Korea Development Institute, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Kent Hall, a member of the staff of Senator CONRAD, to participate in a program in Korea, sponsored by the Korea Development Institute, from March 17–26, 1989.

The committee has determined that participation by Mr. Hall in the program in Korea, at the expense of the Korea Development Institute, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Brent Franzel, a member of the staff of Senator BOND, to participate in a program in Korea, sponsored by the Korea Development Institute, from March 17–26, 1989.

The committee has determined that participation by Mr. Franzel in the program in Korea, at the expense of the Korea Development Institute, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Louisa Koch, a member of the staff of Representative HAMILTON, to participate in a program in Korea, sponsored by the Korea Development Institute, from March 17–26, 1989.

The Committee has determined that participation by Ms. Koch in the program in Korea, at the expense of the Korea Development Institute, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Jonathan Chambers, a member of the staff of Senator DANFORTH, to participate in a program in Turkey, sponsored by the Turkish Foreign Policy Institute, from March 24–April 2, 1989.

The committee has determined that participation by Mr. Chambers in the program in Turkey, at the expense of the Turkish Foreign Policy Institute,

is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Cynthia Blackburn, a member of the staff of Senator THURMOND, to participate in a program in Taiwan, sponsored by Soochow University, from March 24-April 1, 1989.

The committee has determined that participation by Ms. Blackburn in the program in Taiwan, at the expense of Soochow University, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Wallace J. Henderson, a member of the staff of Senator BREAUX, to participate in a program in Taiwan, sponsored by Tamkang University, from March 25 to April 4, 1989.

The committee has determined that participation by Mr. Henderson in the program in Taiwan, at the expense of Tamkang University, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mrs. Kennie Gill, a member of the staff of Senator FORD, to participate in a program in Korea, sponsored by the Korea Development Institute, from March 17 to 26, 1989.

The committee has determined that participation by Mrs. Gill in the program in Korea, at the expense of the Korea Development Institute, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Senator and Mrs. Heinz participation in a program in Japan, sponsored by the Keizai Koho Center, from April 20 to 29, 1989.

The committee has determined that participation by Senator and Mrs. Heinz in the program in Japan, at the expense of the Keizai Koho Center, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Barry Strumpf, a member of the staff of Senator HOLLINGS, to participate in a program in Japan, sponsored by the Congressional Economic Leadership Institute, from March 21 to April 2, 1989.

The committee has determined that participation by Mr. Strumpf in the program in Japan, at the expense of the Japan-U.S. Friendship Commission, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Tim Carlsgaard, a member of the staff of Senator DECONCINI, to participate in a program in Taiwan, sponsored by the Chinese Culture University, from March 23 to April 1, 1989.

The committee has determined that participation by Mr. Carlsgaard in the program in Taiwan, at the expense of the Chinese Culture University, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Senator and Mrs. Helms, to participate in a program in Australia, sponsored by the American Chamber of Commerce in Australia, from March 20 to March 30, 1989.

The committee has determined that participation by Senator and Mrs. Helms in the program in Australia, at the expense of the American Chamber of Commerce in Australia, is in the interest of the Senate and the United States.●

## PATIENT OUTCOMES RESEARCH ACT OF 1989—S. 702

● Mr. HEINZ. Mr. President, it is with great pleasure that I join the majority leader and my colleagues in the Senate today in introducing legislation that will go far to improve fundamental medical treatment decisions affecting the lives of millions of Americans each year.

This year, some 150,000 women will be diagnosed as having breast cancer. Last week, a study in the New England Journal of Medicine reported that the chances of survival for these women are just as good if they are treated conservatively, by simply removing the tumor and having radiation, than if they have a radical mastectomy.

This is good news for women who just 10 years ago would have had no choice but to go with the mastectomy—a far more risky and emotionally stressful option. This is only one example of the direct benefit to patients of getting a better handle on which diagnostic or treatment approaches are more or less effective. Too often, physicians and patients must make treatment decisions in the midst of great uncertainty and lack of scientific evidence on which tests or procedures will produce the best outcome.

Should, for example, one opt for bypass surgery or a less extreme procedure such as angioplasty in treating heart disease? When is an intrusive diagnostic technique such as endoscopy worth the health risk and the associated cost, which can run into the hundreds of dollars per procedure?

In the face of such uncertainty, we tend to error on the side of prescribing more, and often more intrusive and costly procedures—driving up the nation's health care bill and putting patients at unnecessary health risk.

I commend Senator MITCHELL for his foresight in introducing the Patient Outcomes Research Act of 1989. I am honored to be an original cosponsor of this important legislation that provides direction and much needed funding for research to reduce this gray area of modern medicine. I am also pleased that the Senator accepted my proposal to take the bill one step further—to also require that the Department translate research findings into medical guidelines that physicians can turn to in making medical decisions. Only this will ensure that what we learn in our laboratories and from our statistics gets to the patient's bedside.

I also wish to take this opportunity to announce a companion initiative I have requested of the General Accounting Office [GAO], with the support of Senator MITCHELL, Senator PRYOR, and Senator GLENN. We are asking that the GAO recommend a strategy for proceeding with research and the development of practice guidelines that will support Secretary Sullivan's personal commitment to this important new area of medical research and public policy. I will request, Mr. President, that copies of our correspondence to Secretary Sullivan and the GAO Comptroller Charles Bowsher on the GAO request be submitted for the RECORD at the conclusion of my statement.

I believe that the steps we are taking with this legislation, with our request of the GAO, and with the leadership of Secretary Sullivan, represent a turning point on an exciting new era of medical science that holds great promise for improving the quality while also controlling the costs of medical care.

I ask that the material earlier referred to be printed in the RECORD.

The material follows:

U.S. SENATE,
*Washington, DC, April 3, 1989.*

Hon. LOUIS W. SULLIVAN, M.D.,
*Secretary, Department of Health and Human Services, Washington, DC.*

DEAR DR. SULLIVAN: As Majority Leader, Chairman and Ranking Member of the Senate Special Committee on Aging, members of the Senate Committee on Finance, and Chairman of the Senate Committee on Governmental Affairs, we wish to inform you of our request that the General Accounting Office [GAO] conduct a study in a promising new area of health research that seeks to improve the quality and effectiveness of medical decision-making. We refer specifically to efforts to conduct research and develop clinical practice guidelines that can help direct practitioners toward the most effective and cost-efficient treatment options.

As you acknowledged at your recent confirmation hearing before the Senate Committee on Finance, growing public concern over the quality and rising costs of health care has driven the Congress, the Administration and the medical community to closely examine the true effectiveness of medical procedures used to diagnose or treat patients. We share your concern and are pleased that you have identified the need for improved information on effective medical practices as one of your highest priorities as incoming Secretary of the Department of Health and Human Services [the Department].

Too often, we discover that certain tests and procedures used in the course of medical treatment have increased the costs of caring for patients while providing little to no benefit to the patient and exposing them unnecessarily to intrusive and possibly high risk interventions. Knowing this, the Congress, the Administration and the medical community have each supported efforts to improve our understanding of variations in physician practice patterns and the relative impact of alternative interventions on patient outcomes.

This important area of research has the potential of both improving the quality of patient care and reducing unnecessary costs. If we are to be successful, we firmly believe that the methods and protocol for conducting outcomes research and developing practice guidelines must be scientifically valid and regarded as credible by the medical community, policy-makers, and the public.

Our concern is that the work being carried out in the public and private sectors is proceeding in the absence of any broad strategy or any clearly defined protocol for research and guideline development. We are also concerned by the limited discussion, at the outset, of how this research has been determined historically, what methods have been used, and their strengths and limitations. At the same time, we believe that the widespread support for this type of research presents a unique opportunity to draw on the resources and expertise available to the Congress and the Department in moving forward toward a common goal.

We have therefore requested that the GAO undertake a study on what procedures and/or protocols should be followed in setting priorities for outcomes research, for determining the most appropriate and cost-effective research strategy within a given priority area, and for developing practice guidelines.

Our intention is to have the GAO compile information and recommend approaches to decision-making that will support the Department's efforts to proceed with outcomes research and guidelines development in the most effective and scientifically sound manner possible. We have also asked that the GAO build on the work already underway and the expertise available within the agencies under your purview. For this reason and in light of the intended benefit of the GAO's work to the Department, we urge your full cooperation in any requests for information from the GAO during the course of their study.

In conducting their study, we have asked that the GAO take into account the full range of resources and programs within the Department. We have also urged that the study focus on specific medical procedures. This approach would not only provide a model for other types of diagnostic or treatment interventions, but also provide information immediately relevant to current research on the procedures selected for study.

Finally, we have asked that the GAO's study address the following questions.

(1) How is effectiveness defined by the different parties interested in medical practices and technologies (i.e. patients, physicians, insurers, and others)?

(2) What methods have been used and/or are being developed to determine the effectiveness of new or existing medical practices and technologies?

(3) What are the strengths and weaknesses of existing and emerging methods for determining effectiveness, including time and cost considerations?

(4) How should this information be integrated in planning future outcomes research and guideline development?

(5) What are the most successful approaches to disseminating information on research findings and practice guidelines to the medical community?

We appreciate your attention to this matter and look forward to working cooperatively to further our understanding of this important area of research and public policy. Should you have any questions regarding this letter, please do not hesitate to have your staff contact Nancy Smith of the Aging Committee minority staff at 224-1467.

Sincerely,

George J. Mitchell, Majority Leader; David Pryor, Chairman, Senate Committee on Aging; John Heinz, Ranking Member, Senate Committee on Aging; John Glenn, Chairman, Senate Committee on Government Affairs.

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U.S. SENATE,
*Washington, DC, April 3, 1989.*

Hon. CHARLES A. BOWSHER,
*Comptroller General of the United States, General Accounting Office, Washington, DC.*

DEAR MR. BOWSHER: As Majority Leader, Chairman and Ranking Member of the Senate Special Committee on Aging, members of the Senate Committee on Finance, and Chairman of the Senate Committee on Governmental Affairs, we are writing to request that the General Accounting Office [GAO] conduct a study in a promising new area of health research that seeks to improve the quality and effectiveness of medical decision-making. We refer specifically to efforts to conduct research and develop clinical practice guidelines that can help direct practitioners toward the most effective and cost-efficient treatment options.

Growing public concern over the quality and rising costs of health care has driven the Congress, the Administration and the medical community to closely examine the true effectiveness of medical procedures used to diagnose or treat patients. Too often, we discover that certain tests and procedures used in the course of medical treatment have increased the costs of caring for patients while providing little to no benefit to the patient and exposing them unnecessarily to intrusive and possibly high risk interventions.

Knowing this, the Congress has supported research to improve our understanding of variations in physician practice patterns and the relative impact of alternative interventions on patient outcomes. The Department of Health and Human Services (the Department) has also launched an "Effectiveness Initiative" to expand the scope of this research to include studies that draw from existing administrative and newly developed clinical data in the Medicare database. At his confirmation hearing before the Senate Committee on Finance, Dr. Louis Sullivan reaffirmed the Department's commitment to this body of research and cited the need for better information on effective medical practices as one of his highest priorities as incoming Secretary.

This important area of research has the potential of both improving the quality of patient care and reducing unnecessary costs. If we are to be successful, we firmly believe that the methods and protocol for conducting outcomes research and developing practice guidelines must be scientifically valid and regarded as credible by the medical community, policy-makers, and the public.

Our concern is that the work being carried out in the public and private sectors is proceeding in the absence of any broad strategy or any clearly defined protocols for research and guideline development. We are also concerned by the limited discussion, at the outset, of how this research has been determined historically, what methods have been used, and their strengths and limitations. At the same time, we believe that the widespread support for this body of research presents a unique opportunity to draw on the resources and expertise available to the Congress and the Department in moving forward toward a common goal.

We are therefore requesting that the GAO undertake a study on what procedures and/or protocols should be followed in setting priorities for outcomes research, for determining the most appropriate and cost-effective research strategy within a given priority area, and for developing practice guidelines.

Our intention is that the GAO compile information and recommend approaches to decision-making that will support the Department's efforts to proceed with outcomes research and guideline development in the most effective and scientifically sound manner possible. In conducting this study, we ask that the GAO build on the work already underway and the expertise available across the Department agencies and that the scope of the study include the full range of resources and programs under the Department's purview. We also ask that the GAO's study address the following questions.

(1) How is effectiveness defined by the different parties interested in medical practices and technologies (i.e. patients, physicians, insurers, and others)?

(2) What methods have been used and/or are being developed to determine the effectiveness of new or existing medical practices and technologies?

(3) What are the strengths and weaknesses of existing and emerging methods for determining effectiveness, including time and cost considerations?

(4) How should this information be integrated in planning future outcomes research and guideline development?

(5) What are the most successful approaches to disseminating information on research findings and practice guidelines to the medical community?

(6) Other questions as determined to be appropriate by the GAO.

Based on initial discussions with staff from the GAO's Program Evaluation and Methodology Division, we believe that this work can be done effectively and relatively promptly. While we welcome your recommendations on how such a study might best proceed, we believe it would be most useful if your work focused on specific medical procedures. This approach would not only provide a model for other types of diagnostic or treatment interventions, but would also provide information immediately relevant to current research on the procedures selected for study.

We look forward to your positive response and appreciate your attention to this important matter. Should you have any questions regarding our request, please do not hesitate to have your staff contact Nancy Smith of the Aging Committee minority staff at 224-1467.

Sincerely,

George J. Mitchell, Majority Leader; David Pryor, Chairman, Senate Committee on Aging; John Heinz, Ranking

Member, Senate Committee on Aging; John Glenn, Chairman, Senate Committee on Government Affairs.●

## INITIATIVE ON RURAL DEVELOPMENT

● Mr. LEAHY. Mr. President, this morning I chaired a hearing to begin a Senate-wide initiative on rural development. Last month our distinguished leaders, the senior Senator from Maine and the senior Senator from Kansas, announced the formation of a bipartisan Rural Development Task Force.

The purpose of the task force is to foster the passage of legislation in Agriculture, Small Business, Environment and Public Works, Finance, Banking Committees and others. This effort is directed toward meeting the needs of 60 million rural Americans who want to stay there but must have educational and employment opportunities to survive in rural communities.

Mr. President, there is broad-based community support for this effort. I wish to include in the RECORD a letter in support of omnibus rural development legislation this year. It is signed by 117 organizations located all over the country. I ask that the letter be printed in the RECORD.

This letter speaks eloquently of the need for new legislation that will address unemployment, inadequate health care, education, infrastructure needs, transportation, business development needs, and many other problems in rural America.

I commend those who support this effort and are working every day to make rural America a place where our people can live because they have the choice and the opportunity to do so.

The letter follows:

APRIL 3, 1989.

Hon. PATRICK J. LEAHY,
*U.S. Senate, Washington, DC.*

DEAR SENATOR LEAHY: We are writing to ask that you support passage of omnibus rural development legislation during 1989.

Passage of a comprehensive and multijurisdictional rural development bill should be placed at the top of the domestic priority agenda by the U.S. Congress because:

1. In most respects, the rural economy, with its 62 million people, has fallen behind the economic expansion and national prosperity of the 1980s. A quiet crisis of survival and viability now faces a growing number of rural communities, whose way of life and opportunity to contribute to the national economy are threatened.

Each year rural communities are losing more than 500,000 people as a result of net outmigration to the cities.

Rural unemployment rates, which were historically lower than urban rates, are now higher. The gap between rural and urban incomes has widened and rural poverty rates are now substantially above metropolitan area rates.

Rural counties are disproportionately dependent on specific industries, primarily agriculture, resource extraction and low skill manufacturing—all of which have suffered during the 1980s. These industries are and will remain important to a large number of rural communities. However, in order to promote growth, and to soften the impact of future economic downturns, the rural economy must be diversified, with particular emphasis on encouraging employment in those sectors that are now driving the growth of our nation.

An increasing number of rural Americans lack access to health care and mental health services. Availability of decent housing, clean drinking water, and waste disposal remains a serious problem. Deterioration continues in the condition of many rural roads, bridges and other important aspects of the infrastructure.

Rural education and school completion levels lag behind urban areas and there has been an outmigration of the more highly skilled and educated.

2. Without broad-based efforts on the part of federal, state and local government, regional organizations, the private sector, community groups, cooperatives, and others, a resolution of the crisis quietly unfolding in the American countryside is unlikely. This broad-based and comprehensive approach is required to address the diverse, profound and powerful economic and demographic forces which are directly and too often adversely affecting rural communities.

3. Rural areas are an immense national treasure. Most Americans live in urban areas, yet 85% of our land mass falls outside the boundaries of metropolitan areas. These areas are rich not only in resources, but in culture, values and character. However, economic opportunities and essential services have become increasingly and disproportionately concentrated in urban areas. This is not in the best interest of rural communities whose survival becomes threatened, or urban centers unable to cope with the crowding pressures of growth. National attention to foster rural growth is required to restore balance.

4. The diverse nature of rural problems dictates an omnibus and multijurisdictional approach to solving them. Diverse public policies may be needed to effect rural regeneration. This may involve: fostering rural business development; educational improvements; job training; rural credit; infrastructure repair and improvement; local leadership development; communications and data transfer technology; health care and mental health services; transportation innovation as well as a host of other policy areas.

We urge each Committee of the United States Congress to give rural concerns serious and substantial attention and to develop specific proposals to address these rural issues using the programs and policy tools under its jurisdiction.

Now is the time for action. We urge you, as a member of the United States Congress, to devote your personal attention to ensuring that a comprehensive, multijurisdictional rural development bill is passed as early in 1989 as possible. This effort is in the best interest of all of us—urban and rural.

Thank you for your consideration.

Sincerely,

(Signed by the 117 groups.)

Groups signing April 3 Letter supporting rural development legislation:

American Feed Industry Association, Virginia.

American Feed Trade Association, Washington, D.C.

American Nurses Association, Washington, D.C.

Association of American Railroads, Washington, D.C.

Bread for the World, Washington, D.C.

Brevard/Transylvania Economic Development Commission, North Carolina.

Burlington Northern Railroad, Texas.

Center for Community Change, Washington, D.C.

Center for Rural Health, North Dakota.

Center for Rural Health and Social Service Development, Southern Illinois Univ., Illinois.

Cleveland County Economic Development Commission, North Carolina.

CoBank—National Bank for Cooperatives, Colorado.

Comité Popular de Defense, Washington.

Communicating for Agriculture, Minnesota.

Communications Workers of America, Washington, D.C.

Community Resource Group, Inc., Arkansas.

Consumer Federation of America, Washington, D.C.

Council for Educational Development and Research, Washington, D.C.

Duluth Community Action Program, Minnesota.

Economic Policy Institute, Washington, D.C.

Evans Memorial Hospital, Georgia.

Far West Laboratory for Educational Research, California.

Federation of Southern Cooperatives/Land Assistance Fund, Alabama.

Fund for Rural Education and Development, Washington, D.C.

Georgia Hospital Association, Georgia.

Governor of North Dakota, North Dakota.

Great Lakes Rural Network, Inc., Ohio.

Halifax County Industrial Development Commission, North Carolina.

Housing Assistance Council, Washington, D.C.

Illinois Farmers Union, Illinois.

Inner Logics, Inc., Michigan.

International Brotherhood of Electrical Workers, Washington, D.C.

International Ladies Garment Workers Union, New York.

Iowa Area Development Group, Iowa.

Iowa Hospital Association, Iowa.

Jaenke and Associates, Washington, D.C.

Learning in the North Country, New Hampshire.

Lt. Governor of Iowa, Iowa.

Lumbee Regional Development Association, North Carolina.

Lutheran Health Systems, North Dakota.

Lutheran Resources Commission, Washington, D.C.

Marine Research Development Crescent, North Carolina.

Mercy Health Center, Iowa.

Mid-East Commission, North Carolina.

Mid-West Assistance Program, Inc., Minnesota.

Mid-West Electric Consumers Association, Colorado.

Mid-West Rural Health Association, Missouri.

Montana Farmers Union, Montana.

National Ag Underwriters, Minnesota.

National Association for Rural Mental Health, Maryland.

National Association of Community Health Centers, Washington, DC.

National Association of Counties, Washington, DC.

National Association of Crop Insurance Agents, Minnesota.

National Association of Development Organizations, Washington, DC.

National Association of Regional Councils, Washington, DC.

National Association of Towns and Townships, Washington, DC.
National Business Incubation Association, Ohio.
National Catholic Rural Life Conference, Iowa.
National Center for Appropriate Technology, Washington, DC.
National Consumers League, Washington, DC.
National Cooperative Bank, Washington, DC.
National Cooperative Business Association, Washington, DC.
National Council of La Raza, Washington, DC.
National Farmers Organization, Washington, DC.
National Farmers Union, Colorado.
National Grange, Washington, DC.
National Institute for Rural Health Policy, Iowa.
National Mental Health Association, Washington, DC.
National Milk Producers Federation, Washington, DC.
National Planning Association, Washington, DC.
National Rural Development and Finance Corporation, Washington, DC.
National Rural Education Association, Colorado.
National Rural Electric Cooperative Association, Washington, DC.
National Rural Health Association, Missouri.
National Rural Health Network, Washington, DC.
National Rural Housing Coalition, Washington, DC.
National Rural Letter Carriers Association, Virginia.
National Rural Telecom Association, Washington, DC.
National Rural Telecommunications Cooperative, Washington, DC.
National Rural Utilities Cooperative Finance Corporation, Washington, DC.
National Rural Water Association, Oklahoma.
National Telephone Cooperative Association, Washington, DC.
National Trust for Historic Preservation, Washington, DC.
National Unemployed Network, Pennsylvania.
Northeastern Education and Development Foundation, North Carolina.
Northeastern Community Investment Corporation, Vermont.
Organization for the Protection and Advancement of Small Telephone Companies, Washington, DC.
Palmetto Economic Development Corporation, South Carolina.
Public Voice for Food and Health Policy, Washington, DC.
Research for Better Schools, Pennsylvania.
Richland County Development Corporation, Illinois.
Rural America, Washington, DC.
Rural Community Assistance Corporation, California.
Rural Community Assistance Program, Inc., Virginia.
Rural Health Jobs, Maryland.
Rural Housing Improvement, Inc., Massachusetts.
Rural Leadership, Inc., Pennsylvania.
Rural Wisconsin Hospital Association, Wisconsin.
Southern Pacific Transportation Company, California.
Southwest Educational Development Laboratory, Texas.
Tele-Systems Associates, Inc., Minnesota.
Tennessee Hunger Coalition, Tennessee.
Tennessee Valley Public Power Association, Tennessee.
The American Agriculture Movement, Washington, DC.
The Regional Laboratory for Educational Improvement of the N.E. and Islands, Massachusetts.
The Rural Advancement Fund, North Carolina.
The Rural Economic Development Center, North Carolina.
United Food and Commerical Workers International Union, Washington, DC.
United Packing House Workers—Local 5183, California.
United States Beet Sugar Association, Washington, DC.
United States Catholic Conference, Washington, DC.
United States Telephone Association, Washington, DC.
University of Maryland, Department of Education Policy, Planning and Administration, Maryland.
Virginia Water Project, Inc. Virgina.
Western Rural Telephone Association, California.
Wheeler County Hospital, Georgia.
Wisconsin Federation of Cooperatives, Wisconsin.●

## EDUCATIONAL EXCELLENCE ACT

● Mr. LUGAR. Mr. President, in the United States today, there is a consensus that the quality of America's public education can be improved. Educators, lawmakers, and private citizens are contribuitng critical elements to the discussion of how and where changes should be made. It is encouraging to see such widespread agreement on the need to reevaluate our approaches to quality education. It is crucial for the advancement of our Nation that all capable individuals are given the opportunity to maximize their potential through education and training.

I am pleased to join Senator KASSEBAUM in sponsoring the President's innovative plan to foster excellence in education. The Educational Excellence Act of 1989 will spur initiatives which are already being developed in many States, and will implement on a nationwide basis several new programs to recognize and reward achievement in the educational arena.

In order for our children to excel in the classroom, we must rid our schools of illegal drugs. Surveys show that students are being pressured by their peers to use drugs as early as the third and fourth grade. Learning will not take place in an environment plagued with drugs and violence. The President has recognized this urgent need by providing $25 million in emergency grants for those urban schools with the most severe drug problems.

When schools make dramatic progress, we need to take notice and reward their efforts. The Presidential Merit Schools Program will do just that by providing cash awards to elementary and secondary schools which make significant improvements in some area of importance, such as reducing their dropout rate. Similarly, teachers should be rewarded for going that extra mile for their students. Some States already recognize outstanding educators, but the President's plan will take this nationwide.

Magnet schools have proved highly effective over the years in the desegregation of our school systems. Now we plan to encourage magnet schools with strong academic and vocational programs in areas where desegregation is not an issue. With schools working to attract students, educational opportunities will be enhanced.

These are just a few of the proposals President Bush has transmitted to Congress as part of his education package, which emphasizes excellence, choice, and accountability. I am pleased to support the President in this effort because I believe that America's future rests largely on the fulfillment of our dreams for public education. Incalculable rewards await those States and nations which translate an appreciation for academic achievement into a sound plan of action.●

## THE POLITICAL CHALLENGE OF HDTV

● Mr. HEINZ. Mr. President, the advent of advanced television systems [ADV] and high definition television [HDTV] in particular presents us with both a major technological and a political challenge. The former is to develop a quality system that can compete on a global basis. The latter is to understand what governmental actions will be necessary to facilitate this competitive position.

The debate over policy promises to be a controversial one, but there are several premises on which most informed observers will agree.

The first is that HDTV is important far beyond the implications for home entertainment. The latter market itself is billions of dollars per year, and our experience in the 1970's with the erosion of the domestic conventional TV industry has been dramatic evidence of how quickly the international terms of trade can be made to change for the worse. Beyond home receivers, however, HDTV technology and the semiconductors it requires are directly related to computer technology and a variety of sophisticated applications. A recent study by the Economic Policy Institute concludes that the impact of HDTV is so broad that if we fail to fully develop the industry in the United States, we will be looking at $225 billion trade deficit in electronics alone by 2010.

The second premise is that we are currently far behind both the Japanese and the Europeans in the development of HDTV. Whether that makes any difference is one of the key areas of debate.

Obviously, a critical part of that debate revolves around the technical standards that are ultimately adopted in the United States and elsewhere for HDTV transmission and reception. Some part of this debate is indeed technical. Proposed standards, for example, vary in the amount of the spectrum they require, an important consideration in developed countries where the spectrum is already crowded with current broadcast technologies.

At another level, however, the issue of standards is political, since they have a great influence over who chooses to go forward with product development. The European Community, for example, followed a distinctly national path in its development of a standard for conventional television and by doing so insured that an overwhelming share of its market to this day is supplied by European producers. A unique standard alone, of course, cannot insure that outcome, as competent producers anywhere can meet someone else's standard. It takes a variety of other protectionist actions as well, which some countries have not hesitated to impose.

A unique indigenous standard, however, can have a major impact on the development of an infant industry like this one. It also provides the only means for making sure special conditions or peculiarities of the market are taken into account. For example, the FCC has already concluded that the interests of consumers require that whatever standard is ultimately adopted should permit the reception of HDTV programs on conventional equipment. As study of a new standard proceeds, there will no doubt be other criteria specific to our market that emerge as well. That is something the FCC should study carefully.

Mr. President, recently the House Subcommittee on Telecommunications and Finance solicited comments on ATV issues from a wide variety of sources. One of the most penetrating analyses was offered by William F. Schreiber, director, Advanced Technology Research Program at MIT. Although it contains some recommendations, its chief contribution is to lay out in stark terms the differing consequences of alternative development paths for this critical technology. Anyone interested in HDTV should read this statement closely, and I ask that it, along with the Economic Policy Institute paper I referred to earlier, be printed in the RECORD.

The material follows:

[From the Economic Policy Institute Briefing Paper, Washington, DC]

THE CONSEQUENCES OF FAILING TO DEVELOP A STRONG HDTV INDUSTRY IN THE UNITED STATES

(By Robert Cohen)

The U.S. could face an annual trade deficit of more than $225 billion in electronics and lose more than two million jobs a year by 2010 if it fails to develop strong HDTV and flat-display screen industries. The trade deficit under a weak HDTV scenario, where the U.S. industry takes only ten percent of the world market, would be $227 billion in the year 2010 for just four electronics industries: HDTV receivers and VCRs, personal computers, semiconductors and automated manufacturing equipment. The main contributors to this enormous trade deficit would be the personal computer and semiconductor industries, which would suffer estimated deficits of $114 billion and $76 billion, respectively.

As a result of this trade deficit, the U.S. would lose 792,000 jobs in these four closely linked industries, since weakening the HDTV base weakens demand and technical innovation in the other electronics sectors. An additional 1.5 million jobs would be lost through the loss of spending in the economy by people who would have been employed in these electronics sectors. These multiplier effects are based on a rather conservative estimate of approximately two new jobs for every new one in electronics.

As these figures show, our nation stands at a critical juncture. If we do not create a strong industrial base centered on development of HDTV and flat-display screen technology, it will not only weaken our industrial base, but also reduce the numbers of skilled jobs that are needed to make us more competitive.

LINKAGES: ONE KEY TO CREATING COMPETITIVENESS

Why would our failure to develop a strong HDTV industry have such a dramatic impact on the trade balance and job creation? Because the HDTV and flat-display screen technologies are intimately linked, economically, to the improvement of our personal computer and automated manufacturing industries, which are likely to expand at a rapid pace during the next two decades. These linkages—through which improvements and expansion in one electronics sector stimulate improvements and expansion in others—are critical to the future development of our industrial base.

When a personal computer adopts the kind of flat display screen associated with HDTV technology, it will not only create additional demand for the products associated with this new industry, but it will also require a large number of semiconductors to support the new projector and display technology that will be incorporated in the screen itself. The use of these inputs will give a boost to demand for products from these related industries, contributing to increases in their output and improving the chances that they will be profitable and have the funds to support further innovation.

These linkages create a kind of feed-back mechanism that provides its greatest advantages to our industrial base when the entire "food chain" of the electronics industry is improved. This will occur when the demand for basic components, such as semiconductors and digital display screens, is expanded to a wide range of applications of the final products in our economy. HDTVs will be used in the home, as display screens for personal computers, and by the nation's businesses to improve controls over automated production in auto, steel and manufacturing plants, to integrate video and print media in newspapers, and for the collection and transmission of important medical results, such as x-rays and computer tomographs.

THREE SCENARIOS FOR U.S. ELECTRONICS INDUSTRIES, 1990–2010

So strong are the linkages in the electronics "food chain" that industry experts believe they can project U.S. production and market shares in both upstream and downstream industries, based on various scenarios for the introduction and success of an emerging technology such as HDTV. This study bases its estimates of trade and employment impacts in the year 2010 on production and U.S. market share scenarios developed in a study recently released by the American Electronics Association. The underlying data from that study are shown in the Appendix Table.

According to the AEA study, the Strong scenario represents a case where 50 percent of the U.S. market for HDTV is controlled by U.S. firms. In the Medium Scenario, 30 percent of this market is controlled by U.S. firms, and in the Weak Scenario only 10 percent of the U.S. market is controlled by U.S. firms. According to these unadjusted estimates, with a strong HDTV base, the U.S. PC industry would attain an estimated $221 billion in sales, in contrast to an expected $110 billion in sales with a weak HDTV sector, a difference of $111 billion in foregone sales if the U.S. has a weak HDTV base. The contrast is almost as striking for the semiconductor industry. In this sector, sales would reach an estimated $124 billion with a strong U.S. HDTV sector and only an estimated $62 billion with a weak HDTV industry, a difference in 2010 of $62 billion in semiconductor sales.

These figures are adjusted in Table 1 using estimates for how much of the total U.S. market share would be produced in the U.S. (as opposed to U.S. owned offshore facilities). This permits us to create projections for U.S. based production under each of the three scenarios for the year 2010. These estimates can be used with projections of total U.S. sales to compute the trade surplus or deficit that would be expected under each scenario in 2010. As can be seen in Table 1, the differences between the Strong and Weak HDTV scenarios are striking, particularly for the personal computer and semiconductor industries. In the case of the PC industry, U.S. production would reach an estimated $176 billion in 2010, while it would only be an estimated $44 billion under the weak HDTV Scenario. For semiconductors, U.S. production would grow to an estimated $99 billion under the Strong HDTV scenario but only $25 billion under the Weak HDTV scenario.

While these difference are quite large, they are not suprising. If the U.S. HDTV industry generates little local production and only a small amount of innovation in electronics products, it is very likely that even the largest U.S. companies will obtain many of the their components overseas, earning profits by the value added that they gain from assembling the components into a computer or automated manufacturing equipment.

Table 2 sums up the trade impacts of the different scenarios in 2010. It shows that the trade balance in these four industries

would range from an estimated surplus of $10 billion to an enormous estimated deficit of $227 billion in just one year. The main contributors to this deficit would be the personal computer and semiconductor industries, which would contribute deficits of $114 billion and $76 billion, respectively, to the overall trade deficit under the Weak HDTV scenario.

Employment impacts can be obtained by dividing the sales figures in Table 1 by the amount of sales that we would expect these industries to have per employee. There are currently about $150,000 in sales for each employee in the computer and telecommunications industry in 1987. However, we used an estimate of $300,000 in sales per employee, allowing for substantial productivity gains by the year 2010. If productivity does not rise rapidly the employment losses shown in Table 3 are understated.

According to these estimates, the personal computer industry will grow to 588,000 employees in 2010 under the strong HDTV industry scenario, compared to just 147,000 employees under the weak HDTV scenario, a difference of just under 450,000 jobs. A similar difference in estimated employment gains can be expected in the semiconductor industry, where 331,000 jobs will be created in 2010 under the strong HDTV industry scenario, while just 83,000 jobs will exist under the weak HDTV base option.

Table 3 also allows us to compare the total estimated employment levels in all four industries that will be reached under each scenario in 2010. The differences are quite substantial. Under the Strong HDTV scenario, there will be nearly 1.1 million estimated jobs in these four industries, but only 274,000 jobs under the Weak HDTV scenario.

This means that the U.S. will forego more than three quarters of a million jobs in 2010 if it develops a weak HDTV industry compared to a strong one.

Furthermore, these large job creation differences between the scenarios underestimate the totel effect of not having a strong HDTV industry because the figures in Table 3 do not include any mulitplier effects that would be likely to occur. Using a conservative multiplier, it would be reasonable to argue that at least another 1.5 million jobs will be foregone in 2010 by not developing a strong HDTV industry. Moreover, if flat-screen displays were used extensively in retailing, in education, or in automated automobile assembly, direct job creation would be greater than we have estimated for the four sectors, and multiplier effects would be proportionately larger. These estimates also fail to allow for new industries that might emerge as a result of the commerical development of digital television, digital communications and innovative flat-screen displays between now and the year 2010.

TABLE 1.—ADJUSTED ESTIMATES OF U.S. PRODUCTION OF HDTV RECEIVERS, HDTV VCR'S, AND OTHER ELECTRONICS SECTORS AFFECTED BY THE GROWTH OF HDTV

[Three Growth Scenarios, 2010, in billions of dollars]

| Sector | U.S. market | Strong HDTV | Medium HDTV | Weak HDTV |
|---|---|---|---|---|
| HDTV receivers and HDTV VCR's | 11 | 4.3 | 2.0 | 0.4 |
| Automated manufacturing equipment | 39 | 40.0 | 24.4 | 13.0 |
| Personal computers | 158 | 176.4 | 105.8 | 44.1 |
| Semiconductors | 101 | 99.4 | 59.7 | 24.8 |

Source: These figures include adjustments that assume that for the Strong Scenario, 50 percent of the U.S. manufacturers share is produced in the United States and an additional 30 percent comes from foreign owned production in the United States. For the medium scenario, the figures are 40 percent and 20 percent, and for the weak scenario, the figures are 30 percent and 10 percent. These adjustments are used to alter the estimates for world share of production by U.S. firms in David Russell, "High Definition Television (HDTV): Economic Analysis of Impact," report of the American Electronics Association ATV Task Force Economic Impact Team, November 1988.

TABLE 2.—ESTIMATED TRADE DEFICITS IN 2010 FROM THE U.S. PRODUCTION OF HDTV RECEIVERS, HDTV VCR'S, AND ELECTRONICS PRODUCTS THAT ARE AFFECTED BY THE GROWTH OF HDTV

[Three Growth Scenarios, in billions of dollars]

| Sector | Strong HDTV | Medium HDTV | Weak HDTV |
|---|---|---|---|
| HDTV receivers and HDTV VCR's | −7 | −9 | −11 |
| Automated manufacturing equipment | +1 | −15 | −26 |
| Personal computers | +18 | −52 | −114 |
| Semiconductors | −2 | −41 | −76 |
| Total | +10 | −117 | −227 |

Source: These figures assume that for the strong scenario, 50 percent of the U.S. manufacturers share is produced in the United States and an additional 30 percent comes from foreign owned production in the United States. For the medium scenario, the figures are 40 percent and 20 percent, and for the weak scenario, the figures are 30 percent and 10 percent. These adjustments are used to alter the estimates for world share of production by U.S. firms in David Russell, "High Definition Television (HDTV): Economic Analysis of Impact," report of the American Electronics Association ATV Task Force Economic Impact Team, November 1988.

TABLE 3.—ESTIMATED EMPLOYMENT IN THE PRODUCTION OF HDTV RECEIVERS, HDTV VCR'S, AND ELECTRONICS PRODUCTS THAT ARE AFFECTED BY THE GROWTH OF HDTV

[Three Growth Scenarios, 2010, in thousands of jobs]

| Sector | Strong HDTV | Medium HDTV | Weak HDTV |
|---|---|---|---|
| HDTV receivers and HDTV VCR's | 148 | 7 | 1 |
| Automated manufacturing equipment | 133 | 81 | 43 |
| Personal computers | 588 | 353 | 147 |
| Semiconductors | 331 | 199 | 83 |
| Total employment | 1,066 | 640 | 274 |

Note.—These estimates are based on an assumption of $300,000 sales per employee in contrast to $150,000 for the key parts of the electronics industry in 1987.

Source: These figures assume that for the strong scenario, 50 percent of the U.S. manufacturers share is produced in the United States and an additional 30 percent comes from foreign owned production in the United States. For the medium scenario, the figures are 40 percent and 20 percent, and for the weak scenario, the figures are 30 percent and 10 percent. These adjustments are used to alter the estimates for world share of production by U.S. firms in David Russell, "High Definition Television (HDTV): Economic Analysis of Impact," report of the American Electronics Association ATV Task Force Economic Impact Team, November 1988.

CONCLUSION

The United States stands at a critical juncture that will shape the growth of its electronics industry well into the next century. Since the new industries of high definition television and flat display screens are likely to have an enormous impact on our electronics industry, the fact that we have lost much of the consumer electronics base may lead some to minimize the impact of the new "digital revolution." But this revolution offers the potential for a dramatic revival of industries that could form the base for the creation of at least two million jobs and for a gain in our trade account of over $225 billion by the year 2010.

Given the strong government role played in promoting the development and commercial success of these industries in Europe and Japan, it is no longer logical for our policies to avoid supporting those industries that are critical to the future growth and development of our industrial base. If we continue to lose the skilled jobs and the innovative spirit of entrepreneurship that has supported the vitality of the U.S. electronics industry since its inception, our economy will be subject to pressures that will cause substantial dislocation of industries and workers as we settle for a position as a "branch plant" economy. But with a revitalized electronics sector, our companies will have the opportunity to regain a leadership position in what have been called the "crown jewel" industries of the future.

APPENDIX TABLE.—WORLD MARKET SALES IN 2010 OF U.S. FIRMS UNADJUSTED ESTIMATES OF HDTV RECEIVERS AND HDTV VCR'S TOGETHER WITH SALES OF OTHER ELECTRONICS SECTORS AFFECTED BY THE GROWTH OF HDTV

[Three Growth Scenarios, 2010, in billions of dollars]

| Sector | U.S. market | Strong HDTV | Medium HDTV | Weak HDTV |
|---|---|---|---|---|
| HDTV receivers and HDTV VCR's | 11 | 5.4 | 3.3 | 1.1 |
| Automated manufacturing equipment | 58 | 48.7 | 40.6 | 32.5 |
| Personal computers | 210 | 220.5 | 176.4 | 110.3 |
| Semiconductors | 151 | 124.3 | 99.4 | 62.1 |

Source: Derived from results presented in David Russell, "High Definition Television (HDTV): Economic Analysis of Impact," report of the American Electronics Association ATV Task Force Economic Impact Team, November 1988.

## ADVANCED TELEVISION SYSTEMS: GETTING A SHARE OF THE MARKET FOR US-OWNED COMPANIES

(By William F. Schreiber, Director, Advanced Television Research Program)

[From the Media Laboratory, Massachusetts Institute of Technology, Cambridge, MA, Feb. 1, 1989]

EXECUTIVE SUMMARY

Advanced Television Systems (ATV) are coming, and US industry is ill-prepared to participate, which may result in further weakening of the domestic economy. Many believe that government should take an active role in aid of the industry, as has previously been done for semiconductors. This position is justified by a short review of the recent history of the industry. The special role of ATV in support of other industries, particularly semiconductors and computers, is cited and the participation of government in Japan and Europe recalled. The place of consumer demand in the development of ATV is explained, and the possibilities of substantial growth in related services presented. Proposals for encouraging the private sector to increase its investment in ATV by improving the economic climate within which they operate seem very promising. However, such proposals are left to others. Among the many possible government actions, these comments concentrate instead on what can be done in the areas of policy and regulation to help make ATV a commercial success and to give US companies a better chance to gain substantial market share. It is emphasized that no government action can guarantee the success of any product or industry, but that lack of government action in this case can effectively prevent American participation. The advantages of using a US-originated standard are discussed, and the importance of rejecting the proposed Japanese 1125-line system is emphasized. Arguments are given for specific action in the areas of transmission standards for the various media and of receiver compatibility standards. It is proposed, in addition, that government promulgate a framework for the orderly introduction of ATV services so as to reduce the risk to manufacturers, broadcasters, and viewers.

A set of specific recommendations is made, including abandoning support for international standardization of the 1125-line

system for production and program interchange, phasing out NTSC over a 10- to 15-year period, requiring ATV receivers to be adaptable to a range of ATV transmission standards, and encouraging the alternative media to adopt standards that would permit easy interchange between media and that could all be decoded in a common receiver.

INTRODUCTION

The current FCC Inquiry into ATV arose out of broadcasters' fear that HDTV delivered by alternative media would damage their business unless they had enough spectrum to compete. Land-mobile radio asserts that they need part of the UHF spectrum more than the broadcasters do. As Congressional hearings have been held and as the Inquiry has progressed, many persons, both within and without the government, have come to realize the economic potential of ATV, and the wide range of potential benefits to the country that might result should US industry be able to command a substantial share of the market for ATV equipment. In view of the present state of the domestic consumer-electronics industry, many doubt that any benefit at all is likely to be obtained. On the contrary, it is feared that wide-scale importation of ATV professional equipment and consumer products is likely to worsen the trade imbalance and budget deficit. Others fear that related industries, such as semiconductors and computers, are likely to be damaged if American companies do not participate in ATV. The question arises as to whether government has a role in this situation, and, if so, what that role ought to be.

It should be pointed out that there are those who regard ATV as strictly a market problem, and who believe that government has no role at all to play. Should that policy be adopted, it is fairly clear what will happen. Judging by recent past history, nearly the entire market share will go to foreign-owned companies. Even if some of the equipment were "manufactured" in US factories, the semiconductors, for the most part, would come from abroad. Nearly all the R&D (and related skills developed in the design process) would remain offshore.

Several years ago, DOD decided that the semiconductor industry was vital to national security, and set up Sematech in response. It has now apparently made a similar finding for ATV, and asked for bids for developing receivers and for display technology. The $30 million to be spent is a rather small sum compared to the potential market, which is expected to be as much as $140 billion in the first 12 years. Nevertheless, this action has had a remarkable effect in stimulating many electronics companies to make proposals.

I believe that the facts clearly support an active role for government, and that worthwhile results can be obtained with a modest amount of money and without engaging in unprecedented interference in the market. In this submission, I shall try to answer the most important questions related to possible federal action in this field. Finally, I shall list some steps that might be taken, concentrating on those items that are within my own expertise, and that are less likely to be stressed by others.

WHY CAN'T THE US CONSUMER-ELECTRONICS INDUSTRY MAKE IT ON ITS OWN?

The short answer to this question is that there is virtually no such industry left.[1] The most recent loss was the sale to Thomson, a French company, of the consumer divisions of GE and RCA as a result of the GE/RCA takeover. The former RCA research laboratory in Princeton, NJ, the David Sarnoff Research Laboratory, was given away to Stanford Research Institute and is now a contract laboratory. It is doing some TV development work, apparently funded largely out of money that GE is obligated to spend at Sarnoff as part of the transfer. SRI certainly has no funds of its own to spend this way. Zenith is the only large American company that still makes TV receivers. It has made a very important proposal about ATV, but its consumer-electronics division, barely profitable, is under attack from Wall Street.

It is worthwhile studying the demise of this industry as a way of seeing what might be done to bring it back. Of course, there was vigorous Japanese competition, partly due to their then-lower wages. There were management misjudgments, such as failure to modernize and to invest adequately in R&D. This industry, like many others, had also developed a very short time horizon. However, that is not the whole story by any means. There was also egregious dumping, coupled with failure to enforce the anti-dumping laws,[2] at the same time that foreign markets were completely closed to American manufacturers. Until recently, the government has been massively uninterested in the problem—indeed, most government officials didn't seem to think there was a problem.

There are also many objective conditions that would discourage domestic manufacturers. Included are the high cost of capital and labor,[3] the low profit margin in TV receivers as compared with military and medical electronics, and essentially no government encouragement in the form of favorable tax policies.

More recently, the wave of takeovers and LBO's has diverted management attention from the long-term health of their companies. Indeed, both the protective measures taken to prevent buyouts, as well as the consequences of buyouts using borrowed money, tend to decrease investment in the future. This problem, of course, is not confined to electronics.

It is clear that some changes are required in the economic climate within which US companies operate in order to make investment in ATV attractive. The longer the present malaise exists, the harder it will be to get back into the field, as the facilities disappear along with the required skills pool in the labor force.

Finally, it should be pointed out that in Japan and Europe, where most ATV development has been done, no one expects industry to do it by itself. In both places, government has taken an active role in planning, coordinating, and funding research and development activities in government and private laboratories.

WHY SHOULD THE GOVERNMENT DO ANYTHING ABOUT IT?

There is little question that the US is losing its manufacturing base. While there are some who believe this is perfectly all right since it results from market forces and is part of a worldwide trend toward the "information age" and a service economy, no one has yet explained how we are to maintain our standard of living if we depend more and more on industries that are inherently less productive than manufacturing. The decline in our living standard would be much more obvious were it not for the large inward cash flow from borrowing and from sales of assets. Even so, it is clear that many young people are now poorer than their parents were at the same age, a situation entirely unprecedented in American history.

Although this problem cuts across most industries, it comes with special poignance in TV. While Americans cannot rightly claim to have "invented" TV, (that goes back to the last century) we did first make it practical and available to almost everyone. We did invent color and video tape recording, although no VCR's are made in the US, except some assembled by foreign companies using offshore components. Television is uniquely our product, and it is unacceptable for America to have to go abroad for the next phase of this system in its entirety.

Aside from such emotional responses, it is clear that a thriving domestic consumer-electronics industry is a prerequisite for a viable semiconductor industry. In Japan, more than 40 percent of the output of their chip manufacturers go to their consumer-electronics industry, while in the US, the comparable figure is less than 10 percent. The skills of this industry, and the components and subsystems infrastructure it would support are essential to the computer industry and to military and industrial electronics. This comes about because the consumer industries are now at the leading edge of technology, a situation that partly results from their much shorter time-to-market than other industries.

No doubt, many of those involved in ATV, including myself, tend to overrate its importance. However, when we hear from organizations such as the EIA [4] that everything is just fine and that ATV is no big deal—just another evolutionary development—we are being seriously misled. ATV is the key to an entire range of new telecommunications and entertainment products. Organizations like the EIA fervently desire that the government should continue its short-sighted neglect of the health of American industry. EIA makes a big point of the fact that some ATV production will be carried out in the US (by foreign-owned EIA members) in the natural course of events. Of course, any part of the pie is better than none. It is clearly better to assemble foreign components into sets in the US than elsewhere. It would be better to use US components, and it would be best of all to do the R&D here so that the skills would be available to American industry generally.

IS THERE A CONSUMER DEMAND FOR ATV?

This is an important question, since, if viewers reject ATV, what the government does is irrelevant. The short answer to this question is "No," but additional comment is required. It would seem obvious that nearly all viewers would like a sharper picture with a wider screen and better audio, and, in fact, they probably do. However, the differences must be perceived to be desired, and with most subject matter and under most viewing conditions, the perceived difference is very much smaller than one would first think. To see and like the difference, the viewer must be close (or a large display must be used), the transmission condition must be good (low noise, ghosts, and interference), and the subject matter must contain enough fine detail so that the superior resolution makes a difference. These conditions are not usually met, so overall viewer preference is not very large. With some subjects under some conditions, a large proportion of the audience does like it, although the single objective factor most important to viewers is simply picture size.

Although the change to high resolution is a much smaller change than that to color, I believe that, as sets become available, as programming designed to take advantage of the superior imaging capabilities is made, and as we learn to deliver defect-free pictures to the home, it will be accepted. There is a good deal of price resistance, but HDTV sets, in current dollars, will cost no more than monochrome sets in 1947 or color sets in 1954. As we proceed down the learning curve, the price of sets will fall to a model increment over conventional receivers of the same picture size. The initial market penetration is likely to be slow, but the probability of eventual acceptance by the public is quite high, barring some unforeseen difficulty.[5]

A factor that strongly favors the eventual development of a very large market for ATV receivers is the likelihood that they will be used for many applications other than viewing regular programs. What attracts the telcos, computer companies, and others is the prospect of developing a host of new informational, transactional, educational, and entertainment services, as well as the use of the high-definition display with VCR's, computers, and electronic still photography.

THE ROLE OF STANDARDS

Other comments are likely to concentrate on the macroeconomic policies that will aid all industries, coupled with specific action, such as creation of consortia, partial funding, loan guarantees, etc., in aid of ATV in particular. Since I have been following developments in this field for so long, and have devoted so much time to devising both new ATV systems and scenarios for their introduction, I shall concentrate instead on the role of standards in the development of ATV and on the prospects of US companies to gain a reasonable share of the market through the promulgation of a suitable framework for the orderly introduction of ATV.

ATV development started in Japan in 1970, and a coordinated program under Project *Eureka* was started in Europe in 1986.[6] In both regions, HDTV will be delivered solely by direct broadcasting from satellites (DBS), while current system will remain in place for terrestrial broadcasting. In the US, ATV will be broadcast in the regular VHF and UHF bands, alongside the current system (NTSC), as well as in the alternative media, if they choose to do so. Ultimately, if the telcos move forward with their plan to run fiber into every home, ATV will certainly be one of the offerings, although the older media are likely to remain viable for many years.

The Japanese (NHK) system was first demonstrated in 1981. It was an analog system, primarily a scale-up of conventional systems, but with much better cameras, picture tubes, and recorders. Since it transmits five times the information as NTSC, it requires five times the channel capacity. This was uneconomical, even for DBS, so the MUSE bandwidth-compressed system was developed. This can be transmitted in a single normal satellite channel, but not in a single over-the-air channel, and has been ruled out by the FCC because of excessive required bandwidth.[7]

Although the wideband NHK system was originally developed as a straightforward analog DBS system, the Japanese and some Canadian and American adherents have been pushing in the CCIR and elsewhere to get the original adopted as an international standard for *program production and interchange.* This proposal is also supported by the U.S. State Department. Whatever reasons once advanced for the U.S. to take this position, it is now contrary to U.S. interests and should promptly be reversed. There is no single action the government could take at this time that would give more encouragement to American system proponents. Aside from its symbolic value, changing this policy would be of practical value in that it would substantially improve the prospects for American industry to participate in the ATV market.

While a U.S.-orginated standard would not guarantee U.S. participation, a Japanese standard would make it much harder for American companies to have any market share at all. Historically, standards have often been used to control markets. This is the reason the Europeans chose PAL instead of NTSC and why the French chose SECAM instead of PAL. Partly as a result of these actions, the Europeans have managed to save much more of their TV industry than we have. Most TV sets sold in Europe are made in Europe, a large proportion by European-owned firms, to this day.

The principal effect of the widespread use of the NHK system for production will be to pave the way for the use of a directly compatible transmission system such as MUSE. Although the FCC has rejected the 9-MHz MUSE for over-the-air use, it may be used for DBS (if that service develops in the U.S.), for VCR's, for cable (if quality loss due to microreflections can be overcome), and, as a result, for receivers. A de facto standard established in this way would be a formidable roadblock to the development of an American system. NHK is now hard at work developing 6-MHz transmission systems to meet FCC requirements, and we can rest assured that these also will be directly compatible with the "studio" system.

I am convinced that the principal motive behind pushing the NHK system is, and the main effect of adopting it would be, to advance Japanese economic interests to the detriment of our own. There is no reason whatsoever for the U.S. to be a party to inflicting this damage on itself.

Many false and/or misleading arguments have been advanced in support of the NHK system. In order to keep this document reasonably short, I shall not refute them in detail, although I intend to do so in a forthcoming submission to NTIA.[8] Instead, I shall make a series of statements for which there is a great deal of evidence. I shall be pleased to provide additional material if the Committee so desires.

The NHK system is not a production system at all—it is a no-storage DBS system that uses interlace, which makes transcoding difficult and expensive. Production systems cannot be chosen independently of transmission systems because of the transcoding problem. There is no hope whatsoever to achieve world-wide agreement on this system, as the Europeans have made it as plain as humanly possible that they will never accept it. The production format has no effect whatsoever on the salability of American programs abroad, particularly since the NHK system would be a detriment, if anything, in sales to Europe.

The most disingenuous reason of all being used to promote the NHK system is that it doesn't make any difference, so we ought to take the first one available for the sake of standardization. You can be quite sure that if it really didn't make any difference, we would not see this one pushed on us so hard.

There is, at present, no reason why those who want to use this system for any purpose cannot buy the equipment and use it. There is likewise no reason why the concerned manufacturers cannot agree among themselves on signal levels, connectors, etc., that can be quite troublesome in the field if not standardized. It is when governments and officially recognized standards-setting organizations take up the question, and when standardization is interpreted as endorsement,[9] that we must consider where our interests lie. They clearly do not lie with choosing a Japanese production standard.

MAKING ATV A SUCCESS

Obviously, there is no way to guarantee the success of any new product. However, many pitfalls can be avoided and a propitious climate created by low-cost government actions that could greatly improve its prospects while at the same time providing a good opportunity for participation by domestic manufacterers. Such actions are called for with respect to receivers, transmission standards, and the framework that might be used to promote the orderly introduction of the new services.

*Transmission Standards and Receivers*

The FCC intends to permit the alternative media—cable, DBS, fiber, and VCR's—to use whatever transmission standards they desire, relying on market forces to ensure exchangeability of programs. This is extremely risky, as numerous alternative-media spokesmen have proclaimed their unwillingness to be limited by the presumed lower quality of traditional broadcasters' over-the-air channel. If these various systems come to market, we will see the development of several kinds of mutually incompatible ATV receivers, and the resultant death of ATV. In fact, it was the threat of just such an invasion of MUSE VCR's and monitors that finally brought the coming upheaval in TV to broadcasters' attention.

It appears possible to devise a "friendly family" of transmission standards that would permit each medium to optimize its own picture quality while also permitting easy transcoding from one medium to the other.[10] It is certainly possible to require receivers to be able to be adapted to a range of transmission formats.[11] This would prevent both the premature establishment of a *de facto* standard (MUSE is the main possibility for this) and well as the marketing of several kinds of mutually incomptible ATV receivers. The latter development is likely to kill ATV entirely and to cause everyone involved, consumers included, to lose money.

There is an excellent precedent for such receiver regulation in the All-Channel Receiver Law, which requires receivers sold in the U.S. to have UHF capability. This law, which was responsible for the viability of UHF TV, put all manufacturers on an equal footing by preventing some from gaining a cost advantage by selling VHF-only sets.

With such adaptable sets in the hands of viewers, further regulation might not be required to get the alternative media to use systems that permit easy program interchange. If further study shows that additional regulation is required to prevent the disaster of mutually incompatible standards, the government should not hestitate to provide it. It will still be possible to leave amply room for market forces, as we shall see below.

*ATV Introduction Frameworks*

One of the successful techniques used in creating the Japanese postwar economic miracle has been to encourage private in-

vestment by taking government action to reduce risk. This can be done here by establishing a framework within which ATV can develop in an orderly manner. Such a framework, promulgated by government, can encourage the development of a final system much more satisfactory to everyone concerned than is likely to result otherwise.

For many reasons, the final system should be technically superior to today's TV. This means not only much better picture and sound quality in the home, but the accommodation of at least as many stations as today in significantly less overall spectrum. In this way, other needs, such as those of mobile radio and cellular telephone service, can be met. None of these goals can be met without replacing NTSC with a modern and more efficient system. To avoid seriouis dislocations due to such a large change phasing out NTSC over a suitably long period of time—perhaps 10 to 15 years. In that way, viewers would be able to use their present equipment for its natural life, while those who wished could buy ATV receivers with confidence that they would not be made obsolete by evolutionary changes in the ATV system itself. Broadcasters could start ATV transmissions using either a Zenith-type simulcasting system or a single-channel-compatible system such as ACTV. The key element is the receiver.[12] At some time, depending on viewers' purchasing behavior, the FCC would drop it requirement that all ATV programs be made available to NTSC receivers. This would accelerate the transition toward ATV by both public and broadcasters and would begin the process of freeing up spectrum for other uses, but would not be taken unless ATV takes hold.

A transition framework such as this, decided upon by appropriate government agencies with input from all interested parties (not just the TV broadcasting industry) would encourage manufacturers to make the investment required to get into the market. It would remove doubt as to what the market needed and even provide a date by which a large proportion of the public will have bought new receivers. Since most viewers would have purchased new receivers within that period anyway, and since the average picture quality in the home would be clearly superior on the ATV sets, the transition would have a good chance of being accepted.

RECOMMENDATIONS

In the expectation that other submissions will deal with improving the economic climate for potential TV manufacturers and remedying the erosion that has taken place in the consumer-electronics industry, these recommendations deal primarily with regulatory and policy issues that I believe are of importance without regard to whatever other action the government will take. A more general list of possible actions is presented in the Appendix.

1. *Withdraw support for the NHK production standard and do not require its use for testing proposed systems under the current Inquiry.* If it ever was in our interest to support this system, it certainly is not now, especially in the light of the Tentative Decision and FNOI. In similar regard, advice tendered by organizations in which foreign-owned companies have an important voice, such as ATSC and EIA, should be given particularly careful scrutiny to see whose interests such advice would advance.

2. *Decide on a definite plan for the development and introduction of ATV, including the eventual phasing out of NTSC, with full consideration of the economic factors.* The plan need not select one of the proposed systems, but might well incorporate desired features from a number of different proposals. Some timing flexibility might be incorporated. Such a decision would remove some of the uncertainly that stands in the way of private investment. The U.S. is the largest TV market in the world. A system guaranteed to be deployed in the U.S. will surely attract the needed investment from foreign as well as domestic manufacturers.

3. *Require ATV receivers and peripheral equipment to be used with them, such as VCR's, to be adaptable to some range of ATV systems.* (Regulation should be just enough to achieve the objectives. In particular, scanning standards of the display should be optional.) This range should include the kinds of systems contemplated in the development plan discussed in Item 2. If a number of mutually incompatible ATV receivers appear on the market, advanced television will be struck a serious, if not fatal, blow. All participants, including the public, will lose money, and the economy will be the worse for it. This eventually should be prevented, if at all possible.

4. *Encourage the alternative media to adopt transmission standards that are friendly to those the Commission is likely to adopt for terrestrial transmission.* The receiver-compatibility standards of Item 3 would be helpful in this regard. Additional steps might include spectrum assignments for DBS and for satellite transmission to cable head ends, interference requirements for cable, and the eventual promulgation of a family of digital ATV transmission standards for proposed digital media, when research in this field is sufficiently far advanced.

FOOTNOTES

[1] A report on the decline of the industry, entitled, "The Decline of Consumer Electronics Manufacturing: History, Hypotheses, and Remedies," is available from Prof. David H. Staelin, 26-341 MIT, Cambridge, Mass. 02139.

[2] Depending on how dumping is defined, this may still be going on. It is quite common to see Asian TV receivers at lower prices in the U.S. than in their country of manufacture.

[3] The effective devaluation of the dollar has partly remedied the latter problem.

[4] The government would be well advised to consider the economic interests of those giving advice. There is not a single U.S.-owned TV manufacturer in the consumer-electronics division of EIA, which largely represents foreign-owned companies that have taken the market away from our own companies.

[5] A major obstacle would be a depression, or the use of mutually incompatible standards and receivers by the various media. We have some moderately effective methods of dealing with the first problem, but the second can positively be avoided by appropriate government action.

[6] France abandoned its 819-line monochrome HDTV system in 1965 when it went to color.

[7] In addition, it has not been demonstrated that the MUSE system, with its subsampling structure, will perform well under typical degradations in analog transmission channels. It can be used in DBS and for tape or disk recording.

[8] The NTIA has issued a Notice of Inquiry on whether the US should change its position in this matter. Comments are due March 3.

[9] SMPTE standardization, widely proclaimed as an "endorsement" by NHK adherents, is most certainly so such thing. It is SMPTE's practice to standardize anything that is being used, without any recommendation as to its merits.

[10] The Zenith and MIT systems lend themselves to such a family structure.

[11] Naturally, one would not require receivers to cope with every possible format, but only with a range of formats that fall in the class to be authorized by the FCC.

[12] We have recommended the Open-Architecture Receiver (OAR) for this application, but less general configurations are possible.

APPENDIX—POSSIBLE FEDERAL ACTIONS TO SUPPORT ATV

VERY LOW OR NO COST

1. Withdraw U.S. government support for the NHK production standard. Such support, if ever in our interests, is certainly not in our interests now.

2. Regard with suspicion advice tendered by organizations in which foreign-owned companies have an important voice, such as ATSC and EIA.

3. Make takeovers and leveraged buy-outs more difficult, particularly in vital industries. (Example: GE/RCA) E.g.: interest on money borrowed for takeovers should not be a legitimate business expense; officers of companies should not be able to dismember corporations in order to line their pockets.

4. Enforce the antidumping laws. If Japanese companies are selling TV's at no profit in the US, but at high profit in Japan, that should be defined as dumping. Make foreign components used in foreign-owned US factories subject to these laws.

5. Set national priorities independent of special concerns of small industries, but only in view of the overall benefit to the economy.

LOW COST

1. Organize a high-level adequately staffed study with *all* interests represented, including industry, government, academia, labor, public.

2. Decide on a definite scenario for the development and introduction of ATV, including the phasing out of NTSC, with full consideration of economic factors. Establish ATV receiver compatibility standards to prevent both a premature defacto standard and a multiplicity of mutually incompatible receivers appearing in the market. This is unlikely to be done successfully within the FCC Advisory Committee, as the wrong people (or at least not enough of the right people) are involved, and because the FCC does not seem to think it ought to consider economic factors outside the broadcasting industry.

3. Fund a number of small R&D programs, particularly for systems development.

4. Provide funds for relevant federal agencies to inform themselves of what is going on. Increase the FCC staff so that it can conduct studies in support of the work of the Advisory Committee.

5. Coordinate federal TV activities in DOD, NASA, FAA, Commerce, FCC OTC, NITS, etc. Perhaps government agencies could themselves be a significant guaranteed market for the first US-produced ATV systems.

HIGHER COST

1. Improve the climate for long-range investment in product development, for example by favorable tax treatment. In special cases, guarantee development loans at favorable interest rates. Provide matching funds for important product and technology developments.*

2. Fund, partially or completely, the development of key technologies, including displays, signal-processing chips, and frame memories (FRAM's). Fund some system work. Fund the Open-Architecture Receiver.*

3. Save Zenith. (We saved Lockheed, Chrysler, and even Harley-Davidson!) Give Zenith a contract for a certain number of receivers, to be used by federal agencies and/or federal contractors. (E.g., the FAA is buying thousands of 2000-line displays for

air-traffic control, and the present plan is to get them from Sony.)

4. Save the Sarnoff Laboratories. The former research laboratory of RCA, in Princeton, is the largest and most important TV laboratory in the US. It was given away to SRI as a result of the GE/RCA merger. It is now a contract laboratory and, as such, will have a hard time doing the long-range fundamental research and product development required to support a vibrant consumer-electronics industry. Alternative support means might be found, such as a consortium of electronics companies, perhaps with some direct or indirect federal support.

5. Involve the federal and federal-funded laboratories, as appropriate.

*Some of this work will be funded by DARPA as a result of the recent Broad Area Announcement.●

## TERRY ANDERSON

● Mr. MOYNIHAN. Mr. President, today marks the 1,482d day of captivity for Terry Anderson in Beirut.

I ask that a resolution passed by the Genesee County Legislature on March 8, 1989, be printed in the RECORD immediately following my remarks.

I should like to thank Stephen M. Hawley, a legislator from District Four in Genesee County and a high school classmate and friend of Terry Anderson, who was kind enough to share the text of that resolution with this Senator.

The resolution of the Genesee County Legislature follows:

PROCLAMATION—"TERRY ANDERSON WEEK IN GENESEE COUNTY," MARCH 12-18, 1989

Whereas, Terry Anderson, Chief Middle East News Correspondent for the Associated press, was kidnapped by the Islamic Jihad Terrorists on March 16th, 1985 and has been illegally detained since that time, and

Whereas, his ongoing commitment to the ideals which make America strong have surely helped him persevere during these past four years, and

Whereas, Terry Anderson's family unit has undergone a drastic metamorphosis since the kidnapping with the deaths of his father, Glenn Anderson, Sr. and brother Glenn "Rich" Anderson, Jr., and the birth of his beautiful daughter, Sulome. Now, therefore, be it

*Resolved,* That the people of Genesee County, State of New York, United States of America, and freedom loving countries of the world, do implore the captors to immediately release Terry Anderson and all hostages, and Be it further

*Resolved,* That the Genesee County does hereby proclaim the week of March 12 through 18, 1989 as "TERRY ANDERSON WEEK" in Genesee County, State of New York, and urges George Bush, President of the United States of America and the Congress of the United States of America to continue all reasonable and prudent avenues to obtain the release of Terry Anderson and all hostages, and Be it further

*Resolved,* that copies of this Proclamation be sent to the family of Terry Anderson, The President of the United States, George Bush, U.S. Congresswoman Louise Slaughter, and U.S. Senators Alfonse M. D'Amato and Daniel P. Moynihan.●

## GREEK INDEPENDENCE DAY

● Mr. KERRY. Mr. President, March 25, 1989, marked the 168th anniversary of the beginning of the revolution which freed the Greek people from the rule of the Ottoman Empire. That day was recognized here as a national day of celebration of Greek and American democracy.

The United States and Greece have looked to one another for inspiration at various points in history. Ancient Greece served as the model for Western democracy and is the aesthetic basis of Western art and architecture.

The Greek people likewise drew inspiration from the American Revolution and the Declaration of Independence during their 8-year war to overthrow centuries of foreign domination.

During the Second World War, hundreds of thousands of Greeks gave their lives fighting against the Axis Powers, and after the war, many more Greeks valiantly fought to defeat the Communist rebels from seizing control of their country.

In addition to the cultural heritage that Greece and the United States share, Greek Americans have made significant direct contributions to American society. Dr. George Papanicolau invented the Pap test for cancer. Telly Savalas has entertained Americans both on the movie and TV screen. In the field of politics as well, this country abounds with dedicated Greek-American statesmen. My own State of Massachusetts takes pride in Gov. Michael Dukakis, former Senator Paul Tsongas, and Congressman NICK MAVROULES.

These and other great Americans remind us of the cultural legacy that ties us and other Western democracies to Greece. In celebrating Greek Independence Day we celebrate the ideals of democracy and the cultural richness shared by Greece and the United States.●

## TRIBUTE TO GEORGE W. BATEZEL, SUPERINTENDENT, BURLINGTON COUNTY SCHOOLS

● Mr. LAUTENBERG. Mr. President, I rise to pay tribute to George W. Batezel, the superintendent of Burlington County schools, who will retire this year after two decades of service. Since he was appointed by the State board of education in 1970, Mr. Batezel has been dedicated to serving Burlington students, faculty, and parents.

Mr. Batezel attended Princeton University, Bowling Green State University and received his bachelor's degree from Harvard in 1947. In 1970, Mr. Batezel received his doctorate in education from Temple University.

Mr. Batezel has been dedicated to the cause of education since 1953 when he began his teaching career in Phoenixville, PA. He started as a social studies teacher and department chairman for the junior and senior high schools in Phoenixville. Later, before he was named superintendent of Burlington County schools, Mr. Batezel was the principal of Moorestown Middle School.

As superintendent, Mr. Batezel has been responsible for maintaining high education standards by assuring that Burlington schools are in compliance with State requirements. He also has been responsible for approving school district budgets and transportation programs and for appointing various school board members and officers.

Mr. Batezel has been actively involved in planning and improving education programs throughout the county. He has served on numerous civic and educational boards including the Burlington County Special Services School District, Burlington County vocational/technical schools, and Burlington County College.

I commend Mr. Batezel for the leadership and dedication he has brought to the Burlington County school system, and for his efforts to assure that Burlington County schools strive to achieve excellence. I extend my best wishes for success in his future endeavors.●

## CELEBRATING NORTH DAKOTA'S FIRST 100 YEARS

● Mr. BURDICK. Mr. President, North Dakota is one of six States celebrating our State centennial during 1989, the 200th anniversary of the U.S. Congress. Between my father, Usher Burdick, and I, a Burdick has represented North Dakota in one capacity or another since 1906. I would like to share with my colleagues a bit of North Dakota history.

The State's history begin with the Indians. The Dakota or Sioux, Assiniboine, Cheyenne, Mandan, Hidatsa, Arikara and other tribes lived on the prairie before the Dakota Territory became part of the Louisiana Purchase. Earlier this week, Senator CONRAD and I shared with you a proclamation designating April 5 as "Native American Day in North Dakota." Let me repeat one line from Gov. George Sinner's proclamation: "As the original founders of our State, the Native American citizens of North Dakota should be properly honored for their undaunted courage, pioneering spirit and unique culture."

Fur traders brought dramatic change in the 18th century. In the 19th century, the railroad brought even greater changes to the prairie. Most of our towns were settled along rail lines and much of our farmland was purchased from the railroad. Bonanza farms with thousands of acres drew the Nation's attention to our agricultural potential.

North and South Dakota became the 39th and 40th States of the Union on November 2, 1889. My State, which now has Democratic control of our congressional delegation, Governor's office, State senate and most State offices, started out under Republican control. In fact, my father, Usher Burdick, was a Republican when he served in the U.S. House of Representatives from 1934 to 1944 and from 1948 to 1958. I was the first Democrat North Dakota ever sent to Congress, and I am proud of being part of the historic move to switch North Dakota's Nonpartisan League from the Republican to the Democratic column in 1956. I have served North Dakota in Congress since 1958 and in this body since 1960. The NPL tradition still lives in the Democratic-NPL and in our State-owned bank and mill and elevator.

North Dakota enjoys rich diversity. From the fertile plains of the Red River Valley to the Badlands on the other side of the Missouri River, the State offers wide open spaces, abundant wildlife, rich agricultural and energy resources, fresh air and some of the best people in the world.

Residents of my State mourn the 1988 loss of historian Larry Remele. I would like to share with my colleagues a fine article he wrote on the State's history for the North Dakota Centennial Blue Book. I ask that it appear in the RECORD following my remarks.

The article follows:

NORTH DAKOTA HISTORY: OVERVIEW AND SUMMARY

(By Larry Remele)

When North Dakota entered the Federal Union in 1889, its leaders prophesied a glorious future for the Northern Prairie State. Great cities and prosperous farms, said the promoters, would make Dakota the "jewel" in the crown of Democracy. The ensuing century has proven the "boomers" both right and wrong. North Dakota has enjoyed prosperity, but it has also seen devastatingly hard times. In 1989, the essential problem remains the same as a century earlier—finding the capital necessary to provide services and benefits of modern society to a far-flung population. As it was in 1889, North Dakota remains a social, cultural and economic colony, a producer of raw materials, a consumer of manufactures and capital, and an exporter of educated young people.

Before Euro-American settlement of the Northern Plains began in the 19th Century, the land had been occupied for many centuries. Archeological investigations document the presence of big game hunting cultures after the retreat of the continental glaciers about 10,000 years ago and later settlements of both hunting and gathering and farming peoples dating ca. 2000 B.C., to 1860. When the first white explorers arrived, distinct Indian groups existed in what is now North Dakota. These included the Dakota or Lakota nation (called "Sioux," or enemies by those who feared them), Assiniboine, Cheyenne, Mandan, Hidatsa and Arikara. Groups of Chippewa (or Ojibway) moved into the northern Red River Valley around 1800, and Cree, Blackfeet and Crow frequented the western buffalo ranges.

These peoples represented two different adaptations to the plains environment. Nomadic groups depended primarily upon vast herds of American bison for the necessities of life. When the horse was brought to the Northern Plains in the 18th Century, the lives of the Dakota, Assiniboine and Cheyenne changed dramatically. These bands quickly adapted to the horse, and the new mobility enabled them to hunt with ease and consequently to live better than ever before. The horse became a hallmark of Plains cultures, and the images of these mounted Indians bequeathed a romantic image of power and strength that has survived in story, films and songs. In contrast, the sedentary Mandan, Hidatsa and Arikara lived in relatively permanent earthlodges near the Missouri River and supplemented produce from extensive gardens with hunting; their fortified villages became commercial centers that evolved into trading hubs during the fur trade of the 18th and 19th centuries.

Indians and Euro-Americans came into contact during the 18th Century. The first recorded visitor was La Verendrye, a French explorer who reached the Missouri River from Canada in 1738 while searching for a water route to the Pacific Ocean. Others followed, including La Verendrye's sons in 1742. However, most contact resulted from the Canadian fur trade until Meriwether Lewis and William Clark led the American "voyage of discovery" up the Missouri from St. Louis in 1804.

The fur trade linked the Northern Plains to a worldwide economic and political system. European nations, competing for mercantile supremacy, claimed the plains, and Great Britain, France and Spain exchanged the territory several times through wars and treaties. In 1763, the Treaty of Paris gave all French lands drained by Hudson's Bay to Great Britain, including the country tributary to the Red River of the North. France had ceded lands drained by the Missouri and Mississippi rivers to Spain one year earlier; this this territory was returned to France in 1800. Three years later Emperor Napoleon Bonaparte sold French possessions to the fledgling United States. This sale, known as the Louisiana Purchase, inaugurated American ownership of lands now included in North Dakota.

Intense competition characterized the fur trade, and rival companies competed for prime locations. In 1801, Alexander Henry, Jr., established a post at Pembina that after 1812 became the center for an agricultural colony sponsored by the British crown. However, British influence diminished along the Missouri after 1800, and the Red River Valley likewise fell into American control in 1818 when the London Convention established the 49th Parallel as the northern boundary between the United States and British possessions in North America. Ironically, many of the colonists near Pembina moved north into Canada when an 1823 boundary survey found them to be residing in the United States.

With several notable exceptions, contact between the Native peoples and American traders, explorers and military personnel in the Northern Plains remained peaceful during the early 19th Century. Indians became instrumental in the fur trade; major trading posts at Fort Union and Fort Clark, and others of lesser significance, catered mainly to Native trappers and hunters. In exchange for their meat and furs, the Indians received guns, metal tools, cloth and beads and other trade goods. This exchange forever altered Indian cultures, and it often brought dangers; in 1837, for example, smallpox viritually wiped out the Mandan people at Fort Clark.

In the Red River Valley, the fur trade created a new nation, the *Metis*. Descended from Euro-American fur trade employees and Chippewa Indian women, the Metis melded the two cultures in language, lifestyle and economy. In 1843, regular caravans of high-wheeled, wooden Red River carts began hauling buffalo robes and pemmican, the proceeds from semi-annual hunts, to St. Paul along well-worn trails. The Metis center in the United States was St. Joseph (now Walhalla), and men such as Antoine Gingras headed a self-conscious new nation. The Metis nation, however, faded as the buffalo became ever less available east of the Missouri River.

For the most part, the incursion of Euro-Americans into the Northern Plains caused few confrontations with Indian peoples. In 1863, 1864 and 1865, however, the pattern changed. Major military expeditions searched the Northern Plains for Santee Dakota who had participated in a violent uprising in Minnesota in 1862. Battles at Whitestone Hill in 1863 and at Killdeer Mountain and in the Badlands in 1864 diminished Dakota resistance, forcing many onto reservations to avoid starvation. A chain of military outposts, beginning with Fort Abercrombie in 1857, continually increased federal power, and the great slaughter of the northern bison herds after 1870 eventually caused the nomadic tribes to submit. Some bands of Dakota resisted into the 1880s, but their old way of life on the plains was lost.

Several parts of the struggle between opposing cultures yet remain sources of legend and controversy. In 1876, units of the 7th Cavalry commanded by Lt. Col. George A. Custer left Fort Abraham Lincoln near Bismarck to search for Dakota who had refused confinement on reservations. The resulting annihilation of Custer's immediate command at the Little Big Horn River in Montana Territory made names such as Crazy Horse, Gall and Sitting Bull familiar throughout the nation. Many Dakota moved to Canada to escape relentless punitive expeditions sent by the army, and remnants finally surrendered at Fort Buford in 1881. Nine years later Sitting Bull, the leading opponent of reservation life, identified with the Ghost Dance religion, one that forecast the return of traditional Plains Indian ways. Standing Rock Reservation Indian police were sent to arrest the elderly leader at his home in 1890, and Sitting Bull was killed.

American settlement of the Northern Plains commenced in earnest after 1861, when Dakota Territory was organized by Congress. Significant immigration commenced when the westbound Northern Pacific Railway built to the Missouri River in 1872 and 1873. Along and near its line, new towns sprang up to serve the settlers, the tracklaying crews, and other, sometimes rowdy frontier citizens. Fargo and Bismarck, for example, both began as rough-and-tumble railroad communities. Spurred by the Federal Homestead Law of 1862, farming settlement developed gradually after the first claim west of the Red River was filed in 1868.

A great settlement "boom" in northern Dakota occurred between 1879 and 1886. During those years, over 100,000 people entered the territory. The majority were homesteaders, but some organized large,

highly mechanized, well capitalized "bonanza" farms. These operations, several of which lasted into the 20th Century, made names such as Dalrymple and Grandin well-known throughout the United States and helped publicize the northern frontier.

Ethnic variety characterized the new settlements. Following the first settlement "boom," a second "boom" after 1905 increased the population from 190,983 in 1890 to 646,872 by 1920. Many were immigrants of Scandinavian or Germanic origin. Norwegians were the largest single ethnic group, and after 1885 many Germans immigrated from enclaves in the Russian Ukraine. A small, but strong community of Scotch-Irish-English background played an especially influential role, contributing many of North Dakota's early business and political leaders. Many other groups, including Asians, Blacks and Arabs, settled throughout North Dakota. So significant was this foreign immigration that in 1915 over 79 percent of all North Dakotans were either immigrants or the children of immigrants.

The influence of the railroads and their business allies guided northern Dakota from its earliest territorial days. Led by political agent Alexander McKenzie of Bismarck and St. Paul, these groups worked to attract investment capital to the Northern Plains. The 1883 removal of the territorial capital from Yankton to Bismarck on the main line of the Northern Pacific Railway demonstrated the power of these outside corporate interests in Dakota Territory's affairs.

On November 2, 1889, President Benjamin Harrison approved the admission of North Dakota to the Union. The new state was a Republican Party stronghold. The first governor, John Miller, presided over a turbulent initial legislative session that, among other issues, fought about the question of legalizing lotteries and prohibition.

Political life revealed an insurgent tendency that has continued to the present day. In 1890, the cooperative Farmers Alliance formed an Independent Party to challenge the "McKenzie Gang" that dominated the Republican Party. The Independents fused with the minority Democratic Party in 1892 and captured state government with a platform promising significant reforms. Their efforts, however, were frustrated by political inexperience, and in 1894 the Republican Party regained power. Controlled by conservatives, North Dakota government encouraged investment by establishing liberal banking, regulatory and taxation policies; to support their policies, conservatives argued that capitalists would not invest in North Dakota unless state government did its part to diminish risk and enhance profits.

Though severely criticized by progressives, the strategy did result in some industrial development. Large lignite mines opened near Beulah and Wilton, and local brickworks and flour mills soon dotted the state. The railroad industry, bolstered by completion of both James J. Hill's Great Northern Railway in 1887 and the Soo Line in 1893, built branch lines and fostered new towns. Rail expansion peaked in 1905 when the GN and Soo squared off in a "railway war" in northern North Dakota.

Evidence of development, however, did not quiet the progressive opposition. In their opinion, the state provided too many incentives, and they pointed out that huge profits were being taken from North Dakota, that the distant leadership of rail and commodities companies were often arrogant and unresponsive to the needs of their customers, and that rural people were often taxed out of proportion to their means. Most galling, however, was the frequent evidence that out-of-state corporate interests dominated North Dakota government, using it to further private goals rather than the general welfare of the citizens.

By 1905, the swelling chorus of protest caused a political upheaval. Republican progressives united with Democrats to elect John Burke as governor, and his election commenced a reform era. In the next decade, a series of other movements surfaced. For example, in 1907, a new cooperative movement, the American Society of Equity, came to North Dakota and by 1913 had procreated well over 400 marketing and purchasing locals throughout the state. Among the many new settlers who immigrated during the second Dakota "boom" after 1905 were radicals, and they united into the North Dakota Socialist Party. Both the cooperative and radical movements questioned the preference given to out-of-state corporations, called for fair taxation, and demanded better services from state government. For these movements, the goal was returning control of North Dakota government and economy to the people, and they were not afraid to demand that state government organize and operate banking, insurances and processing businesses in order to bring the benefits of competition, lower costs and better services to the people.

These movements procreated the Nonpartisan League, North Dakota's greatest political insurgency. The NPL, born in 1915, united progressives, reformers and radicals behind a platform that called for many progressive reforms, ranging from improved state services and full suffrage for women to state ownership of banks, mills and elevators, and insurances. Led by Arthur C. Townley, the NPL used the primary election to take control of the Republican Party in 1916, dominated all state government by 1918, and enacted its program in 1919. Its administration, headed by Governor Lynn J. Frazier, instituted many reforms in state government; among them were reorganization of state services, expansion of educational services, development of health care agencies and improved regulation of public services and corporations. However, its core program generated fierce opposition fueled by funds from out-of-state corporations; those interests used every means to obstruct the NPL program, including lawsuits and extreme propaganda.

The anti-NPL movement gained strength during and after World War I. Charging that the NPL's leaders, many of whom were former Socialists, were opponents of American participation in World War I, the anti-NPL forces coalesced in late 1918 into the Independent Voter's Association. Vitriolic political infighting followed. The IVA attacked on many fronts, rapidly sowing disunity within the NPL and splitting the coalition of cooperative groups that had helped support the League. Economic distress caused by the precipitous decline in grain prices after World War I and a drought in western North Dakota helped diminish NPL support. In 1920, the IVA took control of one legislative house and in 1921 forced a recall election that deposed Governor Frazier and other members of the Industrial Commission that governed state-owned industries. The NPL era, one that significantly altered North Dakota government, had ended.

The NPL left an indelible mark on the state. The Bank of North Dakota at Bismarck, opened in 1919, has become a large and powerful economic force; the State Mill and Elevator at Grand Forks, completed in 1922, provided a market for grain and a source of feed and seed; the state hail insurance program benefited many farmers until its elimination in the 1960s. Perhaps most importantly, the NPL established an insurgent tradition in the state that blurred party lines for four decades, and both the League and the IVA elevated a generation of leaders to power. Each official recalled in 1921, for example, later regained public office.

For North Dakota the 1920s and 1930s proved to be watersheds. An economic depression, starting with the 1920 collapse of wartime prices for grain, punctured the economic expansion of previous decades. More North Dakota banks closed in 1921 than in any other year; the resulting contraction of credit caused many farm foreclosures. Simultaneously, farm sizes increased, and many farmers mechanized their operations. A dramatic shift to motorized transportation placed greater emphasis on better roads and bridges. As the times changed, new devices entered the state's homes; radio, especially became commonplace after the first stations went on the air in North Dakota in 1922. Likewise, motion pictures attracted thousands, and many theaters were built in towns across North Dakota. These economic and social factors had by 1930 made North Dakota a different place than a decade earlier. The fire that destroyed the old state capitol building on December 28, 1930, symbolized the end of an era.

The Great Depression of the 1930s both slowed progress and sped change. Heavy farm debt loads and low commodity prices caused a crisis of farm foreclosures and bank failures. Those farmers in a better financial position enlarged their holdings. Rural population diminished while cities grew. North Dakota reached its peak population in 1930, but the total thereafter dropped steadily until 1950.

As a rural state, North Dakota suffered greatly when the prices received for farm produce declined. The search for a solution to that problem brought about different movements in the 1920s and 1930s. For example, cooperatives enjoyed a renewed popularity in the 1920s. As farmers tried to band together to market their produce and reduce the costs of farming, the North Dakota Farmers Union spread across the prairies. Substantial organizing efforts in the mid-1920s resulted in formation of a state union in 1927; Farmers Union locals built elevators and organized oil cooperatives that served the needs of an increasingly mechanized rural economy. In 1932, the cooperative group helped form a militant defense organization, the Farmers Holiday Association, to take direct action against low commodity prices and farm foreclosures.

The renewed militancy in rural North Dakota quickly spread into state politics. A revitalized Non-partisan League emerged in 1932, electing the colorful populist William Langer as governor. Langer took bold actions when he assumed his office in 1933; he slashed state spending, imposed moratoriums on mortgage foreclosure sales, and embargoed shipment of grain from the state. However, his disregard of law brought federal investigations, and in 1934 he was convicted of campaign law violations and removed from office. Lt. Governor Ole Olson finished the term. That same year, a divided NPL lost the governor's office to Democrat

Thomas Moodie, he assumed office in 1935, but was quickly disqualified when an investigation discovered that he did not meet state residency requirements. Lt. Governor Walter Welford succeeded Moodie, becoming the fourth governor in seven months. Langer returned to the electoral wars in 1936 after successfully overturning his conviction and then being exonerated after four new trials in 1935. In 1936, he was reelected governor; though defeated in 1938 when he ran for the U.S. Senate, he unseated incumbent Lynn J. Frazier in 1940 and retained that office until his death in 1959.

Though the explosive politics of the 1930s mostly centered around Langer, several other North Dakota leaders received national prominence. Senators Gerald P. Nye and Lynn J. Frazier became known for reflecting the isolationist philosophy prevalent among North Dakota people. Nye's investigation of the role of the munitions industry in bringing the United States into World War I made him a national figure and at the end of the decade he helped lead the national America First Movement that sought to keep the nation out of World War II. Frazier established himself as a pacifist by annually proposing a Constitutional amendment to outlaw American participation in foreign wars. In 1936, Congressman William Lemke was nominated for president by the new Union Party; though he received fewer than one million votes, he carried the concerns of drought-stricken farmers throughout the nation.

Despite economic problems, crop failures, dust storms and weather extremes, North Dakota visibly modernized during the 1930s. The new skyscraper State Capitol, begun in 1932, was completed in 1935. Federal relief programs improved highways, state parks and city services throughout the state. State departments addressed public health and safety problems, and a movement for consolidated law enforcement was initiated with formation of a State Highway Patrol in 1935. Rural schools consolidated at an increasing rate. Public utilities extended their reach through development of rural electric cooperatives; the first, Baker Electric of Cando, energized its lines in 1938.

For many, however, the economic hardships of the Depression could not be overcome. Thousands of North Dakotans lost their farms and either moved into the cities and towns or from the state. One historian estimates that over 70 percent of the state's people required one form or another of public assistance. The toll in broken dreams, physical hunger and hardship, and displacement will never be completely measured. Still, most North Dakotans stubbornly held on, husbanding their resources and spending carefully. Even during the hard times, for example, drought-stricken counties and cities rarely missed bond payments, and indeed the public debt in the state was substantially reduced during the Depression years.

More favorable weather improved crop yields in the 1940s. With more commodities to sell, farmers benefited even more from the higher prices stimulated by American entry into World War II. Within a span of five years, the farm debt in the state dropped markedly; at war's end in 1945 North Dakota residents had accumulated the largest per capita bank deposits in the nation.

Wartime prosperity continued into the 1940s. Major federal projects kept the construction economy booming, for example. In 1946, the demand for Missouri River flood control and diversion of the river's waters for irrigation and industrial development were rewarded with initiation of construction of the Garrison Dam; project supporters also envisioned a grand scheme of canals to move the water into other parts of the state, and the project's start seemed the realization of dreams voiced since the early 1920s. Reservoirs on the Sheyenne, James and other rivers were also constructed for flood control and municipal water purposes.

Development of natural resources expanded in 1951 when oil was discovered near Tioga. The resulting "oil rush" coincided with expanding use of lignite coal to generate electricity; in 1952 and 1954, two coal-fired plants were built near Velva and Mandan, and oil refineries were established at Williston and Mandan, as well.

Communication and transportation systems improved dramatically during the 1950s. The first television station went on the air in 1952 at Minot. Construction of a federal controlled access highway system began in 1956. In addition, by 1960 two large Air Force bases had been built at Grand Forks and Minot, a modern continuation of a historic role in federal military strategy that began in the 1860s. Changes in communications and transportation were enhanced by better airline service and a rapid shift away from dependence on railways. Though airline routes had included North Dakota since 1927, regular service expanded in the 1940s and 1950s, at least in part as a result of a conscious effort by state government to develop local and regional airports. Likewise, the steadily more modern network of state and federal highways made truck transportation into a viable alternative to railroads. Those same highways made private auto transportation more reliable; more North Dakotans bought cars after World War II than ever, soon giving the state a ratio of over two vehicles for every person in the state. As a consequence, however, use of rail passenger service declined, and by the end of the 1950s railroads had become increasingly a means for hauling freight, not people.

Even as the state modernized, establish political patterns continued. A new insurgency, the Republican Organizing Committee, (ROC), quickly became powerful after 1943. It elected Fred Aandahl as governor in 1944 and controlled the office until the late 1950s. Its leaders included Milton R. Young, who was selected to fill the Senate seat vacated by the death of John Moses in 1945 and served until 1981. ROC success forced realignment in state politics, to unite liberals under one banner, the Nonpartisan League and the Democratic Party moved toward consolidation in the 1950s, finally agreeing to run a unified ticket in 1956 and eventually merging in 1960. The new Democratic-NPL obtained some immediate success. In 1958, well-known liberal leader Quentin N. Burdick became North Dakota's first Democratic congressman, and in 1960 the party gained the governor's office and held it continuously for the next twenty years, including four consecutive victories by William L. Guy (1961-1973) and two by Arthur A. Link (1973-1981).

In the 1980s, political control of the state has shifted between the two parties. Republican Allen I. Olson upset incumbent Governor Link in 1980; the election put many Republicans into state office and in part resulted from the overwhelming popularity of presidential hopeful Ronald Reagan. Within two years, however, Democratic-NPL efforts to regain the party's momentum resulted in steady gains, and in 1984 Olson's bid for reelection was stymied by Casselton farmer George A. Sinner. In 1986, Democrats for the first time won control of the State, as well. After a century of domination by the Republican party, North Dakota now has vibrant two-party politics.

The major issues of the 1970s and 1980s have been modern incarnations of longtime debates. One important issue has been economic development, and once again the discussions have centered on the creation of a climate favorable to capital investment in the state. A struggling farm economy has brought many changes to the state, and demands for improved state services for people with special needs have forced major reallocation of available tax dollars. The basic issue has been determining the proper uses for limited tax resources and the most productive ways to stimulate economic development.

Governmental efforts to encourage economic diversification have taken several forms. In the 1960s, the administration of Governor William Guy actively promoted massive use of the vast lignite coal reserves. As the demand for electricity expanded, coal-fired generating plants became economically feasible, leading to major development of power plants and open-pit mining. A national concern with energy self-sufficiency in the 1970s resulted in huge investments by generating corporations and cooperatives in western North Dakota. By 1981, a dozen generating facilities and huge strip mines were in operation; large power lines carried the electricity to consumers both inside and outside North Dakota. The most spectacular result was construction of the nation's first coal-to-synthetic natural gas conversion facility near Beulah, which entered production in 1983.

This kind of economic development deeply disturbed many North Dakotans. Fearing that the "One-time harvest" of coal might forever destroy the land's suitability for agriculture, agricultural and environmental interests united to demand strong reclamation laws. In 1973, 1975 and 1977, the legislature responded with a set of regulations that addressed concerns about returning mined land to its original contours, replacing topsoil and mitigating impacts on cultural resources. These laws have come under steady attack from energy interests, and some of the more stringent regulations have been modified during the 1980s.

Oil exploration and development also became part of the debate. High international prices for crude oil stimulated a "boom" in exploration and development in western North Dakota after 1978. An influx of workers and capital caused population explosions in western cities, such as Williston, Dickinson and Watford City, and some municipalities went deeply into debt to provide local services to the new residents. However, worldwide oil prices declined in 1981, many oil workers moved on, and some localities found themselves without the means to pay off large debts incurred for municipal improvements.

In like manner, Missouri River diversion has remained a potent political issue. The Garrison Diversion Plan, authorized by Congress in 1968, entered construction, but by 1976 was stalled by court challenges based on its environmental impacts; even though many leaders strongly backed the plan, landowners, environmental groups, and Canadian officials asserted that the negative effects far outweighed any benefits. A compromise between these interests

was hammered out in 1986; construction of a greatly-reduced project has continued, but even that remains under attack from agricultural and environmental groups. For many longtime backers of the project, the primary issue became North Dakota's ability to obtain some benefits in return for the destruction of Missouri River bottomland by the Garrison Reservior. Conceived as a project to combine municipal, industrial and agricultural uses for the water, the project has been substantially modified; presently, plans call for irrigation via canals in central North Dakota, enhanced flows through the James River system, and a massive system of pipelines to deliver water to cities and towns throughout southwestern North Dakota. For most state residents, the most obvious benefit from years of planning and effort are the recreational uses of Lake Sakakawea.

North Dakota's basic industry, agriculture, underwent major difficulties in the 1970s nd 1980s, again emphasizing that the state was a participant in a worldwide economy. Record prices for American grain in the early 1970s, the result of huge overseas sales to the Soviet Union, led many farmers to expand their operations and others to go deeply into debt to enter agriculture. As the price of land climbed, so too did prices for machinery, seed, and other "inputs" of agriculture. Commodity prices, however, never returned to the levels of the early 1970s, and by the end of the decade many farmers found themselves unable to generate enough income to maintain their debts. Rural discontent mounted, generating organization of a state branch of the American Agriculture Movement, a national rural protest movement, and leading to development of special credit counseling services by state government. The trend continued into the 1980s. Though land values dropped substantially, the numbers of farms has declined steadily.

The boom-and-bust cycle in North Dakota's agriculture and energy industries have rippled throughout the state's economy. Recent administration have redoubled efforts to encourage new industry and to stimulate other sources of revenue. Some successes, notably the development of agricultural equipment manufacturing and food processing, have occurred.

As North Dakota has sought to attract new sources of jobs and income, greater attention has been paid to tourism. Substantially larger amounts of pubic money have been devoted to promotion and development of historic and recreational attractions. To attract visitors, efforts to liberalize restrictive "blue laws" have expanded. The campaign began in 1979, when some forms of gambling were legalized; in the 1980s, the opportunities for legal gambling have been increased, and several attempts to relax historic "blue laws" that limit business operations on Sunday and the sale of liquor have become topics for public debate.

As North Dakota's economy and politics have changed, so has the composition of society. Demand for better public services for disadvantaged citizens resulted in lawsuits that forced improvement in state facilities and deinstitutionalizaiton of many handicapped people. Declining enrollments in elementary and secondary shools have brought about consolidations and school closures. In higher education, public debate has centered on the number of colleges and universities in North Dakota and called attention to the state's ability to support those institutions adequately.

Perhaps the most striking change, however, is reflected by a 1987 census figure. According to census estimates, more North Dakotans now live in cities and towns than in rural areas, an alteration with dramatic implications for the structure of the state's economy and the composition of its government.

The issues that face modern North Dakota remain tied to its history. Attracting the capital necessary to develop necessary services, providing jobs and income for the people, and diversifying a colonial economy are tasks that have faced the state's leaders since its earliest days. The old issues of self-determination and popular control are yet relevant as North Dakota enters its second century.●

## EDUCATIONAL EXCELLENCE ACT OF 1989

● Mr. KASTEN. Mr. President, I rise today in support of S. 695, the Educational Excellence Act of 1989.

We are all familiar with the phrase "building a better tomorrow." I believe there is no better way to build a better tomorrow than through improving the quality of education. This bill is a good beginning.

This country's commitment to quality education is firm, but confidence in the ability of our schools to realize that ideal has been dampened by incredibly high dropout rates, student drug use, classroom disorder, and serious crimes in schools.

This bill provides grants to urban school systems whose problems are the most severe. This aspect of the bill will aid those millions of parents who are cyring out for help for their children mixed up in drugs—some as young as 9 years old.

One of the most important aspects of this bill is the magnet schools of excellence program. The bill provides for $100 million for these schools. Wisconsin has an excellent magnet school program that could well be a model for the rest of the Nation—and this additional funding will establish, expand, and enhance these schools to promote open enrollment through parental choice. Magnet schools, through increased competiton and choice, have improved the quality of schools and the education of students all across the country.

Mastering a solid curriculum isn't easy for any student, and for disadvantaged youngsters it may take even more learning time, and more creative teaching strategies. Several components of this bill will recognize and reward exemplary efforts by teachers and administrators in this regard.

At a time when many schools would not educate black Americans, historically black colleges and universities [HBCUS] offered them an opportunity for a higher education. HBCUS occupies a unique place in the American system of higher education. This bill will help to keep the HBCUS alive.

This bill doesn't provide a quick fix for the high dropout rate, or for the drug plague in our schools, or for the crimes committed on school grounds. However, the bill does provide a good beginning for a serious attempt to solve these devastating problems.

The bill will help us build a stable and creative environment in our schools, an environment in which all our children can receive the educational opportunities they deserve. The future of our country deserves no less—and I urge my colleagues to support this initiative.●

## CORRECTION TO ENGROSSMENT OF S. 248, THE MAJOR FRAUD BILL

Mr. FOWLER. Mr. President, I ask unanimous consent that the engrossment of S. 248, the major fraud bill, be corrected to reflect the change I now send to the desk.

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

## DESIGNATING APRIL 1989 AS "NATIONAL RECYCLING MONTH"

Mr. FOWLER. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of House Joint Resolution 102, a joint resolution to designate April 1989 as "National Recycling Month," and that the Senate proceed to its immediate consideration.

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

The clerk will report.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 102) to designate April 1989 as "National Recycling Month."

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

Without objection, the joint resolution will be considered as having been read the second time by title and the Senate will proceed to its immediate consideration.

The joint resolution (H.J. Res. 102) was considered, ordered to a third reading, was read the third time, and passed.

The preamble was agreed to.

Mr. FOWLER. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## MEASURE PLACED ON CALENDAR

Mr. FOWLER. Mr. President, I ask unanimous consent that House Joint Resolution 173, a joint resolution to

designate April 16, 1989, and April 6, 1990, as "Education Day, U.S.A." be placed on the calendar.

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

## ORDERS FOR FRIDAY

### RECESS UNTIL 10:30 A.M. TOMORROW

Mr. FOWLER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 10:30 a.m. tomorrow.

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

### MORNING BUSINESS

Mr. FOWLER. Mr. President, I further ask unanimous consent that following the time for the two leaders there be a period for morning business until 11 a.m. with Senators permitted to speak therein for up to 5 minutes each.

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

Mr. DOLE. We have no further business.

## RECESS UNTIL 10:30 A.M. TOMORROW

Mr. FOWLER. Mr. President, I ask unanimous consent that the Senate now stand in recess until 10:30 a.m. Friday, tomorrow, under the previous order.

There being no objection, the Senate, at 6:34 p.m., recessed until Friday, April 7, 1989 at 10:30 a.m.

## NOMINATIONS

Executive nominations received by the Senate April 6, 1989:

### DEPARTMENT OF STATE

REGINALD BARTHOLOMEW, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE UNDER SECRETARY OF STATE FOR COORDINATING SECURITY ASSISTANCE PROGRAMS, VICE EDWARD J. DERWINSKI, RESIGNED.

### UNITED NATIONS

MORRIS BERTHOLD ABRAM, OF NEW YORK, TO BE THE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE EUROPEAN OFFICE OF THE UNITED NATIONS, WITH THE RANK OF AMBASSADOR, VICE JOSPEH CARLTON PETRONE, RESIGNED.

### DEPARTMENT OF THE TREASURY

JOHN E. ROBSON, OF GEORGIA TO BE DEPUTY SECRETARY OF THE TREASURY, VICE M. PETER MCPHERSON, RESIGNED.

ROGER BOLTON, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF THE TREASURY, VICE EDITH E. HOLIDAY, RESIGNED.

### DEPARTMENT OF AGRICULTURE

JACK CALLIHAN PARNELL, OF CALIFORNIA, TO BE DEPUTY SECRETARY OF AGRICULTURE, VICE PETER C. MYERS, RESIGNED.

RICHARD THOMAS CROWDER, OF MINNESOTA, TO BE UNDER SECRETARY OF AGRICULTURE FOR INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS, VICE DANIEL G. AMSTUTZ, RESIGNED.

### DEPARTMENT OF HEALTH AND HUMAN SERVICES

KAY COLES JAMES, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES, VICE STEPHANIE LEE-MILLER, RESIGNED.

### DEPARTMENT OF TRANSPORTATION

PHILLIP D. BRADY, OF VIRGINIA, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF TRANSPORTATION, VICE B. WAYNE VANCE, RESIGNED.

### SMALL BUSINESS ADMINISTRATION

SUSAN S. ENGELEITER, OF WISCONSIN, TO BE ADMINISTRATOR OF THE SMALL BUSINESS ADMINISTRATION, VICE JAMES ABDNOR, RESIGNED.

### IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601, TO BE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

*To be lieutenant general*

MAJ. GEN. JAMES S. CASSITY, JR., [redacted] FR, U.S. AIR FORCE.