SENATE—*Thursday, May 4, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable HARRY REID, a Senator from the State of Nevada.

PRAYER

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

Let us pray:

Ask, and it shall be given you; seek, and ye shall find; knock, and it shall be opened unto you: For every one that asketh receiveth; and he that seeketh findeth; and to him that knocketh it shall be opened.—Matthew 7:7, 8.

Almighty God, gracious in all Thy ways, thank Thee for this precise promise of the efficacy of prayer. On this National Day of Prayer, when millions in every State will be devoting this day to prayer, we recall, in the words of Benjamin Franklin, the strong reliance of our Founding Fathers upon Thee:

"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?"

As we take seriously the Constitution they produced, may we take seriously the spirit in which they labored. In the name of Him whose love is unconditional, universal, and eternal. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, May 4, 1989.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HARRY REID, a Senator from the State of Nevada, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. REID thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, this morning, following the time for the two leaders, under the previous order there will be a period for morning business not to extend beyond 10 a.m. with Senators permitted to speak therein for up to 5 minutes each.

I now ask unanimous consent that, during the period for morning business, Senators KERRY and ADAMS be permitted to speak for 10 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, we entered a time agreement on the budget resolution last evening that provides for a limited number of amendments that may be offered to the resolution. Time limitations have been agreed to for all of these amendments and I anticipate that not all of the amendments will in fact be offered. I expect that the Senate will complete action on the budget resolution today. Senators should be forewarned that rollcall votes will occur throughout the day's session.

Mr. President, I reserve the remainder of my leader time and I reserve the time of the distinguished Republican leader.

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business for not to extend beyond the hour of 10 a.m., with Senators permitted to speak for 5 minutes each.

FSX

Mr. DIXON. Mr. President, in recent days and weeks, I have spoken out on a number of occasions against the proposed FSX deal with Japan. I could support an off-the-shelf sale of United States F-16 fighter jet aircraft to Japan, but the FSX codevelopment technology transfer is simply not a smart business move on the part of the United States.

The General Accounting Office, in a preliminary briefing, concurs, Mr. President, and I look forward to hearing more from the GAO in congressional hearings in the coming days.

According to the GAO, this is an excellent deal for the Japanese, but the GAO has yet to determine the benefits for our country. The GAO is telling us that we are not playing on a level field.

Mr. President, the more I learn about this deal, the more lopsided the field looks.

I am already learning of hidden barriers that would prohibit U.S. workers from participating in the codevelopment program.

When the FSX deal was first announced, one company in North Carolina believed it was in a particularly strong position, with its Japanese joint venture partner, to compete for a contract.

This company's optimism was well founded: It is a proven supplier of its product; its product had already been chosen by General Dynamics for the F-16; its joint venture partner was in place in Japan where its products could be manufactured domestically; and, it had trained Japanese staff to give technical support to the Japanese aircraft companies, which would test, select, and specify the product to be used on the FSX.

Mr. President, this company's hopes were dashed when it learned—this is the point I want to make to my colleagues—that contracting decisions would be made by Mitsubishi Heavy Industries and that MHI had arbitrarily decided that only Japanese products would be considered.

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

I repeat, this American company, which builds, now, for the F-16, will not get the business because Mitsubishi will give the business and has already arbitrarily decided that only Japanese products would be considered.

I have the name of this company, Mr. President. I know what I'm talking about.

This is another instance of Japan insisting on using its own manufacturers—manufacturers less capable than our own—in what is supposed to be a codevelopment arrangement.

I am not at all willing to tell our workers that this deal is good for them. If this deal goes through, our honest report to the American worker must be that we are just sending more and more jobs overseas.

The agreement only reached the Hill Monday—the ink is not only still wet, it is still in the pen—and we are already finding loopholes. Where will the next one appear?

Mr. President, this FSX deal has been in the works a long time, and people are tired of it. They are tired of talking about it. They want to get it out of the way and to get on to other things. Well, Mr. President, I am tired of seeing U.S. jobs going overseas. Our workers demand our vigilance, our companies and our economy demand our vigilance, and it is time for all of us in the Congress to get a second wind.

Let us level the playing field and reject FSX.

Mr. President, along those same lines, let me say I have a letter here from the Amateur Radio Forum group, a group of Chicago amateur radio operators. Let me read it. It is to me: Senator ALAN DIXON.

THE AMATEUR RADIO FORUM,
April 10, 1989, Chicago, IL.

Subject: Bravo! Bravo! Bravo!

Senator ALAN DIXON,
U.S. Senate, Washington, DC.

An amazing thing happened while writing an editorial on the FSX Fighter this afternoon. When I heard Senator Alan Dixon take the podium I went into the living room to watch CSPAN and much to my delight, you were saying just about what I was writing.

We debated the issue last Thursday and it is the overwhelming opinion of the members of the Amateur Radio Forum that a joint venture to develop a fighter plane with Japan is not in the best interests of the United States.

In light of the current trade deficit with Japan and the proven excellence of our F16 fighter, it is very hard to see any advantage to America in the proposed program.

The disadvantages are many and obvious to even the most naive voter.

1. Americans lose jobs in the aircraft and related industries.

2. The trade deficit with Japan is aggravated.

3. In the Toshiba incident, the Japanese have already proven that they cannot be trusted with our secrets.

4. In the event of future hostilities with Japan, we would be at disadvantages so obvious they need not be listed.

5. Finally and perhaps most important, it creates the perception among voters that Congress is under the thumb of special interest groups and is not concerned with the best interests of America.

Thank you for your support.

JACK SCHMIDLING.

I conclude with these remarks. I went home last week and did 12 town meetings all over my State, north to south, east to west. At every one of those town hall meetings the feeling there of Americans and Illinoisans was overwhelming against this deal. I will have more to say on this later, Mr. President.

I thank the Presiding Officer and the Senate for giving me this time. I yield the floor, Mr. President, with a final comment that this FSX deal is exactly what the General Accounting Office said it was: a good deal for Japan and a bad deal for the United States.

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. DIXON). Without objection, it is so ordered. The Chair recognizes the distinguished senior Senator from Nevada.

CAMPAIGN FINANCE REFORM

Mr. REID. Mr. President, during the break, as the Senator from Illinois has indicated in his remarks to the Senate, we all went home. We went home and held townhall meetings. We talked to various school groups, university, high school and elementary school students. We had various meetings with constituents. But the sad part for the vast majority of the Members of Congress who went home is that we spent a great deal of time raising money. Not raising a few dollars here and there, but raising millions of dollars, collectively; not for charity, not for the homeless, not for economic development, but for campaign spending.

Mr. President, it is about time that the two bodies, this body and the other body, realize that we have to do something about campaign spending. Campaigns are too long, they are too costly. Is it not a sad commentary that Members of Congress have to spend their time raising millions of dollars during a congressional break when in fact we could be spending more time educating students about the dangers of drugs, talking about the ravages of the environment, using, of course, as an illustration, what happened in Alaska recently.

We need to stop excessive spending in campaigns. More specifically, something has to be done about independent expenditures. There must be some limit set on this excess that is going on in our body politic. I again remind this body that in the State of Nevada, with negative campaigning, the Japanese automobile dealers spent, in the small State of Nevada during the last senatorial election, $550,000. They did not spend it, Mr. President, on trade or commerce issues. They spent it in negative campaign ads about Social Security. Japanese automobile dealers spending for ads about Social Security. That is too bad.

Conduiting and bundling, where money is collected for one purpose and bundled up and sent someplace else for another purpose—that is wrong. Under our rules, these are loopholes: independent expenditures and the bundling and conduiting; just to name a few.

We must have some ceilings on how much money can be spent. We cannot have the Senate of the United States a body that is composed of all millionaires. We are coming to that. Why? Because it is easier for a wealthy person to run. He can spend all the money he wants. It is much more difficult for someone who is a schoolteacher or a small businessman to go out and raise the millions of dollars that it takes to be competitive.

We must have campaign spending limits. The Federal Election Commission, Mr. President, is powerless. We have made it so. The Federal Election commissioners want to do what is right, but they are understaffed, the rules are so vague and meaningless that they have very little power. In my Senate election in 1986, there were about seven complaints filed on my behalf. They have not been responded to yet; not resolved, but even responded to, and it is 3 years, almost.

I would hope, Mr. President, in the future recesses in the years to come that Members of Congress can get on this floor and say it used to be that when I went home, I had to spend an inordinate amount of time raising campaign funds, but the Congress has responded to what the American people wanted and I no longer have to do that because we are allowed time on television and radio to get our message across and we have debates that are real debates. There are no longer independent expenditures that plague and conflict what the real issues of the campaign are. We no longer allow bundling and conduiting, and we have the Federal Election Commission that is strong and has the power to do something to improve the elections. That is the way it should be.

So I hope when we go home in the future that we, Mr. President, will be able to do that because when we go

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home, we should not be concerned about a 30-second TV spot, how we are going to pay for it; we should be concerned about our environment, which is being destroyed around us; we should be concerned about the ravages of drugs, improving our educational system, and cutting the deficit.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Illinois is recognized for 5 minutes.

CAMPAIGN SPENDING LIMITATIONS

Mr. DIXON. Mr. President, first, may I congratulate the occupant of the chair for his excellent remarks a moment ago in his other role as the distinguished senior Senator from Nevada. I endorse and embrace all those remarks. I think they were very eloquent and well put. We must soon adopt reasonable campaign standards and campaign spending limitations, Mr. President, or there is going to be a major scandal in America, and the Congress of the United States is going to be responsible for hiding its head in the sand while these scandalous activities unfold in our country.

NO 40-PERCENT WORK SHARE AGREEMENT

Mr. DIXON. Mr. President, a moment ago you were kind enough to recognize this Senator in connection with his concerns about the FSX deal with Japan. The administration has said that in the renegotiation process with this agreement with Japan, one of the things they have obtained assurances about from the Japanese Government has been that 40 percent of the work will come to the United States.

I might first say I think that is inadequate. We should have sold them the F-16 off the shelf and gotten 100 percent of the work, but that has been the standard that has been suggested by the administration that, in fact, they have upped the amount of percentage of the work that will be given to American workers to 40 percent.

One of my staff who is associated with me in the Armed Services Committee called while I was speaking earlier and left this word with me, and I consider him a responsible person. I want to read what he has said:

> The Japanese Ambassador Matsunaga said, according to a major Japanese newspaper, there is no 40-percent work share agreement. This is according to a major Japanese newspaper today.

Mr. President, I am going to check on that. If that is a fact and that is in a Japanese newspaper today, I am going to put that in the CONGRESSIONAL RECORD because everything that is being said about this flies in the face of what I believe the reality will be. I believe they are going to get almost all the work and all of this talk about they are going to get our old technology.

Mr President, I have talked to the folks who make these platforms in our country; I have talked to the folks who make these engines in our country. Every one of them privately says to me in the end they are going to get our technology. Technology, Mr. President, that taxpayers in Nevada and Illinois and all over the 50 States of this Union paid more than $7 billion of their hard-earned money for is going to be given to the Japanese for a few hundred million dollars so they can build a fighter aircraft superior to ours and go into the commercial aviation business.

Shortly I am going to have a speech, I understand, that Lee Iacocca has made—and I am trying to get that speech right now, Mr. President—where he tells the whole unfolding of this economic miracle of Japan over the last several decades. They have stripped us of our economic advantages. I believe that statement of his is going to say that the 1990's will be the decade of aviation in Japan, and he says that on the basis of this deal that right now this administration wants to go into it with the Japanese.

So I want to be heard on this a lot of times. There is a lot of material I still want to put in the RECORD. I hope I can find what my staff tells me is factual and that we can obtain this Japanese newspaper account, translate it to English, put the whole thing in the CONGRESSIONAL RECORD so all my friends in the Congress and everybody in America can know what they are saying about this deal on the other side of the world in Japan where they know they have a good deal, Mr. President, at the advantage of good, old Uncle Sam once again.

Mr. President, I think I see my dear friend, the distinguished Senator from Massachusetts here. If he is prepared to speak, I will yield the floor.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Massachusetts is recognized for 10 minutes.

Mr. KERRY. I thank the Chair.

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

The ACTING PRESIDENT pro tempore. The Senator from South Dakota is recognized for 5 minutes.

THE "MOUNT RUSHMORE"

Mr. PRESSLER. Mr. President, this weekend I join a number of distinguished South Dakotans in New Orleans to take part in a very special ceremony after years of effort. Saturday, I will take part in the christening of the *Mount Rushmore*, a naval vessel named after South Dakota's Mount Rushmore.

The year 1991 is the 50th anniversary of Mount Rushmore. It is South Dakota's pride, and over 2 million tourists a year visit Mount Rushmore making tourism our second largest industry. However, that is not directly connected to this event on Saturday. The *Mount Rushmore*, a Widbey Island class dock-landing ship has big shoes to fill. This is the second naval vessel bearing the name of the granite monument carved in the hills of South Dakota. The original *Mount Rushmore* was a decorated warship in World War II receiving two battle stars before being decommissioned in 1970. The *Mount Rushmore's* World War II adventures in the Pacific theater included a run-in with a torpedo near Borneo. During the Korean war, the *Mount Rushmore* served the Navy well. The ship was decommissioned in 1970.

I became involved in the ship naming effort as a way of honoring the memory of another distinguished naval vessel of the World War II era, the U.S.S. *South Dakota*. Since my days in the House of Representatives, I have worked with the Navy on this project.

There are 13 battle stars for World War II service. The battleship *South Dakota* was one of the most decorated ships. The ship fought valiantly in many crucial battles against the powerful Japanese naval force. On the last day of the war, shells from the *South Dakota* fell in Tokyo as the Emperor prepared his nation's surrender. Though the battleship was sold for scrap in 1962 its memory lives on in the hearts of the brave sailors who served on the *South Dakota*.

South Dakotans, like my good friend Evans Nord of Sioux Falls, are preserving that great ship's memory at the U.S.S. *South Dakota* Memorial in Sioux Falls.

Saturday's ceremony in New Orleans celebrating the *Mount Rushmore* is another way of marking the many contributions my State and our Nation have made in naval history. Because Mount Rushmore, known as the shrine of democracy, is celebrating its golden anniversary in 1991, Saturday's event is even more significant.

We, in South Dakota, are very proud of our naval connection, and expect it to continue in the colorful tradition of our past vessels. Indeed, at Sioux Falls is a sizable naval reserve unit. We have many former Navy officers living in

our State. We look forward to this dedication not only as a celebration for our State, but for our Nation.

Mr. President, I am happy to call to the attention of my colleagues the dedication of the U.S.S. *Mount Rushmore*.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

WHEAT SALE TO THE U.S.S.R.

Mr. KERREY. Mr. President, on Monday of this week, President Bush announced a subsidized sale of 1½ million metric tons of wheat to the Soviet Union. It is, I believe, a victory for American farmers who have been, and will continue to, benefit as we attempt to increase our world market share of agricultural products. But it is also a victory for those of us who hope that improved economic and political cooperation between our two nations will decrease the tensions and provide the basis for reversing a 30-year arms race.

This decision made by the President was made in spite of evidence that the Soviet Union and other Communist nations have a long ways to go before they can be regarded without feeling of real and present dangers. One generation ago when we were dominated by a post-World War II mentality, a political leader who proposed to sell grain to the Soviet Union would be accused of being a Communist sympathizer. The real threat of Joseph Stalin was met with an allied response of containment and nuclear deterrence.

But it was also met with the cries from Joseph McCarthy to censor any who spoke sympathetically of Communist leaders. In Nebraska in 1951 our Governor proposed to declare martial law to rid our State of the 25 citizens who it believed were Communists. Thus, of all the messages that I hear from this sale of wheat by this decision to subsidize the Soviet grain sale, the most important one to me is this: Joseph Stalin and Joseph McCarthy are both finally dead.

Their approaches to the betterment of mankind have been completely discredited, and although proponents of both can still be found controlling lives of human beings they are more often found on street corners receiving the silent stares of passers-by. Like most good decisions this one was made within the context of many simultaneously advocated objectives. The President's Office of Management and Budget argued on behalf of the budget. The National Security Council argued on behalf of America's security. Both of these objectives are worthy and they deserve full consideration.

But in the end the objective of a permanent peace in this world that is based on trust and understanding was given the highest consideration. In the end the startling events which we observe in this world cause us to trust just enough that we release the impulse to hope for a new peace, and this impulse begins to influence our policy decisions.

Mr. President, we we look across the oceans that separate us from Europe and Asia we see things we did not believe could happen. Few of us would have predicted that they would occur. In Hungary the iron curtain is coming down.

In the Soviet Union they are putting together a legislature. Their discussions are open and candid concerning the stagnation of their economy and the elections, purges of "dead souls," and military reductions have all of us attempting to answer this question: What does it all mean?

In Poland a Communist government has legalized Solidarity, rural Solidarity, and the church. They have created a new Senate which will have veto power over the Communist Party itself. Some are even speculating that Lech Walesa might someday become President of Poland.

In Germany, the talk of reunification is now in the open. The cry for a renegotiation of short-range nuclear forces has created great discomfort in the alliance.

In Asia, Mr. President, the changes are even more dramatic. The rise of Japan, Korea, Taiwan, Singapore, and Malaysia as tremendous economic powers has made for hot political rhetoric here at home where these former laughing stocks have become fierce competitors.

The streets of China are full of student demonstrators who are demanding greater political freedom. The previous economic reforms have only whetted the appetite for freedom. Significantly, this one time military enemy has become in the past 16 years almost an economic partner. We are even able to witness the return of the colony, Hong Kong, without great anxiety.

There are, of course, continued fears and concerns. But the words of the old warrior, Andrew Goodpaster, former Supreme Commander of NATO, ring in my ears. He said, "If the new Soviet policy set out by Gorbachev becomes a reality in fact, the whole security structure the world has known since midcentury becomes open to a series of major transforming changes in which United States interests will be deeply and directly involved." General Goodpaster concludes that the potential is "breathtaking."

Mr. President, we should not underestimate the influence of the old Bolsheviks who continue to believe that world revolution is the means to their end. Their beliefs require a totalitarian form of government which denies the freedoms which excites and permits human beings to rise to their full potential.

We should also not underestimate the influence of the old fear mongers who seek to reduce our grandest dreams to ash with the fire of their reactionary rhetoric. Their beliefs require us to restrict our freedom and our hope in order to approach the future with greater order.

Mr. President, I believe we should stand on top of this mound of wheat which President Bush proposes to sell, and with our eyes wide open, observe this new world of ours. And we should courageously and hopefully address it with proposals that reflect our highest ideals.

I yield the floor, Mr. President.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GRAHAM). The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

NEW ENGLAND STUDENTS COMPETE IN BICENTENNIAL OF CONSTITUTION

Mr. BURDICK. Mr. President, this morning I met with a dozen students from St. Mary's High School in New England, ND. These bright young people came to Washington for the finals of the National Bicentennial Competition on the Constitution and Bill of Rights.

As a lawyer, it is exciting to know that upper elementary, middle and high school students are studying a specially designed 6-week course about the Constitution and Bill of Rights. The preservation of our freedom and our Nation depends upon our young people, tomorrow's leaders. We have much to gain from educating them at any early age about the Constitution, the Congress, and citizenship.

Phil Harmeson and Karen Montgomery did an excellent job coordinating this fine program in North Dakota. The team from New England which won the State competition is unusual in that it has several international students. Led by instructor John Bachmeier, I would like to congratulate these students for their hard work in reaching the national finals and competing against top students from much larger schools. The class consists of Gary Benz, Roberto Chami, Cecilia Dobitz, John Ehlis, Ti Huang, Ilene Krebs, Mikael Merissa, Stacey Roller, Aaron Tewolde, Benyan Tewolde, Jon Wert, and Metmeku Yohannes.

The National Bicentennial Competition is making a difference among the

more than 1 million students who have participated in this educational program. Students in classrooms across the Nation, ranging from New England, ND, to New York, NY, are debating the issues that concerned the Founding Fathers and demonstrating how the Constitution's basic principles apply to them today. I commend everyone involved in this exciting program that is increasing the constitutional literacy of our young citizens.

A PRESIDENTIAL REVIVAL

Mr. HATFIELD. Mr. President, two of my favorite things come together in the little town of West Branch on the Iowa plain: Herbert Hoover and a library which bears his name. I have become accustomed to raised eyebrows and curious looks when I talk about my enthusiasm for President Hoover, but then people are "often surprised to discover that his 4 years in the White House were but a footnote to half a century of public service, during which 'the Great Humanitarian' rescued more people from starvation than all the tyrants of this blood-soaked century together could murder."

Those words belong to Richard Norton Smith, the director of the Herbert Hoover Library and the man responsible for breathing new life into the President's memory. Since he left Washington for West Branch several years ago, Mr. Smith has made history come alive through a wide variety of projects and programs. After doubling attendance at the Library in just 1 year with a wonderful exhibition of more than 300 pieces of Presidential memorabilia entitled "30 Men," he has now set his sights on a joint conference this fall with the Gerald R. Ford Library and Museum to discuss the history and utility of former Presidents.

Mr. President, an essay by Mr. Smith entitled "How the Hoover Library Overcame a Mid-Life Crisis" not only describes the exciting work going on at the Herbert Hoover Library but also makes a compelling case for the energetic study of our precious history. I applaud the efforts of Mr. Smith and his talented staff, and ask unanimous consent that the essay be included in the RECORD.

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

A PRESIDENTIAL REVIVAL: HOW THE HOOVER LIBRARY OVERCAME A MID-LIFE CRISIS

Two hundred years have passed since a Virginia planter borrowed a few hundred dollars, ordered a suit of the finest broadcloth, and set off in a carriage to assume the highest trust that a free people could bestow. Eight years after the streets of New York resounded to his name, George Washington took leave of the office he practically invented. He returned to Mount Vernon in the spring of 1797 with a couple trunks full of papers—the first presidential "library."

Long afterward, another chief executive, as different from the first as chalk is from cheese, bade farewell to the city bearing Washington's name. "We draw our Presidents from the people," said Calvin Coolidge. "It is a wholesome thing for them to return to the people. I came from them. I wish to be one of them."

As with Presidents, so it is with the documentary evidence of their administrations. Just as America derives her leaders from the Kansas plains and the Hudson River Valley, the Texas Hill Country and the Massachusetts coast, so also does the presidency itself belong to the people who first tailored it to the heroic dimensions of Washington and who ever since have looked to his successors to embody the democratic virtues celebrated by Coolidge.

Beginning with Franklin Roosevelt in 1941, Americans have built presidential libraries both to document and to disseminate our history. Within their walls are housed millions of records, enough to supply the first draft of historical interpretation, along with the personal objects that make vivid an office and the forty men who have occupied it since Washington stood on a New York balcony two centuries ago. The libraries play host to scholars who sift through the documents of history and to policymakers who envision all our tomorrows.

In their range and variety, presidential libraries reflect the genius for governing that marks the American people at their best. They trace the lives and legacies of an Iowa-born mining engineer whose humanitarian instincts rescued millions from starvation and a plainspoken haberdasher from Missouri, who reminded us anew of the uncommon abilities that reside within so-called common men and women. They introduce us to a congressman from Grand Rapids, a Georgia peanut farmer, and a former movie star turned governor who, each in his own way, helped restore the public trust while reaching out to achieve a more peaceful world.

Like the office they commemorate, presidential libraries are living institutions. Beyond their glass cases and document boxes, one can breathe the air of history made and history in the making. They are not monuments to one person alone. Rather, they are storehouses of information and classrooms for democratic instruction. In recent years especially, they have become popular places for Americans of every age to examine their past and explore a history not always learned in school.

All this and more went through my head when I was invited to leave Washington, D.C., in the autumn of 1987 to become director of the Herbert Hoover Presidential Library-Museum in West Branch, Iowa. As a biographer who had spent the better part of a decade writing speeches on Capitol Hill while simultaneously exploring Tom Dewey's gangbusting, Herbert Hoover's relief work, and the presidency of modern Harvard University, I was not your typical historian, archivist, or museum curator. West Branch (population 1,807) was a long way from Washington. On the other hand, distance lends perspective; a newcomer arrives blissfully ignorant of all that lies beyond his institution's presumed capabilities. I have since learned that by the time you discover everything you're not supposed to be able to do, you may already have done it. Or at least be well on your way!

Truth be told, the West Branch facility faced something of a midlife crisis in the late 1980s. After a fruitful quarter-century of collecting, processing, and making available the papers of Herbert Hoover and his contemporaries, the library staff was experiencing a marked decline in archival activity. Following twenty years of scholarly usage, researcher ranks were thinning, while annual museum visitation had leveled off at around fifty thousand. Now as then, I believe it a mistake to regard such an institution primarily as an archival repository—much less one divorced, for the most part, from a public whose historical curiosity is real, if less specialized than that of academics trained to appreciate the millions of pages, thousands of photographs, and mountains of artifacts that form a vast mosaic of Hoover's life and times.

Both challenge and opportunity are neatly summed up in the very title of "library-museum." As it suggests, we perform multiple functions; in the process we serve different constituencies. A few hundred of those who visit West Branch each year focus their attention on the research library. Tens of thousands come to see the museum. Our challenge was finding ways to boost interest in both without any significant increase in funding. Budgets were tight and staffing significantly below that of the affluent 1970s. Fortunately the Library already had a staff accustomed to stretching dollars and pooling responsibilities. Their resourcefulness made them convert discarded folding doors into curatorial tables. It also enabled them to humor a neophyte director who did little by the book—who was, indeed, tempted to throw the book away and start over!

Like ancient Gaul, our blueprint for institutional revival was divided into three parts: to maintain a first-rate archival respository, to raise the visibility of a nationally important center of historical scholarship, and to establish the Hoover Library-Museum as a major cultural asset for Iowa and the entire Midwest. One measure of success would be public programs, another, cooperative ventures with other museums, libraries, and historical organizations.

As a "popular" historian, I had long since identified a substantial audience eager to learn more about its heritage and about the men and women who have directed the American Experiment. Personally, I regard everyone who walks through our front door as a student, interested in the past and its lessons for the present, curious about this man Hoover and often surprised to discover that his four years in the White House were but a footnote to half a century of public service, during which "the Great Humanitarian" rescued more people from starvation than all the tyrants of this blood-soaked century together could murder.

Beyond one man's story, a presidential library-museum should explain the nation's highest office, its historical evolution and its daily impact on each of us. The simple fact that Herbert Hoover was the first chief executive to keep a telephone on his desk may be as important a milestone for some visitors as war in Manchuria or the Reconstruction Finance Corporation. To humanize and personalize the presidency, without ever trivializing it: this is what we have set out to do in the library-museum that bears Hoover's name.

Our first major undertaking was a year-long observance of the bicentennial of the presidency centering on "39 Men," a record setting exhibition of over three hundred

pieces of personal memorabilia associated with each of our Presidents and culled from more than sixty different institutions. By far the largest such event in Hoover Library history, "39 Men" featured everything from Calvin Coolidge's electric horse, Thomas Jefferson's monogrammed silk stockings, and John Adams's baby rattle, to Gerald Ford's football helmet, Ronald Reagan's cowboy boots, and a 102-year-old slice of Grover Cleveland's wedding cake.

From 54,000 in 1987 to 115,000 in 1988, "39 Men" more than doubled our annual attendance. It brought four times as many school children to West Branch as usual, laying the groundwork for an ambitious follow-up program of educational outreach. it tripled sales in the museum gift shop, which added sixty-five items to its stock as it gained a new name, the East Room. And it generated unprecedented media interest, both in Iowa and across the country.

These are the most obvious yardsticks of progress. No less important for the future are hundreds of professional contacts made with other museums, curators, private collectors, and presidential scholars. Many of our visitors were Iowa residents who sheepishly admitted to never having been to the Library before. Their presence contributed to the ongoing revival of West Branch, whose downtown National Historic District is a handsome complement to the library-museum and the President's two-room birthplace nearby.

Perhaps the most significant benefit of "39 Men," besides the information and inspiration imparted to those who saw it, was the well-earned pride of a staff that achieved something never before attempted. Not only did they locate, crate, ship, insure, protect, and return a treasure trove of priceless Americana, but they also showed it off to tens of thousands of visitors in an unending line of tours. (I know—I conducted over seven hundred groups through the building in the six months from April through October 1988). Needless to say, they could not have done so without the cooperation of each member of the presidential library system.

One successful exhibit does not a revitalization make. The challenge posed by "39 Men" is not merely to repeat it but to institutionalize it, both in temporary and permanent displays. That means a total overhaul of existing museum exhibits, many untouched since 1971. In the past year, it has meant introducing computer games for schoolchildren and videodisc players with rare Hoover home movies; working with a talented student team from the University of Iowa's communications department in crafting a new, twenty-minute slide show to replace the dated film shown in our auditorium (at a cost of less than $300); adding a soundtrack of Lou Henry Hoover's voice to the gallery bearing her name, and renovating other galleries to give visitors a more vivid sense of the Hoovers, their crowded lives, diverse interests, and continuing relevance.

It also means developing a five-year plan whereby last summer's success and momentum can be enlarged upon. This year, for example, we are commemorating the seventy-fifth anniversary of World War I—and of Herbert Hoover's unexpected entry on to what he labeled "the slippery slope of public life"—with a major exhibition called "Over There." Between now and October 29, visitors to the library-museum can see Harry Truman's uniform, Kaiser Wilhelm's naval cloak, the original Zimmerman telegram, Woodrow Wilson's copy of the Versailles Treaty, a painting of a bombed-out church by Corporal Adolph Hitler, a baseball presented to President Wilson by King George V, and a desk lamp belonging to V.I. Lenin—not to mention German mortars, U.S. artillery pieces, an indoor trench, an outdoor barrage balloon, and hundreds of other objects—all intended to transport visitors to that faraway land called the past, when Midwestern farmhands and the sons of Back Bay financiers together embarked on a mission to save the Old World from itself.

In years to come, the Hoover Library-Museum will recall the sixtieth anniversary of President Hoover's White House Conference on Child Health with a retrospective featuring Grant Wood's famous painting of the Hoover birthplace. We will recall the pivotal decade of the 1920's, cradle of modernity and object of continuing public fascination. Another exhibit will highlight dozens of presidential gifts, elegant and prosaic, precious and wacky. Hoover's participation in the first public demonstration of a new technology called television will inspire an extensive exhibit on the first sixty-five years of an industry Fred Allen called a medium, "because it doesn't do anything well."

These and other plans are being implemented with no significant increase in staff or funding. Filling the gap is the Herbert Hoover Presidential Library Association, the same organization responsible for commissioning and funding George H. Nash's multi volume biography and conducting visits to Hoover haunts in China, Australia, and Belgium. Now the association is committed to raising money to refurbish the entire museum as part of a federally funded expansion and renovation project.

As important as bricks and mortar are the programmatic changes that will take the library-museum into the next century. The success of "39 Men" reinforced our belief that such exhibits can introduce more visitors than ever before to the Iowa orphan who lived Horatio Alger's legend; the "doctor of sick mines" who became a global hero by feeding war-ravaged Belgium, and a household name as secretary of commerce and assistant secretary for everything else in the dynamic 1920s; the executive who fell from grace as a depression-era president shackled to his preference for grassroots volunteerism over government largesse, and gradually regained much of his former luster during the longest ex-presidency on record.

Once asked how he managed to survive the ostracism that coincided with the New Deal launched by his onetime friend and Washington neighbor, Franklin Roosevelt, Hoover responded tartly, "I outlived the bastards." By then, of course, he had returned to public service, invited by Harry Truman to undertake a grueling relief mission to thirty-eight countries in the wake of the Second World War. The two men became fast friends, recalling the twilight rapprochement of another historic pair, John Adams and Thomas Jefferson, even to the message sent by Hoover in October 1964 to an ailing Truman: "Bathtubs are a menace to ex-presidents for as you may recall a bathtub rose up and fractured my vertebrae when I was in Venezuela on your world famine mission in 1946. My warmest sympathy and best wishes for your speedy recovery."

It was the last communication dispatched from Hoover's "comfortable monastery" in New York's Waldorf Towers. Six days later, the occupant of Suite 31A was dead at the age of ninety.

As even these few paragraphs demonstrate, Hoover's life is a tale of high drama and higher stakes. It spans much of this century and most of the globe. With the opening of Mrs. Hoover's personal papers in 1984, and revisionist scholarship on the gossamer links between Hoover's New Day and FDR's New Deal, it is a story still being told, by George Nash, David Burner, Joan Hoff Wilson and others.

There is an unfortunate belief in some quarters that extensive activity in public programs must lead to the neglect of academic research. Not in West Branch. On the contrary, this fall, the Hoover Library-Museum will host its first scholarly conference in six years, a joint venture with the Gerald R. Ford Library and Museum. For two days in October, historians, biographers, journalists, former White House staffers, and others will join President Ford in examining the history and utility of a unique office—that of former President. A month later, the Hoover Library will co-sponsor a Kansas City gathering of World War I and relief scholars with the Harry S. Truman Library and the Liberty Memorial Museum. Meanwhile, Assistant Director Timothy Walch has taken on the task of expanding our already considerable ties with historians and political scientists at the nearby University of Iowa and other schools. As a co-sponsor of the Center for the Study of the Recent History of the United States, the Hoover Library recently hosted a seminar on the collection and use of historical photographs. We are also planning a major CSRHUS conference on child health and family issues for the spring of 1990.

All this is in line with the National Archives' stated emphasis on collaborative scholarship. It is also common sense. For no amount of popular exhibits or special events can, by themselves, supplant ongoing relationships with campuses, teachers, and tomorrow's scholars who sit in their classrooms. With this in mind, the Hoover Library-Museum staged its first-ever conference for high school teachers in April 1988. Earlier this year, we held an essay contest, inviting students to write their own inaugural addresses and Time's veteran White House correspondent Hugh Sidey to judge among those submitted. An eleventh-grader from Cedar Rapids, Tiffany Schirm, and her mother were flown to Washington for the Bush inauguration, where they were given a memorable introduction to the democratic process by Senator Charles Grassley, Representative Tom Tauke, and the Office of Presidential Libraries at the National Archives.

To open a dialogue with schoolteachers, we have created an advisory board chaired by a retired elementary school principal, and charged with the task of developing teacher education packages. One immediate result has been to give thousands of schoolkids a solid grounding in the history and horror of World War I. Looking ahead, the board is planning a round of teacher workshops, focusing on the use of primary source materials from pre-school through the twelfth grade. This summer, several dozen teachers worked with the papers of Laura Ingalls Wilder, author of the popular "Little House" books. The new teaching unit they helped create will be the first of many to emerge from our continuing workshop series.

To enhance the enjoyment of "39 Men" for our younger visitors, we engaged a professional storyteller to relate anecdotes about some of the nation's leaders, and guide the children in activities ranging from drawing up their own Constitution to making presidential gifts similar in spirit if not cost to those received by Richard Nixon and Rutherford Hayes.

In an even more imaginative effort to take the Hoover Library to the people, we are working with the Vinton, Iowa School for the Blind to develop a curriculum unit including facsimile artifacts, documents in braille, and audio tapes. Through a generous grant from the Delta Gamma Foundation we hope to expand this into a comprehensive program for blind students and visitors, one covering the history of the American presidency as well as the personal story of Herbert and Lou Henry Hoover.

Earlier this year, the bicentennial of Washington's inauguration was marked by an April 30 ecumenical service held outdoors at the same hour that the first President took the oath of office and based upon the ceremonies with which New Yorkers ushered in his presidency two hundred years before. Other events have included a recreated White House dinner, circa 1931, benefitting the University of Iowa Art Museum, theatrical productions recalling Lou Henry Hoover and Calvin Coolidge, a winter film festival to assist a local food gathering campaign, and a warm Iowa greeting for nearly four hundred Soviet-American peace marchers threading their way across the state.

While I have been busy with community relations, Tim Walch and other staff members have undertaken a top to bottom review of library holdings. Nonpermanent materials have been scheduled for destruction and a targeted program of archival solicitation reinvigorated. Over the years, in addition to Mr. Hoover's personal and public papers, the library has gathered records of roughly 125 Hoover associates, professional and personal, as well as others whose work touched in some way upon the former President's multiple interests. The passage of time inevitably requires a rethinking of our collecting policy.

Accordingly, in recent months we have pinpointed existing strengths of our holdings: conservative journalistic thought as represented by Westbrook Pegler, Felix Morley, Walter Trohan, and Clark Mollenhoff; and the development of nuclear energy, based upon the papers of AEC Chairman Lewis Strauss and Senator Bourke Hickenlooper to cite but two examples. We hope to build upon those strengths by selectively augmenting current holdings. This, too, is part of the planning process by which an aging institution gains new vitality and purpose. So is PRESNET, the electronic system that promises to make the holdings of presidential libraries accessible to anyone with a computer terminal and the knowledge to use it.

The last year and a half represents a heartening start, but only a start. Ahead we face many challenges, not least of all the need to design a museum for a generation that gets much of its information through film and video, one capable of introducing the Hoover years to our visitors and hosting extensive temporary displays in less than ten thousand square feet of space. But the problems are far outweighed by the potential. To solve the one and realize the other requires a little imagination and a lot of determination.

Looking ahead, I can imagine an orientation center for Herbert Hoover National Historic Site jointly manned by the National Park Service and the National Archives and including a multiscreen presentation on Hoover and the rural millieu that shaped his character and outlook. A gallery recreating for museum visitors the siege of Tientsin, an Iowa farmhouse, an Australian gold mine or Belgian feeding station. Imaginative displays treating the social benefits of free enterprise and recalling the lively twenties, when Herbert Hoover's Commerce Department was at the center of revolutionary changes in how Americans worked, traveled, relaxed and communicated.

No two Presidents are the same, and no presidential library can serve as a prototype in a system whose hallmark is diversity. Yet the last eightteen months have proven beyond doubt that popular appeal need not come at the expense of scholarly standards. In fact, the library's increased visibility has coincided with a marked upsurge in researcher visits—38 percent more in 1988 than in the previous year. And there is nothing imagined about that.

A final note: as historians synthesize fact into narrative, so we have tried to break down artificial barriers between archivist and curator, sales desk and photo lab. Everyone is involved equally, and no one function is valued above another. The results have been impressive. We are doing more, doing it better, and having fun: a trifecta of professional satisfaction. And this, in the end, may contribute more toward reviving the Hoover Presidential Library than all the visitor counts, newspaper stories, and conference speakers put together.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

OMNIBUS CONGRESSIONAL BUDGET RESOLUTION FOR FISCAL YEARS 1990, 1991, and 1992

The PRESIDING OFFICER. Under the previous order the Senate will now resume consideration of the pending business, Senate Concurrent Resolution 30, which the clerk will report.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 30) setting forth the congressional budget for the U.S. Government for the fiscal years 1990, 1991, and 1992.

The Senate resumed consideration of the concurrent resolution.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. SANFORD. Mr. President, we are considering President Bush's budget resolution for fiscal year 1990. This is the President's proposal, negotiated with Congress in good faith, and in good faith, I suggest, that if stronger action needs to be taken in the future, in the fiscal year 1991 and beyond, Congress will provide its cooperation and will get the leadership of the President in taking whatever steps are necessary for the good of the Nation's fiscal condition. This was to be a negotiated budget when President Bush proposed it and it remains so, a still-to-be negotiated resolution. How we actually achieve a $28 billion reduction in the Federal budget has not yet been fully determined. Many of the details, mostly on the revenue side, still must be decided.

President Bush called the budget summit agreement negotiated last month a first step, and I hope that it will be a first step toward assuming a greater level of fiscal responsibility in dealing with the Nation's funds.

The dominant feature of the budget resolution is that it does not tell the truth about the deficit. I have been reluctant to vote for it because I know it does not tell the truth.

Mr. President, I hope this is the last time I will stand on this Senate floor, stuck with supporting a Senate budget resolution that falls short of doing the job that we need done.

If indeed we do achieve a $28 billion savings with this resolution and we do claim to achieve a $100 billion deficit under the rules of Gramm-Rudman-Hollings, this resolution estimates that we will actually increase the Federal debt in fiscal year 1990 by a staggering $264 billion. This is the true deficit. The public ought to know this. We will pay interest on the Federal debt in fiscal year 1990 to the tune of at least $263 billion.

To put it another way, we will pay interest on the debt in an amount well in excess of the total outlays for all domestic discretionary spending which is expected to be $181 billion under this budget resolution. The $263 billion is nearly three times more than we will spend on Medicare under this resolution. It is more than we will spend on Social Security benefits under this budget.

To put it still another way, and if this does not frighten people nothing will, we expect to collect about $670 billion in general revenues under this budget. This is revenue use for general operating purposes of the Government, what we use to pay interest, and what we can spend for the basic functions of Government. Of every dollar that we collect in general revenues, we will pay 39 cents on interest alone. That is a quick way to go broke.

This budget for the first time shows the annual debt increase to be one measure of the deficit, and that is a step forward. Over the next 3 years, this budget reveals that we will accumulate $746 billion, three-quarters of a trillion dollars in new debt. This deficit, this increase in debt, is dangerous to every business, to every homeowner, and to every wage earner. It could bring our country down in a crash. We hardly can stand a three-quarters of a trillion dollar debt. It is time to get scared. It is time to do something to

stop the quarter of a trillion dollar annual deficit. Think about that. At the rate we are going with the Federal budget increasing our Federal debt year after year we will soon pay as much or more just on interest than we pay for defense. The fiscal year 1990 budget resolution estimates that 2 fiscal years from now we will pay just short of $300 billion in total interest, and that is assuming a most favorable projection for interest rates.

We can no longer afford not to take our budget deficits and our Federal debt seriously. We cannot afford to just take small steps. Mr. President, we need to take a giant leap forward in fiscal responsibility and in reporting to the public just what the problem is and just how great the deficits have been and will continue to be.

Now, if we can claim $100 billion deficit under the Gramm-Rudman-Hollings law, how is it that we actually have a $264 billion deficit? How did we cover up $164 billion? I think this is important for us to understand and for the press to understand.

Let me point out just how we have gone about covering up the deficit. We have done this for a number of years, and if we keep on doing it we are going to find ourselves totally engulfed in debt, without being aware of the fact that this is happening to us. We are not reaching a lower and lower deficit every year. We just say we are. We cover it up. We have been doing this a long time and have covered up almost $2 trillion of increase debt while claiming to have reduced the deficit year after year.

Here is how it has happened. The annual Federal debt increases which, of course, by anybody's definition is the bottom line of Government excess spending. If we decrease the debt, the budget should run a surplus. If we increase the debt, it should be in deficit. In 1988, the last year that is already completed, we somehow covered up $101 billion; $29 billion of that was the Social Security surpluses along with other smaller retirement surpluses. This would be like a corporate executive saying to his controller, "Look we cannot send out this annual report. It shows a loss. We cannot send this to the stockholders. I have an idea. Go get our retirement funds and put them here on the bottom line and we will show a profit."

If the corporate executive did that, the SEC would send him to the penitentiary. But Congress does this according to law. We are taking our retirement funds and using them to make our deficits look smaller than they are.

But what about the other $62 billion, which is going to be much more this year? I call it creative interest accounting and believe it is one of the most interesting things we have done in covering up the deficit. I think the press ought to understand this, and the public ought to understand this.

We have seen in the several years I have been here a figure called net interest. When I read net interest, I assumed it was an accounting figure that was sound—the interest we paid out. But not at all. That is not what net interest means. Net interest means a very tricky way of accounting for the interest we paid.

In fiscal year 1988, we paid $214 billion in interest, but we showed a net interest figure much smaller. How did we get that to be a net interest figure?

The Treasury pays money to the Social Security trust. That is money that has gone out as interest to the trust funds, irretrievable, we cannot get it back, just as we could not get it back if we had paid it to a bank. But we treat this payment as a receipt, not a payment.

It is like my going to the bank and saying, "Well, my income was $35,000 in interest and I want to add that to my financial statement." The banker says, "You did not get this interest, your cousin did." I say, "Oh yeah, we are cousins; we are kin. I can count that as a receipt of mine."

That is what we are doing with our Federal budget accounting! We paid this money to a trust. We cannot get it back. It is gone. Yet we treat it as a receipt in order to cover up the real deficit.

It was $101 billion coverup in 1988. In the budget we are considering right now, we are covering up $164 billion primarily with creative interest and Social Security surpluses. And that is the kind of deceit we have got to stop.

Mr. President, my resolution will do just that. My resolution requires that Social Security not be counted. It requires that interest be counted as total interest paid on the national debt, to show the true picture.

It also requires that we report as the deficit, not some figure we have arranged, but the increase in the national debt. That is the deficit. And the next budget should reflect that as the deficit.

This amendment does several other things. It looks to the future. Here is the problem. It is a serious problem. You might say this problem has slipped up on us because we have been led to believe by the White House for 8 years that we were reducing deficit. We really have not been reducing the deficit, and all of a sudden we have a $3 trillion debt.

This resolution also provides that we need a multiyear plan of deficit and debt reduction based on sound economic assumptions. It asks the President to advise the Congress of his proposals relative to the reduction of the national debt. Does he want to reduce the national debt? If he does and will provide the leadership, Congress will provide the cooperation.

It asks the President to advise us, in order to reduce the debt and deficit. If we need new taxes, we invite the President to provide the leadership in suggesting what those dedicated, limited debt reduction taxes should be.

Mr. President, I hope that the Office of Management and Budget will make no mistake about the intention of the Senate. We want the medicine. We are willing to take it. But we want it to be truthful. We do not want Social Security funds to cover up the real deficit. We do not want this tricky manipulation of net interest to help cover up the deficit.

We want the deficit, stark and clear and frightening, to be the increase in the national debt which is any accountant's definition of deficit. And once we see it, I think we can then take the kinds of actions that will reduce this debt and remove this great overhanging economic danger under which the Nation right now is operating. We need to get the honest figures. Then we need to take the courageous action. That is the intention, Mr. President, of this resolution.

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

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 83

(Purpose: to call for a more truthful presentation of the deficit)

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

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. SANFORD] proposes an amendment numbered 83.

At the end of the resolution, insert the following new section:

"SEC. . (a) The Senate finds that—

(1) this budget for fiscal year 1990 is within the parameters established by the President, and even if inadequate, is essential to keep the Government in operation;

(2) this resolution sets forth the deficit at only $99.4 billion;

(3) as set forth in section 3 of this resolution, on measure of the deficit, the increase in the public debt subject to limitation, is fully $264 billion;

(4) the Federal debt will rise to fully $3.1 trillion in 1990; and

(5) as set forth in section 5(a)(19) of this resolution, the level of gross interest on the public debt will be $263 billion in fiscal year 1990;

(b) It is the sense of the Senate that—

(1) as set forth in this resolution, the budget submitted by the President under section 1105 of title 31 of the United States

Code and the concurrent budget resolution for fiscal year 1991, in order to more truthfully set forth the deficit, should reflect at least the following changes:;

(A) all Social Security and other Federal retirement funds must be accounted for separately;

(B) all gross interest on the public debt subject to limitation must be fully reported and reflected; and

(C) the increase in the gross Federal debt that is subject to the legal debt limit should be shown as a measure of the deficit.

(2) Because a multi-year plan of debt and deficit reduction, based on sound economic assumptions, appears imperative, the President is requested to advise the Congress of any proposals relative to the reduction of the national debt, and to inform the Congress whether additional revenues are required for debt and deficit reduction, and if so, the President is invited to make specific revenue recommendations."

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SANFORD. Mr. President, I ask unimous consent that the order for the quorum call be rescinded.

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

Mr. DOMENICI. Mr. President, I understand the distinguished proponent of the resolution does not insist on a rollcall vote. We are willing to accept the proposal as explained to the Senate this morning by the distinguished Senator.

We yield back any time we have in opposition to the amendment.

Mr. SANFORD. We yield back any time we have.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from North Carolina.

The amendment (No. 83) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. I thank the Chair.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SASSER. 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. SASSER. I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I wonder if I might engage in a quick conversation with the chairman.

I understand that we are asking some of our Senators about when they would present their amendments. I would ask that any on our side who have amendments begin to negotiate with us. We would like to finish early this evening, and I think we can if we can get a lineup as to which Senator is ready to come forth with his amendment. I understand that there are a number of amendments and we would like very much to get some reading from them as to whether they are ready and what time they might be available to come to the floor.

Mr. SASSER. I agree wholeheartedly with the statement made by the distinguished ranking member of the Budget Committee. A number of Senators have approached us and the leadership indicating that they have commitments this evening and were hoping that we could conclude this resolution by 6 p.m. I think that is possible, but it is not probable unless Senators will come to the floor and begin to call up their amendments sense-of-the-Senate resolutions.

I understand that many Senators are in committee meetings at this time, but if they could just advise us as to when they could reasonably be expected to call up their amendments, then I think we would be in a better position to proceed.

Mr. DOMENICI. Mr. President, I might also say that I am most appreciative of three or four Senators who have already communicated with us that they do not think it necessary to offer their amendment. If there are others who are on this list that we protected last night who want to drop off, that is fine. It was not a commitment on their part that they offer them. It was just our commitment that if they wanted we were protecting them. If they do not intend to offer their amendments for whatever reason, it would help us if they would let us know as early as possible.

On our side, I yield 10 minutes to the distinguished Senator from Washington [Mr. GORTON] who I understand has no amendment but desires to speak on the issue before us. Am I correct?

Mr. GORTON. The Senator is correct.

Mr. DOMENICI. I thank the Senator.

Mr. GORTON. Mr. President, I thank my good friend, the Senator from New Mexico.

I do have several deep concerns about this resolution without at this point a desire to offer any amendment to it, and I should like to share these concerns with my colleagues and particularly with the two who are managing this bill.

It seems clear to this Senator, Mr. President, that this budget resolution meets a number of major announced or unannounced goals, both of the President and the administration on one side and of the leadership in both parties in both Houses. At the same time it also seems to me that it fails to meet certain other very real goals of the Nation as a whole.

I should like to go through what I consider to be some of the good points of this resolution before I reach my criticism of it. The first, of course, is that central to the President's campaign for election last summer and last fall was the pledge that there would not, under any circumstances, be new taxes. The President obviously has that as his number one goal in connection with fiscal policy this year. This budget resolution allows him to keep that promise.

By the same token, the Democratic Party won majorities in both Houses of the Congress, and most Democrats and many Republicans have little, if any, enthusiasm for the reform of a wide range of entitlement programs which consistently, over the last half-dozen years, have been the most rapidly growing part of our budget and the greatest contributor to our budget deficit.

We are able, once again, through this budget resolution to escape any significant reform of entitlement programs. At the same time, a large number of Members of the majority party and, I must admit, some Members of this party as well, have little enthusiasm for any elimination or real reduction in a wide range of nondefense discretionary programs. They succeed triumphantly in this budget resolution in escaping any real investigation or inspection of spending in those many programs.

Moreover, by a number of efforts of legerdemain, we have managed to tell ourselves at least that they meet the budget deficit reduction goals of the Gramm-Rudman-Hollings Act. All of us know privately that we do not, that in fact the budget deficit for fiscal year 1990, if this resolution is passed and carried into execution, will be substantially tens of millions of dollars more than the Gramm-Rudman-Hollings goals for fiscal year 1990.

So we have once again the same set of priorities which have bedeviled this body and this and the last administration for the last 6 to 7 years. We give lip service toward our budget deficit reduction. We give lip service toward the goal of a balanced budget but a wide range of other goals take precedence when it comes to the actual drafting of a budget resolution and

fiscal policy for the country. Unfortunately the only people not fooled by this exercise are the last range of opinion leaders and people whose livelihoods depend on our economy outside of the Congress and of the administration.

I suppose I have mixed feelings on this entire process. It is certainly clear that the leadership here has for us a budget resolution which is better than nothing. It makes enough changes so that we will have a modest reduction in the budget deficit in 1990, and yet we are so far from reaching our goals in a new Congress with a new President that it simply leaves me with serious reservations about whether or not supporting this resolution does not make our task next year much more difficult rather than easier.

Almost no one seriously claims that the fiscal policy as outlined in this budget resolution will come remotely close to the challenges which we will face in calendar year 1990 than writing a 1991 budget.

My questions which I hope my distinguished colleague from New Mexico or the distinguished chairman of this committee will answer for me are these: If we are unwilling in reality to meet the Gramm-Rudman goals this year, if we are faced almost certainly with either drastic fiscal changes next year or an amendment to the Gramm-Rudman Act and a resetting of its goals to a more modest progress toward a balanced budget, why do not we engage in that process now up front and deal somewhat more forthrightly with the American people?

If we are unwilling to discuss and to debate in this body whether or not our revenue system is sufficient even in the long run to meet our desires for Federal spending, why are we unwilling to discuss that subject this year, and we are going to find it easier to discuss it a year from now when the administration has been in power for some time and when we are faced with another election?

If we are unwilling to discuss reform of entitlements in 1989, by what magic will we be willing to discuss those reforms in 1990? If we are unwilling to discuss in any degree of depth reductions in a wide range of domestic discretionary spending this year, why and how will it be easier to do so next year? In short, Mr. President, how is it that this budget resolution can be judged to be adequate to meet the fiscal challenges facing the United States of America? And if it is not adequate to face those challenges this year, if as we all acknowledge very, very difficult questions and challenges will face us 1 year from now when we are debating the 1991 budget resolution, how is it that that year by some magic we will carry with it more courage on the part of Members of this body and of the House of Representatives, a longer range view on the part of the administration and the Office of Management and Budget?

Where and how will we find the courage and the ability to deal with entitlements, to deal with revenues, to deal with other programs, to deal with the fundamental goals of the Gramm-Rudman Act in 1990 when we cannot do so in 1989?

It is these questions which deeply trouble me, Mr. President. It is these questions which I have not really heard answered either by the administration or on the floor of this Senate, and it is these questions which cause me great reluctance as I am asked to support a resolution which, while it represents a wonderful political compromise, seems clearly to me not to represent a meeting of the very real needs of this country for fiscal and financial reform.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield myself 1 minute.

Mr. President, let me say to my friend, the distinguished junior Senator from Washington, that for a number of years he was a very stalwart ally as part of this budget process, and as a Member of this Senate with reference to fiscal responsibility and using the processes at hand to do the very best we could.

I think he clearly understood and still understands the limitations of the budget process. I think he understands that many of the aspects of this process are not what they seem to be. Clearly we might think one thing here, and it may turn out very differently before the year is over because of the way we structured a budget process 13 years ago on top of an authorizing process and an appropriations process.

He has raised some very interesting points. He has said he heard no answers. I would just suggest to him the answer that I can give, and it certainly is not one steeped in wisdom nor is it calculated to answer the dilemma he raised about 1991's deficit. I believe it is fair to say at least this: We cannot do what the Senator suggested has to be done, alone through the leadership apparatus of the majority party, the Democrats, even though they are in control of both Houses. I do not believe it could be done with a similar leadership of the Republicans in the Senate or the House. And I think my friend would acknowledge with 10 years of battling here on that issue that probably is a true statement.

It could be done if the President of the United States and the leadership, not everyone, but the leadership of both parties locked arms. This President chose this year to lock arms in a very historic manner which brings this budget resolution here in a timely fashion, and we will get it done hopefully ahead of schedule. It brings it here because the arms were locked in a commitment.

It seems to me that the President took a calculated risk. He had an option, to stand on his budget as he presented it, as has been done in the past, and say to Congress, in a sense, "Good luck. This budget process is yours, here is my budget; in a very real sense it did what I want to do." He could have said, "If you don't like it, do your own."

I say to my friend, I am absolutely convinced that was an option, but I am equally convinced that it would have achieved literally, in terms of fiscal restraint, nothing. I cannot imagine where you could get 51 Members of this body and one more than half of the other body to agree on a budget resolution that did anything more than this one, if as much. And probably about this much after another 2 months of partisan bickering, acrimony, accusations, and the locked arms would have turned into the stiff arms at minimum—if not, we'd have some pretty tough political tackles.

So I think that is the justification. It is minimal, manageable, done collaboratively, and with the major issues of getting the deficit down, which I believe includes some very, different things than many people are talking about.

I heard the Senator mention entitlement reform. I hear most say we have to put taxes on the table in order to get entitlement reform—as if there is a miraculous way in our process of passing a major tax bill that does no harm to the American economy—not so easy—and that reduces the deficit permanently.

We have to understand that there is built into the process of this Government an avariciousness about using whatever revenues are around not for deficit reduction but because this National Government has become the absolute last resort for everyone who believes there is a governmental solution for any problem out there in the streets and homes and byways of this country.

I am not the one saying we should not be more kind and more gentle. I am not the one who says we have all the right programs for our kind of economy to help those in need. I think that mix constantly needs to be looked at. Quietly, many will say "taxes." But in answer to the question, "Will there be new taxes, if ever?", and, "When there are, will they go to deficit reduction?" While at the same time, most who are speaking of putting that on the table, I say to my good friend, are speaking of the enormous need for new programs in the country, not reducing the deficit.

You cannot have it both ways. If you put $10 billion in new revenues on the table, and the purpose is not next year, but the year after, to nicely, quietly, and in a good orderly process, to spend $10 billion more, you effectively accomplish zero for the deficit reduction.

When you speak of reform in the entitlement programs, you know most people just stop with those words, "reform the entitlement programs." But when you have to talk about what the reforms are, you have to lock arms. You have to have bipartisan leadership, because everybody knows reforms are tough. There is an expectation out there on the part of most of those programs that what they are, they ought to also be; what they have, somebody already earned, owns, bought, and it is theirs by some process that means entitlements should never be changed.

I submit to my friend that I do not believe, knowing of his deep understanding, that I can convince him to vote for this resolution, because his political notion and his political instincts say you should have done the 2 year budget now, and done it much differently, because it will not get any easier. I understand that is a rather formidable position.

I submit, however, that there was no option to do that, unless we could have found a way to do what I described a while ago. I submit to you that the President of the United States must have had this option; he took a very big step, in my opinion, and so did we.

Our leadership, with no statutory authority, created an umbrella of leadership committed to working with him, and asked us to do this, and then they all backed it. You saw backing of it last night when the distinguished majority leader joined the minority leader in trying to keep the essentials of this intact, whether they agreed philosophically that it was up to their liking or not.

Frankly, I do not know whether that harmony will lead on into the next year. I submit to you that chaos, grid lock, no budget, a threat of a sequester which would have been so large, will make cooperation probable.

I submit a sequester would have been too devastating on everything, that everybody would have changed their mind and cooperated. We would have had even modestly prodefense Senators—if we happened to be on recess when it occurred, they would have been asking that we call the Senate into session so they could come down here and say, "Are you kidding, a $44 billion cut in program authority for the defense of the United States, like that; $4 or $5 billion out of education, like that?"

So I submit that a sequester was not really an option. It would not have yield anything. It might have gotten us—let me make this one observation—to the White House, with the leadership around the President and the chairmen around him, probably talking about putting a budget together like this one. That would be my guess. In lieu of sequester, put something together, and it would have been as good as this, probably no better; so I think we saved an awful lot of grief and time, and we have a chance of marching together toward a better result.

Mr. GORTON. Will the Senator from New Mexico yield?

Mr. DOMENICI. I will be pleased to yield.

Mr. GORTON. First, I want to say that the analysis the Senator from New Mexico has just presented is compelling. I searched almost in vain, as I listened to it, for any element in it with which I could cogently disagree. He and the distinguised chairman of the committee have done what they had to do, under the circumstances in which they found themselves, clearly, not the circumstances of free agents.

I also, as the Senator from New Mexico knows very well, share with him the view, cynical though it may be, that if we were to increase taxes on the American people by $10, $20, $30 billion a year, most of the Congress would contrive some way or another to spend all or almost all of that amount of money, and that it would not substantially effect our budget deficit.

Nonetheless, one is still left with the question which was implied in my original remarks and a question for which I would like the answer of the Senator from New Mexico. He pointed out that we could do better only if we locked arms, and by that "we" he meant the President and the administration on one side, and both Democratic and Republican leadership of the House and the Senate on the other side, some of the very difficult choices which are inherent in meeting this problem of the budget deficit.

So my question is: Does the Senator from New Mexico believe that circumstances will be sufficiently different 6 months or 1 year from now, that that kind of coming together to make difficult decisions rather than a somewhat lower common denominator decision, does the Senator from New Mexico believe that those circumstances will prevail 6 months or a year from now, assuming that we pass and then implement this budget resolution?

Mr. DOMENICI. Let me say to my good friend, my first thought is: Hope springs eternal. My second thought is: 3 months ago I really did not believe it was possible that we would be where we are today. I saw no way that some very, very significant events that have already occurred were even remotely possible. We have a basic agreement between both Houses at the beginning. That is a very significant, and unprecedented, thing.

We will not go one way and they another way. As you know, that was one of the very serious problems of congressional budgeting in the past. Second, we once again reached a very, very high-water mark in budgeting, in my opinion, that we, at least in a budget, break the Government into three parts and keep those three parts intact. Defense, argue it out. If it is too much, it is too much. If you are going to save, cut the deficit, do not spend it someplace else.

That is a rather remarkable achievement. There is nothing in the law, but it will be done, because all the leadership said they were going to do it. Foreign aid, stuck by itself; if you want to cut it, cut it, but do not spend it someplace else.

And the same for the third part, for domestic discretionary spending; a very, very formidable agreement. If the categories can become part of the law, a very exciting concept has been added to the budget. Second, in a very fragile way, we have had joint budget deliberations, instead of House and Senate. Our committees are a bit anguished, because they sent only two of us, the chairman and myself, and two House Members, but it was House and Senate agreeing. Third, no national emergency, and we have a President in the meeting, through his Director of the Budget, and Secretary of the Treasury.

I tell you, the fruits of that are immeasurable. I really do not believe, in 13 years of this process, that we have had the potential for understanding each other, as we have now. I do not think we have ever had the potential for credibility between appropriators, tax writers, budgeteers, authorizing committee people, a budget director, and a Secretary of the Treasury, that we have now.

So I think these kinds of things could lead to the locking of arms on the more difficult issue, come July or August, as this kind of negotiation, in that kind of spirit, continues on. I might say for now, it seems to me that the economy is once again doing somewhat better than the economists predict.

Interest rates are coming down. Inflation has stabilized a bit. Growth continues in spite of those who keep predicting it is going to disappear next week.

I think we would have put that more in jeopardy through doing nothing but arguing for the next 6 months. So I think the pluses are on our side, and I do believe the chances of a breakthrough are dramatically increased.

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. GRAHAM. 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. GRAHAM. Mr. President, I will ask the chairman of the Budget Committee to respond to some questions which I would like to propound. But before placing the questions, to provide some context I wish to make a few remarks on the issue of the congressional fidelity to commitments made in 1988 relative to funding various aspects of our Nation's war on drugs.

The year 1988 was a year in which many of us worked very assiduously and took great pride in the passage of a major new national initiative relative to both the suppression of supply and effective educational and treatment programs relative to the demand for drugs in this country. I think that there will be few Americans who would argue that winning this national struggle against drugs is at the very highest of our Nation's priorities.

Unfortunately, Mr. President, there have been some perceptions based on previous actions which have made victory more difficult. One of those perceptions has been that this is only an issue that we are concerned about in an election year.

In 1986, Congress passed a major drug initiative and the ink was hardly dry before the promises of that 1986 Drug Act were turned ashen by the failure of the administration and the Congress to fund commitments that were made.

Another aspect of the disillusionment is the impact of this on States, local communities, private citizens, educators, health professionals, and others involved in carrying out the commitments of this legislation.

Mr. President, if I could just cite a specific example. In January of this year, I spent a day working in public schools in a small rural area of our State, Jackson County, the county seat, Marianna, FL. That is not an area which one would think was likely to be a major problem for drug trafficking. In fact, unfortunately, it has been impacted by this national phenomenon of increasing drug use.

I met during that day with a group of citizens, including religious leaders, education leaders, law enforcement, civic-minded citizens, a wide array of that community's leadership. They were very enthusiastic about what the Congress had done in 1988 and were preparing to take some major initiatives based on the commitments of that 1988 drug bill. They were going to hire new professionals to increase their drug treatment programs, deepen the curriculum in the public schools, increase various law-enforcement measures, all of those and more, predicated on the Federal Government's fidelity to the commitments that had just been made in terms of funding the 1988 drug programs, the various initiatives, that would end up having their actual consequence in the Marianna, Floridas of America.

So, Mr. President, I was concerned when I saw the budget recommendation submitted by the President relative to the 1988 drug bill. I will submit for the RECORD an analysis which has been completed by the Congressional Budget Office which compares the authorizations under the 1988 legislation to the baseline funding—that is, if we continue with the adjustments that are made consistently for changes in cost for those programs—the gap between the authorization and baseline funding, what the President has recommended as a supplement to baseline funding and then after that supplement that would be the unfunded authorization as the President has recommended it.

Mr. President, there are a number of accounts which are included in this table. They range from international affairs to general government. But the two dominant accounts, which represent approximately 80 percent plus of the authorization, are in health, which will especially be involved in expanding drug treatment programs in order to meet the commitment that we made which was that there will be treatment on request at a date in the mid-1990's, and account 750, the administration of justice, a substantial increase in everything from our Federal prison system, Federal prosecutors, Federal enforcement agencies.

In those two accounts, in the account of health under the 1988 drug bill, the budget authority authorized was $2,225,000,000; the President has recommended $1,331,000,000. In outlays for the current fiscal year, the authorization was $1,339,000,000; the President recommended $826,000,000.

In enforcement, budget authority, authorized $2,631,000,000; the President recommended $2,039,000,000.

Outlays, authorized $1,672,000,000; the President recommends $1,407,000,000. A substantial retreat from commitments that we made just a matter of weeks ago at the conclusion of the 100th Congress.

So, Mr. President, my concern is, as we consider this budget resolution, that we are not setting in place a fiscal scenario that will be played back to us in a few weeks in the future when the Appropriations Committees come and say I regret that we are going to have to continue this pattern of a failure of the Federal Government to meet its commitments under drug legislation. I regret that by adopting the budget resolution, this Congress committed itself to an inadequate capacity to fund these programs and that now the Congress is going to be joining the administration in its retreat from this important national war against drugs.

Therefore, Mr. President, I would like to ask if the chairman of the Budget Committee could respond to the following questions so we will all understand that our actions today affect our ability tomorrow to effectively wage the war of this Nation on its greatest domestic enemy: The rising tide of drug abuse.

Will the chairman yield for a series of questions?

Mr. SASSER. I am pleased to yield to the distinguished Senator.

Mr. GRAHAM. Mr. President, I appreciate the chairman's willingness to do so and will ask first: Will the budget resolution under consideration limit the appropriating committee's ability to fully fund the 1988 Antidrug Abuse Act?

Mr. SASSER. Well, the answer to that question, I would say to my friend from Florida, is a unequivocal no. The appropriating committees will get a very substantial chunk of money.

As the Senator from Florida knows, the Budget Committee itself does not make specific line item allocations of funds. In the final analysis, the Appropriations Committee, is going to receive well over $80 billion—actually, when you factor in the defense funding, they are going to receive about $420 billion, that they will appropriate or mete out among the various subcommittees of the Appropriations Committee.

But this budget resolution is not going to limit the Appropriations Committee's ability to fully fund the 1988 Anti-Drug Abuse Act if the Appropriations Committee sees fit to do that.

Mr. GRAHAM. I thank the Chairman. The second question is: Did the Budget Committee factor in the fully authorized level of the drug bill when it made its assumptions and derived its overall function figures?

Mr. SASSER. What the Budget Committee did, I say to my friend from Florida, is to substantially increase the funding that was requested by the President in barring drug-related functions.

First, we looked at last year's funding levels. We raised the funding level substantially above last year's. We also looked at the President's requested funding levels and raised the funding substantially above that.

Function 500 deals with education, training, and social services, et cetera, which the Senator from Florida alluded to just a moment ago. Budget authority of the function 500 program is up by approximately $3 billion in the discretionary portion of function 500. So that is an 11-percent increase.

In the function 750, the administration of justice function, there is a $1.2-

billion increase, a 12.5-percent increase in that particular function. In the function 550 portion of the budget, the health function, which also relates to drug issues, there is a 6-percent increase.

So, what we have done is try to take the President's request for funding antidrug activities, increase those as much as possible, look at the 1989 levels and increase those 1989 levels as much as possible.

But, bear in mind the final determination as to what will occur here will be made by the Appropriations Committee.

Mr. GRAHAM. I thank the Chair. That answer may have incorporated the answer to the third question. I will state the third question and if you would like to supplement your answer I would appreciate it.

If the Senate budget resolution assumes other than full funding of the 1988 antidrug bill, how were the function levels set?

Mr. SASSER. The Senator from Florida is correct; this question has been partially answered. But to repeat and make the record clear, the funding levels were set by first looking at the President's request, increasing the President's request a substantial amount, and looking at the 1989 levels of spending for drugs and drug-related problems. We increased 1989 funding levels also after realizing that the 1989 effort was inadequate and that the drug problem is on the increase rather than on the decrease.

So, the two-pronged approach is: Increasing the President's request for fiscal year 1990 and substantially increasing the funding levels for those functions dealing with drug-related matters over and above 1989 levels.

Mr. GRAHAM. Mr. President, I appreciate the chairman's answers to the three questions which renders the final question moot.

Mr. President, I just conclude by first stating that I consider the congressional and Presidential fidelity to commitments were made in 1988 to be of the highest order, both because of the importance of a national effort which achieves victory in the war on drugs and, second, because of the credibility which the Federal Government has now placed on line, has placed before communities such as Marianna, FL, and thousands of others across America; communities which are relying upon, depending upon, acting upon and assuming major obligations based on their confidence the Federal Government will fulfill its commitments under that important legislation. I, with many of my colleagues, will be watching the next chapters of this process closely, to assure that the war is won and that the Federal Government's credibility is maintained.

Mr. President, I ask unanimous consent to have printed in the RECORD the Congressional Budget Office analysis of the authorization levels under the 1988 Anti-Drug Abuse Act, and the recommended levels of funding by the President.

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

TABLE 2.—COMPARISON OF THE BUSH BUDGET FOR DRUGS AND THE ANTI-DRUG ABUSE ACT OF 1988

[Extrapolated authorizations for 1990]

Functions	Total authorization		Baseline funding		Unfunded authorization		President's budget increment		Unfunded authorization	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
150—International affairs	138	50	110	41	28	9	(1)	(0)	29	9
300—Natural resources	15	12	0	0	15	12	11	9	4	3
400—Transportation	291	69	121	25	170	43	25	19	145	25
450—Community development	21	12	1	1	20	11	3	2	17	9
500—Education and training	456	74	436	68	20	6	50	11	(29)	(5)
550—Health	2,225	1,339	1,268	792	957	548	63	35	894	513
600—Income security	19	17	0	0	19	17	0	0	19	17
700—Veterans affairs	17	14	0	0	17	14	0	0	17	14
750—Administration of justice	2,631	1,672	1,975	1,362	656	310	64	45	592	265
800—General Government	155	18	4	4	152	14	144	7	8	7
Total	5,967	3,279	3,914	2,293	2,053	985	357	127	1,695	858

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I want to congratulate and commend our distinguished colleague from Florida for his unrelenting interest and effort to fight the problem of drugs in this country. As we all know, the issue of illegal drugs and narcotics is a problem not limited to one area of this country. It has spread through all of the 50 States. But the problem is perhaps as acute in our colleague's home State of Florida as in any other area of this country.

I am ever mindful of his interest and his efforts to curb the drug abuse that is occurring in this country and to curb the criminality that surrounds the illegal use of drugs in this country.

I want to say to my distinguished friend, the Senator from Florida, that we have done what we could in this budget resolution. I think we have done a substantial amount in this budget resolution to lend impetus to the war against drugs in this country. But in all fairness I should say to my friend from Florida that the final decisions and the final conclusions with regard to the expenditures are going to be made later on by the appropriate committees of jurisdiction, the Appropriation Committee and others. But I am sure, with the Senator's continuing vigilance and interest, that the proper disbursements of these funds will be made.

I thank my friend from Florida.

The PRESIDING OFFICER. The Senator from Oregon.

AMENDMENT NO. 84

(Purpose: To provide a reserve fund for child care)

Mr. PACKWOOD. On behalf of myself and Mr. BENTSEN, Mr. MOYNIHAN, Mr. DOLE, Mr. DECONCINI, Mr. DOMENICI, and Mr. HEINZ I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Oregon [Mr. PACKWOOD], for himself, Mr. BENTSEN, Mr. MOYNIHAN, Mr. DOLE, Mr. DECONCINI, Mr. DOMENICI, and Mr. HEINZ, proposes an amendment numbered 84.

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

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

The amendment is as follows:

At the end of the resolution, add the following new section:

RESERVE FUND FOR CHILD CARE

SEC. . (a) In the Senate, it is assumed that budget authority and outlays may be allocated to the Senate Committee on Finance for increased funding for child care, including funding through tax credits, if the Committee on Finance or the committee of conference reports funding legislation that—

(1) will, if enacted, make funds available for that purpose; and

(2) to the extent that the costs of such legislation are not included in this resolution, will not increase the deficit in this resolution for fiscal year 1990, and will not increase the total deficit for the period of fiscal years 1990 through 1992.

(b) upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if such a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under section 302(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this section. Such revised allocations, functional levels, and aggregates shall be considered for the purposes of such Act as allocations, functional levels, and aggregates contained in this resolution, and the Committee on Finance shall report revised allocations pursuant to section 302(b) of such Act for the appropriate fiscal year (or years) to carry out this section.

Mr. PACKWOOD. This is an amendment. I am going to explain a change I just made so there is no question about the clearance. As the budget resolution initially came out there was a question of whether any child care amendment other than the ABC bill and appropriated funds could be offered; whether or not any of the tax credit approaches would have been in order.

This amendment changes the budget resolution so that it is clear that any approach to the child care problem will be in order. It is not a resolution of the problem. That debate is for another time.

Initially, when I cleared the amendment it read "child care." At the request of one Member the words "child care" were changed to "children," and that raised an objection. So, in writing I have changed it back again to "child care," which is the way the amendment was when it was cleared. I think there is no objection to it.

I say again this is not an effort to resolve the issue of how child care should be funded or how it should be delivered. It simply means whatever the approach may be, any of them will be in order.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I have a brief statement supporting this, but let me just summarize it.

I had assumed that this budget resolution was neutral with reference to the various child care approaches, in terms of funding. I am led to believe the resolution might be confusing. This amendment recognizes that there are many ways to structure child care legislation. It makes it clear that the budget resolution does not prejudice one approach, be it on the tax credit side or any other approach. That is essentially what it does.

For those who are wondering about dollar numbers, it does not do anything there. Any of the approaches have to fit the budget resolution in their totality and in its totality. And the distinguished Senator has not changed that, but made it clear that there is no prejudice to either approach. Both, if it is the will of the Senate and if we meet the budget targets, could find their way to the floor without budget objection.

I have no objection to it, obviously.

Mr. President, the Packwood amendment adds language to the resolution which sets up a reserve fund for child care. The reserve fund language for child care is identical to the language in the resolution regarding increased funding for Medicaid.

I support Senator PACKWOOD's amendment. It does not change any numbers in the resolution; it does not change the reconciliation instructions. It does not affect the overall levels of outlays or revenues. It does not increase the deficit.

Committee 302(b) allocations will be based on this budget resolution. The Budget Committee does not intend to restrict the Finance Committee's options to report child care legislation.

The Budget Committee recognizes there are many ways to structure child care legislation. This amendment makes it clear that the budget resolution does not prejudice one approach—be it a tax credit approach or any other approach.

Mr. SASSER. Mr. President, I have no objection to the amendment offered by the distinguished Senator from Oregon. Certainly, if the Finance Committee in its wisdom should produce a child care initiative that is deficit neutral, far be it from the Budget Committee to stand in the way of such an initiative on the part of the Finance Committee.

So I think the amendment of the Senator from Oregon has merit and, frankly, Mr. President, I would be supportive of it.

Mr. BENTSEN. Mr. President, as the budget resolution is presently written, any legislation reported by the Committee on Finance to provide a refundable tax credit for child care, or otherwise help low-income families with children, would be subject to a 60-vote point of order. Although the budget resolution allows room for child care legislation in the form of a discretionary program, it does not provide for legislation in the form of a refundable credit or an entitlement.

The amendment being offered by Senator PACKWOOD, Senator MOYNIHAN, Senator DOLE, and myself would allow the Finance Committee to report this type of legislation so long as it does so on a deficit-neutral basis. In other words, if the committee should decide to amend the dependent care credit, as requested by the President and included in the Packwood-Moynihan bill, it could do so, but only if it finds a way to pay for it.

Mr. President, I believe the Members of this body should have the opportunity to consider varying ways of meeting the needs of low-income families without being forced to vote on a Budget Act point of order.

The Nation is in a period of serious budget restraint, and we know that any action we take will have to meet the strictest test of need. But let me say that in 2 days of hearings held by the committee this last month, we had extensive testimony on the merits of using a refundable tax credit approach to help meet the needs of low-income families. It is a direct and efficient way of targeting help for children in these families.

Senator DODD's ABC bill, the Act for Better Child Care, which was recently reported by the Committee on Labor and Human Resources, is already accommodated in the budget resolution as a discretionary program. Consideration of that bill will not involve a point of order. What we are asking here is that the Senate have the same opportunity to consider an alternative, complementary approach to helping low-income children, but without in any way increasing the Nation's budget deficit. I want to assure Members that if the Finance Committee reports this legislation, the committee will find a way to pay for it, and the amendment is explicit on this point.

Mr. President, there is broad bipartisan support to respond to an important national need. I ask Members on both sides of the aisle to support the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. PACKWOOD].

Mr. SASSER. Mr. President, I have not yielded back all of my time at this juncture.

Mr. DOMENICI. Has the chairman yielded back his time?

Mr. SASSER. I have not.

The PRESIDING OFFICER. Does the Senator from Oregon yield back the remainder of his time?

Mr. PACKWOOD. No. I hope there is no problem. I want to see. I do not want to yield it back yet.

Mr. SASSER. Let me put forth an inquiry to the Senator from Oregon, if I may. Does the administration endorse the concept of a deficit neutral child care package emanating from the Finance Committee?

Mr. PACKWOOD. The administration has not said yet one way or the other. There is an administration proposal before the Finance Committee. At the moment, it is not revenue neutral in the sense of being tied to a specific offset or some other method of raising money in its bill. So I cannot tell you whether they endorse the concept or not.

Mr. DOMENICI. Will the Senator yield?

Mr. PACKWOOD. I will.

Mr. DOMENICI. Far be it for the Senator from New Mexico to even try to supplement what the distinguished ranking member of the Finance Com-

mittee has indicated, but let me suggest the way the President structured his tax proposals. There are a number of pluses and a number of minuses, I say to my friend, Senator PACKWOOD; that is, a number of legislative changes he recommends where revenues go up. There are a number where they come down. You add them all up, and it comes up with the net increase of $5.3 billion.

Mr. PACKWOOD. I misunderstood the question. You mean overall. I thought he meant in the bill itself. The answer is that overall, the President has attempted to accommodate it in his budget. In the bill itself, it is not revenue neutral.

Mr. SASSER. The question I ask of my friend from Oregon is in the event the Finance Committee produced a child care bill that will require revenues to make it deficit neutral, would the Finance Committee look to the administration to work with the Finance Committee in endorsing the necessary revenues to make the child care bill deficit neutral?

Mr. PACKWOOD. I can go further than that. I have spoken to a representative of the Labor Department, the lead agency for the administration on child care, to say that we want from the administration their suggestions as to how they want to pay for the day care and specifically in the Finance Committee.

Mr. SASSER. Mr. President, we have a Senator on the way to the floor who wishes to speak on this particular issue just briefly. I yield to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I wonder if the distinguished proponent of the amendment would mind if I asked consent to set his amendment aside for 30 seconds, since I have to leave the floor, and we will return immediately to it. Does he have any objection?

Mr. PACKWOOD. No objection.

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

AMENDMENT NO. 85

(Purpose: To provide additional funds for prison expenses related to drug offenses in order to relieve State prison overcrowding)

Mr. DOMENICI. Mr. President, this amendment has been cleared by the distinguished chairman. On behalf of Senators D'AMATO, MOYNIHAN, and KERRY, I send an amendment to the desk. Let me just say it is a sense-of-the-Senate resolution with reference to the total amount of money available within budget function No. 750, stating that there shall be sufficient funding to bring a level of Federal support for correctional activities, Federal, State, and local level, for the expense of drug offenders to a level of $1 billion. It is nothing more than a sense-of-the-Senate resolution as we have had in others. It is our hope that this will be the case, and we are merely asking the Senate to indicate that they concur.

I send the amendment to the desk and ask for its immediate consideration.

Mr. SASSER. It is acceptable on our side.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. D'AMATO (for himself, Mr. MOYNIHAN, and Mr. KERRY), proposes an amendment numbered 85.

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

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

The amendment is as follows:

At the end of the resolution insert the following:

Since the funding levels for function 750 for the administration of justice programs in the Committee Report is higher than the President's request by $800 million in budget authority and $500 million in outlays, and

Since the President's request already includes $658 million for prison expenses related to drug offenders,

It is the sense of the Senate that within the total amount available within the budget function 750, there shall be sufficient funds added to bring a level of Federal support for correctional activities at the Federal, State, and local level for the expenses of drug offenders to a level of $1 billion.

Mr. DOMENICI. I yield back all my time.

Mr. SASSER. I yield back our time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

So the amendment (No. 85) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 84

Mr. SASSER. Mr. President, may I inquire of my friend from Connecticut how much time he requires?

Mr. DODD. Very briefly, I would say to the distinguished floor manager, just to engage in a bit of colloquy as to the understanding of the amendment being offered by our good friend from Oregon.

Mr. SASSER. Mr. President, I yield up to 10 minutes to my distinguished friend from Connecticut with the hope that he would not consume the entire 10 minutes.

Mr. DODD. I thank the chairman.

The PRESIDING OFFICER. The Senator from Connecticut [Mr. DODD] is recognized for 10 minutes.

Mr. DODD. I thank my colleague from Tennessee. If I could have the attention of my good friend from Oregon, the author of the pending amendment, as I understand this amendment, this amendment merely would conform to existing legislation in the budget as it relates to, say, Medicaid legislation whereby there is nothing in this budget resolution which would prejudice the opportunity of the Finance Committee or this body to come up with a proposal dealing with, in this case, child care, as long as such proposal were revenue neutral. It is sort of boilerplate language as I understand it so that the door is not closed to that option should it become available either through the committee process or here on the floor.

Mr. PACKWOOD. I want to emphasize this clearly. First, merely this amendment means that no approach is foreclosed because of the way the budget resolution happens to be adopted. Two, when it comes forth in the reconciliation or otherwise, will it be neutral in the sense of the total package? Yes. Does it have to come out of the Finance Committee in a bill by itself revenue neutral, no.

Mr. DODD. That would be, of course, a matter for the Finance Committee to determine.

Mr. PACKWOOD. That is correct.

Mr. DODD. Obviously, in that sense it is in the same sense the Medicaid legislation would be. That legislation would also have to be revenue neutral as it affects the budget but, of course, if the Finance Committee would so decide to come up with a different method that would apply to that particular case.

Mr. PACKWOOD. That is true. Of course, it is a sensitive issue as to whether or not the Budget Committee is going to be allowed to tell any committee this is exactly how you are supposed to come forth. As long as the committee comes forth with meeting its totals, then if there is a point of order, it cannot be challenged on the grounds that you have not met the budget resolution.

Mr. DODD. Mr. President, I thank my colleague for that explanation. We are in the process with those I know who have a deep interest in this issue, and it is certainly the hope of this Senator that we are going to be able in short order to come up with a proposal on child care in this country that is going to enjoy the broad-based support of people in this body and hopefully the White House so we can, in fact, enact meaningful child care legislation which is the expectation I think of the overwhelming majority of people in this country who desperately need an intelligent, thoughtful, affordable quality child care program in order to meet the needs of working families as well as others.

So I see this amendment as a step in the direction to help us get to that particular point. My colleague and I have already had some private discussions. We have not had the opportunity, as both of us would like in the immediate future to sit down and see if we can in fact find some solution here that will allow us to bring forth a bill that will do exactly that which I have described.

I see no reason at all, Mr. President, to object to this amendment in light of the explanation given by my good friend and colleague.

Mr. PACKWOOD. I thank my good friend from Connecticut.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there be a period of morning business so that I may propound a unanimous-consent request.

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

UNANIMOUS-CONSENT AGREEMENT—SENATE RESOLUTION 120

Mr. MITCHELL. Mr. President, I ask unanimous consent that at 12:20 p.m., the Senate proceed to the immediate consideration of Senate Resolution 120 and that it be considered under the following time agreement: 30 minutes on the resolution equally divided and controlled by myself and Senator DOLE, and that no amendments or motions be in order; that the agreement be in the usual form and that at the expiration or yielding back of time a vote occur on the resolution.

The PRESIDING OFFICER. Is there objection?

Mr. PACKWOOD. Mr. President, I simply want to announce it has been cleared on the Republican side.

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

Mr. MITCHELL. Mr. President, therefore, Senators should be aware that a vote on the resolution will occur at approximately 12:50 p.m.

Mr. President, I ask unanimous consent that the Senate resume consideration of the budget resolution.

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

OMNIBUS CONGRESSIONAL BUDGET RESOLUTION FOR FISCAL YEARS 1990, 1991, AND 1992

The Senate continued with the consideration of the concurrent resolution.

Mr. GARN addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

AMENDMENT NO. 84

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

The PRESIDING OFFICER. The amendment of the Senator from Oregon was temporarily set aside and is now before the body.

Mr. SASSER. Mr. President, I yield back all of our time on the amendment of the Senator from Oregon.

Mr. WILSON. Mr. President, we yield back our time.

Mr. PACKWOOD. I am prepared to yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the Packwood amendment.

The amendment (No. 84) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the Packwood amendment was agreed to.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. GARN addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

AMENDMENT NO. 86

(Purpose: To establish a reserve fund for continued development of the international space station Freedom)

Mr. GARN. Mr. President, I send an amendment to the desk and ask for its immediate consideration. The purpose is to establish a reserve fund for continued development of the international space station Freedom.

The PRESIDING OFFICER. Is there objection to consideration of the amendment? Without objection, it is so ordered. The clerk will report.

The bill clerk read as follows:

The Senator from Utah [Mr. GARN] proposes an amendment numbered 86.

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

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

The amendment is as follows:

RESERVE FUND FOR CONTINUED SPACE STATION DEVELOPMENT

Sec. 17. (a) In the Senate, of the amounts specified in section 5 of this resolution, it is assumed that budget authority and outlays in amounts not to exceed the amounts specified in subsection (b) for fiscal year 1990 shall be allocated to the Senate Committee on Appropriations to provide for continued development of the international space station Freedom when the Committee on Appropriations or the committees of conference on such space station development has reported legislation that will, if enacted, make funds available for such continued development.

(b) The amounts available for allocation under subsection (a) for continued development of the space station for fiscal year 1990 shall not exceed $1,800,000,000 of new budget authority and $1,080,000,000 of outlays.

(c) Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if such a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under section 302(a) of the Congressional Budget and Impoundment Control Act of 1974, altered by amounts not to exceed those in such legislation. Such revised allocations shall be considered for the purposes of such Act as allocations contained in this resolution, and the Committee on Appropriations shall report revised allocations, pursuant to section 302(b) of such Act for fiscal year 1990 to carry out this section.

Mr. GARN. Mr. President, I am submitting this amendment on behalf of Senator HEFLIN and myself. We face a very difficult problem not only with NASA funding but with science, space, and technology funding, function 250, in general. Both the House and Senate Budget Committees have completed their markup of the fiscal year 1990 budget resolution, and the budget resolution is before the Senate today. It cannot be determined what the VA-HUD-Independent Agencies Subcommittee would receive under the assumptions these resolutions make. However, based on the amounts proposed for key functional categories, our allocation, it appears to this Senator, would be several billion dollars short. This is particularly clear in function 250, space, science, and technology, where the Budget Committee actions, as shown in the chart they released along with their resolution, fall more than $1 billion under the Bush request. For NASA, which comprises more than 80 percent of this function, this recommendation would force the termination of the space station.

I want to repeat that so that all of my colleagues understand what we are talking about. If this resolution went through the appropriations process and were enacted as the Budget Committee has outlined, it would force the termination of the space station. I hope staff will make my colleagues aware of that. This is especially true since the President's budget request for NASA is so tight and the demand for substantial increases in other major budget components of the VA, HUD, and Independent Agencies subcommittee.

Because budget resolutions do not contain line item detail and the pending resolution does not even have subfunction information, it is impossible to determine the funding level assumed for the space station. In any event, individual function totals are not binding on the Appropriations Committee and therefore sums needed for station development could come from other budget functions. It is unlikely, however, that the Appropria-

tions Subcommittee will be able to continue space station development unless it receives a large increases in its section 302(b) budget allocations. Because of the increases needed to address expiring low-income housing contracts, environmental concerns, and veterans' programs, a simple baseline adjustment falls far short of what is needed to address these priorities. In the case of NASA, the alternative CBO baseline is especially devastating. Although a simple inflation adjustment is provided, there is no recognition of the substantial project cost profile requirements of previously approved multiyear commitments. While there is a 22-percent nominal increase requested for NASA by the President, less than 1 percent of this amount involves new starts or program initiatives. This is important to understand.

The increase is due to existing programs that have already been authorized and have been in the baseline. The remainder of the requested increase was erroneously excluded from the CBO baseline needed to maintain existing program policy.

I recognize that sometimes people get a little tired of this Senator talking about NASA and space funding or a space station or the space shuttle. What we need to understand is that the issue is far broader than a piece of space hardware, far broader than whether we have space station Freedom, whether we continue manned flight, whether we continue to have expendable launch vehicles to probe planets and study our own Earth, where we can better study and analyze the greenhouse effect and the concerns over global warming, because the first planet we will explore from space is the planet Earth. It is where a lot of solutions to these Earth-bound problems are going to be found. But the issue is even broader than that. It is our technological base in this country which we are dramatically and rapidly losing not only to the Soviet Union but to the West Germans, to the Japanese. We are not training enough engineers and scientists in this country. We are not training enough math and science teachers to adequately teach our young people. I think we all saw the report in today's newspapers about the flunking grades that our young people are getting coming out of high school. Our educational system is not doing well. Too many students are taking courses like "sunflowers at the Wasatch" and "early morning bird calls," and they have not heard of physics and chemistry, they have not heard of trigonometry and the other various mathemathics subjects like algebra and calculus. But the source of the greatness of this country, what has made us a world leader, with the highest standard of living on the face of this Earth is our technological base. It is why we have done so well. We are losing it because we are not training enough people.

So again I want to make very certain everybody understands my interest in this subject is far broader than just a space station. It is where this country is going to be 20 to 25 years down the road, whether we are going to have the scientific and technological capability to continue to be a world leader, to continue to have a high standard of living. We worry about the trade deficit today. Just wait as these other nations continue their efforts to surpass our technological achievements. Consider that we are only spending 1 percent, 1 percent, of our entire national budget for NASA. A lot of people forget that the first A in NASA is for aeronautics. The most sophisticated, best aircraft industry in the world, Boeing, McDonnell Douglas, and others, came from NASA research that produced supercritical wings, high bypass engines, and safer, more reliable and efficient commercial aircraft. That is why we have such a leadership in the commercial airline field. From these technological developments and communications satellites, navigation, weather prediction, and the global warming atmospheric research I have talked about. We get $8 or $9 back in the private sector for every tax dollar we spend. For example, more than 10,000 medical devices or procedures have come from space research and development, things like the pacemaker. I do not know how you place a dollar value on a human life, but there are tens of thousands of people who are alive on this planet today because they have implantable pacemakers to regulate their heart rhythms; and implantable insulin pumps for diabetics. The list goes on and on even down to such things as teflon and velcro. So we do benefit incredibly from space research and development, and yet we commit only 1 percent of our entire national budget, several billion dollars a year less than we spend on food stamps alone.

This is a critical question, and I hope my colleagues will think about it when we are talking about adequate funding of not just a space station but our educational system and where this country will be versus some of our friends and allies 15 or 20 years down the road.

Congress is very good at looking at short-term problems and short-term solutions, not very good at looking 10, 15, or 20 years down the road with long-range planning and fore sight. We are benefiting today from decisions that were made before some of us even came to the Congress of the United States.

My amendment deals with fencing; the fact that functional totals are not binding on the Committee on Appropriations as a practical matter probably means less, not more, funding of science and technology activities than what was assumed in the budget resolution. In fact, where the Budget Committee wanted to guarantee funding of its initiatives, it recommended special fences which withhold the allocation of specific amounts until the Appropriations Committee actually reports legislation that provides for such programs.

There are already three such reserve funds included in the Senate reported resolution, two of which apply to the Committee on Appropriations. One is the $1.1 billion reserve for subsidized housing contract renewals which falls within our subcommittee's jurisdiction. Another involves IRS compliance.

In this context, the amendment to add further reserve funds for continued space station development would neither set a precedent nor upset the budgetary totals of this resolution. Such an amendment would withhold $1.8 billion in budget authority for continued space station development, down from the $2.1 billion budget request but probably a minimum level needed to make progress. It has the advantage of not attempting to specify where this amount would come from, and therefore would change no numbers in the resolution.

The Appropriations Committee generally dislikes such fences as intrusions into its turf. The fact that the Budget Committee proposed these other fences demonstrates the difficulty of translating these aggregate budgetary priorities into actual appropriations given the internal dynamics and politics of the Appropriations Committee and its subcommittees.

It appears that a point of order against the amendment on the grounds of germaneness would be sustained even though the wording of the amendment is identical in form to sections 8 and 10 of the reported resolution. Although a 60-Member vote would be needed to waive this point of order because of a quirk in the Senate rules, an appeal of the ruling of the Chair would require only a majority vote.

Mr. President, on May 2 in the HUD Appropriations Subcommittee, I made an opening statement before the NASA fiscal year 1990 appropriations hearing.

I ask unanimous consent that my opening statement at that hearing be printed in the RECORD in full.

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

OPENING STATEMENT OF SENATOR JAKE GARN, NASA FISCAL YEAR 1990 APPROPRIATIONS HEARING, MAY 2, 1989

After my 1985 flight aboard the space shuttle *Discovery*, I remember being so frustrated by my inability to express in words the incredible beauty of our planet Earth. Sadly, I must confess that since that time

my words have also failed to convince a majority of my colleagues how critical the investments in NASA are to our Nation's technological leadership and future economic competitiveness.

And believe me when I say that the budget cuts made in the NASA budget in the past few years have not resulted from a want of effort. I, and many others, have spoken at length about the indispensable benefits and spinoffs flowing from aeronautics and space investment. I have also repeatedly pointed out that our Government has not spent a dime "in space," but that each dollar appropriated to NASA gets spent right here on Earth generating new jobs and new technologies which benefit all Americans. And finally, I have continually confronted the short-sighted mentality of people, and especially politicians, who refuse to consider the effect of their decisions beyond the next week or next election.

I have often spoken about lives saved, and lives improved, and jobs created by our investments in aerospace technology. And the critical nature of these investments to health of our economy as we approach the 21st Century. It's alarming to me to consider the ever quickening pace of technological innovation and change, because I fear our society and our Government may soon discover the rest of world just blowing by . . . not lagging one or two years behind, but dramatically surpassing our capabilities and widening their lead.

When I consider that during my father's lifetime the world went from man's first powered flight at Kitty Hawk to Neil Armstrong's walk on the Moon, and in my own life from state-of-the-art biplanes made of cloth and wood to orbital flight in a reusable shuttle at Mach 25, it is truly awesome to guess what my children will experience, and their children during their lives.

I can only hope that they will be active participants and not merely distant observers. That they too will be asked that the wealth of the Nation be more equitably distributed, rather than enduring the plight of currently "less developed" nations in having to ration out limited basic necessities.

We are seeing some evidence of a changed perception in the status of our Nation. With less frequency are demands for funding programs rationalized on the basis that this is "the richest Nation on Earth." And indeed, with the Federal Government's deficit problems, the terms "fairness" and "current level" have become the hallmarks of budgetary debate. Unfortunately, this new standard of funding by percentage increments fails utterly in addressing our Nation's changing status in an increasingly more competitive global environment.

Rather than simply perpetuating previous levels of effort, we must renew our commitment to, and investment in, technological innovation. We must overcome the "current policy" inertia which has established itself as the principal standard of budgetary justification.

That is why I am not concerned over the large increases proposed by the President for NASA or the National Science Foundation. The Administration must exercise leadership in these critical times, and propose the resource shifts needed to meet the challenges confronting the country. But what does concern me is our failure in recent years to enact into law these needed investments in our principal science and technology agencies.

This is especially worrisome with respect to NASA's Fiscal Year 1990 budget request. While nominally a 22% increase, almost all of the funds requested are for previously approved programs and activities. This means that unless the Congress improves upon its performance of recent years in appropriating the level contained in the President's budget, the adverse impact on continuing projects will be substantial, if not devastating.

Mr. Myers, you and Dr. Fletcher are to be commended for your sacrifice and dedication in returning to NASA in the wake of the *Challenger* accident, and restoring the orbiter system to flight. I can only hope that your successors, and we in the Congress, will build on your efforts to continue America's leadership in Space.

Mr. SASSER. Will the Senator from Utah yield for a brief question?

Mr. GARN. I am happy to yield.

Mr. SASSER. May I ask the Senator from Utah how much time he thinks he will consume before completing this amendment? I ask that question because we have a number of Senators waiting.

Mr. GARN. I say to the distinguished manager his question came just as I had finished my statement. I was going to yield to the distinguished Senator from Alabama for his comments, and then we would be through and ready to proceed with disposition of the amendment.

Mr. SASSER. So my question which was intended to save time has actually consumed time?

Mr. GARN. That is correct.

The PRESIDING OFFICER. The distinguished Senator from Utah has 5 minutes.

Mr. SASSER. May I inquire of my friend from Alabama how much time he needs?

Mr. HEFLIN. Four or 5 minutes, maybe 6.

Mr. SASSER. I thank my friend.

The PRESIDING OFFICER (Mr. CONRAD). The Senator from Alabama.

Mr. HEFLIN. Mr. President, I want to thank the distinguished Senator from Utah [Mr. GARN] for taking this initiative and for his undying dedication to science, technology and space which is so very vital to the future of our country and the space station, particularly, which I believe, will bring enormous scientific benefits that will affect every realm of our lives.

Mr. President, I am afraid that if we are not careful, we will be mortgaging our future by not placing enough emphasis on science and technology. While the Budget Committee made a great effort, this budget resolution falls short of providing adequate funding for science and technology, and for allowing our Nation to move forward fully with the development of a permanently manned space station in any reasonable timeframe. I have discussed this matter on many occasions with my friend and colleague from Tennessee, the chairman of the Budget Committee, and he is well aware of my feelings on the importance of the space station. I believe he recognizes the importance of the space station, and is a strong supporter of it.

It is clear that this will be a very tough budget year for the space station. NASA is requesting an additional $2 billion from its last years appropriating figure. The bipartisan budget agreement does not leave much wiggle room for increases in programs which fall in the category of nondefense discretionary spending. Function 250 of the budget resolution leaves even less. The Senator from Utah and I are offering this amendment today in order to express our seriousness with regard to finding funding for the space station, which we believe to be the keystone for America's future in space. We also want to ensure the assistance of the chairman and ranking member of the Budget Committee in funding this program as we proceed through the budget process.

This will be a long budget process. Down the road, we will be endeavoring to pursue more funding for the space station Freedom. It will be more important than ever that we have the support of our friends and colleagues, particularly the chairman of the committee and the ranking member of this committee. It is my hope that we can count on their support through the appropriations process.

Space is the greatest adventure of our time and any nation that sees itself as a world leader cannot, and must not, ignore it.

There is little question about the ultimate importance of such an endeavor. The space station Freedom is tied to our economy, to our national security, and to advances in science and scientific applications. The space station will be used for maintaining technological leadership, for international prestige, and, of course, for stimulating the human spirit.

As the Bible says, "Where there is no vision, the people perish."

I believe that the space station is one of the most important programs facing our Nation. The space station has accrued many benefits for all mankind, and I am convinced that potential benefits to be gained from future space activities and the space station will far outweigh all previous gains.

I believe the space station program is in serious jeopardy with regard to funding. If we terminate the space program in this budget cycle, we are saying to the rest of the world that space is yours. Mr. President, I can guarantee that the rest of the world will take it. In recent years, we have seen great advances in space technology from other nations. The Europeans, the Japanese, the Chinese, and the Soviets are progressing by leaps and bounds in their space activities. While the Soviets are temporarily taking their cosmonauts out of their space station, Mir, we cannot overlook the

fact that they currently have a space station which was permanently manned until last week. Not only that, the Soviet space station, Mir, is their seventh space station. Even today, the Soviets are producing their next generation space station.

I could go on and on talking about the technological benefits and the spinoffs that our Nation has benefited from which have resulted from the space program—kidney dialysis, satellite electronic transmissions, heart pacemakers, velcro, and on and on. All you have to do is to look at the latest copy of NASA's "Spinoff" book and you would be stunned to learn of the enormous benefits that have come from the space program.

It has been said that for every dollar our country puts into the space program, we get seven or eight back. I believe if you looked any person in our country in the face and said, "You give me a dollar and I'll give you eight back," they would do it without hesitation. Mr. President, this is what we are asking. Give NASA the money for the space station, and they will give back economic benefits seven- and eightfold.

The remarkable achievements possible through macromolecular crystallography have only been hinted at in the limited number of experiments that have been possible through the use of the space shuttle and related equipment. By taking advantage of the unique qualities of microgravity, protein crystals may be grown much larger and in a perfect shape, allowing research to examine the crystals and better understand their makeup. If researchers are better able to understand the structure of proteins, such as the ones that make up human enzymes, drugs may be developed which can block their activity. Cures may be developed for diseases previously thought incurable.

Imagine a cure for AIDS. Research aboard the space station can make it possible. Aboard the recent flight of the space shuttle Discovery, Dr. Charlie Bugg, the director of the University of Alabama at Birmingham's Center for Macromolecular Crystallography, flew an experiment in which a protein enzyme was grown that allows the AIDS virus to reproduce itself. Dr. Bugg and researchers at UAB and NASA's Marshall Space Flight Center hope to develop a drug that would block the enzyme and interrupt the life cycle of the AIDS virus. However, this will require longer duration in space than the shuttle can ever provide. In my judgment, the space station is the answer.

A technology utilizing the unique quality of microgravity in space is the separation process known as continuous flow electrophoresis which can only effectively function in microgravity. This process provides a means for preparation of ultra-pure pharmaceuticals which may lead to a cure for diabetes, prevent anemia related to surgery, control dwarfism, and accomplish many other important achievements. The purity and volume of pharmaceuticals required can only be achieved in the absence of gravity.

Like crystallography, materials processing in space provides possibilities that are enormous. Materials that can be produced in space indicate the possibility of manufacturing very uniform semiconductor crystals which would enable the building of superfast computers, possibly providing a new generation of optical computers, and other important advancements.

Fully as important has been the experiments in the area of basic materials science. Again, by taking advantage of the unique qualities of microgravity materials processing in space, we will be able to better understand the basic nature of materials, such as iron and in turn, improve our manufacturing of these materials on the ground. This can give us better automobiles, farm machinery and the like.

Mr. SHELBY. Mr. President, I would like to commend the senior Senator from Alabama and the distinguished Senator from Utah [Mr. GARN] for their comments on the space station and lend my full support to the amendment that Senator GARN is offering today.

Mr. President, the space station represents our Nation's commitment to world leadership in space. If we are serious about this commitment, we should make the space station a funding priority.

The space station Freedom will provide the country with a permanently manned laboratory in space, as well as a platform for future space exploration. The benefits the Nation and the world will reap from the space station are endless.

NASA officials have stated that the current funding levels for the space station are barely adequate. As a result of previous budget cuts, NASA has already delayed the space station twice and any future reduction in funding would further delay implementation or jeopardize the space station altogether.

Mr. President, this is not a risk the Nation can afford to take. The space station is a cooperative effort between the United States, several European countries which comprise the European Space Agency, Japan, and Canada. Cancellation of the station would abrogate cooperative agreements with these countries and send a clear signal to other nations that the United States is not a reliable partner, not only in space ventures, but in other areas as well.

Mr. President, I do not believe that this is the type of message that this body wants to send out. In conclusion, I encourage my colleagues to consider the implications of our actions in this regard and to support full funding for the space station and for America's return to its position of preeminence in space.

Mr. WARNER. Mr. President, I rise in support of the amendment offered by Senators GARN and HEFLIN, which I have cosponsored, to the budget resolution to ensure proper funding for the NASA Space Station Program.

I strongly support the U.S. Space Program. It is entirely appropriate that the Senate adopt this amendment on the day of the launch of the space shuttle *Atlantis*, which will soon direct its payload, the Magellan probe, toward Venus.

After 20 years of declining budgets, America renewed its commitment to space last year when President Reagan proposed and Congress agreed to increase space funding by more than 20 percent.

The Nation is fortunate that President Bush has indicated his strong support for a permanently manned space station and full funding for U.S. space activities, continuing the commitment President Reagan made before him.

In fact, President Bush has signaled his commitment by requesting another 22-percent increase in this year.

With the creation of the National Space Council by the President last month, American space policy can expect to move forward in a coordinated manner a comprehensive national space policy.

Today, it is our turn to express to the citizens across this country that we, too, are as committed as the President. One of the foundations of assuring U.S. leadership in space activity is to provide the funds needed to allow NASA to continue with rapid development of the space station Freedom.

While I understand the constraints that the Federal budget deficit has imposed, I believe the space station is vital to our country's future.

We have seen many benefits of space research in medicine, robotics for automated manufacturing and microelectronics, new material processes, and research on the human body. All these fields provide examples of progress made in space research that have enhanced our daily lives. The potential benefits of this so-called international research lab are boundless.

In addition, I am pleased that the Commonwealth of Virginia is a direct participant in the Space Station Program. Last year, NASA opened its Space Station Design Team Headquarters in Reston, VA, where hundreds of highly qualified individuals now serve to efficiently complete this vital project.

We in Virginia are very proud to be such a key part of the U.S. Space Pro-

gram. In fact, some consider Virginia to be the "mother" of the U.S. Space Program.

Langley Research Center, in Hampton, VA, is the oldest aeronautical research center in the world. Many well-known space ventures, including Kennedy Space Center in Florida and the Johnson Space Center in Texas, were started by the dedicated employees from Langley during the first half of this century. Research and development pioneered at Langley has also led to the United States designing and manufacturing about 70 percent of the world's aircraft.

Langley Research Center was truly a cornerstone of U.S. space policy. Today, we can commit to continue the progress initiated at Langley over 50 years ago.

Mr. GARN addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. Mr. President, I ask unanimous consent that Senator WARNER be added as a cosponsor of this amendment.

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

Mr. GARN. Mr. President, I recognize the difficult time the Budget Committee has in coming up with a resolution. I further recognize that both the distinguished chairman of the committee, the Senator from Tennessee, and the Senator from New Mexico, have been avid supporters of function 250, space, science, and technology.

With the 60 votes, I am sure they are not here on a point of order, but I do want to recognize their support and ask the Senator from Tennessee—recognizing that the ultimate decision is going to be made in the Appropriations Committee, of which he is a member—but I could expect his support and the support of the Senator from New Mexico in attempting to get an allocation that will make certain that the space station does not have to be discontinued in this function, cut back.

Mr. SASSER. Mr. President, the Senator from Utah has stated the situation accurately. I have been a staunch supporter in times past of the science and space function of the budget. I am a strong supporter of the space station. As evidence of that, the science and space function in the budget this year was increased by 11 percent, if memory serves me correctly. I am advised that is the correct increase, a very substantial increase for science and space, at a time when we are laboring under very sharp fiscal constraints, as the Senator from Utah has indicated.

I want to say to my friend from Utah, as well as to my friend from Alabama, that I will strongly support all efforts to see the space station go forward and to continue our exploration and leadership in space.

Mr. WILSON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. WILSON. I think that the Senators from Utah and Alabama make very cogent arguments. I am advised that the Senator from New Mexico is sympathetic to the request of the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. I ask unanimous consent that Senator GORTON from Washington and Senator WILSON from California be added as cosponsors to the amendment.

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

Mr. GARN. On the basis of these assurances, and I hope that my colleagues have been alerted to the serious problem that we face, and that we could lose the space station; I will not take any more time off the Budget Committee, and I ask unanimous consent that my amendment be withdrawn.

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

The amendment was withdrawn.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Mr. President, I thank the distinguished Senator from Utah for his consideration at this time, and I will ask if the Senator has an amendment?

Mr. WILSON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

AMENDMENT NO. 87

(Purpose: To transfer funds from the legislative branch/general government budget function to the administration of justice function in order to increase efforts against illegal drug trafficking and abuse)

Mr. WILSON. I have an amendment, and I send it to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from California [Mr. WILSON] proposes an amendment numbered 87.

Mr. WILSON. I ask unanimous consent that further reading be dispensed with.

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

The amendment is as follows:

On page 25, increase the amount on line 8 by $100,000,000 and increase the amount on line 9 by $100,000,000.

On page 26, reduce the amount on line 12 by $100,000,000 and reduce the amount on line 13 by $100,000,000.

Mr. WILSON. Mr. President, I ask unanimous consent that Senators NICKLES and HUMPHREY be added as cosponsors.

The PRESIDING OFFICER. Without objection.

Is there further debate on the amendment?

Mr. SASSER. Mr. President, we have examined this amendment on our side. There is some objection to the amendment, but for the purposes of this discussion here today, we are willing to accept the amendment——

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Who yields time?

Mr. FORD. Will the Senator from Tennessee yield me 3 minutes?

Mr. SASSER. I will be delighted to yield time to our distinguished friend from Kentucky, but I might say that we were prepared to accept the amendment, and then yield time to the distinguished Senator from Kentucky to speak on the amendment.

Mr. FORD. That will be fine. This is a resolution, and it does not change statutory provision and does not amount to a hill of beans. All I want to do is get that in the RECORD, as soon as I have the opportunity.

Mr. SASSER. It is also my understanding that the distinguished Senator from Nevada also wishes to speak on this particular amendment. So it was my plan to accept the amendment and then yield time to these two distinguished Senators to address the issue, if that is satisfactory with the other side of the aisle.

Mr. WILSON. That is fine.

Mr. REID. Mr. President, will the Senator from Tennessee yield?

Mr. SASSER. I will be glad to yield.

Mr. REID. I am wondering, in light of the hour, if we can have a unanimous-consent request that even though the amendment is adopted, that we would have an opportunity to respond for a limited period of time following the adoption of the amendment, in spite of the previous order that has been entered.

Mr. SASSER. I might inquire of the Chair, the previous order indicated that we would take up the Panama matter at what time?

The PRESIDING OFFICER. 12:20.

Mr. SASSER. 12:20. How much time, additionally, would the Senator from Nevada be requesting?

Mr. FORD. May I get involved in this discussion, Mr. President?

Senator ROTH and I have an amendment that is going to be acceptable. I want to talk on Senator WILSON's amendment, also, and maybe after we get through with the Panama Canal, we can insert our statements in the RECORD following the acceptance of the amendment and still get our language in the report.

Mr. REID. I have a statement that I wish to make orally, and I have been waiting here for 1½ hours to do that.

Mr. SASSER. Mr. President, I ask unanimous consent that following the acceptance of the Wilson amendment, there be a time not to extend beyond 12:30 in which to discuss the Wilson amendment.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Reserving the right to object, that would be fine as long as the Senator from California would not take all the 12 minutes or the Senator from Kentucky, to save me a few minutes.

Mr. SASSER. That point is well made. I think the time should be equally divided.

Mr. WILSON. That is fine. I think I will need 3 or 4 minutes, Mr. President.

Mr. SASSER. Maybe I could reframe the unanimous-consent request that the time certain for discussion of the Wilson amendment, not to extent beyond 12:30, be set, and that the time, which will be approximately 11 minutes, be equally divided.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. SASSER. Having said that, I am prepared to yield back my time and accept the amendment, if that is acceptable to the Senator from California.

Mr. WILSON. Mr. President, I yield back my time, also.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SASSER. I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. WILSON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. WILSON. Mr. President, the amendment that has just been agreed to, very simply, would take $100 million from function 800, that relating to general government, and transfer it to function 750, the administration of justice.

Mr. President, if there was any doubt as to how near and dear newsletters are to the hearts of Members of Congress, a vote on the House floor on Tuesday clarifies the matter.

It was on Tuesday, May 2, that the House was asked which is more important to the people of America, self-promotional congressional newsletters or the document that sets the very cornerstone of our great democracy, the U.S. Constitution. Well, self-promotion won. The Constitution lost. The House voted against mailing out copies of the Constitution in order to be able to send yet another newsletter for which their constituents are waiting breathlessly.

When Members of Congress bemoan the failure of our institutions of learning, as one correctly did just a moment ago, and point out that we are failing not just in the sciences and in mathematics but failing to inculcate in our youngsters a sense of our own history, many should look inward and ask what Congress has done to improve the decision to attain the goal of an understanding of this Nation's heritage, its constitutional roots.

While the efforts we undertake for our constituents are often commendable, I seriously doubt the historical significance of any piece of junk mail, including congressional newsletters.

I certainly will take the words of Madison and Mason over the self-serving claims of greatness contained in congressional junk mail.

I realize that many in public service feel that they make a great sacrifice to serve. Time away from families; they suffer lower salaries than they could earn in the private sector in many cases. They, in many instances, are conscientious. They undergo endless travel and meetings. Yet, when they are asked to make the ultimate sacrifice, it seems that of giving up taxpayer-financed reelection efforts, specifically the congressional newsletters, some Members of Congress would rather walk across hot coals.

I suppose that some in the House feel that that tradeoff is worthwhile. I would simply say that I could not more emphatically disagree. I regard the Constitution, by the way, as something more than a document that is 200 years old written by a group of rebellious men with wooden teeth and wigs. It may be their plain words did not pack the media punch of a self-drafted, four color, laudatory, newsletter, but I suspect it is far more important and deserves far more attention than simply as one more congressional mailing.

What is really at stake here, Mr. President, is that we are confronted with far more urgent priorities. Not only are newsletters a waste of the taxpayer's money in their own right but it is particularly outrageous for us to be spending money on ourselves when we are delinquent in paying our bills from last year.

Imagine if the first Congress felt the same way, so that our first leaders spent their time and energy on self-promotional mailings. The first citizens of the United States may have been able to enjoy newsletters from the very start. Of course, other legislative activities may have suffered, but gee, who needs a Bill of Rights anyway.

Mr. President, not only are newsletters a waste of taxpayers' money in their own right, but it is particularly outrageous for us to be spending money on ourselves when we are delinquent in paying our bills from last year.

Last year, we signed a promissory note to the American people, saying that we would spend $2.7 billion against illegal drug use, against the cocaine smugglers, against the crack-selling drug gangs, against the clandestine chemists making designer drugs and speed, and against the individual despair that engenders destructive drug abuse.

While we were quick to make the promise, we are slow to pay our bills: Last year, all we appropriated was $1 billion. We have an outstanding debt of $1.7 billion.

Now, $100 million is not enough to square the account. But, $100 million can do a lot to put more DEA and FBI agents on the street, to allow us to hire additional prosecutors and prison guards, to build more jails, and to provide more assistance to local law enforcement agencies which are our first line of defense against drug-related street crime.

Mr. President, my amendment presents a very simple choice: Do we want to spend $100 million on newsletters or $100 million on law enforcement efforts against drugs?

A vote for my amendment is a vote to increase our antidrug efforts. A vote against my amendment is a vote against increased antidrug funding so that we can send out newsletters.

I submit to the Senate that there is no more important domestic issue that the fight against drugs, so I offer my amendment and ask for the support of my colleagues.

I will reserve the remainder of my time, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Mr. President, I yield what time is remaining to the Senator from Nevada.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. Mr. President, I am in complete agreement with the goals of Senator WILSON. I am, of course, a strong backer of more money for the drug wars and I think we should limit the growing cost of frank mailing during time of tight budgets.

But we have to talk about realities and what my friend from California, the junior Senator from California said is not reality.

In fact, Mr. President, as chairman of the Legislative Appropriations Subcommittee I have been working for months with Congressman FAZIO, my counterpart in the House on this issue of frank mailing. He has been heavily involved in the Committee on Ethics during the past few months and we have not been able to finalize the agreement.

I have worked long and hard with the chairman of the Senate Rules Committee. We recognize that something must be done. It is important to remember, though that real control over mail cost can only come through agreement by both Houses on actions to limit frank mailing costs.

I cannot agree with the approach from the junior Senator from California to accomplish these goals.

My reasons are twofold:

First, the amendment will not do what the author wants. I repeat it will not do what the author wants. I will not bore my colleagues with yet another recitation of how amendments to the budget resolution are not binding on the Appropriations Committee. We have all heard this explained time and time again, but it is still amendments are offered to cut this budget function, and add to a different budget function, when the real intent is to affect a specific spending program. It just will not work. The only way it can be cut is in the appropriations process. If the author of this amendment is not satisfied with the compromise that I, and Senator FORD, and Congressman FAZIO hope to work out on frank mailing then he should bring this amendment to the legislative branch of the appropriations when it comes to the Senate floor. That is the time to offer the amendment.

On this budget resolution, all that he can accomplish is to reduce the general Government function of the budget. That means that even if this amendment passes and we passed it, the result will be quite different from what he intended. His amendment could end up reducing any of the legislative functions, not just the frank mail. Or it could result in reductions in spending for administration operations, or the Government's central fiscal operations, or property and records management, or personnel management, or general purpose fiscal assistance, and so on.

There is another reason why this amendment will not accomplish the Senator's objective. Mailing costs are open-ended entitlements. The Appropriations Committee cannot even limit the cost of the program. Mailing is controlled by the rules under which mail can be franked and the appropriations are charged after the fact. Without changing the rules the Senator cannot reduce the cost. This makes it even more likely that his amendment would have an effect that he does not intend for it to have.

In short, this kind of amendment is equivalent of trying to score a bull's-eye by throwing a hand grenade at that target. It just will not work.

Mr. President, the second problem is that such an amendment could be counterproductive. To be honest, the House has liked the way that mailing operations have been run over the years. An amount has been appropriated; the Senate has restricted its use of mail; and the House has spent the lion's share of the funds. We are now in the process of working to get the House to agree with changes in franked mailing operations that will apply limitations to the use of franked mail that are fair to both Senators and Members of the House, and that there is joint accountability. If we start taking unilateral actions on this issue, we only make it easier for those in the House who prefer unlimited mailing privileges to argue against further compromise.

For example, what the Senator from California stated about the Constitution is simply not what happened. It would have increased had they mailed the Constitution. What we are now here to try to limit. I share the Senator's goal in the battle against drugs and doing something about the franking privileges which have gotten out of hand but I do not think his approach will get us there.

I will urge the Budget Committee to let justice prevail in conference.

The PRESIDING OFFICER. Who yields time?

Mr. FORD. Will the Senator yield me whatever is left?

Mr. SASSER. Mr. President, I yield to the Senator from Kentucky whatever is left on this amendment.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 2 minutes.

Mr. FORD. I thank the chairman of the Budget Committee.

Mr. President, I only have a few observations to make about the amendment proposed by the distinguished Senator from California.

First, I wish to compliment him on his continued attention to the need to do something about the cost of official mail. It is an area that I have been working on, too, and I share his fundamental commitment to effective reform. We have sometimes pursued different ways of achieving effective cost control but I know that our objectives are the same.

Mr. President, the key word in what I just said is "effective," systematic work.

Sympathetic as I am to the objective that the Senator is seeking, I simply do not think that the specific action he is proposing is effective. In fact, it could have an effect quite the opposite of what he is seeking. The reason is that without fundamental change in the administration of franking appropriations, it will remain what it is today. He is trying to change statutory provisions by resolution and that just not wash. What it is today is an open-ended entitlement, as the distinguished Senator from Nevada said.

The effect of this amendment will move $100 million from general Government to the administration of justice. It cannot be predicted where the cut will be made. It could be made from the Office of Management and Budget or the Office of Personnel Management or any other account in the general Government function. But it will not, and cannot, affect the cost of congressional mail unless and until the fundamental changes I referred to are made.

Mr. President, what are these fundamental changes? I have set them forth in Senate Joint Resolution 98, which I introduced on April 11. I encourage the Senator from California to join me as a cosponsor of that. They are as follows:

Create separate appropriations accounts for the official mail costs of the House and Senate; require both the House and the Senate to allocate their respective appropriations among the Members of each Chamber; require the spending for mail in excess of a Member's allocation will be made up from his official office account; require that both the House and the Senate publish the mass mailing costs of each of its Members. This is something the Senate has been doing now for several years.

So, Mr. President, passage of Senate Joint Resolution 98 will be an effective action. The Senate will have an opportunity to take that action perhaps during consideration of the supplemental for 1989; perhaps during consideration of the legislative branch appropriations for 1990; perhaps during the consideration of Senate Joint Resolution 98 itself.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. FORD. Mr. President, I ask unanimous consent that the time be extended for 5 minutes.

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

Mr. FORD. Until then, Mr. President, we ought not be kidding ourselves that anything less is effective action.

So, Mr. President, I am not opposing this amendment, but I want the record to reflect what its effect will be. It does not solve the franking problem. That will require statutory change. And I underscore that. Expenditures will continue to be made against the official mail account and the bill will be sent to the Congress when it is due.

Mr. President, if it is in order I would like to propose a sense-of-the-Senate amendment.

The PRESIDING OFFICER. Is there objection?

Mr. WILSON. Mr. President, I will not object, but we are not finished with discussion of this particular item.

The PRESIDING OFFICER. This would not preclude further discussion of the subject before the body.

Mr. SASSER. A parliamentary inquiry. As I understand it, the Senator from California has a minute and a half remaining?

The PRESIDING OFFICER. A minute and fifteen seconds.

Let me state the parliamentary situation that we face at this moment. The Senator from Kentucky has asked to be able to propose a sense-of-the-Senate resolution. The question before the body is whether there is an objection to that request or not.

Mr. SASSER. Mr. President, reserving the right to object, the sense-of-the-Senate resolution of the Senator from Kentucky deals with the 2-year budgeting concept, is that correct?

Mr. FORD. That is correct.

Mr. SASSER. There is no objection, Mr. President.

Mr. DOLE. Mr. President, reserving the right to object.

It is my understanding, we were going to take up the Panama resolution at 12:10, then it slipped to 12:20, and now it is 25 minutes to 1. I know there have been a lot of people around here waiting to discuss that issue.

I would like to dispose of the Ford-Roth amendment. I do not think it would take but a couple of minutes.

Mr. FORD. Five, at the most.

Mr. DOLE. Could we agree to 5 minutes, equally divided?

Mr. FORD. Four minutes, equally divided.

The PRESIDING OFFICER. If the Chair might inquire of the Senator from Kentucky, is the item that the Senator wishes to offer at this point an amendment or a resolution?

Mr. FORD. It is an amendment to the resolution, which is a sense-of-the-Senate resolution.

The PRESIDING OFFICER. Then the Senator would have a right to offer that amendment when all time has been yielded back on the item before the body at this time. We still have 1 minute and 15 seconds remaining on the Senator from California's side and about 3 minutes remaining on the Senator from Tennessee's side.

Mr. WILSON. Mr. President, let me conclude. I will give assurance to my friend from Kentucky and my friend from Nevada that the amendments that they are proposing in Senate Joint Resolution 98 are, I think, commendable, and I think they are an improvement. But they really do not go to the basic issue here. The basic issue here is that we should not be spending money for newsletters at all, not at a time when, in fact, we have not paid the bill for last year's omnibus drug legislation.

We are waiting to take up a resolution on Panama, a resolution that is important to everyone on this floor, in large measure because the dictator in Panama has been in the drug traffic up to his eyeballs.

So that is what this is all about. This does not make the change, but it has a warning. And I will give fair warning to my colleagues that we intend to make change if we have to do it by appropriation, if we have to do it by reconciliation instructions.

I thank the Chair and my colleagues for their courtesy.

Mr. President, I ask unanimous consent to add Senator SPECTER as a cosponsor.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. SASSER. Mr. President, we yield back whatever remaining time might be left on the discussion of the Wilson amendment.

The PRESIDING OFFICER. All time has been yielded back.

AMENDMENT NO. 88

(Purpose: To express the sense of the Senate that the Congress should enact legislation to establish a biennial budget process)

Mr. FORD. Mr. President, I send an amendment, in the form of a sense-of-the-Senate resolution, to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. FORD], for himself, Mr. ROTH, and Mr. DOLE, proposes an amendment numbered 88.

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

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

At the appropriate place insert the following:

BIENNIAL BUDGET PROCESS

SEC. . (a) The Senate finds that a biennial budget process would—

(1) create an orderly, predictable process for consideration of spending decisions responsive to policy priorities and improve Congressional control over the Federal budget;

(2) allow sufficient time for the fulfillment by the Congress of its legislative and oversight responsibilities, including the consideration of authorizing legislation, budget resolutions, appropriations bills, and other spending measures;

(3) provide greater stability and certainty for financial markets, and Federal, State, and local government agencies which need sufficient time to plan for implementation of programs; and

(4) streamline the Congressional budget process and therefore promote better accountability to the public.

(b) It is the sense of the Senate that the Congress should enact legislation in the 101st Congress to establish a biennial budget process.

Mr. FORD. Mr. President, I ask unanimous consent that we might have 4 minutes, equally divided.

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

Mr. FORD. Mr. President, I will not take much time of the Senate. This is a very simple amendment. It states that it is the sense of the Senate that the Congress adopt legislation to create a biennial budget process during the 101st Congress.

As my colleagues know, Senator ROTH and I have been promoting this idea since the 97th Congress. Last year we joined together in producing a bipartisan bill, which was reported unanimously from the Governmental Affairs Committee at the end of the 100th Congress. We have reintroduced this legislation this year, and have already been joined by 35 of our colleagues as cosponsors.

The time for a biennial budget is now, and the underlying bipartisan agreement for the 1990 budget before us anticipates moving toward this goal. The bipartisan agreement calls for continuing negotiations by the budget task force to pave the way for a multiyear agreement for balancing the budget by 1993.

We saw the benefits of a 2-year cycle when we were able to pass all 13 individual appropriations bills last year before the beginning of the fiscal year. In the Rules Committee we have moved all Senate committees to a 2-year budget cycle, which has been well received by the chairmen and ranking members. The savings and efficiency we expect to achieve in the Senate budget can be achieved in the Federal budget also by enacting a biennial budget process this Congress.

I commend my colleague, Senator ROTH, for his leadership in this area. We have repeatedly stated that our proposal is not the final word on reform. Nor does this amendment require that our proposal, or any particular approach to multiyear budgeting, be adopted. There are numerous approaches to fashioning a biennial budget process, and we look forward to working with the members of the Governmental Affairs Committee and the Budget Committee to fashion a bipartisan bill that will give Congress and the executive branch the management tool we need to bring this deficit under control. We welcome the imput of our colleagues.

I appreciate the substantial efforts of Senator GLENN, chairman of the Governmental Affairs Committee, in moving this legislation in the last Congress. He has indicated his willingness to take action on this issue this year, and I thank him for his leadership in this area. I look forward to working with my distinguished colleague, Senator SASSER, as chairman of the Budget Committee which also has jurisdiction over this issue, and with Senator DOMENICI, another long-time supporter of the biennial budget.

My understanding is that this amendment is acceptable, and I do not

request a rollcall vote. I commend Senator SASSER on his success in producing a timely budget, and thank my chairman and the ranking member for their courtesies.

The PRESIDING OFFICER. Who yield time?

Mr. ROTH. Mr. President, I believe there was unanimous consent to have 4 minutes, equally divided.

The PRESIDING OFFICER. The Senator is recognized for 2 minutes.

Mr. ROTH. Mr. President, I am happy to join my distinguished colleague from Kentucky in sponsoring this resolution. As the distinguished Senator has pointed out, this has been a matter that both of us have been promoting for several years and we are joining hands in an effort to get a 2-year budget to be the practice of the Congress.

He also pointed out that this legislation has been cosponsored by 37 Members of the Senate.

I am happy to say that with respect to the specific resolution, Senators WILSON, HATCH, BOSCHWITZ, KASSEBAUM, and MCCONNELL have asked to join us as cosponsors.

Before outlining what I believe are the merits of 2-year budgeting, I would like to point out to my colleagues what happened last year on this issue. For the first time, the Committee on Governmental Affairs reported legislation establishing a 2-year budget, 13 to 0. Mr. President, the progress we made last session should be viewed as a step toward eventual passage in 101st Congress.

I would like to briefly point to six reasons why we should adopt this amendment and call for a 2-year budget.

THE CURRENT PROCESS NEEDS REFORM—DEADLINES ARE OFTEN MISSED AND WE END UP WITH MASSIVE CONTINUING RESOLUTIONS

Because the Congress fails to meet its deadlines and ends up voting in the very late hours of the night, very few Members, if any, have a really good understanding of the entire legislation.

Last year notwithstanding, only once since 1974, when the Budget Act was established, has the Congress passed all 13 regular appropriation bills by the beginning of the fiscal year.

Because the Congress fails to meet its deadlines and ends up voting in the late hours of the night, very few Members, if any, have a good understanding of the entire legislation contained in these massive continuing resolutions. Authorizing legislation is attached without careful consideration.

A 2-year budget will allow more time for consideration of underlying authorizations, which will promote a smoother appropriations process, and one which is more accountable to the American people.

THE BUDGET SUMMIT AGREEMENT SHOWS SYSTEM CAN WORK

The budget summit agreement reached in November 1987 set out spending and tax guidelines for a 2-year period. The overall totals helped the Congress move briskly on the budget. The leadership did not let the so-called uncertainty of economic forecasts deter them in moving toward a multi-year plan.

A 2-year budget reduces the repetitive nature of the current budget process. Each year the Congress considers the budget resolution, annual authorizations, appropriations, and reconciliation. This does not include the extra layer of debate provided by the Gramm-Rudman sequestration or debt-limit deliberations.

For fiscal year 1988, the Congress debated the level of defense five different times—during consideration of the budget resolution, the Defense authorization bill, Defense appropriations, the revision in Gramm-Rudman, and the budget summit agreement. This is in no one's real interest.

This redundancy causes widespread frustration. Streamlining the process could reduce the repetitive nature of the process.

By providing funds for a 2-year period, recipients of these funds will be able to plan and administer their funds better. Recently, the Johns Hopkins Foreign Policy Institute and the Center for Strategic and International Studies released a joint project entitled "Making Defense Reform Work." Among the reports major recommendations is the establishment of a biennial budget. According to the report, "the longer term focus could help to force hard choices; it is too easy to defer difficult choices. * * * And the burden of annual budgets on both branches of Government is too great, for domestic programs as well as defense programs."

These same arguments apply to procurement officers in every agency in the Government, as well as State and local governments and individual recipients of Federal funds.

MIGHT HELP REDUCE THE DEFICIT

Two-year budgeting would allow authorizing committees a stronger ability to review entitlements and other Government functions. It would help to reduce gimmickry such as the transfer of spending from 1 fiscal year to the next just to hide the effect on the deficit.

Two-year budgeting also provides a better means to consider the long-term savings in reconciliation bills. Currently, Congress concentrates on savings in the first year and sometimes ignores the out-year effects.

Under the Gramm-Rudman enforcement mechanisms, the Congress cannot spend more in the second year of the cycle on supplementals. Supplementals will occur, but all decisions must be made within the parameters of the deficit targets.

BROAD, BIPARTISAN SUPPORT

Mr. President, there is widespread support for the idea of biennial budgeting. President Bush endorsed the idea in his budget blueprint.

The bill we introduced has the bipartisan support of more than 35 Senators.

The chamber of commerce, former Director of the Congressional Budget Office Alice Rivlin now at the Brookings Institution, and a host of other budget and policy analysts support the idea.

I urge my colleagues to support this amendment. There is growing momentum for this excellent idea, and I believe the Congress and the administration could greatly improve the budget process with this reform.

Mr. SASSER. Mr. President, I wonder if I might engage the principal sponsor of the amendment, Mr. FORD, in a little colloquy regarding the pending amendment?

Mr. FORD. Mr. President, I would be pleased to engage the chairman of the Budget Committee in a colloquy on this amendment.

Mr. SASSER. As you know, over the years, there have been a number of bills introduced addressing the 2-year budgeting issue, and these bills have put forward a number of different ideas on how to approach this goal of dealing with budget issues less frequently. Some of these bills and ideas go further than others. I must admit, I like some bills and some ideas better than others.

Indeed, since I have become chairman of the Budget Committee, I have given some thought to introducing my own bill on the subject. But I figured that my first responsibility as chairman was to deal with this budget resolution. After that, I hope to have time to turn more of my attention to other legislation.

My question to the principle sponsor, the distinguished Senator from Kentucky, is this: it is not your intent, is it, that this sense-of-the-Senate language would mean that we should have to proceed with any particular bill or any particular 2-year budgeting idea?

Mr. FORD. Well, although I do admit a certain preference for a bill on which I put in a good deal of work, and which the distinguished ranking members of the Committee on Governmental Affairs has cosponsored, as I stated this amendment in no way endorses any specific approach to multiyear budgeting. Senator ROTH and I have consistently stated we wish the input of all our colleagues, particularly the chairman of the Budget Committee.

Mr. SASSER. So we might even proceed toward a 2-year budgeting idea in

a step-by-step process, in which we make one change in the process on the road to 2-year budgeting this year, and reserve for the future further steps along that road?

Mr. FORD. As the chairman knows, we have implemented 2-year budgets for the Senate committees, and I think we have had a successful experiment in biennial budgeting under the 1987 bipartisan budget summit agreement. But clearly, nothing in our amendment would prohibit going to 2-year budgeting on a step-by-step basis.

Mr. SASSER. I thank the Senator for his consideration.

Mr. President, the principal sponsor of the amendment has made clear that this is an eminently reasonable amendment that would accommodate a variety of approaches to this issue. I wholeheartedly support this effort and urge the amendment's adoption.

The PRESIDING OFFICER. All time has expired on the amendment. If there be no further debate, the question is on agreeing to the amendment of the Senator from Kentucky.

The amendment (No. 88) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

RELATING TO FREE AND FAIR ELECTIONS IN PANAMA

The PRESIDING OFFICER. By agreement, the clerk will report Senate Resolution 120. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 120) relating to free and fair elections in Panama.

The Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. Mr. President, for nearly 2 years the people of Panama have been expressing their dissatisfaction with the deteriorating conditions in their country and the undemocratic regime imposed on them by General Noriega. They have sought to obtain democratic response and redress to their legitimate concerns regarding suppression of the independent media, intimidation of political opponents of the regime and repeated curbs on constitutional guarantees. These attempts to obtain representative government have been answered with threats, charges of treason, false imprisonment, tear gas, and buckshot. Scores of Panamanian citizens have been injured while demonstrating their support for democracy and resistance to continued military interference in the political process of the country.

Mr. President, it is vital to United States interests that democratic institutions flourish in the Republic of Panama. The people of Panama are our friends and neighbors. On May 7 they will go to the polls to elect a new President. Panama's political opposition parties have courageously campaigned to offer their fellow citizens a choice in that forthcoming election. And recent polls show the opposition leading the Noriega regime's handpicked slate of candidates by margins of 2 to 1. But it appears that Noriega and the Panamanian Defense Forces are preparing to perpetuate a massive electoral fraud to enable them to remain in power to continue to intimidate and exploit the Panamanian people.

Free and fair elections are the constitutional right of the people of Panama. They deserve our support and the support of democratic countries throughout the world, in their brave efforts to exercise that right in order to oust a military dictatorship and return representative democracy to their country.

Mr. President, in recent years free and fair elections have been held in many countries throughout the Western Hemisphere. These elections have expressed the desire of the people of Latin America to live and raise their families under a democratic system of government. The Panamanian people are now seeking the right to express this same freedom of choice through fair elections. They need our support. This resolution places the Senate squarely behind the democratic aspirations of the people of Panama and I urge my colleagues on both sides of the aisle to join me in supporting the resolution.

Mr. DOLE. Mr. President, will the majority leader yield before I make a statement?

Mr. MITCHELL. Certainly. Yes.

Mr. DOLE. Is it the majority leader's intention to vote on this after 30 minutes or to wait until we have the next vote on the budget and then vote on the resolution?

Mr. MITCHELL. I had originally intended that the vote occur immediately upon the completion of this resolution. I was since advised that, in order to accommodate other Senators, it would be more convenient to wait and schedule this vote to follow the next budget resolution vote.

If that is acceptable to the Republican leader, that would be my intention. It would thereby make it agreeable. We are now hotlining it and I would hope to have an announcement on its shortly. But what I would hope we could do is to make this a 10-minute vote immediately after the next budget vote, which would be a 15-minute vote.

Mr. DOLE. There is no objection on this side to doing that.

Mr. MITCHELL. Then I assume we will have a response to our hotline request shortly. As soon as I do, I will make an announcement to that effect.

I thank the distinguished Republican leader for his suggestion and cooperation in that regard.

Mr. DOLE. Mr. President, as I understand it, there are 15 minutes on a side?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. I would take just a couple of minutes and I would assign the remainder of the time to my distinguished colleague, Senator KASSEBAUM, and she may allot the time as she may desire.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. DOLE. Mr. President, Tuesday, I put in the RECORD a speech given by President Bush on our policies in Latin America.

One of the main messages in the President's speech was that we would not recognize, or accept, the results of a rigged election in Panama. The resolution before us sends the same clear message.

As I said Tuesday on this floor, we have no more tolerance for Noriega's "thuggery" than we do for Daniel Ortega's tyranny. We must demand the same kind of free and fair election in Panama this Sunday, that I hope we will demand in Nicaragua next February.

Tragically, there are no signs that Noriega intends to allow free elections. On the contrary, all the evidence indicates that—in the face of polls showing his candidates trailing badly—he intends to steal this election through massive manipulation, intimidation, and force.

In my view, we cannot much longer tolerate Noriega's corrupt, reckless, and repressive rule in Panama.

We cannot much longer permit vital United States interests—including the Panama Canal and the Southern Command—to remain squarely in Noriega's gunsites.

We cannot much longer stand by, while this "four-star general" in the global army of drug pushers lines his pockets with dirty money, derived from the cocaine and crack which is killing our children.

I say with more hope than expectation: I hope Noriega understands all this. I hope, contrary to all the evidence, that he will have a change of heart, and allow the people of Panama to express, and work, their will.

If he does not, then I hope all of us—the President, the Congress, the American people—will see clearly the danger that Noriega represents, and display the courage and determination to do what needs to be done.

I yield the remainder of my time to my colleague.

The PRESIDING OFFICER. The junior Senator from Kansas is recognized.

Mrs. KASSEBAUM. Mr. President, I would like to commend the leadership for taking this strong position on what I believe is an enormously important event on Sunday, May 7.

Mr. President, it is particularly important for the United States Senate to unite at this time in support of the right of the Panamanian people to have a free and fair election in Panama on Sunday, May 7. At that time the Panamanian people will be called on to vote in elections for a new President, First and Second Vice Presidents, as well as legislative and municipal representatives.

What happens in Panama on Sunday is of critical importance to the Panamanian people, to all states of the Western Hemisphere, and to the United States. Panama is the youngest country in Latin America and its history has been closely tied to the United States. The unimpeded operation of the Panama Canal is of vital interest to both our countries, as well as to the rest of hemisphere. One of our most important national security interests in Panama is maintaining and implementing out treaty relationship with Panama for operation and defense of the Panama Canal.

Over the past several years, Panama's transition to democracy has been forcefully thwarted by General Noriega. As the Panamanian people began to demonstrate public outrage over the violent death of Dr. Hugo Spadafora, a critic of General Noriega, and the fraudulent 1984 Presidential elections, the Noriega regime responded by clamping down on basic human rights and suspending constitutional freedoms. During this struggle, there has been strong support here in the United States for the efforts of the Panamanian people to achieve a genuine democracy with guarantees of freedom of speech, press, and assembly.

The May 7 elections will be the second time since 1968 that the Panamanian people will have an opportunity to vote for a new President. The election, if conducted fairly, presents an opportunity. It is an opportunity for the Panamanian people to exercise their right to have a full and genuine democracy. It is also an opportunity for an improvement in United States-Panamanian relations and enhancing stability and economic growth in the region.

Unfortunately, Mr. President, there are very troubling signals that General Noriega is, once again, frustrating the hopes of the Panamanian people to choose their leadership freely. Among other measures already undertaken, the Noriega regime has curtailed the rights of participation in the election process by banning the independent media and denying the nine opposition candidates equal access to regime-controlled outlets. There has also been evidence of manipulation of voting lists and the voter registration process. Large numbers of opposition voters have been disenfranchised. And, international observers are being denied participation in the electoral process.

It is good news that yesterday the Catholic Church in Panama announced they would undertake an independent count at 500 polling areas.

That is a brave, courageous, and I think important step for them to undertake.

The election is only several days away, and there is nothing that can be done to rectify General Noriega's already successful efforts in curtailing the participation of the opposition in the election campaign. Nevertheless, the opportunity still exists for the Panamanian people to go to the polls on Sunday and freely cast their ballots and express their will.

The opportunity still exists for us to express in the U.S. Senate our strong support of this process. I cannot think of an election that really is more important to this country and to the Panamanian people than this opportunity on Sunday, May 7. This is a right that many people throughout the Western Hemisphere have been exercising over the past several years and no less should be expected for the people of Panama.

I join with my colleagues in urging General Noriega to conduct the upcoming elections in a free and fair manner for the benefit of the Panamanian people and United States-Panamanian relations.

I yield the floor.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the vote on this resolution be a 10-minute vote and it occur immediately following the next vote in relation to the budget resolution.

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

Mr. MITCHELL. Mr. President, I ask for the yeas and nays on this resolution.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MITCHELL. Mr. President, I commend the original authors of this resolution, Senators GRAHAM, MCCAIN, and KASSEBAUM, and I designate the Senator from Florida, Senator GRAHAM, in charge of the time on this side.

The PRESIDING OFFICER. Who yields time? The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Florida now controls 10 minutes and 2 seconds.

Mr. GRAHAM. Mr. President, I will use 3 minutes of that time.

May 7, this Sunday, is one of the most important dates in the history of Panama and Central America.

There will be national elections that day in Panama.

At stake is whether the regime of Gen. Manuel Noriega will give way to a democratically elected government.

The resolution we are introducing today is part of a comprehensive effort to focus public attention on an election process already exhiibiting signs of fraud.

International attention at this point offers the only insurance against fraud.

Stakes are high. If Panamanian elections are rigged by Noriega—and that's certainly possible—then a signal will be sent to neighboring Nicaragua.

The wrong signal. If Noriega stays in power via fraudulent elections, then Daniel Ortega's Sandinista regime will have little incentive to hold truly free elections in Nicaragua as promised next February.

I recently returned from a visit to Panama and Nicaragua, where our delegation heard pleas that the United States, the international community, and democratically elected Central American governments need to do more to focus attention on the Panamanian and Nicaraguan elections.

Our resolution today is a part of that effort. It condemns efforts by the Noriega regime to curtail the rights of participation in the election process.

When we were in Panama, we heard troubling accounts of how Noriega is manipulating voting lists and limiting media access to regime-controlled media outlets.

At the same time, our resolution makes clear that the normalization of the relationship between the United States and Panama will be enhanced by the holding of free and fair elections in which the results are respected.

Panama and Central America are at a crossroads.

One path leads toward democracy. The other to continued tyranny of the extreme left and extreme right.

Our actions today will send a clear signal of support for Democrats in Panama and throughout the region who continue to work courageously in their efforts to bring government by the ballot to their countries.

Mr. President, I ask unanimous, consent to print several articles in the RECORD.

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

[From the Miami Herald, Apr. 29, 1989]

HUGE STAKES IN PANAMA'S ELECTION

(By Bob Graham)

May 7, a week from tomorrow, is one of the most important dates in the history of Central America. There will be national elections that day in Panama, a nation that has suffered under the tyranny of Gen. Manuel Antonio Noriega, who faces drug charges in the United States.

In the next week, world attention should focus on the Panamanian election. The spotlight of international attention offers our only insurance against fraud. Freedom-loving people around the globe—especially in our hemisphere—should speak with one voice on this issue, demanding free and open elections in Panama.

Stakes are high. If Panamanian elections are rigged by dictator Noriega—and that's certainly possible—then a signal will be sent to neighboring Nicaragua. The wrong signal.

If a despot in Panama stays in power via fraudulent elections, then Daniel Ortega's Sandinista regime will have little incentive to hold truly free elections in Nicaragua as promised next February. We must make clear to both governments that we will not stand by idly if they choose to rig the balloting.

Last weekend I visited Panama, Honduras, El Salvador, and Nicaragua with a bipartisan delegation that also included Sens. Connie Mack of Florida, John McCain of Arizona, and Chuck Robb of Virginia. Repeatedly we heard pleas that the United States, the international community, and democratically elected Central American governments need to do more—much more—to focus attention on the Panamanian and Nicaraguan elections.

In Panama we heard troubling accounts of how Noriega intends to restrict the number of international observers monitoring the elections. Observers will be watched closely and prevented from traveling between provinces on election day.

These conditions prompted the Council of Freely Elected Heads of Government (established in 1986 by current and former heads of government in the Western Hemisphere to reinforce democracy) to conclude that the "environment in which these [Panamanian] elections are occurring is far from ideal."

DISTURBING SIGNS IN NICARAGUA

In Nicaragua it is still relatively early in the process leading to elections next February. But there are disturbing signs. The Sandinistas' rubber-stamp assembly has stacked the membership on the Supreme Electoral Council. The council, effectively a fourth branch of government, will control the election.

Peaceful transfer of power through elections is possible in Central America. This was proven earlier this year in El Salvador, where elections monitored by a large contingent of international observers led to peaceful transfer of power from one political party to another.

Peace will come to this war-torn region when people have an opportunity to settle differences with ballots rather than bullets. To accomplish this, however, we must continue to remain actively engaged over the long term with our Latin neighbors and other international friends to promote democracy. Our commitment must be enduring, our attention span steady. Our past involvement in General America has been episodic.

We must also continue to pressure the Soviet Union to live up to its stated desire to help resolve regional conflicts. The United States has ended military support for the Nicaraguan Resistance (*contras*), so it is unacceptable that the Soviet Union continues to send military support worth millions of dollars to the Sandinistas.

Central America is at a crossroads, one path leading toward democracy and the other to continued tyranny of the extreme Left and extreme Right. If the world is silent and we wake up on Monday morning, May 8, to find that the Panamanian elections have gone awry, then our see-no-evil acquiescence will bear bitter dividends.

But if the world speaks out for democracy, then we have a chance for progress.

[From the Miami Herald, Apr. 30, 1989]

PANAMA'S ELECTIONS—IMPORTANT U.S. INTERESTS ARE AT STAKE IN A VOTE IN WHICH GENERAL NORIEGA AND THE MILITARY FIGURE PROMINENTLY

(By Ambler H. Moss, Jr.)

Citizens of foreign countries often complain that they have no vote in U.S. elections even though they may be profoundly affected by the outcome. Now the tables seem to be turned; next Sunday's national elections in Panama are of major importance to U.S interests. At stake is the continued efficiency of the Panama Canal and the use of our military bases in that country's geography. Getting—and keeping—Panama of the drug trafficking routes is also a high-priority interest.

The elections take place under extremely difficult circumstances.

Since June 1987 the country has been in a severe political crisis. Triggered by a retired colonel's charges against strongman Gen. Manuel Antonio Noriega of drug-running, electoral fraud, corruption and political assassination, a vocal protest movement known as the "Civil Crusade" took to the streets for several months, calling for Noriega's removal. In a remarkable display of discipline on the part of the demonstrators and the military, however, the violence that often accompanies such Latin American demonstrations was largely avoided.

The Reagan administration stormed onto the scene in early 1988, imposing economic sanctions intended to oust Noriega. They failed to do so, but did cause heavy damage to Panama's fragile economy and a diplomatic impasse that threatens the efficient functioning of the Panama Canal. A dangerous degree of tension now exists for U.S. Military personnel and their families based in Panama.

The election campaign has been conducted with good organization and discipline. The two major contending tickets are an opposition coalition headed by Guillermo Endara and two other candidates of impeccable democratic credentials, and a pro-government ticket led by Carlos Duque, candidates who do not hide their close ties with, and loyalty to, Noriega. Panama's electorate is small, and most of the voters will have had the chance to hear the candidates in person. Yet the opposition complains that its principal media, such as the newspaper La Prensa, have remained closed by the government to obtain unfair advantage. For the opposition, the election is a plebiscite.

There are other clear signs of danger regarding the elections. The opposition charges pre-election-day fraud by a biased Electoral Tribunal through padding of voter lists, transfer of voters to more distant polling places and various means of disenfranchisement. Florida Sens. Bob Graham and Connie Mack returned from a trip from Panama last week stating that the pro-Noriega forces plan to "steal" the election. A recent Panamanian government order requires visas for most U.S. citizens. U.S. journalists and television crews are only being allowed three-day visas.

A poll commissioned by the opposition shows their overwhelming popularity over the official ticket, although the figures are disputed by the pro-government candidates. If the opposition is correct, the electoral fraud required for Duque to win would have to be massive, and therefore probably obvious. In such an event, an unknown and unpredictable, but crucially important, element is the reaction of the Panamanian public.

Equally unpredictable is the reaction of the U.S. government. Since the failure of U.S. policies to dislodge Noriega last year, Washington has seemed to defer any policy planning toward Panama until after the May 7 elections. Articles appeared in the U.S. press last week about CIA funding and other involvement to help the opposition ticket win the elections. The stories bore earmarks of deliberate administration leaks, for which the motives are unclear. One source speculates that Washington was trying to preclude a political deal between the opposition and Noriega.

The Reagan administration's policies last year tended to oversimplify Panamanian politics by focusing entirely upon Noriega, who has held command of the Panamanian Defense Forces (PDF) since August 1983. The real problem is the long-time domination of politics by the PDF from behind the scenes. That would clearly continue even if Noriega were to step down. The May 7 elections, even with an Endara victory, will not immediately change the way Panama works.

U.S. policy has been a complicating factor in the equation. Noriega had, for many years, been a useful asset to a prestigious "client list" of U.S. agencies. Even after extensive stories had appeared in the press here about his involvement in drug running through Panama, he traveled to London in September 1986 to meet with Oliver North to discuss aid to the contras, according to a government document released at North's trail this month. The meeting had the blessing of senior administration officials, including then-Secretary of State George P. Shultz. In 1987, Noriega received two letters of commendation from the Drug Enforcement Administration for Panama's anti-drug efforts. The DEA cooperates with Panamanian authorities to this day. Many Pentagon officials were conspicuously cool at first to the anti-Noriega efforts of the State Department.

In February 1988, after two indictments in federal courts in Florida against Noriega on drug-running charges, Washington encouraged Panama's President Eric Arturo Delvalle to fire the general, which he did by television announcement. The plot backfired, but the United States continues to this day to recognize Delvalle. The administration instituted a broad array of punitive economic sanctions, including blockage of Panamanian funds in the United States, suspension of payments under the Panama Canal Treaty and executive orders covering U.S. corporations and the Panama Canal Commission that prohibited payments of any kind (even their own employees' withholding taxes) to Panama's government. The sanctions were accompanied by grandiose levels of rhetoric from President Reagan

and Secretary Shultz that "Noriega must go." Carrots were tried, too, as well as sticks—the administration offered in May to lift the indictments against Noriega, but no deal was concluded.

The effects of the U.S. interventionist actions have been disastrous. The economy, which still had a positive growth rate in 1987, lost perhaps 25 percent of its gross domestic product in 1988. The principal losers were the private sector and Panama's poor and underemployed. Politically, the administration virtually shoved aside Panama's own internal opposition, becoming Noriega's chief antagonist. Internationally, countries such as Venezuela, Costa Rica and Spain, which were prepared to be helpful in negotiating a settlement, were made to understand that Washington was running the show. Noriega benefited in Latin American circles from the "David and Goliath" image.

What can Washington do after May 7, assuming that, whatever the outcome, Noriega will remain in power? A complete trade embargo, a covert-operation coup and military intervention have all been discussed in Washington but will probably continue to be rejected. They would probably end in even greater embarrassment to the United States than the measures taken to date.

A more constructive approach would be to examine the issues in a broader framework. Democratization and economic reconstruction based on restored private-sector confidence are obviously of supreme importance in assuring the long-term protection of U.S. interests. Pressure from Panama's Latin American neighbors—notably Venezuela, Colombia and Costa Rica—can be useful in promoting the restoration of civil liberties and political evolution. Panama does not presently enjoy the degree of political legitimacy that it would like to have from these democracies, which gives them some leverage.

The United States should adopt a lower profile and work cooperatively, not competitively, with Latin American democracies. It should remove the Panama Canal from other bilateral issues and cooperate fully under the treaties that pass control of the waterway to Panama in the year 2000. The most damaging economic sanctions should be lifted after the elections to halt further economic deterioration.

Preparing a major program of economic reconstruction, such as the bill proposed last May by Congressman Sam Gejdenson involving about $200 million in grants and credits, would be appropriate. It should, however, be contingent on a model program of cooperation in the anti-drug effort and on civil rights progress.

The May 7 elections will be an extremely important indication of the will of Panama's people. A well-considered U.S. response must be tailored to take their aspirations into consideration as well as our own long-term interests.

Mr. GRAHAM. Mr. President, I would like to make three points: First, the election that will occur Sunday in Panama is very important to the people of Panama. It is also very important to the people of the United States of America. We have deep security interests in Panama. It is the home of our military headquarters for all of Latin America. We have deep economic interest in Panama. It is, of course, the home of the Panama Canal, a vital link in the international economic system for our country and for much of the world. Unfortunately, Panama has been captured by international drug cartels who are using it as a major transshipment and money laundering location to enhance their operations largely directed at the people of the United States of America.

So we have deep interests insofar as Panama itself. We also have deep interest as it relates to upcoming issues in this hemisphere. In February, elections will take place in Nicaragua. How the elections in Panama are conducted and our reaction after those elections will send a powerful signal to Managua as to the standards by which they are going to be judged. So we have important interests in what happens.

Second, the options after a stolen election for the United States are going to be much more difficult than the already difficult set of options with which we have been working for the past 18 months. What are we going to do if a country which is so strategically important to the United States sees its democracy stolen in the blatant manner that is anticipated? Those are questions, Mr. President, on which we are all going to have to arrive at a national consensus.

That brings me to the third point, and that is what we can do between now and Sunday is to try to create the most appropriate climate within the hemisphere and within this country for those tough decisions to be made after the election. That climate is going to be enhanced by having a maximum number of people and representatives of our people from other countries in this hemisphere, Europe, the United States and elsewhere in Panama to personally observe and to be able to carry back to their nations first hand information as to the larceny of democracy that will occur in Panama on May 7.

Mr. President, I commend the leadership, the majority and minority leaders, for having given this attention and expedited consideration which its importance deserves. I urge all my colleagues to join in sending a strong, powerful message for all Americans to Panama in hopes that it will achieve a positive result on Sunday but, failing that, to prepare us for the difficult decisions that will come after this election.

Mr. President, I yield to the Senator from Kansas if she wishes to allocate a portion of her time, and then I will ask for the opportunity to allocate time to my colleagues who have requested an opportunity to speak.

Mrs. KASSEBAUM. Mr. President, I believe the Senator from Arizona would like 5 minutes.

The PRESIDING OFFICER. The Senator from Arizona is recognized for 5 minutes.

Mr. McCAIN. I thank the Chair. I would like to thank the leadership for allowing this resolution to be considered in an expeditious fashion. I think it is indeed important that before elections take place, if they can be called that, in Panama, that the Senate express itself clearly and succinctly on this issue.

I would also like to thank my friend from Florida, Senator GRAHAM, as well as the Senator from Kansas, for their leadership in framing this resolution. I think it is an important one, and I think this is part of the activities that we have to engage in if we are to have even the slightest opportunity for a free election to take place in Panama this coming Sunday.

Mr. President, a couple of days ago President Bush gave an outstanding speech on Latin America. He concentrated a lot of his remarks on the situation in Panama, and I think he is exactly right. I think his words were well chosen, and I think he depicts the very serious situation that exists not only in Panama but the challenge to United States national security represented by the situation there.

Mr. President, I would like to point out that in the last 10 years, there has been an enormous change in Latin America. In the last 10 years, we have seen major nations turn from totalitarian governments to freely elected ones. Nations like Brazil, Argentina, El Salvador, Guatemala, Mexico, and others. For that, we should be proud, and we should indeed be grateful to the people of those countries who many times at great danger to themselves have forced the regimes to allow them to express themselves in the most basic and fundamental fashion. We should be proud of that.

There are several glaring exceptions, one of them being Nicaragua; another, of course, being the country of Panama. This Sunday, Mr. President, is an election which, by all indications that we receive from international organizations who are unbiased, is going to be a fraudulent one. We do not want that to happen. As we all know, an election is not free just because of what happens on election day. The freedom of an election is determined by the events that precede that. So far the indications such as repression of the media, manipulated voting lists, intimidation of opposition candidates, a rule which we understand has been installed which calls for burning of ballots after the counting, and others, have all the earmarks of a massive fraudulent election.

Mr. President, several objective polls have indicated that if this election were, indeed, a fair one, that the opposition coalition would win this election by a 2-to-1 margin. Those polls have been taken by several independent and very well regarded organizations. I think they are also accurate from what I saw on the visit that the Sena-

tor from Florida and I made just 2 weeks ago down in Panama.

Mr. President, this resolution condemns Mr. Noriega's acts so far just as in Chile when the Government there apparently was not allowing the accoutrements and necessities for a free election, we condemned Chile at that point. Fortunately, they changed their procedures and basically there was a free election held there.

This resolution condemns the acts so far. It calls on him to hold a free and fair election this weekend, and it makes clear that only a free election will readmit Panama into the community of democratic nations. I do not know what is going to happen this weekend. So far it appears as if there is going to be a fraudulent election. If that is the case, the United States is going to be faced with a major challenge.

Some people indicate that if this is a fraudulent election, the people of Panama will take to the streets and there will be severe discontent and unrest throughout that tiny nation. Others indicate that if this same series of events takes place, Panamanian defense forces will repress and suppress any demonstrations on the part of the Panamanian people. That is up to them. But it is up to the United States, if this is a failed election, to indeed make clear it will not be satisfied; we will call on other Latin American nations to condemn such behavior and shape our policy in the future in consultation with the leadership in the Congress, the American people, and other Latin American countries. As President Bush says, we should call upon other Latin American nations to condemn this election if it is fraudulent. I am disappointed, very frankly, Mr. President, that we have not seen more activity on the part of the OAS and other Latin American countries.

On Sunday, May 7, the future of the Panamanian people will be determined by this election. They deserve a free and open and fair election. It is the duty of this Nation and this body in my view to do everything in our power to ensure that the people of that tiny nation have the same rights that we expect for people throughout the world.

Mr. GRAHAM. Mr. President, I yield 3 minutes to the Senator from Alabama.

Mr. HEFLIN. Mr. President, I rise today to speak to my colleagues about the growing problem in Panama. As you know, the United States is fast approaching a crossroads in our dealings with Panama and the Panama Canal. The events of the next year will shape United States-Panamanian relations for decades to come.

As you know, on May 7, Panama will hold national elections and Gen. Manuel Noriega is doing all that he can to ensure that his favored Presidential candidate, Carlos Duque, wins the election. General Noriega, the indicted drug smuggler, continues to control the Government of Panama with his strong-arm tactics. We must ensure that these elections are not rife with the corruption and fraud we have come to expect from General Noriega.

There are reports that General Noriega has met stronger than expected opposition for his candidate. I hope this is true. Such opposition, together with the international team of election observers from the United States, Venezuela, Costa Rica, and Western Europe could serve to either defeat Duque in the Presidential election or expose the fraud which Noriega will instigate to steal the election.

The Washington Times reports that he has closed the opposition press and limited foreign journalists' access to the country during the election period. They also write that Noriega has assigned opposition voters to distant polling places and limited access to the election by requiring the replacement of voting credentials before April 8. Perhaps the most obvious sign of Noriega's attempted fraud is the provision that all ballots be destroyed after obtaining an official tally. In these ways and others, General Noriega will attempt to steal the national elections on May 7. Hopefully, the strength of the opposition and the reports of the election observers will serve to defeat Noriega's candidate or at least expose the election as a fraud.

Noriega is intent on undermining American influence in Panama and destroying any remaining pro-American support there. Although the Panama Canal remains American property until the year 2000, General Noriega continues his disturbing harassment of both American civilians and military personnel involved with the operation of the canal as well as Panamanian workers who help operate the canal. We must provide support for the international election observers who will attempt to report, at least, Noriega's efforts to steal the election.

PANAMA CANAL GIVEAWAY

Another important event with respect to our relations with Panama takes place in 1990 when the process to return the canal to Panama begins with a Panamanian national taking over as the Administrator of the Panama Canal Commission. This agency oversees the operation of the canal and must not be run by a corrupt individual selected by General Noriega. I was opposed to the treaty when it was ratified and I am still against it. In my judgment, America should not begin the process of returning the canal to Panama as long as Gen. Manuel Noriega and his henchmen continue to dominate the political spectrum in Panama, even if there is not sufficient support to rescind the treaty. The Panama Canal remains one of the most important structures to our economic prosperity and our national security and the corruption and strife fostered by notorious drug lords like Noriega must be eliminated.

Although American sanctions against Panama have yet to remove Noriega from power, we must continue to press for his ouster. Unfortunately, General Noriega represents a larger problem in Panama. While he is the leader of drug-running officials, he is by no means the only one. The corruption runs deep and we must decide if we want to chance turning over such a valuable asset as the canal to such an unstable government. At this time, I do not feel returning the canal to the Panamanians would be in the United States best interests and could be extremely damaging in the long run. In my judgment, we should prevent Panamanian control of the Commission in 1990 and rescind the Panama Canal Treaty which would return the canal in the year 2000. If adequate support for canceling the treaty is not forthcoming, then we should not relinquish control of this valuable asset until profound changes have occurred within the Panamanian Government and the influence of drug-running strongmen has been eliminated.

I am hopeful that the elections in Panama on May 7, 1989, will lead to better United States relations with Panama. If the opposition forces can defeat Noriega's chosen Presidential candidate, Carlos Duque, progress will have been made from within the country to limit General Noriega's growing influence. Until Gen. Manuel Noriega, and drug-running henchmen like him, are eliminated from control in Panama, the United States should continue to work for an honest government there and refuse to return the Panama Canal.

Mr. GRAHAM. Mr. President, I yield 3 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I commend the Senate leadership for bringing this matter before the Senate and in particular the Senator from Florida [Mr. GRAHAM], and the Senator from Kansas [Mrs. KASSEBAUM], urging hopefully overwhelming support for this sense-of-the-Senate resolution.

The Presidential and congressional elections on May 7 in Panama will prove to be turning points in that troubled country—they will either pave the way for a return to normalcy in Panama and in United States-Panama relations, or they will seriously threaten stability in the region, the freedom of the Panama Canal, and United States interests in the hemisphere.

All friends of democracy are deeply concerned over the repressive and antidemocratic actions taken by Gen-

eral Noriega and his henchmen. The independent press is restricted and the opposition is denied equal access to the Government press. The Panamanian defense forces are assisting the pro-government coalition and harassing the antigovernment coalition. Constitutional guaranteed rights are violated and opponents of the government suffer the threat of exile.

There is widespread evidence that Noriega is manipulating voting lists and plotting widespread fraud on election day and during the counting process. In addition, Noriega has attempted to hinder the presence of international observers in Panama for the elections and has tried to limit the size of the international delegation headed by former Presidents Jimmy Carter and Gerald Ford.

Despite this blatant intimidation, the people of Panama have organized an impressive campaign for a restoration of democracy in their country. The civic crusade has organized voter education to increase turnout and to decrease the possibilities of manipulation. The supporters of democracy have held large and small scale rallies and are organizing large-scale mobilization of the population for election day. They may also attempt to compile an independent count of the election.

It is clear that the overwhelming majority of the Panamanian people want an end to the torment and harassment of General Noriega. Just yesterday, over 100,000 opponents of Noriega filled the streets of Panama City to hear opposition candidates calling for a fair election and a new republic. They, also, accused the government of trying to rig the vote and warned that the people may react with violence if fraud is evident.

The recent independent polls in Panama have indicated a strong majority support of the opposition Presidential candidate Guillermo Endara. The latest Univision poll, by respected, well known experienced and independent pollsters, shows that 61 percent of the voters support the opposition candidate while the government candidate, Carlos Duque, receives the support of only 27 percent. In addition, 62 percent of the people polled disapprove of Noriega. Half of all voters believe the United States charges of drug trafficking against General Noriega are true and that the United States is a friend of Panama.

I believe this poll will be of interest to my colleagues and I ask unanimous consent that it may be placed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. KENNEDY. The United States has vital interests in Panama—and we have every right and responsibility to defend them. Hundreds of our troops and their families in Panama have been subject to harassment, intimidation, mock executions, and rape. United States assets have been sabotaged. Yet the administration has failed to speak out strongly against these outrages or to take adequate measures to prevent their recurrence.

The People of Panama want a return to decency and democracy in their own country and the United States should stand ready to help them in ensuring their wishes are respected and in a transition to democracy and respect for the rule of law. The United States has a deep obligation to protect our troops and assets in Panama and to defend democracy.

Mr. President, this resolution puts the U.S. Senate clearly on record for an end to the continuing trauma of General Noriega's rule of repression. The people of Panama will not stand for a stolen election and continued years of intimidation. The United States must stand clearly behind a transition to democracy. I urge my colleagues to support this resolution.

EXHIBIT 1

UNIVISION-NEWS POLL SHOWS OPPOSITION CANDIDATE GUILLERMO ENDARA WITH WIDE LEAD IN PANAMA

NEW YORK, NY.—May 1, 1989.—A Univision News poll of 1,312 Panamanian voters shows opposition presidential candidate Guillermo Endara of the ADOC coalition with 61% of the vote, well ahead of pro-government candidate Carlos Duque of the COLINA coalition who received 27% of the vote in the poll. Hildebrando Nicosia of the PPA received 3% of the vote, while 9% of all ballots were submitted null or voided.

The Univision News poll on the presidential election scheduled for May 7 was conducted in 21 different cities and towns throughout Panama from April 11th through April 18th by Bendixen & Schroth—a Washington, DC based research firm with considerable experience in polling in Latin America. The presidential vote question was administered using a secret ballot procedure, in which respondents fill out a sample ballot themselves and deposit it in a ballot box.

The margin of error in a poll of this kind is plus or minus 2.7%.

In addition to the presidential vote question, the poll contained the following five highlights:

A majority of Panamanians are expecting the election to be tainted, with 61% of voters saying there would be election day vote fraud. 25% think the election will be honest.

The job rating given to Panama's de facto leader, General Manuel Antonio Noriega, is low among Panamanians—with 62% of voters saying he is doing a bad job of leading the country, with only 33% saying Noriega is doing a good job.

One-half (49%) of all voters also believe that the 1988 U.S. charges of drug trafficking against General Noriega are true, with 27% saying the accusations are false. 24% were undecided or refused to answer the question.

The poll also suggests that the image of the U.S. in Panama may have slipped as the relationship between the two countries has become more controversial. Only 49% of Panamanian voters now consider the U.S. to be a friend of their country, while 31% consider the U.S. an enemy. In comparison, Venezuela is considered by 57% to be a friend of Panama, while only 13% consider it to be an enemy.

The Panama Canal is also a source of great concern among voters in Panama. Of those polled, 49% believe that the U.S. will not return the canal to Panamanian control in accordance with the Carter-Torrijos Treaty unless the military remands control of the government to civilian hands. 39% believe the U.S. will return the Canal regardless of the kind of government Panama has at the time.

The results of this poll will be presented over six nights of exclusive coverage by Univision-News political analyst Sergio Bendixen.

Univision-News, in conjunction with Bendixen & Schroth, has been conducting pre-election and exit polls in Latin America since 1984, including projects in Mexico, Chile, El Salvador, Guatemala, Honduras, Colombia, and Peru.

Univision is the country's leading Spanish-language television network reaching 85% of U.S. Hispanic households through 450 satellite-interconnected broadcast and cable affiliates around the country.

The complete results of the poll are attached.

Mr. GRAHAM. Mr. President, I yield back such time as our side might have.

The PRESIDING OFFICER. The Senator from Kansas has 2 minutes remaining.

Mrs. KASSEBAUM. Mr. President, I should like to point out that Senator GRAHAM from Florida and Senator MCCAIN from Arizona, two of the cosponsors of this resolution, are also part of the official observer team that will be going to Panama. It is hoped that they will be able to obtain visas so that they can be participants in this important event.

Mr. DURENBERGER. Mr. President, I rise today in support of the pending resolution on Sunday's elections in Panama. I do not think this resolution will do much to change Noriega's plans for the elections but it is important for this body to go on record—once again—in support of democracy in Panama.

On Sunday, voters will choose between the Civic Opposition Democratic Alliance [ADOC] and the pro-government National Liberation Coalition [COLINA]. There should be little doubt about the outcome. If the election is free, Guillermo Endara and ADOC will win. A poll released this week shows ADOC leading the race by better than a 2-to-1 margin.

All the indicators, however, point to an election that will not be free. Noriega will steal it for Carlos Duque and his running mates. Noriega will steal it because allowing the people of Panama to choose their leaders freely would be to allow himself to be voted out of power. Unlike most other countries in the hemisphere, Panama has

not left the long, dark cloud of dictatorship. While the tide of democracy sweeps the hemisphere—and the world—Noriega remains in power by flaunting the will of the people, by rejecting democracy for tyranny.

An article this week in the Washington Times claims some U.S. Government officials desire an accommodation with Noriega. The article cites a senior United States military official as being opposed to tougher action because "Panama is not an ideological battle." Despite clear policy direction from the President, apparently some in the U.S. national security bureaucracy still think that a deal can be made with Noriega. Mr. President, there will be no accommodation with Noriega. There will be no accommodation with an undemocratic Panama. President Bush has made this clear and Secretary of State Baker has made this clear.

The United States has strong and compelling security interests in Panama—interests that are perhaps stronger and more compelling than in any other Latin nation. Even a brief review of the stakes in Panama makes it clear that we must be prepared to do what is necessary to defend our interests after the election.

First, there is the Panama Canal which links the Atlantic and Pacific Oceans. Free operation of the Panama Canal has been a United States policy goal since the canal was completed. As long as Panama is a dictatorship that looks to the Libyas and Nicaraguas of the world for support, as long as Noriega's regime represses the legitimate desires of its people, Panama will not be stable. Over the long term, the canal cannot be considered secure if Panama is unstable.

Second, the Panama Canal treaties ratified in 1977 are the law of the land. The canal treaties signified the beginning of a new era in our relationship with Latin America. The debate over ratification was contentious but in the end, advocates of equality and respect won. By December 31, 1999, full control of the canal will revert to Panama. An important milestone in the path of implementation is scheduled to take place later this year when the Panama Canal Commission will be headed by a Panamanian. Despite the political difficulties, the canal treaties have—so far—remained outside the disputes. As Secretary Baker said yesterday, "The United States believes in abiding by its agreements." As a political observer, however, I must note that a Panama under Noriega's control will not have a blank check in treaty matters.

Third, democratic development in Panama is in the United States interest. The 1980's have seen a tremendous growth in democratic ideals and practices in Latin America—Panama remains one of the few holdouts. We know democracies do not subvert their neighbors, do respect human rights, and do better the lives of citizens. Security of the canal and sanctity of the canal treaties will be best served by democratic government in Panama. United States-Panamanian relations can only flourish with democratic government in Panama.

Fourth, the elections in Panama have importance far beyond Panamanian soil. Throughout the hemisphere observers will be watching the United States reaction to events in Panama. Our policy toward Nicaragua now rests on elections scheduled for next February. We can be sure the Sandinistas will be watching events in Panama—as will friends and foes of democracy throughout the world. U.S. policy has sought the removal of Noriega for more than a year—with little effect. Our credibility has been damaged and our interests have suffered. The paralyzing disputes within the United States Government have only strengthened Noriega's hand, made America look divided and weak, and harmed the prospects for democracy in Panama. A forceful, coherent United States response after the elections in Panama will be necessary if this is not to be another lost opportunity for change in Panama.

Fifth, American citizens are being harassed, intimidated and harmed in Noriega's Panama. Over 600 incidents involving U.S. military personnel have been cataloged in the last 14 months. The harassment ranges from the petty to the severe, including mock execution, assault, and rape. I cannot think of another situation anywhere in the world where such behavior would be tolerated—much less kept quiet. Yet the United States Southern Command has said or done little to protect American servicemen in Panama. One of our primary obligations as a world power is to protect the lives and well-being of our men and women serving abroad. In Panama, we have not met that obligation.

Finally, the United States has a strong interest in halting the flow of narcotics from Latin America. General Noriega is under indictment for his role in facilitating the flow of illegal drugs into the United States. The indictment was not the best tool for our foreign policy—in fact I was willing last year to use the indictments to bargain for Noriega leaving power and leaving Panama. Regardless of one's position on using the indictments, the reality of Noriega's involvement in the drug trade is there for all the world to see. If we are serious about stopping the drug trade, we have to be serious about getting Noriega out of a position where he can use his power to further that trade.

These are the stakes in Panama. The election will take place on Sunday. Former Presidents Ford and Carter will head an international observer delegation. Some of my colleagues may also travel to Panama. We can and must publicize the results of the election. After months of inattention, the news media is finally reporting on events in Panama. If Noriega steals a win for his candidates, the world will know about it. If Noriega steals the election, the U.S. response should be firm and prompt.

There are many steps the United States could take but, so far, has not taken. Noriega must understand that he cannot continue to jeopardize American interests with impunity. He must understand that he will pay a price. That price needs to be determined by President Bush and communicated to Noriega—and to all U.S. officials, be they civilian or military. The stakes in Panama are too high for continued United States infighting to paralyze our response. And the stakes are too high in Latin America for Noriega to flaunt democracy without costs.

I urge my colleagues to support the resolution. I ask unanimous consent that the newspaper article I cited be printed in the RECORD.

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

PENTAGON PLAYS PATTY-CAKE WITH NORIEGA, SOME SAY

(By James M. Dorsey)

The United States only half-heartedly supports Panamanian opposition efforts to remove strongman Gen. Manuel Antonio Noriega because the American military fears this could violate the Panama Canal treaties, said Bush administration and Panamanian opposition sources.

The sources, including State Department officials and intelligence operatives, pointed fingers at Adm. William Crowe, chairman of the Joint Chiefs of Staff, and Gen. Fred Woerner, commander of the U.S. Southern Command.

They said U.S. material aid still flows to the opposition but support for ousted President Eric Arturo Delvalle is ebbing. The United States recognizes Mr. Delvalle as Panama's head of state, even though he was forced from office last year after failing to fire Gen. Noriega as commander of the Panamanian Defense Forces.

The sources wouldn't confirm reports President Bush had approved $10 million for the opposition, saying they didn't know from which U.S. pot some opposition activities were being financed.

Some sources said the CIA has in recent weeks let the Panamanian opposition buy new equipment. The U.S. Treasury gave Mr. Delvalle's Washington Embassy $1.5 million last week to cover its operating costs—the first disbursement in several months.

American officials said embassy expenses are being financed from Panamanian funds on deposit with U.S. banks when the Reagan administration imposed economic sanctions last year to force Gen. Noriega from office.

The sources said they suspected Pentagon and U.S. military officials were trying to undermine U.S.-backed efforts to overthrow Gen. Noriega. They said these officials be-

lieve accommodating the Panamanian strongman would ultimately better serve U.S. interests.

"JCS is a problem, and the commander of the Southern Command is a problem. They are voices of accommodation and of doing nothing," said a State Department official.

"Panama is not an ideological battle. This is a battle of personalities, and I'm not going to have 19-year-old kids die for a battle of personalities," one source quoted Adm. Crowe as saying recently.

Well-placed sources said Gen. Woerner last week before the Senate Intelligence Committee again argued against letting opposition radio transmitters operate clandestinely from U.S. bases in Panama because this would violate the 1977 Panama Canal treaties under which the waterway comes under Panama's control in 2000.

Specifically, the Panamanian opposition would have liked to emulate the successful broadcasts of the Nicaraguan resistance by using five stationary transmitters with five frequencies each.

The sources said infrequent and poorly received radio transmissions in Panama stopped after six months following the April 5 arrest of American businessman Kurt Frederick Muse. Mr. Muse, whose arrest led to Panama's seizure of $350,000 worth of radio and communications equipment, is believed to have been part of the CIA-sponsored effort to break Gen. Noriega's grip on the mass media.

The sources said transcripts for radio programs are being smuggled into Panama and authorities had not seized all 12 suitcase transmitters the CIA provided to the opposition.

The sources said the United States has evacuated 22 Panamanians involved in the clandestine-broadcast efforts.

They said Mr. Muse's arrest was one of several incidents which have fueled suspicion that elements within the U.S. government are trying to thwart Noriega opponents.

"There is no question that certain people do not share our views of [supporting free and fair elections] and they cause serious problems," said one administration official.

Intelligence sources said Mr. Muse was arrested after a Panamanian involved in the project betrayed it for financial gain.

The U.S. and Panamanian sources said the broadcasts were aimed at persuading Panamanians to vote in next Sunday's presidential and legislative elections, assuming that a higher turnout would work against Gen. Noriega.

The sources said recent leaks about U.S. financial support for the opposition and the arrest on drug charges last month in Atlanta of Carlos Eleta, owner of an anti-Noriega television station in Panama, also served to discredit opposition forces.

State Department and Panamanian sources accused Gen. Woerner of letting Gen. Noriega limit U.S. rights in Panama under the Canal treaty by not standing up to repeated harassment by the Panamanians.

"Woerner's reaction is not 'I'll punch you if you do that,' but 'be nice.' the PDF has learned that if you want something from DOD, you've got to be tough and they'll try to buy you off," said a State Department official.

As a result, the official concluded, "we don't have people in Panama protecting our rights."

Officials said Secretary of state James A. Baker III was aware of the problem but had yet to decide how to tackle it.

They said a fraudulent election result could force the issue to the forefront since Washington refuses to deal with any Panamanian government as long as Gen. Noriega remains in power behind the scenes.

Said one official: "We're just beginning to formulate a cohesive approach. . . . We're looking at the whole range of options. That doesn't mean anybody is considering the ultimate option. It's simply a new team and the same options."

Sources said Mr. Delvalle pleaded with Secretary Baker in a meeting last week to enhance the opposition's ability to act against Gen. Noriega. They said Col. Roberto Diaz Herrera, a former Panamanian ambassador to Israel now exiled in Miami, had assembled a military force ready to strike.

"They have him practically handcuffed . . . He wants to strike against militarily strategic targets," said one source.

Critics of the State Department's hardline approach argue that Gen. Noriega will more likely leave office if the United States backs off somewhat.

"We in Latin America know that blockades and economic sanctions are a lot of bull. Fidel [Castro, Cuba's president] has been around for 31 years. The Sandinistas are now going into their 10th year. With all this pressure, we may have Noriega for 10 more years because these policies don't work," said a Central American politician with close ties to Gen. Noriega and the opposition.

Mr. KERRY. Mr. President, this Sunday, the people of Panama will go to the polls to elect a new President. Unfortunately, for the overwhelming majority of Panamanians, it appears that their vote will not count. Panama's narco-dictator, Gen. Manuel Antonio Noriega is seeing to that.

Every report coming out of Panama signals that this will be a rigged election to assure that General Noriega remains in power. The evidence is overwhelming that the Noriega regime has manipulated the voter registration rolls to deny the vote to his opponents and permit multiple voting by his supporters.

A close look at what has transpired in the voter registration demonstrates various forms of fraud already undertaken which include the following:

The addition of 168,000 unexplained voters to the election register. This represents a 29-percent increase in registered voters since 1984, despite the fact that the general population has increased only 16.8 percent during this period of time.

The duplication of more than 100,000 names through the issuance to loyal voters of multiple identity cards needed to cast the ballots. In other words, this will allow 100,000 Noriega loyalists to vote more than once in the election.

The listing of dead persons as registered voters.

The circulation of forms among government workers requesting that they not only provide their own identity card numbers and political affiliation to Noriega operatives, but also those of three relatives or friends.

The regime has resorted to intimidation of opposition candidates. Bus drivers have been threatened with the loss of their licenses if they transport opposition supporters to rallies. Access to the media has been denied to opposition candidates. Public employees have been coerced to support the regime. Steps have been taken to restrict both the size of international observor delegations and their ability to monitor the election in any meaningful way.

What we are witnessing in Panama is an exercise which could lead to one of the most massive electoral frauds ever perpetrated by any regime, anywhere in the world. Every poll in Panama shows the overwhelming unpopularity of Noriega and his cronies and a strong desire on the part of the Panamanian people to rid themselves of this common criminal and his henchmen.

That is why I am pleased to join with the leadership of the Senate in offering this resolution expressing our deepest concern for what is happening in Panama. With the toppling of the dictatorship in Paraguay and the holding of recent elections in that country, which by all accounts, was essentially free and fair, Noriega is becoming increasingly isolated in this hemisphere as the last of the dictators.

It is important that we send this signal that support for the democratic processes throughout Latin America and the world continues to be the fundamental goal of our foreign policy. It is important to signal the Noriega regime that if it perpetrates a massive fraud, as expected on Sunday, that it will stand out as a pariah in this hemisphere.

There should not be any doubt in anyone's mind that Noriega is nothing more than a common criminal and thug. The only way he can maintain himself in power is through repression and the manipulation of massive voter fraud on Sunday.

Finally, Mr. President, the time is long overdue for the executive branch of our Government to get its policy act together as it relates to Panama. It is time to end the debate in the executive branch whereby the Pentagon and certain other agencies of our Government continue to resist all efforts to promote democracy in Panama. It is imperative for the Congress and this administration to work closely, in the aftermath of Sunday's election, to devise a workable policy that will assist the people of Panama in achieving the goal we all share—that of bringing democracy to that country.

Mrs. KASSEBAUM. I yield back any time remaining on this side of the aisle.

The PRESIDING OFFICER. All time is yielded back.

OMNIBUS CONGRESSIONAL BUDGET RESOLUTION FOR FISCAL YEARS 1990, 1991, AND 1992

The Senate continued with the consideration of the concurrent resolution.

The PRESIDING OFFICER. Senate Concurrent Resolution 30, the budget resolution, is now pending before the body.

Mr. BOSCHWITZ. Mr. President, I am going to send an amendment to the desk, but perhaps I would suggest the absence of a quorum until the leadership returns to the floor.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Did the Senator from Minnesota object?

Mr. BOSCHWITZ. No.

Mr. JOHNSTON. Is time under control at this point?

The PRESIDING OFFICER. It is the leader's time on the Budget Act.

Mr. JOHNSTON. Mr. President, I wonder if one of the leaders will yield me 5 or 10 minutes, while we have a little downtime here, to speak on the resolution? I do not have an amendment to offer.

Does every Senator have an hour?

The PRESIDING OFFICER. The Senator from Louisiana can obtain time from your side by unanimous consent.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that I be granted 10 minutes to speak on the resolution.

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

Mr. JOHNSTON. Mr. President, I will vote against this budget resolution. In the Budget Committee I made my position very clear, and at that time I offered an alternative to the budget resolution, which was a set of numbers, which equaled what we called the "sequestration numbers." In effect, it would have cut $46 billion from the budget, $23 billion in outlays from the nondefense side, and $23 billion from the defense side. I did so, Mr. President, because that is what the law would require, if the law were faithfully executed.

Mr. President, at the time the Gramm-Rudman law was proposed some years ago, and 2 years ago when it was amended, I opposed that Gramm-Rudman law. I did so in large measure, because I stated at the time that if we enacted that law, I thought the focus would be away from budget reduction, from budget deficit reduction, and the focus would then be on complying with the rules. In other words, the rules would get to be the game, rather than the budget reduction.

Mr. President, that is exactly and precisely what has happened, and what this resolution does is prove that; because the instant resolution, as proposed in a bipartisan resolution, signed onto by the President and the Congress, is to pretend that we have reduced the budget deficit down to the targets as required by the Gramm-Rudman law; that is, a $100 billion deficit, when in fact they do not do so.

Mr. President, in the Budget Committee report, a copy of which is on every Senator's desk, I have provided an analysis of this resolution, showing how it fails to cut the budget deficit. Keep in mind that CBO, the bipartisan group, whom we always follow, says the budget deficit is $147 billion. The Gramm-Rudman target is $100 billion, and this resolution purports to cut $47 billion from the deficit. Does it do so? Of course, it does not. There is not a Senator in this body who believes that it does make those cuts.

To the contrary, Mr. President, virtually all of the cuts are not cuts from policy, not cuts that reduce the spending line, the trend of expenditures. Rather, they are either smoke and mirrors, or they are one-time grabs on things like asset sales.

I analyzed those in great detail, Mr. President. For example, we point out that $9 billion is on economic estimates that you can characterize as being somewhere between unlikely and preposterous. I think we are closer to preposterous, because they project 5.5 percent interest rates, when today's interest rates are actually 8.61 and rising.

There is another 10.5 billion in what we call technicals. It is an arcane science, to be sure, but when you deal with things like spend-out rates, the rate at which an appropriation ripens into an outlay, and if you deal with that in an unreal way, you can produce billions of dollars.

This budget resolution produces 10.5 billion dollars' worth of what I call phantom dollars. So you have $9 billion on economic assumptions, $10.5 billion on technicals, and what happens to the rest?

Mr. President, you have another $6 billion if I recall the figure on pure budget gimmickery. It has moving agricultural deficiency payments from fiscal year 1990 back to fiscal year 1989, the same dollars to be spent, same effect on the budget but move it forward a few days and it disappears from this deficit; $2.1 billion on postal subsidies which must be paid but rather than pay them and recognize their effect upon the deficit they wave the magic wand and presto they disappear from the budget. They disappeared by simply declaring them off budget. The same thing is true of FSLIC payments, Federal savings and loan payments are off budget.

Then we have the asset sales, Mr. President. If I recall that is $5 billion. One shot deals like the sale of the Elk Hills Petroleum Reserve. By the way they order that up every year to take credit for it and it does not materialize. Even if it does materialize, it does not really reduce the deficit. It is like selling the family china or jewels in order to make the family budget balance. It does not cure the problem. It only makes the problem worse. If you sell Elk Hills, then the oil payments we get from that every year disappears so it makes next year's problem even worse, not better.

As I analyze this budget resolution, there is only 1.9 billion dollars' worth of real cuts in the CBO spending line. So the next year when the budget target is $64 billion, not $100 billion as in this year's resolution, we will be starting from the same starting point we have now, which is $147 billion, that is if CBO is correct and if there are no changes in the economy in the meantime then you have not reduced that $147 billion so the difference you will have to make next year may be $70 or $80 billion.

Why are we putting it off to next year? I guess the President made a campaign promise of no new taxes and the thing does not work without probably some revenues and the Congress really does not have the zeal to get in and really reduce the deficit.

So, we are just sweeping the problem under the rug until next year. Only next year is what—an election year and in an election year we do not take any tough action on the budget. We know that. That happens year after year. I do not know how we get around it next year but mark my word we will get around it next year there will be no tougher action next year; there will be no $64 billion target as required under Gramm-Rudman reached next year.

Mr. President, this action this year is no better or no worse than we have done in prior years.

I was on the economic summit back a year and a half ago in the waning days of the Reagan administration, and at that time we also were facing a Gramm-Rudman target that was coming on. It was finally Gramm-Rudman was going to take hold and require some cuts, but the administration came in and said, "No, this is going to be an election year next year," that is fiscal year 1989 was going to be an election year. So they said, "We have got to change those targets." So, over my objection we upped the targets, but everybody said, Democrats, Republicans, White House, Congress, that next year; that is, this year, was the year we really had to make the cuts because the new Presi-

dent was going to come in at that time and he was going to face up to the responsibility because the election would be over and he would have to make the real policy changes.

Here we are, a new President, new 4-year mandate, everybody wants to reduce the deficit and what do we do? We do absolutely nothing, Mr. President, but smoke and mirrors and budget gimmicks and unreal estimates and technical readjustments, and sales of assets, and even on the taxes which are proposed the President proposes to raise revenue by reducing taxes on long-term capital gains.

So, Mr. President, I commend the spirit of trying to get out an early resolution and this resolution does have the advantage of being early. I commend the spirit of wanting to be bipartisan because any budget action must be bipartisan, must include the White House if it is going to be effective but beyond that, Mr. President, this resolution is two steps backward. I do not know when we finally wake up to the fact that we have to deal with it. How to deal with it, I have my ways of dealing with it which I can and have detailed. It is not just a question of taxes. Indeed, I would——

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. JOHNSTON. I ask unanimous consent for one additional minute.

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

Mr. JOHNSTON. What I am saying this country, this President, this Congress, must face up realistically to the challenge and do something, whatever it is; either say we cannot deal with it and increase the targets, or we have to cut spending, and I think we can cut spending in some important areas like troops in Korea. What in the world are we doing with 44,000 troops in Korea when they have twice the population of North Korea and 7 times the GNP? We could save money there and I could tell you a number of ways where we could save money. The fact of the matter is this resolution does not do it. We ought to go back to the drawing board and require real budget reduction. I cannot vote for this resolution for that reason.

The PRESIDING OFFICER. The Senator from Minnesota.

AMENDMENT NO. 89

(Purpose: To express the sense of the Senate that all Congressional and Executive budget documents should emphasize a baseline based on the current level of Federal spending instead of the current services baseline)

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

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. BOSCHWITZ], for himself, Mr. CONRAD, Mr. KASTEN, Mr. MACK, Mr. GORTON, Mr. SYMMS, and Mr. NICKLES proposes amendment numbered 89.

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

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

The amendment is as follows:

At the appropriate place insert the following:

CURRENT SERVICES BASELINE

SEC. . (a) The Senate finds that the use of a current services baseline in presenting budget information—

(1) does not provide the public with complete and clear information on the growth in Federal spending from one fiscal year to the next fiscal year;

(2) does not clearly identify the underlying growth rate in particular Federal programs within the Federal budget;

(3) leads to the misconception that Federal spending is being cut when in fact it has grown; and

(4) does not present the Federal budget in terms the public can easily understand.

(b) It is the sense of the Senate that all congressional and executive budget documents, including analyses of the Federal budget and any deficit reduction agreements, should prominently include the current level of Federal spending in each category and clearly identify any proposed increase or decrease from that level.

Mr. BOSCHWITZ. Mr. President, the amendment is offered not only on my own behalf but also on behalf of Senators CONRAD, KASTEN, MACK, GORTON, SYMMS, and NICKLES.

Mr. BUMPERS. Will the Senator yield for a question?

Mr. BOSCHWITZ. Yes.

Mr. BUMPERS. How long will it take?

Mr. BOSCHWITZ. About 15 minutes. If the Senator has a short statement he wishes to make I will yield to him.

Mr. BUMPERS. I have a statement about 10 minutes. Does the Senator consider that short?

Mr. BOSCHWITZ. No.

Mr. BUMPERS. In that case I will come back later. I thank the Senator for his usual consideration.

Mr. BOSCHWITZ. I thank the Senator.

Mr. President, I have a chart that shows the spending of a normal family, a family that has an income of $18,000. The spending in 1989 is broken down according to taxes, food, insurance, and so forth as the chart outlines.

I ask unanimous consent that the chart be printed in the RECORD.

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

	1989 (actual)	1990 (current services)	"Cuts"
Taxes	$1,500	$1,300	
Food	3,000	3,150	−100
Insurance	1,000	1,100	
Rent	6,000	6,300	
Car payments	1,500	3,000	−300
Car expense	1,840	1,500	−150
Entertainment	1,200	1,350	−50
Child costs	800	1,900	
Miscellaneous	1,160	1,200	
Total	18,000	20,800	−600

Mr. BOSCHWITZ. Mr. President, I have laid out this family's budget for the next year as if it were under current services. In 1990 under current services, all categories would receive an increase to cover additional costs. My example shows those new costs would total $20,800. This head of the family finds that he is not going to be able to make that amount. He is not going to have enough money to spend $20,800, so he is going to have to make cuts from that inflated level. He needs to make $600 in savings from this projected spending level.

If you look at the chart, you will see the family's taxes this year were $1,500. In 1990, they would become $1,300. That is a reduction of $200, because this family man has had an additional child, and the additional exemption will reduce his taxes.

However, under the Federal budget policy, that is not counted as a savings. Even though he has spent $200 less this year than last, his budget under current services has not been cut. Food is going to be more this year. It is going from $3,000 to $3,150. He has another mouth to feed. Child costs are also going up from $800 to $1,900. Insurance is going up. He is lucky. It has only gone up 10 percent, from $1,000 to $1,100. Car payments are going up too. He had to get a new car with the new child, and so the car payment goes from $1,500 to $3,000.

He realizes that he cannot make it. What is he going to do? He and his wife decide to go to the warehouse food market every 2 weeks and buy in larger quantity. They will save $100 from the costs they had projected for next year.

He decides not to buy as large a car as he has now. Current services assumes and expects that he will buy a car just as large as the car he has at the present time. However, he has decided to purchase a smaller car, in order not to spend so much. That will cost $300 a year less. His automobile expenses will go down as well, because it is a smaller and newer car.

And then there are entertainment expenses. He has found a way to economize on that. Even though it is going up from $1,200 to $1,350, he will bowl only 3 times a month, not 4 times a month, and that will save $50.

Looking at this new budget, then, we see he spent $18,000 this year. In order to live in the same manner next year, he has to spend $20,800.

He does not have the money. He has $600 less, so he is going to make those savings by shopping at the Warehouse Food Store, buying a smaller car, and bowling only three times a month, rather than four.

After all these economies, his spending still increases from $18,000 to $20,200. But under the vocabulary of the Federal budget, he has cut speeding by $600.

That is a very interesting way to put together a budget. Your spending can actually go up 12, or 13 percent, and yet you can save $600.

The amendment that I have sent to the desk simply states that we should start the budget with last year's spending and measure this year's on the basis of what we did last year. I think that is a concept that most Americans would understand. The reason for the amendment is that most Americans do not understand the current budget process.

For instance, from 1980 to 1986, we made $239 billion in cuts under current services. If you ask budgeteers here in the Senate, they would tell you we saved $239 billion. At the same time, we added approximately $1.2 trillion to the deficit.

So each year, we begin budget negotiations with the assumption of automatic growth for all programs. Negotiations for the next year start at an inflated level. That makes it far more difficult to understand the budget and it makes the budget far more difficult to restrain, much less cut.

When I try to explain to my constituents, either businessmen or people with families, that the budget is not based on how much you spent last year but rather on how much you expect to spend this year, I just get a blank stare. They begin to scratch their heads and rub their eyes, wondering whether or not I really said that.

This is not the way Americans figure their budget, it is not the way businessmen figure their budget, but it is the way American taxpayers are expected to understand the budget process of the United States.

Mr. President, current services also adds to the inflationary pressures of the economy. Federal spending now accounts for about 21 percent of the goods and services produced in our Nation. When Federal spending is adjusted for projected inflation, it makes inflation that much more likely to happen and that much more difficult to stop.

It creates a bias in favor of higher spending, as well.

In my opinion, current services, with all its built-in assumptions of spending growth, misrepresents the budget to the American people. Each year we project an increase in all programs, only restrain the growth in a few areas, and then pat ourselves on the back for cutting the Federal budget. The truth is, every year we have let Federal spending increase.

This becomes obvious when you consider the figure I mentioned earlier. We claimed $239 billion in cuts from 1980 to 1986 under current services, when we actually increased the deficit by the largest amount in the history of the country.

The budget summit of 1987 is another example of manipulating the so-called baseline. Congress claimed credit for $76 billion in deficit reduction in that agreement, but the figures are always based on savings from the current services baseline. In fact, in both 1988 and 1989, these deficits rose above the 1987 figure.

And we are doing it again this year. We are claiming spending cuts of close to $14 billion in this budget when outlays in the total budget indeed increase by over $22 billion.

This holds true across a number of budget categories. For instance, defense spending under this budget increases by $2.5 billion. In actual outlays, we are spending $2.5 billion more than the year before. Yet, we are claiming savings of $4.2 billion.

In all of the domestic discretionary spending programs, we are taking a total cut of $300 million, yet the budget outlays in these discretionary spending programs is actually rising by a total of $11.1 billion. Saving $300 million while you are out-of-pocket an additional $11 billion is a pretty neat trick.

Take Medicare. We cut Medicare by $2.7 billion. And those of us who vote for that certainly are taking grave political risks. But hold on for a minute now. While we are cutting Medicare by $2.7 billion, outlays in the Medicare function increased by $11.4 billion. It is simply difficult to understand. It is a confusing way of starting the entire debate.

When we present the budget, it greatly affects the public's understanding of Government and leads to a loss of confidence in Government. A Roper poll recently indicated just that.

This sense-of-the-Senate amendment is based on my Commonsense Budget Act, which I introduced in February with most of the Senators who cosponsored this amendment, cosponsoring the bill. Over 70 trade organizations also have endorsed my bill, including the Chamber of Commerce, Citizens for a Sound Economy, and the National Federation of Independent Businesses.

In an editorial endorsing my bill, the St. Cloud Times, from my home State of Minnesota, said, "There's something very wrong about a system that automatically accepts inflation. No sound business operates that way."

An editorial in the Christian Science Monitor also supported the concept, stating that "the average American family understands that a spending cut means spending less than you did in the previous period. They assume that politicians use the same standards. Most Americans are completely unaware that a spending cut in Washington means something completely different than it does on Main Street, U.S.A."

An editorial by Donald Lambro in the Washington Times quoted David Makarechian from the Citizens for a Sound Economy as saying that "the important point is that lawmakers will have to justify the increases * * * rather than simply relying on automatic increases from the current services formula." The same editorial also quoted a statement Chrysler Chairman Lee Iacocca once made about the current services baseline: "If we did this in business, they'd lock us up!" The article finished by saying, "It's high time we took the built-in spending increases out of the budgetmaking process."

Mr. President, this amendment supports truth in budgeting. When we start talking straight to the American people about the budget, they will gain renewed confidence in this body. We need to restore a little commonsense to our budget process, and rely a little less on arcane and confusing budget procedures.

Mr. NICKLES. Will the Senator yield for just a question?

Mr. SASSER addressed the Chair.

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

Mr. BOSCHWITZ. I yield to the Senator from Oklahoma.

Mr. NICKLES. Mr. President, I say to the Senator from Tennessee that I am not going to take but just a second.

I wish to compliment the Senator from Minnesota for his statement. I think he said it all. I certainly will not repeat it.

But, as I understand the Senator's amendment, a sense-of-the-Senate resolution, it is that we should be working off of last year's or this year's current estimated fiscal outlays for the baseline instead of using anticipated, hoped-for increases with inflation already built in as the baseline; is that correct?

Mr. BOSCHWITZ. That is correct.

Mr. NICKLES. I will compliment you for your resolution. I ask to be made a cosponsor.

Mr. BOSCHWITZ. I believe I mentioned you as a cosponsor.

Mr. President, I ask unanimous consent that an article by Senator DOMENICI, dated November 7, entitled "* * * And a Great Misconception," which deals with the various programs which were allegedly cut and actually increased in spending, be printed in the RECORD as if read.

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

* * * AND A GREAT MISCONCEPTION

(By Pete Domenici)

Question: Programs to help low-income Americans during the Reagan administration have a) been cut 75 percent; b) been cut 25 percent; c) held steady; or d) risen 50 percent?

The correct answer—are you ready?—is "d". In fact, federal assistance to low-income Americans rose 52 percent, comparing actual dollars spent during fiscal year 1981, set before Ronald Reagan took office, with fiscal year 1989, just approved by Congress.

Specifically, spending increased from $98 billion in 1981 to $149.2 billion in the fiscal year just begun.

I'll bet not one in 10 Americans would have guessed the right answer to my question. The drumbeat of "facts" from the press and the Democratic candidates has hammered away at the devastation that the Reagan years have supposedly inflicted on programs for the poor. But it simply is not true.

Let me cite an example. One of the questioners during the first presidential debate asked George Bush:

". . . Why over the eight years of the Reagan-Bush administration have so many programs designed to help the inner cities been eliminated or cut?"

The Democratic nominee went on to add this comment: "These programs have been cut and slashed and butchered, and they've hurt kids all over this country."

"Butchered?" If so, where's the beef? Where are those cuts?

Well, they aren't in Medicaid; that program has risen 98 percent of $33.9 billion. Nor are they in food stamps, up 22 percent to $13.8 billion. Subsidized housing rose 116 percent to $12.3 billion, covering 1 million more units than in 1981. AFDC (welfare) increased 34 percent to $11 billion. Pell grants to help poor kids go to college rose 87 percent to $4.3 billion. Spending on WIC [a supplemental feeding program for women, infants and children] increased 122 percent to $2 billion. Head Start gained 50 percent to $1.2 billion.

The list goes on and on. Some more facts:

In 1981, 14 percent of our population of 225 million lived in poverty, as defined by the federal government. The latest figures (1987) set that percentage at 13.5 percent of 241 million Americans.

Over the same span, the amount that federal taxpayers contributed per poor person rose from $3,079 in 1981 to about $4,600 today. That is an increase of 49 percent.

So why does this misconception persist?

For one thing, spending priorities have shifted somewhat. They have shifted away from the priorities of the 1970s, when entitlement programs grew at an unsustainable rate of more than 15 percent a year. That has been moderated.

Some will also cite a program or two where real cuts have occurred. That's true, too. They were cut because they weren't working, and the Comprehensive Employment Training Act (CETA) is a perfect example. Community Services grants were cut 43 percent to $400 million. But that was more than offset by increases in assistance to the homeless, which rose from virtually nothing in 1981 to $500 million this year.

Others will argue: you forgot inflation. True, the percentages and dollars are based on what Congress appropriated each year, dollars actually spent by the federal government. Over that period from fiscal 1981 to fiscal 1989, cumulative inflation has been 37 percent.

But even after subtracting inflation, and after adjusting for the small but real increase in the number of poor Americans, actual spending on the poor remains at higher levels than when Ronald Reagan and George Bush took office.

So why does the misconception persist? Why are knowledgeable reporters asking questions based on a skewed view of reality? Why can candidates get away with flipping reality on its head?

A lot of attention is paid in the press to presidential and congressional budgets, which are recommendations. Practically no attention is paid to the appropriations bills, which actually set the priorities of the federal government.

Yet every single one of those appropriations bills, whether a huge continuing resolution or 13 individual bills, has been passed by both houses of the Congress and carries the signature of the president. Every one was signed by President Reagan. And for six out of those eight years, Republicans controlled the Senate.

The confusion comes from this fact: Congress budgets differently from the way families do. When my wife and I pay our electric bill each month, we see a "cut" if the bill actually costs us less than it did the month before.

That's not how Congress works. Congress budgets on a basis of "what it would have spent," not on a basis of "will it cost more"? The economic summit a year ago proclaimed "cuts" in federal expenditures. Yet spending rose 5.8 percent in 1988. The reason: the increase was less than it would have been without changes in policy. So a 5.8 percent increase became a "cut."

Americans know that problems exist in our society. As we always have in our efforts to build a better world, Americans want to roll up their sleeves and tackle our social and economic problems: fighting drugs, improving education, reducing poverty. These are challenges requiring work at every level of our society, the same kind of united effort that has enabled us to meet the challenges of the past.

Leaving the impression that our problems are simply the product of "cuts" in federal spending is not only false; it deflects us from the real task of solving those real problems.

What we must do is stop whining about fantasy cuts of the past and look afresh at these problems, then develop real-world solutions, ones that make certain the money we spend is spent as effectively as possible.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I have no objection to accepting the amendment of the Senator from Minnesota but let me first say just a word or two.

I can understand the Senator's frustration. The Federal budget is a complex matter. It is not nearly as simple as the family budget that he has just introduced.

We cannot expect a budget well over $1 trillion of a Government that has responsibility for over 260 million Americans, the Government of the most powerful Nation of this world, rival the average family budget in the simplicity which the Senator from Minnesota as just exposed us to here in this body.

I thank him for this elucidation this afternoon. I found it very interesting although, frankly, not very informative, I might say.

The concept that the Senator from Minnesota attacks is driven, quite frankly, by the times in which we live. And those times are inflationary times. It is inflation, principally, which drives a current services baseline.

Let me just give you an example.

Let us take Medicare costs for the fiscal year 1990. They are projected to rise by 13 percent. If we follow the recommendation of the Senator from Minnesota, we would not put that 13-percent rise into our current services baseline. So, if we allocated the same funding for fiscal year 1990 for Medicare as we did for fiscal year 1989, the Medicare dollar would purchase 13 percent less.

What would the result be? The result would be that hospitals would close throughout this land. The result would be that elderly citizens who badly need medical care would not be able to get it because the Medicare provision would not be adequate to take care of them.

I suppose that if we follow the rationale of the Senator from Minnesota we ought to abolish the cost-of-living adjustments for Social Security. Let us just give the Social Security recipients the same amount they got last year, or the year before and standby and watch inflation erode their purchasing power back to the point that we open up the poorhouses throughout the land. Is that what the Senator from Minnesota is recommending that we do here today?

It is fashionable to get up and talk about the Washington establishment and attack the Washington establishment because we use a current services baseline. I am sure that there are many people who do not understand it. But it is simply a reaction to the times in which we live. If we followed the recommendation here of the Senator from Minnesota, Federal spending or planning the Federal budget would not take into account the demographic changes.

For example, let us say that the number of people coming on to Social Security or Medicare increases by 12 percent from 1 year to the next. If we follow the recommendation of the Senator from Minnesota, we make no consideration for that either. So, those benefits are eroded, not just by inflation but also by the number of recipients being increased.

The course of action that is urged on us by the Senator from Minnesota would make no allowance for spending commitments that the Federal Gov-

ernment has made in prior years, either to defense or to domestic programs. For example, when we start building an aircraft carrier, a nuclear aircraft carrier that costs well in excess of $2 billion, that is not built in 1 year. There are startup costs and then the cost builds in a geometric ratio as you complete the project. I think not. Mr. President, if we fund the Department of Defense every year at the same amount as if we were spending the same amount on the aircraft carrier every year of its construction.

The Federal Government does not operate in 365-day intervals. This Government has existed now for well over 200 years. It has existed and has done so well, I think, because we have had a civil service. Furthermore, we have had political leaders who are capable of dealing in complex issues and understanding them and planning ahead. And that is precisely what this current services baseline does. It takes into consideration the realities and the complexities of the world in which we live.

Now, if Senators want to cut from that current services baseline, so be it. But what we say, with the current services baseline, is that we are maintaining a constant purchasing power with the dollar. And that is the basis on which many of these programs are based.

We have a lot of amendments before us this afternoon. The leaders on both sides have indicated that they want to try to conclude this resolution by 6 o'clock this evening to accommodate a number of our colleagues who have very pressing commitments. I want to move forward.

So, in the interest of doing so I am willng to yield back the remainder of my time, if the Senator controlling the time on the other side is also willing to do so, to accept this amendment and move onto the serious business here facing us.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President——

Mr. SASSER. Point of inquiry, is the Senator from Minnesota willing to yield back his time?

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. The Senator from Minnesota is not willing to yield back his time.

Mr. SASSER. Mr. President, I am not willing to yield back my time, either.

Mr. BOSCHWITZ. Nor did you say that you would, Senator. I am sorry that you did not find it be very informative, and I would say to my friend from Tennessee that he does not have to teach me lessons about the Federal budget. I believe I understand it quite as well as he does and, indeed, perhaps he did not find it very informative because he did not listen to the remarks of the Senator from Minnesota.

The Senator from Minnesota said nothing about abolishing COLA's, the Senator from Minnesota said nothing about a 13-percent cut in Medicare. The Senator from Minnesota only said that budgeting should begin on the basis of the spending in the preceding year; that in the event increases are needed in programs, they should be clearly stated as increases.

Just as the Christian Science Monitor has outlined the amendment of the Senator from Minnesota, that is the way it should be understand. It has been supported as well by other publications and a number of organizations, including the chamber of commerce.

We do not want to abolish COLA's. We do not want to cut the number of people on Social Security.

The Senator from Tennessee has said: Let us say there is a 12-percent growth in Social Security recipients. I would say to him, perhaps he does not have a complete understanding of the budget. There is not going to be a 12-percent growth. The growth in Social Security recipients is closer to 2 to 3 percent every year.

Yes, the budget is inflation-driven but, indeed, so is the budget of every household and every business in this country.

Just in order to display the fact that a program like Social Security will grow in numbers, in my example I indicated that a new child was born to that family and therefore the spending was higher in the succeeding year. However, the Senator from Tennessee does not do justice to this amendment if he says that we should get on to the serious business of the budget and consider this to not be a part of that business.

If the Senator from Tennessee considers the understanding of the budget not to be part of the serious business of this body, then that is regretful. However, I do.

I reserve the balance of my time.

The PRESIDING OFFICER (Mr. ROBB). The Chair recognizes the manager, the Senator from Tennessee.

Mr. SASSER. Mr. President, we are perfectly willing to accept the amendment of the Senator from Minnesota if it is acceptable to the Senator from New Mexico. I just wish to point out the current services baseline attempts protects the American people from inflation. As a former President that the Senator from Minnesota seems to admire so much stated on one occasion, President Reagan, and I quote him precisely, "Inflation is the cruelest cut of all." That is what President Reagan stated.

I am not opposed to cutting Federal spending. I am not opposed to cutting Federal programs. Indeed, we are doing that in this present budget resolution. Nevertheless, I think we ought to have a base where we can start from with regard to the cut which will give us a fair evaluation of what the effects of those cuts would be.

I am prepared to yield back the remainder of my time if the Senator is prepared to yield back his.

Mr. BOSCHWITZ. I am about to yield back the remainder of my time, Mr. President. But I would ask the Senator from Tennessee that, other than the programs that have naturally declined, such as agriculture, please tell me one program where we plan under current services to spend fewer dollars next year than we did this year. We may be spending less than the baseline, but the baseline first raises the amount that is going to be spent. You cut from that baseline, not from the spending of the current year.

Mr. SASSER. May I say to my friend from Minnesota that a dollar in 1989 is not worth the same dollar in 1990. Would my friend from Minnesota be willing to accept payment of an obligation made to him in 1980, for example, in 1990 dollars? I think my friend would be reluctant to do that because I know him to be a splendid and a very successful businessman. The purchasing power of those dollars would have been eroded by about 40 percent in that particular decade. That is the point that I wish to convince my friend of at this time. However, I think I am not being very successful, and we are consuming time of the Senate here.

Frankly, we have Senators waiting here. Senator HOLLINGS has been waiting since 2 o'clock. Senator ARMSTRONG has flown in from out of town to offer an amendment. Other Senators are waiting, and I am willing to accept this amendment and proceed further, Mr. President.

Mr. BOSCHWITZ. Mr. President, I would say to my good friend from Tennessee that he has made exactly my point. I pay some mortgages, some of them predate 1980. They are not inflation adjusted each year. I am still paying off in the same dollars that I borrowed. I yield for a moment to the Senator from New Mexico.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico.

Mr. DOMENICI. Let me take a moment and say to my friend, Senator BOSCHWITZ, frankly I, too, join with the chairman saying we are willing to accept your amendment. As a matter of fact, I would like to say to the Senator that whether or not the U.S. Congress or Presidents of the United States ever choose to adopt a budget policy based on year-over-year spending or not, you have certainly made a very good point here today.

Frankly, the point that has been most disturbing about American budgeting, as we do it, is that we constantlys tell the American people that we have cut programs when what we really are saying is that we expected them all to grow at a certain level and here or there we did not quite let them grow as much as we had expected. I do not think that is normally accepted as reducing or cutting programs. I think that has been somewhat misleading to the American people because they believe on the basis of rhetoric of the past 6 or 8 years that many programs which have increased substantially have actually decreased each and every year of the last 5, 6, 7, or 8 years. That is because we start the discussion with the public not with what we spent last year or even what we spent last year plus automatic increases that are mandated by law which I believe we should show. We should show the COLA's. They are automatic. We should even show Medicare if it is automatic, but frequently it is the other programs of Government that we automatically assume all will grow at the rate of inflation, and then if we do not do that, we have cut the programs.

I really believe that is just as misleading to the American people as it would be to deceive them about an entitlement program that has to increase because new additions to that entitlement program have joined the entitlement group. It is misleading to say Social Security should not increase when you know more people are being added to the group and you owe them money based upon their entitlement commitment. It would be misleading not to show that.

So, frankly, I believe whatever we can do to made sure that the public understands that if programs go up 4 percent when inflation was 4.1 percent that we have not cut the program from the previous year but rather that it has gone up 4 percent would be a much fairer approach.

Now because budgeting has become very complicated and we have all kinds of programs—education is forward funded so that you do not see the expenditure until next year—clearly, you would have to explain that it is a real cut not to show the automatic increase required by the program that is already funded. Somewhere in the middle is a happy medium, in my opinion, and I do not believe this is a disservice; I believe it is an effort in trying to make sure that people understand that many times when we have spoken of cutting programs, we are not cutting them at all. Many times when we spoke of reducing the deficit dramatically by cutting programs, we were not reducing the budget nor were we cutting programs.

I compliment the Senator for it. I hope he will accept our offer to accept this amendment so we can proceed to the next one. He will have prevailed by our accepting it, and I compliment him for it.

Mr. BOSCHWITZ. I yield back the remainder of my time.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Tennessee has 10 minutes and 50 seconds remaining on the other side.

Mr. SASSER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

So the amendment (No. 89) was agreed to.

Mr. BOSCHWITZ. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Carolina [Mr. HOLLINGS].

AMENDMENT NO. 90

Mr. HOLLINGS. Mr. President, on behalf of myself and the distinguished Presiding Officer, Senator ROBB of Virginia; Senator EXON of Nebraska; and Senator CONRAD of North Dakota, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Carolina [Mr. HOLLINGS], for himself, Mr. ROBB, Mr. EXON, and Mr. CONRAD, proposes an amendment numbered 90.

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

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

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. HOLLINGS. Mr. President, I am enthusiastic about this amendment; like the Mafia, I have made my colleagues an offer they cannot refuse. The reason this proposed freeze is an offer they cannot refuse is because the alternative is new taxes. I am against taxes, you are against taxes, everybody is against taxes. That is testified to by none other than the chairman of the Budget Committee, the ranking member, the President of the United States, the Speaker of the House of Representatives, and the majority leader and the heads of the Finance and Ways and Means Committee. They had 40 days and 40 nights, according to our distinguished chairman, and they came up with a revenue figure of $14.2 billion. So I have taken that $14.2 billion and added it to a freeze at the outlay level of this particular year, and we come in with honest deficit reduction figures at the CBO level of $100 billion, complying with Gramm-Rudman-Hollings.

We take care of Medicare. In our freeze, we have the very same Medicare figure agreed upon by the President, and the leaders in both Houses. In a similar fashion we have taken care of Social Security. We have been realistic, and yet we still save some $32 billion.

But the Presidential agreement, the Bush agreement—I am tempted to call it a conspiracy because they came out calling it a $47 billion spending cut when in essence—and I will prove it to you with Congressional Budget Office figures—it amounts to a $59.9 billion spending increase.

That is what we have. The question is, Are we going to get back on the wagon? They complain about drugs and Mayor Barry and what a dangerous place Washington is. The biggest drug menace that we have in Washington, DC, is right on the floor of the Congress—it is the deficit drug that we have been nipping on now for a good 10 years. We have had moments of getting on the wagon. I remember when President Carter was defeated in 1980. Our House colleagues—Senator DOMENICI will remember it dramatically—could not even pronounce the word "reconciliation." In fact, they would not even talk about it because it was a cut in spending.

I went to President Carter and said, "Look, as a Democratic President, you are going to leave the largest budget deficit in the history of the United States, larger than what you inherited from President Ford." He said, "What was the Ford deficit when I came to office?" I said, "$66 billion." He said, "What is the 1980 deficit projected to be?" I said, "The Congressional Budget Office has projected a $75 billion deficit." He said, "We can't let it happen." The White House crowd was over there in an election year just dishing out the money for reelection. I said, "You leave it to me and we will get a cut. It is called reconciliation."

I went to my good, distinguished, liberal friends, Senator Magnuson of Washington, Senator Culver of Iowa, Senator Church of Idaho, Senator Bayh of Indiana, Senator Gaylord Nelson of Wisconsin, Senator McGovern of South Dakota, and said, "Now, you can't leave this Democratic record. We have got to get on the wagon here and at last have a deficit reduction. After all the talk, we at least ought to have a deficit reduction under President Carter's administration," and we did. In December 1980, we passed the first reconciliation spending cut, bringing the deficit down to $58.7 billion. At least the deficit was coming back down in the right direction.

We had another lucid interval under the leadership of our distinguished

majority leader at the time, in 1982, Senator Howard Baker. We had endured all of kinds of shenanigans in 1981. I had voted for spending cuts and against tax cuts, trying to hold the line. By 1982, Senator Baker of Tennessee said, "Senator HOLLINGS, tomorrow morning you present your freeze and I will see if I can help you over on this side of the aisle."

I did, and by 12 o'clock Don Regan, then Secretary of the Treasury, had blasted it out of the water and we were back on that old deficit barleycorn one more time. We started drinking again, started spending all over on that deficit drug.

Then we had another exercise in discipline by the Republicans themselves. They tried their best in 1985, and they put in a spending freeze somewhat similar to several we had on the floor on this side of the aisle, even freezing Social Security. Yet now we are back to what President Bush calls wonderland financing. President Bush came to the Legislature of South Carolina and he said, "They have wonderland financing in Washington." It was best described by Senator RUDMAN of New Hampshire, who the other day said, "in Washington it is the only place where a man asks for a $10,000 pay increase, he is awarded only a $5,000 increase, and the next morning in the Washington Post they carry it as a $5,000 pay cut"—wonderland financing.

But we did have that lucid interval of discipline in the early fall of 1985. At 10 o'clock in the morning they brought in Senator WILSON from California with the freeze. It was a 49-to-49 vote, and do you know what? They had to bring in the Vice President, who is now our distinguished President, and he voted for a freeze.

So today I have an offer the Senate cannot refuse. President Bush in that crucial moment in 1985—and I am sure he is just as disciplined now and wants to stay on the wagon—voted for the freeze and the cuts that you are going to hear complaints about momentarily.

But in 1985, of course, President Reagan invited Speaker O'Neill to the White House. They had a little toddy, went outside the Oval Office, sat underneath the oak tree. I can hear him telling the story. Speaker O'Neill said, "I'll protect your defense, Mr. President, if you will protect Social Security," and that ended that fleeting moment of sobriety.

Thereupon, we came with Gramm-Rudman-Hollings and we caused a stir in this body. We had a Sunday session. We had around-the-clock sessions, around-the-weekend sessions, and we got Gramm-Rudman-Hollings in and, yes, we did cut down deficits from some $221 billion to $150 billion in 1986 and 1987. We went in the right direction. We did not cause a recession with a $70 billion cut. What we did do was to show how this budget is so inflated and cushioned. We were doing pretty good until everyone in December 1987 began looking ahead to the 1988 election. Our leaders went over to the White House with President Reagan and they had that summit meeting. They were very proud of that summit agreement, and I have the record here to remind the distinguished ranking member of our Budget Committee and the former chairman of our Budget Committee, the distinguished Senator from New Mexico. The Senator from New Mexico called it the most significant initiative in the history of the budget process.

Well, we are hearing that same thing now, over and over again. As President Reagan says, "Here we go again." They came out of the summit meeting, supposedly cutting, to comply with Gramm-Rudman-Hollings. Yet, last year Gramm-Rudman-Hollings was supposed to have been $108 billion. It was $155 billion. This year under Gramm-Rudman-Hollings it was supposed to be $72 billion. It is now running at $164 billion, and now even John Sununu is acknowledging on a weekend TV show that the deficit may hit $175 billion.

So the White House is looking for that budget deficit to go up, up, and away. The Congressional Budget Office says $159 billion yet you have $7 billion in asset sales that are not scored under Gramm-Rudman-Hollings, you will have $7 billion in higher spending on the savings and loan crisis. So that is $173 billion. And you have additional interest costs they say are going up a good $8 billion. So that is $181 billion. And we are taking billions from trust funds, Social Security, airport and airways, highway trust fund, Federal finance banks, Medicare trust funds, totaling $122 billion this year. So the minute that I appear on the floor, they all talk about current services. "We are going to cut Social Security." Oh, no, no, no, do not give me those arguments, and do not give me one on finance. We are spending at the moment $300-and-some billion more than we are taking in. We are on a binge with the same old deficit barleycorn. We have fallen off the wagon. We are nipping that bottle. And here we go with yet another summit agreement.

Heavens to Bob, we have switched from deficit barleycorn to Bushmills voodoo. I am using the President's words. You know, you would not use that language on the floor of the Senate, but when you quote the President of the United States, you like to think you are correct, dignified, and proper—Bushmills voodoo. Here we are going to cut $47 billion in spending, they say, when it actually amounts to an increase of $59.9 billion. I will show them the CBO figures.

We saw the Exon amendment of our principal cosponsor approved yesterday. Hereafter, it said, let us use CBO figures when we pass bills in the Senate, and why do we not act with the sense of the Senate? That is all we need do. When we come to the challenges and the difficult ones, we act like the Senate is some far off mystical disembodied force, making pronouncements from some far-off land. They say we will bite the bullet later this year or next year, we will admonish them to do the hard job of raising revenues and cutting the budget, yet we know not who they are. It is sheer nonsense.

I tried again at the beginning of this year with a measure in the Budget Committee. I had support in 1987 with 8 votes, bipartisan, in the Budget Committee. I only needed 13 to pass it. Likewise, I had 8 votes in a bipartisan fashion for a value added tax. I introduced it again this year in my attempt to be realistic. You cannot do it without taxes. You cannot do it. If you could, I would be at the front of that line. I am like anybody else in public office. I have been there 40 years, not because I am in love with taxes but because I am in love with government. I like government to work, to work honestly and realistically.

Mr. President, that is what bothers me. We get a fellow who lies to the Congress, and we try him as a common criminal down here in the court, but when the Congress lies to the people, we get the good government award. That sham has to stop.

So I proposed a tax. It is now in the Finance Committee. It is dedicated, allocated by law, copper-fastened, cannot be spent except to reduce the deficit and the debt. There is a trust fund. If we approve it, a 5-percent VAT exempting food, housing, and health care, you can get $70 billion. Yet even putting in $70 billion, the debt grows, and it will take until the year 2023 to get us out of the red.

You see our real dilemma is the lack of common sense here. We are spending money, and the biggest expenditure of all, $20 billion more this year and estimated to be $25 billion more next year, as a result of the jump in interest costs. So Dick Cheney over in Defense cuts defense by $10 billion. We have not done anything. We are still spending $15 billion beyond that in higher interest costs. Yet, if we could just enact a VAT tax tied to a trust fund to get the deficit and debt down, we could save that $20 billion increment, that jump in interest costs, and spend that $20 billion on savings and loan, housing, science, education, and women, infant and children feeding, research and medicine, cancer and AIDS. We could go right on down the

list of programs which we give rhetoric but no money.

That is what I would hope to do. I wrote of this dilemma in the "Outlook" section in the Washington Post this past weekend. My colleague from Michigan, Senator RIEGLE, was kind enough to put it in the RECORD.

I am fully ready, willing, and able, rather than cutting as they want to talk about from current services, to put in taxes, and I have introduced a VAT tax to do just that. But I could not get any support particularly in the light of the President's pledge that he is going to veto any tax. Likewise, you cannot expect all the Members in the House who are running for reelection to throw themselves on a tax sword when they know it is going to be vetoed by the President.

So I understand that. So barring that, I must resort to this amendment. The Senator from Louisiana, BENNETT JOHNSTON, has proposed shock treatment to get us off this deficit barleycorn. Now it is Bushmills voodoo. Take a little nip more of the Bushmills voodoo up here, and it makes you feel good all over. Senator JOHNSTON proposed that we premise the budget resolution on the Gramm-Rudman-Hollings level of sequester or cut, and report the budget out for the various functions. Then when Congress and the President see we are going to cut $23 billion from defense and $21 billion from domestic programs. Then they will see that it is ridiculous, and we will finally cut out the game of "no new taxes," "no new taxes."

I tried, Mr. President, with Dick Darman at the beginning of the year. I realized the President's pledge. I said, "Mr. Darman, the thing to do is let the President come here in January and challenge us in the Congress." I said let the President say "I have the responsibility, you in the Congress give me the authority." We have to stop the game of "government by capitulation," at midnight before the Government closes down giving the President $630 billion in spending, take it or leave it, Mr. President. That, too, is sheer nonsense.

I said to Mr. Darman, challenge us to give the President the authority. I think we could do it maybe in the Senate. I am confident the House would do it.

Give them a deadline of March 15, and by March 15, blame the Congress and say that it would not give the President the authority. The President could say, "I made the pledge. I have the responsibility, and all we can do, to be honest, is go for revenues." Then we could have moved forward together not necessarily with a value-added tax, but perhaps with an oil import fee or any of several other possibilities. But, of course, the White House did not take that approach.

After I tried the Bennett Johnston shock, I came back to the freeze. We went to the Congressional Budget Office for truth in budgeting, and we have all agreed over the years that their figures are more nearly correct than even the Blue Chip forecasters. The Congressional Budget Office has done a conscientious job. We proposed a freeze because we sought to put everybody into a corner, the Mafia way, where they could not refuse. Now, we have adopted their Social Security number, and in trying to get their Medicare number, I had to do a little cutting elsewhere; namely, $1.4 billion in defense.

Now, my freeze, on the CBO baseline, cuts defense $1.4 billion. The bipartisan agreement increases defense. You can see why President Bush's team agreed to this one. They increase defense $2.5 billion, and if you look at the budget authority figure, it is nearer to a $5 billion increase. They lowballed the outlaying figure. They highballed the budget authority figure. That is part of the fancy dance and the Bushmill voodoo.

With that, I have to acknowledge a defense cut of $1.4 billion, but I do that with no regret in the context of Secretary Cheney's $10 billion cut. Here comes a Secretary and he says, "I am going to cut 17,000 troops; I am going to lay up all these ships over here and get rid of the V-22 Osprey. I am going to get rid of the F-14. He has gone on the wagon over there now. We have got the Secretary of Defense on the wagon, bless his soul. Now we have him off of Bushmills, and if he will spend one more weekend off, we can save another $10 billion.

I am saving $1.4 billion in travel and a hiring freeze. For my hiring freeze, I rely on the best of authorities, Barry Goldwater of Arizona. Senator Goldwater, many a late evening I listened to him with tremendous interest, and he said, if he had learned one thing about the Department of Defense, it is that the Pentagon is run by all the civilians that just fall over each other. I heard Pete Kosada describe it better. Lieutenant General Kosada of the 8th Air Force, he came into National Airport right at the end of World War II, and he had never seen the Pentagon, the largest office building in the world, and driving past he turned to the taxi driver and he asked, "My heavens, how many work in a building like that?"

"Well," the taxi driver said without batting an eye, "about half."

So, Mr. President, I look to see the figures, because when President Reagan came in, we all cut our budgets 10 percent. We cut your budget from Virginia, mine from South Carolina, the President's budget, the FBI budget. We cut the drug budget; we cut all except one. If you look over there, between 1981 and right now, they have increased civilian defense employment by 115,000.

So then I asked the Comptroller, "How many DOD civilians are we going to lose as a result of attrition?" We do not want to be traumatic or punitive. He says, "80,000 will come up for retirement and leave this year." I said, "What about a 50,000 cut from these headquarters and different staffs? Let them just handle it by attrition, they can still rehire 30,000. That would be no problem at all."

So that is where we propose to save $1.4 billion from defense. And, of course, I now have the commendation of the Senator from New Mexico, Senator DOMENICI, who commended Senator ARLEN SPECTER, of Pennsylvania, yesterday afternoon on the floor of the Senate for his ingenious discovery of travel savings for State prisons.

I do not want to misquote the distinguished Senator from New Mexico. He said that he agreed with the Senator from Pennsylvania that State prisons were a State responsibility, and the Federal prisons are our responsibility, and you can bet your boots that the 90-some people who voted for that thing felt they voted for Federal prisons.

I happen to handle Federal prisons, and we have 60 percent overcrowding. I need money and, yes, I am increasing nine of those prisons, putting in two new ones, building a metropolitan prison in one city, and I am taking every dollar I can get my hands on, but not for the States. My State is building prisons; Georgia is building prisons; Virginia is; and we are going to have to do that.

But at least on finding that travel paid 10 percent there, the ranking member of the Budget Committee thought it, yesterday afternoon, less than 24 hours ago, a very salient, salutary initiative, and he commended the Senator. I hope he will commend me because I am trying to follow his leadership.

Mr. DOMENICI. Will the Senator yield on that point?

Mr. HOLLINGS. Yes, sir.

Mr. DOMENICI. I would like to indicate to the Senator that I have been misquoted a number of times by him already today, but on this one, I just choose to say that I made it very clear, when I talked about that amendment, that it was up to the appropriators to decide, but that I would accept his amendment on the basis that he was trying to establish policy that we needed more, rather than less, and his subcommittee for the funding of the issues that you have raised.

Mr. HOLLINGS. Mr. President, I demur from that misquoting, because I have been very careful to quote properly. I will give you the quote on this one.

On page 7918 of yesterday's RECORD, I quote Senator DOMENICI:

My good friend from Pennsylvania has found an interesting way to do it, and I commend him for it.

Over on the previous page, on page 7919 again quoting Senator DOMENICI:

Now, having said that, the Senator from Pennsylvania has been telling us this: He has been saying that we cannot build State prisons because that is their problem.

Those are the words of the Senator from New Mexico. So I gladly apologize, if I ever misquoted, but there is the RECORD, and it is not a misquote. That is why I went to the RECORD, because having the responsibility of the Commerce, Justice, State, and Related Agencies Subcommittee of Appropriations, and struggling, as we have, I wanted to be dead sure that we could get every dollar. I was wondering where my colleague from Pennsylvania was finding a lot of money for Federal prisons that we could not find. I found out he was not finding a dime for Federal prisons. He was finding it for State prisons.

Now, to return to the heart of my amendment, Mr. President, we take care of Social Security. We take care of Medicare. We have the same revenue figures as the bipartisan agreement, as I have said before. We have the cut in defense, which is not traumatic at all, and could easily be agreed to, because the Secretary of Defense is receiving even more money.

I did quote the distinguished Senator from New Mexico back in 1987.

And on page 18661 of the CONGRESSIONAL RECORD, Monday, December 21, 1987, I quote the Senator from New Mexico.

The most significant reduction in the deficit of actual action of the Congress that we have had in the history of the budget process.

These are actual quotes, and that is what we are hearing now and, yes, again when they say they cut the deficit $47 billion they increase spending by $59.9 billion. You cannot live with that. You cannot come with all of these monkeyshines of putting the savings and loan off budget, put the post office off budget, accelerate your agricultural payments this year instead of next year, and right on down the list of 5.5-percent interest rates by October, and then go back home and say we cannot do anything about it.

I would hope that the Members would realize that my amendment makes no claim to solve the problem. All it does is get us back on the wagon. If we can get back on this wagon and save $32 billion, I think not only will we meet the targets but we will begin to effect the discipline that we had not yet effected.

Our negotiators came back and said you know by summer they are going to negotiate and get down to brass tacks. We asked what did the President say to that. They said the President said nothing. I said, wait a minute, now. I might go along even with some monkeyshine figures if you got a commitment from the President that we are all going to put our shoulder to the wheel here and begin to do something. We would never have passed Gramm-Rudman-Hollings without President Reagan's support. Give the distinguished former President credit. He held the line for us. We held the line over here. We have had 14 votes up and down on Gramm-Rudman-Hollings. Not only the majority of the Republicans, the majority of the Democrats have voted for Gramm-Rudman-Hollings.

But intended as a sword, it is now being used as a shield.

As one of the principal authors, I cannot go along. I do not want to go along. I do not want taxes but you have to be honest in public office and no one in good true public service can go along with these shenanigans and say they have done the job and go back home and say, "I did something about deficit reduction," and make these talks about how we have got to get hold of ourselves.

Let us get back on the wagon and get off this Bushmills voodoo that they put us back on again, this nonsense of "a deal is a deal," "support the President," "support the leadership." For Heaven's sake, let us support the people.

If we can pass this amendment, we can save that interest cost and put that money into the programs, and I am willing to stand up here on drug education, willing to stand up here on the FBI, willing to stand up here on child care, and say here are the dollars and here are the taxes.

I will put a tax after every one of those programs and support them and bet my political career on them.

But what we are doing is engaging in another copout.

Let me at this time, Mr. President, yield the floor to any of these other Senators who wish to talk. I appreciate the time.

The PRESIDING OFFICER. Who yields time?

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. Who yields time to the Senator from Nebraska?

Mr. HOLLINGS. Do I have control? Senator SASSER has.

Mr. SASSER. The Senator from South Carolina is controlling the time in favor of his amendment. I assume the Senator from Nebraska is speaking in favor of the amendment of the Senator from South Carolina.

Mr. HOLLINGS. I am delighted to yield the time necessary. I am confident if we run short a little bit here we can get some from our distinguished leader from the bill.

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

Mr. EXON. I thank the Chair and I thank my friend from South Carolina.

Mr. President, I am proud to be a prime cosponsor of the freeze budget alternative that has just been offered. The Senator from South Carolina and myself have stood together frequently on this floor in the last decade on such proposals. I hope this time we can persuade acceptance.

The budget that the Senator from South Carolina and I put forward permits a full COLA adjustment for Social Security and Civil Service and railroad and military retirees and uses the same revenue assumptions of the leadership package.

It provides for restrained but adequate growth in the Medicare account and freezes all other programs. This package fully meets in an honest and an up front manner the promised budget deficit targets of the Gramm-Rudman-Hollings law and reduces the deficit in 1990 to $100 billion using Congressional Budget Office economic and technical assumptions.

Mr. President, this budget alternative is the true flexible freeze budget. Appropriators can make room for new initiatives by trading in older programs which have outlived their usefulness. For a number of years, Senator HOLLINGS and I have come to this floor to put forward tough, but fair budget freeze proposals to significantly reduce the Federal budget deficit.

Today, this action is needed more than ever before. I hope it is not too late.

The amendment I offered yesterday to the leadership package revealed that the nonpartisan Congressional Budget Office would estimate the leadership package's 1990 budget deficit to be $109 billion and the 1992 budget deficit to be $135 billion. The 1992 figure is a full $107 billion over the level promised by the Gramm-Rudman law.

If implemented, the leadership package makes only a modest reduction in the deficit for 1990 but it ignores, Mr. President, the huge deficits that return in 1991 and 1992. The question can be asked, where are we going, how fast are we spinning our wheels, and what kind of a stop are we going to come to the next year and the year after that?

The Hollings-Exon freeze budget gives the Congress the opportunity to hold the line on spending and begin in this nonelection year the difficult action to reduce the deficit and move toward the needed reduction in the national debt.

During the 1988 Presidential campaign, the concept which Senator HOLLINGS and I so vigorously promoted over the years had finally entered the

mainstream of political debate at long last. The "flexible freeze" was the promise of the Republican ticket; "freeze" rhetoric filled the President's budget speech and the President in his budget submission, condemned the budget "wonderland"—that is the President's word—where an increase is described as a cut.

I must say that I was delighted to have President Bush and presumably his Republican partisans come onto the frozen budget ground so long staked out by Senator HOLLINGS and myself. Early this year when the President's "new breeze" was blowing, it brought with it a chill of excitement that there would at last progress to be made on the deficit. The President was talking our language. It was a sort of "freeze-economics."

Now that the spring breezes are blowing warmer however, the hope of serious deficit reduction has begun to melt. The hope of serious deficit reduction just has been forgotten. Somewhere along the way, the President wondered or wandered into the budget "wonderland" himself that he so eloquently condemned and the President's so-called "flexible freeze" suddenly acquired far, more "flex" than "freeze."

With the Hollings-Exon budget plan the Senate has an opportunity to put the chill on this runaway budget process. It reminds me of what the President said when he promised to make some significant strides in this area and it does what the President promised then, Mr. President, and that simply is to take tough action that is needed and demanded by the American people.

If the Senate votes to hold the line on spending, there is a realistic chance of bringing the deficit under the $100 billion figure in 1990. If the Congress approves the leadership package, I guarantee, that the deficit for 1990 when fully counted and calculated will far exceed even the Gramm-Rudman cushion level of $110 billion.

Make no mistake that a freeze budget will do all of this by itself, that it is magic.

But, the freeze budget will require shared sacrifice and difficult decisions.

Mr. President, the American people elected 100 Senators to make those difficult decisions. This budget will also require expert management from the new administration to squeeze even more service out of last year's dollar.

Mr. President, this budget proposal does for the Federal Government what any family or business would do when faced with a budget shortfall. It stops the increases in spending. That is number one. Why cannot the Federal Government do what common sense dictates?

As an advocate of truth in budgeting, I must be truthful about even this freeze proposal. Will the Hollings-Exon freeze solve the budget crisis? It will not, but it will be a legitimate $46 billion step in the right direction. Will the Hollings-Exon freeze be easy to implement? It will not, but it will be much easier to progressively implement this plan than to wait for a financial crisis to force even more drastic action in the future when we might be in a period where we would be so mesmerized that we would not be able to take constructive action.

While the Hollings-Exon budget is not perfect, it is a significant step in the right direction, and, Mr. President, not unlike what the two of us and others have proposed time and time again, so far without success, on the floor of the U.S. Senate in the last decade.

Will the Hollings-Exon freeze make everyone happy? I can guarantee you that it will not, but it fairly shares the sacrifices of deficit reduction.

Mr. President, I have the greatest respect for the Senate leadership and especially the chairman of the Budget Committee and the ranking member of the Budget Committee that are presenting this budget to us. I realize that they worked hard to produce a compromise budget with the President. But this amendment simply offers another path, a much more realistic path, I suggest, to do what I think most of us would like to do. It offers deficit reduction over deficit consumption.

In conclusion, Mr. President, let me just sum up by saying this amendment offers real opportunity to honestly meet the deficit target of the Gramm-Rudman-Hollings law. I challenge every Member in this body who has decried Federal deficits to step forward and vote for this proposal. It is the only alternative which seriously attacks the deficit. It is the only alternative to hold the line on Federal spending. It is the only amendment to restore fiscal sanity to the Federal Government.

A vote for the freeze budget is a vote for fiscal restraint.

I thought it was interesting, Mr. President, to learn the difficult task that all of us face and certainly people like the chairman of the Budget Committee, my good friend from Tennessee and the ranking Republican thereof, my good friend from New Mexico. If they could have heard the members of the Armed Services Committee beat up on the four Chiefs of Staff of the Armed Services in the Armed Services Committee this morning; they were literally beat up on because every project that they in almost every instance had reluctantly agreed to go along with because of the budget constraints, every Senator there had some pet project for the most part that should remain in. They were literally beat to death on the V-22 Osprey situation. How can you possibly justify cutting out the Osprey? I think an excellent case can be made for the Osprey and I am sorry to see it go, too.

But the fact of the matter is that the Secretary of Defense made a decision and it was a tough decision for him. It was not supported as a priority for cuts by any of those people sitting there.

Therein lies the very, very difficult problem that we have. Everybody wants to cut the budget in somebody else's bailiwick or something that somebody else has supported that the individual Senator has not.

Therefore, the freeze proposal we put before you today is a tough, tough call. But it is an important step and the only step that I can see on the horizon if we want to do something about this more than what the leadership package, negotiated with the President, has done. And I do not think it does enough.

Mr. President, I reserve the remainder of my time and yield the floor.

Mr. SASSER. Mr. President, I note that the Senator from North Dakota is on his feet and I assume he intends to speak in favor of the amendment of the distinguished Senator from South Carolina.

May I inquire of the Chairman how much time is remaining to the proponents?

The PRESIDING OFFICER. There are 13 minutes and 28 seconds remaining.

Mr. SASSER. I will be pleased to defer to the proponents of the amendment.

Mr. HOLLINGS. I yield to the Senator from North Dakota.

Mr. CONRAD. Mr. President, I am proud to stand today to support the amendment offered by my distinguished colleagues from South Carolina, Virginia and Nebraska, Senator HOLLINGS, Senator ROBB, and Senator EXON. I am proud to stand with them, because, Mr. President, I believe this is an honest alternative to the proposal that we have before us. It is a sincere alternative, one that seeks to make greater deficit reduction at a time that I think our Nation's needs cry out for greater deficit reduction.

Mr. President, I believe that we in this country have been engaged in a policy of debt, deficits, and decline. In the last 9 years, we have tripled the national debt of this country. It stands now at $2.8 trillion. We have multiplied the trade deficit fourfold. We have gone from being the largest creditor nation in the world to being the largest debtor nation.

Debt, deficits, and decline. That is not a policy that can be sustained. For that reason, we sought to be more aggressive and ambitious this year and begin moving in a new direction.

Mr. President, sometimes it is helpful to note how others see us. From a recent issue of The Economist, the noted economic publication from Europe:

"The Budget; Don't You Believe It." They are not talking about Europe's budget, they are not talking about England's budget or France's budget, they are talking about our budget.

Let me read briefly, Mr. President, from that article. It addresses the budget negotiations that just occurred. It says:

> The negotiators, and especially Mr. Darman, the Budget Director, were determined to reach an early agreement in order to be able to congratulate themselves on reaching it. So they patched together a pathetic tissue of vagueness and called it a deal. It is a deal nobody could disagree with except an honest bookkeeper.

That from The Economist.

And from closer to home, Mr. President, Hobart Rowan, a respected columnist on economic issues in the Washington Post. This time the headline is "Fraud in Budgeting." Again, let me just read briefly, Mr. President, from the beginning of this article.

> Let's not beat around the bush. The administration's deal on the budget with the Democratic congressional leaders is a fraud. It presumes to meet the budget deficit requirements of the Gramm-Rudman-Hollings law with a slew of gimmicks and a tainted economic forecast. The implied promise is that the real budget issue will be tackled next year.

"Next year." How often have we heard "next year"?

I can recall 2 years ago, the leadership assuring us: "Oh, just wait until we have a new President and a new administration and then we are really going to get down to the serious business of deficit reduction."

We have got the National Economic Commission. They are going to bring in their report. And if we are just patient and we go along with the budget summit of 2 years ago, we were told the first year of the new President, that is when we are going to move.

That time has come, Mr. President, and guess what: We are not moving. Once again we are told wait until next year. Well, next year is an election year and I doubt very much that we will hear anything much different next year.

What is the result of this policy of debt, deficits and decline? The result is interest rates in this country are 11.5 percent; in Japan 4 percent; in Germany 6 percent. How are we going to compete when our interest rates are triple Japan's and twice those of Germany?

The savings rate in this country is 4 percent; Japan 17 percent; Germany 13 percent. How are we going to compete when the savings rate of our key competitors are triple and quadruple ours?

Mr. President, I sincerely believe that our country is being weakened. We have just recently seen a MIT study. It was reported in the Christian Science Monitor. The headline is, "U.S. Losing Competitive Edge." They indicate that productivity gains in this country are falling badly behind those of our key competitors. Well, Mr. President, the question before us is how do we respond? Do we respond by deciding we are going to take an aggressive new tack and get this country back on track? Or is it more of the same, wait until next year?

Mr. President, the budget that is before us in the budget resolution continues to add to the debt, $100 billion, they claim. Most economists say it will be $120 billion or $130 billion, but that leaves off the $100 billion we will be borrowing from the trust fund.

This budget proposal before us continues to allocate $10 billion to pay for the defense bills of our allies in Germany and Japan, even though we need to borrow the money from them to do it. And this budget resolution before us continues to allow a tax gap of $100 billion a year, money that is owed and due but not being collected. This budget resolution allows that to continue.

There is an alternative, Mr. President. The alternative is the amendment offered by my distinguished colleagues from South Carolina, Virginia and Nebraska. There is some pain involved in this amendment. There is no question about it. But there is also honesty involved because it really meets the target. That is a good beginning.

With that, Mr. President, I want to commend my colleage from South Carolina for providing the leadership to this body and to our country, on an issue that I believe is the most fundamental challenge facing our country today.

I yield the floor.

Mr. HOLLINGS. Mr. President, I thank my distinguished colleague from North Dakota. I commend him for his leadership, for his control of the budget in his home State. He knows government finance, he knows government responsibility. I think the distinguished Presiding Officer, Senator SASSER, would like to be heard and I yield the floor at this time so he can be heard.

The PRESIDING OFFICER (Mr. WIRTH). The Chair recognizes the floor manager, the Senator from Tennessee [Mr. SASSER].

Mr. SASSER. Mr. President, I have listened with great interest to the debate so far on this amendment. I am glad that the Senator from South Carolina and the Senator from Nebraska have collaborated to produce this amendment today because I think our colleagues ought to have the opportunity to make a choice and to vote on an alternative to the budget resolution that has been produced here, the bipartisan budget resolution. I want to pay tribute to my great, good friend, the distinguished Senator from South Carolina. He does not have to take a back seat to anyone on being a true deficit fighter.

The Senator from South Carolina is willing to come onto this floor and he is willing to make a proposal. He is willing to say where the cuts are to be made and he is willing to say, I suspect, where the revenues are to come from—because I have heard him say that in times past. I respect him for it. I commend him for it, and I congratulate him for it.

Some say when the heat is turned up too much, some have to leave the kitchen. Well, the heat does not get too high for the Senator from South Carolina. When it is getting too hot for most people, it is getting just right for the Senator from South Carolina. And let us see what he has cooked up today for our colleagues here on the Senate floor.

Before getting into that I want to commend my distinguished friend for one other, I think, very meritorious action that he has taken. I read with great interest, and I might say great admiration, the article that appeared in this past Sunday's Washington Post, authored by my distinguished friend from South Carolina, entitled, "The Ruination of Reaganomics," if I am not mistaken.

Mr. HOLLINGS. Reaganism.

Mr. SASSER. The distinguished Senator, I think, put his finger on many of the problems facing this country. I do believe it was one of the most perceptive and most persuasive pieces that I have read in a long, long time. If I may quote from it, just a moment, the distinguished Senator wrote:

> Profound social problems, the pathology of the underclass, a failing educational system, declining competitiveness are not addressed in any meaningful way whatsoever.

He is referring to the actions that occurred under the previous administration. And, I gather, he feels also under the present administration.

He went ahead to say:

> Our government has charted a course of drift, disinvestment, and decline.

That article that appeared in the Washington Post, a very influential periodical, and was read by many of our colleagues. And I heard widespread praise of that article. In that article the Senator pointed out the basic needs of this country that are being neglected. But I would submit to my colleagues that the budget proposal being advanced by the Senator from South Carolina today, and by my distinguished friend and colleague, the Senator from Nebraska, rather than

curing these problems, actually exacerbates the problems that were referred to in the article and would accelerate the decline of this great country of ours.

When you look at what occurs here with the distinguished Senator's budget proposal, we see that he is cutting, apparently, $16.5 billion from nondiscretionary spending as I read the Hollings freeze, and as our Budget Committee staff reads the Hollings freeze, and approximately $12 billion of that would come from domestic discretionary spending.

Contrast that with the bipartisan budget that is presently before our colleagues here and what the impact would be on our environment, on our educational system, on our ability to house our people, on our ability to help with medical care those in need of health care.

Let us just go down the list. The nuclear weapons plant cleanup, which is allocated $600 million in startup money in the bipartisan budget resolution presently before this body, would be unable to be funded, as I read the amendment before us. There would be no additional funding for the Federal Aviation Administration. Additional air controllers and additional aircraft inspectors to make sure that our air system can operate better and safer, would become a thing of the past, and we would be confronted with a situation in which the air system in this country would deteriorate even further from the point that it presently is.

I had a colloquy on the floor this morning with the distinguished Senator from Florida. In his State, there is great concern about illegal narcotics and the criminality that grows up around the sale and trade of these illegal drugs. Indeed, it is the No. 1 concern in this Nation. It is the No. 1 concern on the streets here of the Nation's Capital.

The bipartisan budget resolution that is before this Chamber today contains funding in excess of that requested by the President, funding in excess of that contained in the 1989 budget for both law enforcement and for education and treatment of those who use illegal narcotics. But we find in examining the amendment advanced by my distinguished colleague from South Carolina, as we read it, that there would not be sufficient funding to pay for the expansion of the antidrug law enforcement activities, even those requested by President Bush. Under the outlay freeze proposed—and that is essentially what this is, an outlay freeze—an agency such as the Federal Bureau of Investigation and the Drug Enforcement Administration would have to cut back their efforts and begin laying off agents.

Indeed, we have had a number of amendments that have been adopted here in which our colleagues, the distinguished Senator from Pennsylvania, former Attorney General of that State, is concerned about the inadequacy of prison facilities to house those who break the laws of the Nation and the States of this great Nation asked for additional funding for prisons. We provided it. As I read the amendment before us, the expansion of prison capacity would have to be delayed. There would not be additional space to put those who break the laws of our Nation and of our States.

We might even have to, Mr. President, for the first time in the history of this republic, not count ourselves in the 1990 census because, as I read this amendment there is not adequate funding available to even operate the 1990 census.

On the questions of homelessness, it is a national disgrace that here in the land of the free and the home of the brave we have literally hundreds of thousands, millions of our fellow citizens sleeping on the streets at night. Indeed, a recent study by a well known national organization indicated that we have hundreds of thousands of children who are homeless and sleeping on the streets of the great cities of this country.

Under the bipartisan budget resolution which my distinguished friend from New Mexico, Senator DOMENICI, and I have brought to the floor of this Chamber, with the support of the leadership on both sides of the aisle, there is increased funding to deal with the homeless problem. But, as I read the amendment that is being urged on us by my distinguished friends from South Carolina and Nebraska, it does not contain nor is there room for, the $1.1 billion needed for the renewal of 23,000 expiring rental subsidy contracts.

So where will the families that are housed in those 23,000 rental subsidy units go? I submit, Mr. President, that they will swell the population of those who sleep on the streets of the great cities of this country.

My distinguished friend from South Carolina was the first in this body, first as a distinguished Governor of South Carolina where he saw hunger face to face, and then as a new Senator from South Carolina who came on this floor and espoused the cause of the hungry. It is because of him that we have a women's and infants' and children's feeding program in this Nation today, and I know how near and dear to his heart it is, and well it should be because it is one of the most cost-efficient and effective programs that this Government has ever produced.

Yet as we read this amendment, we find that the resolution that we have advanced that will include an $150 million increase over current services to serve an additional 300,000 needy women with children or women carrying babies, as we read the amendment being urged upon us now, these 300,000 new recipients of the women's and infants' and children's feeding program would not be eligible because the funding would not be available.

On the question of the environment, something that I think concerns every Member of this body and I know it concerns all of those who are advancing this amendment here today, but as we read it, there would not be sufficient funding to fund many of the Superfund activities. Our efforts to clean our environment would collapse in some areas and move very slowly in others.

We are concerned about education, and well we should be. I think the Senator from North Dakota speaks with great eloquence on that issue, but as I read the amendment that is being urged on us, funding for education would be perhaps squeezed the most. Discretionary education programs in the Department of Defense, according to our reading of the amendment, would be cut by some $4.8 billion, 27 percent below the 1990 baseline, that occurring here in a Nation where, as the Senator from North Dakota has so eloquently stated, we are falling behind our trading partners and our trading adversaries in Japan, in West Germany, and France. Why? Because we are not investing enough in the education of our people.

Last year, Japan, a country half the population of the United States of America, graduated more engineers than we did, I say to my distinguished ranking member. Is it any wonder that the Sony television sets and the Honda automobiles work so well, and we find American consumers buying them?

So I would say that we are being penny-wise and pound-foolish to cut back in education, and I see that happening in this amendment that is being urged on us by our distinguished friends here.

Headstart: This is a program that allows those who are truly disadvantaged to give them a leg up, perhaps a lift. Maybe this will be the rung at the bottom of the ladder that these youngsters will utilize to hoist themselves up out of the underclass.

We find that this program, which now only serves 20 percent of the eligible children, would be cut by $31 million below the baseline and could result in 11,500 current Head Start enrollees being dropped from the program.

Pell grants, which provide funding for disadvantaged college students, would be cut, as we read it, by some $573 million below the baseline, about

12 percent, denying student aid to over 335,000 students.

The list goes on and on. I told our friend this morning, the distinguished Senator from Alabama [Mr. HEFLIN] who believes so strongly in a space station, that I share his beliefs that this country ought to be first in space and we ought to construct a space station. If this amendment that is being urged upon us this afternoon is adopted, I submit, Mr. President, that a space station for the United States of America within the next 2 or 3 years would be an impossibility.

We are dealing here only with the domestic discretionary spending. As I read the proposal offered by our distinguished friend from South Carolina, it will cut over $8 billion out of the defense budget, twice as much as the cut that is being advanced in our bipartisan budget proposal, and I submit that this is going to create havoc in the Department of Defense. We have a Secretary of Defense who is now moving in an orderly fashion to establish priorities to try to develop a cost-effective way of spending our defense dollar. If you suddenly doubled the defense cuts that he has anticipated, I submit that this could create very serious problems in the long term for the national defense of this country.

Mr. CONRAD. Will the Senator yield?

Mr. SASSER. Mr. President, I have other points I could raise, but I see that my distinguished friend and the ranking member of the committee is on his feet so at this point I will defer to him.

I might ask how much time is remaining, Mr. President?

The PRESIDING OFFICER. The Senator from Tennessee has 41 minutes remaining on the amendment.

Mr. CONRAD. Will the Senator yield for a question before he yields to the Senator from New Mexico?

Mr. SASSER. I prefer not to yield at this point, Mr. President, because the Senator from New Mexico has been waiting patiently and I do not want to deny him the opportunity.

Mr. DOMENICI. If the Senator cares to yield, it is fine with me.

Mr. SASSER. If the Senator does not care, then I yield to my friend from North Dakota.

Mr. DOMENICI. The Senator wanted to ask a question, as I understood it.

Mr. CONRAD. Just ask a question. I ask the Senator from Tennessee if it is not the case that in fact under the rules of the budget resolution there is no way of determining whether education would be reduced 1 dime by what we have done.

Mr. SASSER. Let me say to my friend from North Dakota that when our distinguished friend from Nebraska, perhaps inadvertently, indicated that this was a real flexible freeze, he stated a fact. Many of us on this side of the aisle, when a flexible freeze was advanced by the administration and by President Bush, took that as an opportunity to explain to the American people all of the cuts and how they would impact on domestic discretionary spending in this country. We did that by taking the amount of money that was allocated to domestic discretionary spending and apportioning it among the programs and among the functions. That is precisely what was done in this particular case because if you do not want to cut Head Start, then you are going to have to take the funding from some other education program in all probability. You simply cannot have it both ways.

I think what we are confronting here is a flexible freeze very similar to the one advanced by the administration. This flexible freeze makes savings by taking 30 percent of it from revenues and 70 percent of it in cuts, and I might say that only 27 percent of the cuts that are made in this amendment come out of defense. Under the bipartisan agreement 47 percent of the cuts come out of defense. So what we are seeing here is a much harder hit at domestic discretionary spending in my view than we even saw in the Bush administration budget.

So the amendment advanced by my distinguished friends has out-Bushed President Bush's initial proposal, which the President to his credit, realized was inferior to the one that was developed by Senator DOMENICI and myself and other representatives of the administration.

Mr. CONRAD. Might I just conclude with the observation that the——

Mr. SASSER. Mr. President, I will yield for a question.

Mr. CONRAD. All right.

Mr. SASSER. I am not yielding for observations because we have plenty of people who want to speak on our side.

Mr. CONRAD. Let me phrase it as a question.

Mr. SASSER. Mr. President, I will be pleased to yield for additional questions on the time of the proponents of the amendment, but I do not want the time to answer any more questions to be taken from our time.

The PRESIDING OFFICER. The Senator from Tennessee has 37 minutes remaining. The Senator from South Carolina has 5½ minutes remaining.

Mr. SASSER. Is the Senator from South Carolina agreeable to me yielding for questions on his time?

Mr. HOLLINGS. I know the Senator from Tennessee is going to be yielding me time on the bill. He can give it to him and be gracious. Would the Senator give me more time if I ran out?

Mr. SASSER. The Senator knows I would be pleased to give him time.

Mr. HOLLINGS. Then I will yield it to him. The Senator will get credit for it if he yields it to him.

Mr. CONRAD. I only seek to ask a question because my name was mentioned as a strong proponent of education. I ask, is it not true, as the chairman and ranking member have repeatedly said on this floor today, the budget resolution does not dictate to the appropriators, so in fact no one could determine from what we do here by way of the Hollings amendment that education is cut 1 dime?

Mr. DOMENICI. Mr. President, did the Senator think that was a question that he had to answer?

Mr. SASSER. I thought I already answered that question once. I say to my friend from North Dakota you can only stretch a rubber band so far, and if you are going to cut the amount of the pot then you have to spread that cut over the whole host of programs. That is the assumption that would have to be made here. Either that or we get into the flexible freeze approach.

Apparently the Senator from Nebraska is correct, that what we do have here then is a flexible freeze.

Mr. CONRAD. I thank the chairman. I agree with that observation; it is a flexbile freeze.

Mr. SASSER. I thank the Senator.

Mr. DOMENICI. Mr. President, I am very delighted that the Senator just ask that question because I want to say to my friend from South Carolina, obviously the Senator from New Mexico can in no way match the eloquence or the rhetoric of the distinguished Senator from South Carolina and I will not even try. I just would like to suggest that there has been a lot said about the Bush black box. Now, let me tell the Senator, on the last question asked, if the Bush budget was a black box, you just produced a black hole. There is no way that you can leave this floor telling these Senators anything that is important—education, environmental protection, nuclear cleanup, student aid—if that is the question of the Senator—we can pay for it here.

Remember, that is what the little black box was. It said a little piece of the programs are frozen and you pick and choose.

Now, you cannot leave this floor saying we have cut $16 billion in outlays and we have cut nothing. You cannot do that. You cannot have it both ways. So the best we can do is to tell the Senator that the appropriators cannot find room in this budget under his historic non-voodoo black box, his courageous budget.

If you like instead of just plugging in a bunch of numbers, we will give you an hour. You take the things you are proposing we cut and you put in the things you propose we are going to

increase, and you add them up. You say the cut is $16 billion, and you tell everyone in here we have not cut anything. I believe honestly for the first time in many, many years on the floor of the Senate on a budget I wish you would win. I wish you would win. Not only do I wish you would win, I wish you would win and go to the House, and that the House would capitulate to the utter simplicity and the tremendous thinking that has gone into this. No one else really knows how to do anything. I wish they would capitulate. I wish we could go to conference and you would have this. I will not say that the war would be as big as it will if you had a sequester, but I guarantee you the war will be short-lived because, those who seek honesty in budgeting, there is no chance in the world that this budget with these numbers can be implemented by this Congress of the United States.

Let me just make sure that everybody understands that at least my version of this freeze—this is not a freeze. This is a selective freeze. This freeze has made sure that the controversial, well-known programs that would bring down the wrath of the Members, are excluded from the freeze—Medicare, you do not have it in there. So everybody is saying that is not really a freeze on any entitlements.

I want to list a few. Student loans, social services title XX, unemployment compensation, veterans readjustment benefits, VA home loans, black lung, Postal Service—the Postal Service is frozen again like last year, which has a $1.9 billion savings attributed to it, which means you come close to putting the post office out of business in the name of a freeze.

Farmers home loans are frozen—those are entitlements. Small business loans—frozen.

Now, Mr. President, why do I say I wish they would vote for it and pass it? How are you going to get these without this bill before us? Interestingly enough, it does not even have a reconciliation instruction for these entitlements here, I say to the chairman. I assume they are just going to get done. I assume that the Labor, Health, and Human Resources Committee is going to say, "Well, this was a freeze. Student loans are supposed to be frozen; we will pass a law freezing them." They will not pass a law when this committee has ordered them to save $200 billion. They will find another way to do it.

I assume Social Services title XX was frozen here—an entitlement. I assume to reconciliation, because nobody was told how to do it. I assume the savings forthcoming from that will drop out of the sky. On the way back from the U.S. House in the appropriations process, they are going to do this for us, Mr. President.

Veterans readjustment benefits, black lung—I assume the Appropriations Committee, which does not even have jurisdiction, nobody else is told to do anything, they are going to say the freeze is in. It is really the way to fix the American budget. We are just going to have to fix that.

I submit to you, if you are looking for truth in budgeting, this is not truth in budgeting. Those who have brought this to the floor want to stand up here every time there is a controversial program and say, "Well, of course, we are not going to cut EPA." I believe you are going to cut EPA 82 percent. That is what I think, I say to the distinguished occupant of the chair, over that which is in the budget before us. I believe you are going to cut space, science, and NASA $1 billion from the 1989 budget authority level. Since we are so hung up with outlays in this proposal we forget about program authority. It takes a long time. So I think that is what you are going to cut.

Because program authority is very important, because the outlays are small, and you are freezing the outlays, I believe education is cut $6.3 billion for the resolution level. And I am reminded. The chairman eloquently alluded to the genuine concern of our good friend from South Carolina, albeit I could have a very nice debate if we wanted one for a couple of hours on his Sunday article, but he is talking about the fact we need to spend more for education. This proposal cuts it $6.3 billion.

I know one of the proponents is going to stand up, I say to you, Mr. President, and he is going to say, no, no, no. That is not what we mean. What do you mean? Which one are you going to cut? You are not going to cut that one. How are you going to fund it? So let us go down the list. Are you going to cut the space program?

Well, maybe. But not as much as this. Maybe we will cut it in half. How about EPA and nuclear cleanup which are supposed to go up? What are we going to say about them? They are cut dramatically. If you want to say, oh, I will not cut them, you have to take them from someplace else.

I submit there are not enough places to go around. You just cannot find them.

So nobody will say that the Senator from New Mexico thinks the bipartisan leadership agreement that we entered into is the best fiscal package we can put together. I want to repeat perhaps in different words. We could do better. Maybe we should do better. We cannot do better. We cannot do better and find bipartisan support, Executive support, and get a budget this year. For those who do not want that and would prefer to have nothing, then, of course what we have suggested should be voted against. They should think. Pay us for the rest of the year and perhaps in July or August just before a sequester lightning will strike, and we will make a better deal.

I will repeat. I believe if a sequester was imminent in August and it forced us to the White House, where we went this spring voluntarily without crisis, I think the result would be about the same budget we produced and is waiting here for approval later this afternoon. And we have done it 5 months ahead of schedule with leaders that were willing to say, let us give it a try.

Mr. President, I could go on about this resolution. I could ask more and more—veterans. We are all so concerned that we even added money to the bipartisan agreement, took it out of someplace else, and said even though we are not the appropriators we need to send a message that we need more for programs. The program for veterans hospitals in the United States has to be dramatically cut under the Hollings amendment. Again, they are going to write each one of these down. They are going to get up and say technically I was not intending to cut veterans. Do not forget. I really wish they would pass this, and the House would pass this. I would really like to see what would happen in about 2 or 3 months when everybody understood what they were voting for.

But I will say that drugs and Justice which need more money—and we have given it to them. My best estimate is if you spread this evenly and that is what I tried to do—you know, the freeze is supposed to treat everybody the same. That is why it is so easy to get done. People come down and say freeze, and nobody is hurt.

So the proponents ought not to stand up and say we did not mean that, we meant freeze some, cut some, but let others go up. How about drugs and Justice? Does it go up. Does it get frozen? Does it go down as I think it does because of the budget authority outlay ratios? I think it goes down $1.4 billion.

Frankly, defense is substantially changed from the agreement that the leadership entered into.

This amendment cuts $6.9 in budget authority here. I will round it to seven—$7 billion less than the budget resolution. For those that continue that kind of roller coaster, defense goes up for 3 years and comes down for one and goes up for one and then comes down, then we send three different messages in 6 months as to what we really expect of the Defense Department. Here is another message: $7 billion more off. The $6.3 billion Bush cut from Reagan was not enough. The $4 or $5 billion we cut from Bush in our resolution, that was not enough; all in a period of 90 days, take off $7 billion more.

Now, I close by saying I do not understand a few things about the resolution, and that is probably my fault. There are a couple that I am just going to close with, and they are nothing more than my thoughts, by way of a question. Revenues. The revenue number in this budget resolution is $8.9 billion higher than that reported in our budget resolution, the one we brought to the floor. Let us round that to $9 billion more. Yet, this budget resolution tells the Finance Committee to raise $5.3 billion, the same as the Senate-reported resolution.

Where does the rest of the $8.9 billion come from? I do not know. Maybe there is an explanation. Why do we reconcile only one committee? This is technical language, but let me just say that the only way we have of ordering committees to make reductions, raise taxes, or change entitlement programs is this funny word "reconciliation." You send instructions to a committee. I found only one committee reconciled here, and it was for a tax increase.

So I repeat the question: Where are all the other entitlements that you are going to freeze? And Members of the Senate, you must know a freeze in social services requires a law change, because it is automatically going up. A freeze in the VA home loans requires a law change. A freeze in Postal Service requires a law change. A Farmers Home Administration [FmHA] loan freeze requires a law change. I do not know how they are going to get it accomplished without reconciliation.

Now, I chose, having done the best I could in a very complicated and somewhat esoteric process, to make a case against this approach to budgeting. I tried to make a case, and not an exaggerated one, I do not believe, for the budget resolution we produced. I have never said it is great. I have never said it is the best we could do. I said it can be done. It is a first step. It is manageable, and we ought to do it and move on to the next step.

I have the greatest respect for my friend from South Carolina. I am not good at quoting him. I did not search the CONGRESSIONAL RECORD for any quotes, I say to my friend, that I could quote to the Senator or about the Senator. I can only say that it was among the greatest feats of this institution when we really experimented with reconciliation. And you joined me in the most significant effort in telling committees of the Congresss to reduce spending.

The Senator will mark that one, and I will, in our book. We came down here, and we did it in a historic way; we did it even before the budget was finally completed, as the Senator will recall. We did it on the previous year's resolution.

So the Senator deserves great credit, as it has been given to him today. I only know that I understand budgets. I understand the Federal Government's work. I understand that the easiest thing in the world is to come down here to the Senate and say, "Freeze outlays; no pain, no hurt." How can anyone complain, and then when you are asked, "What does it really do?" you say, "It does what the appropriators say it does. There is no use in talking about it, because they are going to decide."

Well, there is no black magic about appropriating money. If you do not have money to appropriate, you cut something. In this approach, you turned a little black box approach of the President's into a giant black box called an "outlay freeze." It will really get the Government going and really solve all our economic problems.

Now, I wish I had time to talk with my good friend, who has talked about our lack of productivity, our debt in the world. I only suggest to him that we have some economic problems. And if anybody can tell this Senator—I am just addressing the Senator's comments about the problems we have with the trade deficit, that we are a creditor nation now, a debtor nation, and our productivity is down.

I want to close with a true statement: I woke up the other morning, and I had a dream that the deficit had disappeared, and I said, "I am going to walk out onto the street and look at what the economists are saying about America, and everything will be fixed." I found America's productivity was down, rather than up. I found the trade deficit had been effected a little tiny bit. I found that Medicare was growing at 13 percent a year inflation and gobbling up every bit of new GNP around, and we had nothing to spend on anything else. And I said, "I thought we solved it all."

I yield the floor.

Mr. DIXON addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Mr. President, I yield 10 minutes to the distinguished Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DIXON. Mr. President, there is a time in every debate on every major piece of legislation in the mandatory process where you come to the critical moment, and I think that every Member of the U.S. Senate who is observing this budget deficit understands the critical moment in the amendatory process on this piece of legislation is this point in time when my friend, the distinguished Senator from South Carolina, offers his flexible freeze amendment.

He is a great Senator, one admired by all of us, a Senator whose efforts on behalf of a freeze in the past on many occasions I have supported. And he had made substantial contributions, in the many years he has served with great honor here, to the fiscal responsibilities that the Government occasionally indulges in. Some of those who support him today are people of like reputation, and I have the greatest personal regard for them.

But the majority leader has asked me today on behalf of the leadership team that what we have before us in this budget accommodation is something that the Democratic leadership team and those in the jurisdictional committees have been involved in since day one.

On the first occasion that I met, as part of the leadership team, with others at the White House, the major discussion on that occasion was the attempt to achieve an honorable budgetary compromise this year. And everything that has ensued since that moment has been directed toward this moment on this day when we consider a budgetary compromise.

There is a lot of value in what my friend from South Carolina and his supporters say, but what we have here is the honest work product of all kinds of different men and women of different opinions, who came to an honorable accommodation about how we ought to deal with the budgetary process.

If we can pass this budget compromise from that I think will flow the passage of 13 appropriations bills, the avoidance of a continuing resolution and a lot of good things that every Member of the U.S. Senate genuinely wants.

I have a whole list of things here that my friends who understand the process in leading this committee say will be affected adversely if this amendment is adopted. I am not going to read them all. Others have alluded to them. But some matter a lot to my State.

I am told that if this amendment is adopted to change the compromise both parties and their leadership have achieved here, nuclear weapons plant cleanup starts will be reduced by $600 million. That matters in my State a great deal. Aviation safety and FAA modernization is reduced by $500 million affecting 9,000 air traffic controllers, and in my State with O'Hare Airport that requires serious attention of the Government.

As to antidrug enforcement activities, I am told thousands of agents could be laid off. Every single U.S. Senator has critical problems, not only in the urban areas but the small towns of America in respect to that problem.

I could go on subsidized housing. I did my townhall meetings last week. At every one of those meetings someone got up and said something in behalf of the WIC Program, how tremendously important that is.

I do not want to take up much time and I am only going to make some

brief remarks and conclude, but let me tell Senators this: There is no finer Senator or brighter man in America than the Senator from South Carolina who offers this amendment and no finer people than those who support him, and maybe his idea in a vacuum is the best idea. I do not know.

I voted for a few freezes around here in my time, may I say to my friend from New Mexico. But the point is that a lot of people of a lot of different opinions came to a conclusion about this type of a budget resolution for this year, and the House, may I say, has come to a similar conclusion, and if we reject this amendment and adopt this budget resolution—and I think after that all flows to that moment—then we are soon going to have an accord that every Senator here and every Member of the House can live with and we can go forward, and we can in good order address the fiscal needs of this great Nation this year with a reasonable amount of good will on both sides to achieve a very, very important and desired result.

So I honor my friend and colleague. Nobody contributes more often in these debates and those who are associated with him. But I say an honorable accommodation is an honorable accommodation, and this deal has been struck and both sides have been involved and the committees have been involved, and out of this a good result most certainly will obtain.

And on that ground I would hope on behalf of the leadership of this side that our side would give a substantial number of votes in support of the position of our distinguished chairman of this committee who has done in his first year, in my view, a super fine job for which he deserves great honor. I thank him for that contribution and the contribution of the manager on the minority side and urge that this amendment by my friend from South Carolina be rejected.

The PRESIDING OFFICER (Mr. KOHL). Who yields time?

Mr. HOLLINGS. I yield time to the Senator from Virginia.

The PRESIDING OFFICER. The Senator yields to the Senator from Virginia.

The Senator from South Carolina has remaining 4 minutes and 45 seconds.

Mr. ROBB. I thank the Senator from South Carolina.

Mr. President, I recognize the brevity of the time and I find myself in an awkward position at this point because, I, too, admire and respect both the chairman and the ranking member of this committee for tackling an extremely difficult job.

I recognize the frustration that they must feel in hearing their work product constantly attacked, and I am pleased that the Senator from South Carolina gave us an opportunity to put something on the table so they could play a little offense and would not have to play defense the entire time. But it seems to me in all deference to the distinguished Senator from Illinois that we simply set our sights too low.

I would respect any suggestion that we cannot live with the particular agreement, at least some of us cannot. I know a little something about budgets, although I would acknowledge that at the Federal level it is a whole new experience, but I have put budgets together at the State level, and I rise to suggest that the proposal by the Senator from South Carolina can and in my judgment will work.

We did it in our State, admittedly a less complicated situation than dealing with the Federal budget, but we did it through a series of hiring freezes what we called level funding, some executive agreements to establish clear priorities and provide accountability, a critical reorganization, and other tools.

The point is that under even the most difficult circumstances you have to provide some real pressure and some real will to succeed.

As I hear the arguments we are saying in effect that because all of our vulnerable political children are below the line we simply cannot cut spending. I say that we can and that we are going to have to, and if we do not make the decisions this year they are going to become much more difficult if you have to confront them next year where all of the political factors as well as the economic factors simply cut against us.

It is going to require very strong Presidential leadership. It is going to require all of us to accept some pain, and I said during the course of a campaign that I was willing to submit that anything that a particular individual felt was sacrosanct ought to be on the table. We are going to have to proceed from that basis as far as this Senator is concerned.

It will require a sense of shared sacrifice. There will be pain. Nobody suggests that we can avoid that pain. We only suggest that it is going to be more painful and more difficult if we continue to postpone the difficult decisions that are confronting us at this time. It is simply matter of will.

My judgment is that the entire structure will respond to that kind of pressure, but it is going to have to come from the President as well as from the distinguished chairman of the Budget Committees in the Senate and the House, and I hope it will be the will of the majority of our colleagues to give the Senator from New Mexico his dream—give us a chance. It will not be easy. It will be painful. It will be difficult. But those 10 years of frustration that the Senator mentioned I think can come to an end if we have the will to accept responsibility, accept the flak that goes with it, and try to provide some sense of principle and begin to actually reduce or bring this whole situation under control.

Mr. President, I yield the remainder of my time to the Senator from South Carolina.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. How much time is remaining?

The PRESIDING OFFICER. The Senator from Tennessee has 10 minutes and 30 seconds. The Senator from South Carolina has 1 minute remaining.

Mr. SASSER. Mr. President, let me just say a few things very quickly.

What does this compromise budget proposal, the budget resolution that we bring to the floor, do that the amendment being urged on us here this afternoon does not do?

One, I think the compromise budget proposal, the bipartisan budget proposal, sets a pattern, a pattern of continuing to bring the deficit down. What we have seen over the past 2 or 3 years is a continuing decline in the Federal deficit, both in real dollars and also as a percent of gross national product.

We should not be satisfied with that. We should continue to work to bring this deficit down to the point that we get the Treasury of the U.S. Government for the first time since 1969 into a surplus situation.

We set a pattern in this bipartisan compromise agreement by reducing this deficit with 50 percent coming from revenues and 50 percent coming from spending savings. When you look inside the 50 percent spending savings component what you find is that half of those spending savings are coming from defense and half of the spending savings within the savings component are coming from entitlements and domestic discretionary spending.

So, in effect, what you have is a pattern that I hope will progress from year to year which indicates that the deficit will come down—50 percent by additional revenues, 25 percent by additional reductions in defense spending if national security requirements will allow us to do that, and 25 percent with savings in domestic discretionary spending and entitlement programs.

Contrast that with the amendment being urged on us this afternoon. They advance a proposal which would reduce the deficit by 30 percent revenues and by 70 percent spending savings. And inside their 70-percent number, domestic discretionaries take by far the lion's share of the pain with regard to the savings that would be affected.

I do not think that is what this body wants to do. I do not think we want to set that pattern and I do not believe

the American people want us to set that pattern.

The bipartisan budget resolution establishes a precedent of working together with the administration. It establishes a precedent of dealing fairly with each other in an effort to reduce this deficit. It puts the period of confrontation and acrimony and the fiscal paralysis that flowed from that for the past 8 years behind us.

If we adopt the amendment, no matter how worthy, being offered by my distinguished friend from South Carolina and my able friend from Nebraska this afternoon, we will be back to square one. We will be back to square one in a period of angry confrontation with the administration. We will be back here on the floor of this body in late night sessions trying to come up with some sort of budget agreement, with those on this side of the aisle fighting and quarreling with those on that side of the aisle, going on until 2 and 3 a.m. in the morning, sometimes all night. What a sight for the American people to have to behold.

This bipartisan budget agreement will allow us to move the appropriations bills out of here in an orderly fashion. The flexible freeze approach urged on us, I submit, Mr. President, will mean that this will be a government by continuing resolution for fiscal year 1990.

Well, what about the world outside this Chamber? The financial markets, I submit, are reassured by the view of a Congress and a President working together. They are reassured by a deficit continuing to come down, although granted not coming down as fast as I would like and not coming down to the degree that I think it ought to, but coming down as fast and to the degree that circumstances will allow.

Contrast that with the reaction of the financial markets if they look here and see chaos. And I would submit that is what will occur if the flexible freeze that is being urged upon us is adopted by this Chamber here this afternoon. So we have a clear choice. We have a choice between order and we must have a choice between chaos.

We have a choice between an orderly progression of bringing the deficit down, working in coordination with each other, the administration and the Congress working together or, on the other hand, we could go back to the old ways of shouting, of fingerpointing, of getting nothing done and watching the deficit grow on a daily basis.

I submit, Mr. President, that it is our obligation here this afternoon to reject the course of action being urged on us by the proponents of this amendment and to endorse and vote for, in the final analysis, the bipartisan budget resolution that has been agreed to by the leadership on both sides of the aisle of both Houses and has been agreed to by the President of the United States. I believe in the final analysis that will work to the best interests of the country both in the short term and in the long term.

Mr. President, may I inquire how much time I have remaining?

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. SASSER. I yield the floor.

Mr. HOLLINGS. I wonder if the distinguished chairman would yield me off the bill. I will try to hold it to 10 minutes. How about 15 minutes? We do not have anyone else here, then we could conclude it.

Mr. SASSER. I would be pleased to yield to my friend from South Carolina, and I will yield to him. I will say to him we are doing our best to try to conclude as early as we can this evening.

Mr. HOLLINGS. We will be through here momentarily.

Mr. SASSER. All right. I yield 10 minutes off the bill to the distinguished Senator from South Carolina. If he needs additional time, we will yield it at that time.

Mr. HOLLINGS. Very good. I do appreciate the courtesy of my distinguished colleague and my distinguished chairman. I join in the high regard and respect for him in his work, the affection I have for him and respect and affection I have for my friend from New Mexico.

There is no question that these two gentlemen were put in a box by the leadership. And the leadership put themselves in a box by agreeing in the first instance to sit down and work it out in what I call this conspiratorial fashion.

Senator DOMENICI, as chairman of the Budget Committee, he and I would remember the old days when we had hearings right on through March and April and we had all the different divisions come up. At one time, we headed up the Sea Power Defense Task Force. Yet, going right to my distinguished friend from New Mexico, I have a very, very difficult time trying to follow my friend. I have followed him so often I would not think I would have this difficulty. But he started talking about the black box. And while I talked at length, I never mentioned a black box.

He said there is no way the budget with these numbers can be implemented. He talked about how defense goes down and then goes up, and what the Appropriations Committees and everything else will do.

No. 1, Mr. President, the distinguished Senator from New Mexico, who talked in riddles, understands better. He and I have cosponsored and we voted for freezes.

More particularly, I referred earlier to the Dole-Domenici freeze back in 1985 on May 9 when they cut some $51.7 billion in a freeze. He knows exactly how to go about holding down outlay figures. So it is disingenuous to say we cannot get to it.

Now all budgets are projections with respect to the amounts to be spent in an ensuing year. And many times things occur and you cannot stay within the budget and you never can find what the true figure is. But in this instance we know what the true figure is, it is at a freeze at this year's level. So rather than a black box, we have got it in black and white. And we have had not just OMB projections but, on the contrary, we have got Congressional Budget Office projections for each one of the particular functions in this handout of the Hollings-Exon-Conrad-Robb freeze.

So let us not get bogged down about how we do not know when, in fact, we do know. We know what this is. The CBO has taken the figures and has them listed for you in each function.

Now my distinguished friend, the chairman from Tennessee, starts talking about the budget needs. He started first with the article—and I ask unanimous consent that this article in Sunday's Washington Post entitled "Bush's Real Problem—The Ruins of Reaganism" be printed in the RECORD.

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

[From the Washington Post, Apr. 30, 1989]

BUSH'S REAL PROBLEM—THE RUINS OF REAGANISM

(By Ernest F. Hollings)

Uncle Sam is running on empty. This is not by accident or oversight. When Ronald Reagan came to Washington in 1981, he made no bones about his intention to slash government spending and trash the federal bureaucracy. He flaunted his contempt for government.

Eight years later, liberal pundits crow that the Reagan revolution has failed, that the federal fortress stands stronger than ever. They are dead wrong.

The reality is that President Reagan dealt Uncle Sam a crippling blow. He left a federal treasury that is broke and paralyzed by debt; a federal work force that is demoralized and discredited; a public infrastructure that is literally crumbling. What's more, by mobilizing the nation's voters as "an overpowering bloc vote against necessary taxation" (David Stockman's words), Reagan sapped the government's capacity to put its house—and books—in order. George Bush's craven "Read my lips, no new taxes" is the Rosemary's Baby of the Reagan presidency.

To serve in Washington today is to witness the federal government at its worst. We on Capitol Hill preen as we introduce empty "sense of the Senate" resolutions, sham budgets and hollow bills and then expect to get a good-government award for our efforts. A sad example is the anti-drug legislation passed and signed with such bombast just before the 1988 election. The bill promised an impressive $2.5 billion for a *jihad* against drugs, but when the dust settled, Congress actually appropriated only $500 million. William Bennett is less a "czar" than a pretender to the throne.

In like manner, Congress and the White House have made a fine art of bogus budgeting. Consider how we will pretend to reduce the federal deficit in 1990 from its true level approaching $300 billion down to the Gramm-Rudman-Hollings deficit limit of $100 billion: First, we will siphon off the $68-billion surplus in the Social Security "trust fund." Then we'll ransack other trust funds (including those for highway and airport improvements) to the tune of $67 billion. We'll throw in monkeyshine economic assumptions such as short-term interest rates falling to 5.5 percent to "save" another $19 billion. Finally, we'll make a few token budget cuts and phantom asset sales and—voila!—another victory for "fiscal responsibility."

Meanwhile, under George Bush as under Ronald Reagan, the hollowing out of the federal government continues apace. Profound social problems—the pathologies of the underclass, a failing education system, declining competitiveness—are not addressed in any meaningful way whatsoever. Our government has charted a course of drift, disinvestment and decline.

The press has focused on the most dramatic cases of neglect: the $300-billion price tag for non-supervision of the S&L industry; the $150-billion cost of fixing neglected federal nuclear-weapons plants; the $100-billion-plus expense of cleaning up toxic waste dumps. But with the exception of one important area—national defense—the demise of government can be documented in virtually every key area of public policy. Consider the following:

Education. The Reagan administration fell short of its goal of abolishing the Department of Education, but it nonetheless slashed funding and cut the department's staff by 25 percent. Since 1980, adjusted for inflation, education block grants to states have been cut by 63 percent; bilingual education by 47 percent; vocational education by 29 percent; college work-study by 26.5 percent.

Chapter I, the major federal education program to help disadvantaged primary and secondary school children, reached 75 out of 100 eligible poor children in 1980; today it reaches only 54 of 100; some 500,000 kids have been dropped from the program. Head Start, the program for disadvantaged preschoolers, now reaches only one in five eligible children. Cuts in the federal school lunch program have kicked 3 million needy kids off the program's rolls.

Housing/homelessness. Since 1981, federal funding for subsidized housing has been slashed by 81 percent. The estimated waiting time for a public-housing vacancy in New York City is 18 years. Every year, half a million units of low-income housing are lost to demolition, arson and gentrification. There are now upwards of 3 million homeless Americans, including entire families (34 percent of the homeless population, and the fastest growing homeless group) and the deinstitutionalized mentally ill (another shameful example of the abdication of government responsibility). Most cities report that demand for shelters has doubled or tripled in recent years.

Infrastructure. Systematic neglect of public transportation in recent years has left a staggering toll. As just one example, some 577,000 bridges—approximately one in four—have been determined to be dangerous. Officials estimate that it will cost $51 billion to repair or replace these deficient bridges, yet only $1.5 billion has been appropriated for this fiscal year. Some 4,000 bridges have been closed, but many more stay open that shouldn't. Expect ever more frequent bridge collapses such as the Hatchie River collapse in Tennessee in early April; seven people were killed as their cars plunged into the abyss created by years of neglect.

Air transport. The number of airline flights has increased by 30 percent since 1980, yet the number of air controllers has not increased; indeed, there are 3,000 fewer "full-performance level" controllers today than in 1981. The Federal Aviation Administration estimates that $26 billion must be spent over the next 10 years to expand airport capacity and improve traffic control, yet the 1990 budget request is for only $1.35 billion. There is a $6-billion surplus in the Airport and Airway Trust Fund (generated by the 8-percent passenger ticket tax), but the Reagan and Bush administrations have refused to spend it for its intended purpose.

Safety-net programs. In constant dollars, Aid to Families with Dependent Children (AFDC) benefits have been cut by 26 percent since 1977. In 31 states, the maximum AFDC payment for a family of three in 1988 was less than half the poverty level. Even including food stamps, benefits were below the poverty level in 47 states. In 1973, AFDC covered 84 children for every 100 living in poverty; in 1987, it covered only 60 of 100.

Basic nutrition programs have also been neglected. The Women, Infants and Children (WIC) program is one of the most cost-effective social programs ever devised; on average, $1 invested in its prenatal component saves $3 in short-term hospital costs. Nonetheless, funding last year served only 50 percent of the eligible poor.

Health care/health research. Community health centers serve only 5 million of the 25 million poor who are eligible. Migrant healthcare centers serve only 500,000 out of 3 million eligible. Approximately 37 million Americans do not have health insurance—20 percent more than in 1980. Is it any wonder that the United States now has the highest rate of infant mortality among developed nations?

More trouble for the long term will result from the decay of America's infrastructure for medical research. The federal government's best medical researchers are leaving in droves because of absurdly low pay caps. So deep have been budget cuts at the National Institutes of Health that only 20 percent of "highly meritorious" research grants are now approved as compared to a more traditional rate of 45-55 percent.

Consumer protection. The current Consumer Product Safety commissioners' anti-regulatory bias has virtually ended the commission's function. Despite complaints on everything from playground equipment to disposable lighters to space heaters, the commission has not promulgated a new rule since 1984. The staff has been gutted and the number of commissioners reduced from five to three because of budget restrictions. Since the chairman resigned in January, the commission has lacked a legal quorum and been unable to meet.

Natural resources environment. In 1978, 3 percent of the federal budget was spent on programs involving natural resources, conservation and environmental protection; 10 years later, that percentage had been cut in half. Federal spending for sewage-treatment facilities has fallen from $4.5 billion in 1978 to only $1.2 billion requested for 1990.

In 1978, $805 million was appropriated for the purchase of land for national parks and recreation areas; in 1988, President Reagan requested a paltry $18 million for such purchases. Meanwhile, we have abdicated federal stewardship over America's priceless natural wonders. The government's initial reaction to Exxon Valdez was "let the private sector handle it." On questions of drilling, cutting and grazing on pristine public lands, the administration's knee-jerk policy is "let 'er rip."

Trade. A key factor in the record trade deficits of recent years has been the federal government's refusal to enforce U.S. import laws or to promote exports. The total injury last year from illegal imports is $3 billion in lost customs duties, $19 billion in lost sales by U.S. firms, $8 billion to $12 billion in lost national output and nearly a half million lost jobs.

To take just one example of the consequences of the no-policy approach to trade, consider the fate of the U.S. footwear industry. In 1981, with footwear imports totaling 51 percent of the U.S. market, President Reagan terminated all restrictions on footwear imports. By 1984, footwear imports had seized 71 percent of the market, but the U.S. International Trade Commission (ITC) still found "no injury." In 1985, when footwear imports reached 77 percent of the U.S. market, the ITC finally recommended global quotas for five years; President Reagan, however, refused to act. By 1988, imports had captured 82 percent of the U.S. footwear market and were still on the increase.

Even this cursory review of the policy record of the 1980s leaves no doubt: The Reagan revolution against government has "succeeded"—beyond its fomentor's wildest dreams. Indeed, driven by debt and deficits, that revolution has now assumed a destructive dynamic all its own.

True believers assure us that the unfettered marketplace will fill the void left by the demise of government. But it is precisely unfettered markets that have spawned the whole run of crises that grip us today—the S&L industry collapse, the third-world "debt bomb," the toxic waste dumps, destruction of the ozone layer, defense-industry fraud and so on.

We will learn—too late, I fear—that there is no substitute for activist, competent government. If Ronald Reagan's malfeasance and George Bush's nonfeasance succeed in bringing the federal government to its knees, America will be naked to its worst domestic enemies: poverty, ignorance, racism, lawlessness. Abroad, we will be bested by nations such as Japan and West Germany that prize their federal governments as muscular engines of economic growth and social justice. In short, we will be at the mercy of events unless we can restore and revitalize the federal government so that it again stands as a proud instrument of national purpose.

Mr. HOLLINGS. When he started referring and going down the list of some of those items in that particular article about the needs, I thought for a while that we had Senator KENNEDY of the Welfare and Human Resources Committee rather than the chairman of the Budget Committee up there trying to reduce the deficit.

Indeed, look to the article I wrote. I would love to have those increases. He and I all believe in helping the homeless and in WIC and in nuclear cleanup and in health and in education. But

I happen to believe in paying for it and I have tried to pay for it.

This crowd is playing the monkeyshines, year in and year out, of doing all this providing but not paying the bill. This particular bipartisan deficit reduction package increases spending over the CBO baseline by $59.9 billion. Sure he is providing for needs. Our difference is, who is going to pay for it. And of course it comes down to his function and mine, the Senator from New Mexico and others, to do something about the deficit.

We are supposed to be leading deficit reduction, not spending and providing for it. So I said the only fair way I know to do it, to try to avoid the cuts, is to do it like the mayor of any city, of Richmond, VA, or Madison, WI. If the mayor of Madison, WI ran out of money he would call his city council and he would say: Look, nobody is really hurting. We do not want to fire the firemen or the policemen. We do not want to cut anybody. But we cannot increase spending, we do not have the money. Let us take this year's budget for next year.

If we did that in Washington this afternoon, we would immediately pick up $60 billion in savings; $60 billion from the current services.

I do not save that $60 billion because, yes, I have had to try to be realistic. And I tried to be realistic on the $14.2 billion in revenues. Senator DOMENICI continually says, where do I get that figure? Where is this? I cannot find it. Well, if he only finds that $14.2 billion in his own resolution, that would answer my prayer.

Well, I prayed for 2 days to identify these figures they used. It includes $5.3 billion in "hard taxes," they call it.

Incidentally, they did not call it hard taxes over at the White House, they call that R-1. R-1. That is a hoot. R-1. R2D2. I am telling you right now, we are really going out of the world right now with these little folks in space, I can tell you, on Mars or wherever else they got the budget.

Mr. President, I would ask at this particular point in the discussion that we have printed in the RECORD the first offer, March 20, 1989, the first House offer in their negotiations.

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

First House Offer—March 20, 1989

Revenues: Take President's overall revenue number of $14 billion:	
Hard taxes (R1)	$5.6
Offsetting collections and user fees (R2)	−5.2
Asset sales (R3)	−3.5
Total revenues	−14.3
Spending:	
Nondefense discretionary (BA freeze)	−3.9
Defense (BA freeze)	−6.0
Entitlements	−4.5
Total spending cuts	−14.4
Interest savings	−1.3
Total deficit reduction	−30.0
Projected 1990 deficit	99.4

Initiatives: To be paid for by further revenues or greater spending cuts.

Mr. HOLLINGS. R-1, hard taxes. I cannot find out yet what it is. I asked the chairman of the Finance Committee and he does not know. Accordingly, he declined to attend the Rose Garden ceremony. DANNY ROSTENKOWSKI from the House side, he would go either.

Then, look at offset and collections and user fees, they blame me for not being specific. Yet I cannot find out what they are in the bipartisan agreement. The same is true with asset sales.

So I said oh, let us not play games. If we say we are going to have honesty and truth in budgeting then we have to be truthful. I have not been able to find those figures out in the chairman's resolution.

But, in any event, the distinguished Senator from Tennessee comes now as our chairman and he reminds us of all the wonderful needs. And, yes, I have written about it and I think we all agree on it. For that very reason, we all want to know when the charade of not paying the bills is going to stop.

My amendment is designed to help President Bush. He has been on the telephone all day long, saying do not vote for this amendment. Yet if we can vote for this amendment and bite the bullet at the beginning of his term, he can end up with a fiscally responsible 4-year administration. If he does not do it now, then they are going to be asking all the House Members running next year to vote for taxes, and it will not happen in an election year. Then we all sit around waiting for the recession, depression, or whatever to hit us and point fingers and really be in an impossible position.

This amendment is bipartisan, incidentally. We had 6 Democrats and 4 Republicans; the vote was 12 to 10 in the Budget Committee. Ten members of the Budget Committee—we split right down the middle, seven members withheld their vote going around the table, they wanted to vote for it, came up and told me later they would like to vote for it. Now they are all working on supporting the President or supporting the leadership.

As the distinguished Senator from Illinois says, they have a lot of things in here we all want, a lot of good things that all of us in this body want. He is right. But we have got to pay for the things and we are the ones who have the responsibility.

Incidentally—and I think the main point is—when my distinguished chairman laments the pathology of the underclass and the declining fortunes of the poor are not addressed—I think we address them when we put in a budget freeze.

I know we have tried this other ways. We have tried and tried. To Senator DOMENICI's credit, he tried cuts. Several years ago he put in an amendment listing 44 program eliminations. And the vote was 14 for and 83 against. So we have tried the cuts year in and year out.

We tried other approaches, year in and year out.

Will the Senator yield me 5 more minutes?

Mr. SASSER. Mr. President, we yield 5 additional minutes to the distinguished Senator from South Carolina, off the bill.

Mr. HOLLINGS. I thank the distinguished chairman.

When my colleague says he thinks he is helping them, I would think so ordinarily, but once you have tried to reduce the deficit and you are in the 8th and 9th year of doing this and not paying for it, meanwhile your debt has jumped to $2.8 trillion, you have become a debtor nation and you are sending your patrimony overseas. The Japanese are financing this thing. With Treasury bonds, we are sending about $5 billion a month to Japan.

This is really the root of the problem, not just the underclass but the overclass. For the underclass is hit worst by inflation because we really are not providing that much. We are not putting the money into airports.

I know about drugs, I know about prisons. Those are my particular appropriations and budgets. But we are not really providing for it, and I would like to provide for them.

What happens is that we get inflation, which every economist says impacts most on the underclass, by not paying the bills because our interest costs jump to $25 billion. That is $25 billion we could spend for the underclass. Instead we spend it on the over class. The Japanese are buying American assets at half price. All the real estate in the city of Tokyo exceeds, the value of all the public corporations in America. No wonder they buy CBS Records for $2 billion when it only costs $1 billion because of the high yen. Meanwhile, our middle class really disappears.

That is why we made it a flexible freeze, to cut some $32 billion rather than increase spending $59.9 billion.

I have some other items to describe. I ask unanimous consent, Mr. President, they be printed in the RECORD.

A letter dated May 2, 1989, from the Coalition on Human Needs; a letter dated May 3, 1989, from the AFL-CIO; an editorial by Mortimer Zuckerman from the March 20, 1989, U.S. News & World Report; a New York Times article dated April 24, 1989; and an article

from the Sunday, April 16, 1989, Washington Post; and an article from the Economist of the week of April 22.

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

COALITION ON HUMAN NEEDS,
Washington, DC, May 2, 1989.

DEAR SENATOR: The Coalition on Human Needs and the undersigned organizations urge you to oppose a "Hollings freeze" amendment and urge you to vote for final passage of the Senate Budget Committee bipartisan budget.

The Hollings proposal to freeze discretionary programs and some entitlements at FY 1989 levels would mean that virtually all of the additional deficit reduction achieved beyond the Committee plan would be done on the spending side and none on the revenue side. We strongly oppose such an unbalanced package which very likely would mean real cuts in low income discretionary programs. Furthermore, the Hollings plan in all likelihood would preclude most if not all of the low income initiatives that have gained the support of both parties and are included in the Budget Committee plan.

We also urge you to oppose a Kohl motion to recommit the budget resolution as reported by the Budget Committee. The outcome of such an effort is very unclear and could lead ultimately to cuts in critical low income programs.

While we would prefer a stronger budget resolution that included both more substantial revenue and greater attention to unmet needs—including higher levels of funding for Medicaid, housing and other high priority programs—we believe that the Budget Committee Resolution is the most reasonable proposal that has been put forth.

As such we urge you to oppose all weakening amendments and support final passage of the FY 1990 Budget Resolution.

Sincerely,

AFSCME, Bread for the World, Center on Budget and Policy Priorities, Coalition on Human Needs, Epilepsy Foundation of America, Food Research and Action Center, National Association of Social Workers, National Council on the Aging, National Low Income Housing Coalition, National Puerto Rican Coalition, Villers Advocacy Associates.

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, DC, May 3, 1989.

LEGISLATIVE ALERT!

DEAR SENATOR: S. Con. Res. 30, the First Budget Resolution for FY 1990, will be on the Senate floor this week.

We understand that Senator Hollings will offer a budget substitute which would freeze outlays for virtually all programs except Social Security at the FY 1989 spending levels. Such an amendment would require massive cutbacks in the FY 1990 appropriations for many programs or, in the case of entitlements, changes in law to reduce either participation or benefits. The Congress's efforts to increase access to child care would be made ineffectual by the lack of funds to provide services. Other important initiatives provided for in this resolution, such as nuclear weapons plant cleanup, subsidized housing funds to provide an additional 20,000 rental units, and an expansion of the Women, Infants and Children (WIC) program to provide an additional 300,000 women and children with vital services would also be eliminated. Important programs which we have worked hard to sustain would be cut below last year's service or operation levels.

The Hollings amendments suffers from the same grievous flaw that afflicts the sequestration provision Gramm-Rudman-Hollings budget process—its mechanical, nonrational approach to allocation of funds and cuts in funds that affect living, feeling human beings.

The AFL-CIO urges your vote against the Hollings budget substitute amendment.

Sincerely,

ROBERT M. MCGLOTTEN,
Director, Department of Legislation.

[From U.S. News & World Report, Mar. 20, 1989]

THE REAL BOTTOM LINE

(By Mortimer B. Zuckerman)

The deception of the American people has to stop. For four years, we have been assured that the budget deficit is declining substantially. That was wrong. Now, a new President continues the deception by offering a budget with more mirrors and windows than the Palace of Versailles. Our budget process has become an international joke; but here, thanks to the diversion of attention to the Tower affair, the farce has gone without the public rebuke and ridicule it requires.

The bottom line is this: The actual budget deficit in 1986 was $283 billion, not the officially reported $221.2 billion. In 1990, it could be as much as $263 billion, not the Bush administration estimate of $91 billion.

Why the differences? Because of the tricks played on the American public. The most important is that the unified budget we are presented meets operating expenses by raiding a variety of funds held in trust. Some trust. Take the Social Security Fund. In 1983, it was reformed so that more would be taken in than is paid out; the goal was to partially fund the reserves necessary to meet the massive pension obligations required when the baby-boomers retire in the next century. By stealing from these funds now, the next generation of workers will have to pay dramatically higher Social Security premiums.

Even more glaring is the way the Bush budget uses financial gimmickry or ignores other unfunded exposures such as the following:

The savings and loan bailout, $150 billion.

Cleaning up the dangerous mess from the 16 nuclear-weapons plants, $150 billion.

The unfunded bulge in military-procurement contracts, $200 billion.

Modernizing computer systems for the IRS, Social Security and air-traffic control, billions more.

The Bush people cover up this irresponsibility by asserting that America can grow itself out of deficit. The budget assumes stronger economic growth and lower interest rates than almost any economist anticipates. This wishful thinking enables Bush to minimize the political costs inherent in the amount of cutting necessary to stay below the mandated Gramm-Rudman-Hollings deficit ceiling.

Here again there is waffle. The budget does not spell out how even this unrealistic level of cuts will take place. The budget director, Richard Darman, has been very foxy. He has crafted a budget that gives the impression the Bush administration can do more in the areas where there is popular support for doing more, such as in education, drugs, the environment, child care and the homeless. Even the good news about "a kinder, gentler America" turns out to be a confidence trick when we check the small print of the budget. For example, there is even less for education in this budget than in Reagan's proposed budget.

As for actual budget cuts, Darman passes the buck. He leaves this to be negotiated with Congress, inviting the lawmakers to put their heads on the block for cutting politically popular programs such as farm support programs while the administration takes credit for the other increased government programs. No wonder Congress feels it has been had and the financial markets feel that this is a budget that chews more than it bites off. Darman is too clever by half.

The continuingly high U.S. budget deficit is a triple-barreled shotgun at our heads. It provides too much stimulus for an economy that has already become overactivated and increases demand-side inflationary pressures. It keeps interest rates increasingly high, reducing investment and hurting U.S. competitiveness in the world economy. And it keeps the dollar higher than it should be, limiting further improvement in our external-trade deficit.

This is not a budget in the national interest.

The American people needed political leadership, and a new President could have provided it. The message required is simple: Sacrifices are necessary on the spending side if taxes are not to be raised on the revenue side. But Bush has ducked. His budget suggests that we can spend more for domestic programs and do not have to think about how we pay for them.

This dismaying failure of leadership recalls the comment of Will Rogers: "I don't make jokes. I just watch the government and report the facts."

The joke is on us.

[From the New York Times, Apr. 24, 1989]

NO. 1 WHISTLE BLOWER DERIDES DEFICIT FIGURES

(By Nathaniel C. Nash)

WASHINGTON, April 23.—The Bush Administration and members of Congress may have been impressed by their recent plan to keep next year's budget deficit under $100 billion, but to the Government's independent auditor, the accord is almost a sham.

"The rosy projections are not real numbers any more," said Charles A. Boswher, the Comptroller General of the United States, who heads the General Accounting Office. "The situation with the deficit is much worse that it is being portrayed."

For the 58-year-old head of the G.A.O., an investigative arm of Congress, such statements can make for prickly relationships with two titans, Congress and the executive branch. But they define the type of agency Mr. Bowsher has tried to develop, one that is independent enough to challenge prevailing sentiments.

Members of Congress and private accountants agree that the agency has grown in stature in recent years to a point where it has blown the whistle on a number of problems and has taken a tough line on fiscal responsibility.

YES, ON AN ANOTHER CRUSADE

For example, the G.A.O. shocked the thrift industry in 1986 when it concluded that the Federal Savings and Loan Insurance Corporation was insolvent to the tune of $6 billion. After the 1987 stock market collapse the agency documented how break-

downs and undercapacity in the computer systems of the New York Stock Exchange aggravated the plunge. And it has repeatedly criticized the Federal Home Loan Bank Board for understating the thrift crisis.

In an hourlong interview Friday, Mr. Bowsher, admitted that he was on another crusade, to improve the accounting systems used by the Government. He said the systems do not give an accurate picture of its financial condition, of the deficit, and of the probable need for new taxes.

"We are adding $1 trillion every five years to the total deficit, and are digging a huge hole that will be very hard to get out of," he added.

He likened the problem to the savings and loan crisis, which few experts wanted to acknowledge but whose solution now carries a price tag over $157 billion.

EXPECT A BIGGER DEFICIT

Talk of a $100 billion deficit is deceptive, Mr. Bowsher contended. It would be far more accurate, he said, to expect a $263 billion deficit next year, a figure that deliberately excludes the huge surpluses building up in Social Security and other trust funds, since those funds are really a reserve against future needs.

"The budget deficit is growing exactly the same way the S&L crisis grew," he said. "I think you've got to reform the whole budget process."

Mr. Bowsher, a former accountant with Arthur Andersen & Company and a former Assistant Secretary of the Navy under Presidents Johnson and Nixon, is pushing hard for accounting reform—making agencies issue annual financial statements.

"Everyone knows that numbers are fudged and that they never reflect reality," he said, because often enough the revenue is exaggerated and the spending is underestimated.

He predicted that Congress and the executive branch will eventually be forced to take a more realistic look at deficits and taxes. That is not a popular view. Mr. Bowsher has been criticized, particularly by conservatives like Senator Phil Gramm, Republican of Texas, for calling for new taxes.

Senator Gramm complained about 26 transition reports the General Accounting Office issued last fall itemizing problems facing the nation in the wake of two Reagan terms. Conservatives consider the reports a slap in the face to the President who appointed Mr. Bowsher.

"I think the G.A.O. clearly stepped over the line from being a technical expert to advise the Congress to acting in a more political manner, in a more partisan manner," Mr. Gramm said.

Democrats have been sniping, too, saying the agency has not been responsive enough to Congress's demands for studies, has been slow and has gone easy on occasion.

"Sometimes I think there is a real question of just who does the G.A.O. report to—the Congress or the executive branch?" said a Democratic staff member of a committee that has monitored the investigative agency's activities.

Mr. Bowsher does not seem overly upset by the complaints. He was appointed in 1981 for a 15-year term, so there is little chance he can be forced out. And the complaints may be a badge of honor if they "indicate we're doing our job," Mr. Bowsher said.

[From the Washington Post, Apr. 16, 1989]

PAPER CUTS

The budget agreement just reached between President Bush and congressional leaders of both parties greatly understates the savings necessary to reach next year's deficit target, then fails to achieve even those and covers up the failure with duplicitous accounting. Its authors plead for time and understanding, saying the document should be seen less as itself a deficit reduction plan than as the first step down a longer path to such a plan. They argue that even this pallid agreement and the accompanying promise to continue to talk are better than the snarls and impasse of the Reagan years.

But surely that is not the standard. If the deficit cannot be cut in the strong first year of a new administration, when can it be? Will it be easier next year, an election year? It is always easier next year, and meanwhile the danger grows that a recession will lock the present deficit and the drain it represents on the future into semi-permanent place. In neither party nor branch is there the economic leadership the country needs.

The deficit target next fiscal year is $100 billion. The rules are already rubbery; if the president and Congress can even momentarily come within $10 billion of that on paper, their work is counted a hit. The White House has decreed, on the strength of optimistic and internally inconsistent economic and other assumptions, that it will take only $28 billion in deficit reduction to reach the happy result. The main assumption is that interest rates will decline in the face of a strong economy, when strong economies drive interest rates up. Congress has weakly acquiesced in the confection even though its own budget office continues to point out what recent history confirms, that a much greater effort is needed. The budget deficit this fiscal year was supposed to be $136 billion, and not many months ago there were the requisite assurances that it would be. But the actual figure, as was understood all along, is likelier to be around $160 billion, and even that may not count everything.

As to the supposed cuts on which the president and Congress have agreed, nearly $900 million would come from moving some farm support payments from next year into this, now that no one is paying attention to this year anymore; the money wouldn't be saved, just paid to farmers earlier. Another $400 million would come from reversing an earlier good intention and keeping off budget—which is to say, not counting—the cost of the program enacted in the last Congress to bail out the underfinanced farm credit system. A similar fanciful $1.8 billon savings would occur by taking the postal service off budget next year, when it will be running a deficit while awaiting another increase in the price of a stamp. A one-time-only half-billion dollar credit is creatively taken because not all the food stamps that have been issued over the years have been cashed; the writing-off of the forgotten obligations is counted as a spending cut. Similar credits are taken on the strength of little more than assertions that the Internal Revenue Service will be more vigorous in enforcing the tax code next year, that assorted benefit rolls will be better policed and that the payout of civil service pensions will not be accelerated. There are also to be more than $6 billion in the usual asset sales, after which comes the fiscal equivalent of dessert; having make all these paper cuts and thereby so decisively reduced the deficit, the budget writers claim the interest savings associated with a smaller debt.

A few things in the agreement seem real. Medicare costs would be nicked, defense spending would be a few billion dollars lower than the president earlier proposed (if the chancy spending estimates are to be believed), and there would be $5.3 billion in "revenue measures" if any can be agreed to. You know what those are; there need to be more of them. Plenty of spending cuts can be made, but as the present exercise again demonstrates, the spending side of the budget as a whole neither can nor will nor should be cut much below its present path. The key to genuine deficit reduction is a tax increase. The president's own priorities are suffering.

[From the Economist, Apr. 22, 1989]

THE BUDGET: DON'T YOU BELIEVE IT

WASHINGTON, DC.—On April 14th President George Bush announced with great fanfare that he had reached a budget agreement with Congress for fiscal 1990, which starts on October 1st. Since the Reagan White House and Congress usually did not reach such a bargain until much later in the year, this was a minor triumph. But the emphasis is on minor. The negotiators, and especially Mr. Richard Darman, the budget director, were determined to reach an early agreement in order to be able to congratulate themselves on reaching it. So they patched together a pathetic tissue of mealy-mouthed vagueness and called it a deal. It is a deal nobody could disagree with, except an honest bookkeeper.

Their figures meet the Gramm-Rudman deficit target of $100 billion by predicting that interest rates will drop by 40% while robust growth continues, by deciding arbitrarily to take the Post Office's $2.2 billion subsidy "off budget", by suddenly allocating $850m of 1990's farm subsidies to fiscal 1989, by selling $5.7 billion worth of government assets, by rummaging around in the tombola and finding $500m here in cuts from food stamps, $500m there from better tax enforcement, and above all by raising new revenues without saying how.

The deal was easier to reach after the negotiators gave up the original aim of covering two years; and after they had adopted the administration's absurdly hopeful forecast that with no action at all the 1990 deficit would fall from this year's $170 billion to $128 billion. Another $28 billion then needed to be shaved off to meet the 1990 Gramm-Rudman target of $100 billion.

Of the $28 billion saved, almost $10 billion consists of gimmicks and one-off savings. The rest is divided equally between spending cuts and revenue increases. The real cuts in spending will fall hardest on defence, the spending authority for which will be $3.7 billion below the $309.2 billion Mr. Bush's budget asked for, and the Medicare program for old people, which will get $2.7 billion less than it was projected to.

The revenue will come largely ($5.3 billion) in the form of new taxes (called in the agreement "revenue measures"). New taxes? From Mr. Read-my-lips Bush? No, this agreement has not broken his sacred election pledge, because it has not identified the taxes to be raised—yet. The new measures might still evade Mr. Darman's "duck test" for defining a tax increase. (If it looks like a duck and quacks like a duck . . . .) They could, for instance, include prolonging the life of existing taxes, such as one on air tickets, that were to be phased out. The revenue could even come from lowering the capital-gains tax rate (which might produce a short-lived boost in revenues at a later large cost), but Congress will rightly accept nei-

ther the proposal nor Mr. Bush's arithmetic.

The deal now has to be translated into a joint budget resolution of the House and Senate, a job that negotiators hope to manage by May 15th, and then into a real budget. That will mean persuading awkward congressional committees to fill out all the ticklish details. Senator Lloyd Bentsen and Representative Dan Rostenkowski chair the tax-writing committees. To avoid association with the flim-flam, they noisily absented themselves from the ceremony announcing the deal. This slightly spoiled the atmosphere of bipartisan sweetness.

There will be more trouble over the revised forecasts that the administration must produce in June or July. These seem certain to lead to a bigger projected deficit for 1990, which will either make further cuts necessary or produce more imaginative way of fiddling the numbers. By then the economy could be sluggish, which would make things worse. The Gramm-Rudman law allows a $10-billion leeway before automatic across-the-board cuts are applied. This means that the real target for 1990 is a deficit of $110 billion, not $100 billion. That leeway is likely to be fully exploited before the budget procedure is finished.

And 1991? The Congressional Budget Office reckons that the unadjusted deficit for that year will be around $110 billion, almost $50 billion more than is allowed. An agreement to cut spending or raise new taxes by anything like that in a congressional election year will require even more devilish cunning from Mr. Darman. Nothing, say the chairmen of Congress's budget committees wishfully, must be left off the table then: not taxes, not social security, not defence. They are right; otherwise a lot more will have to happen underneath.

Mr. HOLLINGS. They, at this time, described their measures. I know that our freeze saves. Senator DOMENICI is familiar with this. Next year, the following fiscal year, we save $35 billion and $50 billion by 1992.

In contrast, we do not have any saving at all with the bipartisan deficit reduction package the following year or the ensuing year. We used to project savings looking 5 years into the future, but the bipartisan agreement only looks ahead 1 year because there are no savings beyond that.

I hope we can get off the deficit barleycorn, get back on the wagon, sober up and go after it in a realistic fashion.

Let me thank the distinguished chairman and ranking member for their consideration to me to present these matters. I wish we had more to debate. At least the die is cast. I hope they support this amendment. I thank the Chair.

I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I yield myself 30 seconds.

Mr. President, I want to thank the distinguished Senator from South Carolina and his cosponsors. Budget debate on the floor of the Senate requires alternatives and requires somebody offer something so that we can pick and choose. I regret that I cannot support it. I believe I stated my position as clearly as I can as to why I do not believe it is a good budget, but essentially it is far better that we have somebody bringing an option down here than if we have none.

I thank the Senator for his courage and for presenting it. I do not need any more time to explain my views. I just really do not believe it will work. I do not think it is a very good budget. Other than that, everything is rosy.

Mr. SASSER. Mr. President, I am prepared to yield back all time. As I understand it, the time of the proponent has expired, so we yield back all time here.

Mr. HOLLINGS. I yield back any time if there is any for me.

The PRESIDING OFFICER. All time is yielded back on the amendment.

The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 18, nays 82, as follows:

[Rollcall Vote No. 61 Leg.]

YEAS—18

Baucus	Fowler	Kerrey
Biden	Harkin	Kohl
Boren	Helms	Nickles
Boschwitz	Hollings	Nunn
Conrad	Humphrey	Robb
Exon	Johnston	Roth

NAYS—82

Adams	Glenn	Mikulski
Armstrong	Gore	Mitchell
Bentsen	Gorton	Moynihan
Bingaman	Graham	Murkowski
Bond	Gramm	Packwood
Bradley	Grassley	Pell
Breaux	Hatch	Pressler
Bryan	Hatfield	Pryor
Bumpers	Heflin	Reid
Burdick	Heinz	Riegle
Burns	Inouye	Rockefeller
Byrd	Jeffords	Rudman
Chafee	Kassebaum	Sanford
Coats	Kasten	Sarbanes
Cochran	Kennedy	Sasser
Cohen	Kerry	Shelby
Cranston	Lautenberg	Simon
D'Amato	Leahy	Simpson
Danforth	Levin	Specter
Daschle	Lieberman	Stevens
DeConcini	Lott	Symms
Dixon	Lugar	Thurmond
Dodd	Mack	Wallop
Dole	Matsunaga	Warner
Domenici	McCain	Wilson
Durenberger	McClure	Wirth
Ford	McConnell	
Garn	Metzenbaum	

So the amendment (No. 90) was rejected.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

My. MOYNIHAN. Mr. President, may we have order? We cannot hear.

The PRESIDING OFFICER. The Senate will come to order.

RELATING TO FREE AND FAIR ELECTIONS IN PANAMA

The Senate continued with the consideration of Senate Resolution 120.

The PRESIDING OFFICER. The question now occurs on agreeing to Senate Resolution 120. On this question, the yeas and nays have been ordered.

This will be a 10-minute rollcall vote.

The clerk will call the roll.

The bill clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 100, nays 0, as follows:

[Rollcall Vote No. 62 Leg.]

YEAS—100

Adams	Garn	McConnell
Armstrong	Glenn	Metzenbaum
Baucus	Gore	Mikulski
Bentsen	Gorton	Mitchell
Biden	Graham	Moynihan
Bingaman	Gramm	Murkowski
Bond	Grassley	Nickles
Boren	Harkin	Nunn
Boschwitz	Hatch	Packwood
Bradley	Hatfield	Pell
Breaux	Heflin	Pressler
Bryan	Heinz	Pryor
Bumpers	Helms	Reid
Burdick	Hollings	Riegle
Burns	Humphrey	Robb
Byrd	Inouye	Rockefeller
Chafee	Jeffords	Roth
Coats	Johnston	Rudman
Cochran	Kassebaum	Sanford
Cohen	Kasten	Sarbanes
Conrad	Kennedy	Sasser
Cranston	Kerrey	Shelby
D'Amato	Kerry	Simon
Danforth	Kohl	Simpson
Daschle	Lautenberg	Specter
DeConcini	Leahy	Stevens
Dixon	Levin	Symms
Dodd	Lieberman	Thurmond
Dole	Lott	Wallop
Domenici	Lugar	Warner
Durenberger	Mack	Wilson
Exon	Matsunaga	Wirth
Ford	McCain	
Fowler	McClure	

NAYS—0

So the resolution (S. Res. 120) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 120

Whereas the elections in Panama are of critical importance to the United States and to the people of Panama in determining whether the regime of General Manuel Noriega will give way to a democratically elected government.

Whereas on May 7, 1989 the Panamanian people will be called on to vote in elections for a new president, First and Second Vice Presidents, 67 legislators and 505 District Representatives;

Whereas an estimated 900,000 persons are eligible to cast ballots in the election which officially began on November 7, 1988;

Whereas a fair election requires that the rights of freedom of expression, association, and assembly be respected and that an accurate tallying of ballots take place;

Whereas free and fair democratic elections, expressing the will of the people, have recently been held in countries throughout the Western Hemisphere, including Venezuela, El Salvador, and Jamaica and a plebiscite in Chile;

Whereas the normalization of the relationship between the United States and Panama will be enhanced by the holding of free and fair elections in which the results are respected;

Whereas the Noriega regime has restricted the independent media, has denied opposition candidates equal access to regime-controlled media outlets, and has curbed constitutional guarantees, and

Whereas there is growing concern that the regime is manipulating voting lists, implementing a number of other fraudulent measures and curtailing the presence of international observer teams: Now, therefore be it

Resolved by the Senate, That it—

(1) expresses its support for the right of the Panamanian people to have a full and genuine democracy in Panama;

(2) condemns the Noriega regime's attempts to curtail the rights of participation in the election process thus far;

(3) insists the Noriega regime conduct the upcoming election in a free and fair manner so that the will of the Panamanian people is freely, fully, and accurately expressed by guaranteeing—

(A) free and open access to polling places;

(B) public access to voting lists and public tabulation of ballots in the presence of representatives of the three presidential tickets participating in the elections;

(4) calls upon the Noriega regime to accord full access for electoral activities to the official United States observer team, the Carter-Ford election observer group, as well as other international observer teams;

(5) urges President Bush to encourage other democracies around the world to send international observer teams to Panama;

(6) asks the President to report to Congress on the extent to which the May 7, 1989 elections in Panama were conducted in a free and fair manner and to consult with the Congress on the future course of action for United States foreign policy in Panama.

OMNIBUS CONGRESSIONAL BUDGET RESOLUTION FOR FISCAL YEARS 1990, 1991, AND 1992

The Senate continued with the consideration of the concurrent resolution.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, in a minute I am going to send an amendment to the desk, but I want to take just a minute to explain the amendment. It is a sense-of-the-Senate resolution. I would not offer it if it were not for the fact that it is extremely time sensitive. It is an amendment, the sum and substance of which is to say to the World Health Organization, which is convening on Monday in Europe, that they should not admit the Palestine Liberation Organization to membership. As many of our colleagues know, that organization has written to the head of the World Health Organization, claiming that it is a state, when indeed it is not a state.

I will have more to say about that in a moment. But I indicated to the Senator from West Virginia that I would be pleased to yield to him.

Mr. SASSER. Mr. President, may we have order, please. The Senator from Pennsylvania deserves to be heard. What he says is important, and I am having great difficulty hearing him.

The PRESIDING OFFICER (Mr. LAUTENBERG). The Senate will come to order.

Who yields time,

Mr. HEINZ. Mr. President, I think I have the floor, and the Senator from West Virginia had asked if I would yield to him.

Mr. BYRD. Mr. President, is the Senate operating under a time agreement?

The PRESIDING OFFICER. Yes, it is, and the Senator from Pennsylvania, I understand, must have time yielded to him in order that he may yield it elsewhere.

Mr. SASSER. Mr. President, it is my understanding that under the preexisting order, we have reserved the Senator from Pennsylvania 20 minutes on the amendment, to be equally divided; so the Senator has 10 minutes. And if there is a problem, we can yield additional time, also.

The PRESIDING OFFICER. The Senator from Pennsylvania has not yet offered his amendment. Until such time as he offers that amendment——

AMENDMENT NO. 91

(Purpose: To express the sense of the Senate in opposition to full membership status of the Palestine Liberation Organization in the World Health Organization or other U.N. agencies)

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

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania, [Mr. HEINZ], for himself, Mr. SIMON, and Mr. PELL, proposes an amendment numbered 91.

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

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

The amendment is as follows:

At the end of the concurrent resolution add the following new section:

WORLD HEALTH ORGANIZATION AND PLO MEMBERSHIP

SEC. . (a) FINDINGS.—The Congress finds that—

(1) the World Health Organization enjoys the strong support of the United States in its mission to eliminate disease and raise public health standards around the world;

(2) the Palestine Liberation Organization (PLO) has observer status at the WHO and other United Nations specialized agencies;

(3) the PLO is an umbrella organization that lacks key attributes of statehood as accepted under international law—it has no permanent population and controls no defined territory;

(4) it is the policy of the United States that the ultimate disposition of the territories under Israeli administration should be decided by negotiation and not by unilateral declarations or by solutions imposed by international organizations;

(5) the Secretary of State has declared that a change in the present observer status of the PLO in international organizations would lead to a halt in further US assessed and voluntary contributions to these organizations;

(6) a change in the PLO's observer status in international organizations would needlessly politicize these organizations and damage US support for them;

(7) the United States seeks the cooperation of all parties, including the members of the Arab League, in putting a halt to these harmful efforts to politicize important international organizations;

(b) SENSE OF THE SENATE.—The Senate hereby—

(1) supports and commends the Secretary of State in his declaration calling for a halt to further US assessed and voluntary contributions to international organizations which grant full member status to organizations that lack key attributes of statehood;

(2) urges all parties to end efforts to secure a change in the PLO's observer status at the United Nations and its specialized agencies;

(3) calls upon member states of the World Health Organization and other U.N. specialized agencies to vigorously oppose all such efforts.

Mr. HEINZ. Mr. President, I wish to yield to the Senator from West Virginia, without exhausting my time.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senator may yield 2 minutes to me without the time being charged to him.

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

Mr. BYRD. I thank the distinguished Senator.

JURY VERDICT IN THE OLIVER NORTH TRIAL

Mr. BYRD. Mr. President, the jury in the trial against Oliver North has announced its verdicts. Of the 12 felony charges against North, the jury convicted him on 3 counts which carry a possible maximum sentence of 10 years in prison and $750,000 in fines. The breakdown of the convictions is as follows:

Count No. 6: Aiding and abetting in obstruction of Congress in November 1986—guilty;

Count No. 9: Destroying or falsifying government documents—guilty;

Count No. 10: Receipt of an illegal gratuity—guilty.

I congratulate the 12 members of the jury and Judge Gesell.

Through much controversy and great difficulty, they have carried out their important roles in this trial. Their diligence and sense of obligation have strengthened my belief in the power of the American judicial system. I hope never again will it be forgotten that this is a nation of laws, not of men.

Perhaps, as a postscript, it is fair to say that this trial, the potted plant has been repotted into the soil of reality.

OMNIBUS CONGRESSIONAL BUDGET RESOLUTION FOR FISCAL YEARS 1990, 1991, AND 1992

The Senate continued with the consideration of the concurrent resolution.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I ask that Senators SIMON, PELL, LEVIN, and LAUTENBERG be added as cosponsors to my amendment.

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

Mr. HEINZ. Mr. President, as I was saying, there is some real urgency to this amendment. The World Health Organization meets in Geneva this coming Monday. We will not be in session tomorrow, and this is our only opportunity to send a clear, strong and solemn message to the World Health Organization.

Now, as I said, this has to do with the PLO, the Palestine Liberation Organization, and it is an organization that has been called many things. It has been called a terrorist organization. It has been called by some a National Liberation Movement. It has been called an umbrella political and military organization; but one thing, Mr. President, the PLO cannot be called is a state.

Next week in Geneva the PLO will seek admission to the World Health Organization as a sovereign state self-proclaimed. This is to my mind an outrageous proposition that threatens to politicize an agency, namely, the World Health Organization where politics has no place.

The PRESIDING OFFICER. The Senator will suspend. The Senator is entitled to be heard. The Senate is not in order.

The Senator may proceed.

Mr. HEINZ. Mr. President, the PLO is no state and the World Health Organization is no Middle East peace conference.

The amendment that I am offering today, along with Senator SIMON and others, will put the Senate on record that the United States will not tolerate a stunt which will make the PLO a full member of the United Nations agency.

The Israeli-Palestinian dispute will not be settled at the World Health Organization. The WHO has important work to do combating disease around the world. It has no time to be drawn into political games where it is not and should not be a player. The PLO should drop this ridiculous initiative and if it does not the member states of the World Health Organization should reject its application for membership.

The Secretary of State, Jim Baker, this week warned the PLO and its potential supporters in this event that U.S. funding for the World Health Organization or any other U.N. agency that admits the PLO as full members will be in jeopardy.

Mr. President, Secretary Baker is right and our amendment makes it clear that he has the Senate's strong support.

So, Mr. President, on Monday when the World Health Assembly convenes in Geneva I want the Senate to be on record. I hope it is strongly on record against this move by the PLO, against this fiction, and I urge my colleagues to support this amendment so that the delegates to that meeting understand one thing clearly, that is, that the World Health Organization is not a political playground and the United States will not just sit by if the PLO is trying and is allowed to make it one.

So, Mr. President, I also want to make sure that the amendment reflects that Senator KASTEN and Senator LEAHY are also cosponsors.

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

Mr. HEINZ. Mr. President, I yield 2 minutes to Senator SIMON.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I rise in support of the resolution. The last thing we need to do is to politicize the World Health Organization. Precisely what will happen in terms of an outcome of negotiations with the Middle East we do not know. But certainly the World Health Organization is not the place to determine that. That should come from negotiations.

Up to this point the people who belong to the World Health Organizations are Nations. I think it should stay that way, not people who want to form a nation, whether it is a Palestinian state or what other organization it might be.

Once you start down that road of wanting to acknowledge groups that want to form nations, you are starting to get on very, very thin ice.

Jim Baker's posture, it seems to me, is a solid one. I am pleased to join in supporting the amendment offered by my colleague from Pennsylvania. The last thing that ought to be done is to politicize the World Health Organization and that is what Secretary of State James Baker is trying to prevent. That is what this amendment is trying to prevent.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HEINZ. I ask unanimous consent that Senator BOND also be added as a cosponsor.

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

Who yields time?

Mr. CHAFEE. Mr. President, will the manager yield me 3 minutes?

Mr. SASSER. Mr. President, I am pleased to yield the distinguished Senator from Rhode Island up to 5 minutes.

Mr. CHAFEE. Mr. President, I thank the manager.

I agree with the sponsors of this amendment that the PLO should not be admitted as a full member of the World Health Organization. There is no precedent for an umbrella organization such as the PLO which does not have the attributes of statehood ever having been more than an observer. That is the highest status any organization such as this has attained.

I believe the member states of the World Health Organization would set a dangerous precedent should they vote next week to confer full membership on the PLO. Such a step would invite applications from other groups. Membership of the PLO in the World Organization would politicize that vital agency.

But I would point out to this body that we have some problems here and they are as follows: It is entirely inappropriate, in my judgment, for the United States to threaten to withhold funds from the World Health Organization in an effort to coerce World Health Organization member states who vote against extending membership to the PLO.

What are we doing here? If what we are doing is we are holding hostage poor, sick children throughout the world, I think last year there were some 66,000 children, it was estimated, whose lives were saved through the World Health Organization. The United States contributes 25 percent of the World Health Organization budget of $71 million this year. The World Health Organization relies heavily on U.S. medical expertise to accomplish its work. The United States contributed $25 million to combat AIDS.

I just hope we do not get into a situation where we are using the children and the sick of the world as a pawn in this game. The work here is one of the problems, Mr. President. The work of the World Health Organization does not directly benefit many of its members states; thus many countries have nothing to lose by ignoring the U.S. threat and voting in favor of instating the PLO.

If those countries should call our bluff, as it were, and I certainly hope it does not occur, then we will be in the situation of shutting down our efforts to eradicate child malnutrition, to stop the global spread of AIDS, to prevent the needless death from common curable disease.

So we are getting ourselves, I think, here in a very difficult situation. I do not think the PLO should be a member of the World Health Organization. I think our Secretary should negotiate to the fullest extent he can to prevent that and bargain and do everything we can.

But if this is a vote, and I will ask the sponsor of the resolution, is his position, and I will ask the distinguished senior Senator from Pennsylvania, is his position, that if the PLO would some way become a member of the World Health Organization, that means the United States withdraws our total support?

Mr. HATFIELD. Mr. President, I share the disdain of my colleagues for Yasser Arafat and the Palestinian Liberation Organization, and share their concern over the politicization of one of the most important humanitarian organizations in this world: the World Health Organization. I condemn their application to the World Health Organization for member-state status, and condemn them for knowingly jeopardizing the tremendously important programs the World Health Organization carries out all over the world.

But I find myself deeply troubled by the amendment now before us.

First of all, I am a little puzzled over what relevance this—and all the other—sense of the Senate amendment has to the budget resolution.

I know that the World Health Organization will be meeting on Monday, but timeliness is a false argument; if all the pressing issues of the day were addressed on this vehicle, we would never finish the bill.

If we want to address really pressing issues, why doesn't somebody offer an amendment addressing the desperate human needs in the Sudan? When the rains begin in 3 weeks, virtually no food or assistance will get through. Why doesn't somebody offer an amendment condemning the Indian blockade of Nepal?

I am equally puzzled over the sudden enthusiasm of my colleagues for international law.

International law may define a state by its control of population and territory—but I might remind my colleagues that nobody seems to mind that Cambodia's seat in the U.N. General Assembly is controlled by a coalition of opposition groups based in Thailand.

The rule of law should never be considered a matter of convenience or political expediency, but that is just how we have treated it.

When I offered an amendment 4 years ago calling on the United States to accept the compulsory jurisdiction of the World Court, only 20 other Senators voted for it—1 in 5.

If the rule of international law is really what this issue is all about—really why we care—then why isn't there a resolved clause supporting it?

Moreover—as the Reagan administration stated in a letter to me 4 years ago—the United States is obligated to pay its proportionate share of the regular budgets of organizations to which it belongs. Failure to pay such contributions would violate our legal obligations and could result in a loss of our vote or exclusion from participation in the organization.

Finally—and this is the real point I want to make—if the United States cuts off funds to the World Health Organization, children will die. Literally. That would be the very real effect of such a decision.

Forty thousand children die in the Third World every day—but because of programs carried out by organizations like the World Health Organization and UNICEF, 40,000 children are saved in the Third World every week.

The PLO will not suffer if we cut off funds for the World Health Organization. Innocent children will suffer.

If one of those children were standing here before us, who would be willing to explain that his or her life was the price we had to pay for taking a political stand?

I want to thank Senator JOHN CHAFEE for his comments, and wish to associate myself with his concerns.

Mr. HEINZ. Mr. President, the resolution that I sent to the desk is very explicit and carefully drawn. What it says is that we support and commend the Secretary of State, Secretary Baker, in his declaration calling for a halt to further U.S. assessed and voluntary contributions to international organizations which admit as full members organizations that lack the recognized attributes of statehood.

The Senator from Rhode Island asked if the World Health Organization violates its charter, which requires states to be members, are we prepared to do something about it?

I cannot speak for what the Senate will do. But I can say that the best way is to stop this transparent maneuver of Mr. Arafat, where he has purposely chosen the World Health Organization because he knows someone will get up and say:

> You cannot cut off contributions to the World Health Organization; you cannot do anything to even threaten to take any action against them, because they do good work.

Mr. Arafat is no fool. But that does not mean we have to fall for his game.

I will answer the Senator this way: It is my view that we would consider such an action of the World Health Organization to be a very grave situation, the same as we would if the United Nations or any other member agency violated the international charter that gives it substance and meaning.

Does that mean we might vote to cut the contributions to that agency? It means we might very well do that, but we are not at that point yet, and it is this Senator's hope we do not arrive at that point.

Mr. CHAFEE. I certainly share that concern, and I hope we do not arrive at that point.

The PRESIDING OFFICER. The time of the Senator from Rhode Island has expired.

Mr. CHAFEE. I ask unanimous consent for an additional 3 minutes.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Mr. President, who is seeking additional time?

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. SASSER. How much time do I have remaining?

The PRESIDING OFFICER. Just over 4 minutes on the amendment.

Mr. SASSER. Mr. President, I yield 3 minutes to the Senator from Rhode Island.

Mr. CHAFEE. I will take 2 minutes. I just want to say I share the Senator from Pennsylvania's concern. I just hope we do not come to a situation where we are going to end up in any way voting against the United States supporting the World Health Organization. I hope that Secretary Baker can work this out, cognizant of the problems on the other side. This is not an easy resolution, and I want to draw that to the attention of the body.

Mr. SPECTER addressed the Chair.

Mr. HEINZ. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The senior Senator from Pennsylvania has 4 minutes and 12 seconds remaining.

Mr. HEINZ. Mr. President, I yield 2 minutes to the Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I commend my distinguished colleague, Senator HEINZ, for advancing this resolution. It is my hope, Mr. President, that, if push comes to shove, the United States will withdraw funding for the World Health Organization if that organization recognizes the PLO.

The World Health Organization is a functional organization to carry out the objectives of health care in the world. It is not a political body to make a determination as to the standing of the PLO as a state. The PLO has absolutely no standing and it is a political power play, pure and simple.

I commend the Secretary of State for saying in plain, unmistakable language that if the World Health Organization does admit the PLO that the

United States will withdraw its support from the World Health Organization.

I would hope the Secretary of State would go further and reconsider the decision to have a dialog with the PLO because we now see, as the evidence is coming forward, that the PLO has continued its terrorist activities since Arafat's December statement and that the PLO has taken three different positions in the last 3 days, with Arafat saying that they renounce terrorism, they renounce the denunciation of Israel, they renounce their war on Israel and then changing his story and others in the PLO in other capitals are denouncing Arafat so that it is plain that the PLO has not renounced terrorism, has not renounced its charter to destroy Israel and should have no standing in the international community of civilized nations. And if the World Health Organization chooses to recognize the PLO, the United States should make it plain to the World Health Organization that we will not finance an organization which undertakes those kinds of improper activities.

I thank my colleague from Pennsylvania and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I yield myself 30 seconds off the measure.

Mr. President, I ask unanimous consent to be added as a cosponsor of the amendment.

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

Mr. DOMENICI. Mr. President, this is a timely amendment, although its proper place is not on a budget resolution.

Next week, the World Health Organization will consider a motion to admit the Palestine Liberation Front to full membership. There is no precedent for granting membership to a group which fails to meet the attributes of nationhood, including the control of territory.

I have no idea why the PLO is doing this. They are still on probation, as far as this Senator is concerned, as participants in Middle East peace negotiations.

As Secretary of State Baker said last week, this move sets back the prospect of a peaceful settlement in the Holy Land.

The World Health Organization is a valuable, specialized agency of the United Nations. WHO led the efforts to eradicate smallpox, and is now in the lead in the struggle against AIDS.

We want to support international health projects, but this resolution gives clear warning that the Senate does not want to see the WHO turned into a political football by the PLO.

Mr. President, I want to note that one of the members of the Budget Committee, Mr. KASTEN of Wisconsin, has long been active in making the United Nations and its specialized organizations accountable to those who pay the bills. He has been deeply involved in the present matter.

This is a useful amendment. It supports the position of President Bush and Secretary of State Baker. I urge its adoption.

Mr. SASSER. Mr. President, I am prepared to yield back my time at this juncture.

Mr. HEINZ. Mr. President, I am prepared to yield back my time.

I would also like to get a recorded vote on this amendment. I do not think I said to the Senator from Tennessee that I would not do that, did I?

Mr. SASSER. No, I would say to my friend from Pennsylvania, I do not recall him saying that he would not seek a recorded vote on this amendment.

Mr. HEINZ. Mr. President, I ask for the yeas and nays.

Mr. DOMENICI. 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. DOMENICI. 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. DOMENICI. Mr. President, I understand we are prepared to accept the amendment on this side.

Mr. SASSER. Mr. President, we are prepared to accept it on this side of the aisle.

The PRESIDING OFFICER. All time, I believe, has been yielded back.

The question is on agreeing to the amendment.

The amendment (No. 91) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

MOTION TO RECOMMIT

Mr. KOHL. Mr. President, I would like to offer a motion to recommit the budget back to the Budget Committee.

The PRESIDING OFFICER. The clerk will report the motion.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. KOHL] moves to recommit Senate Concurrent Resolution 30 to the Committee on the Budget with instructions.

Mr. KOHL. Mr. President, I ask unanimous consent that reading of the motion be dispensed with.

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

The motion to recommit is as follows:

MOTION TO RECOMMIT SENATE CONCURRENT RESOLUTION 30 AND REPORT ANOTHER BUDGET RESOLUTION REFLECTING THE ECONOMIC AND TECHNICAL ASSUMPTIONS OF CBO

Mr. President, I move to recommit Senate Concurrent Resolution 30 to the Committee on the Budget with instructions to report to the Senate, within three days (not counting any day on which sets the Senate is not in session), a revised concurrent resolution on the budget for the fiscal years 1990, 1991, and 1992 which—

sets forth amounts and levels determined on the basis of the economic and technical assumptions of the Congressional Budget Office for fiscal years 1990, 1991, and 1992.

Mr. KOHL. Mr. President, I would like to offer a motion to recommit the budget back to the Budget Committee. The motion would require the committee to report back a new budget within 3 days using only CBO economic and technical assumptions. I would like to take a moment to discuss my reasons for offering that motion.

On Tuesday, I came to the floor to pay my respects to the work done by Chairman SASSER, Senator DOMENICI, and the majority leader, Senator MITCHELL. I meant what I said. I think they did a good job, given the circumstances under which they were forced to operate.

Those circumstances are known to all of us: A President who said "no new taxes," and a country which could not get by without new spending on essential programs. Our negotiators look at those constraints, and agreed to adapt to each of them. They did—and they did a very good job of it.

Unfortunately, in the process, real deficit reduction was sacrificed.

You have heard a spirited defense of this agreement. But you have not heard anyone say that it does enough to reduce the deficit. Let us take a look at this budget, not as a political document, but as an economic document.

To begin with, every Member of this body knows that the assumptions on which this budget is based are inaccurate. We have been told that the impact of that inaccuracy is only $9 billion, to which I have three responses.

First, then what is the big deal? Nine billion in a trillion dollar budget should not be that hard to come up with. So let us do it, and have a budget which more honestly meets our targets and our needs.

Second, $9 billion is a big number in the context of the $36 billion in deficit reduction we are supposed to get this year. It is worth getting and it is worth getting it honestly.

Third, the cost of this $9 billion mistake explodes in later years. The senior Senator from Nebraska ably pointed this out yesterday. The budget before us is supposed to reach a deficit of only $28 billion by 1992. In fact, as Senator EXON pointed out, CBO esti-

mates that this budget would lead to a deficit of $135 billion by 1992. As I said, our small mistakes today snowball into huge problems very quickly.

But the issue I am trying to raise really goes beyond the numbers. It goes to the essence of our honesty.

We know what I think of the OMB estimates. Let me quote the thoughts of the distinguished chairman of the Budget Committee.

On February 10, when President Bush submitted his budget, the chairman of the Budget Committee called the OMB assumptions "unrealistic."

Just a little over 2 months ago, on February 21, during a hearing with OMB Director Darman, the chairman stated that:

> The administration continues to underestimate the seriousness of the deficit problem. * * * When we use the more realistic and conservative estimates of the nonpartisan Congressional Budget Office, we find that the deficit will be $20 billion greater than the Bush estimates.

On February 28, the chairman of the Budget Committee stated that the administration's economic projections were "overly optimistic."

Finally, on March 1, during a hearing on the FSLIC bailout plan, the chairman stated that:

> Indeed, the Treasury plan uses OMB economic and interest rate assumptions which may understate considerably the cost of the Treasury plan.

Mr. President, the chairman and I are in complete agreement. He was right then and I know he still believes those statements. We should not allow the assumptions that were being so correctly lambasted then to now form the basis of our own budget.

And, Mr. President, let no one be deluded into thinking that the economic assumptions are the only dishonest part of this budget. My motion would cure only a small part of these problems. Let me just touch on some of the other questionable components of this plan.

First, regarding Social Security: As many of my colleagues have pointed out, the Social Security surplus masks tens of billions of dollars of deficit spending.

Second, regarding programs that lose money: While including Social Security, a program that runs a surplus, the plan calls for moving off budget programs that run deficits.

Third, shell games with spending: The budget shifts spending to this fiscal year, so that it does not show up in next year's accounts. We still spend the money, we just do not count it.

Sadly, Mr. President, these are just a few of the examples.

The budget is a complex document and a confusing process. But we have to look at more than these numbers and do more than listen to these arguments. We have to place them in context. And that context is clear:

A national debt of $2.5 trillion;

Interest payments on that debt of well over $173 billion a year;

A deficit reduction plan which trumpets as a triumph, a deficit of "just" $100 billion.

Mr. President, what is the limit? Where are we going to draw the line? Will the Senate say "no" when the debt hits $3 trillion? When interest payments top $300 billion a year? When deficits, including the Social Security trust fund, once again reach $200 billion a year as far as the eye can see?

Mr. President, we are in a mess. We can pick the boat off the shoals, put yet another patch on the hull, and sail on, confident that the disaster has been averted until we are relieved from the watch. Or we can put into port and overhaul the vessel, so that we can ultimately reach our destination.

Those are really the only choices we have. And this budget makes one of those choices—it patches things up but it does not fix anything.

Mr. Darman said we should not be disappointed in this budget. He said that the package may not be a home run, but that it is a double.

Mr. President, it is unclear to me that we ever got to bat. No, Mr. President, we trotted to the outfield and just moved the fences in. The fans understand that—or they will by next year.

I just do not think this is the best we can do. There is a problem and we have an obligation to fix it.

If you believe that we can get real deficit reduction next year, then what makes you believe we can not get it this year? If the President will compromise then, why not now?

It seems to me that if you believe the promise of future compromise, it is worth trying to increase the pressure to get a compromise now. And if you do not believe that there will be voluntary changes in the position of President Bush and Mr. Darman, then that is all the more reason to try to force the issue now.

Mr. President, this is more than a question of when we can get a politically acceptable deal. Every economist I have talked to tells me that one of the worst things we could do would be to wink at the deficit this year and then look at it with eyes open wide next year. It makes no sense to do one-tenth of the job this year and nine-tenths next year.

If we do not honestly meet the targets this year, an effort to really reach the $64 billion goal for fiscal year 1991 could be an economic disaster. Taking that much of the economy in one fell swoop could well create a recession.

The only way to do deficit reduction in an economically sensible way is to do it on a regular and roughly equivalent basis. That is precisely what this agreement does not give us. As a result, we could get the worst of all possible worlds—deficit reduction and a reduction in our economic viability.

Finally, Mr. President, I would like to point out one problem if this motion losses. In July, the OMB will update its economic forecasts. We should not underestimate the ability of those forecasters to offer unrealistic forecasts, but by July their current estimates may actually become untenable even for the OMB to maintain. If the budget is adopted as it currently stands, it will not take much of an uptick in OMB's interest rate estimates to throw us into a sequester.

So, this budget does not get us out of our fix. If OMB nudges its economic assumptions just slightly toward reality, this budget will fail the Gramm-Rudman tests and a sequester will be required.

Mr. President, I was a businessman. I know that the only way we can meet the aspirations of the American people is if we have an expanding economy. The deficit makes it impossible to sustain that expansion. We have to deal with it. This motion to recommit lets us do just that.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I rise in opposition to the amendment offered by the distinguished Senator from Wisconsin.

Let me say at the outset, Mr. President, that the distinguished Senator from Wisconsin, I know, advances this amendment in the greatest of sincerity. The Senator from Wisconsin [Mr. KOHL] has made a valuable contribution already to the deliberations and debate of the U.S. Senate in the short period of time we have had the pleasure of his company here. And I wish to commend him for his thoughtful analysis of the budget and of the budget process itself.

The Senator from Wisconsin is quite correct. Early on, I was critical of the underlying economic assumptions which were put forward by the Office of Management and Budget. Subsequent to that criticism, the Office of Management and Budget changed their interest rate assumptions, revising up the assumption for the fourth quarter of 1989 fairly significantly, to make it more reasonable from the point of view of economic projections.

However, I would say to my friend from Wisconsin that the economic assumptions that were advanced by the Office of Management and Budget are still overly optimistic. I do believe that they paint a rosy scenario. I do believe that the economic assumptions advanced by the Congressional Budget Office are more realistic.

But, having said all that, what we are dealing with here are the experts'

best guesses. And if we look at the economic assumptions of OMB versus CBO, what we find is that the Congressional Budget Office is predicting that there will be more revenues flowing into the Federal Treasury in fiscal year 1990 than the predictions of the Office of Management and Budget.

As my distinguished colleague, the ranking member of the Budget Committee so ably pointed out earlier today, economic assumptions of both CBO and OMB are just that: predictions. And, in the long haul, OMB has been about as accurate as CBO, if I am not mistaken.

Having said that, I would much prefer, I say to my friend from Wisconsin, to take the CBO economic assumptions. I would have more confidence in them.

The Senator quite correctly states that the difference between the economic assumptions of the two predicting organizations, OMB and CBO, does project only a $9 billion difference. I say only a $9 billion difference. That is a very, very substantial amount of money, exceeding the budget of my native State of Tennessee, I might add, the budget of the entire State government of the State of Tennessee. But there is less than a 7-percent divergence in the deficit predicting using CBO assumptions and using OMB assumptions.

The Congressional Budget Office tells us that even using CBO assumptions, the bipartisan budget agreement will come below the $110 billion upper level mandated by the Gramm-Rudman-Hollings law for fiscal year 1990.

I would reluctantly oppose the Senator's amendment, my distinguished friend from Wisconsin. We worked very hard, my friend from New Mexico and I, for 40 days and 40 nights, we said the other day. Some said that is as long as it took Noah to build the Ark. Perhaps that is correct. Some said this budget did not float as well as Noah's Ark floated, and perhaps they were correct in that assessment but, quite frankly, I do not believe we can do any better. If we were to return for 3 more days of negotiations, I simply think that the result would very likely be a breakdown in the whole budget negotiating process.

We saw just a few moments ago another attempt which failed by a substantial margin in which they were seeking to change the numbers ever so slightly—not ever so slightly, but rather substantially—to use the Congressional Budget Office economic assumptions, and it failed very substantially when presented to this body. My distinguished ranking member can address that more eloquently than I.

I would say to my friend from Wisconsin, we have done the best we can. I am not totally satisified with it, as I know he is not, but given the parameters that were drawn for us before we entered into the negotiating session with the admininstration, I think this is the best work product that could be produced.

In defense of that work product, I would say that this bipartisan budget resolution that we bring to the floor today continues to bring the deficit down. It meets the Gramm-Rudman-Hollings targets for fiscal year 1990 by coming in with a deficit of under the $100 billion mark anticipated. It follows the course of slowly but surely bringing the Federal deficits down. The Federal deficits are shrinking both as a percentage of gross national product and also in real dollars. While I understand the frustrations of my friend from Wisconsin, and I share it to some extent, I would urge on him to be patient. We are hopeful and confident that next year the Budget Committee can present to him a budget that will be more to his liking, more to our liking. Quite frankly, I do believe that 3 additional days of negotiations would be fruitless and could lead to deadlock.

Mr. President, I yield to my distinguished friend from New Mexico.

Mr. DOMENICI. I thank my good friend and chairman. Let me say to the junior Senator from Wisconsin, first of all, my compliments to him for his participation and his effort. The Senator from New Mexico has lived in the Senate long enough to do whatever the Senate tells me to do or at least try. So if in 25 minutes or so from now, if they were to tell the Senator from New Mexico to walk out the door and go down the hall and start meeting for 3 days and bring back another budget, you can rest assured I would be a good Senator from New Mexico and be a good soldier.

But I can almost predict that I would fail. I would have to accept the responsibility because you are asking that we start over and go back, if I understand correctly, and the Senator can correct me if I am wrong, he would like us to reduce the deficit by $20 billion. I think that could have changed. Maybe it is $9 billion. Is it $9 billion? Let me say to my friend, it is $9 billion, because that is the most current estimate of the disparity between the deficit as calculated by OMB and by CBO.

Frankly, I do not believe it is at all possible in 3 days to leave this Chamber and come back with a new budget that reduces the deficit by $9 billion and bring it here and get it passed. I would use as an analogy for my reluctant willingness to accept the Senator's most generous instruction that we just spent the afternoon debating an amendment that the sponsors contend cut $16 billion. I think they got 16 votes. I think the proponents of that approach received 16 votes. If it was not 16, it was 18. Whichever is correct, let me assume I am using that number.

Frankly, I say to my friend from Wisconsin, if that got 18 votes, I really do not know how we can walk out of here under an instruction, even from this wonderful institution called the U.S. Senate, and a few of us who would be charged with doing it changing and getting something done.

I also would like to suggest we are not going to achieve anything by that. We have to get the same kind of thing out of the House to have a budget. They have to do one. We have to go to conference and agree. So I really do not believe we would get anything done. I do not in any way insinuate that the Senator has anything but the finest motives, but I really believe the Senate should know that at least in the opinion of the Senator from New Mexico, we do not have a budget this year if we adopt this. We are dead. We cannot get you a budget in 3 days. Then if we did, it would be different than the House. So how would we get that done? Then it would no longer have the support of the President. So how do we get that done?

So I think the entire 60 days of effort, albeit by some—my friend said 40 days and 40 nights—we did not produce what Noah did. Some think we barely produced a rowboat. But in any event, we have one step and it is manageable and we would like to take it.

Having said that, I know of the tremendous prowess of the Senator from Wisconsin in matters of business. The Senator from New Mexico has not been so privileged. I only was a lawyer for 7 or 8 years, mayor of a city, and very lucky shortly after that, I walked in the doors.

In any event, I am going to make another wild statement. A while ago I said I had a dream and the deficit disappeared and I thought all America's problems were gone. I found that we still had not increased our productivity, and I found that our trade deficit was almost the same. I really mean that. I really believe the deficit is a bad thing, but I think we are hiding from a whole bunch of other problems and I think they are very serious, like the productivity in health care, productivity in education, productivity in almost every sense. Unless we produce more each year, our standard of living cannot go up. It has to go down. Other countries have found a way to do that. They borrow the best from America and they are using it.

Let me just say this. Billions are important—$1 billion, $9 billion, $8 billion.

But if we ever produced a balanced budget resolution here, 16 months ahead of the final month when you really did the calculating—that is about where we are now, 16 months

ahead of September of next year when you actually use economics as they are—I might shock my friend to say that I would be eminently pleased if we were off plus or minus $10 billion. In other words, if we thought we were at a zero and we were at minus 10, we would have had great economic guessing. If it turned out plus 10, we would still have had great economic estimating. That is just the best we can do with the variations in this economy.

I yield the floor.

Mr. SASSER. Mr. President, parliamentary inquiry. How much time is remaining?

The PRESIDING OFFICER. The Senator from Tennessee has 7 minutes 16 seconds remaining.

Mr. SASSER. May I ask how much time is remaining for the proponents of the amendment?

The PRESIDING OFFICER. Four minutes ten seconds.

Mr. SASSER. Does the Senator from Wisconsin wish to proceed?

Mr. KOHL. Mr. President, first I would like to correct an omission. When I made this motion, I made it on behalf not only of myself but Senator CONRAD and Senator BOSCHWITZ. I wish the RECORD to so reflect.

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

Mr. KOHL. I would like to offer a response to what I have heard both from Senator SASSER and Senator DOMENICI. Both of them state very clearly that $9 billion is a lot of money and that if it is there and if we have an opportunity to get it, we should get it, that it is worth the effort. I do not understand why on the one hand they will talk about $9 billion as a very considerable amount of money but, on the other hand, somehow wind up dismissing it as something we should go after.

Second, I would like to point out that there are very few people that I know of in the Senate this year who believe that while we have worked extremely hard and with great diligence, we have made great or considerable progress in getting our deficit under control. I think most of us feel that we have made a minimal start, if a start at all. So I ask myself and I ask my fellow Senators, here it is now just May. This is not October. This is not September. This is May. Normally, this is the beginning or the middle of the budget process. So why do we need here in the first week of May to decide that this is the budget number or there will not be a number at all; that if we do not accept this number today, then the entire budget process for this year is over, done with. Is that because we are going on vacation? Is that because we are not prepared to work at it? Is that because it is not important enough? For what reason is the budget process ended today unless we are prepared to accept the number in front of us? I do not think it is true. I think it is something on which we need to continue working. It is too early to give up on what is the single most important problem that faces us as a government—the size of our budget deficit.

So while I respect the efforts and the comments made by my colleagues, I do not agree, and I think that the most powerful thing that the Senate could do is send the negotiators back to the table with the President to come up with a better number for us to consider and accept. That would be a strong message. In the absence of that, my concern is that what we are engaged in is dialog instead of action, which saddens me greatly.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, we are prepared to yield back——

Mr. KOHL. Mr. President, I ask for the yeas and nays.

Mr. SASSER. Mr. President, I am advised that a Senator is on his way to the floor and wishes to speak on this amendment. In anticipation of his arrival, I suggest the absence of a quorum.

Mr. ARMSTRONG. Mr. President, will the Senator withhold his suggestion for a moment?

Mr. SASSER. I am pleased to withhold.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ARMSTRONG. Mr. President, if it is the intention of the Senator to have a quorum call, I wonder if the Senator is disposed to let me call up an amendment which we might dispose of even during the time that we would otherwise be in a quorum call.

Mr. SASSER. Let me say to my friend from Colorado I am not in a position to agree to that.

Mr. ARMSTRONG. I understand.

Mr. SASSER. It has been indicated that on my side of the aisle there are a number of Senators who may be opposed to the amendment of the Senator from Colorado.

Mr. ARMSTRONG. I understand. I was not aware there might be those in opposition, so I of course understand why that would not be in order.

Mr. SASSER. Let me say to my friend from Colorado, I learned it myself for the first time just about 30 minutes ago.

Mr. ARMSTRONG. Mr. President, in view of that, of course, I would not expect to have my friend from Tennessee agree to this idea. Learning this surprising news, I am going to send out for my charts and handouts and I will be ready when the time comes.

Mr. SASSER. I thank the Senator.

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

The PRESIDING OFFICER. Is there objection?

Mr. SASSER. Reserving the right to object——

The PRESIDING OFFICER. The Senator may not reserve the right to object.

Mr. SASSER. We have no objection, Mr. President.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KOHL. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. KOHL. I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SASSER. 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. SASSER. How much time is remaining to the opponents?

The PRESIDING OFFICER. The Senator from Tennessee has 3 minutes and 2 seconds remaining. The Senator from Wisconsin has none.

Mr. SASSER. Mr. President, I would like to yield the remainder of the time alloted to the opponents of the amendment to the distinguished Senator from West Virginia, and such additional time off the bill as he may require.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Tennessee [Mr. SASSER]. I will not take long.

Mr. President, in early March of this year, after meeting with President Bush, the bipartisan leadership of the House and Senate reached agreement on a framework for fiscal year 1990 budget negotiations. Under the agreement, a negotiating group—consisting of the chairmen and ranking Republican members of the Senate and House Budget Committees, the majority leader of the House, the Secretary of the Treasury, and the Director of the Office of Management and Budget—was established to explore the possibility of a bipartisan budget agreement for 1990.

After weeks of long and difficult negotiations, on April 14, an agreement was reached between the President and the joint leadership of Congress. The budget resolution before the Senate today is the first step in implementing the 1990 bipartisan budget agreement. There are those in the Senate who fault the agreement for not doing enough to reduce the deficit.

Some believe it would be better to defeat this agreement and go back into negotiations in hopes of securing a multiyear agreement that includes larger deficit reductions and larger revenue increases. Other Senators may feel that no budget resolution at all is better than this one—even if a sequester resulted.

I do not question the sincerity of Senators who oppose this resolution. But, I strongly disagree that other approaches might yield better results. We should keep in mind, as we consider this resolution, the parameters within which the negotiators had to work. They were asked to reach the Gramm-Rudman-Hollings target of a $100 billion deficit for fiscal year 1990 with no new taxes. Given the confines within which they had to work, I am convinced that this is the best agreement possible at this time.

There is $20 billion of real deficit reduction called for in the resolution, Defense is not devastated, and there is room for modest increases in domestic discretionary programs for the President's initiatives as well as those of Congress. This resolution will stop the yearly devastation of domestic programs that has taken place in the past 8 years. It will enable Congress to provide reasonable funding levels for education, research, environmental cleanup, antidrug programs, better aviation security, Amtrak, ARC, aid to the homeless, and on and on.

This budget resolution also represents a marked change from the past 8 years of mistrust that existed between Congress and the White House on the budget. This President has shown a willingness to compromise, and a willingness to work with the Congress on a responsible, bipartisan approach to the budget. The new President did not wait for the stock market to crash or some other catastrophe to occur.

Adoption of this budget resolution allows us the opportunity to pass our 13 appropriations bills on time.

The pending amendment would require the budget negotiators to go back into negotiations and come up with another $19.9 billion in deficit reductions—in 3 days. That would mean further cuts in Defense, which has already been cut $10 billion below President Reagan's request and $3.7 billion below President Bush's request in this budget resolution; domestic discretionary programs, which have been devastated during the past 8 years; changes in entitlements; or increased revenues, which the President will not agree to.

There is no chance—absolutely no chance—that further negotiations will yield another $20 billion in deficit reduction in 3 days.

God created the heavens and the Earth in 7 days. That may have been 7 trillion years for all we know. We do not have to ask that question. We just take the record at its word. He produced it in 7 days. God may have been able to produce the world and all that is in it in 3 days. But he did not have to deal with a White House that is contrary. He did not have to deal with an Executive who said "Read my lips." We have to be realistic. We have to deal with the White House.

That President has said there will be no new taxes. We can butt our heads against the wall, and we can insist on new taxes. We can pass a bill that provides for new taxes. The President would veto that bill. He made a campaign promise. I take him at his word. If he were to veto that bill, Congress would not be able to override that veto. The President would simply clobber the Congress for raising taxes. It is just that simple.

I do not believe it could be done in 3 weeks or even 3 months. So make no mistake about it, this amendment is a recipe for another continuing resolution.

We ran the Government by continuing resolution in fiscal year 1987 and fiscal year 1988. All of us remember what happened the last time we had a continuing resolution.

In his last State of the Union Address, President Reagan placed that 14½ pound resolution before the American people and blamed Congress for it. He did not say anything about his own bullheadedness that had a great deal to do with the circumstances that confronted the Congress and forced it to pass a continuing resolution.

As chairman of the Appropriations Committee I do not want to see us return to the days of running the Government by a continuing resolution. The President is entitled to have 13 appropriations bills. That is the way we used to do it. He is entitled to veto any one of those bills if he wants to veto it. And Congress is likewise entitled, if it can, to override his veto.

But if we accept this amendment, that is what is going to happen again. We are going to have another continuing resolution.

There is no chance of reaching a new agreement in time to pass 13 appropriation bills by September 30. A sequester would likely take place if this agreement fails. That would be the most irresponsible thing we could do. A sequester would devastate defense and it would devastate domestic programs. The perception of the American people would be that Congress is inept and irresponsible and cannot work with the President on a bipartisan approach to the budget.

Mr. President, I compliment the distinguished Senator from Wisconsin, the author of the amendment on much of what he has said. I agree with a great deal of what he has said. I agree with what he has said concerning false assumptions. But he has said that this resolution, if it is adopted, is but to apply a patch on the hull of the boat and then we go on for the moment. He recommends that there is an alternative, and that is to adopt his amendment which will put the vessel into port, overhaul it, and then we shall go on to our ultimate destination.

Mr. President, there is another alternative that the distinguished Senator did not mention, and that is the alternative of a shipwreck on the rocks. That would be the result of the adoption of this amendment. We are left like Robinson Crusoe, who lived on an island for 28 years, left to pick up the pieces; and in the meantime the Senate would get bludgeoned over the head for breaking an agreement which the bipartisan leadership of this Congress entered into in good faith with this new President.

Mr. President, with all due respect to my friend, the agreement states that within a month, the budget negotiators of the Congress are to sit down again with the White House negotiators, and work on a fiscal year 1991 budget agreement, and hopefully—and I have every reason to hope and certainly some reason to believe—that that agreement will be more realistic than this one. But it is not realism to think that we can send this resolution back to the committee, and in 3 days come out with an agreement that has been worked out with that White House, that President, who can veto tax bills, and will; that is not very realistic. That is living in a dream world.

If we adopt this amendment, we shall have, in effect, torn up the bipartisan agreement—torn it up. We would send a signal to the American people that this Government cannot function. We would send the signal to the American people that the years of divided Government, the years of continuing resolutions, the years of crisis management that we endured under the previous administration, are back with us.

Remember, if we accept this amendment, it will be the Senate that is tearing up the agreement. It will be the Senate that is breaking faith with its own leadership on both sides of the aisle, and breaking faith with this new President.

The agreement is a compromise. I do not like it; it is not everything I want. Senator DOMENICI does not like it; it is not everything he wants. Senator SASSER does not like it; it is not everything he wants. The majority leader does not like it; it is not everything he wants. I have lived for almost 72 years, and I have not yet seen a compromise that satisfied anybody, fully, who entered into the compromise. There will never be a compromise that completely satisfies every desire that every participant wants to achieve. Everybody

has to give up something, else it is not a compromise.

The mere fact that there has been a meeting of the minds between a Republican White House and a Democratic Congress on this compromise package is an encouraging sign. The results of that kind of compromise, Mr. President, cannot be lightly tossed away. This budget resolution represents progress on deficit reduction, and it demonstrates that divided government can work.

I do not like divided government, but we have to take what we have. We cannot always get what we like. We presently have divided government. This agreement is the result of careful deliberations and cooperation, and it is not the result of a Wall Street crash.

So the choice is clear. Do we live up to the agreement, or do we say to our leaders, "We will not follow you"? Do we indicate that we do not have confidence in the budget negotiators who have spent hours and days and weeks in working out this agreement?

It is not perfect, but it does represent significant progress on the deficit. And it does allow for the Nation's funding needs to go forward in an orderly, timely way with no sequester.

Now, we can trash the agreement, and we can do it by adopting this amendment, but, as the chairman of the Appropriations Committee, I am dedicated to passing and sending 13 appropriation bills to the President. This is the first step. He can exercise his own clear judgment under the Constitution on every one of those appropriation bills, and he can veto any one or more of them. But he is entitled to have 13 bills, and the American people expect Congress to send the President 13 appropriations bills.

If there is one thing that we can do, more than anything else, to bring down the obloquy and scorn and calumniation of the American people upon the Congress, it would be to send another omnibus continuing resolution down to the President of the United States.

I do not propose that we vote to trash this agreement. I do not propose that we opt for a continuing resolution. I do not propose, as the chairman of the Appropriations Committee in the Senate, to send the signal that the Congress is incapable of doing the only business that we really have to do every year, the only business that we really have to do, and that is to pass the 13 appropriations bills that fund the operations of this Government.

Supporting this amendment, with all due respect to my friend—and again I say I agree with him on much of what he has said, but this would be a vain act—it would be a sure recipe for failure; supporting the amendment is opting for chaos and crisis management and amounts to brinksmanship with the most irresponsible course of all, namely, a sequester. Let us not flirt with that disaster; let us not go down that road. This is a good bipartisan agreement.

I compliment the chairman and the ranking member of the committee. They have done a good job. They have not pleased anyone else, and they have not pleased themselves, but they have looked reality in the face, and they have done the best that they could do under difficult circumstances. This is a bipartisan agreement, and it should be upheld.

Mr. President, I thank the chairman for yielding time to me.

I yield the floor.

The PRESIDING OFFICER. The Senator yields the floor. All time has expired on the resolution of the Senator from Wisconsin.

Mr. KOHL. Mr. President, I ask for 2 minutes off the bill.

Mr. SASSER. Mr. President, we yield 2 minutes off the bill.

Mr. CONRAD. Mr. President, I rise to support the motion offered by Senator KOHL.

I value the hard work and have great respect for Senators SASSER and DOMENICI. They have worked hard and long with the administration on this budget resolution. I appreciate their efforts. They have been placed in a difficult position and struggled to reach a compromise. No one doubts their commitment to deficit reduction.

However, I would urge them to return to the Budget Committee and bring back a budget resolution that uses nonpartisan economic assumptions. There is only one reason why Congress chooses to use the assumptions from the Office of Management and Budget—to duck the tough choices.

The amendment is very simple. We request the committee reconvene and come up with less than 1 percent more in savings. To most people $9 billion is a great deal of money, but in the context of the Federal budget, this amount is very small.

It would require tough choices to come up with $9 billion in additional savings, but it is not impossible. If we do not make those choices now, the decisions will be even more difficult next year.

I would submit that the Senate should make the decisions now rather than later.

Mr. KOHL. Certainly at the outset, I wish to express what is obvious, the admiration and respect that I have for Senator BYRD. He has been here for many, many years, and he has accomplished more than I ever will accomplish in the Senate, and he has more wisdom and good sense than I expect that I will ever acquire here as a U.S. Senator.

I have a couple of comments: The first comment is that I thought that the purpose of this deliberation was to ask the Senate to give its honest advice and consent to the budget resolution. I did not think that our purpose was simply to rubberstamp it. The inference is that once that agreement was reached, it is the obligation of this Senate to endorse that agreement, even if it does not think that is the right agreement. I do not think that is what our responsibility is.

I also want to point out that we are talking about $9 billion, not $20 billion. Finally, I want to say that this is May. A continuing resolution, if it occurred, would not occur until October. This is May. I do not understand why we, in the first week of May, need to decide that a budget deficit which is over $100 billion, should be accepted and acted upon.

I think the most constructive thing we could do and the action that the American people would most respect would be our willingness to continue to work at this and in a bipartisan cooperation fashion. That is what I think this motion asks us to do.

I yield back my time, Mr. President.

The PRESIDING OFFICER. The Senator yields back his time.

All time on the recommittal motion of the Senator from Wisconsin has expired.

The yeas and nays have been ordered on the motion.

The Senator from Tennessee.

Mr. SASSER. Mr. President, immediately following the vote on the Kohl amendment—the distinguished chairman of the Finance Committee has been here for most of the afternoon, waiting patiently to make a short comment as I understand it on the resolution. I understand our agreed upon sequence, I say to my friend, the ranking member of the Budget Committee, but I also understand that the goodwill and cooperation of the chairman of the Finance Committee is crucial and critical to the success of this budget resolution, to say the least.

So I would urge my colleagues, following this vote, if our colleague from New Mexico and our distinguished colleague from Colorado will be agreeable to acquiescing in the distinguished chairman of the Finance Committee speaking for a brief period of time.

Mr. DOMENICI. Mr. President, let me first say that my good friend, the Senator from Colorado, has been patient but I assume with that request he will probably concur. I will have to defer to him. He is here.

I assume that the distinguished chairman does not intend to speak very long, knowing he is a man of few words. I would recommend that we do that. I would certainly defer to my good friend.

Mr. ARMSTRONG. Mr. President, I will follow the advice of my leader, the ranking Republican on the Budget Committee.

Mr. DOMENICI. Then can we add to the unanimous-consent request that immediately following the remarks of the distinguished chairman of the Finance Committee with reference to this subject that the Senator from Colorado will then be recognized so as to present his amendment.

Mr. SASSER. I have no objection.

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

The question now recurs on the motion to recommit offered by the Senator from Wisconsin.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER (Mr. BREAUX). Are there any other Senators in the Chamber who desire to vote or to change their vote?

The result was announced—yeas 19, nays 81, as follows:

[Rollcall Vote No. 63 Leg.]

YEAS—19

Bingaman	Helms	Nunn
Boren	Johnston	Robb
Boschwitz	Kerrey	Shelby
Bradley	Kerry	Simon
Bryan	Kohl	Wirth
Conrad	Leahy	
Exon	Levin	

NAYS—81

Adams	Garn	McConnell
Armstrong	Glenn	Metzenbaum
Baucus	Gore	Mikulski
Bentsen	Gorton	Mitchell
Biden	Graham	Moynihan
Bond	Gramm	Murkowski
Breaux	Grassley	Nickles
Bumpers	Harkin	Packwood
Burdick	Hatch	Pell
Burns	Hatfield	Pressler
Byrd	Heflin	Pryor
Chafee	Heinz	Reid
Coats	Hollings	Riegle
Cochran	Humphrey	Rockefeller
Cohen	Inouye	Roth
Cranston	Jeffords	Rudman
D'Amato	Kassebaum	Sanford
Danforth	Kasten	Sarbanes
Daschle	Kennedy	Sasser
DeConcini	Lautenberg	Simpson
Dixon	Lieberman	Specter
Dodd	Lott	Stevens
Dole	Lugar	Symms
Domenici	Mack	Thurmond
Durenberger	Matsunaga	Wallop
Ford	McCain	Warner
Fowler	McClure	Wilson

So the motion to recommit with instructions was rejected.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the motion to recommit was rejected.

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

The motion to lay on the table was agreed to.

SCHEDULE

Mr. MITCHELL. Mr. President, I would like to describe the schedule for the remainder of the evening. I will momentarily propound a unanimous-consent request.

The PRESIDENT pro tempore. The Senate will be in order so the Senate may hear what the majority leader is saying.

Mr. MITCHELL. Mr. President, I will momentarily propound a unanimous-consent request which will seek approval of the following, which I believe will dispose of this matter in just a short time: That first Senator BENTSEN be recognized for 10 minutes; that following Senator BENTSEN's remarks, Senator ARMSTRONG be recognized for the purpose of offering an amendment with respect to which he would have 5 minutes to address the Senate, following which I understand the amendment will be accepted by the managers.

Mr. ARMSTRONG. Mr. President, would the leader yield?

Mr. MITCHELL. Yes.

Mr. ARMSTRONG. That is perfectly acceptable to me if, in fact, the amendment is accepted, but the leader would understand that I could not agree to such a time limit if the amendment was going to be opposed. So I wonder if we could leave that part a little less formally agreed because there have been off again-on again discussions about whether the amendment would be accepted. I have no reason at this moment to believe it would not.

Mr. President, for the benefit of Senators, let me explain that the managers are prepared to accept it but I am not sure that others are.

Mr. BENTSEN. I will not be objecting to the amendment. I have assured the Senator from Colorado I will not oppose his amendment.

Mr. ARMSTRONG. I thank the distinguished chairman of the Finance Committee. Let me suggest this, Mr. President. I will agree to that but with the understanding that if for some unforeseen reason opposition arises I will seek unanimous consent to address the Senate at much greater length.

Mr. MITCHELL. All right. The third still will be the acceptance by the managers of the following amendments, which have been agreed to on both sides:

Two Sasser amendments, a Bond amendment, a Dole-Boren amendment, a Wirth amendment, a Graham amendment, and a Roth amendment.

Following that, and that should take just a few moments because these have all been agreed upon, we would then have——

The PRESIDENT pro tempore. The Chair begs the Senator's pardon. The Senate will be in order. Staffs may take seats. Staffs may take seats or leave the Chamber. The majority leader is entitled to be heard.

Mr. MITCHELL. I thank the Chair.

The PRESIDENT pro tempore. The majority leader may now proceed.

Mr. MITCHELL. Following disposition of those amendments, we would then have a rollcall vote on final passage. Several Senators have approached me regarding invitations they have received from the President to go to the White House this evening and I believe it would be best for all concerned, including the President and those Senators, if we acted on this matter now. Hopefully, we would be through—at least have begun the rollcall vote on final passage by 7 p.m., so Senators could then be at the White House shortly thereafter and other Senators could leave as they see fit.

And if we complete this at this time, it is my intention that the Senate will not be in session, other than pro forma, until next Tuesday morning; that there will be no rollcall votes on Tuesday and that the next session in which there will be rollcall votes would be next Wednesday.

That is because we have completed action so promptly on this budget resolution. In this decade, the average length of Senate consideration of the budget resolution has been 9 legislative days, or approximately 2 weeks. We will, this evening, complete action in 2 days.

I commend everyone for that. There are a lot of reasons for it.

So I would like now to propound the unanimous-consent request which I have just indicated I would propound. Does the Senator wish to be recognized?

Mr. DOMENICI. Reserving the right to object, I wonder, if the majority leader might include at the end of his request that it be in order for him to ask for the yeas and nays on final adoption as soon as he has received consent.

Then I have one concern. The Wirth amendment has been cleared by the leadership of the Energy Committee but I understand that we still have to talk to one Senator. Has Senator FORD been talked to on this amendment, I ask the distinguished Senator from Colorado?

Mr. WIRTH. Let me check. I thought we cleared with everybody but let me find out if we have checked with Senator FORD.

Mr. BRYAN. May I inquire of the majority leader, I would like to have 3 or 4 minutes myself. I understand we are trying to accommodate everybody's time constraints, but we did talk with the floor manager about some time.

Mr. MITCHELL. Would 3 minutes be acceptable?

Mr. BRYAN. Three minutes.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Then, Mr. President, I ask unanimous consent that upon the acceptance of this agreement that the Senate return to consideration of the pending budget resolution; that the distinghished Senator from Texas, Senator BENTSEN be recognized to address the Senate for 10 minutes; that thereafter Senator ARM-

STRONG be recognized to offer an amendment and to address the Senate for 5 minutes, with the understanding that the amendment will be accepted; that if the amendment is not to be accepted, that Senator ARMSTRONG not be bound by the 5-minute limitation; that thereafter, Senator BRYAN be recognized to address the Senate for 3 minutes; that thereafter the manager be recognized to offer the seven amendments previously described, which I will now restate: two amendments by Senator SASSER, one by Senator BOND, one by Senators DOLE and BOREN, one by Senator WIRTH, one by Senator GRAHAM and one by Senator ROTH, all of which have been agreed to on both sides and will be accepted by the managers; and that immediately following disposition of those amendments that Senate proceed without any intevening action to a vote on final passage of the budget resolution and that following acceptance of this agreement, if the agreement is accepted, that I be recognized to seek the yeas and nays on the final vote on the budget resolution.

The PRESIDENT pro tempore. Is there objection? The Chair hears none. That will be the order of the Senate.

Mr. MITCHELL. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDENT pro tempore. The yeas and nays have been requested. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDENT pro tempore. Mr. BENTSEN is recognized for 10 minutes under the order.

The Senate will be in order. The Sergeant at Arms and the assistants thereto will do their duty. The staffs in their seats and let us have order in the Senate so the Senator from Texas may be heard.

The Senator from Texas.

Mr. CRANSTON. Will the Senator yield just for 1 moment. I just consulted the majority leader. That agreement apparently means the vote will begin about 7:05.

Mr. BENTSEN. Mr. President, there is something new that has been added up in the land of the Big Apple. High above the hotdog vendors and the T-shirt shops and bewildered tourists, there is a new electronic scoreboard recording the national debt and the increase in the national debt. And every town across American ought to have one.

It reminds us——

The PRESIDENT pro tempore. The Chair reluctantly interrupts the Senator from Texas. I mean no discourtesy to other Senators but there must be other in the Senate. The time is not being charged to the Senator from Texas.

The Senator from Texas is reconized.

Mr. BENTSEN. It reminds us that the debt is approaching $3 trillion; that is is increasing $5,000 a second; that the share of every family across this land is $42,000. Right in the heart of New York's theater district, that clock is recording a national tragedy. And this budget proposal does not do enough to resolve it.

There are some short-term solutions. And it is clearly intended to help this administration muddle its way through its first year. It is a risky strategy, hoping that everything will hold together, that foreign investors on Tuesday, as they buy our Federal securities, will look the other way. It is a strategy that hopes foreign investors will somehow say that finally we have done what has to be done to really make the kind of headway that must be made in cutting the Federal deficit.

Even with all of that, I am going to vote for the resolution. Why? There is just one reason. It is clear to me that implementation of this budget is going to require a great deal more in the way of negotiation. We are not through with it; not by a long shot. When August 26 comes around and we have to do a recalculation and look at the economic realities then, adjustments will have to be made. When we look at the kinds of assumptions that have been made in this budget, talking about a robust economy, growing at 3.2 percent of the GNP and at the same time interest rates going down to 5½ prcent, dropping over 3 percent, those are contradictory economic assumptions. The chances are almost impossible that such would come to pass, and adjustments will be made.

Some people think we are making progress in reducing the deficit. In fact, it increased last year, and it is going to increase again in 1989. This year we paid $150 billion in service on that debt, one out of every seven Federal dollars.

At Senator HOLLINGS said yesterday, it has paralyzed us in some of the things we have to do, that is clear from his article in the Washington Post when he talked about American students being ranked at the bottom in many of their studies. We are not doing what has to be done for education needs, but actually cutting back on education. Debt service is hamstringing us.

Here is another problem with the budget. Remember the old Abbott and Costello routine that goes something like this: Abbott turns to Lou and says:

> Lou, what would you have if you reached into one pocket and you had $50 and you reached into the other pocket and you had $100?

And Lou replied:

> I'd have somebody else's pants.

That is what we are looking at here, somebody else's pants. Not ours. We are talking about piling on debt that is going down to our kids, going to be paid by our grandchildren.

When the Duke of Windsor abdicated, all he left behind was a throne. We too are abdicating our responsibility, and that means we are saddling this next generation with debt instead of putting them in the saddle.

I think that this agreement really rests on quicksand. That is why I would not go out in the Rose Garden for the ceremony after discussion in the Cabinet room not long ago.

Do we want to ignore the postal deficit? What do you do with it? We will move it off the budget.

Are we bothered about the foreign payments we are going to make in 1990? Pay them in 1989 so they will not go on that budget deficit for 1990.

Are there $500 million in unclaimed food stamps stored away in drawers, forgotten? Cancel them even though they would never be used anyway, and call that a deficit reduction.

Do we want more revenue the same way? Just assume that we will have a booming GNP and declining interest rates.

There may be sound policy behind some of these moves, but they do not sufficiently reduce the deficit. Let us think about a family operating the same way. Does it make any difference if you take your car payments and just move them off budget? They come out of your bank account regardless.

Does it make any difference to pay next year's mortgage early? It still comes out of the your bank account. Do you have an adjustable mortgage and are concerned about interest rates going up and your payments going up? Well, just assume that interest rates are going to go down.

If our economists recommended that kind of approach to the businesses we run, we would fire them. Yet the administration has sent these kinds of assumptions to the Congress.

The same goes for the way we propose to raise money. The President proposes the least plausible method since Ivan Boesky announced he made his money by studying the stock market. In the past when our rates were 70 percent and 50 percent, I pushed for a reduction in the capital gains. But in 1986, Treasury comes in and tells us if we will raise the capital gains rate, we will pick up $21 billion. And in 1989, they come and tell us if we cut the capital gains rate, we will raise $16 billion. That is simply and totally contradictory.

Even Treasury admits that after 5 years, we lose money in the process by cutting capital gains rates. It is like putting a cheap patch on an old tire. We will get going again, but it increases the chance that we will have a blowout just down the road.

I understand the difficulties faced by the distinguished Senator from Tennessee. Nobody has worked harder at fashioning a real compromise, but what can you do when you are playing in the other fellow's park with his bat and his ball and his umpire? We can read that umpire's lips, and he is saying, "Play ball my way."

Well, it is a dangerous way to play. And now we are getting some hints from the administation that in the 1991 budget things are going to be different: we will get serious about deficit reduction. That may be too late. More than half the blue-chip economists predict a recession for next year. I know economists are often wrong. It has been said they predicted nine out of the last five recessions. Even now they are evenly divided, and we do not know who is right.

What if we do have a recession? Do you think you can reduce a deficit at that time? No, certainly not.

The administration is talking to the Finance Committee and saying we have to raise $5.3 billion principally through a cut capital gains tax so that you get a big bump the first year. But what they do not talk about is that we have an R&D credit and other important provisions expiring this year; approximately 3 billion dollars' worth expiring this year. That includes the low-income housing provision, and we have a real problem with low-income housing. We also have a big trade deficit and we must try to increase productivity in this country, we must try to be more competitive but, we don't hear a whisper from the administration about how we are going to take care of the extension of the credit for R&D.

Frankly, I think it would be irresponsible if we do not make that extension. The administration says we can raise $5.3 billion, without even talking about these expiring provisions, another $3 billion. Then I think we should try to get the premium down on catastrophic insurance. In that situation, we have raised over twice the amount of excess, surplus, above reserves required and anticipated, and we should not be financing the deficit on the backs of those who are beneficiaries of catastrophic illness protection. So we ought to try to bring that premium down.

Fortunately, we have some foreign investors that are buying our securities each Tuesday. Some foreign investment can be helpful, but it can also make us dangerously dependent on others. In 1987, Tokyo Business, the magazine, quoted the head of MITI as saying:

> Japan's weapon is money. We should let the U.S. know what would happen if the Japanese refused to buy U.S. bonds.

That is no hollow threat. Some thoughtful analysts have said that Japanese investors pulling their money out of the stock market because of a rumor that emanated out of New York helped bring about Black Monday of 1987 and, in turn, helped bring down the Continental Illinois Bank.

If we act irresponsibly, our destiny will not be decided by the Fed, it will be heavily influenced by Nippon Insurance. In the long run, foreign investments are no substitute for savings, no substitute for responsible budgeting, no substitute for surplus in trade, the time to act is now.

So why do I feel the negotiating process is important enough to outweigh the weaknesses of this resolution? Why not just say no? Why not register a protest against the inadequacy of our compromise and the danger it poses for America?

Because I am a realist. The budget process does not end today. The Finance Committee is charged with raising $5.3 billion in new revenue. In August, OMB will revise its numbers. We will reopen negotiations. And when all that happens I intend to be there. I will not settle for the symbolic gesture that takes me out of the play. The stakes are too high.

As long as there is a chance that we can put some beef in this budget, I will not be satisfied to stand on the outside beefing about it.

In a way, this has been the most disappointing budget in this decade. A new President has a window of opportunity. He can take advantage of the reservoir of goodwill granted him by voters to make some hard choices. But the first 100 days have passed. The best opportunity was spent not dealing with the budget dilemma but ducking it. The President has failed to focus on the most overwhelming problem faced by America today, the one that colors every area of American life and can cripple us far into the 21st century.

That clock up in New York is still ticking. Time hasn't run out. Let us hope we're still in a position to reduce the deficit next year—without gimmicks and the fictions that are on their way to becoming a Washington tradition.

The PRESIDENT pro tempore. Under the previous order, Mr. ARMSTRONG is recognized.

AMENDMENT NO. 92

(Purpose: To provide funding for the purpose of increasing the current social security retirement earnings test)

Mr. ARMSTRONG. Mr. President, a few days ago the Senate wisely, in my view, adopted a proposal to increase by modest amount the Social Security earnings limit. You will remember that we increased the amount of this unfair limit by $1,000. For those who have perhaps forgotten the details, a person between the ages of 65 and 70 years of age who received Social Security and who also wishes to work part or full time forfeits $1 for every $2 of earnings in Social Security within a certain range and certain parameter.

The effect for a lot of working elderly is a tax which can range upward of 70 percent, and in a few extreme cases amounts to a tax of 102 percent, literally a punishment for working. This is obviously very unfair, and fairness is in fact the issue in the Social Security earnings testimony.

Mr. President, the Senate did act wisely a few days ago in modestly increasing the amount of Social Security earnings limit and in a moment I would like to send to the desk an amendment on behalf of Senator DOLE, Senator EXON, and myself, and a number of other Senators which will provide over the next 3 years for increments of $3,000 in each of those years for further increases just to leave room for that to happen when the legislation comes before us so that that legislation will not be subject to a point of order.

Mr. President, I send the amendment to the desk on behalf of Mr. DOLE, Mr. EXON, and a number of other Senators.

The PRESIDENT pro tempore. The clerk will report the amendment.

The assistant legislative clerk read as follows:

> The Senator from Colorado [Mr. ARMSTRONG], for himself and Mr. DOLE, Mr. EXON, Mr. KASTEN, Mr. HELMS, Mr. D'AMATO, Mr. COATS, Mr. GRASSLEY, Mr. DECONCINI, Mr. LUGAR, Mr. SYMMS, Mr. CHAFEE, Mr. COHEN, Mr. DOMENICI, Mr. HATCH, and Mr. WARNER, proposes an amendment numbered 92.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that we dispense with reading of the amendment.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 3, decrease the amount on line 7 by $260,000,000.

On page 3, decrease the amount on line 8 by $670,000,000.

On page 3, decrease the amount on line 9 by $1,070,000,000.

On page 3, decrease the amount on line 14 by $260,000,000.

On page 3, decrease the amount on line 15 by $670,000,000.

On page 3, decrease the amount on line 16 by $1,070,000,000.

On page 3, decrease the amount on line 21 by $260,000,000.

On page 3, decrease the amount on line 22 by $670,000,000.

On page 3, decrease the amount on line 23 by $1,070,000,000.

On page 3, decrease the amount on line 26 by $260,000,000.

On page 4, decrease the amount on line 1 by $670,000,000.

On page 4, decrease the amount on line 2 by $1,070,000,000.

On page 5, decrease the amount on line 4 by $260,000,000.

On page 5, decrease the amount on line 5 by $670,000,000.

On page 5, decrease the amount on line 6 by $1,070,000,000.

On page 5, decrease the amount on line 8 by $260,000,000.

On page 5, decrease the amount on line 9 by $670,000,000.

On page 5, decrease the amount on line 10 by $1,070,000,000.

On page 5, decrease the amount on line 13 by $260,000,000.

On page 5, decrease the amount on line 14 by $930,000,000.

On page 5, decrease the amount on line 15 by $2,000,000,000.

On page 30, increase the amount on line 3 by $-260,000,000.

On page 30, increase the amount on line 12 by $-670,000,000.

On page 30, increase the amount on line 21 by $-1,070,000,000.

On page 34, increase the second amount on line 9 by $260,000,000.

On page 36, increase the second amount on line 1 by $260,000,000.

Mr. ARMSTRONG. Mr. President, imagine how you'd feel if you faced a marginal tax rate as high as 102 percent. Imagine how you'd feel if you lived in a society that, in effect, punished you for working.

About a million Americans—working Social Security beneficiaries between 65 and 70 years old—don't have to imagine. They're the segment of our society still left out in the cold after the tax reform of 1986. Elderly Americans who want—or, in many cases, need—to continue working still confront outrageous effective marginal tax rates of 70 percent or more.

The main culprit is the Social Security earnings test imposes an effective marginal tax rate of 50 percent on senior citizens with limited resources. It forces into retirement many who want to remain active in the work force, for their mental, physical and emotional health. And it frustrates those who need additional income for expenses that fixed incomes can't support.

The earnings test mandates sharp reductions in the monthly benefits of those whose earnings exceed a special amount—$8,880 in 1989. Anyone earning more by working suffers a cut in benefits of $1 for every $2 earned above the limit. To add to the craziness, those 70 and older are free to increase earnings without any benefit cuts. And so-called unearned income, from investments, dividends and pensions, doesn't trigger Social Security cuts. Only work is punished.

The earnings test practically forces elderly citizens into retirement. After contributing to Social Security for decades and reaching age 65, they are presented with a stark choice: Eliminate virtually all significant earnings or face big cuts in the Social Security benefits to which they're otherwise entitled.

Many elderly citizens, while ready to reduce their workload after age 65, do not want to withdraw completely from the labor force. They want to remain productive members of society. Still others need to earn more to meet increased expenses.

It isn't fair that the greatest burden should be placed squarely on the shoulders of our older citizens who can least afford it. The earnings test establishes, in effect, a 50-percent marginal tax rate on the income earned above $8,880. Then, with the normal 15- or 28-percent income tax, the 7.51 percent Social Security tax and the whopping new 15 percent Medicare catastrophic surtax, the effective marginal rate for Uncle Sam alone can exceed 80 percent. Figure in the State and local liabilities, and the total rate can jump to around 100 percent.

As if that weren't enough, the earnings test is an administrative monster. The Social Security Administration spends more than $200 million per year and uses 8 percent of its employees to police the income levels of beneficiaries. SSA estimates that 60 percent of all overpayments and 45 percent of underpayments are attributable to the limit. Beneficiaries affected by the earnings test become entangled in miles of redtape as they try to estimate, monitor, and report income levels and—even worse—pay back benefits they have already received.

It's time to scrap the earnings test altogether. The Senate recently expressed it will do so when it adopted my amendment to raise the earnings test by about $1,000 in 1990. The amendment also expressed the sense of the Senate that the earnings test should be eliminated by the year 2000. Since 85 of my colleagues joined me in voting for the amendment, it's time to press ahead with legislation to phase out the earnings limit by $3,000 per year beginning in 1990, eliminating it entirely by 1995.

The proposal has its critics to be sure. Some say it would benefit the rich among Social Security beneficiaries. In fact, more than two-thirds of the benefits after repeal of the earnings test would be paid to those with incomes below $40,000—someone's idea of rich, no doubt. Indeed, some 85,000 people who make between $9,000 and $10,000 per year would be spared from any earnings test penalty just by our modest increase.

Repeal of the earnings test wouldn't benefit the rich. It would benefit the elderly who wish they could afford to work.

Mr. President, I ask unanimous consent that an analysis of the amendment and a letter from the AARP be printed in the RECORD.

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

AMENDMENT TO THE FISCAL YEAR 1990 BUDGET RESOLUTION TO BEGIN A PHASEOUT OF THE RETIREMENT EARNINGS TEST

Current Law: Social Security beneficiaries under age 70 face sharp reductions in their monthly benefits if their earnings exceed a specified amount. For 1989, the exempt amount for those age 65 to 69 is $8,880. Those earning above this limit will receive a cut in Social Security benefits of $1 for each $2 of earnings above this exempt amount. In 1990, the exempt amount is scheduled to reach $9,360 and the ratio of earnings to benefit cuts improves slightly to $1 in benefit cuts for every $3 earned above the limit. The Retirement Earnings Test does not apply to persons age 70 or older.

Armstrong Amendment:

Amends the budget resolution to allow for increases in the earnings limit of $3,000 in each of fiscal years 1990, 1991 and 1992.

Pays for itself completely in all three years covered by this budget resolution and does not violate the bipartisan budget summit agreement. Its $410 million cost in Fiscal Year 1990 is offset partially through the repeal of the retroactive month of retirement within function 650 ($150 million) and partially through the sale of remaining college housing loans in function 500 ($260 million).

Pays for itself in the out-years by providing for miscellaneous asset sales: $670 million in Fiscal Year 1991, and $1.07 billion in Fiscal Year 1992.

Why This Amendment Should Be Adopted:

The earnings test is unfair. The marginal tax rates it imposes on the elderly are confiscatory. Because of the earnings limit, a senior worker who should be in the lowest tax bracket may end up paying marginal tax rates as high as 83 percent (50 percent earnings test, 15 percent income tax, 7.51 percent FICA, 7.5 percent income tax on Social Security benefits, 3.37 percent Catastrophic). A young worker doing exactly the same work and making precisely the same income would face a marginal tax rate of 15 percent and a Social Security tax rate of 7.51 percent in 1989. Age discrimination has rarely been so clearly illustrated.

An estimated 855,000 people have their benefits reduced every year because of the earnings limit. Just a one-time increase of $3,000 in the limit would not only help all of these people to some extent, but it would save an estimated 150,000 from any earnings limit penalty at all.

The earnings limit is bad labor policy. According to the Social Security Administration 855,000 people currently have their benefits reduced because of the earnings limit. Caught in the earnings test trap, many of our elderly have been driven out of the workplace altogether. Today, 83 percent of all men and 92 percent of all women age 65 and over are completely retired. Between 1970 and 1985, the retirement rate among those 65 years old has increased by 40 percent. In the face of the labor shortages economists are now predicting for the U.S., this problem takes on new dimensions.

The earnings limit is bad social policy. It imposes a strong disincentive on elderly citizens who want to continue working. After contributing to Social Security for decades and reaching age 65, the elderly are presented with a painful choice: eliminate virtually all significant earnings or face stiff cuts in the benefits to which they are otherwise entitled. That kind of choice drives productive individuals to a full retirement or forces them to forgo benefits they've worked for over a lifetime.

Liberalization of the earnings limit would mitigate one of the more unfair aspects of current law. Today, Social Security beneficiaries with unlimited "unearned" income from pensions, investments, and stock dividends, face no reductions in benefits

through the earnings test; but those who work to earn $8,880 a year have their benefits slashed. This proposal should restore some sense of equity in the tax treatment of retired citizens.

Cost:

Our amendment to the budget resolution would allow for the earnings limit to be increased $3,000 in each of the next three years, which provides a starting point of actually phasing it out, endorsed in sense of the Senate language attached last month to the minimum wage bill. If the retroactive month of retirement is repealed to partially offset the cost, we could increase the earnings limit by $3,000 in FY 1990 and pay for it completely. The balance of the cost is accounted for through the sale of already existing college housing loans.

The Armstrong amendment proposes that the $260 million needed for the remaining FY 1990 cost be broken out in the following fashion: $234 million from the College Housing Loan program; and $26 million from the Higher Education Facilities Loan program. Both of these programs simply manage and service the existing portfolios of prior year loans. Importantly, sales of these loans have taken place twice in the past; an established market now exists for them and sales of them have proven remarkably successful.

In 1987 and 1988, the Department of Education completed nonrecourse loan sales for both programs for proceeds of $293 million. These loan sales had a discounted rate of 45 percent (55 cents on the dollar). These were quite encouraging results for loans that yield only 3 percent interest. In fact, it has been determined that the Department was able to realize approximately 95 percent of the amount the U.S. Treasury would have received through the sale of bills, bonds, and notes of comparable maturities and with full recourse. These loans enjoy a triple A rating, having a very long, good history.

Loans of this type are typically purchased by institutional investors such as insurance companies and pension funds. It will make no difference to the educational institutions that have taken these loans out what entity holds their loans. The terms of these past loans will not and cannot change.

Technically, the 1987 budget reconciliation bill prohibits the sale of loans after 1988. This provision is now obsolete and needs to be repealed for good housekeeping reasons. The prohibition originally became law due to pressure from groups concerned that the sale of loans would prevent the financing of new loans. These programs now only manage old loans; new loans are currently made under the College Housing and Academic Facilities Loans program. While it is by no means a serious problem, the statutory prohibition must be repealed in order to achieve these sales. The two sentences added to Section 83 of the Higher Education Act by the Omnibus Reconciliation Act of 1987 placing a moratorium on the sale of these loans would have to be taken out. In fact, the Administration is sending its own higher education bill to us that recommends removal of all of Section 83.

AARP,
Washington, DC, May 4, 1989.

Hon. WILLIAM ARMSTRONG,
U.S. Senate, Washington, DC.

DEAR SENATOR ARMSTRONG: The American Association of Retired Persons reaffirms its support for your continued efforts to liberalize the Social Security retirement test. We believe increasing the current earnings limit would help older persons who continue working and also will encourage additional older persons to contribute their expertise to meeting our nation's economic needs.

Under current law, beneficiaries age 65 to 70 lose $1 in Social Security benefits for every $2 of earnings in excess of the limit ($8,880 in 1989). Even with the reduction of $1 for every $3, which is scheduled to go into effect in 1990, hundreds of thousands of beneficiaries will continue to restrict their work effort or lose benefits. In 1988 nearly 900,000 persons suffered a benefit reduction as a result of the limit. Such a benefit loss is particularly troublesome for moderate and middle income beneficiaries.

Your amendment to the budget resolution to increase the earnings limit by $3,000 in 1990 with a similar increase in 1992 would provide needed financial relief, especially for those who work out of necessity. If your amendment were enacted, 150,000 persons would be spared the burdensome effects of the test. Nearly 750,000 additional persons who are affected by the test would be provided some relief. The number of persons helped in future years would, no doubt, be even greater.

Under current law, a beneficiary with $6,200 annually in Social Security benefits and $12,400 in wages would lose approximately $1,000 in 1990 (based on a projected 1990 earnings limit of $9,250). Your amendment, if enacted, would mean that this individual would not lose benefits.

The Association commends your efforts to improve the economic well being of working social security beneficiaries. We hope your amendment will be accepted by your colleagues.

Sincerely,

HORACE B. DEETS.

Mr. ARMSTRONG. Mr. President, at one time it was my thought we might ask for a rollcall vote on this matter. In view of time there is really no reason to do so. The Senate has acted on an issue of very similar import and by I think a margin of about 86 votes agreed that this was a good idea. A rollcall this afternoon I think would produce a similar outcome. So unless other Senators wish to speak on this issue, I thank the Chair and my colleagues and I am prepared to yield back what time may remain.

The PRESIDENT pro tempore. The Senator yields back his time.

Mr. SASSER. Mr. President, I am prepared to yield back our time.

The PRESIDENT pro tempore. The manager yields back his time.

Mr. DOMENICI. We are prepared to accept the amendment on this side.

Mr. SASSER. Mr. President, may I withhold yielding back our time.

The PRESIDENT pro tempore. The Senator from Tennessee is recognized.

Mr. SASSER. Mr. President, I want to support the principle of the amendment by the distinguished Senator from Colorado raising the exemption level for the earnings test.

Raising the earnings test exemption will allow more Social Security recipients who work to keep their full benefits and allow others to keep a greater portion of their benefits.

Senator ARMSTRONG's amendment would raise the earnings limit by $3,000 in 1990, by $6,000 in 1992, and by $9,000 in 1993.

About 75,000 beneficiaries below the poverty line would receive some relief from this change.

Moreover, raising the earnings test exemption would eliminate a work disincentive for many elderly beneficiaries.

We all know stories of elderly people who want to work but who restrict their work effort to exactly the number of hours needed to keep them under the earnings limit. This makes no sense at all.

Other elderly citizens simply decide not to work at all in order to avoid losing some or all of their Social Security benefits.

I think we should be encouraging our Senior citizens to work if they want to, not discourage them.

So, I certainly agree with the Senator from Colorado that this is a good idea.

Mr. CHAFEE. Mr. President, I am supporting Senator ARMSTRONG's amendment to increase the Social Security earnings limitation by $3,000 in 1990, 1991, and 1992. This amendment is an important step toward enabling senior citizens to work, either out of necessity or by choice.

I joined Senator ARMSTRONG in a successful effort during consideration of the minimum wage legislation to raise the earnings limitation to about $10,000. I believe we need the talents of our seniors in the work force. Senate approval of the amendment affirmed our belief that senior citizens should not be discouraged from using their skills and expertise to supplement their income. Yet, what we did last month is not enough.

The amendment we are offering today is an interim step to bring the limitation closer to the level of average wage earnings—about $18,000. Our proposal increases the Social Security earnings test to $18,000 over a 3-year period.

Our amendment would be paid for by a sale of assets in 1990. I believe that these offsets are acceptable, though not ideal, in order to achieve our immediate goal.

Increasing the earnings limitation for 1990 and beyond is critical and will require hard work on the part of the Finance Committee. I intend to work with the Senator from Colorado to find a reasonable way to finance raising the limitation.

I urge my colleagues to join us in support of this critical amendment.

Mr. EXON. Mr. President, I rise today to join my colleagues, the senior Senator from Colorado and the distinguished Republican leader, in sponsoring this amendment that will increase

the earnings cap for Social Security beneficiaries.

Earlier this year, during consideration of the minimum wage bill, we offered a similar amendment which was adopted by a vote of 86 to 11. Unfortunately, the conferees did not see fit to keep that amendment as part of the final package. I was keenly disappointed with that result. We now have another chance to help our senior citizens between the ages of 65 and 70 who choose to supplement their retirement benefits by earning outside income.

This amendment would increase the cap by $3,000 in fiscal years 1990, 1991, and 1992. As you know, Social Security benefits are reduced $1 for every $2 of earnings above the cap. However, in 1990, current law provides for a decrease in that reduction to $1 for every $3 above the cap. That change will also be helpful to those beneficiaries who would still like to keep working.

We have all experienced the incredible increases in the cost of living over the last couple of decades. These costs increase at a higher rate for our elderly citizens, especially in the area of health care. Quite frankly, few senior citizens today can live on the amount of their Social Security benefits alone. If individuals are able and willing to work, why should we tell them they cannot?

Mr. President, this earnings cap is unfair. We have no cap on earnings once an individual hits age 70. We have no cap on the amount of unearned income an individual can earn at any age. This cap unfairly hits the middle-class elderly. The middle class has taken too many hits over the past 8 years. Why can't we give them a boost here? Why should individuals be denied benefits they themselves helped pay for? This just doesn't seem right.

Mr. President, I congratulate my friend and colleague, Mr. ARMSTRONG, for his tenacity, hard work amd diligence in working out this technical but important piece of legislation and urge all my colleagues to support the amendment.

Mr. GRASSLEY. Mr. President, I intend to support this amendment to phase out the Social Security retirement earnings test, a policy change I have long supported.

Mr. President, I believe that our older citizens constitute one of our society's most valuable, but most underutilized, resources. At the present time, around 83 percent of men and 92 percent of women over the age of 65 do not work for compensation.

One of the reasons for this, Mr. President, is that many older workers want to retire, rather than continuing to work past 65, or 62, or 60, as the case may be.

It also seems clear to me, however, that another major reason for this is, and has been, that it is national policy to encourage people to leave the work force beginning as early as age 62, and to discourage them from working once they leave the work force and begin to draw Social Security retirement.

The policies to which I allude are well known. An individual may begin to draw Social Security retirement as early as age 62. Although those benefits are discounted, for many their availability constitutes an incentive to retire. In fact, I believe it constitutes a powerful incentive to retire. In 1985, some 66 percent of all Social Security beneficiaries were early retirees.

At 65 an individual may retire and draw full Social Security benefits. Social Security law has for some time provided a 3-percent addition to an individual's benefit for each year past age 65 by which that individual delays retirement. We recently changed the Social Security law to provide an additional premium to those who delay retirement past age 65. This additional premium begins in 1990. By 2007 this additional premium will reach 3 percent for each year of delayed retirement for those attaining 65 years of age. Of course, we have not begun to see the effects of this change in law.

We also introduced changes in age at normal retirement, but these will not fully begin to take effect until the year 2000.

But, we also have disincentives in law which discourage people from working once they begin to receive Social Security retirement benefits. Under current law, individuals who receive Social Security, but who wish also to work, are penalized.

First, half of the Social Security retirement benefits of those who earn $25,000 as individuals or $32,000 as couples are taxed.

Second, they are subject to a retirement earnings test. When an older worker between 65 and 69 earns more than $8,800 in wages, Social Security benefits are reduced by $1 for every $2 earned.

Mr. President, $8,800 is not a great deal of money. And a loss of $1 for every $2 earned above that amount constitutes, in my opinion, a powerful disincentive to work.

As I noted at the outset of my statement, Mr. President, I believe that older Americans constitute a major resource for our country. I am quite aware, Mr. President, that older Americans contribute in a host of uncompensated ways through volunteer work to the welfare of their communities. In just the Older Americans Act and Domestic Volunteer Service Act programs alone, thousands of older people serve in a whole host of capacities, most of which are uncompensated, or, if they are compensated, as is the case in some of the action agency programs, receive support which just covers the expense incurred in working. I applaud this contribution, Mr. President.

However, we have just begun to tap the potential of older individuals. Were we to reduce the disincentives of current law which discourage older people from working, many more would work. I believe that surveys of older retired people have found that many of them would like to work in a part-time capacity after they have retired from their major occupation. I believe that the country would benefit greatly were they to do so in greater numbers.

Phasing out the retirement earnings test should lead to more older people retaining a place in the work force, a state of affairs from which we will all benefit.

Mr. DOLE. Mr. President, last month the Senate agreed to a sense of the Senate amendment to the minimum wage bill that called for increasing the monthly earning test limit for individuals who have reached retirement age. The overwhelming vote in favor of this measure shows that the Senate is ready to take the next step: Adjust the fiscal year 1990 budget resolution to begin a phase out of the retirement earnings test.

That is why I am joining today with Senator ARMSTRONG in offering an amendment to the budget resolution to allow for increases in the earnings limit of $3,000 in fiscal year 1990, $3,000 in fiscal year 1991 and $3,000 in fiscal year 1992. This plan will go a long way in lowering marginal tax rates for the elderly, which can presently only be described as excessive. Because of the earnings limit, a senior worker, who would normally be in the lowest tax bracket, may end up paying marginal tax rates as high as 83 percent. A young worker doing exactly the same work and making precisely the same income would face a marginal tax rate of 15 percent and a social security tax rate of 7.5 percent in 1989. Age discrimination has rarely been so clearly illustrated.

Our amendment would not only correct this great unfairness, but do so in a way that is fiscally responsible. Our amendment contains offsets to pay for the earnings limit increase over all 3 years covered by this budget resolution, and, as a result, does not violate the bipartisan budget summit agreement. In fiscal year 1990, the $410 million cost is offset partially through the repeal of the retroactive month of retirement and partially through the sale of remaining college housing loans. In the out-years, the cost of this plan is met by using additional asset sales.

Ultimately, however, it is not the cost or savings of this proposal that should be foremost in our minds when considering this amendment. The earnings limit is bad social policy. It

imposes a strong disincentive on elderly citizens who want to continue working. After contributing to Social Security for decades and reaching age 65, the elderly are presented with a painful choice: Eliminate virtually all significant earnings or face stiff cuts in their benefits. That kind of choice drives productive individuals into full retirement while they still have very much to contribute to their jobs.

CONCLUSION

President Bush in his inaugural address called for a rebirth of personal activism, saying, "We must bring in the generations, harnessing the unused talent of the elderly * * *" Mr. President, the best way to harness the unused talent of the elderly is to repeal the very law that discourages senior citizens from using their talent—the Social Security earnings limit. Let us accept President Bush's challenge and amend the budget resolution to begin a phase out of the retirement earnings test.

Mr. DOMENICI. Mr. President, I rise in support of the Armstrong amendment, which takes an important step toward eliminating a strong work disincentive that confronts older Americans.

I will not dwell on the specifics of the amendment. I will discuss a labor impact created by the earnings test that will become increasingly important to our Nation's future.

Next year, the earnings test reduces Social Security benefits by $1 for every $3 earned above the limit. This reduction is above and beyond other income taxes, FICA taxes, and the catastrophic health surcharge. Talk about a disincentive to work.

As a result, an OASDI recipient earning more than about $9,000 could lose nearly all of their Social Security check through taxes and the earnings test.

The earnings test was probably never good labor policy. But as labor shortages spread across the country, we certainly cannot afford disincentives to work, particularly disincentives for the middle income work—educators, nurses, and so on—for which this provision creates the biggest work disincentive.

My colleagues know the statistics. There are relatively few young workers entering the labor force, a trend that is expected to continue. These labor shortages will worsen unless something changes. Our Nation's seniors are an obvious possibility. Many want to work.

Until 1930, about 65 percent of the men over age 65 worked. The percentage declined steadily to 32 percent in 1980.

Fewer senior citizens work primarily because it is easier to retire now. Income, savings and wealth have increased. Social Security was created and private pensions became more generous. Many more seniors didn't need to work. Work disincentives, such as the earnings test, also have had their effect.

Senator ARMSTRONG is right: We must reduce these disincentives to work.

One caution—while I support the concept of continuing to raise the earnings test, finding the resources to finance added costs will be tough. We still have a deficit problem. We cannot raise payroll taxes. I do not want to erode the Social Security reserves needed for future generations. So it will not be easy.

The offset proposed by Senator ARMSTRONG for the three incremental increases in exempt earnings are reasonable.

In closing, I commend Senator ARMSTRONG for his leadership in pursuing changes in the earnings test. He has been relentless.

Mr. SASSER. Mr. President, we yield back time.

The PRESIDENT pro tempore. All time is yielded back. The question is on agreeing to the amendment.

The amendment (No. 91) was agreed to.

Mr. ARMSTRONG. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

The PRESIDENT pro tempore. Under the order, Mr. BRYAN is recognized.

Mr. BRYAN. Mr. President, I rise to oppose Senate Concurrent Resolution 30 which is intended to implement the bipartisan budget agreement for 1990.

I do so reluctantly for my decision was not easily reached. I appreciate the efforts of those who labored to develop the bipartisan package.

As a former Governor who has faced fiscal challenges at the State level, I know the decisions made when trying to allocate tight resources and establish priorities are some of the most difficult decisions made by public officials.

However, I believe that one fact looms large over all aspects of our domestic and international policy, and it threatens the long-term vitality of our Nation. The burgeoning Federal debt is a crisis that must command our honest attention if the Nation is to achieve all it is capable of as we approach the dawn of a new century.

The deficit holds hostage our future economic growth, mortgages the quality of life our children and grandchildren may enjoy, and reduces our ability to remain a competitive economic power.

Perhaps most importantly, this debt feeds upon itself, consuming a larger portion of each year's resources which could otherwise be devoted to serving the legitimate needs of the citizens.

My honest assessment of the budget agreement is that it largely reflects an "easy fix." It accomplishes little more than getting the Federal Government from 1 year to the next with budgeting and accounting gimmicks.

Meanwhile, the Nation's debt continues to grow at an alarming rate.

Furthermore, and more disturbing, the budget process, as much as the agreement before us, hides the true magnitude of the deficit.

Until we face reality and define the deficit problem in dollar and cents terms that everyone understands, the ability to manipulate budget numbers rather than manage the deficit may prove irresistible.

I also believe that this year—the first of a new administration and a new Congress—may be the best window of opportunity we have to address our fiscal plight.

A problem of this size and complexity cannot be easily solved. But I strongly believe we must make an honest attempt at substantial deficit control, and we should start with real progress this year.

Our task next year—with a more difficult deficit target to meet, looming uncertainties in our economy, and the pressures of the election year—cannot be easier than the task we face today.

Indeed, I believe a realistic assessment is that next year's budget debate is likely to be more difficult for the Congress and the administration alike.

By understating the true size of the deficit today, our problem next year and in the years to follow simply grows, and thus becomes more difficult to solve.

One lesson I have found to be true in public life is that a tough decision postponed a day—or a year—becomes no easier to face.

I also have a fundamental, philosophical objection to a governmental process so convoluted and so contrived. Although the details have been debated, examples of the creativity involved in the budget agreement are still instructive.

The package relies on gimmicks to meet the deficit targets, which themselves are hypothetical and subject to manipulation. Under this proposal we claim to reduce the deficit by such techniques as:

Advancing farm payments—$900 million—from fiscal year 1990 to fiscal year 1989, which amounts to spending money this year so it may count as savings in next year's budget;

Canceling unredeemed food stamps, which amounts to counting as savings money that could never be spent.

Such devices truly comprise a "smoke and mirrors" approach to the deficit crises.

The flaws of the process become even more apparent when reviewing the financing of the savings and loan depositor's bailout.

As a member of the Senate Banking Committee, I attended 17 hearings and heard testimony from over 50 witnesses.

By all accounts the savings and loan bailout will cost us more than the resources devoted to Europe under the Marshall Plan, and the bailouts of Lockheed, Chrysler, Penn Central, and New York City combined.

Miraculously, the budget resolution calculates the savings and loan bailout as saving the taxpayers money. While CBO estimates Federal outlays at $168 billion over the next 10 years to finance the bailout, the budget resolution estimates a $14 billion surplus.

If we extended this kind of accounting to the rest of the Federal budget, the deficit, on paper, would vanish.

This is accomplished by some off-budget accounting devices. It is as if my wife borrowed some money, gave it to me, and I counted it as income for our family.

I have said in the past that a business operator who played by such rules would end up in jail or bankrupt—or both.

And the most significant deception of all—which few citizens fully understand—is using the surplus collected by the Social Security trust fund to meet the deficit targets.

For 1990, the surplus of Social Security receipts makes the deficit appear $68 billion smaller. Thus, even if all the other assumptions in the budget package were accurate, the true deficit would be closer to $200 billion than the $100 billion target.

These Social Security funds should rightfully be invested in a trust fund for our country to generate the economic growth that will be needed to pay future benefits—not used today to finance the operating expenses of a Government on an economic course leading to crisis.

Other trust funds—including those designed to maintain our airport and highway system infrastructure—are counted against as much as $67 billion of the debt as well. These funds should be invested in our future, not used to hide the scope of today's problems.

The problem we need to face is that Federal spending—particularly during the last 8 years—has risen faster than available revenues. We may argue endlessly about the cause, and the blame, for this situation. But we can ignore it no longer.

I appreciate the efforts that the leadership devoted to the budget process—within the constraints the administration was willing to accept. Now, however, is the time to do something more.

Accounting tricks and optimistic economic assumptions may allow us to claim we have met the deficit reduction called for in the Gramm-Rudman-Hollings targets for this year, but I believe we do the citizens and the Nation a disservice by understating or disguising the underlying problem.

The approach we are charting in the budget resolution leaves Congress and the administration ill prepared to face the future, and being a realist I object to the proposal on that basis.

Our ability to adequately address future needs of the Nation is compromised by not facing honestly what I believe is a precursor to an economic calamity—as the Federal debt continues to grow.

The PRESIDENT pro tempore. Under the order, the manager of the bill, Mr. SASSER, is recognized.

Mr. SIMON. Mr. President, I ask unanimous consent to address the Senate for 1 minute.

Mr. DOMENICI. Reserving the right to object, Mr. President, I really hate to do this because, frankly, we have accommodated everyone we could and we have told them there would be no more speeches, but I will not object. I just hope everyone will understand I am going to object other than this one. I have no objection.

The PRESIDENT pro tempore. There being no objection, the Senator from Illinois is recognized for 1 minute.

Mr. SIMON. Just one point. The staff of the Budget Committee either purposely or inadvertently—I think it was inadvertent—did not follow the instructions of the committee. On page 81 interest is listed. I just heard our colleague, Senator BENTSEN, list the interest cost. If you look at page 81 it lists net interest. In fact, the interest expenditure under this estimate is not the interest listed. It is $263 billion because we subtract the interest earned by the trust funds. Unless something happens that we do not expect right now, the following fiscal year for the first time in the Nation's history interest will be the number one expenditure of the Federal Government, exceeding defense.

The PRESIDENT pro tempore. The Senator from Tennessee [Mr. SASSER] is recognized.

AMENDMENT NO. 93

(Purpose: To assert the sense of the Senate on United States policy to reduce the generation of carbon dioxide and for other purposes)

Mr. SASSER. Mr. President, I send an amendment to the desk on behalf of Mr. WIRTH and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. SASSER], for Mr. WIRTH (for himself, Mr. CHAFEE, Mr. HEINZ, Mr. JOHNSTON, Mr. GORE, Mr. CRANSTON, Mr. LEAHY, Mr. DURENBERGER, and Mr. KERRY, proposes an amendment numbered 93.

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

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following:

REDUCING THE GENERATION OF CARBON DIOXIDE

SEC. . (a) The Senate finds that—

(1) the concentration of the so-called "greenhouse" gases—including carbon dioxide, methane, nitrous oxide, chlorofluorocarbons, tropospheric ozone is rising;

(2) Since the advent of the industrial revolution 150 years ago, a number of scientific experts estimate that the atmospheric concentration of—

(A) carbon dioxide, the most prevalent of these gases, has increased by 25 percent;

(B) methane has increased by 100 percent;

(C) nitrous oxide has increased by 10 percent;

(D) CFC's have increased from zero 60 years ago at an average rate of 5 percent per year; and

(E) tropospheric ozone continues to increase by 1 percent per year;

(3) a large number of the world's leading scientists, including members of the National Science Foundation, have warned policy makers that—

(A) increased concentrations of these gases will alter climate; and

(B) such climatic alterations could have devastating effects on weather patterns, agriculural productivity, coastal population centers due to rising sea levels, and biological health;

(4) the majority of these gases are generated in the production of energy;

(5) in 1988, the Department found, based on data collected for the 1985 National Energy Policy Plan, that the United States' generation of carbon dioxide would increase from 1985 levels by 38 percent in the year 2010;

(6) leading scientific experts of the world, including members of the National Academy of Sciences, the National Academy of Engineering, and the Institute of Medicine have urged the President to take action to reduce the generation of these gases by the United States;

(7) international negotiations are underway to develop strategies to reduce the generation of these gases;

(8) the United States is chair of the Response Strategies Working Group of the Intergovernmental Panel on Climate Change (IPCC), which was established by the United Nations Environmental Programme and the World Meterological Organization;

(9) at the first meetings of the IPCC's Response Strategies Working Group, the Secretary of State urged that global solutions to global climate change be as specific and cost-effective as they can possibly be;

(10) it is imperative that the United States and all nations take immediate steps to protect the global environment; and

(11) without action by the United States to protect the global environment, our ability to convince other nations to act on concerns such as global climate change will be constrained.

(b) It is the sense of the Senate that United States policy on global warming should be—

(1) to reduce the generation of greenhouse gases;

(2) to hold, in 1989, a global conference on the environment, hosted by the President;

(3) to encourage other nations to undertake measures to reduce the generation of greenhouse gases;

(4) to develop binding multilateral agreements with other nations by the end of calendar year 1992, or as early as is practicable, to reduce the global generation of greenhouse gases;

(5) to encourage the worldwide protection of tropical rainforests;

(6) to require each Federal agency to examine its programs to determine the impacts of global warming on its missions and activities and to evaluate and propose policies under its authority that could reduce the generation of greenhouse gases; and

(7) to develop new technologies and better utilize existing technologies that will provide reliable supplies of energy and service for the citizens of the United States while reducing the generation of greenhouse gases.

(c) It is also the sense of the Senate that the United States Government should adopt a position with respect to a "Framework Global Climate Convention", and through its representative to the Intergovernmental Panel on Climate Change, should begin discussions on such a convention when it chairs the next meeting of the "Response Strategies Working Group".

(d) To the maximum extent practical, the priorities set forth in this section should be reflected in the Federal budget.

Mr. WIRTH. Mr. President, we have just passed the first budget of the 1990's. This is the fiscal year 1990 budget. With the passage of this budget, a new decade begins. As we launch this budget, we must stop and reflect on the lessons of the 1980's. Clearly this has been a decade for remarkable change and in no area more than escalation of the environmental challenge.

Last week, one of the Nation's elder statesmen, George Kennan, admonished us to recognize that the cold war is coming to a close as the Soviet Union experiences dramatic and, in all probability, permanent change. East-West hostilities are easing. Conflict resolution is proceeding in Central America, Africa, and in the troubled Middle East. The world is still a hostile place, of course, but we need to direct our attention to a different kind of hostility between the people of this planet and the environment.

Environmental issues have rapidly emerged as the preeminent challenge to this and all nations. The current global environmental crisis demands urgent attention. Coral reefs are inexplicably dying. Coasts around the world are eroding. Temperatures are rising. Billions of pounds of toxic air pollutants threaten the health of all living things. The ozone layer is depleting. Clean air is a continuing problem in Denver and dozens of cities in the United States, and recent reports suggest that Mexico City's air is so polluted that it is impossible to conduct normal business.

And we are not alone in this hemisphere. During the past 12 months, devastating information has also emerged from the Soviet Union about the enormity of that nation's environmental problems. One Swedish scientist recently wrote on his return from Central Asia: "The destruction of the Soviet environment, particularly in the Central Asian area, has now progressed beyond the point of recovery. The Caspian Sea is dying, the Black Sea is heading for the same fate, and Lake Lodoga, Europe's largest inland sea, is so polluted that it cannot be used even by a planned extension of a paper mill. By the year 2000, Central Asia will be environmentally dead."

Unmistakably, we are pushing the limits of our environmental systems. The 1980's have been the warmest years on record. Global warming is underway. During this decade, the oceans have sent back discarded waste to sully our beaches. The Antarctic ozone hole has been discovered and evidence of similar ozone depletion in the Arctic is rapidly emerging.

From groundwater to global warming, from ozone depletion to a poisoned food chain, from acid rain to garbage dumping and from tropical deforestation to the overarching question of population growth, global environmental issues have emerged with astonishing speed. These matters have direct implications for human health, for infant mortality, for predictable commerce and, more ominously, for the habitability of this planet. These are issues that will affect every citizen in this country and elsewhere, and it is time we take on our responsibility to address them.

Where do we begin then to get a handle on this vast set of issues?

We must act immediately to halt our assault on the atmosphere. The science is clear: We live in a so-called greenhouse, human activity is altering the composition of the atmospheric blanket and the Earth is getting warmer. On these points, there is virtually no debate. Most recently, the National Science Foundation wrote in its biannual publication, Mosaic, that "slowly, inexorably the Earth is getting warmer. The stoking agent is human activity." The scientific consensus can be summarized in that statement.

Now, policymakers from Margaret Thatcher to the Prime Minister of Norway, Gro Brundtland, who visited with President Bush on yesterday, are speaking out on the need for all nations to help purchase a global insurance policy against dramatic climate change.

Mr. President, I ask unanimous consent to print in the RECORD two articles about the recent actions being taken by Prime Minister Thatcher.

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

[From the Guardian, Apr. 27, 1989]

PM'S SEMINAR ENDS WITH NUCLEAR HINT

(By Tim Redford)

A Downing Street seminar on the future of a world warming rapidly under the greenhouse effect ended yesterday with no announcement of initiatives but a hint that the public attitude to nuclear power may have to change.

The greenhouse effect is driven by fossil fuel burning, nuclear power yields almost no carbon dioxide, the chief greenhouse gas.

But there were also indications that the Government may be contemplating advice to encourage switches to alternative fuels, renewable energy. International programming for afforestation the need to strengthen sea defences and to support existing international bodies such as and the World Meteorological Organization.

The seminar was attended by Mrs. Thatcher and ministers, including Sir Geoffrey Howe, Mr. Nicholas Ridley, Mr. Chris Patten, Mr. John McGregor, Mr. Cecil Parkinson, Mr. Paul Channon and Lord Caithness and scientists and industrialists.

Mrs. Thatcher was told that by the year 2030 the world was likely to be 1.5 degrees warmer. "That's 1.5 in 40 years compared with 0.5 in the past 100 years," said Professor Tom Wigley, head of the climatic research unit at East Anglia University. He said that there were a number of uncertainties about how much the sea level would rise. "But our best estimate is that between now and 2030 it will be between 17 and 20 centimetres. If you want to go to all extreme, it might be 40 centimetres."

Although no specific statement emerged from the Government, scientists were content that the Prime Minister realized the dangers of a wait-and-see policy.

"The initiative the Prime Minister has taken here is unique," said Professor Wigley. "Never before has a prime minister or a head of state been so closely involved in this issue. And that will have untold implications in terms of the responses of other heads of state."

John Carvel adds: Mr. Paddy Ashdown, the Democrat leader, last night promised to halt production from all Britain's nuclear power stations by the year 2020. This was in response to the Downing Street seminar, which he described as another example of Mrs. Thatcher's "nuclear-mania".

The Liberals and SDP went into the last election committed to halting construction of nuclear capacity, but not to scrapping existing plant.

The Shadow Environment Secretary, Dr. John Cunningham, said: "A major energy conservation programme is the quickest and most effective way to tackle atmospheric discharges, as the Prime Minister's own advisors realize."

[From the Independent Apr. 27, 1989]

PM TO REPORT ON GLOBAL WARMING

(By Nicolas Schoon)

Margaret Thatcher wants to take the international lead in combating the greenhouse effect of global warming, it emerged from a Cabinet seminar on the subject yesterday.

The Prime Minister is likely to choose the Commonwealth summit in Kuala Lumpur, Malaysia, in September, to present a report on the threat of rising temperatures and higher sea-levels.

She will seek backing from other governments for measures to prevent the worst prediction of climatic change being fulfilled.

The Department of Energy's free-market policies may also be reversed, with more government intervention to reduce the growing consumption of coal, oil and gas. Those form the main threat to the world's atmosphere and eco-systems.

This is likely to involve many breaks and incentives for consumers and industries which burn fewer fossil fuels, rather than putting heavy taxes on them.

One scientist who attended the seminar said: "There was a recognition that the Government will have to change its fundamental energy policy, set out of Nigel Lawson as Energy Secretary in a speech seven years ago.

"He said there was no energy policy, beyond removing distortions in the marketplace. Those simplistic, market-led policies will have to change."

Although scientists emphasize that more efficient use of energy is the single most effective way of lowering carbon dioxide emissions from the burning of fossil fuels, ministers are still seeking a growing role for nuclear power.

After the Downing Street meeting, which was attended by scientists, experts and scientists, experts and Cabinet ministers, Cecil Parkinson, Secretary of State for Energy, said nuclear power had a growing role to play world-wide as "fossil fuel prices will move increasingly upwards".

There was encouragment for the view that nuclear reactors will eventually provide Britain's baseload electricity instead of coal-fired stations.

The Commonwealth summit is seen as a good venue because it takes in industrialized nations such as the UK, Australia and Canada, which produce huge quantities of carbon dioxide—the principal "greenhouse" gas—as well as developing nations, such as India, which might produce huge quantities if they are able to industrialize successfully.

Mr. WIRTH. From the Independent, we learn that:

Margaret Thatcher wants to take the international lead in combating the greenhouse effect of global warming, it emerged from a cabinet seminar on the subject yesterday. She will seek backing from other governments for measures to prevent the worst predictions of climate change being fulfilled.

And from the Guardian, we learn:

The initiative the Prime Minister has taken here is unique. Never before has a Prime Minister or a head of state been so closely involved in this issue. And that will have untold implications in terms of the responses of other heads of state.

Prime Minister Brundtland delivered the Benjamin Franklin lecture last Monday night, and I was privileged to be in the audience for this remarkable address. Let me quote from her statement:

We need concerted international action. There are certain imperatives which must be pursued with vigor as matters of the utmost urgency.

We need to agree on regional strategies for stablizing and reducing emissions of greenhouse gases. Reforestation efforts must be included as a vital part of the carbon equation.

We must strongly intensify our efforts to develop renewable forms of energy. Renewable energy should become the foundation of the global energy structure during the 21st century. It is quite clear that developing countries will need assistance to avoid making the same mistakes we made over again. It is essential that energy-efficient technology be made available to developing countries when they cannot always pay market prices without assistance.

We should speed up our efforts on international agreements to protect the atmosphere. There are different views on how to proceed on this issue. I urge that negotiations to limit emissions be started immediately.

We, too, in the United States must join in this movement. To ensure against aggression from other nations, we have invested in the largest, most expensive insurance program in the world: The Pentagon. We need to take out comparable insurance to protect the environment from assault. Environmental integrity is the ultimate issue of national and global security. As we move into the 1990's and seek to address the new priorities of the changing world, the United States must be part of that leadership.

That is why I, today, together with my distinguished colleagues, Senators CHAFEE, HEINZ, GORE, JOHNSTON, CRANSTON, LEAHY, DURENBERGER, and KERRY of Massachusetts, offer this simple but deeply important resolution. The resolution states that it is the sense of the Senate assembled that the United States should do all that it can to prevent and reduce the generation of the so-called "greenhouse gases" both here and abroad. No one would disagree with that. After all, it is upon the climate in which we live and work that our communities, States, and this Nation have developed the unparalleled economic social, and political institutions we have.

Indeed, climate is our ally. I know that every Senator, in this body appreciates that alliance. And that is why I have ask for and received a positive response from all Senators to join in demonstrating to the world that this body wants to protect that alliance between humanity and our environment. It is in the loftiest traditions of the Senate to lead the world on such critical issues.

I also hope that President Bush will demonstrate his leadership on the global warming problem. commendably, the President has taken several actions that demonstrate his commitment to be the "environmentalist" he pledged to be during last year's campaign. Next week, the new President and his administration will be tested on this issue again.

During the week of May 8, 1989, the Response Strategies Working Group of the Intergovernmental Panel on Climate Change, which the United States chairs, will meet in Geneva. If international action on the global warming threat is to move expeditiously, the United States must open the dialogue at those meetings on the question of a "Framework Global Climate Convention." By opening that discussion, President Bush, on behalf of the United States, can reestablish this Nation as the world's preeminent leader on global environmental issues. Furthermore, he would be paving the way for immediate progress on a negotiated international climate convention—which is the only practical and equitable way to get a handle on this enormous problem among nations.

The most important section of this resolution we passed this evening urges the administration to develop and discuss its position on a "Framework Global Climate Convention" immediately.

The resolution passed unanimously this evening by the U.S. Senate is clear and unambiguous—let me quote an important section:

It is also the sense of the Senate that the United States Government should adopt a position with respect to a "Framework Global Climate Convention," and through its representative to the Intergovernmental Panel on climate change, should begin discussions on such a convention when it chairs the next meeting of the "Response Strategies Working Group."

We must take the lead. We have a responsibility to do so. We need our diplomats and our brightest minds to speak the language that reflects today's priorities. The discussion of CFC's should be as robust as negotiations on ICBM's. Carbon dioxide should be every bit as much of a consideration as tactical weapons. We must begin a new era of global environmental negotiations to ensure that all nations work together to integrate economic, energy and environmental planning and become fluent in the provocatively simple language pioneered by our friend and guest, Prime Minister Gro Brundtland: the language of sustainable development. If we speak that language, surely it would not be hard to negotiate a global climate convention.

When the American astronaut Neil Armstrong took man's first steps on the Moon, he said it was a small step for man but a giant leap for mankind. This resolution, and other actions to prevent greenhouse gas emissions embodies the dignity of Mr. Armstrong's statement. Again, in this area we simply need leadership.

I hope that this step taken tonight will lead to bolder action by this body and throughout in considering many pieces of legislation and in saying to the White House, we want to work with the White House, and we want a White House that leads.

In closing, I would like to reiterate my belief that the world is changing

very rapidly. The great challenges and threats in today's world are not going to be solved by building more weapons. They are going to be solved by shielding ourselves from environmental catastrophe. Today, we demonstrate to the American public that this body intends to lead the world toward addressing the real priorities of the 1990's.

Mr. President, I ask unanimous consent that a statement be included with my statement.

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

REMARKS BY MRS. GRO HARLEM BRUNDTLAND, PRIME MINISTER OF NORWAY, CHAIRMAN OF THE WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT

GLOBAL CHANGE AND OUR COMMON FUTURE—THE BENJAMIN FRANKLIN LECTURE, WASHINGTON, DC, MAY 2, 1989

We are living in an historic transitional period in which awareness of the conflict between human activities and environmental constraints is literally exploding. This finite world will have to provide food and energy, and meet the needs of a doubled world population sometime in the next century. It may have to sustain a world economy which is five to ten times larger than the present one. It is quite clear that this cannot be done by perpetuating present patterns.

In the never-ending human search for an improved habitat, for new materials, new energy forms and new processes, the constraints imposed by depletion of natural resources and the pollution caused by the conversion of resources have brought mankind to a crossroads.

In spite of all the technological and scientific triumphs of the present century, there have never been so many poor, illiterate or unemployed people in the world, and their numbers are growing. Close to one billion people are living in poverty and squalor, a situation that leaves little choice, in a struggle for life which often undermines the conditions for life itself, the environment and the natural resource base.

We continue to live in a world where abundance exists side by side with extreme need, where waste overshadows want, and where our very existence is in danger due to mismanagement and over-exploitation of the environment.

The undermining of respect for international obligations was one of the many negative trends in international politics during the 1970s and the early 1980s.

I believe that the threats to the global environment have the potential to open our eyes, and to make us accept that North and South will have to forge an equal partnership. The threats to the global climate prove beyond doubt that, if everyone does as they please in the short run, we will all be losers in the long run. We need to develop a more global mentality in charting the course towards the future, and we need sound scientific advice and firm political and institutional leadership.

We face a grim catalogue of environmental deterioration. We know that forests are vanishing. Every year 150,000 km² disappear. We are becoming increasingly aware of the spread of desert land. The yearly rate is 60,000 km². Good soil is being washed away or eroding at alarming rates. It is estimated that about 150 plant and animal species are becoming extinct every day, most of them unknown to laymen and specialists alike. The stratospheric ozone shield is in danger. And above and beyond all these signs of environmental crisis, the climate itself is threatened.

As the challenging dynamics of global change gradually become clearer, the role of the men and women of science in shaping our common future becomes more central. The interplay between the scientific process and the making of public policy is not a new phenomenon. Indeed, it has been a characteristic of most of the great turning points in human history. One need look back no further than the dawning of the nuclear age to conclude that names such as Fermi, Bohr, Oppenheimer and Sakharov have influenced today's world just as much as Roosevelt, Stalin, Churchill, Gandhi and Hammarskjoeld.

It may be more important now than ever before in history for scientists to keep the doors of their laboratories open to political, economic, social, and ideological currents. The role of the scientist as an isolated explorer of the uncharted world of tomorrow must be reconciled with his role as a committed, responsible citizen of the unsettled world of the present.

The interaction between politics and science has been decisive in the pursuance of international consensus on the problem of stratospheric ozone depletion. The protocol which was hammered out in Montreal in September 1987, which provides for reducing CFC emissions by 50 percent over the next decade, could never have been achieved without a delicate balance between the most up-to-date scientific information, reliable industrial expertise and committed political leadership against a background of strong, and informed public interest.

The fact that new scientific data on the threat to the ozone layer has already prompted us to move beyond the 1987 accords only underlines my point: The scientist's chair is now firmly drawn up to the negotiating table, right next to that of the politician, the corporate manager, the lawyer, the economist and the civic leader. Indeed, moving beyond compartmentalization and outmoded patterns to draw upon the very best of our intellectual and moral resources from every field of endeavor lies at the very heart of the concept of sustainable development.

It is a rare privilege to be here in Washington today and to speak about the challenges before us as we approach the end of a century that has brought more changes than the entire previous history of mankind. I do so emphasizing that U.S. leadership will be decisive if we are to succeed, on a global scale, in making the necessary changes. I do so with the greatest respect and admiration for the human and material resources of this country, resources which can and must be mobilized for sustainable development if we are to overcome the interlocked environment and development crisis.

This nation has perpetually fostered human genius. Benjamin Franklin himself was a paragon of intellectual curiosity and versatility. His inquisitive, insatiable mind was constantly on the look-out for knowledge and would have found it in a desert. His own words about learning are illustrative, and I quote: "In persons of a contemplative disposition, and the most different things provoke the exercise of the imagination, and the satisfaction which often arise to them thereby are a certain relief to the labor of the mind as well as to that of the body".

Had Franklin been alive today, he might have found a solution to the energy problem. He was actually very involved with the problem of energy efficiency. Franklin was the first scientist to study the Gulf Stream. He found that a vessel sailing from Europe to America could shorten the voyage by avoiding the Stream, and that a thermometer could be used to determine the edge of it.

Today, the international agenda has grown more varied and complex, but also more promising. Advances are being made in a number of fields, including the easing of tensions between East and West with the ensuing gains for peace and security and the settlement of regional conflicts.

Should we not take advantage of this favorable climate and direct our efforts towards the critical environment and development issues facing us? Many of these problems cannot be solved within the confines of the nation state, nor by maintaining the dichotomy between friend and foe. We must increase communication and exchange, and cultivate greater pluralism and openness.

In 1987, the World Commission on Environment and Development presented its report "Our Common Future." The Commission sounded an urgent warning: The present trends cannot continue. They must be reversed.

The World Commission did not, however, add its voice to that of those who are predicting continuous negative trends and decline. The Commission's message is a positive vision of the future. Never before in our history have we had so much knowledge, technology and resources. Never before have we had such great capacities. The time and the opportunity has come to break out of the negative trends of the past.

What we need are new concepts and new values based on a new global ethic. We must mobilize political will and human ingenuity. We need closer multilateral cooperation based on the recognition of the growing interdependence of nations.

The World Commission offered the concept of sustainable development. It is a concept that can mobilize broader political consensus, one on which the international community can and should build. It is a broad concept of social and economic progress. The Commission defined sustainable development as meeting the needs and aspirations of present and future generations without compromising the ability of future generations to meet their needs. It requires political reform, access to knowledge and resources, and a more just and equitable distribution of wealth within and between nations.

Over the past couple of years some progress has been made in the environmental field, both in terms of raising consciousness and in terms of taking on particular challenges, such as in the Montreal Protocol on the ozone layer and the Basel Convention on hazardous wastes. However, the picture is very uneven, and the achievements far from justify complacency.

As far as development is concerned, however, the 1980s have been a lost decade. Though some countries have done well, there has been wide-spread economic retrogression in the Third World. Living standards have declined by one-fifth in Sub-Saharan Africa since 1970.

Unsustainable, crushing burdens of debt and reverse financial flows, depressed commodity prices, protectionism and abnormal-

ly high interest rates have all created an extremely unfavorable international climate for development in the Third World.

Politically, economically and morally, it is unacceptable that there should be a net transfer of resources from the poor countries to the rich. Paradoxically, the fact of the matter is that while close to a billion people are already living in poverty and squalor, the per capita income of some 50 developing countries has continued to decline over the past few years.

These trends will have to be reversed. As pointed out by the World Commission on Environment and Development, only growth can eliminate poverty. Only growth can create the capacity to solve environmental problems. But growth cannot be based on overexploitation of the resources of developing countries. Growth must be managed to enhance the resource base on which these countries all depend. We must create external conditions that will help rather than hinder developing countries in realizing their full potential.

What we now need is Global Consensus for Economic Growth in the 1990s. It must comprise:

Economic policy coordination that will promote vigorous noninflationary economic growth; Major challenges include reducing payments imbalances between the USA, Japan and the Federal Republic of Germany, and making the surpluses of Japan, the Federal Republic of Germany and other countries increasingly available to developing countries.

From a world development point of view, the financial surpluses of the OECD countries should increasingly be used for investments in developing countries rather than for financing private consumption in the major industrialized countries.

We need policies that will secure more stable exchange rates and inceased access to markets on a global basis; Protectionism is a confrontational issue and a no benefit game. Every year, protectionism costs the developing countries twice the total amount of development assistance they receive. The benefits of free trade both for the North and for the South are obvious.

We need policies that will sustain and improve commodity prices;

Policies must encourage and support diversification of the economies of the developing countries; we need adjustment programs that are realistic. Their pace and sequence must be carefully tailored to the charactaristics and development priorities of the individual countries through a policy of dialogue. More must be done to incorporate poverty concerns and environmental considerations into adjustment programs.

We need major new efforts that will reduce debt based on the recent Brady initiative. For debt owed to multilateral institutions, the scheme based on a Nordic proposal to soften interest payments on such loans has been taken up by the World Bank. We believe this and similiar schemes should be extended in the future.

A very civilized, ancient legal provision on debt reads as follows: "If a man owes a debt, and the storm inundates his field and carries away the produce, or if the grain has not grown in the field, in that year he shall not make any return to the creditor, he shall alter his contract and he shall not pay interest for that year".

This quote is taken from the Code of Hamurabi, King of Babylon, which dates from the year 2250 BC.

And 4,000 years later the debt burdens, the environmental crisis and the decline in the flows of resource transfers are trends that call for equally civilized considerations.

In addition to our debt efforts, what is called for is increased development assistance, nothing short of a "Marshall Plan" for the poorer nations of the developing world, notably for Africa. I see no reason to conceal, that while Norway has given around 1.1 per cent of its GNP in official development assistance to developing countries in recent years, we are disappointed that the OECD average has declined to a meager 0.34 per cent. Those donor countries which have been lagging behind in their ODA transfers should now make renewed efforts in line with their abilities.

The Soviet Union and Eastern Europe must also contribute to a far greater extent than they have done so far. The developing countries have been declaring their readiness to do their part in terms of policy reforms and constructive negotiations.

A Global Consensus for Economic Growth in the 1990s must be consistent with sustainable development. It must observe ecological constraints. There are no sanctuaries on this planet. If the next decade is to be truly a decade of response to the serious problems which confront the world, the issue of sustainable global development must receive special, and urgent, attention.

It is time for a global economic summit to launch a new era of international cooperation. Issues like the debt crisis, trade matters, resources for the international financial institutions, harnessing technology for global benefit, strengthening the United Nations systems, and specific major threats to the environment such as global warming, are becoming increasingly interrelated. Would it not be appropriate to consider both our economic and our environmental concerns together at such a summit, given the critical links between the two?

The Third World seems convinced that international poverty is not a mere aberration of international economic relations which can be corrected by minor adjustments, but rather the unspoken premise of the present economic order. Developing countries have had to produce more and sell more in order to earn more to service debt and finance imports. And the amount of coffee, cotton or copper they have had to produce to buy a water pump, antibiotics or a lorry has kept increasing.

This has led to over-taxation of the environment. It has fueled soil erosion and accelerated the cancerous process of desertification and deforestation. This in turn has begun to threaten the genetic diversity which is the basis for tomorrow's biotechnology, agriculture and food supply.

Biotechnology is a case in point. The effects of modern biotechnology on agriculture and food security in the Third World must be given special care and attention. Clearly, the production of enough food to feed a doubled world population is inconceivable without biotechnology. But there are inherent dangers that could, unless they are avoided, further widen the gap between poor and rich.

The benefits of plant breeding and plant varieties with greater resistance and more rapid growth potential have been, and will continue to be immense. But these benefits may become available only to the rich, while the genes employed in the process often originate in developing countries which derive very little benefit from their use.

Strong international corporations may dominate this field. Legal protection and very firm rules regarding rights of ownership may reduce the availability of products which are important for nutrition and the prevention of famine.

Small-scale farmers in the Third World risk being victims in this process. Biotechnology may produce substitutes for their crops. They may lose income and the ability to provide for their families.

The industrialized countries have a responsibility for controlling market forces in this field and for promoting a more equitable sharing between developed and developing countries. The protection of intellectual property rights and royalties must be in a form which promotes research, which provides for an equitable sharing of financial benefits between inventors and the country of genetic origin and, not least, which makes the products of biotechnology available to those who need them.

We need to foster a stronger sense of collective responsibility and to make the international bodies we have created more effective. The time has come to seek more innovative structures for cooperation than those we have available at present. Stronger mandates for making binding decisions should be worked out.

The threats of global heating and climatic change may be the most severe threat to future development. Life on earth depends on the climate. Human settlement, food production and industrial patterns are at stake.

The effects of climate change may be enormous. The impact may be greater and more drastic than any other challenge previously facing mankind, with the possible exception of the threat of nuclear war.

There is a big, decisive difference here. Whereas nuclear war can be avoided—and at present it seems more remote than at any time since World II—we will be caught in the heat trap of global warming unless we reduce our consumption of fossil fuels.

We may be about to alter the entire ecological balance of the Earth. The time span needed for plants and animals to adjust to a new climate is normally hundreds of years. However, unless drastic changes are made, the ecosystems will not be able to adjust. Deserts will spread. Crops will be lost. Last year's drought may not have been the result of climatic change, but what will happen if we experience two such dry summers, or ten such dry summers in succession? What will happen to food production? Can we conceive of a doubling of food prices, or even a scarcity of food in the industrialized countries? The developed countries may be able to cope in the short run as long as they can pay for necessary imports. But that option will soon be lost to the developing countries.

Can we conceive of the effects on low-lying countries if the sea-level should rise according to predictions. Can we see any solutions to the political instability that will accompany increased migration as the number of environmental refugees continue to multiply.

All this may not happen, or it may not be that drastic. But the potential risks are so high that we cannot sit back hoping that the problems will solve themselves.

The present generation has a great responsibility. It is this generation that will have to set limitations on our own use of limited resources, in particular on the burning of fossil fuel. We must recognize that the earth's atmosphere is a closed system. We are not getting rid of our emissions. In fact it is like a car which pours out its gases into the driver's compartment.

We must tackle the myth that energy consumption must be allowed to grow unchecked. The industrialized countries have the greatest resources, both financially and technologically, to change production and consumption patterns. The developing countries will need much more money in the future. Many of them have contributed only marginaly to the greenhouse effect, and many of them will be most severely victimized by global heating. They must be allowed more time for adaption and a chance to increase their consumption.

We need concerted international action. There are certain imperatives which must be pursued with vigor as matters of the utmost urgency:

We need to agree on regional strategies for stabilizing and reducing emissions of greenhouse gases. Reforestation efforts must be included as a vital part of the carbon equation.

We must strongly intensify our efforts to develop renewable forms of energy. Renewable energy should become the foundation of the global energy structure during the 21st century.

It is quite clear that developing countries will need assistance to avoid making the same mistakes we have made over again. It is essential that energy-efficient technology be made available to developing countries when they cannot always pay market prices without assistance.

We should speed up our efforts on international agreements to protect the atmosphere. There are different views on how to proceed on this issue. I urge that negotiations to limit emissions be started immediately.

On 11 March, 22 Heads of State and Government signed a Declaration which set a standard for future achievements to protect the atmosphere. In the Declaration of The Hague we called for more effective decision-making and enforcement mechanisms in international cooperation as well as greater solidarity among nations and between generations. The principles we endorsed were radical, but any approach which is less ambitious would not serve us.

The Declaration calls for new international authority with real powers. On occasion the power must be exercised even if unanimity cannot be reached.

We must have defined standards and ensure compliance. We must have effective regulatory and supportive measures and uphold the rule of law.

Sharing the burden is essential. That is why we called for fair and equitable assistance to compensate those developing countries which will be most severely affected by a changing climate, but which have contributed only marginally to global heating.

The Norwegian Government last Friday adopted a White Paper on the follow-up of the World Commission's report. It has involved all ministries, and not only that of environment; it has implied change in attitudes and policies, and tough challenges for the heavy sectoral ministries such as energy, industry, transportation, finance, foreign affairs and trade, and the Prime Minister's Office has been directly engaged charting a cross sectoral course for the future.

The issue of atmospheric pollution and climate change proved to be a very difficult one. It is difficult because Norway has been fortunate to have vast hydropower resources. We do not burn coal or oil to produce electricity. Any reductions of CO_2 emissions in Norway would involve transportation.

Many also ask why Norway could make a difference when we cause only 0.2 per cent of global CO_2 emissions. Should we impose limitations upon ourselves even if other countries have not yet done so?

The Norwegian Government has chosen to set out clear goals. I believe we are the first country to make a political commitment for reductions of CO_2 emissions.

Norway sets a policy for stabilizing its emissions of CO_2 in the course of the 1990s and at the latest by the year 2000.

The Government presupposes that thereafter, a reduction will be possible.

Together with our reductions of CFCs and NOx, Norway will be able to reduce its total emissions of greenhouse gases by the turn of the century.

Clearly, the larger ecological issues, the ozone layer, global warming and the sustainable utilization of the tropical forests—are tasks facing mankind as a whole. To finance these tasks we will need additional resources.

In the White Paper, our major policy document on sustainable development, the Norwegian Government is proposing, as a starting point, that industrialized countries allocate 0.1 percent of GDP to an International Fund for the Atmosphere. Such a Fund should be created to help finance transitory measures in developing countries, and reforestation projects. Ideally, all countries should take part in this. Everyone would then make their contribution.

Much work is needed to make this proposal operational, and it will be met with considerable reluctance. But unless we establish a set of international support mechanisms, chances are less that we will be able to make the transition in time.

I have presented to you the essence of "Our Common Future". To transform it into reality will require broad participation. Every single individual can make a difference. Changes are the sum of individual action based on common goals.

A particular challenge goes to youth. More than ever before, we need a new generation—today's young people who—with new energy and dedication—can turn ideas into reality.

Many of today's decision-makers have yet to realize the peril in which this earth has been placed. I believe that "Our Common Future" can be an effective lever in the hands of youth, and that it can transcend nationality, culture, ideology and race. Youth will hold their governments responsible and accountable and youth will be stalwarts for the foundation of their own future.

Many of you will continued the dialogue on global change and our common future. I want to draw your attention to another major forum to take place in November here in the United States. Organized by the Global Tomorrow Coalition with a wide spectrum of cosponsors, the Globescope Pacific Assembly in Los Angeles will feature, on the 1st and 2nd of November, the first comprehensive public hearing in the United States on the action and policy implications of the report of the World Commission on Environment and Development. The Assembly is designed to encourage discussions on the policy implications of the concept of sustainable development both in the public and in the private sector.

Leaders from government, science and technology, business, education, citizen's organizations, trade unions, churches, foundations, youth groups and media are invited to take part. I hope that many of you will choose to share in this unique initiative to which I gave my full support.

In closing, let me stress the need for all of us to view environmental problems in interdisciplinary terms, not in narrow terms of specialization. The world is replete with projects that made excellent engineering sense, but were economically disastrous, or which were economically sound, but environmentally catastrophic. The global environment cannot be separated from political, economic and moral issues. Environmental concerns must permeate all decisions, from consumer choices through national budgets to international agreements. We must learn to accept the fact that environmental considerations are part of a unified management of our planet. This is our ethical challenge. This is our practical challenge. A challenge we all must take.

Mr. WIRTH. Thank you very much, Mr. President.

I yield the floor.

Mr. DOMENICI. Mr. President, I rise in support of the Wirth amendment. Our global environment faces a number of threats.

The United States has been a leader in this area. We have achieved a great deal of progress in addressing our environmental problems, but we must do more. For example, almost all levels of air pollutants in the United States have declined over the past decade:

Lead concentrations in urban air have declined by 87 percent;

Sulfur dioxide has dropped 37 percent;

Particulates are down 23 percent; and

Carbon monoxide has dropped 32 percent.

With respect to global problems, the United States took the lead in the late 1970's by banning certain aerosols that deplete the Earth's ozone layer. We followed up recently, by taking the lead in the Montreal Protocol, which calls for a 50-percent reduction in CFCS. The Bush administration has recently announced its support for a total ban on CFCS.

Our first priority should be to assess the extent of these problems and develop multilateral approaches to correct them.

I strongly support the research program of the global change program. The administration is coordinating a multiagency research program on global climate change. The Bush administration has requested $191 million for this program, a 42-percent increase over last year's level.

However, we cannot solve global environmental problems alone. The greatest growth in global pollution is going to come from developing countries. For example, China has huge high sulfur coal reserves it plans to burn in its development plans.

Mr. President, I ask unanimous consent that a chart on the U.S. Global Change Research Program budget be printed in the RECORD.

1989–90 U.S. GLOBAL CHANGE RESEARCH PROGRAM BUDGET BY BUDGET FUNCTION

[Dollars in millions]

Budget function	Budget function number	1989	1990
Total		133.9	190.5
General Science, Space and Technology	250	53.7	75.0
NASA		14.5	21.5
NSF		39.2	53.5
Energy (DOE)	270	20.2	27.2
Natural Resources and Environment	300	41.7	65.6
DOI/USGS		5.3	10.3
EPA		27.4	35.3
DOC/NOAA		9.0	20.0
Agriculture (USDA)	350	18.3	22.7

Mr. CHAFEE. Mr. President, I am pleased to join my colleague from Colorado in proposing this important sense of the Senate amendment dealing with the greenhouse effect and the threat of global climate change.

The threat of massive, uncontrolled global climate change caused by the release of greenhouse gases such as carbon dioxide chlorofluorocarbons [CFCS], and methane is receiving ever increasing international attention.

The predicted environmental impacts of the greenhouse effect include:

An increase in the global average temperature of 1.5 to 5.5 °C—2.7 to 9.9 °F—over the next 40 to 60 years—to be compared with an increase of less than 3 °F over the last 10,000 years;

The extinction of numerous species of plants and animals and significant interference with natural evolutionary responses;

Reduced soil moisture content and altered storm patterns that may seriously disrupt the U.S. agricultural industry; and

A rise in sea level of 1 to 4 feet over the next 60 years.

The likely socioeconomic and political impacts of the greenhouse effect are expected to be equally severe.

Mr. President, we are facing an extremely serious environmental threat. The time for action is now.

At next week's meeting of the intergovernmental panel on climate change, one or more countries are expected to argue that we should start negotiating a convention on protection of the global climate. They are right and the United States should be right there, out in front, leading the charge.

By immediately issuing a call for the negotiation of an international convention of protection of the global climate, President Bush can establish himself as a leader in this area.

There is considerable support for development of a global climate convention. Last year, on March 31 I wrote a letter to President Reagan urging him to call for the negotiation of a climate convention. That letter was signed by 42 Members of the U.S. Senate. I ask unanimous consent that a copy of that letter be printed in the RECORD following my statement.

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

(See exhibit 1.)

Mr. CHAFEE. The issue has been under review at both EPA and the State Department at least since March 1988. It is my understanding that experts within those two agencies are in favor of calling for a convention but that a recommendation is being held up by those Government officials who feel that an international convention is premature.

Those who argue that we should go slow should be reminded of the fact that negotiation of a convention will be a long, slow process. There is little, if any, risk of quick international agreement to take precipitous action. On the other hand, we will never get any agreement unless we start the process of negotiating a convention.

At the same time, we need to move forward unilaterally. On April 13, less than a month ago, I wrote a letter to President Bush urging him to develop and announce a national policy to reduce emissions of carbon dioxide, one of the most significant greenhouse gases. That letter was signed by 24 Members of this body. Mr. President, I ask unanimous consent that a copy of that letter also be printed in the RECORD following my statement.

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

(See exhibit 2.)

Mr. CHAFEE. As noted in the April 13 letter, without a policy to reduce our own emissions, our ability to convince others to act on the greenhouse effect will be constrained.

The United States is the largest emitter of carbon dioxide in the world. Each year, we produce 5 tons of carbon dioxide for every man, woman and child in this country. Canada is an equal offender. The next largest producer is the Soviet Union, with annual per capita emissions of 3½ tons. Compare these numbers to the world average which is less than 1 ton per capita.

At the same time, the United States is one of the most energy inefficient countries in the world. We continue to lead all industrial nations except Canada in the amount of energy used per unit of goods and services produced. We are such a large part of the problem that we should not be worrying about giving away too much before a treaty is negotiated.

Mr. President, this amendment is designed to make the United States a world leader in the international effort to cope with the greenhouse effect. The world is looking to us for that leadership. I am proud to be an author of this amendment and urge all of our colleagues to support it.

EXHIBIT 1

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, DC, March 31, 1988.

Hon. RONALD W. REAGAN,
The White House, Washington, DC.

DEAR MR. PRESIDENT: We are writing to urge that you continue and expand recent initiatives on the international environmental problem of the greenhouse effect and global climate change, such as those announced at the conclusion of the December 1987 summit meeting with Soviet General Secretary Gorbachev. Specifically, we urge that, at the next summit meeting with the General Secretary in Moscow and at the upcoming economic summit meeting this June in Toronto, you call upon all nations of the world to begin the negotiation of a covention to protect our global climate. Such a convention could be modeled after the historic Vienna Convention to Protect the Ozone Layer.

You are to be congratulated for including the problem of global climate change as part of the agenda at the December 1987 summit meeting with General Secretary Gorbachev. It is encouraging to observe the growing commitment that our two nations are making to deal with the environmental threat of global warming. Of particular note was the Joint Summit Communique which stated that the "two sides will continue to promote broad international and bilateral cooperation in the increasingly important area of global climate and environmental change."

Scientists have warned us that increasing concentrations of certain pollutants in the atmosphere will increase the earth's temperature over the coming years to a level which has not existed for tens of millions of years. There is some urgency to this matter since scientists predict that, as a result of past pollution, we are already committed to a significant global warming. These greenhouse gases will lead to substantial changes in the climate of our planet with potentially catastrophic environmental and socio-economic consequences.

The predicted global warming and climate changes are expected to occur at a rate and in a fashion that will preclude natural evolutionary responses. The likely effects of the greenhouse effect include rising sea levels, changes in the location of deserts, extremely high temperatures in cities during the summer months, increases in the number and severity of hurricanes, the death of large portions of forests, and the loss of adequate moisture in the mid-continent agricultural belt.

The challenge of reducing this threat to the planet's well being is considerable. One of the most significant greenhouse gases is carbon dioxide, a by-product of fossil fuels. The United States and the Soviet Union are the world's two largest contributors of carbon dioxide. Together, we account for almost one-half of the global total.

For these reasons, the United States and the Soviet Union must take positions of global leadership on this matter and call for a convention on global climate change. Such a convention could address our scientific understanding of the problem, the need for and limits of adaptation as a response to future climate change, as well as strategies to stabilize atmospheric concentrations of greenhouse gases at safe levels.

Negotiations to achieve a climate convention would have to take place on a multilateral basis. However, cooperation between

the United States and the Soviet Union is an essential precondition of a successful international response to the greenhouse effect. The problems associated with global climate change provide an historic opportunity for our two countries to cooperate on a long term basis to insure the habitability of Earth. These facts were recognized and endorsed in the recently enacted Global Climate Protection Act (P.L. 100-204, sections 1101-1106).

For these reasons, we urge you and General Secretary Gorbachev to use the upcoming summit meeting scheduled to be held in Moscow as a forum to call for the negotiation of a convention on global climate change and to commit the United States and the Soviet Union to a leadership role in that process. At the same time we suggest that you expand and elevate the level of ongoing bilateral U.S.-U.S.S.R. activity which could enhance our understanding of the problem. We endorse the establishment of a high level working group to study potential responses to climate change, including greenhouse gas emissions reductions and adaptation to climate change. This expanded bilateral activity should be recognized and supported as an important priority within the United States' foreign and environmental policy agenda.

Similarly, we urge you to use the seven nation economic summit that is scheduled to be held during the month of June in Toronto as a forum to urge the negotiation of a global climate convention. At last year's economic summit, the leaders of the seven nations stated: "We underline our own responsibility to encourage efforts to tackle effectively environmental problems of worldwide impact such as . . . climate change. . . ." This year's economic summit is the appropriate opportunity to take the next step and call for a global climate convention.

Thank you for your attention and commitment to this important, international environmental issue. We look forward to working with you and assisting you in our mutual efforts to protect our fragile planet.

Sincerely,

John F. Kerry, Dave Durenberger, Albert Gore, Pete Wilson, Terry Sanford, Max Baucus, George J. Mitchell, Dale Bumpers, Frank Murkowski, David Pryor, John H. Chafee, Robert T. Stafford, Carl Levin, Spark M. Matsunaga, Wyche Fowler, Jr., Tom Harkin, Timothy E. Wirth, Bob Graham, Dennis DeConcini, Steven D. Symms, Bob Packwood, Daniel J. Evans.

Frank R. Lautenberg, Donald W. Riegle, Jr., Patrick J. Leahy, Bob Kasten, Jeff Bingaman, Thomas A. Daschle, Nancy Landon Kassebaum, Brock Adams, Alfonse M. D'Amato, Quentin N. Burdick, Arlen Specter, Edward M. Kennedy, Pete V. Domenici, Thad Cochran, William S. Cohen, Claiborne Pell, Richard G. Lugar, William V. Roth, Jr., Dan Quayle, John Heinz.

EXHIBIT 2

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, DC, April 13, 1989.

Hon. GEORGE BUSH,
The White House
Washington, DC.

DEAR MR. PRESIDENT: It is time for the United States to reduce carbon dioxide emissions. As you stated so well in your campaign, "those who think we can do nothing about the greenhouse effect are ignoring the White House effect."

The nations of the world must take action to reduce emissions of carbon dioxide, the most significant of the greenhouse gases. As a result of past emissions, we are already committed to a substantial increase in the earth's surface temperature. Unless we take action today, carbon dioxide emissions will continue to rise rapidly on a global basis.

Since carbon dioxide is the central greenhouse gas, a policy to limit its emissions in the United States and globally is essential if we are to insure habitability of our planet in the twenty first century.

The United States is the world's largest emitter of carbon dioxide. Without the implementation of a policy to reduce our own emissions, our ability to convince others to act on the greenhouse effect will be constrained. An aggressive domestic policy on carbon dioxide emissions will indicate to the rest of the world first, that we are serious about solving this problem and second, that the technology exists to reduce emissions of carbon dioxide.

Mr. President, we urge you to take the initiative. The Administration should, as quickly as possible, develop and announce a policy to deal with emissions of carbon dioxide. Specifically, we suggest the following:

First, the United States should immediately commit itself to a 20 percent reduction in its CO_2 emissions (based on 1988 emission levels) by the year 2000:

Second, a plan to achieve those reductions in the United States should be developed and submitted to the Congress by October 1, 1989; and

Third, we should use the time between now and the ministerial level meeting to be held on the global warming problem at the Hague in early November to convince other industrialized nations to join us in pledging to reduce carbon dioxide emissions 20 percent by the year 2000. Perhaps the next economic summit meeting, held in Paris, is an appropriate forum to establish a 20 percent club.

All levels of government, business and the public should be involved in the effort to control the global climate change caused by pollution. The American people must know the risks involved so that they can participate in developing and supporting solutions to the global warming problem.

A number of bills suggesting several approaches to reducing carbon dioxide emissions have been introduced in the Congress and have been cosponsored by a large number of Senators and Representatives. Therefore, we believe many in Congress are prepared to work with you to insure the success of a Bush Administration initiative in this area.

We are aware of on-going international efforts to discuss the greenhouse effect. The Intergovernmental Panel on Climate Change is an important focus of activity and we strongly support such efforts. Nevertheless, we can not afford the long lead times associated with a comprehensive global agreement. We must act to reduce emissions while we proceed with the negotiation of a global convention and protocols on climate change.

Thank you for your attention and consideration of our proposal. We look forward to working with you on this and numerous other environmental initiatives.

Sincerely,

George J. Mitchell, Timothy E. Wirth, John H. Chafee, Alfonse M. D'Amato, John Heinz, John F. Kerry, Harry Reid, Rudy Boschwitz, Joseph Lieberman, Dave Durenberger, Claiborne Pell, Joseph R. Biden, Jr., Thomas A. Daschle, Jim Jeffords, Terry Sanford, Richard G. Lugar, Wyche Fowler, Jr., Jim Sasser, Gordon J. Humphrey, Dale Bumpers, Patrick J. Leahy, Brock Adams, Bob Packwood, Alan Cranston.

Mr. McCLURE. Mr. President, I rise to speak on the amendment of the Senator from Colorado [Mr. WIRTH]. As I under the amendment it would express the sense of the Senate that the administration should adopt a position on the Framework of a Global Climate Convention. It further expresses the sense of the Senate that this position should serve as the basis for discussions at the next meeting of the Response Strategies Working Group of the Intergovernmental Panel on Climate Change which was established by the United Nations' Environment Programme and World Meteorological Organization.

When I first saw a draft of this amendment I felt that it failed to recognize the significant progress that has already been made by the Bush administration on this critical global issue. In addition, I felt that the amendment misrepresented both President Bush's and the administration's positions on the course of action that should be pursued by the United States in international discussions on global environmental issues.

However, Mr. President, as offered the amendment addresses many of my concerns no longer should prejudice ongoing discussions in various international forms regarding the course of action that should be taken to mitigate global climate change.

Recently there has been extensive discussion in many public forums within government and scientific circles regarding global environmental concerns and, in particular, global climate change. Last year the Energy and Natural Resources Committee convened hearings on the status of current knowledge regarding global climate changes and, in particular the greenhouse effect. Extensive testimony has been received from numerous experts on current trends in atmospheric concentrations of greenhouse gases and their implications for our globe.

The consensus of the witnesses is that global climate changes can have a great influence on human society. However, what is clear is that there is no single cause and no single policy initiative that will completely mitigate current trends. The world's reliance on fossil fuels—coal, oil, and natural gas—clearly contribute to the greenhouse effect, but so do international forestry and agricultural practices.

What also is clear is that as we proceed with the formulation of a strategy to deal with this critical problem

greater international cooperation will be essential. Unilateral action by the United States will have an inconsequential effect on current trend in atmospheric concentrations of greenhouse gases. Multilateral actions will be required to effectuate the reductions in carbon dioxide emissions being contemplated. If current scientific opinion proves correct, major modification of the world's energy supply system will be required which will have major economic implications for the industrialized world.

In my judgment, the amendment now recognizes this requirement for multilateral action, rather than unilateral action, to be effective.

In this regard, I am encouraged that the President has made clear that in his administration global environmental issues will receive high priority in the United States' foreign policy agenda. Repeatedly, the President has expressed his concern for the consequences of global environmental assaults and he offered to host a 1989 conference on international environmental problems, including global climate change.

Consistent with this schedule, Secretary of State James Baker, in his January 30 remarks before the initial meeting of the Response Strategies Working Group of the Intergovernmental Panel on Climate Change, expressed the administration's goal of placing environmental concerns on the agenda of economic institutions. He repeated his earlier observation that, "The tides and the winds can spread environmental damages to continents and hemispheres far removed from the immediate disaster."

Secretary Baker stated that "We know that we need to act, and we also know that we need to act together." In his judgment:

We cannot afford to wait until all of the uncertainties are resolved before we act.

While scientists refine the state of our knowledge, we should focus immediately on prudent steps that are already justified on grounds other than climate change. These include reducing CFC emissions, greater energy efficiency and reforestation.

Whatever global solutions to global climate change are considered, they should be specific and cost-effective.

If solutions are to be effective they must reconcile the transcendent requirements for both economic development and a safe environment.

But I must also observe that if we are to effectively deal with this global problem then the Congress and the administration also must act together.

As initially drafted, the amendment attempted to impose on the administration a specific policy to deal with global climate change. As now formulated, the amendment does not mandate a specific solution to this critical international environmental problem. Rather, the amendment advocates that the United States adopt position on a Framework for a Global Climate Convention before undertaking attempts to formulate multilateral agreements in this area.

The U.N. Environment Programme and the World Meteorological Organization have formed the Intergovernmental Panel on Climate Change. The United States chairs the Working Group on Response Strategies which meets next week. Three goals of the Working Group are:

Define policy options for national, regional and international actions, including short- and mid-term actions.

Provide estimates of consequences of actions, including their social, environmental, and economic costs and benefits.

Set priorities.

Define implementation mechanisms, following careful analysis of their implication for nations in different states of economic development.

Mr. President, this global problem is now being addressed by the Bush administration in this international working group. As our understanding of this critical issue improves, the Congress should not attempt to direct and micromanage this effort. Rather, the Congress should attempt to be supportive of adoption of a multilateral agreement on this and other international environmental problems. The President's 1989 international conference should move this process forward.

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

The amendment (No. 93) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the tale.

The motion to lay on the table was agreed to.

AMENDMENT NO. 94

Mr. SASSER. Mr. President, I send an amendment to the desk on behalf of Mr. BOND and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. SASSER], for Mr. BOND (for himself, Mr. CONRAD, Mr. WALLOP, Mr. LOTT, Mr. WILSON, Mr. GRAMM, Mr. MACK, Mr. GARN, and Mr. HELMS, proposes an amendment numbered 94.

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

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

At the end of the concurrent resolution add the following new section:

SEC. (a) FINDINGS.—The Congress finds that—

(1) the United States is the world leader in the fields of commercial and military aerospace;

(2) if the United States is to maintain that leadership we must continue to invest in the research and development necessary to build the next generation of aerospace vehicles;

(3) the National Aerospace Plane, or X-30, program represents the United States' best hope for maintaining our lead in aerospace into the next century;

(4) the National Aerospace Plane program represents a model of cooperation between government and industry in which the federal government already has invested $487 million and private contractors have invested more than $700 million;

(5) the National Aerospace program is likely to result in advances in many areas which will have benefits for both commercial and military programs.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

The Senate supports continued funding of the National Aerospace Plane program at the level recommended in the President's February 9, 1990, budget submission in functions 050, 250 and 400.

Mr. BOND. Mr. President, this is a straightforward amendment. It simply expresses the sense of the Senate that the National Aerospace Plane Program is critical to our national and economic security, and it should be fully funded in fiscal year 1990.

Aerospace is one of the few industries in which the United States remains the undisputed world leader. The NASP Program represents our best opportunity for maintaining that leadership and carrying it into the next century. Already, other nations including Japan, the Soviet Union, and a group of European nations are working to develop technology similar to the NASP in an effort to dominate the aerospace field in the 21st century.

I was very disappointed last month when Secretary Cheney announced his proposal to eliminate the Pentagon's 80 percent share of the funding for the NASP Program. I feel that decision represented a shortsighted view driven by the very real budget constraints we now face.

As a member of the Budget Committee, I am sensitive to the need to keep the budget under control and to meet the Gramm-Rudman-Hollings targets. However, in doing so we must be careful that we do not throw away our future or our ability to remain competitive—either militarily or economically.

The National Aerospace Plane is the type of program we need to pursue if we are to maintain that competitiveness. The NASP Program, which has been underway for several years now, already has yielded significant advances in our understanding of fuels, engines, and materials. It promises much more.

I have been encouraged over the past few weeks to see Vice President QUAYLE and others express their continued support for the program. I am confident that we will be able to work with the administration to ensure full funding to the program and to maintain the important involvement of both DOD and NASA.

I will cut short my remarks at this point so that we can get on with this amendment and the many others that are pending before the Senate. In closing, I would just like to stress once more the importance of this program, not only to our national security, but also to our continued economic competitiveness and our dominance of the aerospace field. If we are to maintain our position in aerospace, we must do so by continuing to develop new technology, not by trying to protect the technology we already have. As the editors of Defense News wrote in a recent editorial supporting continued funding of the NASP, "NASP is a key to continued American aerospace dominance—civilian and military—in the 21st century." The editorial concludes by stating:

If the Commerce Department is serious about safeguarding the future competitiveness of the U.S. aerospace industry, if it wants to enhance U.S. competitiveness with Japan and it wants to do this in a positive, constructive manner rather than in a negative, obstructive way * * * then it should become a leading advocate of NASP.

NASP ought to fly.

Mr. President, I think that sums up the issue quite well. The NASP is the right path for us to follow in the aerospace race. I believe the majority of my colleagues share my views on this issue and urge the adoption of the amendment.

I ask unanimous consent that the attached editorial be printed in the RECORD.

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

SPACE COUNCIL SHOULD FUEL NASP

The public panic and uproar that erupted on the news that the U.S. Air Force might turn its back on its commitment to fund the National Aerospace Plane (NASP) was predictable and appropriate. The supersonic plane is an important national project that should not be abandoned.

The Defense Resources Board has recommended that the Department of Defense end its participation in the program. This would remove 80 percent of the funding for NASP and effectively kill the project. NASA currently funds only 20 percent of the program and has said it cannot support it alone.

Broad-based support for the program has, however, caused officials at the highest level of U.S. government to search for ways to preserve the $3.8 billion program to build the X-30 experimental hypersonic aerospace plane.

One option being explored within the White House is to shift management of the program to the Space Council, which is chaired by Vice President Quayle and includes Cabinet-level officers of groups involved in space such as the secretary of commerce, secretary of state, secretary of defense, NASA administrator and the CIA director.

Such a move would ensure high-level visability for the program, but more importantly, it would evenly spread the burden of financial support among the many agencies with a stake in its preservation.

DoD should not have to pay for most of a program with an unclear military role. Responsibility and funding should be shared by such agencies as the National Aeronautics and Space Administration, the Department of Transportation, the Commerce Department and DoD.

NASP, a project that envisions a craft that can take off horizontally like a plane and fly into low Earth orbit, is just too important to treat this way. Even though it is years away from completion, it is already yielding technological dividends. Further, as the technology matures, it will spread benefits and advance technology throughout the U.S. economy and American industry, not just the aerospace sector.

NASP is a key to continued American aerospace dominance—civilian and military—in the 21st century.

What makes the board's decision particularly ironic and distressing is the fact that it comes amid a bitter debate over the competitiveness and future of the American aerospace industry. The Commerce Department and the U.S. trade representative are up in arms because they fear the transfer of 1970s military aerospace technology to Japan will build Japan's aerospace industry at the expense of U.S. industry.

However, while these agencies oppose the sale of old technology, killing NASP would cripple the American effort to forge ahead and be the leader in the next generation of aerospace technology.

One of the lessons that has been brought home to Americans by the Japanese challenge is that research, development and visionary thinking should not be slighted for the sake of short-term gains.

When first proposed, NASP was sardonically dubbed the "Orient Express" because it held out the promise of two-hour flights between the United States and Japan. DoD, selling a military mission for the aircraft, downplayed that aspect. However, there is nothing wrong with it. NASP seems to be ideally suited for the next step in civilian transportation, and could position the United States for a strong aerospace role in what many see as an emerging Pacific Century.

If the Commerce Department is serious about safeguarding the future competitiveness of the U.S. aerospace industry, if it wants to enhance U.S. competitiveness with Japan and it wants to do this in a positive, constructive manner rather than in a negative, obstructive way—as it is doing with the proposed joint production of the FSX—then it should become a leading advocate of NASP.

NASP ought to fly.

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

The amendment (No. 94) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 95

(Purpose: To state assumptions regarding revenue legislation)

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

The PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. SASSER], amendment numbered 95.

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

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

At the end of the resolution insert the following new section:

"SEC. . It is assumed that agreements reached between the Administration and the Congressional tax-writing committees on revenue legislation reconciled pursuant to this resolution will be advanced legislatively when supported by the President of the United States."

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

The amendment (No. 95) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 96

(Purpose: To make a technical correction)

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

The PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. SASSER] proposes an amendment numbered 96.

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

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

RECOMMENDED LEVELS AND AMOUNTS

On page 28, line 23, decrease the figure by $6,400,000.

On page 28, line 24, decrease the figure by $5,960,000.

On line 3 of the Reserve Fund for child care, strike "child care" and insert "children".

On line 6, strike "child care" and insert "children".

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

The amendment (No. 96) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 97

Mr. SASSER. Mr. President, I send an amendment to the desk on behalf of Mr. GRAHAM and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. SASSER] for Mr. GRAHAM, proposes an amendment numbered 97.

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

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

At the end of the resolution insert the following new section:

(a) The Senate finds—

(1) The 1990 Congressional bipartisan agreement to the budget submitted by the President represents the action most probable to avoid a budget impasse and sequester.

(2) The achievement of a reduction in the federal budget deficit through agreement rather than confrontation between the President and Congress is in the national interest.

(3) National security and international leadership rest on the foundation of a strong economy, capable of financing internally its investment needs;

(b) It is the sense of the Congress that—

(1) The 1990 budget agreement should be fully and quickly implemented;

(2) The Leadership of Congress and the Administration immediately authorize resumption of negotiations aimed at a multiyear deficit reduction package, leading to a balanced federal budget;

(3) The economic and budgetary assumptions underlying the multiyear agreement be based on sound and realistic forecasts;

(4) The bipartisan, cooperative effort that made this agreement possible be sustained in addressing the Nation's remaining budgetary problems.

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

The amendment (No. 97) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 98

(Purpose: To express the sense of the Congress that disaster assistance should be extended to losses due to adverse weather conditions in 1988 or 1989 for agricultural commodities planted in 1988 for harvest in 1989)

Mr. SASSER. Mr. President, I send an amendment to the desk on behalf of Mr. DOLE and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. SASSER], for Mr. DOLE, proposes an amendment numbered 98.

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

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

At the end of the resolution, add the following new section:

DISASTER ASSISTANCE

SEC. . (a) The Congress finds that—

(1) agricultural producers in several Midwestern and Southwestern States have experienced adverse weather conditions since planting the 1989 crop of winter wheat, including a lack of rainfall, freeze damage, high-velocity windstorms, and recordbreaking high temperatures;

(2) such extreme conditions have combined to severely damage winter wheat production in several states, including Kansas, Oklahoma, Texas, Nebraska, Colorado, and New Mexico;

(3) the Kansas Wheat Quality Council, after a recent 3-day tour of these States, estimated that production in the Texas and Oklahoma Panhandles would be only one-third of normal;

(4) the mean average of 68 estimates of the 1989 crop of winter wheat in Kansas projected only 209 million bushels of wheat; and

(5) current budget estimates reveal there will be substantial savings resulting from higher prices and lower deficiency payments that could be applied toward disaster payments for drought-stricken winter wheat producers through an extension of the Disaster Assistance Act of 1988 (7 U.S.C. 1421 note);

(b) It is the sense of the Congress that—

(1) legislation should be enacted to extend the Disaster Assistance Act of 1988 (7 U.S.C. 1421 note) to apply to losses due to adverse weather conditions in 1988 or 1989 for agricultural commodities planted in 1988 for harvest in 1989;

(2) such legislation should not add to the deficits and such legislation should not discriminate against other program crops;

(3) such legislation should not discriminate against producers who are currently covered by Federal crop insurance; and

(4) drought assistance should be enacted in a timely fashion so as to ensure that savings from higher prices and lower deficiency payments offset the cost of such assistance.

Mr. DOLE. Mr. President, I am pleased several of my colleagues, Senators BOREN, NICKLES, KASSEBAUM, KERREY, BENTSEN, WIRTH, DOMENICI, GRAMM, and PRESSLER are joining with me in proposing a sense of the Congress resolution regarding extension of the 1988 Disaster Assistance Act to this year's winter wheat crop.

BACKGROUND

Many winter wheat farmers and livestock producers in Kansas and surrounding States are struggling with one of the worst droughts in recent memory. The so-called Nine Lives of winter wheat have been pretty well spent this year for many farmers. The wheat crop in many areas has had to face 70 mile-per-hour winds, freeze damage, lack of rain and record breaking temperatures. In addition, many livestock producers are faced with forced liquidation of cattle herds due to a lack of water and forage.

SECRETARY YEUTTER'S VISIT TO KANSAS

In mid-April Secretary Yeutter visited Kansas and got a firsthand view of the situation as we toured three different farms and visited with many farmers from other parts of the State. Unfortunately, one thing the Secretary couldn't do was to bring more rain. The Secretary did, however, announce a drought-relief package last week that should be helpful in stemming the liquidation of cow herds due to a shortage of feed supplies.

KANSAS WHEAT QUALITY COUNCIL TOUR

Late last week the Kansas Wheat Quality Council completed a 3-day tour of the Hard Red Winter wheat region which presents a good update of this year's crop. Production in the Texas and Oklahoma panhandles was estimated at one-third of normal. Estimates of the Kansas crops projected a harvest of 209 million bushels, less than one-half of its potential.

So we are concerned about helping winter wheat farmers. Last year's Disaster Assistance Act probably saved many family farmers in the Corn Belt. We were fortunate in Kansas last year because the drought's impact didn't hit our State until after harvest. But this year is a different story and many producers would like to see last year's act extended to the 1989 wheat crop. Last year we were able to develop a package without adding to the deficit because we used savings that would normally have been made in the form of deficiency payments.

WINDOW OF OPPORTUNITY

We have an opportunity in the next few months to assist winter wheat farmers in the same manner. Yesterday several of my colleagues and I sent a letter to USDA along with the other sponsors of this resolution asking for their estimates on the cost of extending the 1988 act to this year's winter wheat crop and the potential savings in program outlays from the reduction or elimination in deficiency payments.

As market prices rise, producers in drought areas are unfortunately faced with a real dilemma—little or no defi-

ciency payments and no crop to sell. The same scenario used to pass last year's drought package.

USDA's letter, which I will ask be made a part of my statement, indicates that the entire wheat crop will be about 2 billion bushels resulting in a average market price high enough to cause substantial reductions or even eliminate deficiency payments for the 1989 wheat crop. The President's fiscal year 1990 budget last January projected $1 billion for wheat producers.

The Department estimates that extending the Disaster Assistance Act to the 1988 wheat crop would result in outlays of $250 million to $350 million, which we believe shows that drought assistance would be more than offset by the decline in program outlays if we act quickly. We've made it clear in the resolution savings used for wheat farmers should come from the wheat program rather than taking savings from other program crops.

CBO's winter baseline does not reflect the current drought conditions. But their preliminary estimates based on current crop conditions at this time indicate that extending the 1988 Disaster Act to the 1989 winter wheat crop would have a net savings in fiscal year 1990 of about $300 million depending on when payments are made. The disaster payments of roughly $200 million would be offset by a reduction in deficiency payments of roughly $500 million.

So I would just suggest that the resolution we are offering today, which doesn't affect the budget, makes a good statement of our interest in the tragedy of winter wheat farmers and possible ways we could legislate help. I would also suggest we should look at adding some flexibility to allow planting nonprogram oilseed crops for the 1990 crop year. A crop of particular interest in Kansas and other areas is canola, a drought resistant fall seeded crop.

CROP INSURANCE—A GOOD LONG-TERM APPROACH

One point made by Secretary Yeutter during his visit to Kansas was that at some point Congress will have to decide between passing drought packages or providing farmers with crop insurance. Long range, that is sound advice because we can't continue with both approaches. But its clear that changes need to be made in the Federal Crop Insurance Program to attract greater participation.

Last year we established a Commission to study crop insurance and recommend improvements since the Crop Insurance Program will have to be reauthorized in 1990. But that does little good for those uninsured producers with significant losses already experienced in 1989.

If we pass drought legislation this summer, we should maintain the provisions of the 1988 act to also provide disaster benefits for producers who are enrolled in crop insurance to ensure they have incentives to participate in future years. In addition, last year's act required uninsured producers with losses of 65 percent to enroll in crop insurance. We may want to continue in that direction.

USDA's letter pointed out that spring crops are just now being planted, so we may want to consider an extension of the crop insurance sign-up period for spring planted crops to encourage more participation and plan ahead for extended dry conditions if they occur in other areas.

SUMMARY

Mr. President, we have a window of opportunity to pass budget neutral legislation to provide drought assistance to producers of the 1989 winter wheat crop. I hope my colleagues will join with me in supporting this resolution and working with us in the days ahead.

Mr. President, I ask unanimous consent that the letter to which I referred be printed in the RECORD.

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

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., May 3, 1989.

Hon. BOB DOLE,
U.S. Senate,
Washington, D.C.

DEAR BOB: Thank you for your letter concerning budget and program implications of drought-affected crops in the winter wheat belt.

We are monitoring the situation closely. The weekly reports on crop conditions across the country indicate that this year's winter wheat crop in key producing States is much worse than last year's crop.

Based on deteriorating crop conditions reported to date, we believe that a winter wheat disaster payment program based on applying the provisions of the Disaster Assistance Act of 1988 would result in disaster payments of between $250 and $350 million for the 1989-crop of wheat, depending on the relative severity of losses among producers and assuming no further deterioration of the crop. This estimate is based on the assumption of a wheat crop of 2.0 to 2.2 billion bushels for 1989. Given that range, a corresponding average market price might be high enough to cause substantial reductions or even eliminate deficiency payments for the 1989 wheat crop. In the President's FY 1990 Budget last January, deficiency payments were projected at $1 billion for wheat producers. The 1989 wheat crop was projected at 2.55 billion bushels, and the average price received by farmers was projected at $3.60 per bushel.

It is likely that any outlay reductions due to the drought will be incorporated into the next official re-estimate of Commodity Credit Corporation outlays, to be released in the Mid-Session Review this summer. Drought assistance legislation would, no doubt, be evaluated in light of the updated outlay estimates.

Similar data are not available for the condition of other winter crops. Spring crops are just beginning to be planted. For example, only about a quarter of the spring wheat and corn crops have even been planted. Thus, we are not able to estimate any costs for the 1989 crop of feed grains if a disaster payment program similar to the 1988 program were implemented.

An identical letter is being sent to Senators Kassebaum, Boren, Kerrey and Nickles.

Sincerely,

CLAYTON YEUTTER,
Secretary.

Mr. BOREN. Mr. President, I support the amendment offered by the distinguished minority leader, Senator DOLE. We have joined together to draw the Senate's attention to the very serious drought conditions which threaten agricultural producers in the Great Plains. Last year, the drought wiped out crops in dozens of States, and Congress quickly responded by passing the Disaster Assistance Act of 1988.

Currently, producers of winter crops in Oklahoma and neighboring States are suffering from equally severe conditions. The winter wheat crop in several Oklahoma counties has been devastated; the damaged area extends from our northwestern corner south to the Red River. Statewide, only 35 percent of our wheat crop is rated in good condition.

I believe that the provisions of last year's drought bill should be applied to crops planted in 1988 for harvest in 1989. It is essentially the same drought that is now causing the problems for the winter crops. The dry conditions have made the winter wheat crops much more susceptible to freeze damage. Therefore, when Congress acts on this emergency, drought related damage occurring in calendar 1989 must also be covered.

The U.S. Department of Agriculture has taken steps to help address the problem. I commend Secretary Yeutter for showing his willingness to approve applications for emergency haying and grazing and to expedite assistance through other existing programs. However, I truly believe that more relief is needed. The Department has estimated that drought legislation could be extended to winter wheat for less than $500 million. Savings of this size could very well occur as a result of lower deficiency payments in fiscal 1990. In fact, this resolution states that other program crops should not have to pay for a disaster bill.

The resolution also states that such a bill should not discriminate against producers who purchase crop insurance. Last year's drought bill required those producers experiencing the heaviest losses to buy crop insurance in order to receive their disaster payments. I expect that any legislation enacted this year will revisit the issue and may contain a similar provision.

Earlier this week, I introduced a disaster relief bill that would extend the provisions of last year's Disaster Assistance Act to winter crops. I believe that Congress should act expeditiously

to pass this legislation. I commend Senator DOLE for offering this amendment to bring the problem our States are experiencing to the attention of the full Senate and I urge the adoption of the amendment.

Mr. DOMENICI. Mr. President, I strongly support the Dole amendment regarding disaster assistance for winter wheat. I am proud to be a cosponsor of this resolution.

This resolution expresses the sense of the Congress that legislation should be enacted to extend the Disaster Assistance Act of 1988 to apply to the 1989 crop of winter wheat.

Mr. President, there are six counties in my State—Curry, Roosevelt, Quay, Harding, Union, and De Baca—that have sustained losses of over 90 percent on the 1989 crop of dryland winter wheat because of a lack of rainfall. It literally has not rained any significant amount on the eastern side of New Mexico—the main wheat production area in my State—since last August. In addition, our winter wheat crop has suffered losses due to freeze damage, wind, and insect infestation.

In the face of such substantial losses, the wheat producers in New Mexico and elsewhere need assistance.

Wheat is an important part of the economy of eastern New Mexico. New Mexico annually produces some 12 million bushels of wheat, which is grown on almost half a million acres. The average annual value of this production is estimated at over $37 million.

Mr. President, I also commend the actions the Secretary of Agriculture has recently taken to respond to drought-impacted areas such as my State. It is important that USDA respond quickly to State's requests for assistance.

Recently, Secretary Yeutter directed ASCS headquarters in Washington to respond to eligibility requests from State ASCS offices within 24 hours, and to expedite assessments of failed acreage. I am told by our State director that 24-hour turnaround is in fact occurring.

I am also pleased that USDA has allowed qualified farmers and ranchers to utilize more acreage for haying and grazing. Hopefully this will help stem any significant livestock selloffs because of this drought.

Mr. BENTSEN. I am joining with my distinguished colleague the minority leader, Senator DOLE, and others in offering this amendment to provide disaster relief to farmers for the losses which adverse weather conditions have inflicted on fall-seeded crops, particularly the winter wheat crop.

I deeply regret the need for this action. However, a combination of adverse weather ranging from extreme drought to an unprecedented late freeze has wiped out a substantial part of the wheat crop in Texas and other States. In central Texas, a freeze on April 11 almost totally wiped out the wheat crop. In other parts of Texas, such as the Panhandle, extreme dry weather has substantially reduced yields and in some cases has caused a total loss of the wheat crop. The losses are continuing and are mounting daily as hot weather and lack of rain continue to take their toll.

This is, in a perverse way, good news for the Federal budget. Outlays will be reduced substantially due to the short crop. Less wheat will be produced and put into the loan program, reducing outlays there. The short crop will boost prices, thereby lowering the deficiency payments that would have been paid to farmers otherwise.

However, this is very bad news for farmers. They are operating on razor-thin margins in most cases, and it is extremely difficult to survive the total loss of a crop.

Last year we had a similar situation. We had an unprecedented drought across America's agricultural heartland in the Midwest. Wheat farmers made a crop, but the spring-planted crops suffered large losses. We stepped in and passed emergency legislation to help producers of those spring-planted crops. We took some of those budget savings from reduced price support payments and we put it into disaster relief. I cosponsored that bill, and it was enacted into law.

This year it is, unfortunately, the turn of the winter wheat producers to suffer from adverse weather conditions. And these are not just the everday losses which some farmers suffer in any crop year, even a good one. These are massive losses. Texas wheat producers tell me that the losses may be $120-$150 million or more in Texas alone. They are talking in terms of a 50-million-bushel State wheat crop, compared to 90 million bushels last year and a high of 190 million bushels. And, as I pointed out, these losses are increasing daily.

Again this year the Federal budget includes funds for deficiency payments that farmers were counting on. Now many farmers may have no crops and no deficiency payments, since those go down as prices go up. I think that we should return a portion of those budget savings to farmers who suffer crop losses, just as we did last year to producers of spring-planted crops.

This resolution calls for an extension of the 1988 disaster relief bill to the 1989 winter crops. It puts the Senate on record as favoring using some of these budget savings to pass such legislation, and it specifically states that the disaster legislation should not add to the deficit.

Mr. President, I am pleased to join in offering this important and badly needed amendment, and I urge its passage by the Senate.

Mrs. KASSEBAUM. Mr. President, I am thankful the Senate is considering this important amendment, but not nearly as thankful as the people in the Midwest who have had their livelihoods seriously affected by extremely hot and dry weather conditions.

There is no doubt about the severity of the drought experienced in Kansas and other major wheat and livestock regions. The Kansas wheat crop now is expected to be the smallest since 1966. The estimated production this year in Kansas is a little over 200 million bushels, less than half of the 450 million bushel projection. In the five major wheat States, production will be one-third of normal.

During the dry conditions in the fall of 1988, as farmers were planting this years crop, expectations were high. At that time throughout Kansas, and I believe in other farm States as well, people were optimistic. The number of acres seeded had increased 21 percent. Cash prices were rising, as was the U.S. share of the world's agricultural market.

Although not as high as the record level of the year before, farm income in 1988 was $55 billion. The 1985 landmark farm bill was working. Federal spending on commodity programs have decreased by more than $13 billion since 1986. Congress did enact drought assistance legislation last year. However, farmers in Kansas were fortunate in that they missed much of the 1988 drought and received very little of the Federal benefits provided.

Kansas often has hot summers. However, temperatures of 80-plus degrees in January and February is not typical Kansas. On March 14, a dust storm swept across the State and made national headlines because it was one of the worst dust storms since the 1930's.

The situation is serious. However, my colleagues and I who are sponsoring this legislation would not consider this approach unless there were adequate savings to offset the cost of this provision.

The Agriculture Department estimates the cost of extending the Disaster Assistance Act to crops planted in 1988 for harvest in 1989 will be between $250 and $350 million. Department officials also agree that with the average market price for wheat continuing to increase, there will be more than enough savings from current programs to pay for extended relief. For every 5 cents the Government does not make in deficiency payments to farmers, the Government saves $100 million.

Reflecting changes in wheat supplies, market prices continue to rise and this is reducing Government exposure. The administration had assumed $1 billion in deficiency payments to

wheat farmers participating in the 1989 program. This was based on $3.60 per bushel as the season average market price. New estimates of the average price will be closer to $4.10, which would mean very little or none of that $1 billion would be spent.

That is the way the commodity programs work. As farmers begin to receive their income from the market, the Government's involvement is diminished. Unfortunately, high prices do very little when there is no crop to harvest. Agriculture Secretary Yeutter now has done everything in his power to help alleviate the current problem. I believe it is essential that we take the additional step of passing this legislation to open the way for extended disaster assistance for farmers now facing a disaster as serious as the one that struck other parts of the Farm Belt last year.

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

The amendment (No. 98) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 99

Mr. SASSER. Mr. President, I send an amendment to the desk on behalf of Mr. ROTH and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. SASSER], for Mr. ROTH, proposes an amendment numbered 99.

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

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

SEC. . (a) The Congress finds that—

(1) Debt held by the public increased from $1.5 trillion in fiscal year 1985 to more than $2 trillion in fiscal year 1988 and continues to grow;

(2) Compliance with the Gramm-Rudman-Hollings targets each year would result in a debt held by the public of $2.38 trillion by the end of fiscal year 1993, when the Gramm-Rudman-Hollings maximum deficit target is zero;

(3) The Congressional Budget Office projects that the debt held by the public will reach $2.76 trillion by fiscal year 1993;

(4) Recognizing the need to control deficits and debt, many members have introduced legislation to provide additional fiscal restraint; and

(5) Growth in the debt held by the public is detrimental to economic growth and improvements in the nation's long term standard of living.

(b) It is the sense of the Congress that—

(1) A target for maximum debt held by the public be set at $2.38 trillion.

(2) The appropriate Committees of the Congress shall consider legislation strengthening budget procedures to promote compliance with this target; and

(3) The appropriate Committees of the Congress shall consider budget procedures which would take effect in the event that the target is exceeded.

Mr. ROTH. Mr. President, I rise today to offer an amendment which would express the sense of the Senate that a target for the maximum debt held by the public be set and that the appropriate committees of the Congress should consider legislation strengthening budget procedures to promote compliance with this target.

Despite the Gramm-Rudman-Hollings law, the Federal budget deficit continues to grow and the Federal debt held by the public continues to skyrocket. We are running a perpetual motion debt machine here in Washington, and it is time we put a stop to it.

This year the Federal deficit will exceed $165 billion even though the Office of Management and Budget declared in October that the projected deficit was below the $146 billion target set by the Gramm-Rudman-Hollings law. The $165 billion deficit compares to $150 billion in 1987 and $155 billion in 1988. Despite what many would have you believe, the deficit is not going down, it is going up.

In 1985, when the Congress passed the original Gramm-Rudman-Hollings law, debt held by the public stood at $1.5 trillion. Today, that debt held by the public towers at $2.1 trillion.

Mr. President, I believe this amendment is necessary to encourage legislation to back stop Gramm-Rudman-Hollings. I come to this conclusion based on a number of observations, which are outlined in the findings of the sense of the Senate.

Finding No. 1 states that debt held by the public increased from $1.5 trillion in fiscal year 1985 to more than $2 trillion in fiscal year 1988 and continues to grow.

The sense of the Senate goes on to point out that compliance with the Gramm-Rudman-Hollings targets each year would result in a debt held by the public of $2.38 trillion by the end of fiscal year 1993. How did I arrive at the number $2.38 trillion? The maximum deficit amounts in the Gramm-Rudman law are $136 billion in 1989, $100 billion in 1990, $64 billion in 1991, $28 billion in 1992, and zero in 1993. The accumulated impact of these deficits is an increase in the public debt of $232 billion. Adding this to the debt held by the public at the end of fiscal year 1988 equals $2.38 trillion.

I am concerned, however, because the Congressional Budget Office projects that the debt held by the public will reach $2.76 trillion by fiscal year 1993, when the Gramm-Rudman-Hollings maximum deficit target is zero.

Recognizing the need to control deficits and debt, many Members have introduced legislation to provide additional fiscal restraint, including provisions requiring balanced budgets, providing enhanced rescission and line-item veto authority, adjustments in Gramm-Rudman-Hollings procedures, and others budget process reform.

Finally, Mr. President, I am motivated to advance this amendment because I believe very strongly that growth in the debt held by the public is detrimental to economic growth and improvements in the Nation's long-term standard of living. I believe we need this sense of the Senate to state that we must do more to guarantee that Gramm-Rudman-Hollings achieves real savings and that the debt stops growing.

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

The amendment (No. 99) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

IRS REVENUE INITIATIVE RESERVE FUND

Mr. DECONCINI. Mr. President, I wonder if I could get the attention of the distinguished chairman of the Senate Budget Committee, Mr. SASSER, to clarify the intent of section 10 of Senate Concurrent Resolution 30, with reference to the reserve fund for IRS compliance. Section 10 of the resolution recognizes the fact that additional IRS funding is needed to achieve the $500 million in revenues assumed in fiscal year 1990 from increased compliance activities. While I may have preferred an alternative method of reserving these funds, Mr. President, because I support the bipartisan summit agreement which will be implemented by this budget resolution, I find the approach taken by the Budget Committee acceptable. However, I would like to discuss the process by which the Budget Committee intends the Appropriations Subcommittee on Treasury, Postal Service, and General Government to meet the requirements specified in section 10.

Mr. President, the original Reagan budget contained a revenue initiative for the Internal Revenue Service which would have generated approximately $318 million in additional revenue at a cost to the IRS in fiscal year 1990 of approximately $55 million. This additional revenue was to be generated from the increased enforcement of the collection of delinquent taxes owed to the Federal Government. The bipartisan budget agree-

ment assumed the revenue from the Reagan enforcement initiative and expanded the initiative to generate total additional revenues of $500 million at an additional cost of $58 million. The total cost to the IRS to raise the $500 million assumed in the bipartisan budget agreement is approximately $113 million. So, in order to meet the revenue targets contained in the budget agreement, in fiscal year 1990 the IRS will need an additional $113 million in budget authority and an additional $109 million in budget outlays.

Section 10(b) of the resolution provides a level of $109 million in budget authority and $99 million in budget outlays for implementation of the IRS tax compliance initiative in fiscal year 1990. It is my understanding that the accurate levels of funding should be $113 million in budget authority and $109 million in outlays.

these `figures consistent with the Budget Committee's understanding?

Mr. SASSER. The Senator from Arizona is correct. Due to a technical error during drafting of the resolution, the budget authority and outlay figures for the IRS tax compliance initiative were inaccurately stated. It is our intention to adjust these totals during conference to the levels of $113,000,000 in budget authority and $109,000,000 in outlays.

Mr. DECONCINI. I appreciate the clarification on that item, Mr. President. Next, I want to point out that, in addition to the revenue enhancement, the original Reagan budget assumed an increase of $234 million over the fiscal year 1989 enacted level of funding for the IRS to cover the increased costs of taxpayer service, processing tax returns, tax redesign and other automated data processing investments. What level of funding has been assumed in the budget resolution to fund these other IRS enhancements?

Mr. SASSER. The budget resolution could accommodate full funding of President Reagan's fiscal year 1990 budget request for the IRS as well as the additional funding necessary to implement the revenue initiative contemplated in the bipartisan budget agreement.

Mr. DECONCINI. Mr. President, to make sure I understand the way the process laid out in section 10 would work, can you tell me that if the Subcommittee on Treasury, Postal Service and General Government appropriates the $113 million in budget authority and $109 million in budget outlays for this IRS revenue initiative, and we then take our appropriation bill to the floor, the Budget Committee will allocate the $113 million in budget authority and $109 million in budget outlays to the Appropriations Committee for this purpose?

Mr. SASSER. At that point, the chairman of the Budget Committee would file with the Senate an increase in the allocation to the Appropriations Committee consistent with the amount needed to fund the initiative.

Mr. DECONCINI. What if the bill we report contains partial funding to achieve a portion of the revenues? Would the Budget Committee then allocate a proportionate amount of the additional budget authority and outlays set aside to raise the revenue?

Mr. SASSER. I would say to the Senator from Arizona that under the language of the resolution, the chairman of the Budget Committee could do so. However, the only reason that the resolution contains language on the IRS reserve fund is because of the bipartisan budget agreement. That agreement calls for an IRS tax compliance initiative sufficient to generate $500 million in additional revenues. To provide less than full funding of this initiative would be contrary to the agreement. Therefore, in order to comply with the bipartisan agreement, the Budget Committee would provide an additional allocation for the initiative only when the initiative is fully funded.

Mr. DECONCINI. To make sure that we are in total agreement as to the specific amounts the Appropriations Committee must appropriate in order to receive the additional budget allocation, I would respectfully ask you to review a document I have had prepared by the Internal Revenue Service and approved by the Department of the Treasury which reflects the specific funding levels by account and activity needed to meet the terms of the bipartisan budget agreement for the IRS revenue initiative. I ask unanimous consent that this document be printed in the RECORD at this point.

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

REVENUE INITIATIVES PROPOSED IN THE PRESIDENT'S BUDGET AND INCLUDED IN THE BIPARTISAN BUDGET AGREEMENT

[Budget authority by appropriation, in millions of dollars]

	Funding required			
	Processing tax returns	Examination and appeals	Investigation collections and taxpayer services	Total
Proposed in fiscal year 1990 President's budget:				
1. Examination, service centers		$12,000		$12,000
2. Accounts receivable	$643	65	$27,101	27,800
3. International compliance		6,000		6,000
4. Combined annual wage reporting	7,700			7,700
5. Monitoring dependency compliance	1,400			1,400
Subtotal	9,734	18,065	27,101	54,900
Added for bipartisan budget agreement:				
1. Taxpayer delinquent investigations (business nonfilers)	3,000		27,627	30,627
2. Collection: Special compliance program (employment taxes)			12,700	12,700
3. Federal tax deposit penalties	2,363			2,363
4. Counsel: Resolve appeals in dispute		12,786		12,786
Subtotal	5,363	12,786	40,327	58,476

ADDITIONAL REVENUE GENERATED

[Dollars in millions]

	Processing tax returns	Examination and appeals	Investigation collections and taxpayer services	Total
Proposed in fiscal year 1990 President's budget:				
1. Examination, service centers		$101		$101
2. Accounts receivable	$2		$105	107
3. International compliance		29		29
4. Combined annual wage reporting	69			69
5. Monitoring dependency compliance	12			12

ADDITIONAL REVENUE GENERATED—Continued

[Dollars in millions]

	Processing tax returns	Examination and appeals	Investigation collections and taxpayer services	Total
Subtotal	83	130	105	318
Added for bipartisan budget agreement:				
1. Taxpayer delinquent investigations (business nonfilers)	8		78	86
2. Collection: Special compliance program (employment taxes)			17	17
3. Federal tax deposit penalties	8			8
4. Counsel: Resolve appeals in dispute		39		39
Subtotal	16	39	95	150
Total, revenue by account	99	169	200	468
Total, budget authority by account	15	31	67	113
Total, outlays by account	14	29	66	109

Mr. DECONCINI. Does this document accurately reflect your understanding on the specific funding the Appropriations Committee would have to provide in order to receive the additional budget allocation for the revenue initiative?

Mr. SASSER. The document reflects the specific funding levels necessary to fund the IRS tax compliance initiative contained in the bipartisan budget agreement.

Mr. DECONCINI. Mr. Chairman, I thank you for your clarification on this matter. Too often the Subcommittee on Treasury, Postal Service, and General Government has found itself in a disagreement with the Internal Revenue Service over the funding levels needed to achieve the revenue targets. I think the clarification on the revenue initiative before we report a bill will eliminate any misunderstandings which may occur later in the process. One final point I want to discuss is the funding for other IRS programs and activities. Am I correct in interpreting the language in section 10 to permit the normal flexibility given the Appropriations Committee to determine the proper levels of funding for all other activities of the IRS?

Mr. SASSER. The Senator from Arizona is absolutely correct. The budget resolution does not in any way impede the normal flexibility given the Appropriations Committee to determine the proper levels of funding for other IRS activities. I would note, however, that the provisions of section 10 do not address the proper levels of funding for other activities of the IRS, except insofar as the provisions of section 10 call for increases related to the tax compliance initiative. The provisions of section 10 would not be available to allow an increase in the allocation to the Appropriations Committee for other IRS activities.

Mr. DECONCINI. I thank the distinguished committee chairman for his attention to this very important matter and express my appreciation for his cooperation and understanding.

RESERVE FUND FOR EXPIRING SUBSIDIZED HOUSING CONTRACTS

Mr. SASSER. Mr. President, I should like to take a moment to talk about what I think is one of the most important accomplishments of the budget agreement and this resolution. Namely, I am referring to the reserve fund established in section 8 of the resolution for expiring HUD housing subsidy contracts. The contracts in question are 5-year and 15-year HUD section 8 assisted housing contracts that pay the difference between a fair market rent and 30 percent of low- and very-low income families' incomes. In 1990, an estimated 23,644 subsidized housing contracts are expected to expire. Without renewing these contracts, the low- and very low-income families assisted under these programs would lose the benefit of these subsidies and face certain disastrous increases in rent levels. This would exacerbate the existing housing crisis and undoubtably risk homelessness for many of the poor families assisted under these programs.

This resolution takes an important step toward addressing this issue. It specifically provides enough money in 1990—$1.1 billion in budget authority—to renew these 24,000 expiring contracts using new contracts of identical configuration to those contracts scheduled to expire.

Mr. DOMENICI. Will the Senator yield? I would like to state that I agree that the reserve fund for subsidized housing contract renewals is a critical part of this budget resolution.

I recognize that there are concerns about this kind of line-item detail in a budget resolution. But I submit that this is an extraordinary situation which justifies special treatment.

There is no question that we must extend these contracts. To do otherwise would be to sentence thousands of low-income families to crushing rent increases and potential homelessness. Because the need is so compelling—and the consequences of inaction so severe—I am confident that the Appropriations Committee will provide funds to extend these contracts. The critical question is, "How much"?

The amount of budget authority required for these housing contracts depends on the length of the obligation into which we enter. A 15-year contract requires more budget authority than a 5-year contract. The Appropriations Committee has a great deal of latitude on this matter, which we have preserved in this resolution. The purpose of the reserve fund is to make sure that any savings achieved by using short-term contracts cannot be spent on anything else.

As important as this is for 1990, the treatment of these expiring subsidies in the budget resolution sets an even more important precedent for 1991 when the funding required to renew expiring contracts grows enormously. In 1991, an estimated 296,000 housing subsidy contracts will expire, requiring as much as $23 billion in budget authority to renew.

Mr. SASSER. The Senator is correct. It is also important to note that the budget resolution makes a specific point to provide enough money so as not to constrain the ultimate policy choice for contract renewals. Some, particularly the administration, have suggested that we could renew these contracts using housing vouchers, which, because of their 5-year terms—as opposed to the 15-year contracts that are expiring—would require less budget authority. Others would want to save money by shortening the contract lengths and using the excess budget authority thereby freed up to fund other programs—housing and otherwise. For example, some might like to devote these amounts to programs aimed at providing incentives for developers now planning to prepay their HUD mortgages to remain in the section 236 and section 221(d)(3) housing programs.

However, the U.S. Congress has not yet made a decision with respect to the appropriate length of housing subsidy contracts, and we have certainly not seen evidence supporting the administration's housing voucher as a viable alternative. Thus, in the absence of guiding authorizing legislation that clearly addresses the expiring subsidy issue, we felt that on a

policy issue of this magnitude it is very important to avoid prejudicing the policy decision by not setting aside enough resources to handle the problem under any of several alternative scenarios. The resolution therefore allows the Appropriations Committees to renew the expiring contracts with contracts of identical subsidy form and with contracts of equal length should the appropriators choose to do so.

Mr. DOMENICI. If the chairman will yield further, I would note that I do not necessarily agree with the assessment of the Voucher Program. I would also point out that the reserve fund established by the resolution will be triggered only by appropriations to renew expiring subsidy contracts. But Chairman SASSER and I are in full agreement on the importance of this action.

Mr. SASSER. In the field of housing assistance there is so much more we should be doing as a nation. Over the last several years, housing costs have been rising far more rapidly than people's incomes, increasing the number of low-income families who are forced to live in inadequate housing and pay an excessive portion of their income for rent. It is no wonder that homelessness is increasing in both urban and rural areas across the land. The budget resolution does include full funding for homeless programs under the McKinney Act; the budget resolution adds $100 million above baseline for rural housing. Even these are but small steps toward meeting the growing housing crisis. However, at least the fence around the BA for expiring contracts ensures that we are not going to let the problem get worse by reducing the number of subsidized units in the low-income inventory.

HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

Mr. SIMON. I want to commend the chairman of the Senate Budget Committee for his strong leadership in working out the compromise with the other body and with the President. I want to draw specific attention to that portion of the budget resolution, function 500, which provides funding for higher education, and in particular black colleges and universities under the Higher Education Act.

Mr. SASSER. I know of the Senator's longstanding support for our Nation's historically black colleges and universities and his authorship of the Black College and University Act of 1986. If I am not mistaken, I believe that he was the graduation speaker at Knoxville College last June—where I will deliver the commencement address in just a few weeks.

Mr. SIMON. Although budget resolutions do not address specific programs, I do want to call to my chairman's attention that the bill reported in the other body does assume the fiscal year 1987 funding level for part B of title III of the Higher Education Act of approximately $100 million. I hope the chairman will look favorably on this matter when we get to conference. Any help that we can provide to black colleges not only strengthens them, but also enriches the Nation by providing a college education to those who otherwise would not get one.

Mr. SASSER. While I cannot make a specific commitment at this time, I do want to assure the Senator that I share his desire to strengthen these institutions that play such a critical role in expanding equal opportunity for black Americans. As a matter of fact, the Senate budget resolution, as reported from our committee, does already assume an increase for historically black colleges and universities. I will look carefully at this matter which you have called to my attention, and I hope that we can accept the assumption in the House resolution.

Mr. BUMPERS. Mr. President, I would like to engage the chairman of the Budget Committee, Mr. SASSER, in a colloquy to discuss an issue of considerable importance to the Nation's small business community. Specifically, I would like to discuss the current funding problems facing the Small Business Administration's 7(a) Program.

Mr. SASSER. I would be pleased to enter into a colloquy with my distinguished colleague from Arkansas, the chairman of the Senate Small Business Committee.

Mr. BUMPERS. Mr. President, I thank the Senator. The SBA 7(a) Program is the principal guaranteed lending program offered by SBA. The 7(a) Program provides long-term financing for small businesses which they are unable to secure from most other sources. Commercial banks and other lenders will make short-term loans of a year or two to qualified small businesses, but they generally do not make longer term loans available. The 7(a) program fills that need. Working through commercial banks and nonbank lenders, small business borrowers can obtain SBA-guaranteed financing for capital investment purposes and other long-term needs.

Mr. President, toward the end of the first quarter of the current fiscal year, it became clear that for the first time in many years, the appropriated credit level of $2.4 billion for the 7(a) Program would be inadequate to meet the demand for the program. SBA regional offices began to ration the program and a substantial backlog developed. This concerned many of us who were glad to see this program succeed and benefit the small business sector.

The Senate Small Business Committee and the Senate Appropriations Subcommittee on Commerce, State, Justice, the Judiciary and Related Agencies strongly encouraged the administration to reprogram appropriated credit authority from other SBA programs to 7(a). This Senator is pleased to inform his colleagues that the reprogramming of $200 million to credit authority was completed recently, thereby giving some degree of relief of this important program during the current fiscal year. I hasten to add, however, that there is a difference of opinion as to whether increasing the appropriated level as a result of the reprogramming will meet the current fiscal year demands. In fact, an industry survey which is based on historical trends shows that even with this extra $200 million, this program may experience a substantial shortfall before the end of this fiscal year.

Mr. President, SBA's new Administrator, Susan Engeleiter, in her first testimony before the Senate Appropriations Subcommittee on Commerce, State, Justice, the Judiciary and Related Agencies cited adequate funding for this program as one of her immediate goals. I might add that the SBA supporters welcome Mrs. Engeleiter's comments at the hearing that President Bush has affirmed to her his support for the agency.

The industry survey to which I referred earlier projects that demand for the 7(a) Program in fiscal year 1990 will exceed $3.4 billion. If accurate, this means that there will be a $500 million shortfall above the fiscal year 1990 authorized level of $2.9 billion.

Mr. President, I ask my friend from Tennessee, the chairman of the Senate Budget Committee, the following question. Although the Senate budget resolution for fiscal year 1990 pending before us freezes the Federal credit budget at the fiscal year 1989 level, is there not flexibility for addressing concerns such as the one I raise in this colloquy through the appropriations process?

Mr. SASSER. Mr. President, I say to my friend that he is accurate in his statement regarding the flexibility. As my colleagues know, the Senate Budget Committee's role is to set parameters within which the authorizing and appropriations committees must stay. There is flexibility to address pressing needs.

I would say, however, to my good friend that as a former member of the Senate Small Business Committee, I recognize the value of the 7(a) Program. I know, for instance, that in Tennessee the 7(a) Program has helped many of my constituents in the small business sector. I am advised by SBA that the current year demand in Tennessee for this program is running substantially ahead of last fiscal year. Specifically, in fiscal year 1988, $51.4 million in 7(a) loans were made. For the current fiscal year, $47.1 million in 7(a) loans have already been made. Obviously, these numbers indicate a

significant increase in demand over the previous fiscal year.

Mr. BUMPERS. Mr. President, I thank my colleague, the Senator from Tennessee, for his response. I might add that the SBA has advised this Senator that a similar situation is occurring in Arkansas. In fiscal year 1988, $11.2 million of 7(a) loans were made in Arkansas. During the current fiscal year, $7.2 million in 7(a) loans have already been made in my State. What concerns me even more is the fact that historically loan closings under the 7(a) Program increase toward the end of the fiscal year.

Mr. President, I would like to make another point concerning the 7(a) Program. To do so I refer to another industry study which clearly demonstrates the positive impact the 7(a) Program has on our economy and for the Federal treasury. Of the 7(a) borrowers surveyed in this particular study, Federal and State taxes paid by these firms increased by rates of 74.5 percent and 24.9 percent, respectively. This program is paying for itself. I recognize that our budgeting system does not specifically take this into account in determining the cost of programs such as 7(a), but facts are facts. This kind of return on the taxpayers' dollars for Federal programs should be looked at carefully when determining which programs are expanded under the current budgetary constraints we face. Further, SBA will soon be completing a study at my request, which will analyze the effect of 7(a) guaranteed lending on specific firms' hiring and tax payments. This study is being done with IRS data and should be very instructive.

Mr. President, again, I thank the chairman of the Budget Committee.

Mr. SIMON. Mr. President, I would like to engage my colleague from Texas [Mr. BENTSEN], my colleague from West Virginia [Mr. ROCKEFELLER], and my colleague from Kansas [Mrs. KASSEBAUM] in a colloquy concerning the Medicare budget.

I want to commend the chairman and ranking minority member of the Budget Committee for both limiting the size of the Medicare cut and including language recommending that, the the extent possible, further reductions not be directed at the hospital portion of the program. In my own State of Illinois, hospitals of all types are facing serious financial difficulties because of the cumulative effects of several years worth of cuts to the program.

Nearly two-thirds of all hospitals will lose money treating Medicare patients next year. Nearly half will incur deficits of 10 percent or more, and nearly 30 percent will incur losses of 20 percent of more.

All hospitals—urban, rural, teaching, and nonteaching—are experiencing dangerously low Medicare operating margins.

Underfunding Medicare is not the way to reduce the Federal deficit or to reduce the escalating costs of health care in this country.

The Medicare hospital insurance trust fund does not contribute to the Federal deficit. In fact, its yearly surpluses, which are being accumulated as a reserve in order to finance benefits into the 21st century, are actually used to reduce the deficit. If Social Security and Medicare surpluses were not counted in this fashion, the deficit would be considerably higher than it already is.

The projected increase in spending for inpatient hospital care is largely due to factors beyond the control of hospitals. 7.9 percent is directly attributable to the increased costs of goods and services—4.7 percent—and the growing numbers of Medicare beneficiaries using the system—3.2 percent. Another 1 percent is due to the increased complexity of Medicare cases.

The problem is that underfunding of the program does not eliminate the obligation that the Nation's hospitals have to continue providing services to more than 32 million elderly and disabled. If Medicare payments fail to keep pace with the cost of goods and services hospitals must purchase in order to provide needed medical care, as it has during the past 6 years, many more hospitals will simply be forced to either curtail services or to close their doors.

Mr. President, 42 Senators and 237 of our colleagues in the House have signed onto my sense of the Congress resolution urging that we step back for a moment and assess the program before we make any further cuts in Medicare hospital payments.

I applaud the efforts of the chairman and of my colleague from Texas during negotiations with the White House to reduce the Medicare cut from $5.2 billion proposed by the President to $2.7 billion. Under the difficult circumstances facing us, this was the best which we could have hoped to achieve this year. And I also appreciate inclusion of favorable language in the budget resolution which seeks to limit the future impact on hospitals.

I hope that next year, when the GRH target is $64 billion, that Medicare does not once again become a tempting target for OMB budget cutters who seem comfortable carrying out the tradition of year-to-year budget driven policy decisions regardless of the effects their decisions will have on the delivery of health care services to the elderly.

For this year, perhaps the best I could hope for, and all I seek from the Senators from Texas and West Virginia, is some assurance that the Finance Committee will, in keeping with the spirit of my sense of the Congress resolution, carefully consider the implications which any additional deep cuts in payments to hospitals might have, especially on rural hospitals and hospitals in inner cities.

Mrs. KASSEBAUM. Mr. President, I rise today to join my distinguished colleagues from Illinois, Texas, and West Virginia in a colloquy on the subject of Medicare funding in the fiscal year 1990 budget.

I, too, wish to commend the leaders of the Budget Committee, as well as the Senator from Texas, for their efforts in keeping the overall Medicare cutback a modest one. Although the proposed $2.7 billion cut is larger than I would have liked, it is nevertheless far better than the $5 billion reduction originally proposed by the President.

Last fall, and again this year, I had the honor of joining the Senator from Illinois and the Senator from Minnesota [Mr. DURENBERGER] in sponsoring a resolution calling on Congress to make no further cuts in Medicare part A during the coming fiscal year. Backed by 40 cosponsors in the Senate and 240 in the House, the "Protect Medicare 90" resolution has sent a clear message that it is time for Congress to halt debilitating cuts in Medicare hospital payments.

It is a credit to the Senator from Illinois, as well as to his colleagues on the Senate Budget Committee, that the budget resolution before us today is accompanied by strong report language recommending relief for America's hospitals. In its report, the Budget Committee spells out its view that "to the extent possible" hospitals should be spared additional budget cutbacks in fiscal year 1990.

Mr. President, I am fully aware that the Finance Committee faces an unenviable task in the next few months. Cutting $2.7 billion from the Medicare Program is certainly not going to be easy. Like the Senator from Illinois, however, I urge that members of the Finance Committee take special care to observe the Budget Committee's recommendation that the hospital portion of the program be spared significant reductions.

Although the 6-year-old prospective payment system [PPS] has successfully encouraged greater efficiency in hospital operations, its chronically low payment rates have begun to threaten the ability of many hospitals to provide quality care.

Pressured by budgetary constraints, Congress has consistently failed to update prospective payment rates to adequately reflect rapid increases in the cost of hospital goods and services. As a result, Mr. President, Medicare rates to hospitals are now rising only about half as fast as hospital costs. Not surprisingly, recent projections in-

dicate that as many as two-thirds of America's hospitals will operate at a loss treating Medicare patients next year.

Mr. President, Medicare part A is simply in no position to absorb a significant cut next year. Over the past several years, hospitals have done more than their fair share in contributing to deficit reduction. It is time, it seems to me, for Congress to grant them a much-needed furlough from the frontlines of the budget battle.

Mr. ROCKEFELLER. I appreciate your remarks and I also want to commend you for all of the hard work you have done in an area of great importance to me. I, too, was very disappointed with the Bush budget proposal to seek over $5 billion in Medicare savings.

The original $5.2 billion administration proposal would have been devastating for Medicare beneficiaries. I am confident that the Finance Committee will do what it can to minimize the impact of the $2.7 billion in cuts that we are unfortunately left with.

Mr. BENTSEN. I thank the Senator from Illinois and the Senator from Kansas for their comments with regard to potential reductions in payments to hospitals under Medicare. I certainly agree that hospitals—particularly those in rural areas and in inner cities—are facing serious financial difficulties. The Prospective Payment Assessment Commission tells us that more than half the Nation's hospitals are losing money treating Medicare patients. Let me assure my colleagues that, in crafting a deficit reduction package that meets the terms of this resolution, the Committee on Finance will do everything possible to assure that access to health care for elderly and disabled Medicare beneficiaries is not compromised.

Mr. SIMON. I realize that both Senators have a very difficult job to do and I appreciate their remarks.

RURAL DEVELOPMENT

Mr. LEAHY. Mr. President, first I would like to thank the Senator for his excellent efforts on behalf of rural development as part of the 1990 budget resolution process. I would also like to clarify the amount of funding available for rural development in the budget resolution. It is my understanding that the resolution includes $300 million in budget authority and over $100 million in outlays for fiscal year 1990. This level assumes that all other discretionary programs within the agriculture function are held to a 1989 "hard freeze" level.

Mr. SASSER. I appreciate your kind remarks and would also like to note that Senators EXON, SANFORD, CONRAD, and FOWLER have played an instrumental role in the Budget Committee to secure additional funding for rural development. While, the 1990 budget resolution contains no specific assumptions concerning the allocation of discretionary spending increases, you are correct that $300 million in budget authority and over $100 million in outlays would be available for rural development if all other programs within function 350 are held to 1989 levels.

FUNDING FOR INDIAN LAND AND WATER SETTLEMENTS

Mr. INOUYE. Mr. President, I would like to ask the chairman of the Budget Committee about funding for negotiated land and water settlements with Indian tribes. The report of the Select Committee on Indian Affairs to the Committee on the Budget, dated March 8, 1989, included a request that funding for such settlements be allocated in a manner that does not adversely affect other Indian programs. A letter dated April 14, 1989, to the chairman and vice chairman of the Budget Committee from members of the Senate reinforced that request. Would the distinguished chairman of the Budget Committee comment on the committee's consideration of this important issue?

Mr. SASSER. I thank the Senator from Hawaii for his inquiry on this matter. In the committee's deliberations, we concluded that the issue could be left for resolution at a later point in the process. It is my understanding that the House is considering an approach which would accommodate the request of the Indian Affairs Committee.

Mr. INOUYE. There were four settlements enacted last year. These settlements dispose of the legal obligation of the U.S. Government resulting from the failure of the Government, as trustee, to protect Indian rights and resources. We anticipate additional settlements will be enacted in this Congress. Full funding of last year's three water settlements and one land settlement would require $86 million in fiscal year 1990. In addition, the committee expects enactment this year of the Puyallup land claim settlement in the State of Washington, involving the Port of Tacoma. This would require an additional appropriation in fiscal year 1990 of about $77 million. I would like to ask the chairman how the Committee on the Budget anticipates that these funding needs will be met.

Mr. SASSER. I would be pleased to work in conference to assure that the conference report reflects the need to fund these settlements in a manner that places the burden on the Nation as a whole, rather than through reductions in outlays for Indian programs. As we reconcile differences between the House and Senate budget resolution, I will be pleased to consult with my colleague from Hawaii.

Mr. INOUYE. I thank the Senator for his assistance.

Mr. ARMSTRONG. Mr. President, last session Congress passed and the President signed H.R. 2642, the Colorado Ute Indian Water Rights Settlement Act. That act facilitated a complex settlement agreement ending a decade of litigation of Indian water rights.

The settlement agreement was achieved after 4 years of intense negotiations by the Ute Mountain Ute and the Southern Ute Tribes with the States of New Mexico and Colorado, numerous municipalities and conservancy districts in both States, and the U.S. Department of Justice and Department of the Interior.

The water adjudicated to the Ute Indians is to be stored in the reservoir created by the Animas-La Plata project, which was authorized by the Colorado River Storage Projects Act of 1968. Both the Cost Sharing Agreement negotiated by the Federal Government and the legislative language implementing that agreement as part of the settlement were based on a 12-year construction cycle for the project.

Colorado is poised to escrow $30 million in State funds, in addition to currently building a $6 million pipeline to Towaoc, CO to supply domestic water to the Ute Mountain Ute Reservation. Colorado's negotiated monetary commitment in the settlement also is based on a 12-year construction cycle for the Animas-La Plata project.

The President's fiscal year 1990 budget includes $3.7 million for Animas-La Plata, with an indication that all further work will be halted until other Western water projects are completed. This definitely is not the intent of the Colorado River Storage Projects Act of 1968 nor of the Colorado Ute Indian Water Rights Settlement Agreement negotiated by Interior and Justice and approved by Congress last session.

The Government of the United States participated in good-faith negotiations to end a decade of Indian water rights litigation costly in time, energy and money. Interior's budget should reflect the funding necessary to meet Interior's commitments in the settlement. To meet its obligation of a 12-year construction cycle of the Animas-La Plata project under the negotiated settlement with fiscal year 1989 as the start, $5.9 million must be budgeted for fiscal year 1990.

I urge my colleagues to recognize the importance of meeting the obligations made by the U.S. Government in the water rights settlement negotiated with the two tribes. Thank you, Mr. President.

Mr. CRANSTON. Mr. President, last year Congress authorized four legislative settlements of Indian disputes, two of which involved Indian tribes in California. These settlements represent the disposition of legal obligations of the U.S. Government resulting from the failure of the Indians'

trustee to protect and develop tribal resources. Had these disputes been settled in court rather than being resolved legislatively, the entire settlement award would have been paid immediately and off budget through the Department of Justice's Claims and Judgments Account.

The San Luis Rey Indian Water Rights Settlement Act established a trust fund for economic development of Indian lands in San Diego County, CA. The trust fund will require an appropriation of $30 million plus interest from the date of enactment (November 17, 1988). The administration's budget for fiscal year 1990, however, includes only $5 million for this settlement, of which $2.6 million is for interest.

The Hoopa-Yurok Settlement Act partitioned reservation lands between the Hoopa Valley Tribe and the Yurok Indians in northern California. The act established a settlement fund to include escrow moneys derived from the joint reservation, accrued income, and a $10 million Federal contribution. The act also authorized $5 million for the purchase of lands within and contiguous to the Yurok Reservation. The administration has not requested any money for this settlement in fiscal year 1990.

I understand the House Budget Committee under function 450 has expressed its intent that these Indian settlements be funded in a manner that does not reduce funding for other Indian programs. I find no similar language in the Senate committee report on the budget resolution. I therefore would like to ask the chairman of the Senate Budget Committee if the resolution before us assumes funding of these important Indian settlements.

Mr. SASSER. The Senate Budget Committee did not provide a separate budget allocation for Indian settlements. Functions 300 and 450 include funds for the various programs of the Bureau of Indian Affairs. However, the committee did not state any assumptions in its report as to how BIA funds would be allocated.

Mr. CRANSTON. These Indian settlements are obligations of the Federal Government. I believe they should be borne by the Nation as a whole rather than being imposed on Indian peoples through reductions in other BIA programs. I would like to ask the chairman of the committee if he would consider adopting the House approach and report language in conference.

Mr. WIRTH. I want to thank Senator CRANSTON for bringing this important issue to the attention of the chairman of the Budget Committee, and wish to join Senator CRANSTON in asking the chairman to address this issue in conference.

The Ute Mountain Ute and Southern Ute Tribes of Colorado find themselves in a similar situation to the tribes mentioned by Senator CRANSTON. The Colorado Ute Tribes Water Rights Settlement Act of 1988 settled similar claims by these tribes against the United States.

The administration encouraged this settlement—the Department of Justice negotiated it. The Congress put that settlement into law and authorized the economic development funds that are a key part of the settlement agreement. The agreement and the act are perfectly clear—they call for the Federal Government to pay a total of $49.5 million into the two tribes' development funds, over 3 years, and specifies the amount to be paid in each year.

Had the tribes gone through the courts to get their claims against the United States, they would have received the full amount of damages immediately from the Department of Justice's Claims and Judgments Account. If we penalize these tribes for their good-faith effort to reach a negotiated settlement, we are risking the viability not only in these two settlements—which by their terms will dissolve if not fully funded—but of all future Indian natural resources settlements.

The President's budget contemplates funding these settlements through the functions pertaining to the Bureau of Indian Affairs, but does not provide the funds needed to meet our obligations. I too, want to support funding these payments in a manner that does not reduce funding for other Indian programs, and I join in asking the chairman of the Budget Committee to take up this issue in conference.

Mr. DECONCINI. Mr. President, I want to associate myself with the remarks of my distinguished colleague, Senator CRANSTON, concerning the funding of legislated settlements resolving Indian disputes.

Last year Congress enacted the Salt River Pima-Maricopa Indian Community Water Rights Settlement Act. This legislation is critical to the agricultural and economic well-being of that Indian community as well as the continued economic growth of the Phoenix metropolitan area in the State of Arizona. The community had asserted its water rights claims in cases before Federal and State courts. Recognizing the potential impacts, the non-Federal participants in this historic settlement agreed to transfer, without charge, rights to approximately 47,000 acre-feet of surface water, to restructure longstanding water use arrangements, incur great and continuing expense in obtaining substitute water supplies, and to contributing money in order to settle all of the water rights of the community, its members and allottees.

The purpose of the act is to facilitate the performance of the settlement agreement by authorizing the necessary funding and by authorizing the Secretary of the Interior to undertake the steps required to effect the settlement.

In the settlements enacted into law last year, there are schedules for each of the participants, including Federal, to meet its obligations. The Salt River Pima-Maricopa Indian Water Rights Settlements Act requires a Federal obligation of $47 million which is to be fully funded by December 31, 1991, two funding cycles from now. If the agreement is not fully funded by this date, the settlement will dissolve and the dispute will likely return to the courts. Litigation is costly, time consuming, uncertain in outcome, and once decided, can displace existing water use and provide only paper rights, not "wet water." The prolonged uncertainty clouds the validity of water rights for Indians and non-Indians alike. This forestalls investments based on the availability of, and rights to water, thus hurting tribes, businesses, States and the Nation.

Throughout the West there remain many outstanding Indian water rights disputes pending, several of which could be resolved in the near future. However, the underfunding of the recently completed negotiated settlements is causing the non-Federal participants in these negotiations to question the credibility of the U.S. Government to meet its obligations. It is important to remember that these negotiated settlements save the U.S. taxpayer money in the long run because reaching out-of-court agreements ultimately reduces the United States' legal exposure.

I support my friend from California in requesting that the distinguished chairman of the Budget Committee adopt the House language in conference that these settlements be funded in such a fashion as to not impact other Indian programs.

I thank the chairman for consideration of this request.

Mr. SASSER. I appreciate the concerns of the Senator from California, the Senator from Colorado, and the Senator from Arizona. I will see what we can do to resolve this matter in conference.

Mr. CRANSTON. I thank the chairman for his willingness to consider this matter again at that time.

Mr. McCAIN. Mr. President, I would like to ask the ranking member of the Budget Committee about funding for negotiated land and water settlements with Indian tribes. The report of the Select Committee on Indian Affairs to the Committee on the Budget, dated March 8, 1989, included a request that funding for such settlements be allocated in a manner that does not adversely affect other Indian programs. A letter dated April 14, 1989, to the chairman and vice chairman of the

Budget Committee from Members of the Senate reinforced that request. Would the distinguished ranking member of the Budget Committee comment on the committee's consideration of this important issue?

Mr. DOMENICI. I thank the gentleman from Arizona for his inquiry on this matter. In the committee's deliberations, we concluded that the issue could be left for resolution at a later point in the process. It is my understanding that the House is considering an approach which would accommodate the request of the Indian Affairs Committee.

Mr. McCAIN. There were four settlements enacted last year. One of these involves water rights in the State of Arizona. These settlements dispose of the legal obligation of the U.S. Government resulting from the failure of the Government, as trustee, to protect Indian rights and resources. We anticipate additional settlements will be enacted in this Congress. Full funding of last year's three water settlements and one land settlement would require $86 million in fiscal year 1990. In addition, the committee expects enactment this year of the Puyallup land claim settlement in the State of Washington, involving the Port of Tacoma. This would require an additional appropriation in fiscal year 1990 of about $77 million. I would like to ask the ranking member how the Committee on the Budget anticipates that these funding needs will be met.

Mr. DOMENICI. I would be pleased to work in conference to assure that the conference report reflects the need to fund these settlements in a manner that places the burden on the Nation as a whole, rather than through reductions in outlays for Indian programs. As we reconcile differences between the House and Senate budget resolution, I will be pleased to consult with my colleague from Arizona.

Mr. McCAIN. I thank the Senator for his assistance.

Mr. DOMENICI. Mr. Chairman, some have raised questions about the effect of the report language on Medicare changes in connection with the committee's proposed budget resolution. Is it your understanding that the Senate Finance Committee will determine the mix of changes from anywhere within their jurisdiction?

Mr. SASSER. Yes. As is always the case, an authorizing committee is free to make its own choices and select whatever policy options it desires, as long as overall reconciliation deficit reduction instructions are met.

Mr. BENTSEN. I would like to bring to the attention of the chairman of the Budget Committee an issue of concern to the Finance Committee. The Senate version of the budget resolution calls for the Finance Committee to make reductions of $2.8 billion in outlays. Pursuant to negotiations with the administration, the committee report language indicates that $2.7 billion of this amount should come from the Medicare Program. It is my understanding that the budget resolution reported by the House Budget Committee requires $2.3 billion in outlay reduction from the Ways and Means Committee, which is also assumed to be coming from the Medicare Program, and an additional $0.4 billion in unspecified deficit reduction. I assume that the chairman and ranking member of the Budget Committee will not ask members of the Finance Committee and of the Senate to seek deeper cuts in the Medicare Program than the House of Representatives is expected to achieve. I therefore hope that the Budget Committee chairman can give me his assurance that he will do all that he can to develop a conference agreement on the budget resolution which provides identical outlay reduction reconciliation instructions for the House and Senate committees of jurisdiction.

Mr. SASSER. I can assure the chairman of the Finance Committee that I will work in the conference to establish reconciliation instructions to the Senate and House that assume the same level of savings with respect to the Medicare Program. We want the Finance Committee and the House committees of jurisdiction to all be working from the same blueprint.

Mr. BRADLEY. Mr. President, I had intended to offer an amendment to this budget resolution to provide $200 million in fiscal year 1990 for Medicaid expansions and considerably higher levels in the outyears. But it is my understanding that this measure may be able to be accommodated by the conferees.

I would like to engage the chairman of the Budget Committee, Mr. SASSER, in a colloquy about funding for Medicaid in the budget. I am deeply concerned that the budget resolution does not expressly provide funding to enable the Finance Committee to expand Medicaid coverage for pregnant women, infants, and young children. While I appreciate the actions of the committee in setting up a reserve fund for Medicaid, I had hoped that additional funding would be expressly provided, as in the House version of the budget resolution. I had also hoped that sufficient funding would be provided in the outyears for Medicaid expansions.

I would hope that the chairman of the Budget Committee could provide some assurances that funding for these vital expansions over the next 3 years will be provided by the conferees.

Mr. SASSER. As the Senator knows, the resolution as reported by the Budget Committee does contain language regarding Medicaid. The language specifies that should the Finance Committee report legislation expanding Medicaid benefits, the budget resolution will be adjusted to accommodate that legislation, as long as the total legislative package does not increase the budget deficit.

I would like to say to the Senator I think that language is a good signal from the Budget Committee that we agree that action to meet the health care needs of low-income women and children, as well as the elderly and disabled, is a high priority this year. It says that we anticipate that there will be some Medicaid expansion this year. I, for one, do endorse that and I hope that will be the final outcome.

The House budget resolution has approached this issue in a little different way. The House budget resolution emerged from committee with a specific amount, $200 million, set aside for Medicaid expansions in 1990.

Let me assure the Senator that my main concern will be that we are able to take some important Medicaid steps this year. I would like to see a specific Medicaid assumption in the final budget resolution, and although I cannot make any promises now, let me say that I will do my best to argue for that position in conference.

Mr. RIEGLE. Mr. President, as chairman of the Subcommittee on Health for Families and the Uninsured, which has jurisdiction over the Medicaid Program, I would like to point out that several Medicaid initiatives are currently under consideration that would help the most needy members of our society. These proposals would improve coverage for low-income pregnant women and infants, children, and disabled and elderly persons. I understand there is $200 million specified in the House budget resolution to implement these important changes beginning in fiscal year 1990. I was disappointed that similar language was not adopted in the Senate. I know the chairman shares my concern for this program and hope that this can be accomplished in conference.

HUMPHREY-HAWKINS ACT

Mr. SARBANES. Mr. President, goals and priorities are reflected in virtually every budget decision, and the budget debate should therefore reach beyond the urgent decisions with respect to the coming fiscal year to these more fundamental questions. In 1978 the Humphrey-Hawkins Act amended the Congressional Budget and Impoundment Control Act to assure that such consideration would take place. That act was named for its principal sponsors: In the Senate, our late distinguished colleague, Senator Hubert H. Humphrey, and in the House Congressman AUGUSTUS HAWKINS, the distinguished chairman of the House Committee on Education and Labor.

Never has the longer term perspective called for in the Humphrey-Hawkins Act been more important than it is today. We must look beyond the reassurances of the moment to ascertain the direction in which we are headed. The critical question is whether we are moving along a path of steady and sustainable economic growth on which our standard of living, our strength as a nation, and our traditional American promise of opportunity all depend.

In recent years the economic environment has changed profoundly, and is today different from any we have experienced in the past. Over the past decade, we have created unprecedented imbalances—in the budget, in international trade, in the accumulation of both domestic and international debt.

Many of these weaknesses stem from past policy errors which have been only partially corrected. Despite recent small improvements, the United States still runs a huge trade deficit. This descent into deficit was accelerated dramatically during the 1980's by policies which largely ignored the root causes of our trade deterioration—misaligned exchange rates, domestic macroeconomic imbalances, foreign limits on market access, and deteriorating competitiveness among American industries.

Subsequent reversals of some of these policies—particularly misaligned exchange rates—led in 1986 and 1987 to a decline in the dollar and a temporary boom in exports. This boom appears to have stalled after the middle of 1988, while imports have continued to trend upward. Extrapolating the trends of the past 9 months leads to the conclusion that our present course will produce little further reduction in our trade deficit over the next decade.

The continuation of large merchandise trade deficits is of particular concern for the future because past deficits have undermined our former status as a creditor country. In recent years, the United States has experienced an historically unprecedented—and still continuing—slide from creditor to debtor nation. Our substantial and growing net interest payments to foreign investors now must be added to our merchandise trade deficit to determine how much we must borrow from abroad each year. Each year's new borrowings add to our external debt obligations, creating a burdensome legacy of debt which we pass on to the next generation.

This legacy not only undermines future prosperity—through large interest payments to our international creditors—it also weakens our international influence and provides a serioius element of instability in the economic outlook. Our continued dependence on large foreign borrowings makes our interest rates vulnerable to the decisions of foreign investors and threatens the stability of the dollar on foreign exchange markets.

We also confront a worrisome accumulation of debt in the domestic economy. Highly leveraged corporations are much more vulnerable to an economic slowdown than those more prudently capitalized, and a vulnerable corporate sector increases the already serious concern about the state of our financial institutions. Sweeping deregulation of capital markets in the 1980's has led to massive failures in the savings and loan industry—and there are serious grounds for concern that excessive debt accumulation may be laying the groundwork for other financial crises in the years ahead.

One such crisis is clearly upon us, in the form of Third World debt. The failure of existing international debt policy to resolve the conflicts which are undermining fragile democratic governments in the debtor countries; even those countries which have made major strides in economic policy reform have not seen their efforts rewarded by improved flows of funds from their creditors. Secretary Brady's recent endorsement of debt reduction represents a constructive step toward facing the problem, but it will mean little if we do not now move to design and implement a responsible debt reduction program.

On the domestic front, policy over the past decade has clearly failed to maintain adequate funding for housing, education, infrastructure, research, environmental quality, and a number of other critical public investments. These investment deficits are catching up with us, and are threatening the future strength and vigor of the economy.

The present recovery has been long lived, but longevity is of limited usefulness in gauging success. Income has grown more slowly in the 1980's than in previous periods. Further, it has been distributed far more inequitably, resulting in an undermining of the middle class. Net investment has also grown more slowly than in the past, creating capacity constraints in many industries and contributing to our disappointing performance in productivity. Inflation was tamed early in the decade, but at the price of the deepest downturn since the Great Depression. Recent signs of renewed inflation suggest that the substantial sacrifice made by American workers during the 1981-82 recession may not have produced a lasting victory against this problem.

These economic problems are complex. They can only be resolved over time. But they clearly require our attention if we are to assure the health and vitality of our economy, and therefore I ask my colleagues to keep them in mind over the course of this debate. We do ourselves and our children a great disservice if we fail to recognize these problems and take steps to correct them.

Mr. KERRY. Mr. President, I am pleased to again join those who wish to remind us of the importance of the Humphrey-Hawkins Act and the need to debate economic goals and policies. I commend the vice chairman of the Joint Economic Committee—the senior Senator from Maryland—for arranging this colloquy. I will again direct my remarks to our employment goals and the need to maintain full employment.

The Humphrey-Hawkins Act, and its predecessor Employment Act of 1946, serve as important reminders of the need to promote economic growth and full employment. Dr. Michael Boskin, Chairman of the President's Council of Economic Advisers has appropriately observed that to combat inflation we must be ever on guard to keep the inflation genie in the bottle. We all know that double digit inflation of the late 1970's and early 1980's resulted in wrenching adjustments including, in 1981-82, the steepest recession since the Great Depression.

Similarly, based on the historical record we must not let the unemployment genie out of the bottle. After achieving full employment in the late 1960's we let the unemployment genie out of the bottle in 1970 and we have not yet fully recovered. The record with respect to unemployment during the past 20 years is indeed startling.

Between 1969 and 1971 the civilian unemployment rate increased from 3.5 to 5.9 percent.

Between 1971 and 1973 the unemployment rate decreased from 5.9 to 4.9 percent.

Between 1973 and 1975 the unemployment rate increased from 4.9 to 8.5 percent.

Between 1975 and 1979 the unemployment rate decreased from 8.5 to 5.8 percent.

Between 1979 and 1982 the unemployment rate increased from 5.8 to 9.7 percent.

Between 1982 and 1988 the unemployment rate decreased from 9.7 to 5.5 percent.

From this historical record several facts emerge.

First, despite the current long expansion we have still not reached unemployment rates of 4 percent. In March 1989 the civilian unemployment rate was 5 percent.

Second, at no time during this 20-year period did we achieve unemployment rates of 4 percent after we let the unemployment genie out of the bottle.

Third, periods of expansion were generally short lived and weak so that the unemployment rate at the end of the expansion was always higher—except for the current expansion—than the unemployment rate at the

end of the previous expansion—3.5, 4.9, 5.8.

Fourth, with a higher starting point, and often a more severe recession, the peaks of the unemployment rate got higher and higher—5.9, 8.5, 9.7.

Now we can debate the effects of demographics—the entry of the baby boom generation into the labor force and subsequent adjustments as they reached their prime working years—but the message is clear: Keep the unemployment genie in the bottle.

Mr. President, as we debate the budget resolution we should continue to focus on those programs that will increase productivity and output and help keep the unemployment genie in the bottle; we must promote investment in human and physical resources of our Nation. We must face up to the need to expand savings, improve productivity, reestablish American preeminence in education, restore our infrastructure—and that means we must move toward a balanced budget.

Mr. President, each year we should welcome this opportunity to debate economic goals by focusing on the objectives of the Humphrey-Hawkins Act. And we must never forget that economic policy is a means to this end—a fully employed economy with stable prices and rising standards of living and opportunity for all Americans. The hallmark of our economic policy—the standard for measuring our success is how will we deliver on that goal of American economic policy.

Mr. GRASSLEY. Mr. President, I am certainly one of those who has had strong reservations about supporting this budget agreement. As with any other budget we have passed over the last 8 years, there's a degree of good and bad news.

The good news is that this administration has struck up a working relationship with Congress, thus avoiding stasis.

No one can doubt that the deficit delemma we are facing is a long-term problem. It therefore requires a long-term working relationship between the two branches of Government. In my view, the tradeoff for getting started on the long road to a balanced budget this year is an absence of the kinds of tough decisions that will surely have to be made up for next year and in the years ahead.

If that is the price we have to pay this year to put this initial step behind us, then I am willing to pay that price. And despite the tradeoff, this budget still meets the Gramm-Rudman target, at least in the first year.

Now having said that, Mr. President, I would like to stress the fact that I am not by any means going down this road with blinders on. Nor am I unwitting about the pitfalls ahead. I am still frustrated over how few real long-term savings are accomplished in this package. That's the bad news about this budget. Yes, it meets the Gramm-Rudman target for fiscal year 1990. But it is the years beyond 1990 that we should be concerned about.

It seems to be an unfortunate fact of life that whenever we negotiate agreements between the branches of Government, instead of deficit reduction, everyone gets a little bit more. And we end up with rosy numbers covering up a larger deficit than we should be supporting. In that context, sometimes consensus comes at the expense of making tough choices right away.

In many ways, this budget is reminiscent of the Rose Garden budget we passed back in 1984. We opted for that budget over the KGB plan which had twice as much savings, and it was real, long-term savings.

The savings in the Rose Garden budget were greatly exaggerated. And we didn't get deficit reduction—in fact, we actually got a deficit increase of $31 billion. The projected deficit in that plan was $181 billion for 1985, but the actual deficit for 1985 was $212 billion. That is what precipitated the Gramm-Rudman law. If it were not for that law, and the shotgun it keeps behind the door, I probably would not be supporting this budget.

If there is one lesson we hopefully have learned from the 1984 Rose Garden budget, it's that a single year of neglect can be a dangerous thing. Hopefully, we are not making another $31 billion mistake in passing this budget. If we do, it would most likely mean a large tax increase, inflating the Gramm-Rudman targets, or both for 1991 and beyond. And in that environment, I am wondering why we are putting another $3.6 billion wedge into 1991 for discretionary spending, which will only compound the difficulty in those out years.

Some skeptics might call this budget Rose Garden II. Yes, the savings might be greatly exaggerated, as they usually are. But the difference between Rose Garden I and this budget is there was no Gramm-Rudman shotgun behind the door in 1984. If the savings are exaggerated, we will be facing a sequester later this year. If so, the tough choices we avoided in this budget will surely be back on the table.

In passing this agreement, Mr. President, I hope it is not lost on this body and this administration that our job next year will be enormously difficult. We are not out of the woods, yet. In fact, we are lost in the woods. And to get out is going to take some dramatic changes in our course.

Mr. JEFFORDS. Mr. President, I rise in reluctant support for the fiscal year 1990 budget resolution. We have done the minimum required to get by and avoid the Gramm-Rudman-Hollings sequester, but we have missed an opportunity to exert strong leadership on the No. 1 problem facing the country today.

Despite this missed opportunity, there is more cause for optimism this year than in any of the recent budget debates. Congress and the Bush administration have started off on a positive note. The partisan bickering that has characterized the budget debates of the 1980's has been avoided. Congress and the administration have agreed that certain priority programs need increased Federal commitments. More importantly, Congress and the administration have agreed to keep negotating on future budgets.

It is important that Congress and the American people recognize this agreement for what it is. It is merely a tentative step on a long path. The tough choices remain ahead.

It is my hope that this budget agreement signals a new, productive relationship between the President and the Congress when it comes to the budget. However, as I have learned from many years in Congress, old habits die hard. One old habit that is alive and well in this budget is rosy scenario.

The first thing one notices when reviewing this budget is the $20 billion reduction in the Congressional Budget Office deficit projection due to an "adjustment for estimating differences." Almost $10 billion of this discrepancy is due to interest rate projections. Short-term interest rates that are currently running slightly more than 9 percent are expected to drop to an average of 5.5 percent in fiscal year 1990.

We all know this is unrealistic. The Federal Reserve Board has offered no hints that a loosening of monetary policy is forthcoming. Ironically, a meaningful deficit reduction plan could have exerted downward pressure on interest rates, but this budget is likely to discourage a drop in interest rates.

As I reviewed the budget agreement, I struggled to find substantive spending cuts. There are a few. Defense outlays would be reduced $4.2 billion below the level needed to meet inflation. Medicare spending would be reduced $2.7 below where it would have been without changes in law. However, a significant part of this Medicare savings is achieved merely by extending expiring provisions.

Agriculture would be required to contribute $1.9 billion, but asset sales could be used to meet much of these savings. And we continue the practice of cutting agriculture by spending money this year instead of next, thereby adding to the 1989 deficit instead of the 1990 deficit.

Consistent with past practice, we would achieve $500 million in new revenues from "IRS compliance." Much of the remaining savings through the reconciliation process would be

achieved through the sale of loan portfolios and other assets, even though these were not allowed under the Gramm-Rudman-Hollings scoring system.

Domestic discretionary spending would be reduced by $300 million. Yet this savings would be more than offset by the estimated $400 million cost of the Federal pay raise for civil servants—not judges and Members of Congress.

FEDERAL BUDGET, 1980–90

[In billions of current dollars]

	Unified budget	Off-budget trust funds	Actual deficit
Fiscal year:			
1980	−73.8	−1.1	−72.7
1981	−78.9	−5.0	−73.9
1982	−127.9	−7.9	−120.0
1983	−207.8	+.2	−208.0
1984	−185.3	+.3	−185.6
1985	−212.2	+9.4	−221.6
1986	−221.2	+16.7	−237.9
1987	−149.7	+19.6	−169.3
1988	−155.1	+38.8	−193.9
1989 estimate	[1] −166.0	+56.0	[1] −222.0
1990 (OMB)	[1] −99.4	+68.8	[1] −168.2
1990	[1] −120.0	+68.8	[1] −188.8

[1] The 1989 estimate assumes passage of the pending supplemental appropriations bill. The 1990 CBO estimate uses more realistic economic assumptions likely to be issued by the Congressional Budget Office [CBO] during the August midsession review.

As the above table indicates, the unified budget deficit has been reduced $55 billion between the 1986 peak and 1989, from $221 billion to $166 billion. The deficit will drop another $67 billion between 1989 and 1990, to $99.4 billion, if the OMB numbers are accurate. Even under the CBO estimate, the deficit will fall by over $45 billion, to $120 billion, between this year and next.

These deficit reduction figures would be impressive if they were not masking the true deficit problem. Trust fund revenues—Social Security, Medicare, aviation and highway—continue to accumulate unspent. These trust fund balances make the deficit look smaller on paper, yet by law the trust funds cannot be used for purposes other than they are intended. The true, on-budget deficit for this fiscal year could top $220 billion, the second highest on record and only $17 billion lower than the peak year, 1986, when the unified deficit was $221 billion and Congress became sufficiently concerned to pass Gramm-Rudman-Hollings.

I am concerned that the on-budget deficit has been creeping up even as we have taken credit for reducing the unified budget deficit. The on-budget deficit has increased by over $50 billion between 1987 and 1989.

The origin of this disturbing trend dates back to 1981, when Congress passed the Economic Recovery Tax Act. This legislation reduced the personal and corporate income taxes which provide over 90 percent of the Federal revenues used for all programs except those with dedicated trust funds.

In 1982 Congress authorized a 5-cent-per-gallon increase in the Federal gasoline tax, with revenues dedicated to highway programs. Soon thereafter, in 1983, the bipartisan Social Security rescue package increased payroll taxes.

The Deficit Reduction Act of 1984, the Tax Reform Act of 1986, and several small revenue measures undid many of the excesses of the 1981 tax cut. However, the net effect of the tax changes of the 1980's has been an erosion in the funding base for the bulk of Government programs and a simultaneous increase in the funding base for programs with dedicated trust funds.

As Congress and the American people confront the deficit, we need an honest analysis of the true Federal budget program. I am concerned that the American people do not realize the true size of the deficit. We must be careful not to give the American people the impression that the deficit can be reduced painlessly, without spending cuts and without tax increases. To do so would be irresponsible, and I believe it would harm our efforts to make these tough choices later on.

I am encouraged that the Senate has approved the amendment by Senator HEINZ that would remove the Social Security trust fund from budget scoring under Gramm-Rudman-Hollings. This amendment would provide a strategy for continuing deficit reduction after 1993, when Gramm-Rudman-Hollings is scheduled to expire. This amendment forces Congress to be more honest with the American people about the true size of the on-budget deficit.

The whole purpose of the Social Security rescue package was to start building reserves to meet the future needs of an aging population. Removing the Social Security trust fund from the Gramm-Rudman-Hollings targets will remove all incentive to use the trust fund to make the deficit look smaller than it really is. It will help ensure that we build the reserves we need, instead of greatly increasing payroll taxes on future workers.

Congress and the American people must recognize that deficit spending is not free. Each year the price tag for interest on past borrowing grows. Interest on our national debt has grown from $52 billion in 1980 to $181 billion in 1990. That is $181 billion that cannot be spend on education and training for American competitiveness; cannot be spent on child care; cannot be spent to combat drugs; cannot be spend on any of the priority programs that most Senators agree are critical to meeting the future needs of our Nation. We must get deficit spending under control if we are to meet the needs of the future.

While I would have liked to have seen a stronger effort to cut the deficit this year, I will support the budget resolution before the Senate. It is, at least, a step toward a more rational budget process. However, I support this resolution with the knowledge that the tough choices remain ahead.

I hope Congress and the American people also recognize that reducing the deficit will not be painless. We must all be willing to give up something we like to help future generations meet the tough challenges ahead.

Mr. KERRY. Mr. President, I cannot in good conscience support this budget resolution. We are elected to make hard choices. This Budget Resolution does not present us with hard choices. This is not real deficit reduction.

The resolution does not address the Federal budget problem seriously. It is based on fraudulent economic assumptions. It shifts programs off-budget and from one fiscal year to another. It relies to asset sales when asset sales included in resolutions in the past never happened.

This is a minimalist agreement and recognized as such by its supporters. However, in my opinion, it simply does not go far enough in reducing the Federal budget deficit to warrant support. The fundamental failing of this resolution and the agreement upon which it is based is a lack of leadership from the White House.

The very fact of an agreement between the White House and the Congress this early in the budget process is a significant improvement over the relationship between the two branches in the past 8 years. I welcome this development. But this agreement does not achieve the goals it pretends to or the goals it should achieve.

To solve the deficit problem, and to make read progress on major challenges facing our Nation, we need strong leadership from the Executive. Unfortunately, this agreement does not reflect such leadership. The President has one goal in negotiating this agreement: to avoid breaking this "read my lips" promise during the first year of his Presidency.

We had a moment where we could have made real progress in cutting the Federal budget deficit. In these first 6 months of the Bush Presidency, we could have struck a deal that reduced the deficit to meet the Gramm-Rudman-Hollings targets for fiscal years 1990, 1991, and 1992. We have lost that moment, that opportunity.

I would like to commend the leader and the chairman of the Budget Committee for their work on this resolution.

Given the constraints imposed on the negotiations by the White House,

they developed a budget which reflects important national priorities.

I support these priorities and will continue to fight for them. In the resolution, funding is protected for investments in education, in science, in housing, in health care; for health and nutrition programs and for programs that assist in low-income families, our antidrug efforts and for child care; and for Federal programs so that Federal employees and retirees receive cost-of-living raises and so State and local governments receive the resources they depend upon.

But even with funding for many of our most important domestic programs held harmless or increased slightly in the resolution, we still have many unmet needs. We need to increase funding for teacher training, for Head Start, for environmental protection, for the Nation's infrastructure, for the construction of new prisons and for antidrug education and rehabilitation, to name but a few of our important needs. We cannot begin to address these needs, and others, until we get the deficit back on its downward path.

I understand that negotiations with the White House are expected to begin again soon. But, the promise of more negotiations is not enough of a reason for me to vote for this resolution. The White House must deal honestly with the American people.

The American people deserve honesty from the White House, an honest budget with honest choices. They do not deserve an agreement that calls the sale of Federal assets an increase in revenues, that claims to reduce spending in agriculture programs but merely shifts farm deficiency programs from next fiscal year to this year. These actions reduce the deficit on paper, but they do not address the underlying causes of the deficit. They are one-time only measures that may, in fact, increase the deficit in the future.

The American people do not deserve a budget in which the White House claims a tax cut will result in increased revenues. The Reagan White House made that promise when it cut taxes in 1981. Instead, revenues fell and our deficits began to soar.

Two weeks ago, the Senate passed a major bailout of the savings and loan industry at great cost to the American taxpayer. But, at the insistence of the administration, the full cost of the legislation was hidden from the public by creating a special off-budget account. This is yet another budgeting sham. We must begin to deal with our fiscal problems honestly and directly.

Honesty in budgeting, however, is not the only reason I oppose this resolution. The lack of leadership from the White House troubles me even more. I cannot in good conscience vote for a budget resolution based on the bipartisan agreement, because I do not believe the White House negotiated in good faith.

It is difficult to forecast economic performance, revenues, and Federal spending. Economists inside and outside of government have honest disagreements about future interest rates, GNP growth, employment patterns. But there is an important distinction to be made between estimating errors and optimistic economic forecasts to reduce the size of the deficit projections to minimize the size of the necessary deficit reduction.

Mr. President, I supported Gramm-Rudman-Hollings in 1985. I supported its rationale then and I continue to do so. The act is intended to force the Congress and the White House to reduce the deficit with the threat of an across-the-board sequestration if we do not do our job.

Gramm-Rudman-Hollings is by no means perfect but it did result in some improvement in our fiscal picture. The Federal budget deficit fell from $221.2 billion in fiscal year 1986 to $149.7 billion in fiscal year 1987. But this improvement has stopped. The deficit increased last year and could well increase again this year despite the rosy outlook projected in this resolution. We have to make a commitment to reverse this trend.

We should use the threat of sequestration to force the administration to renegotiate a meaningful deficit reduction package. Under the current agreement, the fiscal year 1990 target of $100 billion will not be met. It will not be met, however, by design. The budget agreement upon which the resolution is based was designed to circumvent the target.

Budget resolutions establish guidelines for spending priorities and revenues. Budget resolutions do not specify where the Appropriations Committee or the authorizing committees find savings or where the Finance Committee finds additional revenues.

There is a potential problem with the revenue target in the resolution. The Bush administration assumes the revenue target will be met with a cut in the capital gains rate. We all know what happened in 1981 when President Reagan pushed through cuts in tax rates with the promise of economic prosperity and increased revenues. This miscalculation was one of the causes of the mess we're in right now.

The national debt, which we all know has almost tripled since 1980, may be the most important legacy of the Reagan administration. With this cloud of debt hanging over our heads, our ability to invest in the policies neccessary to increase our position in the world economy, to deal with the problems of the homeless and the hungry, is severely constrained. We now spend more on net interest on that debt than we do on Medicare, more than on education, housing, agriculture, the environment, transportation, space and science combined. In fiscal year 1980, the Federal Government spent $52.5 billion on interest; in this resolution the net interest payments are projected to be $168.8 billion.

President Bush traveled the country last year promising that, if elected, he would be the education President, the environmental President, the kinder and gentler President. However, in his first budget he fails to deliver on these important promises he made to the American people. Instead of taking on these challenges, instead of confronting the fiscal problems head on, the President has chosen to recite campaign rhetoric.

I am very disappointed with this budget resolution; I am very disappointed with President Bush. I will not support this resolution and hope that we soon see an honest budget that addresses the problems the Nation faces come down from the White House.

Mr. DECONCINI. Mr. President I rise in support of Senate Concurrent Resolution 30, the fiscal year 1990 budget resolution. I am supporting it not because I think it is sufficient to reduce our deficits, but because I think it is the best we can achieve.

We have heard arguments on the floor that this is not an honest budget—and that is true. But then we haven't had an honest budget for the past 8 years. This time, at least, we are admitting it is not honest and, through the Exon amendment, are making a commitment to seek truth in future budgeting.

The chairman of the Senate Budget Committee deserves our commendation not our condemnation for reaching an agreement with the ranking Republican on the committee and with the Republican administration. It seems to this Senator, that reaching a budget agreement through compromise, accord, and early in the legislative process, is far superior to our past history of seeking a budget resolution through partisan wrangling at the zero hour. The final result, while imperfect, is something we can live with.

Let me discuss a few of the specifics of this budget resolution. It includes a level for defense that is reasonable and that meets our security needs but which may require the reshuffling of some of Secretary Cheney's priorities. I plan to play a role in setting those priorities through my seat on the Defense Appropriations Subcommittee. I believe that the defense totals are sufficient to insure our security, while recognizing the need for the Defense Department to share in the pain of budget reductions.

On the domestic side, this budget resolution includes small increases or at least level funding for important

programs such as WIC, education, community development, homeless programs and aviation safety. Domestic discretionary programs such as these have suffered tremendously over the last 8 years. Housing programs were cut by 81 percent during the 8 years of the last administration. And those cuts can be translated into the escalating numbers of homeless on the streets of our cities. This budget resolution includes sufficient dollars to fully fund the McKinney Homeless Act and $1.1 billion in budget authority for the renewal of expiring subsidized housing contracts. Without those renewal funds, the stock of low-income housing would be further depleted and many more Americans would be forced into the streets.

Mr. President, I am especially committed to funding for two programs, the Anti-Drug Abuse Act of 1988 and the Supplemental Feeding Program for Women, Infants, and Children [WIC]. I was delighted to see that Chairman SASSER and his Budget Committee colleagues clearly share my commitment to phased-in, full funding for WIC. WIC is a extremely cost-effective approach to reducing infant mortality and improving the health of children in their earliest years by providing low-income pregnant women and their children with adequate nutrition. The additional $150 million provided for in this budget resolution will serve another 270,000 poor women and children. If the full amount is appropriated, we will, for the first time, be able to serve over half of those eligible for WIC.

Last year, 61 Senators joined me in a letter to Chairman BURDICK urging the Agriculture, Rural Development, and Related Agencies Subcommittee to appropriate the full amount included in the conference agreement on the fiscal year 1989 budget resolution—$150 million over the current services level. Unfortunately, we were not as successful as I would have liked. In the end, I had to resort to a floor amendment just to secure $53 million, barely one-third of the amount assumed in the budget resolution. I hope that this year we can do much better. I intend to make every effort to ensure that the Agriculture Appropriations Subcommittee includes the full $150 million in their appropriations bill this year.

My biggest initial concern in reviewing the budget resolution and the bipartisan budget agreement was to determine if there were sufficient funds to fund the 1988 Anti-Drug Abuse Act. While rhetoric on the drug problem in this country flows freely, the money has not been as forthcoming. In that regard, I was disappointed that the Bush administration did not request additional funds in the fiscal year 1989 supplemental appropriations bill, and I will be seeking to rectify that oversight.

With regard to the fiscal year 1990 budget resolution, I have been given assurances by the chairman of the Budget Committee that there are sufficient funds to beef up the DEA, the FBI, and the Bureau of Prisons in our antidrug efforts. State and local drug enforcement grants, which the Reagan administration sought to eliminate, have been funded at last year's level. And importantly, drug education will be funded at its highest levels ever. Drug education, as I have often stated, is the only long-term solution to this cancer on the body of America.

On the other hand, I am concerned that the budget resolution may indicate a lack of commitment to the Nation's primary interdiction area—the Southwest border. The Southwest border is now the No. 1 trafficking and distribution point for illegal narcotics coming into the United States. Additional Federal assistance is critically needed and I will work within the Appropriations Committee to see that these priorities are met. Likewise while funding levels for the Customs Service for asset acquisition and the INS for staffing levels for the Border Patrol are insufficient, I am optimistic that I will be able to find the funds within the confines of this budget resolution to remedy these problems.

Many of us struggled with the issue of phony budget numbers when considering how to vote on the budget resolution. Frankly, if anything would have caused me to oppose this resolution, it would have been the phony numbers. The Gramm-Rudman law gives the power to determine final deficit figures to the administration, and the OMB figures they use are cockeyed. My original misgivings about the Gramm-Rudman-Hollings law have come true. As Senator EXON said yesterday on the floor the Gramm-Rudman law works to reduce deficit projections rather than deficits themselves. The result is phony numbers, accounting gimmicks and deceit, not fiscal responsibility.

Unfortunately, I believe we have no choice but to go along with the OMB figures this year. I cosponsored the Exon amendment which urges the budget negotiators for next year to use honest CBO figures. I was disappointed that the final vote on Senator EXON's amendment came down along party lines—honesty in budgeting should not be a partisan issue.

I will vote for final adoption of this budget resolution. In important areas such as drug interdiction, education, and treatment, the resolution includes crucial increases. It also shares the pain in both domestic and defense spending. And while I might make some different choices for budget priorities, the chairman, the ranking Republican, and the Bush administration have done a good job of balancing needs in reaching this bipartisan agreement. I urge my colleagues to join in a strong vote of bipartisan support for the budget resolution.

Mr. LAUTENBERG. Mr. President, I am supporting the committee's budget resolution, but I do so with real reservations. The resolution is a small first step. It represents a compromise between two branches of government—and two polical parties—with different constituencies, different priorities, and different views of the world.

Like any good compromise, it leaves all sides at least a little dissatisfied. I for one would never draft a budget like this if it were up to me. But no one person dictates the budget of the United States. Not the President. Not the majority leader. Not the Speaker of the House or the chairman of the Budget Committee.

It has to be a collective decision.

Collective decisionmaking is not easy. It is tough to reconcile conflicting priorities and different views of the world. But, to a large extent, that is what we are sent to Washington to do. In that spirit, the leadership of the Congress and the administration have spent many long, hard days trying to reach an agreement that both sides could live with.

They have acccomplished that. And they deserve credit for that accomplishment. It shows that Congress and the executive branch can sit down together, work cooperatively, and find common ground.

The budget summit agreement should avoid a sequester. It should let the appropriations process move forward. And it should help avoid the gridlock between the President and the Congress that has led to disorder, 11th hour legislating, stopgap funding bills, and enormous continuing resolutions.

The agreement also provides funding for a variety of important initiatives. Budget authority for domestic discretionary spending would increase to $157.5 billion, a 10.3-percent rise above the fiscal year 1989 level of $142.8 billion. This is sufficent to make additional investments in education, environmental protection, antidrug efforts, housing, and other areas of vital need. In addition, the agreement's proposed increase in defense spending is held at a lower level than past increases.

But having said all that, the substance of the compromise, in my view, still leaves much to be desired. First of all, it simply does not achieve significant enough deficit reduction. Rather, it delays tough choices, largely by relying on unrealistic economic assumptions and accounting mechanisms. Unfortunately, given the administration's steadfast refusal to face up to the true

dimension of the problem, it is probably the best we can do at this point.

The failure to achieve real deficit reduction is a fundamental flaw. But I am also concerned about the priorities embodied in the agreement.

Mr. President, the world is changing. And the United States has got to change along with it.

Today's world is one facing a new set of challenges, from increasing economic competition and an exploding drug epidemic, to a deteriorating environment and AIDS. At the same time, international tensions are on the decline.

The priorities embodied in this budget resolution simply do not respond to these changing realities. The budget does not make necessary investments in our Nation's future: in education, environmental protection, health care, AIDS research, science, housing, and the infrastructure. These kinds of investments are crucial not only to meet existing needs, but to meet the challenges of tomorrow.

The neglect of key domestic priorities only continues a pattern of disinvestment we have seen throughout the 1980's. Since 1980, real outlays for nondefense discretionary programs—including programs like education and scientific research so vital to our country's future—have been slashed by about 20 percent. As a share of GNP, discretionary outlays are now lower than they have been for at least a quarter century. There is a price that will be paid for the disinvestment of the 1980's, and it is going to be paid by our children and grandchildren well into the future.

While the budget fails to meet many of the new challenges facing our country, it also fails to adapt to the dramatically changing international environment. The past decade has seen a massive buildup at the Pentagon—defense spending has increased from under $134 billion in 1980 to over $298 billion this year. In real terms, that translates to an increase of 54 percent.

Military spending is now as high in real terms as it was in 1969, when the United States had more than 3.5 million people on active duty—compared to 2.1 million today—and when more than 500,000 troops were involved in the Vietnam war. Yet despite the vastly improved international environment, today we devote more than twice as much spending authority for defense as for all domestic discretionary programs combined.

At the height of the cold war, defense spending of this magnitude may have made sense. But it makes no sense today, particularly given the fraud and abuse permeating our defense procurement system.

Unfortunately, this budget resolution turns a blind eye to a changing world and continues the massive Pentagon spending of the past. It increases Pentagon spending authority yet again—to more than $300 billion for the first time in history.

Mr. President, I want to turn now to some particular concerns I have regarding the funding recommended for the development of our Nation's transportation infrastructure. A sound transportation system is essential to the future health of our economy and the safety of our citizens. Yet the funding proposed in this resolution would not meet the country's real needs.

The administration has asked for significant increases for particular transportation items, such as the Federal Aviation Administration and the Coast Guard. Many of these increases are needed to make our air transportation system safer, to reduce the flow of illegal drugs, and to prevent pollution of our waters. But the administration proposes to finance these increases by deep cuts in highways, mass transit, and Amtrak—cuts that the Congress has rejected before and which would be contrary to the interests of a balanced, multimodal national transportation system.

There is no practical way the President's proposed increases can be accommodated under the budget resolution's recommended funding level for Function 400 without drastic cuts in other important programs. Either FAA and the Coast Guard will not get the additional funding requested—or existing programs such as mass transit, Amtrak, highways, and essential air service face severe cuts. That, in this Senator's view, is an unacceptable choice.

So, in sum, Mr. President, this is a budget resolution that has serious flaws. It doesn't achieve significant deficit reduction. It fails to make needed investments in the Nation's future. And it fails to respond to the changing realities of a changing world.

But as serious as that indictment sounds—and it is serious—the hard, cold fact of the matter is that this is about as good an agreement as Congress and the President—together—can achieve. While I would have preferred a different resolution, any effort to change the basic outline of the summit agreement—however attractive that might be—would have doomed us to the kind of stalemate that characterized so many of the efforts in the last 8 years. That kind of stalemate might very well lead to a sequester—the deep cuts that would decimate essential programs.

The reality is that the American political system can only work if Congress and the administration work together. And at the moment, we have an administration unwilling to face up to the severity of the budget problem and the need to rethink national priorities.

I am hopeful that will change. And soon. But until it does, we have to make the best of the situation. That is what this budget agreement does. And that is why I am supporting it.

Mr. CRANSTON. Mr. President, we have before us today a budget resolution which embodies the bipartisan budget agreement reached with the administration. I congratulate the chairman and ranking member of the Budget Committee for translating the agreement into this resolution so quickly and thus moving the budget process along in such a timely fashion.

Mr. President, I will support the budget resolution and join the majority leader and the committee chairman in defending it against amendments that violate the leadership agreement. I will not claim that the budget agreement is the greatest budget measure we've ever seen. I like every Member of this body, can find fault with it. There are functions within the budget that I think are not adequately funded. I would not necessarily make the same divisions between defense, domestic and international spending that the negotiations reached. Quite frankly, I would still rather see more money spent on the pressing needs we have in this country for better housing, health care for veterans, the needs of children and education, finding a cure for AIDS, protecting the environment and a host of other domestic needs, than on military expenditures that seem excessive in view of developments in the Soviet Union and elsewhere in the Communist world.

I also would like to see greater deficit reduction. The deficit is hanging like a dark shadow over all of our hopes and aspirations for building a better America. Until we make significant progress in reducing the deficit that was created during the last administration, there are many, many pressing national needs that will go unmet.

But, quite frankly, I share the view that this budget agreement for fiscal year 1990 is as good a deal as could be achieved, given the constraints on the negotiations imposed by the White House. And I do believe that it can provide a foundation for significant deficit reduction negotiations around the fiscal year 1991 budget.

Mr. President, the budget agreement established broad category caps for national defense, international affairs and domestic discretionary. National defense budget authority would be set at $305.5 billion and outlays at $299.2; international affairs budget authority at $19 billion and $17 billion in outlays; and domestic discretionary budget authority at $157.5 billion and outlays at $181.3 billion. A central element in the budget agreement was an agreement that there would be no transfers between these functions.

Any amendment which is offered which would transfer funds from any one of these areas to another would jeopardize the agreement. Therefore, I will join the majority leader and the committee chairman in opposing all such amendments, regardless of their merits.

Mr. President, I think it is important that we consider the consequences of failing to achieve a budget agreement—even one which has the shortcomings clearly present in the pending agreement. Without reaching the Gramm-Rudman target of $100 billion, we would be faced with drastic across-the-board cuts that would devastate many important domestic programs. We would also send a terrible message to the financial markets and the American people that we weren't able to rise to the occasion and reach a bipartisan agreement. Fortunately, we weren't forced this year to reach an agreement because of a stock market crash or some other outside catastrophy.

Mr. President, I do think that the budget allows for more than adequate national defense expenditures without adding billions to the defense budget and the national debt. In the long run, I am very hopeful that the changes being made in the Soviet Union by Gorbachev coud lead to mutual arms reductions that will allow us to reduce defense spending dramatically. The budget agreement also allows—for the first time in nearly a decade, for some growth in domestic discretionary spending—an area which has borne the brunt of spending cuts during the Reagan administration. Clearly, this budget resolution leaves many important needs still unmet, but at least we have made an effort to begin reprioritizing our spending and to begin to address some of the pressing national problems.

Mr. President, politics is by its very nature the art of compromise. This budget resolution is a compromise put together within severe constraints on available options. It is, nevertheless, a compromise that allows us to move ahead in the directions needed both to bring about the needed deficit reductin and meet the needs of our Nation.

Mr. REID. Mr. President, for the first time in nearly a decade, the President and Congress have reached agreement on a budget before the beginning of the new fiscal year. While this budget is far from perfect, this early agreement establishes an atmosphere of bipartisan compromise which I hope can be converted into even greater budget deficit reduction in the months to come. The first test of this new atmosphere of compromise is the passage of this budget resolution. If the Congress can adopt the deficit reductions embodied in this budget resolution quickly and without straying too far from the bipartisan budget agreement, then the Appropriations Committees can begin to scrutinize the spending programs before us in detail.

Mr. President, as a member of that committee, I intend to take a sharp knife to unnecessary spending. Also, establishing an atmosphere of trust and cooperation between the White House and the Congress can lead to further gains in deficit reduction in the negotiations on the fiscal year 1991 budget. In such an atmosphere, I believe we can realize significant deficit reduction in this and future years.

Mr. DODD. Mr. President, I rise in support of the budget resolution for fiscal year 1990.

First, let me commend the chairman of the committee, Senator SASSER, and the ranking member, Senator DOMENICI, for their hard work and leadership in developing this budget resolution.

I support this resolution because I believe that it represents a genuinely meaningful first step toward resolving this country's fiscal crisis—a step that reduces the deficit, restrains spending, and sends a positive signal to the financial markets. The resolution also begins the process of redirecting our resources toward investments in America's future.

Does the resolution go far enough in achieving savings and reducing the deficit? No. Is it the resolution that I would have written? No.

Everyone admits that the resolution is not perfect. However, it does contain a significant amount of real deficit reduction, and, in my view, given all of our fiscal constraints, places highest priority on investments in America's future—the health, education, and welfare of America's children.

Mr. President, a budget resolution is a reflection of priorities for our country; it is not an accounting document. As such, it should reflect the importance of investing in America's future.

During the Budget Committee markup of the budget resolution, I offered what I called a "children's budget initiative." This initiative proposed increased funding for critical programs which invest in our Nation's children, including quality child care, Head Start, Medicaid, childhood immunization, maternal and child health, community health centers, and women, infants, and children nutritional supplements.

I am especially pleased that this budget resolution, which restrains the growth of discretionary domestic spending, still allows for increased funding for all of these programs and thereby allows for the critical investments that the Congress and the administration acknowledge must be made.

For example, the resolution addresses our Nation's growing child care crisis by specifically assuming funding in Function 500 for new initiatives for quality, affordable child care for working parents.

As more and more parents join the work force, it is becoming increasingly difficult, if not impossible, for them to find or afford safe and decent care for their children. As a result, far too many children, especially low income and disadvantaged children, are left alone or in unsafe, inadequate care—care that jeopardizes their early development, and in some cases, their very survival.

In an April 1989 Harris poll on the subject, only 8 percent of American parents were able to say that the Nation's child care system works well for them. Only half said that they are satisfied with the quality of child care they get, and even less than half said that they were satisfied with the cost and availability of care.

These hardly are powerful endorsements for the child care system as it exists today. Apparently, too many parents are putting up with barely tolerable child care arrangements.

Parents and employers in my State confirm what this and every other public opinion poll has revealed: that the overwhelming majority of Americans, parents and nonparents alike, want the Federal Government to take immediate action to ensure the availability of affordable and quality care for America's children.

Because all of the available evidence proves that providing a low-income child with the quality care he or she needs is a good investment of public dollars, leaders in the business, academic and political communities have united in support of legislation to address the need for child care.

The budget resolution recognizes the overwhelming need and support for comprehensive child care legislation. Despite severe budgetary constraints, the resolution specifically provides additional discretionary funding to be devoted for child care services.

My trusted friend and colleague, Chairman SASSER, understands the frustrations of today's working parents. That is why he has worked especially hard to see that effective child care legislation becomes a reality for working parents and to assure that funding is available once it is passed. I am grateful for his understanding and for his efforts.

I think we all realize that we live in a time of limited Federal resources and that funding for new initiatives is scarce. However, quality, affordable child care is a critically important program urgently needed by America's children, families, and employers.

The longer we wait, the more children we will lose.

Mr. President, I support the fiscal year 1990 budget resolution. I encourage my colleagues to support it as well.

29-059 O-90-39 (Pt. 6)

THE BUDGET, DEFICIT REDUCTION, AND SUPPLEMENTAL APPROPRIATIONS

Mr. WALLOP. Mr. President, while the Senate is debating the fiscal year 1990 budget resolution, a crafty attempt to continue the illusion that we are making progress toward reducing the deficit, the House of Representatives is trying to pass supplemental funding for fiscal year 1989 which seriously erodes last year's meager progress toward deficit reduction. We are supposedly still on a course to a balanced budget by 1993, but these recent events raise questions about our staying power. What concerns me today is that as long as the Senate is willing to waive section 311A of the Budget Act, we can enact appropriations and supplemental appropriations which exceed the budget resolution and the deficit reduction target.

The Congress has been notoriously reluctant to curtail spending. We love supplementals. Unfortunately, they could be the means for avoiding the Gramm-Rudman deficit reduction targets and the mandated sequester. And, if we fail to meet our goals, we will be pressured into accepting a tax increase. I have several questions for my friend from New Mexico, the ranking Republican on the Budget Committee regarding the issue of deficit reduction and supplemental appropriations. The ultimate answer to the questions I ask today is that we will have to exercise eternal vigilance if we are to achieve a balanced budget.

For fiscal year 1989, what is the current level of Federal spending in relation to the fiscal year 1989 Gramm-Rudman deficit target of $136 billion?

Mr. DOMENICI. According to CBO, the fiscal year 1989 deficit estimate is $159 billion, $23 billion over the Gramm-Rudman deficit target.

Mr. WALLOP. What is the impact of the current supplemental request by the administration, which is bogged down in the House of Representatives, on the Gramm-Rudman requirements for fiscal year 1989?

Mr. DOMENICI. The administration's supplemental request basically offsets all new discretionary spending with an across-the-board cut. It would add about $2 billion in budget authority and $0.4 billion in outlays to fund requirements in entitlement programs, which is not offset.

The House supplemental bill, which does not contain any offsets, would add $5 billion in budget authority and $1.8 billion in outlays.

Mr. WALLOP. If the Senate is faced with a supplemental appropriations bill which is over the $136 billion target for fiscal year 1989, will the appropriation bill be in violation of the Budget Act and therefore out of order?

If the supplemental is in excess of the $10 billion reserve for fiscal year 1989, does this change the parliamentary situation?

Mr. DOMENICI. If the maximum deficit amount [MDA] of $136 billion is exceeded, a point of order would lie against the bill under section 311 of the Budget Act. The $10 billion cushion does not apply in this situation. Note that since the levels of budget authority and outlays under the fiscal year 1989 budget resolution are already exceeded, any bill which is not deficit-neutral would be subject to a 311 point of order.

Mr. WALLOP. If the supplemental is above the $146 billion maximum deficit level for fiscal year 1989, is there any authorization for a sequester?

Mr. DOMENICI. Since the deficit estimate was below $146 billion on October 15, the only date on which a sequester can be implemented, a sequester was avoided for the rest of fiscal year 1989. It does not matter how much the deficit is increased due to more spending or economic changes during the rest of the year.

Mr. WALLOP. If we can avoid a sequester by reserving excess spending in a fiscal year until the supplemental process, what discipline remains for meeting the Gramm-Rudman targets?

Mr. DOMENICI. There is no question that the opportunity to enact new spending after the sequester date diminishes the discipline imposed by Gramm-Rudman-Hollings. We do, however, have the enforcement powers established by the Congressional Budget Act. These include points of order under section 311 against legislation that would provide spending in excess of the maximum deficit amount and the budget resolution. To consider a supplemental bill that is not deficit-neutral, at least 60 Senators would have to affirmatively vote to waive section 311 of the Budget Act.0

Mr. GORTON. Mr. President, in the spirit of cooperation, the White House and Senate leaders of both parties have worked long and hard to arrive at the budget resolution before this Chamber today. While they must be applauded for their efforts, I believe that the resolution fails in its fundamental goal to keep us on track with the deficit reduction schedule agreed to by this body in the Gramm-Rudman-Hollings legislation.

The goal of balancing the budget seems to have moved farther away. We must be willing to squarely address the difficult issues presented by formulating a realistic budget proposal. Unless we begin now, our deficit reduction goals will be even more difficult to attain in subsequent years. Balancing the budget will remain only a dream.

My decision to vote against the budget proposal was difficult indeed. But as we all know, where the budget is concerned, there are no easy decisions. Thank you.

Mr. LEAHY. Mr. President, I intend to vote for final adoption of the budget resolution tonight, although I do so with my eyes wide open about what this resolution does and does not do.

In short, the priorities in this budget are right, but the numbers on which they are based are wrong.

Specifically, I am concerned, as I have been in the past, that we are basing our budget assumptions on overly optimistic economic projections of the Office of Management and Budget [OMB], rather than the nonpartisan Congressional Budget Office [CBO]. I fear that by relying on such a rosy economic forecast, we may be understating the true size of the budget deficit and once again avoiding steps needed to tame the deficit monster that we have been feeding for the past 8 years.

For this I do not fault the Budget Committee. In fact, I applaud Senators SASSER and DOMENICI and their staff for putting together as good a package as was possible with the hand they were dealt. Given President Bush's insistence that revenues were off the table during negotiations, the chances for what was called a grand compromise on significant deficit reduction were nearly impossible.

But we should not have to rely on suspect economic forecasts and budgetary legerdemain to meet the Gramm-Rudman-Hollings deficit reduction targets. It is for this reason that I supported Senator EXON's amendment to require CBO economic and technical assumptions be used in calculating the deficit in the future. In addition, I voted for the amendment offered by Senator KOHL that called for the Senate to recommit the entire budget package with instructions to our negotiators to use CBO rather than OMB numbers in calculating the deficit. This is what I call the truth-in-budgeting amendment.

I said at the outset that I do believe the priorities contained in this budget are right. I am pleased that the 8-year assault on many domestic Federal programs is being reversed, and that this resolution contains adequate funding for many important Federal programs.

Since the early eighties, essential Federal resources for our public schools was cut 63 percent and affordable housing assistance was slashed by 81 percent. We now only spend 1.5 percent of the entire Federal budget on the protection of our resources and environment. These sacrifices were made all the while our defense budget soared.

I commend the efforts of the Budget Committee for having brought the bloated defense budget under some control.

Our Nation's needy are suffering the effects insufficient funding of job training programs, nutrition programs, and housing assistance programs while fat cat defense contractors collected big Government checks. That is why I did support the amendment offered by Senator SIMON to transfer $3 billion from the defense budget to the budget for education to further shift our priorities to address the educational needs of our children.

Mr. President, I am glad to see that the Budget Committee has assumed funding of $300 million in budget authority and more than $100 million in outlays for a new initiative in the area of rural development. Rural revitalization is a top priority of the Agriculture Committee and the Senate leadership.

The resolution also assumes increased funding for the Women, Infants and Children [WIC] feeding program of $150 million. This reflects the strong bipartisan support for expanding the WIC program to meet the nutrition needs of one of the most vulnerable segments of our society. In addition to WIC, all other child nutrition programs—school lunch and breakfast and summer feeding programs—will be reauthorized this year. I urge the Senate conferees on this resolution to work with their House counterparts to assure additional funding for these vital programs as well.

I would like to comment on press accounts regarding the agricultural portion of this budget. Many of those reports suggest that the spending reduction for agriculture is nothing but smoke and mirrors. Let me set them straight. This is a tough budget for agriculture. Spending on commodity programs have already fallen by almost 50 percent in just 3 years. On top of that reduction, this budget resolution asks the Agriculture Committee to achieve a further $1.1 billion reduction in outlays.

Out of the $1.1 billion reconciled to the committee, cuts of $600 million in commodity programs are assumed. Because of the unique nature of farm programs, these cuts will have to be achieved from spending in fiscal year 1990 on the 1990 crops. This amounts to only $4.2 billion in fiscal year 1990. Thus, farm program reductions from available outlays will be in the neighborhood of 15 percent—hardly an inconsequential cut.

Mr. President, this budget resolution will not go down in the history books as historic. Nor will anyone call it courageous. But what I believe we can say is that it is a modest step in the right direction toward fiscal sanity.

Mr. ROTH. Mr. President, I would first like to congratulate the chairman and ranking member of the Budget Committee, Senators SASSER and DOMENICI, for their excellent work and bipartisan effort in putting this resolution together. While I do not agree with every aspect of this resolution, I applaud their efforts and the hard work they have put into this process. The President and his negotiators also deserve credit for initiating the budget talks which led to the bipartisan budget agreement.

Having said this, however, I have some serious reservations with this budget resolution. Despite the urgent need to reduce the budget deficit, this budget resolution does not do enough to reduce the growth in Federal spending.

While I advocate fiscal restraint, I would like to point out that I am aware of society's needs and believe that some areas of the Federal budget merit increases. I agree with the President's commitment to education, drug enforcement, and child care proposals. These programs are high priorities, but fiscal restraint in other areas should not be confused with a lack of concern for the real needs of our Nation.

However, I believe this budget does not do enough in setting priorities. A close look reveals the scant savings to be gleaned from this resolution. Congress will be asked to consider legislation implementing this agreement to "save" $20 billion. What comprises this $20 billion?

Tax changes will bring in $5.3 billion in new revenues. Asset sales will bring in $5.7 billion in new funds and increased user fees will bring in an additional $1.5 billion. Placing the Postal Service and Farm Credit System's Financial Assistance Corporation off-budget, and stripping the Government guarantee for certain Veterans' Administration loans will "save" $2.7 billion. Extending current law for some Medicare and Federal employee retirement programs will save $2.5 billion.

Of the $20 billion package, $13 billion is new revenue and $2.7 is accounting changes. A full 75 percent of this package has nothing to do with the spending side of the Federal ledger. We are not cutting programs in a significant way.

I am adamant in support for lowering the deficit, but this budget resolution doesn't accomplish that goal. Every Member of the Congress and administration which negotiated the bipartisan budget agreement acknowledges that more must be done. But when? The time to reduce the deficit is now, but not with a budget resolution that provides increased spending of $30 billion next year and $70 billion the following year.

This budget resolution is not the way to meet the challenge we face. Unless something is done dramatically to change this agreement and reduce Federal spending, I can assure you the Congress will be back next year, seeking to extend the national debt to $3.5 trillion and beyond. Is this the direction we should take? I submit that it is not. We can fund priorities, but we must make choices.

Mr. GLENN. Mr. President, today we consider the plan for Federal spending beginning this October. It is the first Federal spending plan involving President Bush. The congressional budget committees and the President of the United States have negotiated and agreed to this proposal on the Federal budget. It is now before the full Senate.

Although I applaud the efforts of the negotiators, I am disappointed in the outcome. I do believe that each party in the negotiations acted in good faith. I know that the chairman, the banking member and the members of the Budget Committee have made every effort to reach an acceptable agreement. I want to express particular appreciation to my good friend JIM SASSER, chairman of the Senate Budget Committee, for working so tirelessly to bring order out of the nearly impossible task he was handed. I am pleased that an agreement even could be reached. Surely compromise should be made. Surely it is an accomplishment to have an agreement between the Congress and the President.

But, with the faulty economic assumptions the administration insisted on, the only reality I can see through the royal blue smoke and fun house mirrors in this resolution is that we have not yet come to grips with the deficit. We continue to procrastinate, putting off for another year any effort to seriously address this deficit impasse. We have a budget stalemate.

The economic assumptions underlying this resolution are unrealistic, thereby understating our actual deficit. This means that the $100 billion Gramm-Rudman deficit target, our fiscal 1990 goal, requires less deficit reduction than is actually needed.

After we underestimate the deficit, we compound our own duplicity by using gimmicks to achieve deficit reduction. Assets sales—we sold the garage to pay for this house several years ago, and now we are going to sell some of the rooms—over 5 billion dollars' worth. User fees—OMB Director Richard Darman in his confirmation hearings described the duck test on taxation. If looks like a duck and quacks like a duck, it is a duck. In this case it looks like a tax, it quacks like a tax, but it's a user fee—over $2 billion. Enhanced IRS compliance—we hire more IRS agents to collect previously uncollected taxes. Finally, because these tricks do not provide enough money, additional revenue is simply unspecified—over $5 billion.

Because revenue provides only half of the needed deficit reduction, the other half is provided by spending reductions. Not to be outdone by the revenue shell game, spending reductions are achieved with magic. Ac-

counting ploys speed payments into the current fiscal year, when we are immune from a Gramm-Rudman sequester. Furthermore, we take programs off budget and sometimes even eliminate liabilities altogether.

What it has come to is this. Gramm-Rudman-Hollings has pushed us into this kind of deception. Instead of reducing the deficit, we have created ever more complicated schemes to avoid taking the needed medicine. Instead of reducing the deficit, we conspire just to meet the Gramm-Rudman target. Perhaps we should repeal Gramm-Rudman—the deficit would remain but we would no longer need participate in this exercise.

This resolution offers one thing, an alternative to a sequester, the automatic across-the-board cuts which will devastate defense and domestic programs. We have fought long and hard to enact, support, and maintain Federal programs because we believe they are important to the well-being of the Nation. I will support this budget agreement because it means avoiding that sequester.

I support the efforts of Senators EXON, KOHL, and SANFORD and others to provide greater truth in our budget resolution. Let's clear away the obstructions to clearly see the deficit. Let's eliminate assumptions which are clearly in error.

I commend those who have tried to sound the alarm and have argued for greater deficit reduction. This year we put off the day of reckoning one more. Perhaps later this year or next year when the rhetoric of the Presidential campaign has subsided, we can reach an agreement that will truly reduce this deficit. Sooner or later the piper will be paid.

BUDGET MEDICINE

Mr. BIDEN. Mr. President, we should freeze the Federal budget. A freeze is the only way to reduce the deficit and ensure all Americans share the burden. In the past, I have offered and supported various budget freeze proposals. Today, I voted for the Hollings freeze amendment.

If a freeze had been enacted when I first proposed there would have been pain and sacrifice, but certainly less than will be required after these intervening years of fiscal neglect. We would now be in a position to better fund the worthwhile programs many of my colleagues have defended during the preceding debate including basic education, child care, Head Start, AIDS research, and initiatives to reverse global warming and stem the flow of drugs. All vital, and all underfunded and undermined during the last 8 years of selfish neglect and shortsighted priorities. This is the legacy of mismanagement left by the last administration.

Unlike any other strategy for attacking recurrent deficits, a freeze requires all Americans to share the burden. A freeze would have avoided the injustice of previous cuts directed only at the most vulnerable Americans. Every other budget reduction mechanism allows some interest groups to escape painful cutbacks leaving others to pay.

Even those who have spoken in favor of the budget compromise concede that strong deficit reduction medicine is still desperately needed. The problem is not solved. The surface is barely scratched. We should not postpone the painful cure of substantial cuts yet again hoping the need will disappear next year. We need strong budget medicine now—no matter how distasteful. And only a freeze ensures the burden will be equitably shared.

Although the freeze was not accepted and serious budget reduction will have to wait, the budget resolution passed today does set the stage for meaningful fiscal reform. The agreement has finally, after 9 years, made the President a partner in the budgeting process and provided some relief to those who have already sacrificed too much. These are steps forward—not enough—but at least in the right direction.

With the freeze having failed, I supported this agreement and will labor with the President and my colleagues to achieve more in subsequent budgets. Given the choice of a flawed agreement with Presidential participation or none at all—I voted for the final agreement choosing to see the process move forward.

Mr. LEVIN. Mr. President, I would have liked to support this budget resolution. I recognize the hard work that has gone into it on both sides of the aisle and on both sides of Pennsylvania Avenue. I recognize that bipartisan cooperation is essential if we are to seriously address the huge deficit facing the country. I applaud the efforts of everyone who helped to put this budget resolution together.

But in applauding their efforts, I cannot bring myself to applaud or endorse the product itself. I am still left with the abiding belief that every year that we put off serious and substantial deficit reduction, we dig ourselves and our children into a deeper hole. Putting off until tomorrow what we should do today is not a cost free exercise. It will cost us more in interest payments, more in spending cuts and more in revenue increases than it would if we took serious steps now.

This budget resolution, for all its good intentions, is based on unrealistic economic assumptions and includes too many examples of sleight of hand budgeting. For example, the resolution assumes that in 1990 interest rates will average 5.5 percent. I don't know of many people who view this estimate as credible. Yet this one and assumptions like it are relied on by this budget resolution to reduce the deficit by $9 billion. As for spending cuts, moving almost $1 billion in farm deficiency payments from 1990 into 1989 may help to make the numbers add up on paper this time around, but it is not a substitute for real spending restraint or long term savings.

In the book of Proverbs it is said that "a good man leaveth an inheritance to his children's children." Unfortunately, this budget resolution represents one more step down the road of leaving our children's children our unpaid bills.

Mr. SASSER. Mr. President, I rise, at the conclusion of this lengthy debate, to urge all of my colleagues, on both sides of the aisle, to join with the budget negotiators, to join with the leadership of both Houses of the Congress, to join with the President of the United States, in supporting this bipartisan budget resolution.

I ask your support because I believe quite sincerely that voting for this resolution is the only responsible course in this particular year, at this juncture in our history.

I ask your support knowing full well that there probably is not a Member in this body who can vote for this resolution with enthusiasm.

As Senators from both sides of the aisle have said over and over again in the last 3 days, this resolution does not solve the deficit crisis. It is, in many respects, only a prelude to the difficult decisions ahead.

But I would say to my colleagues that the debate we have had here constitutes one overriding question—if not this resolution, which resolution? If not this deficit reduction plan, which deficit reduction plan?

As the distinguished senior Senator from New Mexico and I have pointed out repeatedly throughout the course of this debate, no one has come to the floor of this body with a proposal for substantial raises in the income tax, or excise taxes or sin taxes. The truth is that we voted unanimously in sense-of-the-Senate resolutions to preclude taxes. On other issues regarding revenues, we have had a lot of rhetoric and posturing, but no serious proposals.

The same has been true of substantial cuts in programs. No one has come forth actively proposing substantial cuts in Medicare, in farm price supports, in funding for the environment, for education, for drug interdiction. No one has proposed deep cuts in defense.

The distinguished Senator from South Carolina indeed proposed a freeze. He did not specifically designate either his cuts or his revenues, and I suspect it was the better part of valor that he did not.

But when the various possible consequences of Senator HOLLINGS' freeze approach were laid out in vivid detail

and specificity, the proposal was overwhelmingly rejected.

Why was it rejected? It was rejected because there is no consensus in this body for either mounting taxes or deep cuts. There is, in fact, an absolute and categorical prohibition imposed by the President of the United States on virtually every dramatically effective approach to deficit reduction.

There will be no taxes. We will not tamper with Social Security. We will maintain the defense budget. We will have new initiatives in education, drug enforcement, the environment, and child care.

Now, that is the agenda for which the American people overwhelmingly cast their ballots last fall. If there is a fundamental contradiction among its various propositions—and I for one believe that there is a very fundamental contradiction indeed—if there is such a contradiction, only the President can provide the leadership necessary to resolve it.

In short, if there are to be taxes, the President must call for them. If there are to be deep cuts in domestic programs and entitlements, the President must explain to the American people why the vision he offered during the campaign cannot be realized.

Those are the practical facts out of which current political reality is composed.

And I would say again to my colleagues, we are dealing here with stubborn fact—with practical reality.

It is beguiling, to be sure, to contemplate radical deficit reduction that can balance the budget in one clean, surgical stroke. Those kinds of theoretical theatrics are also extraordinarily attractive to our friends in the press. But that single, dramatic flourish is not the stuff of which hard political decisions are made. And it is certainly not the stuff of which budget resolutions are made.

We are here today on a very real stage, confronting the very real differences that divide and engage us. And we confront those differences with a very real resolution based on a unique bipartisan agreement.

No one is attempting to claim that this is the final chapter in our efforts to reduce the Federal deficit. No single plan that we adopt this year will bring about a conclusive victory in the deficit battle.

But despite our frustration, we must acknowledge the facts. We are making progress. We are driving the deficit down by some $28 billion with the actions outlined by this resolution. As a percentage of gross national product, and in real dollars, the deficit will continue to decrease under this agreement.

In short, this resolution represents a beginning, a bipartisan beginning. It is, once again, the most we can achieve within the iron boundaries set out for us.

Mr. President, during this debate, Senator DOMENICI and I have attempted, against the prevailing weight of opinion, to focus some attention on the positive elements of this resolution. I will not try my colleagues' patience with another catalogue of what we have accomplished.

But in closing this debate, I cannot understate the importance of this crucial stage in the fiscal history of our Nation. This agreement represents the condition precedent to ultimate fiscal responsibility.

We have built into the bipartisan budget agreement a clause—section 13—that requires the negotiators from the administration, the House and the Senate to come to the table again as soon as possible. It is my very real hope that, when we reconvene, we can reach another bipartisan agreement, an agreement for which Senators from both sides of the aisle will be able to vote without the qualms and the skepticism that have encumbered this resolution.

But again, I must emphasize that hope is contingent upon what we do today. By acting favorably and forcefully on this resolution, we do three things that are absolutely necessary if we are to have more decisive action in the future.

First, we establish the principle of bipartisan, timely action on the budget, without a financial catastrophe to force us into action. We end the era of partisan paralysis.

Second, we alter the fiscal priorities that have left us with major domestic challenges in education, the environment, housing, and the war against drugs—challenges to which both the President and both parties in both the House and the Senate have demonstrated a deep strong commitment.

Third, we set out a clear definition of what remains to be done. This resolution makes sufficient progress with the deficit to permit us a realistic chance for more decisive action next year.

And Mr. President, we should make no mistake, taking more decisive action next year is not an option—it's a necessity.

The Gramm-Rudman-Hollings target for fiscal 1991 is $64 billion. That would be difficult to reach even if there were no unusual circumstances—even if there were no massive bailout of the thrift industry, if there were no enormous cleanup of our Federal nuclear facilities, if there were no demands for greater Government investment in child care, health care, and education.

In short, we still have that same combination of conflicting pressures that has created governmental paralysis throughout the 1980's—an enforced fiscal austerity coupled with unavoidable demands on the Treasury and growing needs among the American people.

To meet those conflicting demands is going to require that we build on the work we have done this year. It's going to require compromise. It is going to require concerted action. It is going to require a willingness on the part of all the differing parties to make some tough political choices.

Mr. President, some 4 months back, when President Bush gave his inauguration address outside the Capitol, he reached out a hand of cooperation to the Congress and to the leadership of my party.

Today, we have the opportunity to accept that offer of bipartisanship and good will. It is my hope that, by passing this resolution overwhelmingly, we will accept that offer, and that we will demonstrate the willingness of the Congress to work constructively with the executive branch.

In that spirit, we have pushed forward this year, but we have pushed forward within rigorous and unyielding boundaries.

I would say to my colleagues that next year and in the years ahead, there will be no room for inflexibility and intransigence. There will be no room for iron constraints and unconditional demands.

If negotiations are to be successful in the years ahead, the iron walls are going to have to come down. If we are to fulfill the promise of section 13 of our bipartisan agreement, we will have to come to the bargaining table without predisposition.

I believe we can do those things. I believe an opportunity exists for a meeting of the minds. I believe we have a genuine chance to set this country's fiscal house in order.

And I ask my colleagues this evening—give us that chance. Give us the opportunity, based on a solid year of bipartisan action, to get these deficits under control.

I urge you to vote for this resolution, and open a window of opportunity on this country's fiscal future.

Mr. President, I ask unanimous consent that three letters pertaining to this subject be printed in the RECORD at this point.

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

NATIONAL CONFERENCE OF STATE LEGISLATURES,
Washington, DC, May 1, 1989.

DEAR SENATOR: The National Conference of State Legislatures urges you to support passage of the FY 90 Senate Budget Resolution (Senate Concurrent Resolution 30) which is scheduled for floor action this week.

The resolution should have your support for several reasons. It achieves a modest amount of deficit reduction through a bipartisan agreement. It protects portions of

the budget that typically carry a disproportionate deficit reduction burden.

Specifically, domestic discretionary spending, the category that includes most state and local assistance, is treated reasonably. Over the past decade, federal funding of state and local assistance has fallen by one third both as a percent of GNP and of federal budget outlays. These reductions are comparatively disproportionate to other spending categories. (NCSL's federal deficit reduction policy has consistently asserted the need for proportionate reductions among spending categories, including domestic discretionary, but has opposed disproportionate reductions.)

Secondly, Senate Concurrent Resolution 30 does not harm programs that spend out slowly like a "hard freeze" would. A hard freeze on the outlay side, with obvious massive repercussions for budget authority, would be seriously detrimental to various education, environmental, law enforcement, research and health programs.

Thirdly, the resolution recognizes that the fiscal health of states has grown more precarious during the 1980s. Energy and agriculture-reliant states remain fiscally stressed. As the burden of providing mandated services grows, they cannot respond to severe reductions in federal assistance. Several other states, which have enjoyed economic well-being during this decade, are exhibiting increasing evidence of budgetary and revenue problems.

States continue to engage in funding new federal mandates, such as nursing home reform, the new Family Support Act and catastrophic health insurance. These mandates, coupled with noteworthy declines in federal funding for education, housing, sewage treatment, low-income energy assistance and other programs, and additional restrictions placed on utilization of tax-exempt financing, have left states hard-pressed to address unmet social and human service needs of our mutual constituents. The Senate budget resolution recognizes that significant cuts in state and local assistance at this time could have devastating consequences to beneficiaries, not just to state government as an institution.

I fully understand that the budgetary reduction in Senate Concurrent Resolution 30 are predicated on seemingly optimistic economic projections. Should these projections prove inaccurate, the Balanced Budget and Emergency Deficit Control Act will compel further action after Congress receives the August, 1989 OMB snapshot. In the meantime, passage of Senate Concurrent Resolution 30 allows the budget/appropriations process to move ahead in a expeditious fashion.

State legislators have made federal deficit reduction an NCSL priority, NCSL recognizes that achievement of further reduction, particularly continuing to hit Gramm-Rudman-Hollings targets in future years, will be difficult. The organization stands ready to work with you in addressing this major public policy challenge.

Thank you for your consideration.

SAMUEL B. NUNEZ, JR.,
Senate President Pro Tem, Louisiana, President, NCSL.

AMERICAN POSTAL WORKERS UNION, AFL-CIO,
Washington, DC, April 28, 1989.

Hon. JIM SASSER,
U.S. Senate, 363 Russell Office Building, Washington, DC.

DEAR SENATOR SASSER: In the next few days, the Senate will consider the Concurrent Resolution on the Budget for FY 1990. The resolution contains important assumptions affecting the Postal Service.

Changing the Postal Service to "off-budget" status is good budget policy. The Postal Service was moved off-budget after its creation by the Postal Reorganization Act of 1970 and remained there for good reason for many years. The Postal Service must be free once again of annual budget micromanagement by Congress and the Executive Branch if it is to operate in a business-like manner.

The budget agreement would also phase out indirect subsidies for retirement COLAs and survivor health benefits. while immediate deficit reduction of $1.8 billion (or $2.2 billion using the OMB baseline) will come from the accounting change of moving the Postal Service off-budget, real savings of over $300 million over the next five years will come from phasing out the indirect retirement COLA and survivor health subsidies.

This phase out of the indirect retirement subsidies, when enacted as part of the upcoming budget reconciliation legislation, will add to cumulative federal deficit reduction achieved from legislation passed in the last few years requiring the Postal Service to assume over $14 billion in costs that were previously paid by the Treasury. For your information, I have included a fact sheet providing a summary of these deficit reducing measures and their impact on the Postal Service's bottom line.

I urge you to support the Budget Resolution and its provisions to phase out the indirect retirement subsidies and to place the Postal Service in a special budget category where it can operate on a business cycle with appropriate Congressional oversight but free from any arbitrary and capricious effort to cut postal services for the purpose of masking federal deficit spending as was done in the 1987 Budget Summit agreement.

Sincerely,

MOE BILLER,
President.

AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, AFL-CIO,
Washington, DC, May 1, 1989.

Hon. BROCK ADAMS,
U.S. Senate, Washington, DC.

DEAR SENATOR ADAMS: On behalf of the 1.2 million members of the American Federation of State, County, and Municipal Employees (AFSCME), I urge you to support the bipartisan budget agreement for Fiscal Year 1990.

As state and local government and nonprofit agency employees, our members often experience first hand the negative effects of federal budget cuts. We believe the bipartisan resolution approved by the Budget Committee is a first step toward reducing the federal deficit in a realistic and humane manner.

While vital domestic programs have been protected in this budget, there will be reductions in some domestic programs, entitlements, and the defense budget. The resolution also requires $5.3 billion in "new revenue." While we believe substantially more revenue is needed to fund vital domestic programs and rebuild our crumbling public infrastructure, we accept the fact that the political will to raise revenue through corrections of inequities in the tax code is lacking this year.

It is important to note that the deficit reduction amounts are expected to meet the targets of Gramm-Rudman-Hollings without the harsh cuts in domestic problems that would have come with the automatic trigger or President Bush's budget proposal. While AFSCME supports the budget agreement as a first step toward deficit reduction, we oppose any type of freeze since it would negatively impact on necessary domestic programs which serve working Americans, children and low-income households.

Once again, we urge your support of the bipartisan budget agreement when it comes to the floor. Thank you for your consideration in this matter.

Sincerely,

GERALD W. MCENTEE,
International President.

Mr. MITCHELL. Mr. President, I now ask unanimous consent that the Senate proceed to the consideration of House Concurrent Resolution 106, the concurrent budget resolution.

Mr. SASSER. Mr. President, will the distinguished majority leader withhold for just a moment?

Mr. MITCHELL. Certainly.

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

The PRESIDENT pro tempore. The absence of a quorum having been suggested, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDENT pro tempore. Without objection, it is so ordered.

OMNIBUS CONGRESSIONAL BUDGET RESOLUTION FOR FISCAL YEARS 1990, 1991, AND 1992

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of House Concurrent Resolution 106, the concurrent budget resolution, just received from the House; that all after the resolving clause be stricken; that the text of Senate Concurrent Resolution 30, as amended, be inserted in lieu thereof; that the yeas and nays previously ordered on Senate Concurrent Resolution 30 be transferred to House Concurrent Resolution 106; and that without any intervening action, the Senate vote on House Concurrent Resolution 106.

The PRESIDENT pro tempore. Is there objection? The Chair hears none. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 106) setting forth the congressional budget for the United States Government for the fiscal years 1990, 1991, and 1992.

The PRESIDENT pro tempore. The question is on agreeing to the concurrent resolution (H. Con. Res. 106), as amended.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce the Senator from Texas [Mr. GRAMM] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 68, nays 31, as follows:

[Rollcall Vote No. 64 Leg.]

YEAS—68

Adams	Durenberger	McCain
Bentsen	Ford	Mikulski
Biden	Fowler	Mitchell
Bond	Glenn	Murkowski
Bradley	Gore	Nunn
Breaux	Graham	Packwood
Bumpers	Grassley	Pell
Burdick	Hatch	Pryor
Burns	Hatfield	Reid
Byrd	Heflin	Riegle
Chafee	Heinz	Rockefeller
Coats	Inouye	Rudman
Cochran	Jeffords	Sanford
Cohen	Kassebaum	Sarbanes
Cranston	Kasten	Sasser
D'Amato	Kennedy	Simon
Danforth	Lautenberg	Simpson
Daschle	Leahy	Specter
DeConcini	Lieberman	Stevens
Dixon	Lott	Thurmond
Dodd	Lugar	Wilson
Dole	Mack	Wirth
Domenici	Matsunaga	

NAYS—31

Armstrong	Helms	Moynihan
Baucus	Hollings	Nickles
Bingaman	Humphrey	Pressler
Boren	Johnston	Robb
Boschwitz	Kerrey	Roth
Bryan	Kerry	Shelby
Conrad	Kohl	Symms
Exon	Levin	Wallop
Garn	McClure	Warner
Gorton	McConnell	
Harkin	Metzenbaum	

NOT VOTING—1

Gramm

So the concurrent resolution (H. Con. Res. 106), as amended, was agreed to, as follows:

H. CON. RES. 106

Resolved, That the concurrent resolution from the House of Representatives (H. Con. Res. 106) entitled "Concurrent resolution setting forth the congressional budget for the United States Government for the fiscal years 1990, 1991, and 1992" do pass with the following amendment:

Strike out all after the resolving clause and insert:

That the Congress determines and declares that the concurrent resolution on the budget for fiscal year 1990 is established and the appropriate budgetary levels for fiscal years 1991 and 1992 are set forth.

MAXIMUM DEFICIT AMOUNTS

SEC. 2. The following levels and amounts in this section are set forth for purposes of determining, in accordance with section 301(i) of the Congressional Budget and Impoundment Control Act of 1974, as amended by the Balanced Budget and Emergency Deficit Control Act of 1985 and the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, whether the maximum deficit amount for a fiscal year has been exceeded, and as set forth in this concurrent resolution, shall be considered to be mathematically consistent with the other amounts and levels set forth in this concurrent resolution:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1990: $1,065,500,000,000.
Fiscal year 1991: $1,144,300,000,000.
Fiscal year 1992: $1,216,000,000,000.

(2) The appropriate levels of total budget authority are as follows:

Fiscal year 1990: $1,327,400,000,000.
Fiscal year 1991: $1,423,500,000,000.
Fiscal year 1992: $1,476,400,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1990: $1,164,900,000,000.
Fiscal year 1991: $1,234,300,000,000.
Fiscal year 1992: $1,281,700,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1990: $99,400,000,000.
Fiscal year 1991: $90,000,000,000.
Fiscal year 1992: $65,700,000,000.

DEBT INCREASE AS ONE MEASURE OF DEFICIT

SEC. 3. The amounts of the increase in the public debt subject to limitation are as follows:

Fiscal year 1990: $264,140,000,000.
Fiscal year 1991: $253,230,000,000.
Fiscal year 1992: $226,530,000,000.

DEFICIT LEVELS EXCLUDING TRUST FUND SURPLUSES

SEC. 4. (a)(1) The amounts of the surpluses of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1990: $67,540,000,000.
Fiscal year 1991: $78,130,000,000.
Fiscal year 1992: $89,330,000,000.

(2) The amounts of the deficits excluding the receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1990: $166,940,000,000.
Fiscal year 1991: $168,130,000,000.
Fiscal year 1992: $155,030,000,000.

(b) The amounts of the deficits excluding the receipts and disbursements of all Federal trust funds are as follows:

Fiscal year 1990: $239,440,000,000.
Fiscal year 1991: $239,730,000,000.
Fiscal year 1992: $225,030,000,000.

RECOMMENDED LEVELS AND AMOUNTS

SEC. 5. (a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1990: $775,800,000,000.
Fiscal year 1991: $832,000,000,000.
Fiscal year 1992: $833,000,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1990: $5,800,000,000.
Fiscal year 1991: $5,800,000,000.
Fiscal year 1992: $5,800,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1990: $70,100,000,000.
Fiscal year 1991: $75,100,000,000.
Fiscal year 1992: $80,200,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1990: $1,037,600,000,000.
Fiscal year 1991: $1,111,200,000,000.
Fiscal year 1992: $1,143,400,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1990: $942,740,000,000.
Fiscal year 1991: $1,000,130,000,000.
Fiscal year 1992: $1,038,030,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1990: $166,940,000,000.
Fiscal year 1991: $168,130,000,000.
Fiscal year 1992: $155,030,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1990: $3,122,540,000,000.
Fiscal year 1991: $3,375,770,000,000.
Fiscal year 1992: $3,602,300,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991, are as follows:

Fiscal year 1990:

(A) New direct loan obligations, $19,300,000,000.

(B) New primary loan guarantee commitments, $106,600,000,000.

(C) New secondary loan guarantee commitments, $93,200,000,000.

Fiscal year 1991:

(A) New direct loan obligations, $19,700,000,000.

(B) New primary loan guarantee commitments, $114,200,000,000.

(C) New secondary loan guarantee commitments, $97,100,000,000.

Fiscal year 1992:

(A) New direct loan obligations, $19,700,000,000.

(B) New primary loan guarantee commitments, $119,000,000,000.

(C) New secondary loan guarantee commitments, $100,900,000,000.

(b) The Congress hereby determines and declares that the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1990 through 1992 for each major functional category are:

(1) National Defense (050):

Fiscal year 1990:

(A) New budget authority, $305,500,000,000.

(B) Outlays, $299,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $317,800,000,000.

(B) Outlays, $311,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $330,500,000,000.

(B) Outlays, $322,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1990:

(A) New budget authority, $18,300,000,000.

(B) Outlays, $16,700,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $6,400,000,000.
(E) New secondary loan guarantee commitments, $200,000,000.
Fiscal year 1991:
(A) New budget authority, $18,600,000,000.
(B) Outlays, $16,700,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $6,700,000,000.
(E) New secondary loan guarantee commitments, $200,000,000.
Fiscal year 1992:
(A) New budget authority, $19,700,000,000.
(B) Outlays, $17,100,000,000.
(C) New direct loan obligations, $2,200,000,000.
(D) New primary loan guarantee commitments, $6,900,000,000.
(E) New secondary loan guarantee commitments, $200,000,000.
(3) General Science, Space, and Technology (250):
Fiscal year 1990:
(A) New budget authority, $14,199,600,000.
(B) Outlays, $13,999,640,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $14,800,000,000.
(B) Outlays, $14,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $15,500,000,000.
(B) Outlays, $15,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(4) Energy (270):
Fiscal year 1990:
(A) New budget authority, $6,092,600,000.
(B) Outlays, $4,192,840,000.
(C) New direct loan obligations, $2,000,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $6,400,000,000.
(B) Outlays, $4,200,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $7,000,000,000.
(B) Outlays, $4,600,000,000.
(C) New direct loan obligations, $2,300,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(5) Natural Resources and Environment (300):
Fiscal year 1990:
(A) New budget authority, $17,447,800,000.
(B) Outlays, $17,353,320,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $18,300,000,000.
(B) Outlays, $18,500,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $19,100,000,000.
(B) Outlays, $19,000,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(6) Agriculture (350):
Fiscal year 1990:
(A) New budget authority, $18,288,000,000.
(B) Outlays, $14,988,300,000.
(C) New direct loan obligations, $10,000,000,000.
(D) New primary loan guarantee commitments, $4,900,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $20,600,000,000.
(B) Outlays, $16,500,000,000.
(C) New direct loan obligations, $10,200,000,000.
(D) New primary loan guarantee commitments, $4,900,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $21,300,000,000.
(B) Outlays, $15,900,000,000.
(C) New direct loan obligations, $9,700,000,000.
(D) New primary loan guarantee commitments, $5,000,000,000.
(E) New secondary loan guarantee commitments, $0.
(7) Commerce and Housing Credit (370):
Fiscal year 1990:
(A) New budget authority, $20,952,600,000.
(B) Outlays, $18,057,840,000.
(C) New direct loan obligations, $3,300,000,000.
(D) New primary loan guarantee commitments, $60,500,000,000.
(E) New secondary loan guarantee commitments, $93,000,000,000.
Fiscal year 1991:
(A) New budget authority, $26,400,000,000.
(B) Outlays, $17,900,000,000.
(C) New direct loan obligations, $3,300,000,000.
(D) New primary loan guarantee commitments, $66,400,000,000.
(E) New secondary loan guarantee commitments, $96,900,000,000.
Fiscal year 1992:
(A) New budget authority, $16,900,000,000.
(B) Outlays, $12,400,000,000.
(C) New direct loan obligations, $3,400,000,000.
(D) New primary loan guarantee commitments, $69,600,000,000.
(E) New secondary loan guarantee commitments, $100,700,000,000.
(8) Transportation (400):
Fiscal year 1990:
(A) New budget authority, $30,366,800,000.
(B) Outlays, $29,070,320,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $31,000,000,000.
(B) Outlays, $30,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $32,100,000,000.
(B) Outlays, $31,200,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1990:
(A) New budget authority, $7,296,200,000.
(B) Outlays, $6,596,280,000.
(C) New direct loan obligations, $1,000,000,000.
(D) New primary loan guarantee commitments, $500,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $7,200,000,000.
(B) Outlays, $6,900,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $500,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $7,300,000,000.
(B) Outlays, $6,900,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $500,000,000.
(E) New secondary loan guarantee commitments, $0.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1990:
(A) New budget authority, $40,689,600,000.
(B) Outlays, $38,691,140,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $12,900,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $42,000,000,000.
(B) Outlays, $41,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $13,400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $42,900,000,000.
(B) Outlays, $42,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $13,700,000,000.
(E) New secondary loan guarantee commitments, $0.
(11) Health (550):
Fiscal year 1990:
(A) New budget authority, $57,482,200,000.
(B) Outlays, $55,783,380,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $62,900,000,000.
(B) Outlays, $61,800,000,000.

(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $69,000,000,000.
(B) Outlays, $67,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $400,000,000.
(E) New secondary loan guarantee commitments, $0.
(12) Medicare (570):
Fiscal year 1990:
(A) New budget authority, $122,400,000,000.
(B) Outlays, $98,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $134,800,000,000.
(B) Outlays, $112,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $148,100,000,000.
(B) Outlays, $127,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1990:
(A) New budget authority, $185,392,000,000.
(B) Outlays, $145,592,500,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $216,100,000,000.
(B) Outlays, $155,400,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $220,400,000,000.
(B) Outlays, $164,300,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1990:
(A) New budget authority, $5,492,800,000.
(B) Outlays, $5,493,220,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $4,300,000,000.
(B) Outlays, $4,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $5,000,000,000.
(B) Outlays, $5,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1990:
(A) New budget authority, $30,824,000,000.
(B) Outlays, $29,992,000,000.
(C) New direct loan obligations, $800,000,000.
(D) New primary loan guarantee commitments, $21,000,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $31,700,000,000.
(B) Outlays, $31,400,000,000.
(C) New direct loan obligations, $700,000,000.
(D) New primary loan guarantee commitments, $21,900,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $32,700,000,000.
(B) Outlays, $32,500,000,000.
(C) New direct loan obligations, $700,000,000.
(D) New primary loan guarantee commitments, $22,900,000,000.
(E) New secondary loan guarantee commitments, $0.
(16) Administration of Justice (750):
Fiscal year 1990:
(A) New budget authority, $11,057,400,000.
(B) Outlays, $10,361,960,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $12,000,000,000.
(B) Outlays, $11,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $12,600,000,000.
(B) Outlays, $12,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1990:
(A) New budget authority, $10,174,000,000.
(B) Outlays, $9,877,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $10,700,000,000.
(B) Outlays, $10,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $11,300,000,000.
(B) Outlays, $10,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(18) Net Interest (900):
Fiscal year 1990:
(A) New budget authority, $197,500,000,000.
(B) Outlays, $197,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $214,300,000,000.
(B) Outlays, $214,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $226,800,000,000.
(B) Outlays, $226,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(19) The corresponding levels of gross interest on the public debt are as follows:
Fiscal year 1990: $262,500,000,000.
Fiscal year 1991: $282,800,000,000.
Fiscal year 1992: $298,000,000,000.
(20) Allowances (920):
Fiscal year 1990:
(A) New budget authority, −$255,600,000.
(B) Outlays, −$1,349,740,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, −$100,000,000.
(B) Outlays, −$600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, −$100,000,000.
(B) Outlays, −$600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(21) Undistributed Offsetting Receipts (950):
(A) Fiscal year 1990:
(A) New budget authority, −$61,600,000,000.
(B) Outlays, −$67,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, −$78,600,000,000.
(B) Outlays, −$79,270,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, −$94,700,000,000.

(B) Outlays, −$95,770,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

RECONCILIATION

SEC. 6. (a) Not later than June 15, 1989, the committees named in subsections (b) through (s) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEES

(b) The Senate Committee on Agriculture, Nutrition, and Forestry shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to increase contributions and reduce budget authority and outlays as follows: $2,850,000,000 in contributions, $1,100,000,000 in budget authority, and $1,020,000,000 in outlays in fiscal year 1990.

(c) The Senate Committee on Banking, Housing, and Urban Affairs shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to increase contributions and reduce budget authority and outlays as follows: $2,850,000,000 in contributions, $0 in budget authority, and $200,000,000 in outlays in fiscal year 1990.

(d) The Senate Committee on Commerce, Science, and Transportation shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to reduce budget authority and outlays as follows: $680,000,000 in budget authority and $680,000,000 in outlays in fiscal year 1990.

(e) The Senate Committee on Environment and Public Works shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to reduce budget authority and outlays as follows: $487,000,000 in budget authority and $487,000,000 in outlays in fiscal year 1990.

(f)(1) The Senate Committee on Finance shall report (A) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (B) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (C) any combination thereof, sufficient to reduce budget authority and outlays as follows: $0 in budget authority and $2,800,000,000 in outlays in fiscal year 1990.

(2) The Senate Committee on Finance shall report changes in laws within its jurisdiction sufficient to increase revenues $5,300,000,000 in fiscal year 1990.

(g) The Senate Committee on Governmental Affairs shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to reduce budget authority and outlays as follows: $3,400,000,000 in budget authority and $2,900,000,000 in outlays in fiscal year 1990.

(h) The Senate Committee on Labor and Human Resources shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to reduce budget authority and outlays as follows: $250,000,000 in budget authority and $430,000,000 in outlays in fiscal year 1990.

(i) The Senate Committee on Veterans' Affairs shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to reduce budget authority and outlays as follows: $670,000,000 in budget authority and $670,000,000 in outlays in fiscal year 1990.

HOUSE COMMITTEES

(j) The House Committee on Agriculture shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to increase contributions and reduce budget authority and outlays as follows: $2,850,000,000 in contributions, $1,137,000,000 in budget authority, and $1,157,000,000 in outlays in fiscal year 1990.

(k) The House Committee on Banking, Finance, and Urban Affairs shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to increase contributions and reduce budget authority and outlays as follows: $2,850,000,000 in contributions, $0 in budget authority, and $200,000,000 in outlays in fiscal year 1990.

(l) The House Committee on Education and Labor shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to reduce budget authority and outlays as follows: $150,000,000 in budget authority and $330,000,000 in outlays in fiscal year 1990.

(m) The House Committee on Energy and Commerce shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to reduce budget authority and outlays as follows: $1,087,000,000 in budget authority and $3,787,000,000 in outlays in fiscal year 1990.

(n) The House Committee on Interior and Insular Affairs shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to reduce budget authority and outlays as follows: $50,000,000 in budget authority and $50,000,000 in outlays in fiscal year 1990.

(o) The House Committee on Merchant Marine and Fisheries shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to reduce budget authority and outlays as follows: $217,000,000 in budget authority and $217,000,000 in outlays in fiscal year 1990.

(p) The House Committee on Post Office and Civil Service shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to reduce budget authority and outlays as follows: $3,400,000,000 in budget authority and $2,900,000,000 in outlays in fiscal year 1990.

(q) The House Committee on Public Works and Transportation shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to reduce budget authority and outlays as follows: $37,000,000 in budget authority and $37,000,000 in outlays in fiscal year 1990.

(r) The House Committee on Veterans' Affairs shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impound-

ment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to reduce budget authority and outlays as follows: $670,000,000 in budget authority and $670,000,000 in outlays in fiscal year 1990.

(s)(1) The House Committee on Ways and Means shall report (A) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (B) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (C) any combination thereof, sufficient to reduce budget authority and outlays as follows: $0 in budget authority and $2,700,000,000 in outlays in fiscal year 1990.

(2) The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to increase revenues $5,300,000,000 in fiscal year 1990.

SALE OF GOVERNMENT ASSETS

SEC. 7. (a) It is the sense of the Congress that—

(1) from time to time the United States Government should sell assets to nongovernment buyers; and

(2) the amounts realized from such asset sales will not recur on an annual basis and do not reduce the demand for credit.

(b) For purposes of allocations and points of order under section 302 of the Congressional Budget and Impoundment Control Act of 1974, the amounts realized from asset sales or prepayments of loans shall not be allocated to a committee and shall not be scored with respect to the level of budget authority or outlays under a committee's allocation under section 302 of such Act.

(c) For purposes of this section—

(1) the terms "asset sale" and "prepayment of a loan" shall have the same meaning as under section 257(12) of the Balanced Budget and Emergency Deficit Control Act of 1985 (as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987); and

(2) the terms "asset sale" and "prepayment of a loan" do not include asset sales mandated by law before September 18, 1987, and routine, ongoing asset sales and loan prepayments at levels consistent with agency operations in fiscal year 1986.

RESERVE FUND FOR SUBSIDIZED HOUSING CONTRACT RENEWALS

SEC. 8. (a) In the Senate, of the amounts specified in section 5 of this resolution, it is assumed that budget authority and outlays in amounts not to exceed the amounts specified in subsection (b) for fiscal year 1990 may be allocated to the Senate Committee on Appropriations to provide for subsidized housing contract renewals (without prejudice to the form or duration of such renewals that such legislation provides) when the Committee on Appropriations or the committee of conference on such renewals has reported legislation that will, if enacted, make funds available for such renewals.

(b) The amounts available for allocation under subsection (a) for subsidized housing contract renewals for fiscal year 1990 shall not exceed $1,092,000,000 of new budget authority and $50,000,000 of outlays.

(c) Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if such a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under section 302(a) of the Congressional Budget and Impoundment Control Act of 1974, altered by amounts not to exceed those in such legislation. Such revised allocations shall be considered for the purposes of such Act as allocations contained in this resolution, and the Committee on Appropriations shall report revised allocations pursuant to section 302(b) of such Act for fiscal year 1990 to carry out this section.

RESERVE FUND FOR MEDICAID

SEC. 9. (a) In the Senate, it is assumed that budget authority and outlays may be allocated to the Senate Committee on Finance for increased Medicaid funding if the Committee on Finance or the committee of conference reports Medicaid funding legislation that—

(1) will, if enacted, make funds available for that purpose; and

(2) to the extent that the costs of such legislation are not included in this resolution, will not increase the deficit in this resolution for fiscal year 1990, and will not increase the total deficit for the period of fiscal years 1990 through 1992.

(b) Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if such a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under section 302(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this section. Such revised allocations, functional levels, and aggregates shall be considered for the purposes of such Act as allocations, functional levels, and aggregates contained in this resolution, and the Committee on Finance shall report revised allocations pursuant to section 302(b) of such Act for the appropriate fiscal year (or years) to carry out this section.

RESERVE FUND FOR IRS COMPLIANCE

SEC. 10. (a) In the Senate, of the amounts specified in section 5 of this resolution, it is assumed that budget authority and outlays in amounts not to exceed the amounts specified in subsection (b) for fiscal year 1990 may be allocated to the Senate Committee on Appropriations to provide for increased Internal Revenue Service compliance funding when the Committee on Appropriations or the committee of conference on Internal Revenue Service compliance funding has reported legislation that will, if enacted, make funds available for such Internal Revenue Service compliance.

(b) The amounts available for allocation under subsection (a) for Internal Revenue Service compliance funding for fiscal year 1990 shall not exceed $109,000,000 of new budget authority and $99,000,000 of outlays.

(c) Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if such a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under section 302(a) of the Congressional Budget and Impoundment Control Act of 1974, altered by amounts not to exceed those in such legislation. Such revised allocations shall be considered for the purposes of such Act as allocations contained in this resolution, and the Committee on Appropriations shall report revised allocations pursuant to section 302(b) of such Act for fiscal year 1990 to carry out this section.

FUEL EXCISE TAXES

SEC. 11. (a) The Senate finds that—

(1) Federal excise taxes are regressive in that a lower income individual must use a higher percentage of his income to pay the taxes than a higher income individual;

(2) adding 10 cents or more per gallon to the cost of fuel will have a devastating effect on the Nation's economy in that such an increase would—

(A) reduce the gross national product by $10 billion in the first year,

(B) reduce automobile production by 1.3 percent,

(C) reduce housing construction by 0.9 pecent,

(D) increase unemployment by 80,000 in the first year and 180,000 by the third year,

(E) reduce petroleum refinery output by 1.2 percent,

(F) reduce income tax revenues by almost $1 billion annually,

(G) reduce personal savings by nearly 3 percent, and

(H) increase the Consumer Price Index by 0.3 percent;

(3) it would be discriminatory for one portion of the Nation's population, highway users, to pay an additional tax in order to reduce the Federal deficit, thereby forcing this segment to shoulder a greater share of our Nation's financial burden;

(4) it would be inequitable for individuals to contribute to Federal deficit reduction based on the number of miles driven per year;

(5) Federal highway and public transit programs are funded at levels significantly lower than documented needs requiring States to provide funds to fill that shortfall;

(6) an increase in the Federal tax on gasoline and diesel fuel—

(A) inhibits the ability of State and local governments to raise revenues to fund transportation projects, and

(B) reduces the revenues for State and local government fuel taxes unless State and local governments increase their taxes; and

(7) total motor fuel taxes (including State and local taxes) account for nearly 25 percent of the retail price of gasoline and about 29 percent of the retail price of diesel fuel making motor fuel among the most heavily taxed essential items in the Nation.

(b) It is the sense of the Senate that the assumptions underlying the revenue totals included in this resolution do not include an increase in Federal excise taxes on gasoline and diesel fuel in order to reduce the Federal deficit.

FURTHER DEFICIT REDUCTION

SEC. 12. It is the sense of the Senate that—

(a) had Congress used the economic and technical assumptions of the Congressional Budget Office, the deficit would have been $109,800,000,000 for fiscal year 1990, $135,300,000,000 for fiscal year 1991, and $134,800,000,000 for fiscal year 1992;

(b) by July 1, 1989, the participants in the Bipartisan Budget Agreement Between the President and the Joint Leadership of Congress should begin negotiations on an agreement for the budget for fiscal year 1991 based upon Congressional Budget Office economic and technical assumptions; and

(c) the participants in those negotiations shall—

(1) seek a budget package in 1989, the outyear effects of which would lead to balancing the Federal budget;

(2) examine broad-scale budget options and recommend legislative changes necessary to implement those options; and

(3) consult fully with appropriate Congressional, Executive, and private parties.

SOCIAL SECURITY TRUST FUNDS SURPLUSES

SEC. 13. (a) FINDINGS.—The Congress finds that—

(1) under current law, the Social Security trust funds are included in calculations of the Federal budget deficit for purposes of comparison with the maximum deficit amount under the Balanced Budget and Emergency Deficit Control Act of 1985 and for purposes of determining across-the-board cuts under such Act;

(2) the inclusion of the Social Security trust funds in the calculation of the Gramm-Rudman-Hollings targets creates the illusion that the Federal budget deficit is being brought into balance when in fact the operating budget deficit is continuing to grow;

(3) Social Security trust funds surpluses are currently being lent to the Treasury to finance the operating budget deficit, which is primarily dedicated to current consumption;

(4) the National Economic Commission concluded that the Congress must have in place by no later than 1993 measures which alter current budgetary practices in order to create true Social Security reserves;

(5) the use of the Social Security trust funds surpluses for current consumption denies such surpluses' intended purpose of providing income for future retirees and increasing national savings, investment, productivity, and the gross national product;

(6) without such increases in national output and wealth, future workers will be unable to honor the claims of retirees without a significant increase in taxes or reduction in Social Security benefits;

(7) the use of Social Security trust funds surpluses as a source of national savings would bolster the economic capacity of the United States, allowing Social Security benefit claims to be honored at the same time future workers enjoy an increased standard of living; and

(8) the intended and legitimate purposes of the Social Security trust funds could best be protected by excluding such funds from the calculations of the Federal budget deficit reduction targets.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the Congress should continue the commitment to keep the Social Security program secure for the Nation's retired and disabled citizens;

(2) the Congress should enact legislation that defines the Federal budget deficit to exclude the surplus (or deficit) from the Social Security trust funds for all purposes;

(3) the Congress should include, for the purposes of calculating Federal budget deficits and deficit reduction targets for fiscal year 1991 and subsequent fiscal years, an amount which is no greater than the amount of Social Security trust funds surplus included in the fiscal year 1990 budget resolution;

(4) in order to create a true balanced operating budget, the Congress should, beginning no later than the fiscal year 1994 budget, accurately reflect the Federal budget deficit by excluding all Social Security revenues and expenditures from such deficit and any deficit reduction calculations; and

(5) to the extent non-Social Security deficits exist after fiscal year 1994, the Congress should develop a strategy which continues Federal budget deficit reduction measures, in order to create a true balanced Federal budget.

ANTI-DRUG ABUSE ACT OF 1988 FUNDING

SEC. 14. It is the sense of the Senate that this resolution should support the funding increases provided in the Anti-Drug Abuse Act of 1988 and that such funding should be consistent with the need to maintain the even balance in that Act between new spending to reduce drug supply and new spending to reduce drug demand.

MORE TRUTHFUL PRESENTATION OF DEFICIT

SEC. 15. (a) The Senate finds that—

(1) this budget for fiscal year 1990 is within the parameters established by the President, and even if inadequate, is essential to keep the Government in operation;

(2) this resolution sets forth the deficit at only $99,400,000,000;

(3) as set forth in section 3 of this resolution, one measure of the deficit, the increase in the public debt subject to limitation, is fully $264,000,000,000;

(4) the Federal debt will rise to fully $3,100,000,000,000 in 1990; and

(5) as set forth in section 5(a)(19) of this resolution, the level of gross interest on the public debt will be $263,000,000,000 in fiscal year 1990;

(b) It is the sense of the Senate that—

(1) as set forth in this resolution, the budget submitted by the President under section 1105 of title 31 of the United States Code and the concurrent budget resolution for fiscal year 1991, in order to more truthfully set forth the deficit, should reflect at least the following changes;

(A) all Social Security and other Federal retirement funds must be accounted for separately;

(B) all gross interest on the public debt subject to limitation must be fully reported and reflected; and

(C) the increase in the gross Federal debt that is subject to the legal debt limit should be shown as a measure of the deficit.

(2) because a multi-year plan of debt and deficit reduction, based on sound economic assumptions, appears imperative, the President is requested to advise the Congress of any proposals relative to the reduction of the national debt, and to inform the Congress whether additional revenues are required for debt and deficit reduction, and if so, the President is invited to make specific revenue recommendations.

RESERVE FUND FOR CHILDREN

SEC. 16. (a) In the Senate, it is assumed that budget authority and outlays may be allocated to the Senate Committee on Finance for increased funding for children, including funding through tax credits, if the Committee on Finance or the committee of conference reports funding legislation that—

(1) will, if enacted, make funds available for that purpose; and

(2) to the extent that the costs of such legislation are not included in this resolution, will not increase the deficit in this resolution for fiscal year 1990, and will not increase the total deficit for the period of fiscal years 1990 through 1992.

(b) Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if such a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under section 302(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this section. Such revised allocations, functional levels, and aggregates shall be considered for the purposes of such Act as allocations, functional levels, and aggregates contained in this resolution, and the Committee on Finance shall report revised allocations pursuant to section 302(b) of such Act for the appropriate fiscal year (or years) to carry out this section.

FUNDS FOR PRISON EXPENSES

SEC. 17. (a)(1) Since the funding levels for Function 750 for the administration of justice programs in the Committee Report is higher than the President's request by $800,000,000 in budget authority and $500,000,000 in outlays.

(2) Since the President's request already includes $658,000,000 for prison expenses related to drug offenders.

(b) It is the sense of the Senate that within the total amount available within the Budget Function 750, there shall be sufficient funds added to bring a level of Federal support for correctional activities at the Federal, State, and local level for the expenses of drug offenders to a level of $1,000,000,000.

BIENNIAL BUDGET PROCESS

SEC. 18. (a) The Congress finds that a biennial budget process would—

(1) create an orderly, predictable process for consideration of spending decisions responsive to policy priorities and improve Congressional control over the Federal budget;

(2) allow sufficient time for the fulfillment by the Congress of its legislative and oversight responsibilities, including the consideration of authorizing legislation, budget resolutions, appropriations bills, and other spending measures;

(3) provide greater stability and certainty for financial markets, and Federal, State, and local government agencies which need sufficient time to plan for implementation of programs; and

(4) streamline the Congressional budget process and therefore promote better accountability to the public.

(b) It is the sense of the Congress that the Congress should enact legislation in the One Hundred First Congress to establish a biennial budget process.

CURRENT SERVICES BASELINE

SEC. 19. (a) The Senate finds that the use of a current services baseline in presenting budget information—

(1) does not provide the public with complete and clear information on the growth in Federal spending from one fiscal year to the next fiscal year;

(2) does not clearly identify the underlying growth rate in particular Federal programs within the Federal budget;

(3) leads to the misconception that Federal spending is being cut when in fact it has grown; and

(4) does not present the Federal budget in terms the public can easily understand.

(b) It is the sense of the Senate that all Congressional and Executive budget documents, including analyses of the Federal budget and any deficit reduction agreements, should prominently include the current level of Federal spending in each category and clearly identify any proposed increase or decrease from that level.

WORLD HEALTH ORGANIZATION AND PLO MEMBERSHIP

SEC. 20. (a) FINDINGS.—The Congress finds that—

(1) the World Health Organization enjoys the strong support of the United States in its mission to eliminate disease and raise public health standards around the world;

(2) the Palestine Liberation Organization (PLO) has observer status at the WHO and other United Nations specialized agencies;

(3) the PLO is an umbrella organization that lacks key attributes of statehood as accepted under international law—it has no permanent population and controls no defined territory;

(4) it is the policy of the United States that the ultimate disposition of the territories under Israeli administration should be decided by negotiation and not by unilateral declarations or by solutions imposed by international organizations;

(5) the Secretary of State has declared that a change in the present observer status of the PLO in international organizations would lead to a halt in further United States assessed and voluntary contributions to these organizations;

(6) a change in the PLO's observer status in international organizations would needlessly politicize these organizations and damage United States support for them; and

(7) the United States seeks the cooperation of all parties, including the members of the Arab League, in putting a halt to these harmful efforts to politicize important international organizations.

(b) SENSE OF THE SENATE.—The Senate hereby—

(1) supports and commends the Secretary of State in his declaration calling for a halt to further United States assessed and voluntary contributions to international organizations which grant full member status to organizations that lack key attributes of statehood;

(2) urges all parties to end efforts to secure a change in the PLO's observer status at the United Nations and its specialized agencies;

(3) calls upon member states of the World Health Organization and other United Nations specialized agencies to vigorously oppose all such efforts.

REDUCING THE GENERATION OF CARBON DIOXIDE

SEC. 21. (a) The Senate finds that—

(1) the concentration of the so-called "greenhouse" gases—including carbon dioxide, methane, nitrous oxide, chlorofluorocarbons, tropospheric ozone is rising;

(2) since the advent of the industrial revolution 150 years ago, a number of scientific experts estimate that the atmospheric concentration of—

(A) carbon dioxide, the most prevalent of these gases, has increased by 25 percent;

(B) methane has increased by 100 percent;

(C) nitrous oxide has increased by 10 percent;

(D) CFC's have increased from zero 60 years ago at an average rate of 5 percent per year; and

(E) tropospheric ozone continues to increase by 1 percent per year;

(3) a large number of the world's leading scientists, including members of National Science Foundation, have warned policy makers that—

(A) increased concentrations of these gases will alter climate; and

(B) such climatic alterations could have devastating effects on weather patterns, agricultural productivity, coastal population centers due to rising sea levels, and biological health;

(4) the majority of these gases are generated in the production of energy;

(5) in 1988, the Department found, based on data collected for the 1985 National Energy Policy Plan, that the United States' generation of carbon dioxide would increase from 1985 levels by 38 percent in the year 2010;

(6) leading scientific experts of the world, including members of the National Academy of Sciences, the National Academy of Engineering, and the Institute of Medicine have urged the President to take action to reduce the generation of these gases by the United States;

(7) international negotiations are underway to develop strategies to reduce the generation of these gases;

(8) the United States is chair of the Response Strategies Working Group of the Intergovernmental Panel on Climate Change (IPCC), which was established by the United Nations Environment Programme and the World Meterological Organization;

(9) at the first meetings of the IPCC's Response Strategies Working Group, the Secretary of State urged that global solutions to global climate change be as specific and cost-effective as they can possibly be;

(10) it is imperative that the United States and all nations take immediate steps to protect the global environment; and

(11) without action by the United States to protect the global environment, our ability to convince other nations to act on concerns such as global climate change will be constrained.

(b) It is the sense of the Senate that United States policy on global warming should be—

(1) to reduce the generation of greenhouse gases;

(2) to hold, in 1989, a global conference on the environment, hosted by the President;

(3) to encourage other nations to undertake measures to reduce the generation of greenhouse gases;

(4) to develop binding multilateral agreements with other nations by the end of calendar year 1992, or as early as is practicable, to reduce the global generation of greenhouse gases;

(5) to encourage the worldwide protection of tropical rainforests;

(6) to require each Federal agency to examine its programs to determine the impacts of global warming on its missions and activities and to evaluate and propose policies under its authority that could reduce the generation of greenhouse gases; and

(7) to develop new technologies and better utilize existing technologies that will provide reliable supplies of energy and service for the citizens of the United States while reducing the generation of greenhouse gases.

(c) It is also the sense of the Senate that the United States Government should adopt a position with respect to a "Framework Global Climate Convention", and through its representative to the Intergovernmental Panel on Climate Change, should begin discussions on such a convention when it chairs the next meeting of the "Response Strategies Working Group".

(d) To the maximum extent practical, the priorities set forth in this section should be reflected in the Federal budget.

NATIONAL AEROSPACE PLANE

SEC. 22. (a) FINDINGS.—The Congress finds that—

(1) the United States is the world leader in the fields of commercial and military aerospace;

(2) if the United States is to maintain that leadership we must continue to invest in the research and development necessary to build the next generation of aerospace vehicles;

(3) the National Aerospace Plane, or X-30, program represents the United States' best hope for maintaining our lead in aerospace into the next century;

(4) the National Aerospace Plane program represents a model of cooperation between government and industry in which the Federal government already has invested $487,000,000 and private contractors have invested more than $700,000,000;

(5) the National Aerospace program is likely to result in advances in many areas which will have benefits for both commercial and military programs.

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that the Senate supports continued funding of the National Aerospace Plane program at the level recommended in the President's February 9, 1989, budget submission in functions 050, 250 and 400.

REVENUE LEGISLATION

SEC. 23. It is assumed that agreements reached between the Administration and the Congressional tax-writing committees on revenue legislation reconciled pursuant to this resolution will be advanced legislatively when supported by the President of the United States.

IMPLEMENTATION

SEC. 24. (a) The Senate finds—

(1) The 1990 Congressional bipartisan agreement to the budget submitted by the President represents the action most probable to avoid a budget impasse and sequester.

(2) The achievement of a reduction in the Federal budget deficit through agreement rather than confrontation between the President and Congress is in the national interest.

(3) National security and international leadership rest on the foundation of a strong economy, capable of financing internally its investment needs.

(b) It is the sense of the Congress that—

(1) The 1990 budget agreement should be fully and quickly implemented;

(2) the Leadership of Congress and the Administration immediately authorize resumption of negotiations aimed at a multiyear deficit reduction package, leading to a balanced Federal budget;

(3) The economic and budgetary assumptions underlying the multiyear agreement be based on sound and realistic forecasts;

(4) The bipartisan, cooperative effort that made this agreement possible be sustained in addressing the Nation's remaining budgetary problems.

DISASTER ASSISTANCE

SEC. 25. (a) The Congress finds that—

(1) agricultural producers in several Midwestern and Southwestern States have experienced adverse weather conditions since planting the 1989 crop of winter wheat, including a lack of rainfall, freeze damage, high-velocity windstorms, and recordbreaking high temperatures;

(2) such extreme conditions have combined to severely damage winter wheat production in several states, including Kansas, Oklahoma, Texas, Nebraska, Colorado, and New Mexico;

(3) the Kansas Wheat Quality Council, after a recent 3-day tour of these States, estimated that production in the Texas and Oklahoma Panhandles would be only one-third of normal;

(4) the mean average of 68 estimates of the 1989 crop of winter wheat in Kansas projected only 209 million bushels of wheat; and

(5) current budget estimates reveal there will be substantial savings resulting from higher prices and lower deficiency payments that could be applied towards disaster payments for drought-stricken winter wheat producers through an extension of the Disaster Assistance Act of 1988 (7 U.S.C. 1421 note).

(b) It is the sense of the Congress that—

(1) legislation should be enacted to extend the Disaster Assistance Act of 1988 (7 U.S.C. 1421 note) to apply to losses due to adverse weather conditions in 1988 or 1989 for agricultural commodities planted in 1988 for harvest in 1989;

(2) such legislation should not add to the deficit and such legislation should not discriminate against other program crops;

(3) such legislation should not discriminate against producers who are currently covered by Federal crop insurance; and

(4) drought assistance should be enacted in a timely fashion so as to ensure that savings from higher prices and lower deficiency payments offset the cost of such assistance.

PUBLIC DEBT LIMIT

SEC. 26. (a) The Congress finds that—

(1) debt held by the public increased from $1,500,000,000,000 in fiscal year 1985 to more than $2,000,000,000,000 in fiscal year 1988 and continues to grow;

(2) compliance with the Gramm-Rudman-Hollings targets each year would result in a debt held by the public of $2,380,000,000,000,000 by the end of fiscal year 1993, when the Gramm-Rudman-Hollings maximum deficit target is zero;

(3) the Congressional Budget Office projects that the debt held by the public will reach $2,760,000,000,000 by fiscal year 1993;

(4) recognizing the need to control deficits and debt, many members have introduced legislation to provide additional fiscal restraint; and

(5) growth in the debt held by the public is detrimental to economic growth and improvements in the Nation's long-term standard of living.

(b) It is the sense of the Congress that—

(1) A target for maximum debt held by the public be set at $2,380,000,000,000;

(2) The appropriate Committees of the Congress shall consider legislation strengthening budget procedures to promote compliance with this target; and

(3) The appropriate committees of the Congress shall consider budget procedures which would take effect in the event that the target is exceeded.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

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

The motion to lay on the table was agreed to.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate insist on its amendment, request a conference with the House on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees.

There being no objection, the President pro tempore appointed Mr. SASSER, Mr. RIEGLE, Mr. LAUTENBERG, Mr. SIMON, Mr. SANFORD, Mr. WIRTH, Mr. DOMENICI, Mr. GRASSLEY, Mr. KASTEN, and Mr. GRAMM conferees on the part of the Senate.

Mr. MITCHELL. Mr. President, I ask unanimous consent that Senate Concurrent Resolution 30 be indefinitely postponed.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(Mr. LIEBERMAN assumed the chair.)

Mr. MITCHELL. Mr. President, I wish to commend the distinguished chairman of the Senate Budget Committee, Senator SASSER from Tennessee, for a truly outstanding job. For the past several months, Senator SASSER has devoted untold hours and unlimited energy and effort to negotiating this agreement, reaching agreement, and then steering it through the Budget Committee and through the Senate.

The overwhelming vote in support of the resolution, the speed and dispatch with which the resolution was considered and disposed of by the Senate, reflect favorably upon Senator SASSER. It was an enormous challenge as a new chairman of the Budget Committee, and I think every Member of this Senate owes Senator SASSER a great debt of gratitude for the tremendous leadership he displayed in this matter.

I also want to commend the distinguished ranking member of the committee, the former chairman of the committee, Senator DOMENICI, who displayed during this matter his usual skill and knowledge of the budget process, and who was invaluable both in producing the agreement and in producing the votes necessary to enact the resolution implementing the agreement.

As I said earlier, Mr. President, in this decade, the Senate has devoted an average of 9 legislative days—that is about 2 weeks—to the consideration of the budget. This year it was done in 2 days. That represents a significant accomplishment, in part, of course, due to the fact that there was bipartisan agreement, in part due also to the enormous skill of the distinguished chairman and ranking member of the committee.

I also want to pay tribute to the President and to those who handled this matter in his behalf—the Director of the Office of Management and Budget, Richard Darman; and Secretary of the Treasury Nick Brady—for their willingness to reach out and initiate meaningful consultation and negotiation with the Congress in this regard.

Although this agreement does not go nearly as far or do nearly as much as every Member of this Senate would like, it does represent a significant first step for which the President and his representatives deserve great credit.

I want also to thank all the staff who did such a great job in supporting Senators. And finally I want to thank my distinguished colleague, the Republican leader, for the graciousness and cooperative spirit which he has demonstrated throughout this process.

As usual, Senator DOLE was able to organize and produce substantial majorities in support of the agreement on his side. And for that I, and I know the President and all concerned, are very grateful.

Before I proceed to morning business, I will yield to the distinguished Republican leader.

Mr. DOLE. Mr. President, I thank the majority leader for yielding. I wanted to also compliment the chairman of the committee, Senator SASSER, for a splendid job. I know it is difficult. It is a tough thing to do. We have had budgets, as the majority leader indicated that have gone on 7, 8, 9 days. Some have been very, very close. We have had to make last-minute changes to pass budget resolutions.

Certainly Senator SASSER deserves a great deal of credit. I would say the same for my colleague, Senator PETE DOMENICI, the ranking Republican on the Budget Committee. He and Senator SASSER have worked well together. They made a bipartisan agreement, they stuck to it, and they were able in every case to fend off any amendments that might have an adverse impact on their overall work.

So I certainly congratulate both Senators SASSER and DOMENICI, along with members of their staffs and members of the committee, and of course the majority leader for doing as he has indicated, directing the efforts which permitted us to complete action on this bill in 2 legislative days as opposed to an average of 9 over the past decade. That, in itself is certainly a major accomplishment.

I would also congratulate the administration, the President, others who represented the President in the bipartisan negotiations. I understand the House may have passed their budget resolution also today, which means that we can have a conference very quickly and we can, probably, start on appropriation bills in the foreseeable future and stay ahead of schedule, which, again, would be without a great deal of precedent around this place.

The PRESIDING OFFICER. The Chair recognizes the Senator from Tennessee [Mr. SASSER].

Mr. SASSER. Mr. President, I wish to express my appreciation to the majority leader for the kind remarks that he has aimed in my direction this evening and I would be remiss if I did not say, Mr. President, that this bipartisan budget agreement that was agreed to by this body this evening by an overwhelming margin would not have been possible without the support and the counsel of the majority leader, the distinguished Senator from Maine [Mr. MITCHELL] at every point along the way.

I want to express my appreciation, also, to the minoritly leader, the distinguished Senator from Kansas [Mr. DOLE], for his help and cooperation. And finally, Mr. President, I want to express my appreciation to the ranking member of our committee, the Honorable Senator from New Mexico,

Senator DOMENICI. We have worked very, very well together. Senator DOMENICI has put his shoulder to the wheel and we worked hand in glove, all along the line.

That is not to say there were not areas of disagreement; sometimes disagreements that have substantial substance. But, still and all, we have managed to produce, I think, a bipartisan budget agreement that is a good one.

I also want to express my appreciation to those representing the administration, particularly the Director of the Office of Management and Budget, Mr. Richard Darman. But certainly, also, the Secretary of the Treasury, Nick Brady. Mr. Brady is a former colleague of ours here in this body and he and Mr. Darman were a great team for the administration in fashioning this compromise.

I would be remiss if I did not express my appreciation to the magnificant staff of the Senate Budget Committee, on the majority side led so ably by Dr. John Hilley, and also the staff on the minority side which is led ably by Mr. Bill Hoagland.

Mr. President, I would defer, now, to the majority leader.

The PRESIDING OFFICER. The Chair recognizes the Senate majority leader.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there now be a period for morning business, not to exceed 30 minutes, with Senators permitted to speak therein for up to 5 minutes each.

Mr. GORTON. Would the Senator yield? Would he amend that to make that 10 minutes?

Mr. MITCHELL. If I might, Mr. President, ask that the Senator from Colorado be recognized for 15 minutes and the Senator from Washington be recognized for 10 minutes.

I know of no other requests and therefore will make the request on the basis of 5 minutes each, with those exceptions.

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

Mr. MITCHELL. Mr. President, I yield to the distinguished Republican leader.

The PRESIDING OFFICER. The Chair recognizes the distinguished Republican leader.

DANNY BRECHNER: CAPITOL HILL LEGEND, HAPPY RETIREMENT!

Mr. DOLE. Mr. President, the Capitol Hill community is a special one. It is its own unique neighborhood where you develop a close working relationship with the hundreds and hundreds of hard-working men and women who call this place home.

So it is with mixed emotions that I note that one of our most respected and well-known neighbors is retiring after a remarkable career that has spanned four decades.

I am talking about Danny Brechner of Mutual Radio. His official title, I am told, was "Technician." But he was much, much more: He knew every Member here; every office, every hearing room, every staffer, every police officer, every square of marble, every police dog, and every square inch of Capitol Hill.

He also had a nose for news, with the kind of unrivaled access that gave Mutual News more than a few scoops and a career's worth of instant actualities on the big breaking stories of the day. In short, Danny Brechner was a legend.

In fact, he has worked on the Hill longer than any current Member of Congress with the exception of the Honorable Representatives CLAUDE PEPPER and JAMIE WHITTEN.

He was Mr. Everywhere, a hardworking radio man who was apparently born with a microphone in his hands. A tape recorder hanging from his shoulder, and that set of yellow headphones wrapped around his neck—that is Danny.

Tomorrow—at 4 o'clock in the Senate radio and TV gallery, Danny's friends—and that includes Members on both sides of the aisle, on both sides of the Hill—will be honoring him with a special farewell reception.

I urge my colleagues to please stop by to say hello, and to wish Danny Brechner—some would say Senator Brechner—all the best in his retirement.

We will miss him here but we will always remember him with fondness.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico, Mr. DOMENICI.

Mr. DOMENICI. Thank you, Mr. President. Let me first apologize to my friend, including the chairman of the committee, Senator SASSER, for not being present on the floor when the comments about the culmination of the budget work were stated to the Senate. I was called off the floor for an important message.

Let me first say thanks to them for their kind words. I have been at this now for quite a few years. I think I understand this process. I am not at all sure that we did the very best, but I think what we said throughout this debate is that had we not done this it is very questionable whether we would have done much of anything. And I think, knowing where you are going and taking a measurable first step is better than chaos and confusion. And I still happen to believe that it is better than waiting around for confrontation.

I think the locking of the arms by the executive and the bipartisan bicameral leadership in this first step is probably the historic part of what we have done.

I am not at all sure we are going to make the giant strides in deficit reduction that people are clamoring for if that leaves the scene. We might, but I am not sure we will. So it was a rare privilege. I have been hoping for a long time that we could negotiate with the House instead of among ourselves and then do it all over again in conference. I had the long-time hope that the executive would be part of these budget processes. We have done that without changing the law because of the good will and the commitment of leaders. There is nothing to back what we did here the last few days except the good faith that comes from meeting as American leaders with the President in our respective roles, whatever they were. The majority and minority leaders of both Houses and various chairmen, that is what is historic.

To this point, they have lived up to that without any statutory law saying they are supposed to. I think that is the story. If now the committees can do their work in the same spirit, we will take another look in July or August and see where we are. In the meantime, that leadership agreement says let us continue bipartisan, bicameral talking trying to see where the possibilities are for the next 2 or 3 years, continue to get this deficit down. I look forward to that. I hope it does not break down.

My friend, new friend, I might say, because I did not know him very well, the distinguished senior Senator from Tennessee, Senator SASSER, has done a marvelous job. It was a pleasure to work with him. Obviously, he had to start and he had to put a staff together, but I believe what we produced in the last couple of days, both by way of the finished product, the 40 days or so that we negotiated, and the debate on the floor, not always easy and clearly we have to defend some things we would prefer otherwise. But I think he did a very good job. I compliment him. I hope I have been helpful.

I thank those who have supported us. I also thank those who constructively offered their suggestions, both while we negotiated and while we debated. I look forward to continued reductions in the deficit in the years to come. I, for one, think we must do that, but I have been heard to say of late that we have some other problems out there that I do not think are going to go away when we get the deficit down, and I think we ought to look at those, too.

Sometimes I worry that the deficit is an umbrella that permits us to think that productivity is all right in the United States; that 13 percent increase

in health care is all right in the United States; that we really got our work force and our management working together for this country. All of those things have to be looked at, in my opinion, in much different light than we have in the past.

For the nice words that have been said about me, let me just say it has been a pleasure this year to get our job done early, and now we leave it in the hands of those who are supposed to implement it. We are there to help.

I yield the floor.

Mr. WIRTH. I thank the Chair. I also want to add my congratulations to the distinguished chairman of the committee and to Senator DOMENICI and to the leadership on both sides.

MESSAGES FROM THE HOUSE

At 12:44 p.m., a message from the House of Representatives delivered by Mr. Hays, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 104. Concurrent resolution congratulating the Council of Europe on the 40th anniversary of its founding.

At 5:42 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 106. Concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal years 1990, 1991, and 1992.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PELL, from the Committee on Foreign Relations:

John R. Bolton, of Maryland, to be an Assistant Secretary of State.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. NUNN, from the Committee on Armed Services:

Paul Dundes Wolfowitz, of the District of Columbia, to be Under Secretary of Defense for Policy (Exec. Rept. 101-4).

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

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. DOMENICI (for himself and Mr. BINGAMAN):

S. 923. A bill to authorize flood protection for the city of Belen, NM; to the Committee on Environment and Public Works.

By Mr. KERRY (for himself, Mr. ADAMS, Mr. MOYNIHAN, Mr. CRANSTON, Mr. D'AMATO, Mr. SANFORD, Mr. FORD, and Mr. DECONCINI):

S. 924. A bill to provide additional measures for the control of international drug trafficking, and for other purposes; to the Committee on Foreign Relations.

By Mr. HEINZ:

S. 925. A bill to suspend temporarily the duty on naphthalic acid anhydride; to the Committee on Finance.

By Mr. SASSER (for himself and Mr. ROTH):

S. 926. A bill to improve cash management by executive agencies, and for other purposes; to the Committee on Governmental Affairs.

By Mr. BOND (for himself, Mr. HATCH, Mr. DANFORTH, and Mr. STEVENS):

S. 927. A bill to establish a grant program for States to enable such States to expand the choices available for the provision of affordable child care, and for other purposes; to the Committee on Finance.

By Mr. PELL:

S. 928. A bill to authorize appropriations for the Department of State, the U.S. Information Agency, and the Board for International Broadcasting for fiscal year 1990, and for other purposes; to the Committee on Foreign Relations.

By Mr. ROCKEFELLER:

S. 929. A bill to temporarily reduce and to suspend the duty for 1,6-hexamethylene diisocyanate; to the Committee on Finance.

By Mr. DODD (for himself and Mr. LIEBERMAN):

S. 930. A bill to amend the Occupational Safety and Health Act of 1970 to establish an Office of Construction, Safety, Health and Education within OSHA, to improve inspections investigations, reporting, and recordkeeping in the construction industry, to require certain construction contractors to establish construction safety and health programs and onsite plans and appoint construction safety specialists, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. MOYNIHAN:

S. 931. A bill to protect a segment of the Genesee River in New York; to the Committee on Energy and Natural Resources.

By Mr. KASTEN (for himself and Mr. KOHL):

S.J. Res. 119. Joint resolution to provide for the interpretation and implementation of certain provisions of the 1837 and 1842 treaties of the United States with the Chippewa Indians of Wisconsin, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. BRADLEY (for himself and Mrs. KASSEBAUM):

S.J. Res. 120. Joint resolution to designate the period commencing November 12, 1989, and ending November 18, 1989, as "Geography Awareness Week"; to the Committee on the Judiciary.

By Mr. DECONCINI (for himself, Mr. THURMOND, Mr. ADAMS, Mr. CHAFEE, Mr. COATS, Mr. DURENBERGER, Mr. GARN, Mr. GRAHAM, Mr. HEINZ, Mr. HELMS, Mr. HOLLINGS, Mr. KOHL, Mr. MOYNIHAN, Mr. NUNN, Mr. PELL, Mr. RIEGLE, Mr. SHELBY, Mr. WILSON, Mr. MITCHELL, Mr. BOSCHWITZ, Mr. FOWLER, Mr. D'AMATO, Mr. ROBB, Mr. DIXON, Mr. WARNER, Mr. BENTSEN, Mr. PRYOR, Mr. DOLE, Mr. GORTON, Mr. CRANSTON, Mr. COCHRAN, Mr. BRADLEY, Mr. JEFFORDS, Mr. LEVIN, Mr. LUGAR, Mr. MCCLURE, Mr. BUMPERS, Mr. MURKOWSKI, and Mr. METZENBAUM):

S.J. Res. 121. Joint resolution to provide for the designation of September 14, 1989, as "National D.A.R.E. Day"; to the Committee on the Judiciary.

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, Mrs. KASSEBAUM, Mr. GRAHAM, Mr. PELL, Mr. LUGAR, Mr. MCCAIN, Mr. ROBB, Mr. MACK, Mr. DURENBERGER, Mr. KERRY, Mr. KENNEDY, Mr. ROTH, Mr. COHEN, Mr. BOREN, Mr. BYRD, and Mr. LEVIN):

S. Res. 120. Resolution relating to free and fair elections in Panama; considered and agreed to.

By Mr. SYMMS:

S. Res. 121. Resolution expressing the sense of the Senate regarding lending and financial credits to the Soviet bloc; to the Committee on Foreign Relations.

By Mr. HATCH:

S. Con. Res. 33. Concurrent resolution urging the Government of Greece to extradite Mohammed Rashid to the United States; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOMENICI (for himself and Mr. BINGAMAN):

S. 923. A bill to authorize flood protection for the city of Belen, NM; to the Committee on Environment and Public works.

BELEN FLOOD CONTROL PROJECT

Mr. DOMENICI. Mr. President, I send to the desk a bill that is very important to the welfare and future of the city of Belen, NM.

I am pleased that my colleague Mr. BINGAMAN has joined in sponsoring this legislation.

Our bill authorizes the Army Corps of Engineers to construct a flood control project to protect Belen from the serious runoff danger that now faces that community when thunderstorms rip across the mesas and watershed west of town.

Such storms have poured floodwaters into the city of Belen on several occasions, most notably in 1969 and again in 1980. In places, I am told, the floodwaters reached depths exceeding 15 feet following the 1969 storm.

Belen's problem is that it sits in a bowl. The mesas and high ground stand to the west. The Rio Grande runs east of the city. And the bed of the Rio Grande, according to calcula-

tions by the corps, is actually higher than some adjacent portions of Belen.

The bill that Senator BINGAMAN and I are introducing authorizes the corps to construct a project that captures much of that runoff from the mesa, then carries the water safely around the city to the Rio Grande.

The project would widen and deepen an existing irrigation canal, known as the Highline Canal, which is owned by the Middle Rio Grande Conservancy District. With an enlarged capacity, the canal would capture all the mesa runoff, preventing it flooding over the canal and into Belen.

Because of the topography that I have described, the project will have to move that runoff water about 6 miles down river before it can be dumped into the Rio Grande. This lengthy diversion is what makes this project relatively expensive.

One of the most interesting aspects of this bill is the cost-sharing that we propose. All Federal flood control projects, as my colleagues know, now require at least a 25-percent contribution from non-Federal interests.

But because of the unusual topography of Belen that I have mentioned, the corps has been unable to design a project at Belen that can be justified on strict economic terms.

In fact, the benefits of the project we are authorizing in this bill are estimated to be about 80 percent of the project's costs.

Yet, I am convinced and the officials of Belen are convinced, that this project is critical to the city's future.

Therefore, our bill is written in accordance with section 903(c) of the 1986 Water Resources Development Act. Under that provision, projects that appear uneconomic may still be considered and approved by the Congress if non-Federal interests agree to pay all the costs of the project over and above a sum that equals the benefits of the project.

In other words, this bill calls for the standard 25-percent non-Federal cost sharing on that portion of the project's costs that equal the benefits of the project, with non-Federal interests paying all of the remainder of the costs.

Specifically, this means that the citizens of Belen are so convinced of the dire problem confronting their community that they are willing to commit to an expenditure of $7,446,000 toward the full cost of the project: $19,576,000.

I applaud Belen for this forward-looking commitment. And once this project is authorized, I certainly will do everything that I can to assist them in obtaining assistance from a variety of non-Federal sources.

I also wish to say a particular word of gratitude to the Honorable Gilbert Garcia, mayor pro tem of the city of Belen. Mr. Garcia has worked long and hard to make this project a reality. I comend his leadership and that of his fellow members of the city commission.

Mr. President, I ask unanimous consent that a copy of the bill be printed at this point in the RECORD.

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

S. 923

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) the Congress finds that the historic community of Belen, New Mexico, and its population suffer chronic flooding problems that originate in the watershed and mesas west of Belen.

(2) The Congress finds further that a major canal, the Belen Highline Canal, is located immediately adjacent to Belen, New Mexico, and that a serious danger exists to life and property in the event that flood waters breach the canal.

(b) The Congress, therefore, authorizes a project for flood protection for the City of Belen, New Mexico. Such project shall include measures to increase the capacity of the Belen Highline Canal so that it will function as a conveyance system to divert flood waters safely around the City of Belen, as well as an irrigation facility.

SEC. 2. Subject to the provisions of Section 903(c) of Public Law 99-662, the Secretary of the Army is authorized and directed to undertake the flood control measures described within Section 1(b) of this Act in order to protect the City of Belen, New Mexico, and its residents, at a total cost of $19,576,000, with an estimated first Federal cost of $12,130,000, and an estimated first non-Federal cost of $7,446,000 including necessary lands, easements, rights-of-way, and relocations.

Mr. BINGAMAN. Mr. President, I am pleased to join my colleague Mr. DOMENICI in sponsoring legislation vital to the welfare and future of the residents of Belen, NM.

Belen is located in the central part of my home State, along the western bank of the Historic Rio Grande River. With a population of 9,500, it is one of the fastest growing communities in our State. Originally a small railroad community, Belen has grown into an important transportation hub for the Southwest.

The legislation we are introducing today is critical to Belen's continued growth. Surrounded by mesas and high ground on the west and the Rio Grande on the east, the community faces a constant threat of flooding. Runoff from rainstorms on the mesas above the city cause flash flooding in the valley below, and compounding the problem is the fact that portions of the city actually sit below the water level of the river. Drainage in the city is almost nonexistent.

In the last 10 years the city has suffered two major floods, which have caused severe damage to personal property, disrupted municipal services for weeks, and threaten the lives of the residents. As Senator DOMENICI mentioned, standing flood water in some areas has been as much as 15 feet deep. This problem can only worsen as the community continues to grow and develop.

The bill we are offering today authorizes the U.S. Army Corps of Engineers to construct a project to channel the runoff from the mesas. The project would modify an existing irrigation channel, known as the Highline Canal, which is owned by the Middle Rio Grande Conservancy District. The water capacity of the canal would be increased by deepening and widening the existing structure. The canal would capture the mesa runoff and channel the water downriver to prevent flooding into the city.

Because this diversion canal will be 6 miles in length, the project cost is significant. However, the city's need for this canal is so great that it has committed itself to a greater share in the cost of the project than is required by law. As you may know, Mr. President, section 903(c) of the 1986 Water Resources Development Act requires a 25-percent contribution from non-Federal interests on all Federal flood control projects. Because of the need and commitment to the future of Belen, the community is willing to commit $7,446,000 or—38 percent—toward the full cost of the project estimated at $19,576,000.

The cost-sharing agreement is indicative of the local commitment to the project. Belen is looking ahead and is moving in a prudent manner. The Honorable Gilbert Garcia, mayor pro tempore of the city of Belen, has been diligently working on this project for many years. I commend him, the city council, and the citizens of Belen for their perseverance and commitment.

By Mr. KERRY (for himself, Mr. ADAMS, Mr. MOYNIHAN, Mr. CRANSTON, Mr. D'AMATO, Mr. SANFORD, Mr. FORD, and Mr. DECONCINI):

S. 924. A bill to provide additional measures for the control of international drug trafficking, and for other purposes; to the Committee on Foreign Relations.

INTERNATIONAL NARCOTICS AND TERRORISM CONTROL ACT

Mr. KERRY. Mr. President, I am today, as the result of an outgrowth of 2 years of investigation into the link between international drug trafficking, foreign policy, and law enforcement, introducing legislation entitled the International Narcotics and Terrorism Control Act of 1989. This is cosponsored by Senator ADAMS, Senator MOYNIHAN, Senator CRANSTON, Senator D'AMATO, Senator SANFORD, Senator FORD, and Senator DECONCINI.

Before I get into the details of the legislation, I want to talk a little bit about why the bill is needed and what

it seeks to do. For 8 years we have heard in this country about a war on drugs. It really does not take an expert to understand that if there is a war on drugs, it is far more like the Vietnam war, a low-intensity conflict, than it is like World War II or the kind of war that one might expect for the kind of threat that we face.

Not a day in this country goes by that we do not hear about a drug-related death, a policeman gunned down, a baby born with a drug addition.

As a former prosecutor, I am more than familiar with what the scourge of drugs is doing to the justice system in this country. It is now estimated that in major cities, drugs are responsible for fully 70 percent of all the crimes committed. Our courts are so clogged with drug-related cases and our jails are so full that criminals literally count on being back on the streets within a few days after they are arrested.

One of the foundations of our judicial system that we learned erstwhile attorneys was that deterrence is at the heart of that system and swift and certain punishment is at the heart of deterrence. If there is no punishment, no deterrence obviously will ensue.

Because of the revolving-door policies that have been forced on us by virtue of the prisons being overcrowded, drug dealers can make millions of dollars, spend a few years away and have a trust fund waiting for them on exit. The fact is we have not had a drug policy in the country in the past few years, and "just say no" has not been enough. It is not the way to fight a war. So obviously it is time for a new approach.

To a certain degree, the administration has admitted that Czar Bennett is now in a position to do something about it, but there is no indication in the budget this year that the administration intends to really be serious about stepping up the war with more than "showtime" appearances or rhetoric.

In developing a new strategy, we need to redefine our view of national security and to reexamine our perception of what constitutes threats to ourselves and our friends within this hemisphere and around the world.

When the Foreign Relations Committee began its investigation 2 years ago into the problem of international drug trafficking, the issue was viewed widely as being a law enforcement matter, and the debate in the administration focused on improving international and domestic law enforcement efforts and achieving more effective legal cooperation.

After 2 years of investigation by the Subcommittee on Narcotics and Terrorism, it has been shown that we are facing a national security problem of different and, indeed, extraordinary dimensions. We found that the presence of the Latin American drug cartels was growing rapidly and with pervasive effect. We found that those cartels have become a powerful supranational force with enough political and economic and military clout to help shape, if not shape, developments in Latin and Central America.

These cartels will do business with anyone in any country as long as it keeps them in business with the money rolling in. Their financial and political power makes them a serious foreign policy threat because they undermine the stability of the region and have demonstrated the capacity to destabilize democratic governments.

As Gen. Paul Gorman, former head of the Southern Command, stated very bluntly in his testimony:

> If you want to move arms or munitions in Latin America, the established networks are owned by the cartels. It has lent itself to the purposes of terrorists, of saboteurs, of spies, of insurgents, and of subversives.

This underworld has lent itself to the pursuits of those who engage in illicit movements of arms and ammunition for whatever purpose, right or left, and the cartels clearly have sought stable governments in Latin America, but weak governments, governments they can control where they can do their business freely without interference. They have intimidated successfully officials in Colombia and the Colombian judicial system, corrupted government officials in the Bahamas and Mexico, the military in Haiti, another country which has become a major transshipment point, and elements of the military in Honduras.

In Peru there are reports that the drug money funds the Sandero Luminoso's efforts to topple the democratically elected government of Alan Garcia. In Paraguay a change of government has brought about new hopes for democracy, but stories persist of drug corruption among the highest echelons in the Military. In Bolivia, the democratically elected government survives at the discretion of the drug lords. And in Panama we have the greatest example of all of what narcotics and its trafficking has done to democracy with the continuing problem of General Noriega.

What is clear from the Panama experience is that drug enforcement took a back seat to perceived foreign policy concerns.

Unfortunately, the investigation I chaired showed that there were a number of other occasions in which that happened, even times when high U.S. officials intervened to stop law enforcement operations aimed at nailing drug kingpins.

For example, we found that a U.S. Ambassador to the Bahamas had shut down a Justice Department sting operation aimed at bringing down corrupt Bahamian Government officials.

One of the people who testified before my subcommittee was Richard Gregorie, Miami's top prosecutor in fighting the war on drugs, the man who indicted General Noriega on drug charges and Jorge Ochoa, the head of the Colombian Medellin Cartel. Gregorie told me that our Government wasn't allowing him to win the war on drugs—that he'd give the State Department and foreign policy people the grade of an "F" for their handling of the war on drugs—and that they'd interfered with his investigation and prosecution of some major narcotics trafficking kingpins.

After the U.S. Ambassador stopped him from moving ahead on the sting operation of a major cocaine kingpin recently, he decided that he should quit the war on drugs and go back to the private practice of law.

So I am filing legislation today which I hope will help—it is not a panacea—provide some of the tools that will allow us to fight this war more effectively. This act will not free us from the security threat but it can help to reduce the conflict and permit us to legitimately engage in a war.

First, as to the decertification process, the subcommittee found that drug decertification has not been effective. Under present law, the President can declare a country as not cooperating with the United States on narcotics efforts and therefore it is automatically decertified, but if he does he has to impose the most extreme sanctions against the country of cutting off all aid, including international lending. The only alternative he has under current law is to recertify on national security grounds, which eliminates all the sanctions but puts the President in the position of saying we have a serious problem with the country but we are doing nothing about it.

The result has been that the executive branch has continued to certify countries as cooperating even when we know they are not. So the first provision of this legislation is to establish a new tier of optional sanctions which could be imposed on those countries which do not cooperate but to which the President may not want to cut off all aid. This would give the President new tools to leverage American power, to secure cooperation from countries that are not currently cooperating.

As to the annual drug report, the second provision is aimed at the drug certification process additionally. The State Department currently prepares a report, but we have no input from each of the individual agencies, and this report has, frankly, lacked candor in past years. This year it was significantly better. It is our hope that Congress can do a better job of elevating this process and that the State Department will be more accountable in it if individual agencies contributing to

it place summaries within that report of their views of where we are specifically with respect to the war on drugs.

As to links between narcotics and terrorism, as I stated, we found that drug trafficking does not know any ideology and that terrorists on the right and the left had repeatedly linked up with drug traffickers. To date, Congress has not been given information regarding those links and so we require that, as part of the report, agencies involved in the war on drugs would report about those links between international narcotics trafficking, money laundering, and international terrorism, including the involvement of guerrilla groups on the right or the left without regard to ideology.

The subcommittee found evidence that morale among Federal workers involved in the war on drugs was particularly low and that many were quitting, as I mentioned, at a time when we need them most. Accordingly, the act requires the drug czar to initiate a study to determine whether adequate resources are being devoted to the hiring, training, promotion, and retention of those employees involved in the war.

Another and one of the most disturbing things we learned was that in a number of cases the State Department had refused to assist law enforcement officials with requests for help in making prosecutions involving drug-corrupted foreign officials. Congress should know when and if the State Department interferes with a sting operation or an ongoing criminal investigation, and this act requires that the Secretary of State advise the chairman of the Committees on Foreign Relations and Foreign Affairs when the State Department has rejected a formal request from a law enforcement agency for assistance or action on a law enforcement matter. It may well be that this notification should be made to the chairmen of the Intelligence Committees as well, and this issue will be reviewed in hearings on this legislation.

We also found that people in our Government with extensive knowledge on how to fight drugs were leaving Government and turning around and selling their knowledge to foreign governments, even foreign governments that had been corrupted by drug money, so we should make sure that no one sells that inside knowledge about U.S. antidrug efforts. The act prohibits those leaving the executive branch and Congress who have worked on narcotics-related matters from representing a foreign government on narcotics matters during a period of 3 years and imposes a penalty for violation.

Perhaps the worst thing we found, Mr. President, was that the State Department had hired drug traffickers to provide services to the Contras as part of the humanitarian assistance program in 1986. As a result, taxpayers' dollars went to people who trafficked in cocaine, including individuals and companies already under indictment at the time. Among all of our agencies, the State Department obviously does an enormous amount of business with providers of services beyond our borders. So we are trying to prevent capacity for drug traffickers to infiltrate those activities, and we are requiring in this act that the State Department should be prohibited from entering into any contract with an individual or company indicted by U.S. Federal law enforcement for any narcotics-related offenses including money laundering or who have prior convictions for such an offense.

Similarly, the subcommittee found some information suggesting U.S. intelligence agencies had made payments to certain individuals who are also involved in drug trafficking. Obviously, a ban on employment of convicted drug traffickers by U.S. intelligence agencies would reduce the confusion that has been endangered in recent years by the impact on law enforcement of links between drug traffickers who later claim that they were sanctioned in their actions because of ties to the intelligence community.

This legislation would prohibit any U.S. intelligence agency from making any payments to any person convicted of narcotics-related offenses except as authorized in writing by the Attorney General in connection with the investigation and prosecution of criminal activity.

Finally, the subcommittee found numerous instances in which individuals engaged in paramilitary or military activities directed at foreign nations from the United States believe that they have authorization from the U.S. Government to do so. In several cases prosecution of Neutrality Act cases has been impeded by the difficulty in determining whether or not military activity against nations with whom the United States is not officially at war was in fact authorized by Government officials.

Prosecutors in New York had to drop major indictments against people smuggling arms to Iran because of the Iran-Contra affair. Prosecutors in Miami had similar problems in prosecuting Neutrality Act cases involving the Contras. So this act seeks to eliminate the capacity for that to happen.

A final note with regard to the new optional sanctions which this legislation will authorize the President to impose on countries which do not cooperate with our narcotics control efforts, I would like to clarify that the purpose of authorizing the President to deny or limit visas to nonimmigrant nationals from any such country is to curtail abuse of certain visas by drug traffickers. This provision is not intended to restrict the issuance of nonimmigrant visas which have no history of being abused by drug traffickers, such as visas issued to temporary workers, students, international organization personnel, foreign press, and so forth. Nor is this provision intended to interfere with American travel to noncooperating countries. With regard to those types of nonimmigrant visas which do have a history of being abused by drug traffickers, such as tourist visas, the President should impose this sanction only if safeguards are put in place so that legitimate travel is not impeded.

Obviously, this legislative package is not a panacea. It is an attempt to help law enforcement overcome the serious impact that other foreign policy interests have had on the war on drugs.

If this act passes, it will be much harder for high U.S. officials to intervene, as they have in the past, to stop law enforcement operations aimed at nailing drug kingpins. And if they do, we'll know about it.

If this act passes, when terrorists and drug traffickers work together, the executive branch will have to take note and tell us.

If it passes, the State Department and our intelligence agencies will never again find themselves in the position of hiring drug traffickers with public funds.

If it passes, the Justice Department will more easily be able to make the prosecutions it needs against arms dealers claiming they were doing it for our Government.

If it passes, the President will have new tools to use against foreign governments who aren't cooperating in the war on drugs.

And if it passes, Government employees won't be able to sell the knowledge they gain in government about antidrug activity to foreign governments which have been corrupted by drug money.

As chairman of the Subcommittee on Narcotics, Terrorism, and International Operations, I look forward to hearings on this package in the Foreign Relations Committee in the months to come. I hope to have both current and former U.S. officials testify about the effects these provisions would have on the war on drugs.

Mr. President, I will at a later time be filing additional legislation that will assist in the prosecution of that war on drugs.

I ask unanimous consent that the text of the bill, along with a section-by-section analysis of it, be printed in the RECORD.

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

S. 924

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 "International Narcotics and Terrorism Control Act of 1989".

SEC. 2. OPTIONAL SANCTIONS.

For any country for which a certification under section 481(h)(2)(A)(i) of the Foreign Assistance Act of 1961 is not in effect, any of the following additional sanctions may be imposed if the President determines that to do so would contribute to the reduction in the importation into the United States of narcotics drugs from such country:

(1) A prohibition on the loading or unloading of cargo, passengers, or crew, and the refueling or other provisioning, except under emergency circumstances recognized by international law of any vessel which at anytime during the preceding 60 days had engaged in such loading, unloading, refueling, or provisioning in any such country.

(2)(A) The President may direct the Secretary of Transportation to revoke the right of any air carrier designated by the government of such country under the air transportation agreement between the United States and that country to provide service pursuant to that agreement.

(B) The Secretary of State may terminate that agreement in accordance with the provisions of that agreement.

(C) Upon termination of that agreement, the Secretary of Transportation shall prohibit any aircraft of a foreign air carrier owned, directly or indirectly, by the government of that country or by nationals of that country from engaging in air transportation with respect to the United States.

(D) The Secretary of Transportation may provide for such exceptions from the prohibition contained in subparagraph (C) as the Secretary considers necessary to provide for emergencies in which the safety of an aircraft or its crew or passengers is threatened.

(E) For purposes of this paragraph, the terms "aircraft", "air transportation", and "foreign air carrier" have the meanings given those terms in section 101 of the Federal Aviation Act of 1958 (49 U.S.C. 1301).

(3) Subject goods and containers from any such nation to special inspections, guarantees, or such additional regulations as are deemed necessary to prevent goods and containers from being used to transport prohibited substances to the United States.

(4) Notwithstanding any other provision of law, the Secretary of State may deny or limit the number of nonimmigrant visas or border crossing cards issued to natives of that country.

(5) After providing appropriate notice pursuant to any applicable treaty or other international agreement, the Secretary of the Treasury may terminate customes preclearance by not providing customs services for the preclearance of passengers or baggage at any customs facility located in such country.

SEC. 3. AGENCY COMMENTS AND RECOMMENDATIONS.

Section 481(e) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

"(9)(A) Each report pursuant to this subsection shall include comments and recommendations regarding the war on drugs by each of the agencies described in subparagraph (B), including information relevant to determining the performance of each illicit drug producing country or drug transit country for purposes of subsection (f).

"(B) The agencies referred to in subparagraph (A) are the Department of State, the Department of Justice, the Department of Defense, the Department of the Treasury, the Department of Health and Human Services, the Agency for International Development, the Drug Enforcement Administration, the United States Customs Service, and other enforcement agencies.".

SEC. 4. ADDITIONAL REVIEW FOR INCLUSION IN ANNUAL REPORT.

Section 481(e) of the Foreign Assistance Act of 1961, as amended by section 3, is further amended by adding at the end thereof the following new paragraph:

"(10) Each report pursuant to this subsection shall include the results of a review of the connections between international narcotics trafficking, money laundering, and international terrorism, including the involvement of guerrilla groups on the right or left, without regard to ideology.".

SEC. 5. REPORT BY THE DIRECTOR OF NATIONAL DRUG CONTROL POLICY ON ADEQUACY OF FEDERAL RESOURCES.

The Director of National Drug Control Policy shall include—

(1) a study of current Federal personnel practices affecting all persons engaged in the war on drugs (including the Department of Justice, the United States Customs Service, the Drug Enforcement Administration, the Department of State, and the Bureau of Narcotics), and

(2) a determination whether adequate resources are being devoted to the hiring, training, promotion, and retention of Federal employees responsible for fighting drugs,

in the National Drug Control Strategy submitted to the Congress on February 1, 1990, pursuant to section 1005(a) of the National Narcotics Leadership Act of 1988.

SEC. 6. REPORT BY SECRETARY OF STATE.

Section 481 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(k) Not later than 10 days after denying a request from a law enforcement agency for assistance or action by the Department of State, the Secretary of State shall submit to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives a report setting forth a full statement of the reasons for such denial.".

SEC. 7. PROHIBITION ON CERTAIN GOVERNMENT EMPLOYEES REPRESENTING FOREIGN GOVERNMENTS ON NARCOTICS MATTERS.

(a) OFFENSE DEFINED.—It shall be unlawful for any person—

(1) who was employed by the Executive branch of Government or by the Congress, and

(2) who performed duties with respect to narcotics-related issues, whether administrative, policy-making, enforcement, or legislative,

to represent a foreign government on narcotics matters during a period of 3 years after leaving such employment.

(b) PENALTY.—Any person who violates subsection (a) shall, upon conviction thereof, be guilty of a felony and shall be punishable by a fine of not more than $10,000, or imprisonment for not more than 5 years, or both.

SEC. 8. RESTRICTIONS ON PROCUREMENT PRACTICES OF THE STATE DEPARTMENT.

(a) PROHIBITION ON CERTAIN CONTRACTS.—Before the Secretary of State or any other officer or employee of the Department of State may enter into a contract, on behalf of the Department of State, with any individual, corporation, partnership, or other business association or entity, such officer or employee shall submit the name of such individual or entity to the Federal Bureau of Investigation, the United States Customs Service, and the Drug Enforcement Administration for their determination that such individual or entity is not under indictment or has not been convicted of any narcotics or narcotics-related offense, including money laundering.

(b) PROHIBITION ON USE OF FUNDS.—No funds appropriated or otherwise made available for the Department of State may be available for payment on any contract entered into with an individual or entity listed by an agency referred to in subsection (a).

SEC. 9. PROHIBITION ON CERTAIN PAYMENTS TO DRUG OFFENDERS.

(a) Notwithstanding any other provision of law, no funds made available to any element of the United States Government authorized to conduct intelligence or intelligence-related activities may be available for payment to any individual who has been convicted of narcotics trafficking or money laundering, except as authorized in writing by the Attorney General in connection with the investigation or prosecution of criminal activity.

(b) for purposes of subsection (a), the term "element of the United States Government authorized to conduct intelligence or intelligence-related activities" refers to the components of the Government enumerated in paragraphs (1) through (10) of section 101(a) of the Intelligence Authorization Act, Fiscal Year 1989.

SEC. 10. LIMITATION ON DEFENSE TO VIOLATION OF CERTAIN UNITED STATES LAWS.

(a) GENERAL.—It is not a defense to prosecution for an offense described in sections 956 through 967 of title 18, United States Code, that an individual was acting pursuant to the authority or direction of any department, agency, or officer of the United States Government, unless—

(1) such action was taken pursuant to the specific authority or direction of the Secretary of State; and

(2) the Foreign Affairs Committee and the Permanent Select Committee on Intelligence of the House of Representatives and the Foreign Relations Committee and the Select Committee on Intelligence of the Senate were notified by the Secretary of State within 48 hours after the conferral of such authority or the giving of such direction.

(b) APPLICABILITY.—This section does not apply to a prosecution under any section referred to under subsection (a) resulting from conduct that occurred prior to the date of enactment of this Act.

SECTION-BY-SECTION ANALYSIS ON THE INTERNATIONAL NARCOTICS AND TERRORISM CONTROL ACT OF 1989

This legislation has been designed to respond to specific problems involving U.S. anti-narcotics efforts and foreign policy identified during a two-year study by the Committee on Foreign Relations Subcommittee on Narcotics, Terrorism and International Operations. The hearings on which these legislative proposals are based are published in four parts (S. Hrg. 100-773) by the Committee on Foreign Relations, entitled "Drugs, Law Enforcement and Foreign Policy." Further justification for each proposal is contained in the Subcommittee

Report, issued by the Subcommittee on March 2, 1989.

Section One. Cites the name of the Act as the "International Narcotics and Terrorism Control Act of 1989.

Section Two. Grants new authority to the President to impose optional sanctions against major drug transit or drug producing countries under Section 481(h)(2)(a)(i)(I) of the Foreign Assistance Act of 1961 if they have failed to cooperate fully with the U.S. on narcotics control, if the President determines that to do so would contribute to reducing the importation to the U.S. of narcotics from that nation. The optional sanctions, any of which the President could impose at his discretion, are to:

(a) Prohibit ships that have stopped at any such nation within 60 days from unloading cargo or passengers in the United States.

(b) Deny landing rights in the United States to the national airlines of any such nation;

(c) Subject goods and containers from any such nation to special inspections, quarantines, or such additional regulations as are deemed necessary to prevent them from being used to transport prohibited substances to the United States.

(d) Deny or limit visas to non-immigrant nationals of any such nation.

(e) Eliminate Customs pre-clearance facilities to any such nation.

The Subcommittee believes the President should have available a group of optional sanctions to place pressure on countries that do not fully cooperate with the U.S. in the war on drugs, in addition to the mandatory sanctions under current law. This provision would allow the President to avoid imposition of the mandatory sanctions by certifying a non-cooperating nation under the national security provision of 481(h)(2)(a)(i)(II), while retaining the right to impose the optional sanctions.

With reference to subsection (e), pre-clearance, currently, the Bahamas, Bermuda, and Canada are allowed to have individuals clear U.S. Customs on their territory. Of these nations, only the Bahamas is designated a major drug-transit or major illicit drug producing country. Under Customs pre-clearance, individuals arrested and illicit goods seized come under the jurisdiction of the foreign country, rather than the United States. As a consequence, the U.S. cannot ensure adherence to our standards of anti-narcotics law enforcement. While pre-clearance is a convenience for tourists, that convenience is subject to abuse by drug traffickers. The Subcommittee believes that the war on drugs should take precedence over the facilitation of tourism in major drug transit and drug producing countries, and should be denied the Bahamas if it is not certified as fully cooperating with U.S. law enforcement efforts.

Section Three. Agency Comments and Recommendations.

Requires that each agency involved in the war on drugs include its own specific comments and recommendations within the annual International Narcotics Control Strategy Report, including information regarding the specific experience of that agency with each illicit drug producing or drug transit country, in terms of its cooperation with the U.S.

Under current law, the Report is prepared by the State Department and no such comments by other agencies is mandated.

Section Four. Requires the annual International Narcotics Control Strategy Report to review the links between international narcotics trafficking, money laundering and international terrorism, including the involvement of guerrilla groups on the right or left, without regard to ideology.

The Subcommittee received extensive testimony that narcotics funds have been used to subsidize terrorist activity involving groups of varying ideologies. Past reports, while containing a country-by-country review, did not explicitly review or analyze these links.

Section Five. Requires the drug czar to initiate a study to determine whether adequate resources are being devoted to the hiring, training, promotion, and retention of federal employees involved in the war on drugs.

Section Six. Requires the Secretary of State to advise the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives whenever the State Department has rejected a request from a law enforcement agency for assistance or action on any law enforcement matter.

The Subcommittee received testimony regarding a number of examples in which the State Department refused to provide assistance to United States law enforcement personnel in connection with an investigation or prosecution, on the ground that the law enforcement action might have adverse foreign policy implications. This provision would require the Secretary of State to advise Congress whenever the Department had made such a determination and therefore rejected the request.

Section Seven. Prohibits individuals in the Executive Branch and the Congress who have worked on narcotics-related issues from representing a foreign government on narcotics matters during a period of three years after leaving government, and imposes a penalty for violation of up to five years in prison and a fine of $10,000.

The Subcommittee found numerous examples in which government officials involved in fighting the war on drugs represented foreign governments on drug-related matters soon after leaving government. The Subcommittee received extensive evidence of drug-related corruption in a variety of foreign governments. The U.S. would be better protected by having foreign officials who have been corrupted by narcotics money less able to manipulate the U.S. governmental system by hiring former government officials. Accordingly, this provision would extend the current one year prohibition against Executive Branch employees representing a foreign government to three years in connection with drug-related matters, and would extend this prohibition to Congressional Employees as well.

Section Eight. Prohibits the Department of State from entering into contracts with any individual or company indicted by federal law enforcement for any narcotics-related offenses, including money laundering, or convicted of any such offense. The Department would be required to institute procedures by which it would routinely check with the FBI, Customs and DEA to determine whether a company or individual is under indictment for or convicted of a drug-related offense before Department enters into any contract with the company or individual.

The Subcommittee found a number of cases in which the State Department entered into contracts with drug traffickers then under investigation by federal law enforcement authorities without conducting any background check of the contractors. This provision would require such a check and prohibit entering into the contract until the law enforcement agencies certified that the company or individual was not involved in narcotics trafficking or money laundering.

Section Nine. Prohibits any U.S. intelligence agency from payments to any person convicted of narcotics related offenses, except as authorized in writing by the Attorney General in connection with the investigation or prosecution of criminal activity.

The Subcommittee found a number of cases in which persons engaged in narcotics-related activities contended that they were also employed by U.S. intelligence, interfering with effective law enforcement. The Subcommittee believes a ban on the employment of convicted drug traffickers by U.S. intelligence agencies would reduce the confusion that has been engendered in recent years by the impact on law enforcement of links between drug traffickers claiming intelligence ties.

Section Ten. Amends the Neutrality Act to apply solely to actions which are not specifically authorized by the State Department. Each such authorization would require prompt notification by the State Department to the House and Senate Foreign Affairs and Foreign Relations Committees, and Select Committees on Intelligence.

The Subcommittee found numerous instances in which individuals engaged in military activity directed at foreign nations from the United States believed they had authorization from the U.S. government to do so. In several cases, prosecution of Neutrality Act cases has been impeded by the difficulty in determining whether or not military activity against nations with whom the U.S. is not officially at war was in fact authorized by government officials. This provision would clarify current law by establishing a formal system to determine whether such activity has or has not been authorized.

Mr. ADAMS. Mr. President, I am pleased to join with the distinguished sponsor of this bill, Senator KERRY, in cosponsoring this measure. As a former member of the Subcommittee on Narcotics, Terrorism and International Operations, I participated in the extensive and thorough hearings which lead to the legislative proposals contained in this bill. These legislative proposals are the result of months of hearings into the nature and extent of the international narcotics problem. They are aimed at eliminating some of the obvious shortcomings which have in the past contributed to our Nation's inability to halt the trafficking of international narcotics.

An international drug cartel is methodically and strategically targeting the United States as their main market for their drugs. They are making billions and billions of dollars in profits at the expense of our kids and our future. This cartel poses the most serious threat to U.S. national security that we have seen since World War II.

During the hearings held by the Subcommittee on Narcotics and Ter-

rorism which led to the development of this legislation, we learned that the objective of cutting off the supply of drugs became a secondary goal in our foreign policy in Central and Latin America. The work of our law enforcement apparatus to deal with the international drug problem has been frustrated and subverted to broader foreign policy objectives in many countries we examined—in Nicaragua, in Honduras, in Haiti, in the Bahamas and in Panama. Provisions of this bill which require the State Department to notify Congress whenever it refuses to help law enforcement officials because of national security will help address this problem. Other provisions of this bill creating new sanctions which the President may impose on nations that do not cooperate in the war on drugs, amendments to the Neutrality Act, and provisions to prohibit the State Department and U.S. intelligence agencies from making payments to convicted drug traffickers and money launderers will help improve our effort to counter the international drug cartel.

We need to move forward on these legislative proposals without delay. As the new chairman of the District of Columbia Appropriations Subcommittee, I am trying to develop some programs which will help us wake up from a nightmare where our streets and our schools are besieged by drugs. It is a nightmare of kids addicted to crack, of kids killing kids, of drug peddlers going free to poison our streets, and of an overburdened and overloaded law enforcement and criminal justice system.

Last week, I spent 2 full days meeting with local government officials in my home town of Seattle. During those 2 days, I witnessed a criminal justice system which is overburdened because of crack and cocaine. It is a situation which requires Federal action in dealing with both the supply and demand side of the narcotics equation. This bill will help us address what needs to be done to cut down on supply. Through other legislative efforts, we must move with equal vigor on the demand side of the equation.

In closing, I just want to compliment Senator KERRY for his dedication to this cause and my pledge to continue to work with him and others to see that we ultimately win the war on drugs—in foreign countries and in our streets.

By Mr. SASSER (for himself and Mr. ROTH):

S. 926. A bill to improve cash management by executive agencies, and for other purposes; to the Committee on Governmental Affairs.

CASH MANAGEMENT IMPROVEMENT ACT

● Mr. SASSER. Mr. President, I am pleased today to join with my distinguished colleague from Delaware, Mr. ROTH, in introducing the Cash Management Improvement Act of 1989.

This bill was introduced by Senator ROTH and myself in the 100th Congress. It was favorably reported from the Governmental Affairs Committee last year, was unanimously approved by the Senate, and was the subject of a very constructive hearing before the House Government Operations Committee. Although the 100th Congress adjourned before the House could take action on our bill, I am confident that prompt action by the Senate, this year, will be rewarded with final enactment.

The legislation we are reintroducing has the support of the General Accounting Office, the Office of Management and Budget, and the Department of the Treasury. It also has the backing of both the National Association of State Auditors, Comptrollers and Treasurers, and the National Association of State Budget Officers.

Simply put, this bill is designed to improve the efficiency with which billions of dollars of Federal funds are transferred to States to enable them to carry out Federal programs. Our goal is to insure that neither a State, nor the Federal Government, is out-of-pocket an undue length of time as a result of these transfers. Our bill seeks to narrow the time between the transfer of Federal funds—whether an advancement, or a reimbursement—and the time when those funds are paid out by a State for program purposes.

Thus, the cash management bill would prevent State governments from drawing down Federal funds too far ahead of schedule. By the same token, it would keep States from incurring a fiscal penalty when they advance their own funds, and then experience delays in Federal reimbursement.

The way this will be accomplished is by the reciprocal calculation of interest on Federal or State cash advances, pending their payout for program purposes. Our bill provides that each State, and the Federal Government, will enter into an agreement covering funding for all Federal assistance programs in which the State participates. The interest obligation provides a mutual incentive for State and Federal agencies to see that the transfer of Federal funds coincides as closely as possible to actual payments to program recipients.

For instance, if a State requires Federal funds on hand before it can lawfully issue checks, it will be able to have them. The State will simply be accountable for interest from the time when the Federal Treasury transfers the funds, until the time when funds are paid to redeem the State's checks. So each State will certainly work to reduce the time between when they draw down, and when they disburse, Federal funds.

Conversely, if the State advances its own funds for Federal program purposes, subject to reimbursement by the responsible Federal agency, the Federal Government will be liable for interest payment to the State from the time the State pays out funds to redeem its checks, until reimbursement is forthcoming.

Actual payment or setoff of interest between a State and the Federal Government would be performed annually. Last year, the Congressional Budget Office estimated that when fully implemented, the cash management bill would result in a net payment balance of $45 to $50 million in the Federal taxpayer's favor. But I can tell you that nearly all the States we have heard from, including my home State of Tennessee, favor the bill strongly. It ensures predictability in Federal funding, which assists the States' own investment strategies. Through astute management of the Federal money they have on hand, States will suffer no adverse impact from our bill. Let me emphasize that it is intended as a make-whole bill, not a money maker for either a State, or the Federal Government.

This legislation had its origin in a sharp dispute between State and Federal Governments during the early 1980's. Federal agencies complained that States were drawing down excessive funds for Federal programs, and doing it too early. The float earned by a State on these funds was an interest expense to the Federal taxpayer. But the States had an equally valid complaint. When a State advanced its own money—for example, for Federal highway construction—Federal agencies were too often late in making reimbursement. This was an interest expense to the State.

So the present cash management bill was developed by a joint Federal/State cash management reform task force, which was formed in 1983. The interest calculation-and-setoff formula was successfully pilot-tested by four States: Virginia, Indiana, Wisconsin, and California.

The efforts of the task force were followed by intensive work with the Senate Governmental Affairs Committee in the 99th Congress, on a bill introduced by Senator ROTH. As I've noted, Senator ROTH and I reintroduced that legislation in the last Congress, as S. 1381. It was the subject of a hearing before the Subcommittee on Government Efficiency, Federalism, and the District of Columbia, which I chair. S. 1381 was enthusiastically endorsed at that hearing by a number of State fiscal officers and representatives of the administration.

As a result of that hearing, and continuing discussions among Federal executive agencies, States, and congressional staff, we have made some

changes in the legislation being introduced today. I think those changes strengthen S. 1381. Let me summarize the more significant modifications in the cash management bill.

First of all, S. 1381 included a provision, which is repeated in the present bill, that allows the Secretary of the Treasury to financially penalize a Federal agency for failing to adhere to proper cash disbursement guidelines. However, we want to be sure that this Federal housekeeping tool does not end up draining money from funds which are earmarked for the States. Thus, the bill we introduce today provides that any penalty assessed against a Federal agency will come from agency operating funds, not program funds intended for disbursement to the States.

Second, our bill today clarifies that actual payments or offset of interest between the Federal Government and each State will be done once a year.

The present bill also specifies that States are not to be charged for interest that they are required to retain for program purposes. For example, a number of statutory Federal programs specifically intend that States will retain and plow back interest on undisbursed funds. These include certain revolving funds accounts, such as national direct student loans, and certain construction programs such as those authorized by the Clean Water Act. It would be anomalous to demand back the interest earned by States from investing funds for these programs.

Finally, the legislation we are introducing makes an important distinction, concerning State withdrawals from their accounts at the unemployment trust fund. Although the money in question belongs to the individual States, the Secretary of the Treasury is required by statute to invest the fund as a single entity. In order not to diminish the earning power of the fund, it is important that a State return to its account any outside interest it earns when it draws down an advance from its account. Before returning this interest, however, our bill first permits the State to net out the costs it is charged by a bank to handle these drawdowns. Otherwise, the State would bear these banking costs as an out-of-pocket expense for using its own money. That is not what we intend, and our bill so indicates.

In conclusion, Mr. President, the Cash Management Improvement Act of 1989 is much-needed legislation which has already received considerable study and unanimous approval from the Senate. It will improve the efficiency of Federal funds transfers, and insure that neither the Federal nor State taxpayer is disadvantaged by having Government money sit idle too long. I commend this bill to my colleagues and urge them to join me and Senator ROTH in securing its prompt passage.●

● Mr. ROTH. Mr. President, I am pleased to join with Senator SASSER in introducing legislation to govern the cash management practices followed in the transfer of funds between the Federal and State Government, to the 101st Congress.

In the 99th Congress, I introduced the omnibus Federal management bill, S. 2230, the Federal Management Reorganization and Cost Control Act of 1986, which contained, as a title, the essence of the Cash Management Improvement Act of 1989. Although S. 2230 was reported unanimously from the Senate Governmental Affairs Committee, it was never considered on the Senate floor. Two years ago, during the first session of the 100th Congress, Senator SASSER joined with me in introducing S. 1381, the Cash Management Improvement Act of 1987, as a separate bill. This legislation focused on the provisions of title IV of S. 2230.

The ideas encompassed in S. 1381 have been developed and discussed over a number of years. The work was done by the State/Federal Cash Management Reform Task Force which produced two memorandums of understanding, one in 1983 and 1985, as a means for ensuring equity in the exchange of funds between the Federal Government and the States. The documents show the progress of years of negotiation and cooperation between the Federal Government and the States.

For many years, intergovernmental financing methods have been an area of friction between the State and Federal Governments. All sides to this problem have been well noted. The States are known to draw down Federal funds sooner than necessary. On the other hand, the Federal Government has not always provided the States their Federal funds on time so that they must use their own funds to finance Federal programs. It was clear that both parties had to develop viable solutions. With the urging of Congress, the Federal/State Cash Management Reform Task Force was created, and at the core of this legislation lies their findings.

The equity achieved in this legislation is indeed a reflection of the work and cooperation that came from all participants. I would like to thank Senator SASSER for his work in bringing the States and the executive and legislative branches together again to work out a final draft of this legislation which passed the full Senate last year and is being introduced today.

For the record, I want to say a little about why this bill authorizes the exchange of interest between the Federal Government and the States. The interest exchange provision in the bill provides an incentive for the timely payment of funds. If this were a perfect world, this provision would not be needed. But, unfortunately, experience has shown that States don't always get funds from the Federal Government when they need them, and not all States have historically waited until they need funds, to draw them down. Clearly, we must develop cash transfer policies that are fair, uniform, predictable, and enforceable.

To accomplish this end, the bill utilizes the making whole concept in that whoever has use of the money pays for it, compensating the other party for any loss of investment opportunity. Added to the bill is authority for the Treasury Department to penalize an agency that is chronically poor in its cash management. There is a similar statute for the collection activity which was used as a model for disbursements in this legislation.

It is also important to point out that States need not choose a funding option that calls for the interest exchange. Options are available that would not require the exchange of interest, and the U.S. Treasury will work with States to ensure a mutually agreeable option for the drawing down of funds. The bill calls for the establishment of cash management practices which allow that neither the Federal or State Governments prosper or suffer financially as the result of the transfer of funds.

I think it noteworthy that both the National Association of State Auditors, Comptrollers and Treasurers and the National Association of State Budget Officers have called for enactment of the ideas in this legislation. These groups have had members on the State/Federal Cash Management Reform Task Force since its inception, and they endorse the content of the bill, which closely follows the legislation developed by the Task Force.

The Congressional Budget Office has looked at this legislation for cost savings, and has concluded, based on past Treasury information, that it should save the Federal Government between $35 to $50 million a year. This bill can be a key to building a strong level of trust and confidence in the intergovernmental financing process, as it is based on tested principles that have been mutually agreed upon. This is a timely piece of legislation both in concept and in result.

This bill is an excellent example of how the legislative process should work. It has been debated by the parties involved and a compromise, satisfactory to all, has been drafted for the consideration of Congress. Partners in this effort have been Senators on both sides of the aisle, the Treasury, and the States. The bill will save the taxpayer money, and will make government run more smoothly. Further it has previously passed the Senate. As I

have said before, this is a piece of legislation whose time has come.●

By Mr. PELL:

S. 928. A bill to authorize appropriations for the Department of State, the U.S. Information Agency, and the Board for International Broadcasting for fiscal year 1990, and for other purposes; to the Committee on Foreign Relations.

FOREIGN RELATIONS AUTHORIZATION ACT

● Mr. PELL. Mr. President, I am today introducing the Foreign Relations Authorization Act for fiscal year 1990. This legislation provides authority for the Department of State, the U.S. Information Agency, and the Board for International Broadcasting. In addition, it includes a significant expansion of U.S. global environment legislation and important policy provisions, including a ban on any assistance that might directly or indirectly benefit the murderous Khmer Rouge in Cambodia.

This legislation increases funding for these foreign affairs agencies by $300 million over last year's appropriated levels. Most of this increase goes to meet U.S. treaty obligations to the United Nations and the specialized agencies. In the last year the United Nations has proven its value, helping end the bloody Iran-Iraq War, helping bring peace and independence to Namibia, and facilitating the Soviet withdrawal from Afghanistan. It is a source of embarrassment that the United States has not paid its dues to the United Nations and this bill will help rectify that situation.

Unfortunately, the budget summit agreement does not provide sufficient funding to pay for other essential increases in our foreign affairs agencies. Reluctantly, this bill defers the new transmitter for the VOA and Radio Free Europe that was slated to be built in Israel. In addition, we are unable to do more for the State Department and USIA than maintain current services. In some cases, this bill also makes real cuts. The failure to fully fund our foreign affairs agencies does real damage to our national security; it is the tragic price we must pay for 8 years of spend, spend, borrow, borrow.

This bill includes numerous policy provisions. I would like to call my colleagues' attention to several. In the international environmental area, the bill includes language cosponsored by Senators BIDEN, LUGAR, and myself to significantly expand our international programs including preliminary authorization for "debt for nature" swaps. A provision offered by Senator MOYNIHAN seeks to ensure respect for our Constitution by criminalizing efforts to circumvent congressional prohibitions by having other countries do what we cannot.

Finally, I would like to call attention to a human rights provision I consider paramount. This bill includes language to prohibit assistance of any kind to the Khmer Rouge and to any Cambodian military or political group in alliance or association with the Khmer Rouge. With the Vietnamese withdrawal at hand, we must ensure that there is no role in any future Cambodian Government for the murderers who slaughtered over 1 million Cambodians in the 4-year period 1975 to 1979. Rather than accepting the Khmer Rouge as a part of the Cambodian landscape, as some in our Government have suggested, this bill urges the President to do what is necessary to bring them to the bar of justice for the crime of genocide.

I ask unanimous consent that the text of the Foreign Relations Authorization Act for fiscal year 1990 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. 928

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Foreign Relations Authorization Act for Fiscal Year 1990."

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

TITLE I—THE DEPARTMENT OF STATE

PART A—AUTHORIZATION OF APPROPRIATIONS; ALLOCATION OF FUNDS

Sec. 101. Administration of foreign affairs.
Sec. 102. Contributions to international organizations and conferences.
Sec. 103. International commissions.
Sec. 104. Other programs.
Sec. 105. Migration and refugee assistance.
Sec. 106. Availability of funds.
Sec. 107. Prohibition on solicitation of funds to further illegal activities.
Sec. 108. Prohibition on assisting third party countries to further prohibited United States Government actions.

PART B—DEPARTMENT OF STATE AUTHORITIES AND ACTIVITIES; FOREIGN MISSIONS

Sec. 110. Authorization of certain operational activities.
Sec. 111. Fees and reimbursements.
Sec. 112. International center.
Sec. 113. Acquisition of domestic property as interim step to acquiring property abroad.
Sec. 114. Working capital fund for Office of Foreign Missions.
Sec. 115. Middle East reports.
Sec. 116. Munitions control registration fees.
Sec. 117. Use of herbicides for drug eradication.
Sec. 118. Support for the Benjamin Franklin House Museum and Library.
Sec. 119. International Boundary & Water Commission.
Sec. 120. Diplomatic and consular posts abroad.
Sec. 121. Consular officer duties.
Sec. 122. Access to criminal records.
Sec. 123. State Department post offices abroad.
Sec. 124. Authority of Diplomatic Security Service.
Sec. 125. Prohibition on the use of military items in Tibet.
Sec. 126. Opening an American Consulate in Bratislava.
Sec. 127. Construction of United States Embassy in Ottawa.
Sec. 128. Assistant Secretary of State for South Asia.
Sec. 129. Visiting Scholars Program for the Foreign Service Institute.

PART C—DIPLOMATIC IMMUNITY, RECIPROCITY AND SECURITY

Sec. 130. Exclusion of aliens previously involved in a serious criminal offense committed in the United States.
Sec. 131. United States-Soviet reciprocity in matters relating to Embassies.
Sec. 132. United States-Soviet Embassy agreement.
Sec. 133. Child care facilities at certain posts abroad.
Sec. 134. State Department contractor exemption to Polygraph Protection Act.

PART D—PERSONNEL

Sec. 140. Authority to transfer retirement contributions for Foreign Service nationals to local plans.
Sec. 141. Judicial review—separation for cause.
Sec. 142. Travel, leave, and other benefits.
Sec. 143. Amendments to title 5, United States Code.
Sec. 144. Credit for service at unhealthful posts.
Sec. 145. Former spouses of USIA and AID employees.
Sec. 146. Grants for institutions and students and training in international affairs.
Sec. 147. Expansion of model foreign language competence posts.
Sec. 148. Report on foreign language entrance requirement for the Foreign Service.
Sec. 149. Foreign Service promotion panels.
Sec. 150. Change in the employee evaluation report.

TITLE II—UNITED STATES INFORMATION AGENCY

Sec. 201. Authorization of appropriations; allocation of funds.
Sec. 202. Voice of America.
Sec. 203. Bureau of Educational and Cultural Affairs.
Sec. 204. National Endowment for Democracy.
Sec. 205. East-West Center.
Sec. 206. Fees for USIA publications and other programs.
Sec. 207. Diplomatic Construction Program.
Sec. 208. Foreign Language Services.
Sec. 209. Dissemination of information within the United States.
Sec. 210. Establishment of the J. William Fulbright Scholarship Board.
Sec. 211. USIA satellite and television.
Sec. 212. Free enterprise system in television.
Sec. 213. Citizen exchanges.
Sec. 214. Scholarships for Tibetans.
Sec. 215. United States-Soviet exchanges.
Sec. 216. Voice of America hiring practices.
Sec. 217. Distribution within the United States of USIA film entitled "Long Journey Home."

TITLE III—BOARD FOR INTERNATIONAL BROADCASTING
Sec. 301. Authorization of appropriations.
Sec. 302. Procurement of legal services.
Sec. 303. Radio Free Afghanistan.
TITLE IV—INTERNATIONAL ORGANIZATIONS
Sec. 401. United States membership in International Sugar Organization.
Sec. 402. Reform in budget-making at the United Nations and its specialized agencies.
Sec. 403. United Nations voting practices amendment.
Sec. 404. Membership of the PLO in United Nations agencies.
TITLE V—REFUGEE AND OTHER PROVISIONS
Sec. 501. United Nations High Commissioner for Refugees Audit Requirement.
Sec. 502. Worldwide refugee protection.
Sec. 503. Prohibition on exclusion or deportation of non-resident aliens.
TITLE VI—GLOBAL ENVIRONMENT PROTECTION ACT
Sec. 601. Short title.
PART A—COMMERCIAL AND GOVERNMENTAL DEBT-FOR-NATURE EXCHANGES
Sec. 610. Amendment to the Foreign Assistance Act.
PART B—MULTILATERAL FOREIGN ASSISTANCE COORDINATION
Sec. 620. General policy.
Sec. 621. Policy on negotiations.
PART C—INTERNATIONAL DEBT EXCHANGE INSTITUTION
Sec. 630. Establishment of an International Debt Exchange Institute.
Sec. 631. Report.
PART D—SALE OF AGRICULTURAL COMMODITIES
Sec. 640. Amendment to the Agricultural Trade Development and Assistance Act of 1954.
PART E—MONTREAL PROTOCOL TO PROTECT THE OZONE
Sec. 650. Policy in favor of reopening the Montreal protocol.
PART F—WILDLIFE PROTECTION
Sec. 660. Elephant protection.
Sec. 661. Authorization for membership in the International Tropical Timber Organization.
Sec. 662. Authorization for membership in the International Union for the Conservation of Nature and Natural Resources.
Sec. 663. Authorization of appropriations for membership in wildlife conventions.
TITLE VII—TELEVISION BROADCASTING TO CUBA ACT
Sec. 701. Short title.
Sec. 702. Purpose.
Sec. 703. Additional functions of the United States Information Agency.
Sec. 704. Cuba television service of the United States Information Service.
Sec. 705. Amendments to the Radio Broadcasting to Cuba Act.
Sec. 706. Assistance from other Government agencies.
Sec. 707. Authorization of appropriations.
Sec. 708. Definitions.
Sec. 709. Sense of Congress.
TITLE VII—POLICY PROVISIONS
Sec. 801. Policy on Cambodia.

TITLE I—THE DEPARTMENT OF STATE

PART A—AUTHORIZATION OF APPROPRIATIONS; ALLOCATION OF FUNDS

SEC. 101. ADMINISTRATION OF FOREIGN AFFAIRS.

The following amounts are authorized to be appropriated for fiscal year 1990 for the Department of State for the "Administration of Foreign Affairs" to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and for other purposes authorized by law:

(1) For "Salaries and Expenses" of the Department of State, including salaries and expenses for the Diplomatic Security program. $1,769,052,000.

(2) For the "Office of the Inspector General," $18,672,000.

(3) For the "Acquisition and Maintenance of Buildings Abroad," $218,900,000.

(4) For "Representation Allowances," $9,100,000.

(5) For the "Protection of Foreign Missions and Officials," $4,600,000.

(6) For "Emergencies in the Diplomatic and Consular Service," $4,700,000.

(7) For the "American Institute in Taiwan," $11,300,000.

SEC. 102. CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS AND CONFERENCES.

The following amounts are authorized to be appropriated for contributions to "International Organizations and Conferences," for fiscal year 1990:

(1) For "Contributions to International Organizations," $714,927,000.

(2) For "Contributions for International Peacekeepings Activities," $111,184,000.

(3) For "International Conferences and Contingencies," $6,340,000.

SEC. 103. INTERNATIONAL COMMISSIONS.

The following amounts are authorized to be appropriated for contributions to "International Commissions," for fiscal year 1990:

(1) For the salaries and expenses of the "International Boundary and Water Commission, United States and Mexico," $10,460,000.

(2) For construction projects for the "International Boundary and Water Commission, United States and Mexico," $11,500,000.

(3) For the "International Boundary Commission, United States and Canada," $750,000.

(4) For the "International Joint Commission," $3,750,000.

(5) For "International Fisheries Commissions," $11,000,000.

SEC. 104. OTHER PROGRAMS.

The following amounts are authorized to be appropriated for the Department of State for fiscal year 1990 to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and for other purposes authorized by law:

(1) For "United States Bilateral Science and Technology Agreements," $4,000,000.

(2) For "Soviet-East European Research and Training," $5,000,000.

(3) For the "Asia Foundation," $18,000,000.

SEC. 105. MIGRATION AND REFUGEE ASSISTANCE.

There is authorized to be appropriated for "Migration and Refugee Assistance," $370,000,000 for fiscal year 1990, of which $25,000,000 shall be available only for assistance for refugees resettling in Israel.

SEC. 106. AVAILABILITY OF FUNDS.

(a) Section 24 of the State Department Basic Authorities Act is amended—

(1) by renumbering subsections (b)(4)-(b)(6) as (b)(5)-(b)(7) and by inserting as new subsection (b)(4):

"(b)(4) No later than the end of the second fiscal year following the last fiscal year for which appropriations (other than no-year appropriations) for any account under the heading 'Administration of Foreign Affairs' have been made available to the Department of State, amounts obligated during the period of availability may, if deobligated after expiration of the period of availability for obligation for such appropriations, be transferred into and merged with the Buying Power Maintenance Account."; and

(2) by inserting the following new subsections (e) and (f):

"(e) If the amount appropriated (or made available in the event of a sequestration order issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177, as amended)) for a fiscal year pursuant to any authorization of appropriations provided by an Act other than an appropriation Act is less than the authorization amount and a provision of that Act provides that a specified amount of the authorization amount shall be available only for a certain purpose, then the amount so specified shall be deemed to be reduced for that fiscal year to the amount which bears the same ratio to the specified amount as the amount appropriated (or made available in the event of sequestration) bears to the authorization amount.

"(f) Amounts authorized to be appropriated for a fiscal year for the Department of State are authorized to be obligated for twelve month contracts which are to be performed in two fiscal years, provided that the total amount for such contracts is obligated in the earlier fiscal year."

(b) Subsection (a) shall apply only to funds appropriated for fiscal year 1987 and thereafter. In the case of appropriations provided for fiscal years 1987 and 1988, it shall apply only to funds which become obligated after the date of enactment of this Act.

SEC. 107. PROHIBITION ON SOLICITATION OF FUNDS TO FURTHER ILLEGAL ACTIVITIES.

Title I of the State Department Basic Authorities Act of 1956 is amended by—

(a) by redesignating section 42 as section 43; and

(b) by inserting after section 41 the following new section:

"SEC. 42. PROHIBITION ON SOLICITATION OF FUNDS TO FURTHER ILLEGAL ACTIVITIES.

"(a) PROHIBITION.—Notwithstanding any other provision of law, no officer or employee of the United States Government may solicit the provision of funds by any foreign government (including any instrumentality or agency thereof), foreign person, or United States person, for the purpose of furthering any military, foreign policy, or intelligence objective expressly prohibited by United States law.

"(b) PENALTY.—Any person who violates the provision of subsection (a) shall be imprisoned not more than five years or fined in accordance with title 18, United States Code, or both.

"(c) DEFINITION.—For purposes of this section, the term 'person' includes (1) any natural person, (2) any corporation, partnership, or other legal entity, and (3) any organization, association, or other group.".

SEC. 108. PROHIBITION ON ASSISTING THIRD PARTY COUNTRIES TO FURTHER PROHIBITED UNITED STATES GOVERNMENT ACTIONS.

Chapter 1 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 620F. PROHIBITION ON ASSISTING THIRD PARTY COUNTRIES TO FURTHER PROHIBITED UNITED STATES GOVERNMENT ACTIONS.

"(a) PROHIBITION.—Notwithstanding any other provision of law, no United States assistance shall be provided for a foreign country if the purpose or effect of that assistance would be to further any military, foreign policy, or intelligence activity expressly prohibited by United States law.

"(b) DEFINITION.—For purposes of this section, the term 'United States assistance' means—

"(1) assistance of any kind under the Foreign Assistance Act of 1961;

"(2) sales, credits, and guarantees under the Arms Export Control Act;

"(3) export licenses issued under the Arms Export Control Act; and

"(4) activities authorized pursuant to the National Security Act of 1947 (50 U.S.C. 410 et seq.), the Central Intelligence Agency Act of 1949 (50 U.S.C. 403a et seq.), or Executive Order Number 12333 (December 4, 1981).".

PART B—DEPARTMENT OF STATE AUTHORITIES AND ACTIVITIES; FOREIGN MISSIONS

SEC. 110. AUTHORIZATION OF CERTAIN OPERATIONAL ACTIVITIES.

Section 2 of the State Department Basic Authorities Act is amended—

(a) in subsection (g) by deleting "and" at the end;

(b) in subsection (h) by deleting the "." and inserting in its place ";"; and

(c) by inserting the following as new subsections (i)-(k):

"(i) obligations assumed in Germany on or after June 5, 1945;

"(j) provision of telecommunications services; and

"(k) provision of maximum physical security in Government-owned and leased properties and vehicles abroad."

SEC. 111. FEES AND REIMBURSEMENTS.

(a) The State Department Basic Authorities Act of 1956 is amended by adding as a new section 43:

"Sec. 43. (a) Notwithstanding any other provision of law, for fiscal year 1990 funds received by the Department in connection with use of Blair House, including reimbursements and surcharges for services and goods provided and fees for use of Blair House facilities, may be credited to the appropriate appropriation account currently available to the Department, and shall be available for maintenance and other expenses of Blair House.

"(b) The authority of this section may be exercised only to such extent or in such amounts as are provided in advance in appropriation acts."

SEC. 112. INTERNATIONAL CENTER.

Section 4 of the International Center Act is amended by inserting at the end the following new subsection (c):

"(c) The Department of State is authorized to charge U.S. Government agencies for the lease or use of facilities located at the International Center and used for the purposes of security and maintenance. Any payments received for lease or use of such facilities shall be credited to the account entitled "International Center, Washington, D.C." and shall be available, without fiscal year limitation, to cover the operating expenses of such facilities including but not limited to administration, maintenance, utilities, repairs and alterations."

SEC. 113. ACQUISITION OF DOMESTIC PROPERTY AS INTERIM STEP TO ACQUIRING PROPERTY ABROAD.

(a) Section 203(c) of the State Department Basic Authorities Act is amended by striking "and" at the end of subparagraph (2); by renumbering subparagraph "(3)" as subparagraph "(4)"; and by inserting as a new subparagraph (3):

"(3) dispose of property acquired in carrying out the purposes of this Act, provided that proceeds from disposition of properties acquired pursuant to section 204(f) shall be credited to the Foreign Service Buildings Fund under section 9 of the Foreign Service Buildings Act, 1926; and";

(b) Section 204 of the State Department Basic Authorities Act is amended—

(1) in subsection (b) by striking the "or" at the end of (b)(3) and inserting "or" at the end of (b)(4), and by adding a new subparagraph (b)(5) as follows:

"(5) to implement an exchange of property with a foreign country, such property to be used by each government in the receiving state for or in connection with diplomatic or consular establishments."; and

(2) adding a new subsection (f) as follows:

"(f) Upon a determination in each specific case by the Secretary or his designee that the purposes of the Foreign Service Buildings Act, 1926, can best be met on the basis of an in-kind exchange of properties with a foreign country pursuant to subsection (b)(5), the Secretary may transfer funds made available under the heading "Acquisition and Maintenance of Buildings Abroad" for such purposes, including funds held in the Foreign Service Buildings Fund, to the Working Capital Fund as provided in section 208(h)(1) of this Act. In addition to any funds that may be provided by a foreign government for the purchase of property, only funds transferred to the Capital Fund from the "Acquisition of Maintenance of Buildings Abroad" account or the Foreign Service Buildings Funds account may be used for the purposes of subsection (b)(5). Furthermore, the Secretary may acquire property in the United States for the purposes of subsection (b)(5) only in the context of a specific reciprocal agreement with a specified foreign government. Property acquired by the United States in the foreign country through such an exchange shall benefit the United States at least to the same extent as the property acquired in the United States benefits the foreign government."

(c) Section 9(a)(1) of the Foreign Service Buildings Act, 1926 is amended by adding "or in the United States pursuant to section 204(b)(5) of the State Department Basic Authorities Act of 1956" at the end.

SEC. 114. WORKING CAPITAL FUND FOR OFFICE OF FOREIGN MISSIONS.

Section 13 of the State Department Basic Authorities Act is amended by inserting "and" before "(4)"; and striking "; and (5) services and supplies to carry out" and inserting in its place ". Such fund shall also be available without fiscal year limitation to carry out the purposes of".

SEC. 115. MIDDLE EAST REPORTS.

(a) REPORTS CONCERNING COMMITMENTS OF THE PALESTINE LIBERATION ORGANIZATION.—

(1) Not more than 30 days after the date of the enactment of this Act, the Secretary of State shall prepare and submit to the Congress a report concerning the actions and statements of the Palestine Liberation Organization as they relate to the carrying out of the commitments of such organization made in Geneva on December 14, 1988, regarding the renunciation of terrorism and the recognition of Israel's right to exist.

(2) In addition to the report under paragraph (1), the Secretary of State shall report to the Congress when there are changes in the procedural or substantive status of the dialogue with the Palestine Liberation Organization.

(3) For the purpose of providing information required by paragraph (1), the term "actions and statements by the Palestine Liberation Organization" shall include actions and statements of the Chairman, members of the Executive Committee, the constituent groups comprising the Palestine Liberation Organization, and the Palestine National Council.

(b) REPORT CONCERNING THE ARAB STATES AND THE PEACE PROCESS.—Not more than 30 days after the date of enactment of this Act, the Secretary of State shall prepare and submit to the Congress a report concerning the policies of Arab states toward the Middle East peace process, including progress toward—

(1) public recognition of Israel's right to exist is peace and security;

(2) ending the Arab economic boycott of Israel; and

(3) ending efforts to expel Israel from international organizations or denying participation in the activities of such organizations.

SEC. 116. MUNITIONS CONTROL REGISTRATION FEES.

Section 38(b)(3)(A) of the Arms Export Control Act (22 U.S.C. 2778) is amended by striking "1988 and 1989" and inserting in its place "1990".

SEC. 117. USE OF HERBICIDES FOR DRUG ERADICATION.

(a) IN GENERAL.—For each foreign country in which the Department of State uses, or approves for use, a herbicide for the purpose of eradicating coca or opium by aerial application, the Assistant Secretary for International Narcotics Matters shall submit a report to the Congress determining:

(1) the expected impact of eradication on the price and availability of cocaine and heroin in the United States.

(2) the extent to which aerial eradication could encourage coca or opium growers to align themselves with insurgent groups against legitimate governmental authorities, and the consequences of strengthening such insurgent groups for broader United States foreign policy objectives;

(3) the total dollar amount of assistance given by the United States, international organizations and local governments to help coca and opium growers in aerial eradication zones shift to production of licit crops, and the likelihood that such assistance will be adequate for this purpose;

(4) what countermeasures cocoa and opium growers may take in response to aerial eradication of their crops, including adoption of guerrilla farming techniques and shifting of cultivation to more isolated areas;

(5) what countermeasures may be taken against aerial eradication by illicit drug cartels, including their recruitment of new growers in more isolated areas.

(b) For countries in which aerial coca or opium eradication programs are already underway, the Secretary shall submit the report required by this section as part of the

annual report required by subsection (e) of Section 481 of the Foreign Assistance Act of 1961. For countries in which no such programs are underway, and for which the Secretary approves the use of herbicides for aerial coca or opium eradication, the Secretary shall submit the report required by this section 60 days prior to the commencement of the eradication program.

(c) LIMITATION ON USE OF EQUIPMENT.—No equipment or aircraft made available to a foreign country for narcotics control purposes under Section 482 of the Foreign Assistance Act of 1961 may be used or deployed in a location to which representatives of the United States Government are not permitted substantially free access by the government of the foreign country.

SEC. 118. SUPPORT FOR THE BENJAMIN FRANKLIN HOUSE MUSEUM AND LIBRARY.

(a) FINDINGS.—The Congress finds that—

(1) the former London residence of Benjamin Franklin is the only surviving home of Benjamin Franklin existing today and should be preserved to commemorate his great contributions to human liberty, science and education.

(2) the Friends of Benjamin Franklin House and the American Franklin Friends Committee are twin charities dedicated to the restoration, preservation and maintenance of the Benjamin Franklin house as a museum and library open to the public.

(b) SUPPORT.—The Congress hereby—

(1) urges the people of the United States to recognize June 17, 1990 as the bicentennial of Benjamin Franklin's death and to celebrate Franklin's long and distinguished public service, his scientific and literary achievements, and his role as a founding father of our country.

(2) calls on the relevant agencies and departments of the federal government of the United States to recognize the important goals of the Friends of Benjamin Franklin House and the American Franklin Friends Committee.

SEC. 119. INTERNATIONAL BOUNDARY & WATER COMMISSION.

(a) Section 101 of the Act of June 20, 1956 (22 U.S.C. 277d-12) is amended as follows:

(1) In the title by inserting "and sanitation" after "flood control"; and by striking "Rio Grande" and inserting in its place "boundary rivers, and boundary sanitation problems";

(2) In the provision by inserting "or sanitation" after "flood control"; by striking the "." after "Rio Grande" and inserting in its place ", Colorado and Tijuana Rivers; and for taking of emergency actions to protect against health threatening sanitation problems by repairing or replacing existing capital infrastructure along the U.S.-Mexico Boundary."

(b) The Act of May 13, 1924, as amended (22 U.S.C. 277-277f), is amended as follows:

(1) in section 3 (22 U.S.C. 277b) by—

(A) inserting "(1)" after "authorized" in the first line; by striking "and (b)" and inserting "(2)"; and by striking the "." and inserting in its place "; and (3) to carry out preliminary surveys, operations and maintenance of the interceptor system constructed to intercept sewage flows from Tijuana and from selected canyon areas."; and

(B) adding the following new subsections (b) and (c):

"(b) Expenditures for the Rio Grande bank protection project shall be subject to the provisions and conditions contained in the appropriation for said project as provided by the Act approved April 25, 1945 (59 Stat. 89).

"(c) The Anzalduas diversion dam shall not be operated for irrigation or water supply purposes in the United States unless suitable arrangements have been made with the prospective water users for repayment to the Government of such portions of the dam as shall have been allocated to such purposes by the Secretary of State."; and

(2) in section 2 (22 U.S.C. 277a) by inserting ", drainage of transboundary storm waters," after "stabilization and".

SEC. 120. DIPLOMATIC AND CONSULAR POSTS ABROAD.

Section 122 of the Foreign Relations Authorization Act, Fiscal years 1988 and 1989 (Public Law 100-204) is amended to read as follows:

"SEC. 122. DIPLOMATIC AND CONSULAR POSTS ABROAD.

"(a) OPERATION OF POSTS.—Except as provided by this section, no funds authorized to be appropriated by this or any other Act shall be available to pay any expense related to the closing of a diplomatic or consular post.

"(b) CONGRESSIONAL NOTIFICATION.—Except as provided in subsections (c) and (d), a diplomatic or consular post may be closed only if not less than 365 days prior to a proposed closing of a post, the Secretary of State prepares and submits a notification, together with any justifications, of such proposed action to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives.

"(c) EXCEPTIONS.—The provisions of subsection (b) shall not apply with respect to any post closed—

"(1) because of a break or downgrading of diplomatic relations between the United States and the country in which the post is located; or

"(2) because there is a real and present threat to United States diplomatic or consular personnel in the city where the post is located and a travel advisory warning against American travel to that city has been issued by the Department of State; or

"(3) is order to provide funds to open a new consulate or diplomatic post which will be staffed by the Department of State on a full-time basis with at least one Foreign Service officer or member of the Senior Foreign Service, if the Secretary of State, prior to the closing of the post, prepares and transmits to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives a report stating that—

"(A) the new post is a higher priority than the post proposed to be closed; and

"(B) the total number of consular and diplomatic posts abroad is not less than the number of such posts in existence on May 1, 1989.

"(d) SEQUESTRATION.—In the case that a sequestration order is issued pursuant to Part C of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901 et seq.; Public Law 99-177), the Secretary of State may, as part of an agencywide austerity proposal, submit a report proposing a list of diplomatic and consular posts to be closed in order to comply with the sequestration order, together with a justification for the inclusion of each post on such list. Such report shall be submitted to the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives.

"(e) DEFINITION.—As used in this section, the term 'diplomatic or consular post' does not include a post to which only personnel of agencies other than the Department of State are assigned.".

SEC. 121. CONSULAR OFFICER DUTIES.

Section 31 of the Act of June 22, 1860 (22 U.S.C. 4192) is repealed.

SEC. 122. ACCESS TO CRIMINAL RECORDS.

(a) Section 9101 of title 5 of the United States Code is amended in subsections (b)(1), and (c) by inserting ", the Department of State" before "or the Federal Bureau of Investigation".

(b) The authority provided under this section may be exercised only so long as the Department of State continues to extend to its employees and applicants for employment, at a minimum, those procedural safeguards provided for as part of the security clearance process that are currently available pursuant to Volume 3, Section 163.4 of the Foreign Affairs Manual.

SEC. 123. STATE DEPARTMENT POST OFFICES ABROAD.

(a) Title 39 United States Code is amended as follows:

(1) In Section 406, by adding "and diplomatic posts abroad" after "installations" in the title; and in subsection (a) of Section 406, by striking "and" after "Armed Forces" and replacing it with "," and inserting ", and at diplomatic posts abroad" before the "." at the end; and in subsection (b) of Section 406, by inserting ", State" after "Defense".

(2) In Section 3401, by inserting "and United States Government employees assigned to United States diplomatic missions abroad" in the title; and in subsection (e) of Section 3401, by inserting "and the Department of State" after "Department of Defense" in the first line; by striking "the Department of Defense" in the third line and replacing it with "these agencies"; by inserting "or diplomatic posts abroad" after "Armed Forces post offices"; and by inserting "or a diplomatic post abroad" before the "." at the end; and in subsection (f) of Section 3401, by inserting "or the Secretary of State" after "Secretary of Defense".

(b) The authority provided in this section shall be exercised only to the extent that the total cost of postal service provided by the Department of State pursuant to such authority does not exceed the total cost of postal service that would be incurred by the Department of State in the absence of such authority.

SEC. 124. AUTHORITY OF DIPLOMATIC SECURITY SERVICE.

Section 37 of the State Department Basic Authorities Act (22 U.S.C. 2709) is amended—

(a) by renumbering subparagraph (a)(2)(B) thereof as (a)(2)(C) and inserting a new subparagraph (a)(2)(B) as follows:

"(B) make arrests without warrant for any offense concerning passport or visa issuance or use if the special agent has reasonable grounds to believe that the person has committed or is committing such offense;" and

(b) by revising subparagraph (a)(5) thereof to read as follows:

"(5) arrest without warrant any person for a violation of section 111, 112, 351, 970, or 1028 of Title 18, United States Code—

"(A) in the case of a felony violation, if the special agent has reasonable grounds to believe that such person—

(i) has committed or is committing such violation; and

(ii) is in or is fleeing from the immediate area of such violation; and

"(B) in the case of a felony or misdemeanor violation, if the violation is committed in the presence of the special agent."

SEC. 125. PROHIBITION ON THE USE OF MILITARY ITEMS IN TIBET.

(a) No defense article on the United States Munitions List may be sold or transferred to the People's Republic of China, including helicopter and helicopter parts, if any United States supplied military equipment is used by the People's Republic of China to enforce martial law in Tibet, to suppress demonstrations by the Tibetan people, or to support violations of the human rights of the Tibetan people.

(b) Each year in which licenses for the export to the People's Republic of China of items on the United States Munitions List are proposed to be issued, the President shall, prior to the issuance of any license, certify to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate that no United States defense article has been used in the previous year, or is being used, to enforce martial law in Tibet, to suppress demonstrations by the Tibetan people, or to support violations of the human rights of the Tibetan people.

(c) This section shall have no effect after October 1, 1993.

SEC. 126. OPENING AN AMERICAN CONSULATE IN BRATISLAVA.

(a) FINDINGS.—The Congress finds that:

(1) The State Department's "small consulate" concept offers a model for re-opening a consulate in Bratislava at modest cost and with significant public diplomacy and political benefits;

(2) The United States still owns the old consulate building and in 1987-1988 spent about $500,000 to renovate parts of the building;

(3) The building has been productively used for trade and cultural events, but could be more effectively used by restoring it to its original purpose as the locus of official U.S. representation in the Slovak capital.

(4) Slovakia has been the source of the largest and most recent wave of Czechoslovak emigration to the United States and approximately three and a half million Americans are of Slovak heritage;

(5) American tourists in Slovakia, many visiting relatives, often require consular assistance and this consular support could best be provided by a consulate in Bratislava;

(6) Slovaks account for more than half of all Czechoslovak tourist travel to the United States and this travel, which should be encouraged, could be expedited by an American consulate in Bratislava;

(7) The Slovak underground Catholic church is one of the most vibrant religious forces in Czechoslovakia and each year tens of thousands of Catholics make pilgrimages to Slovakia.

(8) American outreach efforts in Slovakia have been hindered by the absence of a constant and direct American presence in Bratislava;

(9) With its Hungarian, Polish and Ukrainian minorities, an American consulate in Bratislava would provide important information on both regional and local developments.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that the President should take all practicable steps to re-open the American consulate in Bratislava.

SEC. 127. CONSTRUCTION OF UNITED STATES EMBASSY IN OTTAWA.

Section 402(a) of the Diplomatic Security Act (22 U.S.C. 4852(a)) shall not apply to the construction or renovation of the United States embassy in Ottawa, Canada.

SEC. 128. ASSISTANT SECRETARY OF STATE FOR SOUTH ASIA.

There is established within the Department of State a Bureau for South Asia Affairs which shall be headed by an Assistant Secretary of State. The jurisdiction for the Bureau of South Asia Affairs shall consist of the following: the countries of Afghanistan, Bangladesh, Bhutan, Burma, India, Iran, the Maldives, Mauritius, Nepal, Pakistan, and Sri Lanka; and Indian Ocean issues.

SEC. 129. VISITING SCHOLARS PROGRAM FOR THE FOREIGN SERVICE INSTITUTE.

There is authorized to be established at the Foreign Service Institute a "Visiting Scholars Program." The visiting scholars shall participate fully in the educational and training activities of the Institute. Each visiting scholar shall be appointed for a term of one year, except that such term may be extended for a one year period. The visiting scholars shall be selected by a five-member board. The Director of the Foreign Service Institute shall serve as the chairman of the board. The other four members shall be selected by the Secretary of State.

PART C—DIPLOMATIC IMMUNITY, RECIPROCITY AND SECURITY

SEC. 130. EXCLUSION OF ALIENS PREVIOUSLY INVOLVED IN A SERIOUS CRIMINAL OFFENSE COMMITTED IN THE UNITED STATES.

(a) Section 212(a) of the Immigration and Nationality Act (8 U.S.C. 1182(a)) is amended—

(1) by striking the period at the end of paragraph (33) and inserting in its place "; and" and

(2) by adding after paragraph (33) the following new paragraph:

"(34)(A) Any alien who has committed in the United States any serious criminal offense, as defined in subparagraph (B), for whom immunity from criminal jurisdiction was exercised with respect to that offense, who as a consequence of the offense and exercise of immunity has departed the United States, and who has not subsequently submitted fully to the jurisdiction of the United States with respect to that offense;

"(B) For purposes of this paragraph, the term 'serious criminal offense' means—

"(i) any felony;

"(ii) any crime of violence, as defined in section 16 of title 18 of the United States Code; or

"(iii) any crime of reckless driving or of driving while intoxicated or under the influence of alcohol or of prohibited substances when that crime involves personal injury to another."

(b) Section 212(h) of the Immigration and Nationality Act of 1952 (8 U.S.C. 1182(h)) is amended by striking "or" after "(10)", and inserting ", or (34)" after "(12)".

SEC. 131. UNITED STATES—SOVIET RECIPROCITY IN MATTERS RELATING TO EMBASSIES.

Section 153(b) of Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204) is amended by striking "until the United States mission in Kiev is able to occupy secure permanent facilities" at the end and inserting in its place "except on the basis of reciprocity as to the establishment by the United States of a consulate in Kiev".

SEC. 132. UNITED STATES-SOVIET EMBASSY AGREEMENT.

Section 151 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204) is amended to read as follows:

"SEC. 151. UNITED STATES-SOVIET EMBASSY AGREEMENT.

"(a) The Soviet Union shall not be permitted to occupy the new chancery building on Mount Alto in Washington, District of Columbia, unless and until the Persident certifies in writing to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate that:

(1) there is completed a new chancery building for use by the United States embassy in Moscow which can be safely and securely used for its intended purpose; and

(2) all feasible steps have or will be taken to eliminate the damage to the national security of the United States due to electronic surveillance from Soviet facilities on Mount Alto."

"(b) Not later than six months after the date of enactment of this section, the President shall terminate the Agreement between the Government of the United States and the Government of the Union of Soviet Socialist Republics on the Reciprocal Allocation for Use Free of Charge of Plots of Land in Moscow and Washington (signed at Moscow, May 16, 1969) and related agreements, notes, and understandings unless he certifies to the Speaker of the House of Representatives and the Chairman of the Committee on foreign Relations of the Senate that the Soviet use of the facility on Mount Alto does not pose a significantly greater threat to the national security of the United States than the potential or actual threat from Soviet use for espionage of existing Soviet facilities in Washington, District of Columbia."

"(c) The President may waive subsection (b) if he determines that it is in the vital national security interest of the United States to so do and reports in writing to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate together with a detailed explanation, in suitably classified form, of the reasons for making this waiver.".

SEC. 133. CHILD CARE FACILITIES AT CERTAIN POSTS ABROAD.

Section 31 of the State Department Basic Authorities Act is amended by adding a new subsection (d) as follows:

"(d) The Secretary of State may make grants to child care facilities, to offset in part the cost of such care, in Moscow and at no more than five other posts abroad where the Secretary determines that due to extraordinary circumstances such facilities are necessary to the efficient operation of the post. In determining that a facility is necessary, the Secretary shall take into account factors such as:

"(1) whether Foreign Service spouses are encouraged to work at the mission because

"(A) the number of members of the mission is subject to a ceiling imposed by the receiving country; and

"(B) Foreign Service Nationals are not employed at the mission; and

"(2) whether local child care is available."

SEC. 134. STATE DEPARTMENT CONTRACTOR EXEMPTION TO POLYGRAPH PROTECTION ACT.

SEC. 7. of the Employee Polygraph Protection Act of 1988 (Public Law 100-347) is amended by

(a) redesignating subparagraph "(d)" as subparagraph "(e)"; and

(b) inserting the following new subparagraph:

"(d) DEPARTMENT OF STATE CONTRACTORS EXEMPTION.—Nothing in this Act shall be construed to prohibit the administration, by the Department of State, in the performance of any counterintelligence function, of any lie detector test, administered under regulations implementing the Department's polygraph program, to an individual under contract to the Department or an employee of a contractor or subcontractor of the Department of State who is engaged in the performance of any work under a contract or subcontract with the Department."

PART D—PERSONNEL

SEC. 140. AUTHORITY TO TRANSFER RETIREMENT CONTRIBUTIONS FOR FOREIGN SERVICE NATIONALS TO LOCAL PLANS.

(a) Subsection 408(a) of the Foreign Service Act of 1980 (22 U.S.C. 3968) is amended by inserting at the end thereof the following new subparagraph:

"(3) At the direction of the Secretary of State, and where a foreign national employee so elects during a one-year period established by the Secretary of State with respect to each post abroad, the Secretary of the Treasury shall transfer such employee's interest in the Civil Service Retirement and Disability Fund to a trust or other local retirement plan certified by the U.S. Government, under a local compensation plan established for foreign national employees pursuant to this section (excluding local social security plans). For purposes of this paragraph, an employee's "interest in the Civil Service Retirement and Disability Fund" shall mean the employee and the total of employing agency contributions with respect to such employee, pursuant to subsections 8331(8) and 8334(a)(1) of title 5, United States Code, respectively, plus interest at the rate provided in subsection 8334(e)(3) of such title. Any such transfer shall void any annuity rights or entitlement to lump sum credit under subchapter III of chapter 83 of such title."

(b) Section 8345 of Title 5, United States Code is amended by adding at the end thereof a new subsection (1), as follows:

"(1) Transfers of contributions and deposits authorized by Section 408(a)(3) of the Foreign Service Act of 1980, as amended, shall be deemed a complete and final payment of benefits under this chapter, for the employee's funds thus transferred.".

SEC. 141. JUDICIAL REVIEW—SEPARATION FOR CAUSE.

Section 610 of the Foreign Service Act of 1980 (22 U.S.C. 4010) is amended by adding at the end of subsection (a)(2) tne following new sentence:

"Section 1110 shall also apply to proceedings under this paragraph.".

SEC. 142. TRAVEL, LEAVE, AND OTHER BENEFITS.

Section 902 of Chapter 9 of the Foreign Service Act of 1980 (22 U.S.C. 4081) is amended in paragraph (9) by striking "from a location" and inserting in its place "to or from an employee's post of assignment."

SEC. 143. AMENDMENTS TO TITLE 5, UNITED STATES CODE.

(a) Section 5523(a) is amended

(1) in subparagraph (1)(A) by inserting "(or that of his dependents or immediate family, as the case may be)" after "departure"; and

(2) in the last sentence by striking the phrase "for not more than 120 additional days" and by inserting in its place "thereafter in 30-day increments, up to a total evacuation period of no more than 270 days".

(b) Section 5551(a), is amended by adding after the word "pay" in the second sentence, "or, for service as part of a tour of duty or extension thereof commencing on or after the effective date of this amending provision, the basic pay,".

(c) Section 5922 is amended by adding at the end thereof the following new subsections (d) and (e):

"(d) When a quarters allowance or allowance related to education under this subchapter, or quarters furnished in Government-owned or controlled buildings under section 5912, would be furnished to an employee but for the death of the employee, such allowances or quarters may be furnished or continued for the purpose of allowing any child of the employee to complete the current school year at post or away from post notwithstanding the employee's death."

"(e) When an allowance related to education away from post under this subchapter would be authorized to an employee but for the evacuation/authorized departure status of the post, such an allowance may be furnished or continued for the purpose of allowing dependent child(ren) of such employee to complete the current school year."

(d) Section 5923, relating to quarters allowance, is amended—

(1) in paragraph (1), by striking the word "lodging" and inserting in its place "subsistence"; and by inserting "including meals and laundry expenses" after "quarters" the first time it appears;

(2) in subparagraph (1)(A), by striking "3 months" and inserting "90 days" in its place; and

(3) in subparagraph (1)(B), by striking "1 month" and inserting "30 days" in its place.

(e) Section 5924(1), relating to post allowances, is amended by adding at the close thereof ", except that employees receiving the temporary subsistence allowance under section 5923(1) of this Title are ineligible for receipt of a post allowance under this paragraph."

(f) Section 5924(2) is amended—

(1) by inserting "subsistence and other relocation" after "reasonable" and inserting "(including unavoidable lease penalties)" after "expenses"; and

(2) in subparagraph (A), by deleting "the Commonwealth of Puerto Rico" and inserting "the Commonwealths of the Northern Mariana Islands or Puerto Rico," in its place; and

(3) in subparagraph (B), by striking "between assignments to posts in foreign areas" and inserting "after the employee agrees in writing to remain in Government service for 12 months after transfer, unless separated for reasons beyond the control of the employee that are acceptable to the agency concerned" in lieu thereof.

(g) Section 5924(4) is amended—

(1) in the introduction, by inserting "or, to the extent education away from post is involved, official assignment to serve in such area or areas," after "dependents,";

(2) in subparagraph (A), by inserting before "kindergarten", "pre-school for handicapped children ages three to five years,"; and

(3) in the first line of subparagraph (B) by striking "undergraduate college" each time it appears and inserting in its place "post-secondary (but not graduate or post-graduate) educational institution".

SEC. 144. CREDIT FOR SERVICE AT UNHEALTHFUL POSTS.

(a) Section 816(i)(2) of the Foreign Service Act of 1980 (22 U.S.C. 4056) is amended to read as follows:

"(2) A former spouse shall not be considered as married to a participant for periods assumed to be creditable service under section 808(a) or section 809(e)."

(b) Section 817 of such Act (22 U.S.C. 4057) is amended by adding, at the end thereof, the following new sentences:

"Such extra credit shall not be used to determine the eligibility of a person to qualify as a former spouse under this subchapter, or to compute the pro rata share under section 804(10). No extra credit for service at unhealthful posts shall be given under this section for any service as part of a tour of duty, or extension thereof, commencing on or after the effective date of this amending provision."

SEC. 145. FORMER SPOUSES OF USIA AND AID EMPLOYEES.

(a) RETIREMENT BENEFITS FOR CERTAIN FORMER SPOUSES.—Section 830 of the Foreign Service Act of 1980 (22 U.S.C. 4069a) (relating to retirement benefits for certain former spouses) is amended by adding at the end the following new subsection:

"(f) Any individual who on February 14, 1981, was an otherwise qualified former spouse pursuant to this section, but who was married to a former Foreign Service employee of the United States Information Agency or of the Agency for International Development shall be entitled to benefits under this section if—

"(1) the former employee retired from the Civil Service Retirement and Disability System on a date before his employing agency could legally participate in the Foreign Service Retirement and Disability System; and

"(2) the marriage included at least five years during which the employee was assigned overseas.".

(b) SURVIVOR BENEFITS FOR CERTAIN FORMER SPOUSES.—Section 831 of the Foreign Service Act of 1980 (22 U.S.C. 4069b) (relating to survivor benefits for certain former spouses) is amended by adding at the end the following new subsection:

"(g) Any individual who on February 14, 1981, was an otherwise qualified former spouse pursuant to this section, but who was married to a former spouse pursuant to this section, but who was married to a former Foreign Service employee of the United States Information Agency or of the Agency for International Development shall be entitled to benefits under this section if—

"(1) the former employee retired from the Civil Service Retirement and Disability System on a date before his employing agency could legally participate in the Foreign Service Retirement and Disability System; and

"(2) the marriage included at least five years during which the employee was assigned overseas.".

(c) HEALTH BENEFITS FOR CERTAIN FORMER SPOUSES.—Section 832 of the Foreign Service Act of 1980 (22 U.S.C. 4069c) (relating to health benefits for certain former spouses) is amended by adding at the end the following new subsection:

"(f) Any individual who on February 14, 1981, was an otherwise qualified former spouse pursuant to subsections (a), (b), and

(c) of this section, but who was married to a former Foreign Service employee of the United States Information Agency or of the Agency for International Development shall be entitled to benefits under this section if—

"(1) the former employee retired from the Civil Service Retirement and Disability System on a date before his employing agency could legally participate in the Foreign Service Retirement and Disability System; and

"(2) the marriage included at least five years during which the employee was assigned overseas.".

SEC. 146. GRANTS FOR INSTITUTIONS AND STUDENTS FOR TRAINING IN INTERNATIONAL AFFAIRS.

The State Department Basic Authorities Act of 1956 (22 U.S.C. 2269 et seq.) is amended by adding the following new section 44:

"SEC. 44. GRANTS FOR TRAINING AND EDUCATION IN INTERNATIONAL AFFAIRS.

"The Secretary of State may make grants to post-secondary educational institutions or students for the purpose of increasing the level of knowledge and awareness of and interest in employment with the Foreign Service, consistent with Section 105 of the Foreign Service, consistent with Section 105 of the Foreign Service Act of 1980, as amended. To the extent possible, the Secretary shall give special emphasis to promoting such knowledge and awareness of the Foreign Service among minority students. Any grants awarded will be made pursuant to regulations to the established by the Secretary of State, which will provide for a limit on the size of any specific grant, and, regarding any grants to individuals, will ensure that no grant recipient receives grants from one or a combination of federal programs which exceed the cost of his or her education and will require satisfactory educational progress by grantees as a condition of eligibility for continued receipt of grant funds."

SEC. 147. EXPANSION OF MODEL FOREIGN LANGUAGE COMPETENCE POSTS.

(a) In order to carry out the purposes of section 702 of the Foreign Service Act of 1980, and in light of the positive report issued on March 28, 1986, by the Department of State as required by Section 2207 of the Foreign Service Act of 1980, the Secretary of State shall designate as model foreign language competence posts at least two Foreign Service posts in each of the Department of State's five geographic bureaus, for a minimum of ten posts, in countries where English is not the common language. Such designation shall be made no later than October 1, 1989, and shall be implemented so that no later than October 1, 1991, each Government employee permanently assigned to those posts shall possess an appropriate level of competence in the language common to the country where the post is located. The Secretary of State shall determine appropriate levels of language competence for employees assigned to those posts by reference to the nature of their functions and the standards employed by the Foreign Service Institute.

(b) At least one of the posts designated under subsection (a) shall be in "hard language" countries as identified in the report to the Under Secretary of State for Management of May 12, 1986, entitled "Hard Language Proficiency in the Foreign Service". These posts shall be in one of the countries where the official or principal language is Arabic, Chinese, Japanese or Russian.

(c) The posts designated under subsection (a) shall continue as model foreign language posts at least until September 30, 1993. The Secretary of State shall submit no later than January 31, 1994, a report to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives describing the operation of such posts and the costs, advantages and disadvantages associated with meeting the foreign language competence requirements of this section.

(d) The Secretary of State may authorize exceptions to the requirements of this section if he determines that unanticipated exigencies so require. Such exceptions shall be immediately reported to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives.

(e) The posts designated under subsection (a) may not include those chosen in implementing Section 2207 of the Foreign Service Act of 1980. Those posts are Dakar, Senegal, and Montevideo, Uruguay. The report requested under subsection (c) shall include progress made in these posts in maintaining the high foreign language standards achieved under the initial pilot program.

(f) Such sums as may be necessary to implement this section are hereby authorized.

SEC. 148. REPORT ON FOREIGN LANGUAGE ENTRANCE REQUIREMENT FOR THE FOREIGN SERVICE.

The Secretary of State shall submit no later than December 31, 1989, a report to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives evaluating an entrance requirement for the Foreign Service of at least one world language at the S-3/R-3 level as defined by the Foreign Service Institute, or one non-world language at the S-2/R-2 level. Such report shall also include:

(a) the time necessary to implement such a requirement;

(b) the use of bonus points on the Foreign Service candidate scoring system for candidates with foreign language ability;

(c) adjustments necessary to raise otherwise qualified candidates, especially including affirmative action applicants, to the levels required for entrance as defined in this section.

SEC. 149. FOREIGN SERVICE PROMOTION PANELS.

It is the sense of the Congress that, to the greatest extent possible, Foreign Service Promotion Panels shall only promote candidates to the Senior Foreign Service who have demonstrated foreign language proficiency in at least one language at the S-3/R-3 level as defined by the Foreign Service Institute and to strive for the objective stipulated in the Foreign Service Manual (3 FAM 870, "Foreign Language Training," 871.2-1 a. (1)) "to be able to use two foreign languages at a minimum professional level of proficiency of S-3/R-3." It is further the sense of the Congress that at least one person on each Foreign Service Promotion Panel shall have attained at least the S-3/R-3 level.

SEC. 150. CHANGE IN THE EMPLOYEE EVALUATION REPORT.

(a) The Department of State and the Agency for International Development shall revise the Employee Evaluation Report for Foreign Service Officers, and the United States Information Agency shall revise the Officer Evaluation Report for its Foreign Service Officers, to require, as a separate entry, an assessment of the employee's performance in each foreign language tested at the S-3/R-3 level, including the date on which the officer was last tested in that language and the score achieved in the officer's last test.

(b) The Director of Personnel at the Department of State, the Agency for International Development and the United States Information Agency shall instruct promotion panels to take account of language ability and, all matters being otherwise equal, to give precedence in promotions to officers who have achieved a level of at least S-3/R-3 in one or more foreign languages over officers who lack a level of S-3/R-3.

TITLE II—UNITED STATES INFORMATION AGENCY

SEC. 201. AUTHORIZATION OF APPROPRIATIONS; ALLOCATION OF FUNDS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the United States Information Agency $425,000,000 for fiscal year 1990 for "Salaries and Expenses" to carry out International Information, Educational, Cultural, and other exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, Reorganization Plan Number 2 of 1977, and other purposes authorized by law.

SEC. 202. VOICE OF AMERICA.

(a) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts authorized to be appropriated by section 201, there are authorized to be appropriated $189,700,000 for fiscal year 1990 to the Voice of America for the purpose of carrying out Title V of the United States Information and Educational Exchange Act of 1948 and the Radio Broadcasting to Cuba Act.

(b) ALLOCATION OF FUNDS.—Of the funds authorized to be appropriated by this section, $12,000,000 shall be available only for the "Voice of America: Cuba Service."

(c) RADIO CONSTRUCTION.—In addition to the funds authorized to be appropriated by subsection (a), there authorized to be appropriated $22,000,000 for radio construction in fiscal year 1990.

SEC. 203. BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS.

(a) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts otherwise authorized to be appropriated by section 201, there are authorized to be appropriated to the Bureau of Educational and Cultural Affairs $197,850,000 for fiscal year 1990 to carry out the purposes of the Mutual Educational and Cultural Exchange Act of 1961. Of the funds authorized to be appropriated by this section, not less than—

(1) $98,000,000 shall be available only for grants for the Fulbright Academic Programs;

(2) $40,400,000 shall be available only for grants for the International Visitors Program;

(3) $5,500,000 shall be available only for grants for the Hubert H. Humphrey Fellowship Program;

(4) $2,000,000 shall be available only for the Samantha Smith Programs;

(5) $10,000,000 shall be available only for the Arts America Program;

(6) $11,900,000 shall be available only for the Office of Citizen Exchanges; and

(7) $150,000 for books and materials to complete the collections at the Edward Zorinsky Memorial Library in Jakarta, Indonesia.

SEC. 204. NATIONAL ENDOWMENT FOR DEMOCRACY.

In addition to amounts authorized to be appropriated by section 201, there are authorized to be appropriated to the United States Information Agency $21,800,000 for fiscal year 1990 to be available only for a grant to the National Endowment for Democracy for use in carrying out its purposes.

SEC. 205. EAST-WEST CENTER.

There are authorized to be appropriated $20,000,000 for fiscal year 1990 to carry out the provisions of the Center for Cultural and Technical Interchange Between East and West Act of 1960.

SEC. 206. FEES FOR USIA PUBLICATIONS AND OTHER PROGRAMS.

Section 810 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1475e) is amended to read as follows:

"SEC. 810. Notwithstanding section 3302 of title 31 or any other law or limitation of authority, all payments received by or for the use of the United States Information Agency from or in connection with Agency-produced publications, English-teaching, and library programs produced or conducted by or on behalf of the Agency under the authority of this Act or the Mutual Educational and Cultural Exchange Act of 1961 may be credited to the Agency's applicable appropriation to such extent as may be provided in advance in an appropriation Act."

SEC. 207. DIPLOMATIC CONSTRUCTION PROGRAM.

Section 402(a)(2) of the Omnibus Diplomatic Security and Antiterrorism Act of 1986 (P.L. 99-399) is amended to read as follows:

"(2) bid on a diplomatic construction or design project which involves physical or technical security, unless—

"(A) the project is for the design or construction of a facility of the United States Information Agency that does not process or store classified material; and

"(B) the total value of the project does not exceed $500,000.".

SEC. 208. FOREIGN LANGUAGE SERVICES.

Section 804(1) of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1474(1) is amended by inserting "when job vacancies occur" after "United States citizens are not available".

SEC. 209. DISSEMINATION OF INFORMATION WITHIN THE UNITED STATES.

Section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461) is amended—

(1) by inserting "(a)" after "501."; and

(2) by adding at the end thereof the following new subsection:

"(b)(1) Notwithstanding the provisions of subsection (a), the Director shall make available to the Archivist of the United States, for domestic distribution, motion pictures, films, videotapes and other material prepared for dissemination abroad 12 years after the dissemination of the material abroad, or in the case of material not disseminated abroad, 12 years after the preparation of the material.

"(2) The Director shall be reimbursed for any attendant expenses. Any reimbursement to the Director pursuant to this subsection shall be credited to the applicable appropriation of the United States Information Agency.

"(3) The Archivist shall be the official custodian of the material and shall issue necessary regulations to ensure that persons seeking its release have secured and paid for necessary United States rights and licenses and that all costs associated with the provision of the material by the Archivist shall be paid by the persons seeking its release. The Archivist may charge fees to recover such costs in accordance with section 2116(c) of title 44, United States Code. Such fees shall be paid into, administered, and expended as part of the National Archives Trust Fund.".

SEC. 210. ESTABLISHMENT OF THE J. WILLIAM FULBRIGHT SCHOLARSHIP BOARD.

(1) AMENDMENT TO THE MUTUAL EDUCATIONAL AND CULTURAL EXCHANGE ACT OF 1961.—Section 106(a) of the Mutual Educational and Cultural Exchange Act of 1961 is amended to read as follows:

"(a) THE J. WILLIAM FULBRIGHT SCHOLARSHIP BOARD.—There is established the J. William Fulbright Scholarship Board (hereafter in this section referred to as the 'Board'). Membership in the Board shall consist of—

"(A) the Librarian of Congress;

"(B) the Director of the National Gallery of Art;

"(C) the Director of the National Science Foundation;

"(D) the Secretary of the Smithsonian Institution;

"(E) a distinguished scholar from the social sciences who shall be appointed by the Librarian of Congress;

"(F) a distinguished scholar from the humanities who shall be selected by the Librarian of Congress;

"(G) a noted artist who shall be appointed by the Director of the National Gallery;

"(H) an eminent scientist who shall be appointed by the Director of the National Science Foundation;

"(I) a distinguished scholar, scientist or artist who shall be appointed by the Secretary of the Smithsonian;

"(J) six members who shall be appointed by the President from the academic, professional, and public service communities in the United States.

"(2) All appointed members of the Board shall serve for a term of three years, except that—

"(A) the initial appointment made pursuant to paragraph (1)(E) shall be for a term of one year;

"(B) the initial appointment made pursuant to paragraphs (1)(G) and (1)(H) shall be for a term of two years; and

"(C) two of the initial presidential appointments under paragraph (1)(J) shall be for a term of one year, and two shall be for a term of two years.

The Board shall elect a Chairman from among its members who shall serve a term of one year and who is eligible for reelection. All persons on the Board shall serve until a successor is qualified. Vacancies on the Board shall be filled in the same manner in which the original appointment was made for the balance of the original term.

"(3)(A) The Board shall select all scholars, students, teachers, artists, trainees, and other persons participating in programs authorized pursuant to section 102(a)(1) of this Act, including all participants in the Fulbright Academic Exchange Programs and the Hubert H. Humphrey Fellowship Programs. The Board shall have the authority to establish policies for the conduct of the Fulbright Academic Exchange Programs and the Humphrey Fellowship Programs, including authority to regulate and approve all grants made to institutions implementing the Fulbright Academic Exchange and Humphrey Fellowship Programs. Policies established by the Bureau of Educational and Cultural Affairs regarding such programs shall be subject to the policies of the Board. The Board shall not administer any program under its authority.

"(B) In addition to the authority of subparagraph (A), the Board shall supervise the programs authorized by paragraphs (4) and (6) of section 102(b) of the Mutual Educational and Cultural Exchange Act of 1961.

"(4) All recipients of Fulbright Academic Exchange and Humphrey Fellowship awards shall have full academic and artistic freedom, including freedom to write, publish, and create. No award granted pursuant to this Act may be revoked or diminished on account of the political views expressed by the recipient or on account of any scholarly or artistic activity that would be subject to the protections of academic and artistic freedom normally observed in universities in the United States. The Board shall ensure that the academic and artistic freedoms of all persons receiving grants are protected.

"(5) The Board shall formulate a policy on revocation of Fulbright grants which shall be known to all grantees. Such policy shall fully protect the right to due process as well as the academic and artistic freedom of all grantees.".

(b) ABOLISHMENT OF BOARD OF FOREIGN SCHOLARSHIPS.—(1)(A) The Board of Foreign Scholarships, as in effect on the day before the date of enactment of this Act, is hereby abolished.

(B) Section 608 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987, is amended—

(i) in the section heading, by striking out "BOARD OF FOREIGN SCHOLARSHIPS" and inserting in lieu thereof "J. WILLIAM FULBRIGHT SCHOLARSHIP BOARD"; and

(ii) in the first sentence, by striking out "Board of Foreign Scholarships" and inserting in lieu thereof "J. William Fulbright Scholarship Board".

(2) All personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, employed, used, held, or made available to the Board of Foreign Scholarships, as of the day before the date of enactment of this Act, shall be transferred on such date to the J. William Fulbright Scholarship Board as established in this section. Unexpended funds transferred pursuant to this paragraph shall be used only for the purposes for which the funds were originally authorized and appropriated.

(3)(A) The provisions of this section shall not affect any proceedings, including notices of proposed rulemaking, or any application for any scholarship, financial assistance, license, permit, or certificate, pending before the Board of Foreign Scholarships on the day before the date of enactment of this Act; but such proceedings or applications, to the extent that they relate to the Board of Foreign Scholarships, shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made under such orders, as if this section had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by the President, a court of competent jurisdiction, or by operation of law. Nothing in this paragraph prohibits the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could

have been discontinued or modified if this section had not been enacted.

(B) The President is authorized to issue regulations providing for the orderly transfer of proceedings continued under subparagraph (A).

(4)(A) No action or other proceeding brought by or against the Board of Foreign Scholarships or any member thereof in his official capacity shall abate by reason of the enactment of this section.

(B) If, before the date of enactment of this section, the Board of Foreign Scholarships or any member thereof in his official capacity is a party to an action, then such action shall be continued with the J. William Fulbright Scholarship Board substituted or added as a party.

SEC. 211. USIA SATELLITE AND TELEVISION.

(a) IN GENERAL.—The Director of the United States Information Agency is authorized to lease or otherwise time on commercial or United States Government satellites for the purpose of transmitting agency materials and programs to posts and other users abroad. The United States Information Agency is authorized to produce and transmit only where the programs are—

(1) interactive dialogue programs consisting of live interviews and discussions among participants in different locations;

(2) coverage of current events such as United States elections, candidate debates, and presidential speeches, where coverage is not available from commercial or public television networks at a reasonable cost;

(3) regular coverage of Congressional proceedings, White House news briefings and State Department news briefings where such coverage is not available at a reasonable fee from C-Span or other public and commercial television service; or

(4) short news clips to be provided to foreign broadcasters only for rebroadcast at the discretion of the foreign broadcaster,

(b) PREFERENCE FOR NON-GOVERNMENTAL BROADCASTS.—In transmitting programs by satellite pursuant to subsection (a), the Director of the United States Information Agency shall use programs produced by American commercial and public television broadcasters in preference to material produced by the United States Government where such programs are comparable to programs being produced by the United States Information Agency and where such programs are available at a reasonable cost. The United States Information Agency Film and Television Service is authorized to acquire and transmit by satellite programs produced by United States commercial and public television networks only if such programs—

(1) are comprised of news, public affairs, artistic and cultural, or scientific programming; and

(2) have been on or are being broadcast in the United States.

(c) ALLOCATION OF FUNDS.—Of the funds authorized to be appropriated to the United States Information Agency, not more than $20,000,000 shall be available for the "Television and Film Service" of the United States Information Agency which shall include all funds available for the acquisition, production, and transmission by satellite of television programs. Of the funds authorized to be appropriated to the United States Information Agency for television, not less than $1,500,000 shall be available for the purchase or use of programs produced with grants from the Corporation for Public Broadcasting or produced by United States public television networks.

(d) Television programs transmitted by satellite are intended to supplement the programming of foreign broadcasters. It is not intended that the United States Information Agency establish its own television network in competition with foreign broadcasters or United States commercial and public television networks.

(e) To the extent that significant economies may be achieved by the purchase of large blocks of satellite time, the United States Information Agency is authorized to acquire such satellite time. Satellite time not utilized by the United States Information Agency, or time in excess of four hours of programming each day, shall be made available to other United States Government Agencies on a priority basis and without cost. Time not utilized by the United States Government may be sold to commercial users.

(f) For fiscal year 1990, the restrictions of section 209(e) of PL 100-204 are waived so as to permit television broadcasts in accordance with this section.

SEC. 212. FREE ENTERPRISE SYSTEM IN TELEVISION.

The Congress affirms its belief that the United States free enterprise system, supplemented by public television, provides the highest quality and most objective news and public affairs programming available. The United States Information Agency shall undertake, as a matter of high priority in the field of television, to promote access in foreign countries to the news and public affairs programming of United States commercial and public television networks. Whenever requested by a United States company and permitted by a foreign government, the United States Information Agency shall provide assistance, including use of the United States Information Agency satellite receiving equipment, to facilitate such access.

SEC. 213. CITIZEN EXCHANGES.

There is established in the Bureau of Educational and Cultural Affairs an Office of Citizen Exchanges. The office shall support private not-for-profit organizations engaged in the exchange of persons, including youth, between the United States and other countries.

SEC. 214. SCHOLARSHIPS FOR TIBETANS.

Of the funds authorized in section 203(1), not less than 30 scholarships shall be made available to Tibetan students and professionals who are outside Tibet.

SEC. 215. UNITED STATES-SOVIET EXCHANGES.

The Mutual Educational and Cultural Exchange Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 113. UNITED STATES-SOVIET EXCHANGES.—(a) The President is authorized to negotiate and implement an agreement with the Union of Soviet Socialist Republics under which repayments made by the Soviet Union on Lend-Lease debts to the United States would be used to finance the exchange of persons between the United States and the Soviet Union for educational, cultural, and artistic purposes. Exchanges authorized by this section shall be administered pursuant to the provisions of this Act. Part of the funds repaid to the United States shall be convertible currency for the purpose of paying the expenses associated with study and other exchange activities by Soviet Citizens in the United States.

"(b) Funds made available for the purposes of this section shall be available only to the extent and in the amounts provided for in an appropriation Act."

SEC. 216. VOICE OF AMERICA HIRING PRACTICES.

After the date of enactment of this Act, the Voice of America shall not select candidates for employment who must be or are pre-approved for employment at the Voice of America by a foreign government or entity.

SEC. 217. DISTRIBUTION WITHIN THE UNITED STATES OF USIA FILM ENTITLED "LONG JOURNEY HOME".

Notwithstanding section 208 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (22 U.S.C. 1461-1(a) and the second sentence of section 501 of the United States Information and Education Exchange Act of 1948 (22 U.S.C. 1461)—

(a) the Director of the United States Information Agency shall make available to the Archivist of the United States a master copy of the film entitled "Long Journey Home"; and

(b) upon evidence that necessary United States rights and licenses have been secured and paid for by the person seeking domestic release of the film, the Archivist shall—

(1) reimburse the Director for any expenses of the Agency in making that master copy available;

(2) deposit that film in the National Archives of the United States; and

(3) make copies of that film available for purchase and public viewing within the United States.

Any reimbursement to the Director pursuant to this section shall be credited to the applicable appropriation of the United States Information Agency.

TITLE III—BOARD FOR INTERNATIONAL BROADCASTING

SEC. 301. AUTHORIZATION OF APPROPRIATIONS.

(a) Section 8(a)(1)(A) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877) is amended to read as follows:

"(A) $190,330,000 for fiscal year 1990; and".

(b) Radio Transmitter Construction and Modernization. There is authorized to be appropriated to the Board for International Broadcasting for radio transmitter construction and modernization $23,917,000 for fiscal year 1990.

SEC. 302. PROCUREMENT OF LEGAL SERVICES.

Section 26 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2698) is amended in subsection (b) by inserting ", the chairman of the Board for International Broadcasting," after "Communication Agency".

SEC. 303. RADIO FREE AFGHANISTAN.

Section 2 (5) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2871 (5)) is amended by striking out "(as long as it is under Soviet occupation)" and inserting therein "(until such a time that the government in Kabul is replaced by a government achieved through a free act of self-determination)."

TITLE IV—INTERNATIONAL ORGANIZATIONS

SEC. 401. UNITED STATES MEMBERSHIP IN INTERNATIONAL SUGAR ORGANIZATION.

The President is authorized to continue membership for the United States in the International Sugar Organization. Beginning in fiscal year 1991 and thereafter, the United States assessed contributions to such organization may be paid from funds appropriated under the heading "Contributions to International Organizations."

SEC. 402. REFORM IN BUDGET-MAKING AT THE UNITED NATIONS AND ITS SPECIALIZED AGENCIES.

(a) FINDINGS.—The Congress finds that:

(1) United States membership in the United Nations and its specialized and affiliated agencies serves the national security interests of the United States by promoting world peace, by enhancing protection of the global environment, by policing the use of nuclear energy, and by promoting common solutions to the afflictions of disease, hunger, ignorance and poverty;

(2) Financial and administrative reform in the United Nations system is essential so as to ensure that the vital missions of the United Nations and its specialized and affiliated agencies are efficiently executed;

(3) The United Nations and the specialized and affiliated agencies have made substantial progress toward implementation of reforms in budgetary and administrative matters, including the enactment of a United Nations resolution providing for consensus decisions on the United Nations budget;

(4) United States willingness to pay its full assessed contribution to the United Nations and each specialized and affiliated agency is contingent upon the good faith implementation of the budgetary and administrative reforms by the United Nations or such specialized and affiliated agency; and,

(5) The continued failure of the United States to pay its full assessed contribution to the United Nations and the specialized and affiliated agencies could undermine the reform program, diminish United States influence, and undermine vital United States interests.

(b) Withholding of Assessed Contributions. For any calendar year where the President determines that the United Nations or any specialized and affiliated agency is not implementing agreed upon budgetary and administrative reforms, the President shall withhold twenty percent of the United States assessed contribution to such agency. The President shall notify the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate within five days of making the determination described in this subsection.

(c) Waiver. The President may waive the withholding requirement of subsection (b) if he determines that it is in the vital national interest of the United States to pay the full United States assessed contribution to the United Nations or any specialized and affiliated agency and so reports to the Speaker of the House of Representatives and the Chairman of the Committee of Foreign Relations of the Senate within five days of issuing such waiver.

(d) Sunset Provision. This section shall have no effect after October 1, 1995.

SEC. 403. UNITED NATIONS VOTING PRACTICES AMENDMENT

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(a) title VII of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989, is amended by adding at the end of Part A (relating to the United Nations) the following new section:

"SEC. 709. ANNUAL REPORT TO CONGRESS ON VOTING PRACTICES AT THE UNITED NATIONS

"(a) IN GENERAL.—Not later than 90 days after the usual suspension of the United Nations General Assembly in December of each year, the President shall transmit to the Speaker of the House of Representatives and the President of the Senate a full and complete report which assesses, with respect to each foreign country member of the United Nations, the voting practices of the governments of such countries at the United Nations, and evaluates General Assembly and Security Council actions and the responsiveness of those governments to United States policy on issues of special importance to the United States.

"(b) INFORMATION ON VOTING PRACTICES IN THE UNITED NATIONS.—Such report shall include, with respect to voting practices and plenary actions in the United Nations during the preceding 12-month period, information to be compiled and supplied by the Permanent Representative of the United States to the United Nations, consisting of—

"(1) an analysis and discussion, prepared in consultation with the Secretary of State, of the extent to which member countries supported United States policy objectives at the United Nations:

"(2) an analysis and discussion, prepared in consultation with the Secretary of State, of actions taken by the United Nations by consensus;

"(3) with respect to plenary votes of the United Nations General Assembly—

"(A) a listing of all such votes on issues which directly affected important United States interests and on which the United States lobbied extensively, a brief description of the issues involved in each such vote, and an explanation of the United States position on each such issue;

"(B) a listing of the votes described in clause (A) which provides a comparison of the vote cast by each member country with the vote cast by the United States;

"(C) a country-by-country listing of votes described in clause (A); and

"(D) a listing of votes described in clause (A) displayed in terms of United Nations regional caucus groups;

"(4) a listing of all plenary votes cast by member countries of the United Nations in the General Assembly which provides a comparison of the vote cast by each member country with the vote cast by the United States;

"(5) an analysis and discussion, prepared in consultation with the Secretary of State, of the extent to which other members supported United States policy objectives in the Security Council and a separate listing of all Security Council votes of each member country in comparison with the United States; and

"(6) a side-by-side comparison of agreement on important and overall votes for each member country and the United States.

"(c) Statement by the Secretary of State.—Each report under this section shall contain a statement by the Secretary of State discussing what steps have been taken to keep United States diplomatic missions informed of United Nations General Assembly and Security Council activities.".

(b) The table of contents of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989, is amended by inserting after the item relating to section 708 the following new item: "Sec. 709. Annual report to Congress on voting practices at the United Nations.".

(c) The following provisions of law are hereby repealed.

(1) The second undesignated paragraph of section 101(b)(1) of Public Law 98-151 (97 Stat. 967).

(2) Section 529 of the Foreign Assistance and Related Programs Appropriations Act, 1986, as contained in section 101(i) of Public Law 99-190 (99 Stat. 1307).

(3) Section 528 of the Foreign Assistance and Related Programs Appropriations Act, 1987, as contained in section 101(f) of Public Law 99-500 (100 Stat. 1783) and section 101(f) of Public Law 99-591 (100 Stat. 3341).

(4) Section 528 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988, as contained in section 101(e) of Public Law 100-202.

(5) Section 527 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989, as contained in Public Law 100-461.

SEC. 404. MEMBERSHIP OF THE PLO IN UNITED NATIONS AGENCIES.

No funds authorized to be appropriated by this Act shall be available for the United Nations or any specialized agency thereof which accords the Palestine Liberation Organization the same standing as member states. Notwithstanding any other provision of law, the United States may make financial contributions in support of the safeguards program of the International Atomic Energy Agency and may make voluntary contributions to support the global AIDS program of the World Health Organization.

TITLE V—REFUGEE AND OTHER PROVISIONS

SEC. 501. UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES AUDIT REQUIREMENT.

Section 113(a) of Public Law 99-93 is amended to read as follows:

"(a) PROGRAM AUDITS.—Funds may not be available to the United Nations High Commissioner for Refugees under this or any other Act unless provision is made for—

"(1) annual program audits to determine the use of UNCHR funds, including the use of such funds by implementing partners; and

"(2) such audits are made available through the Comptroller General of the United States."

SEC. 502. WORLDWIDE REFUGEE PROTECTION.

(a) REFUGEES FROM THE SOVIET UNION.—

(1) FINDINGS.—The Congress finds that:

(A) the recent increase in the number of Jews and other religious minority groups able to depart the Soviet Union is a significant foreign policy and human rights achievement which the United States should welcome and encourage;

(B) the current practice whereby United States refugee status is denied to some of those now leaving the Soviet Union has led to substantial increases in the numbers of Soviet refugees in Rome waiting to come to the United States.

(2) It is the sense of Congress that:

(A) the United States should reaffirm its commitment to facilitating the departure of Jews and other religious minority groups of special concern from the Soviet Union.

(B) United States refugee processing should recognize the history of persecution that is the compelling reason for Jews and other religious minority groups to leave the Soviet Union. Sufficient funds from this Act should be provided to fulfill the purpose of this section.

(b) REFUGEES FROM INDOCHINA—

(1) FINDINGS.—The Congress finds that:

(A) the refugee crisis in Southeast Asia remains unresolved, and large numbers of refugees continue to flee from Vietnam, Laos, and Cambodia;

(B) while voluntary repatriation appears to be the best solution for most of the 320,000 Cambodian refugees and displaced persons in Thailand, there are many of spe-

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cial humanitarian concern to the United States for whom resettlement opportunities must be preserved, including victims of torture and human rights abuses, and family reunification cases;

(C) while the overall rate of pirate attacks on refugee boats in the Gulf of Thailand is lower than in previous years, the numbers of rapes and abductions of refugees increased from 95 in 1987 to 185 in 1988, and the totals for dead and missing refugees increased more than five-fold, from 95 in 1987 to 501 in 1988;

(D) United States rejection rates of refugee applicants for the orderly departure program from Vietnam reached nearly 80 percent in 1989, while in the previous decade these rejection rates never exceeded 10 percent. This unannounced policy change is unfair to the thousands of Vietnamese who, in response to a United States invitation for an interview, have been waiting, often for many years, for an opportunity to leave Vietnam safely and legally through the orderly departure program.

(2) It is the sense of the Congress that:

(A) the United States government should work with the government of Thailand and with other countries of the region, and with refugee resettlement countries, and with the United Nations High Commissioner for Refugees, to assure that refugees and displaced persons continue to receive asylum and protection, and that resettlement opportunities for refugees and others of special humanitarian concern are maintained.

(B) first asylum countries in Southeast Asia should be urged to reinstate the practice of providing adequate refuge for all asylum-seekers, while carrying out the screening of such individuals. Efforts to combat pirate attacks on refugees should be continued and strengthened.

(C) the United States government should advocate the policy that no repatriation of asylum-seekers should occur until strong and effective procedures are in place to guarantee that such asylum-seekers will be returned to their countries of origin in conditions of safety and will not be subjected to persecution.

(D) the United States should review procedures and criteria in the orderly departure program to assure that family reunion cases and others who have received letters of introduction for the United States are given reasonable opportunities to leave Vietnam. The United States should seek to establish a special resettlement program for former "re-education camp" prisoners and their immediate families.

(c) REFUGEES IN SOUTHERN AFRICA—

(1) FINDINGS.—The Congress finds that:

(A) the actions of the government of the Republic of South Africa in forcing Mozambican refugees to return to their violence-plagued homeland in 1988 should be condemned;

(B) the possibility exists that large numbers of Mozambican civilians in South Africa could face similar involuntary return to their homeland in 1989;

(C) the policy of the government of South Africa of deterring and preventing the entry of refugees from Mozambique by means of an electrified fence has resulted in the deaths of numerous refugees and should be condemned.

(2) It is the sense of the Congress that:

(A) the Secretary of State should urge the government of the Republic of South Africa to stop the forcible repatriation of Mozambican civilians, to dismantle the fence upon which numerous refugees have been electrocuted, and to invite the United Nations High Commissioner for Refugees to carry out his customary role of protecting and assisting Mozambican refugees in South Africa.

(B) the Secretary of State shall report to the Congress by September 30, 1989 as to his actions in this regard and the response of the Republic of South Africa, and shall provide a current assessment of the situation of Mozambicans in our seeking to enter South Africa.

(d) REFUGEES IN THE HORN OF AFRICA—

(1) FINDINGS.—The Congress finds that:

(A) while hundreds of thousands of refugees from Ethiopia remain in asylum in contiguous countries, serious internal violence in Sudan and Somalia has uprooted several million civilians and precipitated a major movement of refugees from both countries into Ethiopia;

(B) the government of Ethiopia and the United Nations High Commissioner for Refugees have been unable to provide adequately for the humanitarian needs of the refugees from Sudan and Somalia now in asylum in Ethiopia;

(C) continuing violence in Sudan and Somalia may lead to the arrival of additional large numbers of refugees into Ethiopia from both countries.

(2) It is the sense of the Congress that:

(A) the Secretary of the State should advise the government of Ethiopia and the United Nations High Commissioner for Refugees of the strong concern of the United States government that the situation of refugees from Sudan and Somalia should be improved to acceptable standards.

(B) the Secretary of State should urge the government of Ethiopia to permit cross-border deliveries of food and other humanitarian assistance to the people of Southern Sudan, in order to stem the further flow of Sudanese into Ethiopia.

(C) the Secretary of State shall report to the Congress by September 30, 1989 on the actions taken by the Government of Ethiopia and the United Nations High Commissioner for Refugees to improve the living conditions of these refugees, measures the United States has taken and can take to assist in this regard, and the prospects for additional refugees movements from Sudan and Somalia.

(e) TIBETAN REFUGEES.—Of the amounts authorized to be appropriated for the Department of State for "migration and refugee assistance" for fiscal year 1990, $500,000 shall be made available for assistance for displaced Tibetans in India and Nepal. The Secretary of State shall determine the best means for providing such assistance.

SEC. 503. PROHIBITION ON EXCLUSION OR DEPORTATION OF NON-RESIDENT ALIENS.

(a) TECHNICAL CORRECTION.—Section 901 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (8 U.S.C. 1182 note) is amended in subsection (a) by inserting "subject to restrictions or conditions on entry into the United States," after "United States," the first place it appears.

(b) EFFECTIVE DATE.—Subsection (d) of Section 901 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (8 U.S.C. 1182 note) is repealed.

TITLE VI—GLOBAL ENVIRONMENT PROTECTION ACT

SEC. 601. SHORT TITLE.

This title may be cited as the "Global Environmental Protection Assistance Act of 1989."

PART A—COMMERCIAL AND GOVERNMENTAL DEBT-FOR-NATURE EXCHANGES

SEC. 610. AMENDMENT TO THE FOREIGN ASSISTANCE ACT.

The Foreign Assistance Act of 1961 is amended by inserting after chapter 6 of part I the following new chapter:

"CHAPTER 7—DEBT-FOR-NATURE EXCHANGES

"SEC. 461. DEFINITION.—For purposes of this Act, the term 'debt-for-nature exchange' means the cancellation of the foreign debt of the government of a country in exchange for—

"(1) that government's making available local currencies (including through the issuance of bonds) which are used only for eligible projects involving the conservation or protection of the environment in that country (as described in section 463); or

"(2) that government's financial, resource, and policy commitment to take certain specified actions to ensure the restoration, protection, or sustainable use of natural resources within that country; or

"(3) a combination of assets and actions under both paragraphs (1) and (2).

"SEC. 462. ASSISTANCE FOR COMMERCIAL DEBT EXCHANGES.—

"(a) The President, acting through the Agency for International Development, is authorized to furnish assistance, in the form of grants on such terms and conditions as may be necessary, to nongovernmental organizations for the purchase on the open market of discounted commercial debt of a foreign government of an eligible country which will be cancelled under the terms of an agreement with that government as part of a debt-for-nature exchange.

"(b) Notwithstanding any other provision of law, a grantee (or any subgrantee) of the grants referred to in subsection (a) is not accountable for interest earned on either the grant money or the proceeds of any resulting debt-for-nature exchange pending their disbursement for approved program purposes.

"SEC. 463. ELIGIBLE PROJECTS.—

"(a) The President shall seek to ensure that debt-for-nature exchanges under this chapter support one more of the following activities by either the host government, a local private conservation group, or a combination thereof:

"(1) Restoration, protection, or sustainable use of the world's oceans and atmosphere;

"(2) Restoration, protection, or sustainable use of diverse animal and plant species;

"(3) Establishemnt, restoration, protection, and maintenance of parks and reserves;

"(4) Development and implementation of sound systems of natural resource management;

"(5) Development and support of local conservation programs;

"(6) Training programs to strengthen conservation institutions and increase scientific, technical, and managerial capabilities of individuals and organizations involved in conservation efforts;

"(7) Efforts to generate knowledge, increase understanding, and enhance public commitment to conservation;

"(8) Design and implementation of sound programs of land and ecosystem management; and

"(9) Promotion of regenerative approaches in farming, forestry, fishing, and watershed management.

"(b)(1) In cooperation with nongovernmental organizations, the President shall

seek to identify those areas, which because of an imminent threat, are in particular need of immediate attention to prevent the loss of unique biologicla life or valuable ecosystem.

"(2) The President, acting through the Secretary of State, shall encourage as many eligible countries as possible to propose such exchanges with the purpose of demonstrating to a large number of governments the feasibility and benefits of sustainable development.

"SEC. 464 ELIGIBLE COUNTRIES.—In order for a foreign country to be eligible to participate in a debt-for-nature exchange under this chapter, the President shall determine that—

"(1) the host country is fully committed to the long-term viability of the program or project that is to be undertaken through the debt-for-nature exchange;

"(2) a long-term plan has been prepared by the host country, or private conservation group, which adequately provides for the long-term viability of the program or project that is to be undertaken through the debt-for-nature exchange or that such a plan will be prepared in a timely manner; and

"(3) there is a government agency or a local nongovernmental organization, or combination thereof, in the host country with the capability commitment, and record of environmental concern to oversee the long-term viability of the program or project that is to be undertaken through the debt-for-nature exchange.

"SEC. 465. TERMS AND CONDITIONS.—

"(a) The terms and conditions for making a grant under this chapter shall be deemed to be fulfilled upon final approval by the President of the debt-for-nature exchange, a certification by the nongovernmental organization that the host government has accepted the terms of the exchange, and that the commercial debt has been cancelled in the agreed upon fashion.

"(b) Grants made under this section are intended to complement, and not substitute for, assistance otherwise available to a foreign country under this Act or any other provision of law.

"(c) The United States Government is prohibited from accepting title or interest in any land in a foreign country as a condition on the debt exchange.

"SEC. 466. PILOT PROGRAM FOR SUB-SAHARAN AFRICA.—

"(a) The President, in cooperation with nongovernmental conservation organizations, shall invite the government of each country in sub-Saharan Africa to submit a list of those areas of severely degraded national resources which threaten human survival and well-being and the opportunity for future economic growth or those areas of biological or ecological importance within the territory of that country.

"(b) The President shall assess the list submitted by each country under subsection (a) and shall seek to reach agreement with the host country for the restoration and future sustainable use of those areas.

"(c)(1) The President is authorized to make grants, on such terms and conditions as may be necessary, to United States nongovernmental organizations for the purchase on the open market of discounted commercial debt of a foreign government of an eligible sub-Saharan country in exchange for commitments by that government to restore natural resources identified by the host country under subsection (a) or for commitments to develop plans for sustainable use of such resources.

"(2) Notwithstanding any other provision of law, a grantee (or subgrantee) under this subsection is not accountable for interest earned on either the grant money or the proceeds of any resulting debt-for-nature exchange pending their disbursement for approved program purposes.

PART B—MULTILATERAL FOREIGN ASSISTANCE COORDINATION

SEC. 620. GENERAL POLICY.

It is the sense of the Congress that the Secretary of State should seek to develop an increased consideration of global warming, tropical deforestation, sustainable development, and biological diversity among the highest goals of bilateral foreign assistance programs of all countries.

SEC. 621. POLICY ON NEGOTIATIONS.

(a) IN GENERAL.—The Secretary of State, acting through the United States representative to the Development Assistance committee of the Organization for Economic Coordination and Development (OECD), should initiate, at the earliest practicable date, negotiations among member countries on a coordinated approach to global warming, tropical deforestation, sustainable development, and biological diversity through bilateral assistance programs that would include—

(1) increased consideration of the impact of developmental projects on global warming, tropical deforestation, and biological diversity;

(2) reduction or elimination of funding for those projects that exacerbate those problems;

(3) coordinated research and development of projects that emphasize sustainable use or protection of tropical forests and support for local conservation efforts;

(4) expanded use of forgiveness of foreign assistance debt in exchange for policy changes or programs that address problems associated with global warming, tropical deforestation, sustainable development, and biological diversity;

(5) increased use of foreign assistance funds and technical assistance in support of local conservation, restoration, or sustainable development efforts and debt-for-nature exchanges;

(6) improved exchange of information on energy efficiency and solar and renewable energy sources, and a greater emphasis on the use of those sources of energy in developmental projects; and

(7) increased use of environmental experts in the field to assess development projects for their impact on global warming, tropical deforestation, and biological diversity.

(b) IMPLEMENTATION OF AGREEMENT.—Negotiations described in subsection (a) shall seek to ensure that the recommended changes are implemented as quickly as possible by member countries of the Development Assistance Committee.

PART C—INTERNATIONAL DEBT EXCHANGE INSTITUTIONS

SEC. 630.—ESTABLISHMENT OF INTERNATIONAL DEBT EXCHANGE INSTITUTION.

(a) POLICY.—It is the sense of the Congress that the President, acting through the Secretary of State, should initiate negotiations with other major lender countries to establish an international institution for the purpose of facilitating exchanges of commercial debt for sustainable development and conservation purposes.

(b) FUNCTIONS OF INSTITUTION.—The functions of such institution shall include—

(1) identifying potential conservation projects;

(2) identifying areas in need of emergency action;

(3) finding or providing appropriate technical and financial support for conservation projects;

(4) promoting sound conservation and sustainable development projects; and

(5) evaluating project results.

(c) GOAL OF NEGOTIATIONS.—The negotiations should seek to conclude an agreement on—

(1) the appropriate structure of such an international institution and its independence or association with an existing institution such as the United Nations or the International Bank for Reconstruction and Development (also known as the "World Bank");

(2) the appropriate amount and form of resources that will be required from creditor countries in support of the debt exchanges, including loan guarantees, debt forgiveness, interest rate and principal reduction, and other financial incentives that will facilitate exchanges of commercial debt for conservation purposes;

(3) methods which can be used to minimize the economic impact on donor and recipient countries of the debt exchanges;

(4) criteria which debtor nations would have to meet to qualify for the debt relief;

(5) methods to ensure compliance with the terms of the debt relief;

(6) establishment of a priority system for the institution; and

(7) methods to encourage the involvement of local nongovernmental organizations in projects made possible by such institution.

SEC. 631.—REPORT.

One year after the date of enactment of this Act, the Secretary of State shall submit to the Speaker of the House of Representatives and the appropriate committees of the Senate, including the Committee on Foreign Relations, a report on steps undertaken to initiate the negotiations described in section 301, the status of the negotiations and progress toward reaching an agreement, and recommendations for additional authority that may be needed to reach an agreement.

PART D—SALE OF AGRICULTURAL COMMODITIES

SECTION 640.—AMENDMENT TO THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954.

(a) IN GENERAL.—The Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end the following new title:

"TITLE

"SEC. 501. ELIGIBLE COUNTRIES.

"Whenever the President, in consultation with the government of a developing country eligible for assistance under this Act or a private conservation group in that country, determines that such country would benefit from the sale of United States agricultural commodities for conservation or sustainable development efforts, the President may designate such a country eligible for a conservation and environmental protection program under this title. Private conservation groups acting with the support of the host government are also eligible for the program.

"SEC. 502. FORMULATION OF PROPOSAL.

"(a) DEVELOPMENT OF PROPOSAL.—A country or nongovernmental organization designated as eligible under section 501 and seeking to participate in a conservation and environmental protection program shall formulate with the assistance, if requested, of

the United States Government, a multiyear proposal which shall be submitted to the President.

"(b) CONTENTS OF PROPOSAL.—Such proposal shall—

"(1) include a plan for the intended uses of the funds generated from the sale of such commodities;

"(2) specify the nature and magnitude of problems to be affected by the effort;

"(3) specify the possible impact, including environmental impacts, if the problem is allowed to continue unaddressed;

"(4) specify targets or goals to be reached by the projects, programs, or activities to be supported; and

"(5) estimate the cost and expected sources of revenue for the project.

"SEC. 503. ALLOCATION OF SALE PROCESS.

"(a) ALLOCATION OF PROCEEDS.—Up to 15 percent of the funds generated from the sale of agricultural commodities in a fiscal year in a country designated under section 501 which are approved by the President. Funds allocated through this program are intended to complement, and not substitute for, assistance otherwise available for a foreign country under this Act or an other law.

"(b) ACCOUNTABILITY FOR INTEREST.—A grantee (or any subgrantee) of the funds allocated under subsection (a) is not accountable for interest earned on such funds pending disbursement for approved program purposes."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect October 1, 1989.

PART E—MONTREAL PROTOCOL TO PROTECT THE OZONE

SEC. 650. POLICY IN FAVOR OF REOPENING THE MONTREAL PROTOCOL.

(a) POLICY.—It is the sense of the Congress that the Secretary of State, in consultation with the Administrator of the Environmental Protection Agency, should request and convene, at the earliest practical date, a meeting of such parties to the Montreal Protocol as may be necessary for—

(1) a reassessment of the control measures contained in the Montreal Protocol; and

(2) adoption of additional control measures requiring the virtual elimination of all substances identified in the Montreal Protocol not later than 7 years after the date of enactment of this Act and appropriate control measures for other ozone-depleting chemicals not identified in the Montreal Protocol.

(b) DEFINITION.—For purposes of subsection (a), the term "Montreal Protocol" refers to the Montreal Protocol on Substances that Deplete the Ozone.

PART F—WILDLIFE PROTECTION

SEC. 660. ELEPHANT PROTECTION.

(a) FINDINGS.—The Congress finds that:

(1) the elephant is a unique and magnificent species, the survival of which is now seriously endangered by illegal hunting and poaching, as well as by the destruction of its habitat;

(2) the demand for illegal ivory is a major cause of the illegal hunting and poaching that is now decimating elephant herds;

(3) the United States imports ivory from countries that do not enforce bans against illegal hunting or which tolerate the trade in ivory from illegally killed elephants;

(4) action to close the United States market to countries which tolerate illegal hunting of elephants or which tolerate trade in illegally killed elephants will reduce demand for ivory from illegal sources and will provide incentives to countries to enforce measures prohibiting the illegal hunting of elephants and the trade in ivory from illegal sources; and,

(5) urgent action is required if the elephant species is to be saved.

(b) PROHIBITION.—(1) No ivory or other elephant product may be imported into the United States or may be sold in any United States government facility if:

(A) the ivory or other elephant product originated from a country where significant numbers of elephants are killed illegally or are killed in numbers sufficient to reduce the optimal sustainable elephant population in the country or

(B) the ivory or other elephant product was traded in a country where there is any significant trade or transit traffic in the products of illegally killed elephants.

(2) This subsection shall not apply to antique ivory.

(c) PUBLICATION REQUIREMENT.—Not later than six months after enactment the Secretary of State shall publish in the Federal Register a list of all foreign countries from which the imports of ivory and other elephant products are prohibited pursuant to subsection (b).

(d) DEFINITIONS.—For the purposes of this section:

(1) the term "ivory" includes raw ivory and worked ivory;

(2) "Significant numbers of elephants killed illegally" refers to the lesser of (A) 1,000 elephants or (B) a number killed such that the killing adversely affects the ability of the elephant herds in a country to sustain a stable population.

(3) "optimal sustainable elephant population" is the largest population that can be supported in healthy condition by the habitat in the country available for elephants.

(4) "significant trade" refers to ivory valued at more than $200,000 or the product of more than 100 elephants

(5) "significant transit traffic" means traffic in ivory valued at more than $200,000 or the product of more than 100 elephants.

SEC. 661. AUTHORIZATION FOR MEMBERSHIP IN THE INTERNATIONAL TROPICAL TIMBER ORGANIZATION

The President is authorized to maintain membership of the United States in the International Tropical Timber Organization (ITTO).

SEC. 662. AUTHORIZATION FOR MEMBERSHIP IN THE INTERNATIONAL UNION FOR THE CONSERVATION OF NATURE AND NATURAL RESOURCES

The President is authorized to maintain membership of the United States in the International Union for the Conservation of Nature and Natural Resources (IUCN).

SEC. 663. AUTHORIZATION OF APPROPRIATIONS FOR MEMBERSHIP IN WILDLIFE CONVENTIONS

There are authorized to be appropriated to the President $1,511,000 for fiscal year 1990 in support of U.S. participation in the following international environmental organizations and conventions of which:

(a) $650,000 shall be available for dues and arrearages for U.S. contributions to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES);

(b) $231,000 shall be available for dues and arrearages for U.S. contributions to the International Tropical Timber Organization (ITTO);

(c) $450,000 shall be available to support U.S. participation in the World Heritage Convention; and

(d) $180,000 shall be available to support U.S. participation in the International Union for the Conservation of Nature and Natural Resources.

TITLE VII—TELEVISION BROADCASTING TO CUBA ACT

SEC. 701. SHORT TITLE.

This act may be cited as the "Television Broadcasting to Cuba Act."

SEC. 702. PURPOSE.

The purpose of this act is to establish United States television broadcasting to Cuba.

SEC. 703. ADDITIONAL FUNCTIONS OF THE UNITED STATES INFORMATION AGENCY.

(a) TELEVISION BROADCASTING TO CUBA.—In order to carry out the objectives set forth in section 702, and notwithstanding the limitation of section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461) with respect to the dissemination in the United States of information prepared for dissemination abroad to the extent such dissemination is inadvertent, the United States Information Agency (hereafter in this Act referred to as the "Agency") shall provide for the open communication of information and ideas through the use of television broadcasting to Cuba. Television broadcasting to Cuba shall serve as a consistently reliable and authoritative source of accurate, objective and comprehensive news.

(b) VOICE OF AMERICA STANDARDS.—Television broadcasting in accordance with subsection (a) shall be in accordance with all Voice of America standards to ensure the broadcast of programs which are objective, accurate, balanced, and which present a variety of views.

(c) USIA TELEVISION MARTI.—Any program of United States Government television broadcasts to Cuba authorized by this section shall be designated "USIA Television Marti Program".

(d) FREQUENCY ASSIGNMENT.—

(1) Subject to the Communications Act of 1934, the Federal Communications Commission shall have the authority to assign by order a suitable frequency to further the national interests expressed by this Act, except that no such assignment shall result in objectionable interference with the broadcasts of any domestic licensee, and further, that no such assignment shall result in a change of frequency for an incumbent domestic licensee.

(2) For purposes of section 305 of the Communications Act of 1934, a television broadcast station established for purposes of this part shall be treated as a government station, but the Federal Communications Commission shall exercise the authority of the President under such section to assign a frequency to such station.

(e) INTERFERENCE WITH DOMESTIC BROADCASTING.—

(1) Broadcasting by the Service shall be conducted in accordance with such parameters as shall be prescribed by the Federal Communications Commission to preclude objectionable interference with the broadcasts of any domestic licensee. The Federal Communications Commission shall monitor the operations of television broadcasting in Cuba pursuant section 703(g) of this Act. If, on the basis of such monitoring or of a complaint from any person, the Federal Communications Commission determines that broadcasting by the Service is causing any objectionable interference with the transmission or reception of the broadcasts of a domestic licensee, the Federal Communications Commission shall direct the Service to cease broadcasting and to eliminate the ob-

jectionable interference. Broadcasts by the Service shall not be resumed until the Federal Communications Commission finds that the objectionable interference has been eliminated and will not recur. The Federal Communications Commission shall not have the authority to change the frequency of an existing licensee in order to eliminate objectionable interference caused by broadcasting by the Service.

(2) The Federal Communications Commission shall take such actions as are necessary and appropriate to assist domestic licensees in overcoming the adverse effects of objectionable interference caused by broadcasting by the Service.

(f) COMPLIANCE WITH INTERNATIONAL LAW.—Broadcasting by the Service shall be conducted in accordance with the International Telecommunications Convention promulgated by the International Telecommunications Union of the United Nations, the Annexed Radio Regulations thereto, and all other applicable international laws and treaties. The Federal Communications Commission shall monitor the operations of television broadcasting to Cuba pursuant to section 703(h) of this Act. If, on the basis of such monitoring or of a complaint from any person or foreign nation, the Federal Communications Commission determines that broadcasting by the Service is in violation of the International Telecommunications Convention, the Annexed Radio Regulations thereto, or any other applicable international laws and treaties, the Federal Communications Commission shall direct the Service to cease broadcasting. Television broadcasts to Cuba shall not be resumed until the Federal Communications Commission finds that the Service has brought its broadcasting operation into full compliance with international law, and that the violation will not recur.

(g) MONITORING OF INTERFERENCE.—The Federal Communications Commission shall continually monitor and periodically report to the appropriate committees of the Congress violations of international law arising out of television broadcasting to Cuba under this section, and, interference to domestic broadcast licensees—

(1) from the operation of Cuban television and radio stations; and

(2) from the operations of the television broadcasting to Cuba.

(h) TASK FORCE.—It is the sense of the Congress that the President should establish a task force to analyze the level of interference from the operation of Cuban television and radio stations experienced by broadcasters in the United States and to seek a practical political and technical solution to this problem.

SEC. 704. CUBA TELEVISION SERVICE OF THE UNITED STATES INFORMATION AGENCY.

(a) TELEVISION MARTI SERVICE.—The Director of the United States Information Agency shall establish within the Agency a Television Marti Service (hereafter in this section referred to as the "Service"). The Service shall be responsible for all television broadcasts to Cuba authorized by section 703. The Director of the United States Information Agency shall appoint a head of the Service who shall report directly to the Director. The head of the Service shall employ such staff as the head of the Service may need to carry out the duties of the Service. The Service shall be administered separately from other television functions of the United States Information Agency.

(b) USE OF EXISTING UNITED STATES INFORMATION AGENCY FACILITIES.—To assure consistency of presentation and efficiency of operations in conducting the activities authorized hereunder, the Service shall make maximum feasible utilization of Agency facilities and management support, including those of the Radio Marti Program, Voice of America, and the United States Information Agency Television Service.

(c) ADDITIONAL AUTHORITIES.—The Agency may carry out the purposes of this part by means of grants, leases, or contracts (subject to the availability of appropriations) or such other means as the Agency determines will be most effective.

SEC. 705. AMENDMENTS TO THE RADIO BROADCASTING TO CUBA ACT.

(a) Section 5 of the Radio Broadcasting to Cuba Act (22 U.S.C. 1465c) is amended—

(1) by amending the heading to read as follows: "Advisory Board for Cuba Broadcasting";

(2) by amending subsections (a) and (b) to read as follows:

"(a) There is established within the Office of the President the Advisory Board for Cuba Broadcasting (hereafter in this Act referred to as the 'Board'). The Board shall consist of nine members, appointed by the President by and with the advice and consent of the Senate, of whom not more than five shall be members of the same political party. The President shall designate one member of the board to serve as chairperson.

"(b) The Board shall review the effectiveness of the activities carried out under this Act and the Television Broadcasting to Cuba Act and shall make recommendations to the President and the Director and Associate Director for Broadcasting of the United States Information Agency as it may consider necessary.";

(3) by amending subsection (d) to read as follows:

"(d) The head of the Cuba Service and the head of the Television Marti Service shall serve, ex officio, as members of the Board."; and

(4) in the last sentence of subsection (e) by striking "The ex officio member" and inserting "The ex officio members".

(b) REFERENCES.—A reference in any provision of law to the "Advisory Board for Radio Broadcasting to Cuba" shall be considered to be a reference to the "Advisory Board for Cuba Broadcasting".

(c) CONTINUED SERVICE OF MEMBERS OF BOARD.—Members of the Advisory Board for Radio Broadcasting to Cuba as in existence on the day before the effective date of the amendment made by subsection (a) shall continue to serve for the remainder of the term to which each such member was appointed as members of the Advisory Board for Cuba Broadcasting.

(d) WAIVER.—Section 3 of the Radio Broadcasting of Cuba Act (22 U.S.C. 1465a) is amended in the first sentence by inserting before the comma "and notwithstanding the limitation of section 501 of the United States Information and Educational Exchange Act of 1948 with respect to the dissemination in the United States of information prepared for dissemination abroad to the extent such dissemination is inadvertent".

(e) EFFECTIVE DATE.—The amendment made by subsections (a) and (d) shall take effect on the date of the enactment of this Act.

SEC. 706. ASSISTANCE FROM OTHER GOVERNMENT AGENCIES.

AUTHORITY.—In order to assist the United States Information Agency in carrying out the provisions of this part, any agency or instrumentality of the United States may sell, loan, lease, or grant property (including interests therein) and may perform administrative and technical support and services at the request of the Agency.

SEC. 707. AUTHORIZATION OF APPROPRIATIONS

(a) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts under section 210, there are authorized to be appropriated to the United States Information Agency, $16,000,000 for fiscal year 1990 for television broadcasting to Cuba in accordance with the provisions of this part.

(b) LIMITATION.—

(1) Subject to paragraph (2), no funds authorized to be appropriated under subsection (a) may be obligated or expended unless the President determines and notifies the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate that the test of television broadcasting to Cuba (as authorized by title V of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1989 (Public Law 100-459)) has demonstrated television broadcasting to Cuba is feasible and will not interfere with the broadcasts of licensees. The Federal Communications Commission shall furnish to the appropriate committees of congress all interim and final reports and other appropriate documentation concerning objectionable interference from television broadcasting to Cuba to domestic television licensees.

(2) Not less than 30 days before the President makes the determination under paragraph (1), the President shall submit a report to the Congress which includes the findings of the test of television broadcasting to Cuba.

(c) AVAILABILITY.—Amounts appropriated under this section are authorized to be made available until expended.

SEC. 708. DEFINITIONS.

As used in this part—

(a) the term "licensee" has the meaning provided in section 3(c) of the Communications Act of 1934;

(b) the term "appropriate committees of Congress" includes the House Foreign Affairs Committee and the House Energy and Commerce Committee, the Senate Committee on Foreign Relations, and the Senate Committee on Commerce, Science, and Transportation; and

(c) the term "Service" means the Television Marti Service established pursuant to section 204 of this Act.

SEC. 709. SENSE OF CONGRESS.

It is the sense of Congress that the Television Marti Service be operated in such a manner so as not to impact adversely the Cuban American community in the United States in terms of the family visits or the implementation of the November 1987 U.S.-Cuba immigration agreement; the prospects for the resumption of broadcast interference talks between the United States and Cuba; and the prospects for cooperation between the United States and Cuba in areas such as narcotics interdiction and the environment.

TITLE VIII—POLICY PROVISIONS

SEC. 801. POLICY ON CAMBODIA.

(a) FINDINGS.—The Congress finds that:

(1) the Khmer Rouge was responsible for the deaths of over one million Cambodians in the period between 1975 and 1979;

(2) the massacre of the Cambodian people by the Khmer Rouge constitutes a crime against humanity; and

(3) any role for the Khmer Rouge in a future government of Cambodia creates a real risk of a return to the Khmer Rouge program of genocide against the people of Cambodia;

(b) POLICY.—It shall be the policy of the United States not to support, accept, recognize, or tolerate any political arrangement in Cambodia which includes any role of any kind for the Khmer Rouge or its leaders.

(c) PROHIBITION ON ASSISTANCE.—Notwithstanding any other provision of law, no assistance of any kind shall be provided, directly or indirectly, to any Cambodian military or political group, party, or faction except as authorized by the Foreign Assistance Act of 1961, or by the annual Foreign Assistance Authorization legislation. Notwithstanding any other provision of law, no assistance of any kind shall be provided to the Khmer Rouge or to any Cambodian military or political group, party, or faction which is in alliance, coalition, or association with the Khmer Rouge or where such assistance will have the effect of promoting or abetting any future Cambodian political arrangement which includes the Khmer Rouge or their leaders.

(d) EXCEPTION FOR HUMANITARIAN ASSISTANCE.—This section shall not be construed as limiting the provision of food, medicine, or other humanitarian assistance to the Cambodian people.

(e) PUNISHMENT FOR ACTS OF GENOCIDE.—The President is directed to undertake appropriate action to bring to justice the perpetrators of Genocide against the Cambodian people in accordance with international law, including the Genocide Convention.

(f) POLICY ON CHINESE AND THAI ASSISTANCE TO THE KHMER ROUGE.—The Congress finds that assistance to the Khmer Rouge by the People's Republic of China, and facilitated by the Government of Thailand, contributes significantly to the viability of the Khmer Rouge as a political and military force in Cambodia. The Congress declares that the continuation of such assistance could harm significantly future U.S. relations with the People's Republic of China and Thailand. The Secretary of State is requested to communicate the policies contained in this section to the Governments of the People's Republic of China and of Thailand.

(g) ENACTMENT.—This section shall take effect on enactment.●

Mr. BIDEN. The steady drumbeat of news on the environment during the past 2 years has developed an ominous tone. Nearly every aspect of our globe's health has been shown to be on a serious downward trend, or worse than expected. In the United States, we pump well over 22 billion pounds of wastes into our Nation's air, ground and waters every year. Productive estuaries are devastated by oilspills of incredible proportions. Smog is a health threat to millions of urban residents. Acid rain damages entire regions.

On the global level, evidence that man is dramatically, and possibly unalterably, changing the world's climate is gaining in credibility. Scientists have discovered that chloroflourocarbons [CFC's] do not simply disappear into thin air. They become destructive particles in the highest reaches of our atmosphere. Carbon dioxide released from the burning of fossil fuels does not harmlessly dissipate. It increases in concentrations in the atmosphere to the point that massive disruptions in Earth's weather patterns are possible.

Changes that will be required to slow and stabilize the presence of so-called greenhouse gases reach to the most basic aspects of everyday life in the industrialized and developing world. It does not mean a return to the stone age; that is an argument for those who do not want to face up to the damage we are causing. It does mean a new look at actions that were thought to be relatively innocuous a decade ago, such as the use of styrofoam cups, how our automobile air-conditioners are recharged, or even what type of lightbulbs we use.

The characteristics of this problem—the long lead time involved, the ocean's ability to store carbon dioxide only to release it years later, thereby disguising the extent of the damage—represents a unique situation in which we must drop the preference for clear and indisputable evidence. We must act on the preponderance of proof that is developing. It will require political leaders of all stripes to take the most unusual step of taking serious account of consequences on a time horizon beyond the next election.

The potential effects of a rise in the Earth's temperature has elevated environmental concerns to a level unseen before. At a hearing before the Foreign Relations Committee last month, George Kennan pointed to the growing international environment crisis as an equal to the threat posed by the weapons of mass destruction. Ambassador Kennan stated:

> [T]he general lesson of what [scientist] are telling us is that we have a much shorter time than we think to put things to rights on this planet if our decendants are going to have any sort of civilized life in it . . .We are going to have to take the leadership. There is no other country that could do it as we could it in bringing . . . the whole international community together in a far-reaching attack on this problem of the deterioration of the environment of the planet for the sustaining of human life.

As Ambassador Kennan went on to state, there is a unexpected degree of recognition of this problem, an extraordinary achnowledgement that the risks are monumental. This is a mandate for action that we can build on. The wider the recognition of the threat global warming poses, the harder it will be for countries to sit on the sidelines. It is almost a valuable attribute of global warming that it cuts both ways—none escape blame for its cause and none escape it effects.

Mr. President, as with any threat that has yet to manifest itself, there are those who urge delay. Several arguments have been raised in support of this course of inaction. Everyone can claim that they are only a small part of the problem. Even the United States, the world's largest emitter of greenhouse gases, could make this claim based on our roughly 25 percent share of the problem.

But the fact that none of us can be fingered as the sole culprit does not mean we are all innocent, it means we are all responsible. It means each nation of the world must look to its own activities that contribute to this international problem and act appropriately.

For the United States, it means we must cut our carbon dioxide emission, our CFC emissions, our nitrogen oxide emissions. For Europe it may mean much of the same. For developing countries, it means a review of their logging or agricultural policies, and finding a new path of economic growth.

But for no one does it mean a retreat of standards of living, unless we move on this problem without thinking. The suggestions that the environment has to be abused for development to move forward must be rejected. Indeed, the record too often shows that destruction of the environment is the surest way to undermine long-term development.

Mr. President, there is a second argument which, in effect, puts off action on global warming. The assertion that we cannot help other countries prevent their environmental disasters until we have addressed all of ours. I find this notion to be a dangerous excuse for other countries to resist action.

We do not have a perfectly operating economy, our hands are not completely clean, but it is only in recent years that the realization has grown of how dirty they are. Other countries are looking at their own. The human race cannot allow the question of who has the dirtier hands to obscure the issue that we all need to wash up.

That is why I rise to state my strong support for the global warming provisions of the international environment title of the State Department reauthorization bill Chairman PELL is introducing today. Senator LUGAR, Senator PELL, and I have all worked to develop the details of the provisions and to incorporate them into this bill. They will provide immediate resources to an innovative approach to encouraging environmental projects and programs in developing countries.

The program provides support for so-called debt-for-nature swaps. Through these swaps, nongovernmental organizations [NGO's] have purchased commercial debt of a developing country at a steep discount to its face value. The NGO's have then exchanged that debt for a commitment of funds and resources by the host

government in support of a defined environmental project.

Thomas Lovejoy of the Smithsonian Institution is considered the father of this idea, a tremendous mechanism to multiply the value of each dollar invested in an environmental project. A number of these exchanges have been completed, including swaps in Ecuador, Costa Rica, the Philippines, and Bolivia. There are dozens of other countries that would benefit from swaps of this kind. It is our intention to offer an amendment in committee to provide an authorization of up to $50 million for this program.

The program also urges the Secretary of State to increase consideration of environmental effects of development projects among all nation's foreign assistance programs. The institution is in place to do this: the Development Assistance Council [DAC] of the Organization of Economic Cooperation and Development.

Through the DAC, all the world's major donors meet to discuss their strategies and experiences with development assistance. As debt-for-nature exchanges multiply the value of the dollar invested in the swap, so coordination of bilateral assistance programs can dramatically increase the resources brought to bear on environmental problems throughout the world.

Third, the program urges the Secretary of State to begin the groundwork on establishing an international institution to facilitate debt-for-nature swaps. The institution envisioned would expand the debt-for-nature efforts on the part of the United States started in the first section of the title.

Fourth, the program allows developing countries to use the proceeds from the sale of agricultural commodities for conservation or environmental projects. As with title III of the Food for Peace Program, sale proceeds which are used for approval environmental projects can be considered grants by the Administrator.

Finally, the program calls for a reopening of the Montreal Protocol to accelerate the phaseout of CFCs and other chemicals that deplete the ozone. This is a step that the science has rapidly demonstrated is needed.

The problem puts United States leadership to work in the international arena on global warming, for next year and the years ahead. It also attempts to address the full range of issues related to building a solid base of support in all countries in support of global warming.

The commitment, support and participation by local groups in any environmental project is crucial to its success over the long term. Decisions imposed from outside are doomed to failure. Funds raised through debt-for-nature swaps can be used to provide on-going support for the local component of the project. Sale proceeds raised through the Public Law 480 Program can be used to foster the development of local environmental projects on a scale too small to be supported through a debt-for-nature swap.

The coordination of bilateral assistance programs expands support for small-scale projects and assures that our efforts are not undermined by those of another country. Establishment of a multilateral institution will expand the possibilities for wider use of debt-for-nature swaps.

Mr. President, the five-part program we have called for will place solid resources behind United States efforts for action on global warming. The conclusion is inescapable that this is a problem we recognized late in its development. No action we can take now will release our planet from temperature increases and global changes of our own making. Our responsibility is to minimize the damage that we leave for our children.

By Mr. DODD (for himself and Mr. LIEBERMAN):

S. 930. A bill to amend the Occupational Safety and Health Act of 1970 to establish an Office of Construction, Safety, Health, and Education within OSHA, to improve inspections, investigations, reporting, and recordkeeping in the construction industry, to require certain construction contractors to establish construction safety and health programs and onsite plans and appoint construction safety specialists and for other purposes; to the Committee on Labor and Human Resources.

CONSTRUCTION SAFETY, HEALTH, AND EDUCATION IMPROVEMENT ACT

● Mr. DODD. Mr. President, I rise today on behalf of myself and my colleague from Connecticut, Senator LIEBERMAN, to introduce the Construction Safety, Health, and Education Improvement Act of 1989.

Nineteen years ago, Congress enacted the Occupational Safety and Health Act to protect the Nation's workers from hazards in the workplace. That legislation marked the beginning of Federal involvement in assuring safe and healthful working conditions for men and women in the construction, manufacturing, and maritime industries.

In April 1988, the Senate Committee on Labor and Human Resources held 3 days of oversight hearings on the effectiveness of the Occupational Safety and Health Administration in carrying out its responsibilities under the act. Among other things, those hearings revealed significant problems with OSHA's record in promulgating new health and safety standards, and strengthening existing standards.

Subsequently, on April 26, 1988, I chaired a Labor Committee hearing which focused on OSHA and the construction industry in the context of the L'Ambiance Plaza building collapse in Bridgeport, CT on April 23, 1987.

National tragedies, such as the L'Ambiance Plaza disaster which killed 28 workers and seriously injured 12 others, draw public attention to the situation facing construction workers. However, those in the industry are constantly reminded of the unsafe working conditions by the daily occurrence of accidents, injuries, and deaths on construction sites.

Since 1959, there never has been fewer than 2,100 deaths per year in the construction industry with an average of 2,500 per year. On the average of every 2 hours, three construction workers are electrocuted, buried alive, crushed or fall to their death in the United States.

We all know that construction is a dangerous industry. However, there can be no dispute that the current record of Occupational Safety and Health in the construction industry is horrendous. The number of accidents, injuries, and deaths is appalling and should be of concern to every person in this Nation.

What is so disturbing about the present situation is that it exists notwithstanding Congress' recognition 19 years ago of the need for safety and health legislation in the construction industry.

While blame for the present sad state of affairs should not be placed wholly on OSHA, it is clear that there are numerous deficiencies in the Occupational Safety and Health Act and in OSHA's administration of the act. Clearly, we need more vigorous enforcement of existing law by OSHA, and stronger standards governing the construction industry and the Federal oversight role with respect to that industry.

The Federal Government must do all that it can to ensure that all construction workers, indeed all workers, are guaranteed the basic human right to a safe and healthful workplace. The current legislative and regulatory scheme is not working and therefore, we in Congress must develop new initiatives for improvement in worker safety and health.

The Construction Safety, Health, and Education Improvement Act of 1989, is such an initiative. It will improve OSHA's ability to assure safe and healthful workplaces for working men and women in the construction industry, and I urge my colleagues to support it.

Mr. President, I ask unanimous consent that the bill and a summary of the bill be printed in the RECORD at this point.

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

S. 930

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Construction Safety, Health, and Education Improvement Act of 1989".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. References to the Occupational Safety and Health Act of 1970.
Sec. 3. Definitions.
Sec. 4. Office of Construction, Safety, Health, and Education.
Sec. 5. Inspections, investigations, reporting, and recordkeeping.
Sec. 6. Construction safety and health programs.
Sec. 7. Onsite construction safety and health plans.
Sec. 8. Construction safety specialists.
Sec. 9. Construction Safety and Health Training Academy.
Sec. 10. National Institute for Occupational Safety and Health.
Sec. 11. Penalties.
Sec. 12. Advisory Committee on Construction Safety and Health.
Sec. 13. Budget contents.
Sec. 14. Effective dates.

SEC. 2. REFERENCES TO THE OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970.

Except as otherwise specifically provided, 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 Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.).

SEC. 3. DEFINITIONS.

Section 3 (29 U.S.C. 652) is amended—

(1) in paragraph (5), by inserting after "employees" the following: "(including a self-employed contractor in the construction industry)";

(2) in paragraph (6), by inserting after 'before the period at the end thereof the following: "(including a self-employed contractor in the construction industry, at such times as the contractor personally performs construction work)"; and

(3) by adding at the end thereof the following new paragraphs:

"(15) The term 'Academy' means the Construction Safety and Health Training Academy established under section 38.

"(16) The term 'Advisory Committee on Construction Safety and Health' means the Advisory Committee established under section 107(e) of the Contract Work Hours and Safety Standards Act (40 U.S.C. 333(e)).

"(17) The term 'construction contractor' means a person (including a prime contractor, general contractor, or subcontractor) who enters into a contract with a construction owner for the performance of construction work.

"(18) The term 'construction owner' means a person who—

"(A) owns, leases, or has effective control of—

"(i) real property, with or without improvements; or

"(ii) a structure or other improvement on real property; and

"(B) performs, or intends to perform, construction work on such property or improvement.

"(19) The term 'construction safety specialist' means—

"(A) an individual who is hired and retained, and performs the duties required, under section 37; or

"(B) in any case in which such individual is not appointed pursuant to section 34(d), an employee designated by a construction contractor to perform such duties.

"(20) The term 'construction work' means work for construction, alteration, or repair, or any combination thereof, including painting and decorating. Such term shall include such work performed under a contract between an employer and an agency of the United States or any State or political subdivision of a State.

"(21) The term 'construction worksite' means a site where construction work is performed.

"(22) The term 'serious injury' means any injury or illness that results in—

"(A) the permanent removal of a part of the body;

"(B) a part of the body being rendered functionally useless; or

"(C) a substantial reduction of a bodily function or efficiency, on or off the job.".

SEC. 4. OFFICE OF CONSTRUCTION, SAFETY, HEALTH, AND EDUCATION.

The Act (29 U.S.C. 651 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 34. OFFICE OF CONSTRUCTION, SAFETY, HEALTH, AND EDUCATION.

"(a) ESTABLISHMENT.—There is established in the Occupational Safety and Health Administration an Office of Construction, Safety, Health, and Education (hereinafter in this section referred to as the "Office") to ensure safe and healthy working conditions in the performance of construction work.

"(b) DUTIES.—The Office shall—

"(1) carry out the powers, duties, and responsibilities of the Secretary under this Act that relate to safety and health in the performance of construction work, including powers, duties, and responsibilities prescribed under subsections (h) through (k) of section 8 and sections 35 through 38;

"(2) develop mandatory criteria for construction safety and health programs established under section 35 and onsite construction safety and health plans established under section 36;

"(3) assume control of a construction site following an accident that results in a fatality to—

"(A) prevent the destruction of any evidence that would assist in the investigation of the accident; and

"(B) oversee rescue operations conducted in response to the accident;

"(4) assist the Advisory Committee on Construction Safety and Health in the development of training courses and curriculum for certification of construction safety specialists and in the training and testing program of the Academy;

"(5) consult with and advise employers, employees, and labor organizations as to effective means of preventing occupational injuries and illnesses in construction work and ensure equal access to such consultative services;

"(6) increase awareness of construction site safety through education, training, and outreach programs;

"(7) provide technical experts who can assist construction contractors with specific technical inquiries; and

"(8) carry out such other duties as are assigned to the Office by law.

"(c) PERSONNEL.—

"(1) DIRECTOR.—The Office shall be headed by a Director, appointed by the Secretary, who shall be responsible for carrying out the duties of the Office prescribed under subsection (b).

"(2) EMPLOYEES.—The Director shall—

"(A) in accordance with the civil service laws, appoint and fix the compensation of such officers and employees as may be necessary to carry out this section; and

"(B) prescribe the powers, duties, and responsibilities of all officers and employees engaged in carrying out this section.

"(3) ADDITIONAL INSPECTORS.—Subject to appropriations, the Secretary shall employ such additional inspectors as are necessary to carry out the duties of the Office prescribed under subsection (b). Such inspectors shall be in addition to inspectors employed under this Act on the effective date of this section.

"(4) SMALL BUSINESS LIAISON.—The Director shall designate an employee of the Office to serve as a small business liaison. The liaison shall be responsible for providing assistance for complying with new and existing standards established under this Act for the performance of construction work (in the form of manuals, videos, and audiotapes and other outreach programs) to trade associations and other small businesses.

"(d) EXEMPTIONS.—

"(1) IN GENERAL.—The Secretary may issue regulations that provide an exemption from the requirements of section 35, 36, or 37, in whole or in part, for certain types of construction projects, operations, or construction contractors, if the Secretary finds that such a requirement is not feasible for such type of project, operation, or contractor and will not promote a significant increase in employee safety and health.

"(2) PROCEDURE.—In issuing such regulations, the Secretary shall—

"(A) condition the exemption on compliance with alternative requirements that are feasible for such project, operation, or contractor and are capable of promoting employee safety and health;

"(B) base the exemption on written information submitted to the Secretary;

"(C) publish notice of the exemption in the Federal Register; and

"(D) provide an opportunity for public comment and response to such submitted information.".

SEC. 5. INSPECTIONS, INVESTIGATIONS, REPORTING, AND RECORDKEEPING.

Section 8 (29 U.S.C. 657) is amended by adding at the end thereof the following new subsections:

"(h)(1) The Secretary shall establish an effective and fair system for construction worksite inspections.

"(2) In establishing such system, the Secretary shall establish construction worksite inspection priorities intended to ensure that resources for enforcement are concentrated on construction worksites and operations having a high potential for fatalities or serious injuries and illnesses.

"(3) In establishing such priorities, the Secretary shall give due weight to the record of the compliance of—

"(A) an employer with standards established under this Act and the Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.); and

"(B) a construction owner and an employer with this Act, including compliance with recordkeeping and reporting requirements of this Act.

"(4) The Secretary shall inspect on a priority basis construction projects of construction owners and construction worksites of employers having a higher than average incident frequency or severity rate of injuries or illnesses for the specific type of construction operation involved.

"(5) The Secretary shall use reports and notices filed under subsections (j) and (k) to develop the system of prioritized inspections required under this subsection.

"(6) The inspection priority system required under this subsection shall not have the effect of limiting—

"(A) inspections conducted by the Secretary on the basis of complaints by employees or employee representatives or complaints of imminent dangers; or

"(B) inspections intended as a followup to prior enforcement actions or proceedings.

"(7) No construction owner or employer engaged in construction work shall be—

"(A) excluded by the Secretary from inspections conducted under this subsection; or

"(B) advised directly or indirectly as to the status of the owner or employer or placement on the inspection priority system required under this subsection.

"(8) No advance notice of an inspection conducted under this subsection shall be provided to any person.

"(i)(1) Each construction contractor shall maintain accurate records concerning accidents and injuries at a construction worksite.

"(2) The records required under paragraph (1) shall specify—

"(A) the name, business address, and telephone number of the construction owner;

"(B) the location of the construction worksite;

"(C) the name, business address, and telephone number of the employer whose employee or employees were killed or injured or could have been killed or injured by the incident;

"(D) the name and business address of the project contractor or pertinent general contractor at the construction worksite;

"(E) the date and time of the incident;

"(F) the type of incident (such as whether the incident involved a fire, explosion, or building collapse);

"(G) the number and nature of fatalities or injuries resulting from the incident;

"(H) the number of persons hospitalized as a result of the incident;

"(I) the number of persons unaccounted for at the time the report is made; and

"(J) the identity and mailing address of the construction safety specialist responsible for investigating the incident.

"(3) Such information shall be available for any inspection conducted under this Act.

"(4) Any construction contractor who fails to maintain the information required by this subsection shall be assessed a civil penalty in an amount to be determined by the Secretary.

"(j)(1) Except as otherwise provided in this paragraph, an employer shall report to the appropriate regional office of the Occupational Safety and Health Administration by telephone or telegraph (not later than 24 hours after the occurrence of the incident) any incident involving construction work that results in—

"(A) a serious injury;

"(B) a fatality;

"(C) a structural failure that leads to the collapse of a place of employment; or

"(D) a potential collapse of a place of employment.

"(2) The employer shall submit a followup written report to the regional office as soon as practicable after a report is made under paragraph (1).

"(3) Each report required under this subsection shall specify—

"(A) the name, business address, and telephone number of the construction owner of the project;

"(B) the location of the project;

"(C) the name, business address, and telephone number of the employer or employers whose employee or employees were killed or seriously injured;

"(D) the date and time of the occurrence;

"(E) the nature of the occurrence;

"(F) the number of fatalities and serious injuries;

"(G) the number of persons hospitalized;

"(H) the number of persons unaccounted for at the time the report is made; and

"(I) the name, business address, and telephone number of the construction safety specialist submitting the report.

"(4)(A) The Secretary shall conduct an inspection of the construction worksite, or the pertinent area of the site, to investigate all reports of incidents described in paragraph (1), as well as reports of those categories of serious injuries as the Secretary, by regulation, prescribes.

"(B) The Secretary shall be granted access to the site.

"(C) The Secretary shall conduct the inspection as soon as practicable, but no later than 24 hours, after receipt of a construction safety report under paragraph (1), unless the Secretary determines that conditions at the site would make an inspection dangerous.

"(5) The construction contractor shall take appropriate measures (as defined in regulations issued by the Secretary) to prevent the destruction of any evidence that would assist the Secretary in the investigation of the occurrence.

"(6)(A) As soon as practicable after the investigation, the Secretary shall prepare and make public a narrative description of the occurrence.

"(B) Such description shall include a statement of all of the items referred to in paragraph (3) and shall contain appropriate recommendations for the prevention of a similar occurrence in the future.

"(C) A copy of such description shall be provided by the Secretary to the construction contractor or the construction safety specialist and shall be made available to employees and their representatives.

"(k)(1) Except as provided in paragraph (2), prior to the commencement of construction work on a construction project, the construction safety specialist shall provide to the Secretary notice in writing that provides—

"(A) a description of the project;

"(B) the name, principal business address, and telephone number of—

"(i) the construction owner;

"(ii) the project construction safety specialist; and

"(iii) the prime and general contractors.

"(C) the total number of other employers who the specialist estimates will be engaged on the project;

"(D) the municipal address of the project or its location with respect to the nearest public highway;

"(E) the date construction work will commence and the anticipated duration of such work;

"(F) the estimated total costs of the project for labor and material, including labor and material for work performed by subcontractors; and

"(G) the expected number of employees to be employed on such project at—

"(i) the commencement of construction work;

"(ii) the time when the peak number of employees is expected to be employed; and

"(iii) the conclusion of construction work.

"(2) If it is necessary to perform construction work on a project immediately in order to prevent injury to persons, such work may be commenced without complying with paragraph (1), except that, in any such case, the notice shall be given to the Secretary as soon as practicable after the construction work on the project commences.

"(3)(A) At the completion of a construction project or at intervals of 1-year duration of a project, whichever occurs earlier, the construction safety specialist for the project shall submit to the Secretary a report of all fatalities and serious injuries and illnesses suffered by employees, and of all structural failures that occurred, on the project. If there have been no fatalities or serious injuries or illnesses, or structural failures, on the project, the report shall so state.

"(B) The report shall provide—

"(i) the name, business address, and telephone number of the construction owner, construction safety specialist, and each employer who was engaged on the project;

"(ii) the name of each employer whose employee or employees suffered death, serious injury, or illness;

"(iii) a description of the nature of the work performed by such employer on the project;

"(iv) a description of the nature of the work performed by each employee at the time the employee suffered death or serious injury or illness; and

"(v) the date of each such occurrence.

"(4) The Secretary shall—

"(A) issue such regulations as are necessary to carry out this subsection; and

"(B) prepare and make available standard forms to be used for compliance with the requirements of this subsection.".

SEC. 6. CONSTRUCTION SAFETY AND HEALTH PROGRAMS.

The Act (29 U.S.C. 651 et seq.) (as amended by section 4 of this Act) is further amended by adding at the end thereof the following new section:

"SEC. 35. CONSTRUCTION SAFETY AND HEALTH PROGRAMS.

"(a) REQUIREMENT.—Except as provided in section 34(d), a construction contractor shall establish a written safety and health program (hereinafter in this section referred to as the 'program') in accordance with this section.

"(b) MANAGER.—

"(1) IN GENERAL.—The program shall provide for the assignment of a construction safety specialist or other employee of the contractor who is responsible for general management of the program.

"(2) DUTIES.—The responsibilities and authorities of such employee shall be specified in writing as part of the safety program.

"(c) GENERAL SAFETY AND HEALTH TRAINING.—

"(1) IN GENERAL.—The program shall provide for ensuring that all supervisory per-

sonnel and all employees of the contractor engaged in construction work on the project shall receive, or have received within the immediately preceding 12-month period, general safety and health training in a manner prescribed by the Secretary, with the advice of the Advisory Committee on Construction Safety and Health.

"(2) CONSTRUCTION WORKSITE INSTRUCTION.—The construction worksite instruction required under subsection (g) may be counted toward fulfillment of the minimum training requirements prescribed under paragraph (1).

"(3) DEMONSTRATION OF COMPLIANCE.—The Secretary shall establish a procedure under which a contractor will be able to demonstrate to the Secretary that the employees of the contractor have fulfilled the training requirements prescribed under paragraph (1).

"(4) RECORDKEEPING.—The Secretary shall require a contractor to maintain current records showing the amount of training and instruction received by each employee and supervisor, and the subjects in which such training and instruction have been received, pursuant to paragraph (1) and subsection (g).

"(d) INSPECTIONS.—The program shall provide for regular safety inspections of the construction worksite by the contractor, and for emergency and special inspections as may be appropriate.

"(e) REPORTING.—The program shall provide for the reporting of fatalities, serious injuries, and other injuries and illnesses, in accordance with the requirements of the this Act and other applicable laws, standards, and regulations.

"(f) EMERGENCY EVACUATION PLANS.—The program shall provide for an emergency evacuation plan, including the location of first-aid facilities and the routes of exiting from areas during emergencies.

"(g) CONSTRUCTION WORKSITE INSTRUCTION.—The program shall provide for the instruction of employees in—

"(1) the recognition and avoidance of unsafe and unhealthy conditions;

"(2) the standards and regulations applicable to the work activities of each employee;

"(3) use of construction worksite equipment and required personal protective equipment; and

"(4) the handling and use of poisons, caustics, flammable liquids, gases, and other toxic or harmful substances.

"(h) MATERIAL SAFETY DATA SHEETS.—The program shall provide for—

"(1) obtaining material safety data sheets from manufacturers, distributors, and other suppliers of chemicals and other hazardous materials that the contractor shall use on the project; and

"(2) making available those sheets to their own employees and to employers of other employees who may be exposed.

"(i) COPIES.—The program shall provide for making available to all employees and employee representatives, prior to the commencement of construction work for that contractor, copies of the program.

"(j) MEETINGS.—The program shall provide for regular safety and health construction worksite meetings to be conducted with employees to review and update the program.

"(k) NOTICES.—The program shall provide for the placement of a notice, to be furnished by the Secretary, in a conspicuous place or places where notices to employees are customarily posted—

"(1) informing employees that a program exists on the construction worksite; and

"(2) identifying the name and location of the employee of the contractor who is responsible for general management of the program under subsection (b).

"(l) EVALUATIONS AND ANALYSES.—

"(1) IN GENERAL.—The program shall provide for a procedure under which an employee or employee representative may request the contractor to conduct an evaluation of a perceived hazardous condition or an analysis of a perceived harmful material or substance on a construction worksite.

"(2) CONSTRUCTION SAFETY PROFESSIONAL.—Hazardous condition evaluations and substance analyses shall be conducted for the contractor under paragraph (1) by an individual who, by possession of a recognized degree, certificate, or professional standing, and who by extensive knowledge, training, and experience, has successfully demonstrated the ability of the individual to solve or resolve problems relating to worker safety and health involving construction work.

"(3) WRITTEN REPORT.—A written report of such an evaluation and analysis shall be provided immediately to the construction safety specialist and the employee who requested the evaluation or analysis.

"(4) DENIAL.—If the contractor denies a request to conduct an evaluation or analysis under paragraph (1), the denial and the specific reasons for the denial shall be reduced to writing and provided immediately to the construction safety specialist, the employee who requested the evaluation or analysis, and any employee representative of the employee.".

SEC. 7. ONSITE CONSTRUCTION SAFETY AND HEALTH PLANS.

The Act (29 U.S.C. 651 et seq.) (as amended by section 6 of this Act) is further amended by adding at the end thereof the following new section:

"SEC. 36. ONSITE CONSTRUCTION SAFETY AND HEALTH PLANS.

"(a) REQUIREMENT.—Except as provided in section 34(d), a construction contractor shall develop and maintain an onsite project safety and health plan for each construction project that—

"(1) includes a construction process plan that meets the requirements of subsection (b);

"(2) includes a hazard analysis that meets the requirements of subsection (c); and

"(3) meets the other requirements prescribed in subsection (d).

"(b) CONSTRUCTION PROCESS PLAN.—The construction process plan required under subsection (a) shall—

"(1) describe the construction process to be used, including specific references to critical points and conditions in the process that require special attention;

"(2) identify the means that will be used to ensure the structural stability of all buildings, structures, and excavations during the process;

"(3) contain a list of all inspections and tests required (including a schedule for such inspections and tests) and the criteria established for continuation of construction based on the inspection and test results; and

"(4) make appropriate references to the hazard analysis prepared in accordance with subsection (c).

"(c) HAZARD ANALYSIS.—The hazard analysis required under subsection (a) shall—

"(1) identify any possibilities for major safety failures of the project that could occur throughout the construction process; and

"(2) provide instructions for the prevention of hazards throughout the construction process.

"(d) OTHER REQUIREMENTS.—The plan required under subsection (a) shall—

"(1) protect workers against the hazards anticipated on the project and described in the hazard analysis;

"(2) contain provisions for the construction worksite specific education and training of supervisory personnel and employees in the recognition, avoidance, and prevention of unsafe and unhealthy conditions;

"(3) establish construction worksite specific benchmarks and procedures for monitoring by the construction safety specialist of compliance with such plan by all contractors on the project;

"(4) provide for the posting of a notice, to be furnished by the Secretary, in a conspicuous place or places where notices to employees are customarily posted, informing employees that such plan exists for the project, and identifying the project construction safety specialist, the means for contacting the specialist on the project, and the address and telephone number of the principal place of business of the specialist;

"(5) provide for maintaining on the construction worksite and making available to all employers and employees and their representatives, on request, a copy of such plan;

"(6) provide that a construction safety specialist shall, on behalf of the contractor, stop work at, or remove affected employees from, an area in which danger exists if the specialist believes that an imminent danger exists that cannot be eliminated immediately through actions not requiring the stoppage of such work or the removal of affected employees; and

"(7) comply with all other requirements of this Act.

"(e) APPROVAL.—The construction safety specialist shall evidence the approval of the plan by affixing the signature of the specialist and the certification number on a copy of the plan required under subsection (a)(1).

"(f) COPY.—The construction safety specialist shall provide to each employer on the project, prior to commencement of work by the contractor, a copy of the plan.

"(g) NOTIFICATION OF HAZARDS AND VIOLATIONS.—

"(1) IN GENERAL.—If the construction safety specialist determines that there exists—

"(A) a condition or work practice that violates any Federal, State, or local occupational safety or health law, standard, regulation, or order;

"(B) a failure to comply with the program established under this section or the safety and health program of a contractor; or

"(C) an occupational safety or health hazard,

the specialist shall notify the responsible contractor or contractors and direct such contractor or contractors to correct the condition, work practice, or hazard.

"(2) WRITING.—Such notification shall be reduced to writing by the construction safety specialist as soon as practicable.

"(3) COPIES.—A copy of the notification shall be—

"(A) provided by the construction safety specialist to the responsible contractor or contractors; and

"(B) be made available, on request, to all affected employers, employees, and employee representatives on the project and to the Secretary.".

SEC. 8. CONSTRUCTION SAFETY SPECIALISTS.

The Act (29 U.S.C. 651 et seq.) (as amended by section 7 of this Act) is further amended by adding at the end thereof the following new section:

"SEC. 37. CONSTRUCTION SAFETY SPECIALISTS.

"(a) REQUIREMENT.—Except as provided in section 34(d), a construction contractor shall ensure that a construction safety specialist—

"(1) is hired and retained to perform the duties prescribed by this Act at a construction worksite; and

"(2) performs such duties.

"(b) OVERALL RESPONSIBILITY.—Notwithstanding subsection (a), the construction contractor shall have overall responsibility for the safety of a construction worksite with respect to construction safety, rules, and practices.

"(c) SUBCONTRACTORS AND SUPERVISORS.—The construction contractor shall—

"(1) ensure that each subcontractor and supervisor at a construction worksite is informed of the identity and duties of the construction safety specialist; and

"(2) require such subcontractor and supervisor to comply with the policies of the construction safety specialist regarding health and safety at the construction worksite.

"(d) COMPLIANCE WITH ONSITE CONSTRUCTION SAFETY AND HEALTH PLAN.—

"(1) IN GENERAL.—A construction safety specialist shall ensure compliance at the construction worksite with the onsite construction safety and health plan required under section 36 and with guidelines established by the Secretary and by the Advisory Committee on Construction Safety and Health.

"(2) SAFETY REPORT.—A construction safety specialist shall maintain a detailed safety report with respect to the construction worksite, including information concerning unsafe practices, actions, and conditions, and any accidents, injuries, or fatalities at such worksite.

"(3) HAZARDS.—If a construction safety specialist discovers a hazard at a construction worksite, the construction safety specialist shall—

"(A) order the construction contractor to eliminate such hazard; and

"(B) inform the construction contractor, the construction owner of the construction worksite, and the Secretary of any imminent dangers at the worksite.

"(e) QUALIFICATIONS.—To be considered a construction safety specialist under this Act, an individual shall—

"(1)(A)(i) have obtained written certification of completion of a minimum 40-hour course of study in construction health and safety, the curriculum of which shall be established jointly by the Secretary, the Advisory Committee on Construction Safety and Health, and the Office of Construction, Safety, Health, and Education established under section 34; and

"(ii) continue to receive certification for successful completion of a refresher course at least once each 3 years;

"(B) have completed an on-the-job training program conducted by a certified construction safety specialist, with such training conducted for no less than 18 months and covering each aspect of a project, from the initial stages through project completion; or

"(C) have met satisfactory equivalency education and experience criteria established by the Secretary;

"(2) be capable of identifying existing and predictable hazards or conditions at a construction worksite that are unsanitary, hazardous, or dangerous to construction workers.

"(f) RESPONSIBILITIES.—On behalf of the construction contractor, the construction safety specialist shall—

"(1) prior to the commencement of construction work on the project, prepare or approve an onsite project safety and health program applicable to the entire project in accordance with section 36, except that if it is not practicable to prepare or approve the entire program prior to the commencement of construction work—

"(A) that part of the program that is feasible to prepare or approve at such time shall be prepared or approved; and

"(B) the program as it relates to the specific major phases of construction work to be performed on the subject shall be prepared or approved prior to the commencement of each such phase;

"(2) prior to the commencement of construction work by each contractor on the project, review and approve the safety and health program of such contractor to ensure its consistency with the onsite project safety and health program and compliance with this Act;

"(3) monitor the implementation by contractors of their safety and health programs;

"(4) ensure compliance by contractors with reporting requirements established by this Act;

"(5) obtain, or require a contractor to obtain, the assistance of an individual or organization professionally qualified and duly licensed to perform architectural or engineering services if the construction safety specialist determines that—

"(A) such assistance is required for compliance with the onsite safety and health program, a safety and health program of the contractor, or this Act; or

"(B) a particular aspect of the work involves such safety hazards, is so highly technical, or requires such special expertise for safe construction that the contractor could not reasonably be expected to be aware of the risks; and

"(6) perform all other responsibilities assigned to a construction safety specialist under this Act.".

SEC. 9. CONSTRUCTION SAFETY AND HEALTH TRAINING ACADEMY.

The Act (29 U.S.C. 651 et seq.) (as amended by section 8 of this Act) is further amended by adding at the end thereof the following new section:

"SEC. 38. CONSTRUCTION SAFETY AND HEALTH TRAINING ACADEMY.

"(a) ESTABLISHMENT.—There is established in the Occupational Safety and Health Administration a Construction Safety and Health Training Academy (hereinafter in this section referred to as the 'Academy'), to be headed by a Director appointed by the Secretary.

"(b) FUNCTIONS.—The Academy shall be responsible for—

"(1) the training of—

"(A) employees of the Office of Construction Safety, Health, and Education who conduct inspections of construction worksites; and

"(B) other persons as the Secretary, with the advice of the Advisory Committee on Construction Safety and Health, shall consider appropriate; and

"(2) the training and certification of construction safety specialists who have fulfilled the requirements of a standardized training course and testing program developed or approved by the Academy, with the advice of the Advisory Committee on Construction Safety and Health.

"(c) COOPERATIVE AGREEMENTS.—In carrying out this section, the Academy may enter into cooperative educational and training agreements with educational institutions, State governments, labor organizations, and construction industry employers.

"(d) EQUAL ACCESS.—The Secretary and the Academy shall ensure that employees, employee representatives, and employers have equal access to the services made available pursuant to this section.".

SEC. 10. NATIONAL INSTITUTE FOR OCCUPATIONAL SAFETY AND HEALTH.

Section 22 (29 U.S.C. 671) is amended—

(1) by striking out "in the Department of Health, Education and Welfare" each place it appears in subsections (a) and (b) and inserting in lieu thereof "as an agency of the Public Health Service"; and

(2) by striking out "Secretary of Health, Education and Welfare" each place it appears and inserting in lieu thereof "Secretary of Health and Human Services".

SEC. 11. PENALTIES.

Subsection (e) of section 17 (29 U.S.C. 666(e)) is amended to read as follows:

"(e)(1)(A) Except as provided in subparagraph (B), any employer who—

"(i) willfully violates any standard, rule, or order promulgated pursuant to section 6, or any regulation prescribed pursuant to this Act, and thereby causes serious injury to any employee; or

"(ii) under circumstances evincing an extreme indifference to human life, recklessly engages in conduct that violates such standard, rule, order, or regulation and creates a grave risk of serious injury to any employee, and thereby causes serious injury to such employee,

shall, on conviction, be fined in accordance with title 18, United States Code, or imprisoned not more than 5 years, or both.

"(B) If a conviction under subparagraph (A) is for a violation committed after a first conviction of such employer, such employer shall be fined in accordance with title 18, United States Code, or imprisoned not more than 10 years, or both.

"(2)(A) Except as provided in subparagraph (B), any employer who—

"(i) willfully violates any standard, rule, or order promulgated pursuant to section 6, or any regulation prescribed pursuant to this Act, and thereby causes the death of any employee; or

"(ii) under circumstances evincing an extreme indifference to human life, recklessly engages in conduct that violates such standard, rule, order, or regulation and creates a grave risk of death to any employee, and thereby causes the death of such employee,

shall, on conviction, be fined in accordance with title 18, United States Code, or imprisoned not more than 10 years, or both.

"(B) If a conviction under subparagraph (A) is for a violation committed after a first conviction of such employer, such employer shall be fined in accordance with title 18, United States Code, or imprisoned not more than 20 years, or both.

"(3) For purposes of this subsection, an employer acts recklessly with respect to a result or circumstance described by this sub-

section if the employer is aware of and consciously disregards a substantial and unjustifiable risk that such result will occur or that such circumstance exists. The risk must be of such a nature and degree that disregarding it constitutes a gross deviation from the standard of conduct that a reasonable person would observe in the situation.".

SEC. 12. ADVISORY COMMITTEE ON CONSTRUCTION SAFETY AND HEALTH.

Section 107(e) of the Contract Work Hours and Safety Standards Act (40 U.S.C. 333(e)) is amended by adding at the end thereof the following new paragraph:

"(4) The Advisory Committee shall have the authority to schedule meetings and set meeting agendas, establish subcommittees, conduct research and issue reports, retain experts and consultants, employ secretarial and clerical personnel, and purchase office equipment and research material as may be necessary to carry out its functions.".

SEC. 13. BUDGET CONTENTS.

In the preparation of the budget message required under section 1105 of title 31, United States Code, the President shall set forth as separate appropriation accounts—

(1) amounts for appropriation for construction industry safety and health activities conducted pursuant to the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.) and the Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.); and

(2) amounts required for appropriation for nonconstruction occupational safety and health activities conducted pursuant to the Occupational Safety and Health Act of 1970 and the Contract Work Hours and Safety Standards Act.

SEC. 14. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), this Act and the amendments made by this Act shall become effective on October 1, 1991.

(b) CONSTRUCTION SAFETY SPECIALISTS.—Section 37 of the Occupational Safety and Health Act of 1970 (as added by section 8 of this Act) shall become effective on October 1, 1993.

SUMMARY OF THE CONSTRUCTION SAFETY, HEALTH AND EDUCATION IMPROVEMENT ACT OF 1989

I. OFFICE OF CONSTRUCTION SAFETY, HEALTH AND EDUCATION WITHIN THE OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA)

A. Purpose.—To asssure safe and healthful working conditions for employees in the construction industry by:

1. Developing mandatory criteria for worker health and safety plans.

2. Taking control of a worksite when a fatality occurs to secure evidence and oversee rescue operations.

3. Assisting in the development of training courses and curriculum for the certification of Construction Safety Specialists.

B. Personnel.—

1. Director—appointed by the Secretary of OSHA to be responsible for enforcement of this act.

2. Additional inspectors—Secretary required to hire additional inspectors specifically trained in construction safety.

3. Technical experts—to assist contractors with specific technical inquiries.

4. Small Business Liaison Officer—to be responsible for providing compliance assistance on new and existing standards.

II. INSPECTION SYSTEM, RECORDKEEPING AND NOTIFICATION REQUIREMENTS

A. OSHA will be required to provide contractors with basic compliance information.

B. Upon commencement of any construction project, the contractor will be required to provide OSHA written information on the nature of the project, estimated cost, number of employees, business addresses and telephone numbers. On completion of the project, the contractor will be required to provide OSHA a detailed safety report.

C. All construction contractors will be required to keep accurate records of all incidents, accidents, injuries, fatalities, etc. Any employer failing to keep such records will be assessed a civil penalty determined by the Secretary.

D. Employers will be required to report to the regional OSHA office within 24 hours when there is an incident involving:

1. One serious injury (defined as an injury that "results in a permanent removal of a part of the body; a part of the body being rendered functionally useless; or a substantial reduction of a bodily function, on or off the job").

2. One fatality.

3. A structural failure leading to a collapse or potential collapse of a building.

E. OSHA will be required to inspect the site within 24 hours of incidents mentioned in Section D above.

F. The Secretary will be required to establish an inspection priority system to target resources for construction worksites with a high number of fatalities and serious injuries.

III. PENALTIES

A. Penalties for a willful violation resulting in serious injury

1. First offense—increases criminal penalty from up to six months imprisonment to up to five years imprisonment.

2. Second offense—increases criminal penalty from up to one year imprisonment to up to 10 years imprisonment.

B. Penalties for a willful violation resulting in death

1. First offense—increases criminal penalty from up to six months imprisonment to up to 10 years imprisonment.

2. Second offense—increases criminal penalty from up to one year imprisonment to up to 20 years imprisonment.

C. The OSHA statute will be broadened to enable federal prosecutors to convict employers when they can prove "criminal negligence."

The following three provisions requiring a safety and health program, a construction process and safety plan and construction safety specialists will apply to contractors unless exempted by the Secretary. The Secretary will have the authority to exempt any project, operation or employer if he/she determines such a requirement is not feasible or will not promote greater safety.

IV. SAFETY AND HEALTH PROGRAM

Contractors will be required to develop a safety and health program that will include:

A. Worksite safety and health instruction for all supervisory personnel and employees including use of worksite equipment and personnel protective equipment.

B. Minimum criteria for safety and health determined by the Office of Construction Safety, Health, and Education.

V. CONSTRUCTION PROCESS AND SAFETY PLAN

Certain hazardous construction projects will be required to have a prepared construction process and safety plan that:

A. Identifies possible safety hazards.

B. Describes the process to be used and identifies the means to ensure the structural stability of all structures and excavations.

VI. CONSTRUCTION SAFETY SPECIALISTS (CSS)

A. Contractors will be required to hire a Construction Safety Specialist to monitor the implementation of the safety program, and when applicable, the construction process and safety plan.

B. The CSS will successfully have completed a minimum 40-hour course of study on construction health and safety (curriculum determined by the Office of Construction Safety, Health, and Education), or received on-the-job training with a certified CSS for a minimum of 18 months.

C. The CSS will require the employer to obtain the advice of a qualified design professional if he/she determines a particular phase of the work involves special safety hazards.

D. The CSS will have the authority to stop work in an area where he/she discovers an imminent danger on the worksite.

VII. CONSTRUCTION SAFETY AND HEALTH TRAINING ACADEMY

A construction safety and health training academy will be established to:

A. Train construction safety and health inspectors for OSHA.

B. Certify Construction Safety Specialists.●

By Mr. MOYNIHAN:

S. 931. A bill to protect a segment of the Genesee River in New York; to the Committee on Energy and Natural Resources.

PROTECTION OF A SEGMENT OF THE GENESEE RIVER

● Mr. MOYNIHAN. Mr. President, I rise today to introduce the Genesee River Protection Act. This bill will save for generations to come the beauty and natural qualities of the Genesee River within the boundaries of Letchworth Park's Genesee River Gorge.

The bill I have introduced will afford this gorge the protection granted to rivers included in the Wild and Scenic Rivers Act. There exists no stronger statutory tool for protecting natural rivers. Letchworth State Park contains the 17-mile-long gorge, 300 feet high in spots, that has been called the Grand Canyon of the East. Situated on the border of Wyoming and Livingston Counties, the portion of the river that we will help save today receives thousands of tourists per year from New York and the entire Eastern United States.

Mr. President, the National Park Service has conducted a nationwide inventory of our rivers. The Park Service estimates that more than 60,000 miles of river qualify for inclusion in the Wild and Scenic Rivers System, but to date fewer than 9,300 miles enjoy such protection. That's about one quarter of one percent of all U.S. river miles.

In 1968, Congress enacted the National Wild and Scenic Rivers Act to establish a system for preserving this Nation's rivers. The Wild and Scenic

Rivers System has clearly been underutilized.

New York State has already included this portion of the Genesee River in its Wild, Scenic and Recreational River System, and I think we can afford the same protection at the Federal level. There is a Federal interest here. Years ago, the U.S. Army Corps of Engineers constructed a small dam near this stretch of the Genesee to provide for flood control in the lower stretches of the River. The Corps continues to manage this dam under its original mandate, and so protection of this area by the State of New York is not the end of the story. Action by Congress is appropriate in this case, and I urge my colleagues to support me in this effort.

Mr President, I 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. 931

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 "Genesee River Protection Act of 1989".

SEC. 2. PROTECTION OF THE GENESEE RIVER.

In order to further the purposes of the Wild and Scenic Rivers Act (16 U.S.C. 1271 et seq.) (referred to as the "Act") and to protect for present and future generations the outstanding scenic, natural, recreational, scientific, cultural, and ecological values of the Genesee River within Letchworth Gorge State Park in the State of New York, and to assist in the protection and enhancement of the Gorge's archeological sites of sacred significance to the Seneca Nation, historic areas, endangered plan communities, and diverse recreation users, the protections afforded for rivers listed in section 5(a) of the Act (16 U.S.C. 1276) for study for potential addition to the National Wild and Scenic Rivers System shall apply to the segment of the Genesee River within Letchworth Gorge State Park, except that the protection so afforded shall not interfere with the Secretary of the Army's operation and management of Mt. Morris Dam as authorized for purposes of flood control.●

By Mr. KASTEN (for himself and Mr. KOHL):

S.J. Res. 119. Joint resolution to provide for the interpretation and implementation of certain provisions of the 1837 and 1842 treaties of the United States with the Chippewa Indians of Wisconsin, and for other purposes; to the Select Committee on Indian Affairs.

NATURAL RESOURCES EQUITY

Mr. KASTEN. Mr. President, I rise today to introduce legislation, the Natural Resources Equity Act of 1989, addressing the need for a long-term solution to the Indian treaty right controversy in northern Wisconsin. For years now, northern Wisconsin has been bitterly divided because of Federal court interpretations of the treaties the United States made with the Chippewa Nation in the 1800's. It is time for Congress to play a more active role in resolving this matter.

On July 29, 1837, and again on October 4, 1842, the United States agreed to treaties with the Lake Superior Chippewa Indians. These treaties guaranteed certain usufructuary, or land use, rights to the Chippewa on the territory that they ceded to the non-Indian population. Today that territory covers most of northern Wisconsin. In 1974, the Lac Courte Oreille Band of the Chippewa Tribe took the State of Wisconsin to court in an effort to determine the limits of their usufructuary rights. The State was named party to the lawsuit, as opposed to the Federal Government, because it has been the States which have administered the wildlife and natural resource regulations in their jurisdictions.

The initial decision, known as the Voigt decision, was made in 1983. The Voigt decision reaffirmed that the tribes had rights to hunt and fish on nontribal lands. The Voigt decision also called for further clarification through the courts regarding the scope of those rights. In 1987 and again in 1989, the U.S. District Court ruled on their interpretation of the treaties. The Doyle decision, handed down in 1987, determined that the natural resources should be available to the Chippewa and the harvest should be sufficient to provide a "moderate standard of living." The Crabb decision affecting Indian fishing rights, handed down in March of this year, gave the Chippewa the right to self-regulate their harvest, and because it did not set a specific tribal harvest allocation limit, the tribe is able to harvest up to 100 percent of the safe harvest on any lake in the ceded territory.

Mr. President, this situation is simply intolerable. While I accept the fact that the treaties guarantee tribal members the right to fish on lakes within the ceded territory, I cannot accept the tribal use of the resource precluding anyone else from sharing in that resource. We have to find a solution that protects the rights of all citizens.

The economy of Northern Wisconsin is dependent on two key factors—tourism and natural resources. If the natural resources of Wisconsin are threatened, or even if there is a strong perception that they are threatened, the tourism and vacation-related businesses of Northern Wisconsin will be devastated. Such a situation serves the interests of neither Indian or non-Indian parties.

Northern Wisconsin has erupted in response to the Crabb decision. Thousands of non-Indians have protested, and Indian attempts to exercise their constitutional rights have been marred by violence, threats of violence, verbal abuse, and racists acts. The unlawful actions of treaty right protesters are completely unacceptable, and I renew my call for restraint and respect for the law. I ask all interested parties to focus their energies on working toward a long-term solution, instead of focusing on hatred and violence.

It is with the goal of restarting a dialog on a long-term solution that I introduce legislation today. This proposal has the support of nearly the entire Wisconsin congressional delegation, and close contact has been maintained with State officials in the drafting process.

Simply put, my legislation would prohibit the tribe from taking more than 10 percent of the safe harvest level of sport fish from any lake in the ceded territory. This would guarantee the tribes' ability to conduct primarily ceremonial spearing. It would also assure the State's ability to provide a bag limit of at least 4 walleyes for nontribal fishermen on virtually every affected lake. Such a solution would preserve the rights of tribal members to engage in spearfishing, while protecting the rights of non-Indian anglers, thereby ensuring the stability of our natural resources and the continued strength of the tourism industry in northern Wisconsin. The legislation also provides that, to the extent that the number of fish the tribe is able to spear under this act is less than the number of fish they have taken in recent years, the tribe has the right to seek compensation for that loss before the Federal Claims Court, and the cost of any decision will be borne equally between the State of Wisconsin and the U.S. Government.

Despite the overwhelming support for this proposal within the congressional delegation, however, it is unlikely to be enacted without continued hard work and negotiation on the part of affected local parties. As much as we might like to see this legislation enacted right now, the House and Senate committees of jurisdiction have made perfectly clear, as recently as yesterday, that, and I quote, "in the absence of a locally negotiated agreement to modify practices guaranteed by the court, there is virtually no chance that the Committee would support or the Administration would sign legislation abrogating those treaties."

Thus, while I do not rule out the possibility of Congress acting unilaterally on this legislation, it is clear that we continue to need the cooperation of the tribe and the State. A State-negotiated agreement must first be arrived at before Federal action can take place. This proposal should serve as a basis for negotiations between the tribe and the State for a long-term solution—it is clearly a strong statement

of how the congressional delegation would like to see this issue resolved.

Mr. President, northern Wisconsin has been divided for too long now over the problem of Indian treaty rights. It is time for a renewed focus on finding a long-term solution to this problem. Wisconsinites have too many common areas of concern which need addressing to justify focusing on the one issue that divides us. We need to put the divisions on this issue behind us, restore civil peace, and pursue opportunities for economic development in northern Wisconsin, both on and off tribal reservations.

As I have stated, we cannot be successful unless all parties negotiate in good faith, and earnestly work toward a long-term solution. By working together now in support of the negotiation efforts of the Governor of Wisconsin, and in support of the goal of the Wisconsin congressional delegation, we can restore peace and prosperity in northern Wisconsin.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

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

S.J. RES. 119

Whereas the Lake Superior Chippewa Indians have successfully sued the State of Wisconsin for the right to hunt, fish, and gather resources on off-reservation land within the ceded territory of Wisconsin;

Whereas the United States District Court for the Western District of Wisconsin has defined the conditions under which tribal fishing rights may be exercised; and

Whereas the Congress of the United States believes the existence of these rights should be compatible with the ability of all groups to equitably and peacefully participate in the sharing of the resources; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This joint resolution may be cited as the "Natural Resources Equity Act of 1989".

SEC. 2. (a)(1) No provisions of the Treaty of July 29, 1837, between the United States and the Chippewa Nation of Indians (7 Stat. 536) or the Treaty of October 4, 1842, between the United States and the Chippewa Indians of the Mississippi and Lake Superior (7 Stat. 591) with respect to any lake or other discrete fishery in the State of Wisconsin not wholly or partially within any existing Indian reservation, shall be interpreted in a manner which would result in an Indian tribal beneficiary of such treaties being allocated in excess of 10 percent of the safe harvest.

(2) For purposes of this section, the term "safe harvest" means the number of fish determined, pursuant to the formula required by *Lac Court Oreilles, et al.* v. *State of Wisconsin,* (W.D.WIS. March 3, 1989), to be available for harvest from any particular discrete fishery or lake.

(b) To the extent that the application of the provisions of subsection (a) result in an Indian tribe being allocated less of the fishery-wide safe harvest than that which has been taken under the provisions of the treaties or court decision described in subsection (a) and other applicable law as in effect prior to the enactment of this Act, the application of such provision shall represent a taking of such right, the cost of which, to be determined pursuant to proceedings before the United States Claims Court, shall be borne equally between the State of Wisconsin and the United States Government.

Mr. KOHL. Mr. President, I am cosponsoring the legislation which has been introduced today, and I commend the efforts of my colleagues to establish a framework for negotiations between the State of Wisconsin and the Chippewa Tribes in my State. A great deal of hard work has gone into this effort, in hopes of encouraging a negotiated settlement which is acceptable to both parties.

In my view, the dispute is between the State and the tribes, and any settlement of that dispute must be worked out between those two parties. That fact does not change with the introduction of this legislation. Indeed, the agreement of the tribes and the State are a prerequisite for movement on this legislation. Furthermore, the chairman of the committees with jurisdiction over this legislation in both the House and the Senate have assured the delegation that they will not act on this bill until all parties to the dispute are in support.

In my view, the only purpose of the legislation which my colleague and I are introducing today is to ensure that adequate funds are available to compensate the tribes for the treaty rights which they relinquish, the amount of which will be mutually decided between the tribes and the State.

Therefore, while I am cosponsoring this legislation, I am not in any way wedded to the provision in the bill that allows the tribes to take only 10 percent of the safe harvest level on the lakes.

I am not in a position to decide how many fish the tribes should be allowed to take, or how many fish the non-Indians can take. I don't know whether or not 10 percent represents a fair amount. Maybe it is, but that is not for us to decide here in Congress, and I hope that the negotiating parties will not feel bound to the 10 percent figure. I strongly believe that those figures should be decided between the two parties to the dispute.

If anything, by promising that the Federal Government will split the costs for up to 90 percent of the values of the tribal fishing rights, we are making a commitment to share the costs of any agreement. In other words, we are willing to go as high as necessary to insure an equitable settlement.

I am hopeful that this legislation will encourage negotiations to go forward, so that this dispute can be put behind us once and for all. This raging controversy is not good for the people of Wisconsin, it's not good for the State's tourism industry, and it's not good for the Chippewa Tribes.

By Mr. BRADLEY (for himself and Mrs. KASSEBAUM):

S.J. Res. 120. Joint resolution to designate the period commencing November 12, 1989, and ending November 18, 1989, as "Geography Awareness Week"; to the Committee on the Judiciary.

GEOGRAPHY AWARENESS WEEK

● Mr. BRADLEY. Mr. President, I rise today with my distinguished colleague from Kansas [Mrs. KASSEBAUM] to introduce a joint resolution to declare the week of November 12 to November 18, 1989, as "Geography Awareness Week."

Mr. President, 2 years ago when I rose to introduce the first "Geography Awareness Week" joint resolution, an alarming level of geographic illiteracy had developed in our Nation. Surveys found that our Nation's students had at best a distorted understanding of our world and at worst a near total ignorance of the most basic geography. In Dallas, 25 percent of the high school students could not name Mexico as the country that bordered the United States to the south. In Boston, 39 percent of the surveyed students could not name the six New England States.

Mr. President, since the first Geography Awareness Week, progress has been made in dealing with such illiteracy. But this progress is only a beginning. We must continue to revitalize and expand the role of geography in the public consciousness. Much more needs to be done.

Two years ago, as a way to generate interest in geography education, I sponsored a statewide geography "bee" in New Jersey. Over 600 eighth graders from all over the State competed. Robin Cadwallender, a 13-year-old eighth grader from Hopatcong, NJ, was crowned grand champion of geography when she won the final round of the competition. She won her crown by naming the highest mountain in the Western Hemisphere, Mount Aconcagua in Argentina, and correctly naming Key Largo as the largest of the Florida Keys. This year, there will be a national geography competition much like our National Spelling Bee.

Last year, I again sponsored the statewide geography bee. I arranged and participated in a joint geography class for seventh and eighth grade students from Thomas Jefferson Elementary School in Teaneck, NJ, and the United Nations International School. Geography came alive for these students as they met peers from around the world. Geography does not have to be a boring subject. The students at the Ethel McKnight Elementary School in East Windsor Township, showed me projects including a travel

bureau, computer simulations, board games, and research projects. Much has been accomplished.

Our country is unique: a population with a diverse ethnic and racial heritage; a continental landscape; bountiful resources. All of this contributes to our status as a world power.

Knowledge of geography offers necessary perspectives and information for understanding ourselves, our relationship to the Earth, and our interdependence with other peoples of the world.

The United States is a Nation with worldwide involvements and global influence that demand that our citizens have an understanding of the lands, languages, and cultures of the world.

Yet even with this critical need to know where we—and others—are, a majority of American students still receive no significant exposure to geography in their curricula. This is illustrated by the results of a recent Gallup poll which ranked Americans in the bottom third in an international test of geographic knowledge. Americans age 18 to 24 ranked dead last. Fewer than half of these young people could find Central America on a map; only one in three could locate Vietnam; three-quarters could not find the Persian Gulf and half could not identify Nicaragua as the country in which the Sandinistas and Contras are fighting. Clearly, continued ignorance, such as this, places the United States at a distinct disadvantage in matters of business, politics, and the environment.

We must focus our national attention on the integral role that knowledge of world geography plays in preparing our young citizens for the future in an increasingly interdependent world.

For this reason, I am introducing this joint resolution to focus national attention on the important role that knowledge of world geography plays in our lives. I hope this will be just one step in a revitalization of the study of geography. All of our citizens should have access to the sort of education which will help them appreciate the great beauty and diversity of this National and its place in the world.●

● Mrs. KASSEBAUM. Mr. President, I am pleased to join Senator BRADLEY in introducing a joint resolution designating the week of November 12 through 18, 1989, as "Geography Awareness Week."

Over the past 2 years, Governors, State education officials, libraries, teachers, parents, and many others have participated in activities and events designed to promote and improve geographic literacy. "Geography Awareness Week" has provided an opportunity to our increasingly interdependent society, we deal with remote parts of the world on a daily basis. Knowledge of geography has and will continue to become of growing significance in a competitive international market.

Unfortunately, Americans do not rank highly in geographic literacy when compared with citizens of nations such as France, Sweden, and Japan. A study released by the National Geographic Society indicated that 75 percent of Americans surveyed were unable to locate the Persian Gulf. It is disturbing that such a large percentage of our population knows so little about an area as important as the Middle East. Moreover, the study found that one out of seven could not even identify the United States on a world map.

I believe "Geography Awareness Week" will expand public awareness of the importance of geography education in our communities and emphasize geography education in our schools. I urge our colleagues to join us in supporting this joint resolution.●

By Mr. DECONCINI (for himself, Mr. THURMOND, Mr. ADAMS, Mr. CHAFEE, Mr. COATS, Mr. DURENBERGER, Mr. GARN, Mr. GRAHAM, Mr. HEINZ, Mr. HELMS, Mr. HOLLINGS, Mr. KOHL, Mr. MOYNIHAN, Mr. NUNN, Mr. PELL, Mr. RIEGLE, Mr. SHELBY, Mr. WILSON, Mr. MITCHELL, Mr. BOSCHWITZ, Mr. FOWLER, Mr. D'AMATO, Mr. ROBB, Mr. DIXON, Mr. WARNER, Mr. BENTSEN, Mr. PRYOR, Mr. DOLE, Mr. GORTON, Mr. CRANSTON, Mr. COCHRAN, Mr. BRADLEY, Mr. JEFFORDS, Mr. LEVIN, Mr. LUGAR, Mr. MCCLURE, Mr. BUMPERS, Mr. MURKOWSKI, and Mr. METZENBAUM):

S.J. Res. 121. Joint resolution to provide for the designation of September 14, 1989, as "National D.A.R.E. Day"; to the Committee on the Judiciary.

NATIONAL D.A.R.E. DAY

● Mr. DECONCINI. Mr. President, today I am pleased to introduce a joint resolution which designates September 14, 1989 as "National D.A.R.E. Day." D.A.R.E. is an acronym for Drug Abuse Resistance Education, a semester long program which teaches fifth and sixth grade children how to resist pressure to experiment with drugs and alcohol. The D.A.R.E. Program was originally developed in Los Angeles by Police Chief Daryl Gates as a cooperative effort between the LA Police Department and the Unified School District.

Since I introduced the D.A.R.E. Day resolution last year, this exciting program has expanded into 11 additional States for a total of 48. The D.A.R.E. message is being received in more than 50,000 classrooms by over 3 million children. Additionally, the D.A.R.E. Program has been adopted for use internationally in the Department of Defense's dependent schools.

The D.A.R.E. Program is also provided to kindergarten and junior high school students and their parents. The program has proven effective because it targets children who are young enough not to have received maximum exposure to illegal drugs, yet are old enough to fully comprehend the dangers of drug use. In my home State of Arizona, we now have 64 separate agencies that are involved in the D.A.R.E. Program, and 157 certified officers. During this school year alone, these officers will reach 25,000 students in 250 public schools. These numbers are even more impressive when you consider that this is a 17-lesson series, taught once a week over the course of a semester.

When the University of Michigan's annual drug-abuse survey of high school seniors was recently released, the report showed a continued decline in teen drug use. The Michigan survey also reported a decrease in cocaine use for the second year in a row. However, a drug-abuse survey conducted in Arizona by the Criminal Justice Commission presented a far different story. Cocaine use by high school seniors in Arizona was twice the national average. Students also responded that illegal drugs in Arizona were readily available.

When my staff contacted other Western States, they found a similar situation—student drug use higher than the national average. I believe these surveys tell us we still have a long way to go in our efforts to rid society of these deadly poisons. We must fight harder—implementing greater preventive measures and creating greater community awareness. By giving D.A.R.E. the national recognition it deserves, we are working to reverse the trends we are experiencing in the Western States because the program is one that works.

An evaluation completed by the U.S. Department of Justice reveals great enthusiasm among school principals and teachers who say that D.A.R.E. students are less accepting of substance use and better prepared to deal with peer pressure as a result of the innovative drug education. Moreover, educators are finding that the D.A.R.E. Program has contributed to improved study habits and grades, decreased vandalism and gang activity and has generated greater respect for police officers.

Our acceptance of drugs is at the root of the illicit drug problem in America. This acceptance has permeated the Nation's youth—it is not enough to simply hand them a ready-made cliche—"Just Say No." We must cognitively teach them to resist the subtle pressures that cause them to experiment with dangerous substances. If our attitudes' were to change, then narcotics traffickers,

dealers, and producers would be permanently out of business.

Thanks to the D.A.R.E. Program, attitudes are changing. Surveys indicate a significant difference between D.A.R.E. and non-D.A.R.E. students in reported use of all categories of alcohol, tobacco, heroin and inhalants. D.A.R.E. students showed greater improvement in grades, work habits, and cooperation during their first semester in junior high school. D.A.R.E. students are more likely to use effective refusal strategies because resistance techniques are cognitively taught and emphasized in the D.A.R.E. curriculum.

Mr. President, the D.A.R.E. Program is one that works. The program is producing unprecedented results. Hopefully, we will acknowledge the merit of this program for the second straight year by designating September 14, 1989, as "National D.A.R.E. Day." I urge my colleagues to show their support by cosponsoring this meaningful resolution.

I want to give a special thanks to Veronica Arechederra for her fine work on this resolution. I ask unanimous consent that the joint resolution be printed in the RECORD.

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

S.J. RES. 121

Whereas D.A.R.E. (Drug Abuse Resistance Education) is a semester-long program that teaches fifth and sixth grade children how to resist pressure to experiment with drugs and alcohol;

Whereas the D.A.R.E. program is also provided to kindergarten and junior high school students and their parents;

Whereas D.A.R.E. targets children when they are most vulnerable to tremendous peer pressure to try drugs and alcohol and teaches the skills to make positive decisions and resist pressure to engage in negative behaviors;

Whereas more than 1,200 communities in 48 States now conduct the D.A.R.E. program in their local schools, and a pilot program has been implemented for use internationally in the Department of Defense Dependent Schools;

Whereas almost 3 million students have been reached through D.A.R.E.;

Whereas because school children are frequently much more sophisticated about substance abuse than are classroom teachers, the D.A.R.E. program is taught by veteran police officers with direct experience in cases involving criminal activity and ruined lives caused by substance abuse;

Whereas each police officer who teaches the D.A.R.E. program completes an 80-hour training course that includes instruction in teaching techniques, officer-school relationships, development of self-esteem, child development, and communication skills;

Whereas the D.A.R.E. curriculum, developed by the Los Angeles Police Department and the Los Angeles Unified School District, helps students understand self-image, recognize stress and manage it without taking drugs, analyze and resist media presentations about alcohol and drugs, evaluate risk-taking behavior, resist gang pressure, apply decision making skills, and evaluate the consequences of the choices available to them;

Whereas independent research shows that the D.A.R.E. program has exceeded its goal of helping students combat peer pressure to use drugs and alcohol, by contributing to improved study habits and grades and decreased vandalism and gang activity and by generating greater respect for police officers; and

Whereas the D.A.R.E. program has achieved outstanding success teaching positive and effective approaches to what is one of the most difficult problems facing our young people today, namely drug abuse: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress Assembled, That September 14, 1989, is designated as "National D.A.R.E. Day", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe that day with appropriate ceremonies and activities.●

ADDITIONAL COSPONSORS

S. 5

At the request of Mr. DODD, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 5, a bill to provide for a Federal program for the improvement of child care, and for other purposes.

S. 6

At the request of Mr. MCCAIN, the names of the Senator from North Carolina [Mr. HELMS], the Senator from South Dakota [Mr. PRESSLER], and the Senator from Idaho [Mr. MCCLURE] were added as cosponsors of S. 6, a bill to grant the power to the President to reduce appropriated funds within 10 days after the date of enactment of a bill appropriating such funds.

S. 15

At the request of Mr. CRANSTON, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 15, a bill to amend the Public Health Service Act to improve emergency medical services and trauma care, and for other purposes.

S. 100

At the request of Mr. ROCKEFELLER, the names of the Senator from Mississippi [Mr. COCHRAN] and the Senator from Vermont [Mr. JEFFORDS] were added as cosponsors of S. 100, a bill to amend title XVIII of the Social Security Act with respect to coverage of, and payment for, services of psychologists under part B of Medicare.

S. 231

At the request of Mr. MOYNIHAN, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 231, a bill to amend part A of title IV of the Social Security Act to improve quality control standards and procedures under the Aid to Families With Dependent Children Program, and for other purposes.

S. 253

At the request of Mr. BINGAMAN, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of S. 253, a bill to establish a coordinated National Nutrition Monitoring and Related Research Program, and a comprehensive plan for the assessment of the nutritional and dietary status of the U.S. population and the nutritional quality of food consumed in the United States, with the provision for the conduct of scientific research and development in support of such program and plan.

S. 321

At the request of Mr. INOUYE, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 321, a bill to revise provisions of law that provide a preference to Indians.

S. 341

At the request of Mr. HOLLINGS, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of S. 341, a bill to amend the Federal Aviation Act of 1958 to prohibit discrimination against blind individuals in air travel.

S. 370

At the request of Mr. CHAFEE, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of S. 370, a bill to amend the Land and Water Conservation Fund Act and the National Historic Preservation Act, to establish the American Heritage Trust, for purposes of enhancing the protection of the Nation's natural, historical, cultural, and outdoor recreational heritage, and for other purposes.

S. 373

At the request of Mr. COATS, the names of the Senator from Mississippi [Mr. LOTT], and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 373, a bill to amend the Internal Revenue Code of 1986 to allow an additional 50 percent deduction for the costs to employers of providing family leave in certain cases involving a birth, an adoption, or a serious illness of a child, spouse, or dependent of the employee.

S. 384

At the request of Mr. CHAFEE, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 384, a bill to amend title XIX of the Social Security Act to assist individuals with a severe disability in attaining or maintaining their maximum potential for independence and capacity to participate in community and family life, and for other purposes.

S. 390

At the request of Mr. MCCAIN, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of

S. 390, a bill entitled the "Business Incubator Review Act of 1989."

S. 412

At the request of Mr. MOYNIHAN, the name of the Senator from Kentucky [Mr. FORD] was added as a cosponsor of S. 412, a bill to amend the Internal Revenue Code of 1986 to increase the amount of the credit for expenses with respect to child care for dependent children, to make such credit refundable, to amend the Social Security Act to increase the funds for available child care, and for other purposes.

S. 417

At the request of Mr. HEINZ, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 417, a bill to amend chapters 83 and 84 of title 5, United States Code, to expedite the processing of applications of Federal employees seeking retirement benefits, and for other purposes.

S. 461

At the request of Mr. GRASSLEY, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 461, a bill to amend title XVIII of the Social Security Act to permit payment for services of physician assistants outside institutional settings.

S. 464

At the request of Mr. SANFORD, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 464, a bill to promote safety and health in workplaces owned, operated, or under contract with the United States by clarifying the United States' obligation to observe occupational safety and health standards and clarifying the United States' responsibility for harm caused by its negligence at any workplace owned by, operated by, or under contract with the United States.

S. 485

At the request of Mr. GORE, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 485, a bill to authorize a White House Conference on Homelessness.

S. 539

At the request of Mr. BUMPERS, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 539, a bill to amend the direct and guaranteed student loan programs under the Higher Education Act of 1965 to publicize the current Loan Deferral Program for full-time volunteers with the Peace Corps, VISTA, and tax-exempt organizations, and for other purposes.

S. 540

At the request of Mr. BUMPERS, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 540, a bill to amend the direct Student Loan Program under the Higher Education Act of 1965 to provide for partial loan cancellation for full-time volunteer service with a tax-exempt organization, and for other purposes.

S. 541

At the request of Mr. BUMPERS, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 541, a bill to amend part B of title IV of the Higher Education Act of 1965 to forgive guaranteed student loans for student borrowers who volunteer for service under the Peace Corps Act or under the Domestic Volunteer Service Act of 1973 or for comparable full-time service as volunteers with a tax-exempt organization.

S. 570

At the request of Mr. DANFORTH, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 570, a bill to amend the Internal Revenue Code of 1986 to enhance the incentive for increasing research activities.

S. 611

At the request of Mr. INOUYE, the name of the Senator from California [Mr. CRANSTON] was added as a cosponsor of S. 611, a bill to establish administrative procedures to determine the status of certain Indian groups.

S. 618

At the request of Mr. SARBANES, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of S. 618, a bill to authorize the Indian American Forum for Political Education to establish a memorial to Mahatma Gandhi in the District of Columbia.

S. 714

At the request of Mr. MCCLURE, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as a cosponsor of S. 714, a bill to extend the authorization of the Water Resources Research Act of 1984 through the end of fiscal year 1993.

S. 771

At the request of Mr. REID, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 771, a bill to amend the Internal Revenue Code of 1986 to disallow deductions for costs in connection with oil and hazardous substances cleanup unless the requirements of all applicable Federal laws concerning such cleanup are met, and for other purposes.

S. 785

At the request of Mr. ROCKEFELLER, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 785, a bill to amend title XIX of the Social Security Act to provide States the option of providing quality home and community care to the elderly under their Medicaid Program.

S. 817

At the request of Mr. GRASSLEY, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 817, a bill to amend title VII of the Social Security Act to authorize appropriations for the Office of Rural Health Policy and to establish a National Advisory Committee on Rural Health, and for other purposes.

S. 828

At the request of Mr. DOMENICI, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 828, a bill to amend the Internal Revenue Code of 1986 to provide incentives for the removal of crude oil and natural gas through enhanced oil recovery techniques so as to add as much as 10 billion barrels to the United States reserve base, to extend the production of certain stripper oil and gas wells, and for other purposes.

S. 833

At the request of Mr. METZENBAUM, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 833, a bill to amend the Cable Act regarding cable communications, and for other purposes.

S. 834

At the request of Mr. METZENBAUM, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 834, a bill to amend the Clayton Act regarding cable communications, and for other purposes.

S. 895

At the request of Mr. BOREN, the names of the Senator from Nebraska [Mr. EXON] and the Senator from Nebraska [Mr. KERREY] were added as cosponsors of S. 895, a bill to extend disaster assistance to losses due to adverse weather conditions in 1988 or 1989 for those crops planted in 1988 for harvest in 1989.

S. 917

At the request of Mr. MCCAIN, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 917, a bill to expand the powers of the Indian Arts and Crafts Board, and for other purposes.

SENATE JOINT RESOLUTION 47

At the request of Mr. PRESSLER, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of Senate Joint Resolution 47, a joint resolution to recognize the 75th anniversary of the Smith-Lever Act of May 8, 1914, and its role in establishing our Nation's system of State Cooperative Extension Services.

SENATE JOINT RESOLUTION 64

At the request of Mr. LAUTENBERG, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of Senate Joint Resolution 64, a joint resolution to designate March 25, 1989, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy."

SENATE JOINT RESOLUTION 66

At the request of Mr. HELMS, the names of the Senator from Nevada [Mr. REID], the Senator from Washington [Mr. GORTON], and the Senator from Kansas [Mrs. KASSEBAUM] were added as cosponsors of Senate Joint Resolution 66, a joint resolution to designate the third week of June 1989 as "National Dairy Goat Awareness Week."

SENATE JOINT RESOLUTION 72

At the request of Mr. RIEGLE, the names of the Senator from New Hampshire [Mr. HUMPHREY], the Senator from Texas [Mr. BENTSEN], the Senator from Iowa [Mr. GRASSLEY], the Senator from Illinois [Mr. DIXON], the Senator from New York [Mr. MOYNIHAN], the Senator from Connecticut [Mr. DODD], the Senator from Alabama [Mr. SHELBY], the Senator from Georgia [Mr. NUNN], and the Senator from Delaware [Mr. ROTH] were added as cosponsors of Senate Joint Resolution 72, a joint resolution to designate the period commencing May 7, 1989, and ending May 13, 1989, as "National Correctional Officers Week."

SENATE JOINT RESOLUTION 76

At the request of Mr. HELMS, the names of the Senator from Wyoming [Mr. WALLOP], the Senator from Illinois [Mr. SIMON], and the Senator from Missouri [Mr. DANFORTH] were added as cosponsors of Senate Joint Resolution 76, a joint resolution to designate the period commencing on June 21, 1989, and ending on June 28, 1989, as "Food Science and Technology Week."

SENATE JOINT RESOLUTION 86

At the request of Mr. RIEGLE, the names of the Senator from Texas [Mr. BENTSEN] and the Senator from Rhode Island [Mr. PELL] were added as cosponsors of Senate Joint Resolution 86, a joint resolution designating November 17, 1989, as "National Philanthropy Day."

SENATE JOINT RESOLUTION 98

At the request of Mr. REID, his name was added as a cosponsor of Senate Joint Resolution 98, a joint resolution to establish separate appropriation accounts for the Senate and the House of Representatives for the payment of official mail costs.

SENATE JOINT RESOLUTION 113

At the request of Mr. DIXON, the names of the Senator from North Carolina [Mr. HELMS] and the Senator from Delaware [Mr. BIDEN] were added as cosponsors of Senate Joint Resolution 113, a joint resolution prohibiting the export of technology, defense articles, and defense services to codevelop or coproduce the FSX aircraft with Japan.

SENATE RESOLUTION 85

At the request of Mr. BYRD, the names of the Senator from Arizona [Mr. DECONCINI] and the Senator from Indiana [Mr. LUGAR] were added as cosponsors of Senator Resolution 85, a resolution relating to the future of Afghanistan.

SENATE RESOLUTION 99

At the request of Mr. BOSCHWITZ, the names of the Senator from Vermont [Mr. JEFFORDS], the Senator from Vermont [Mr. LEAHY], the Senator from Nebraska [Mr. KERREY], and the Senator from California [Mr. CRANSTON] were added as cosponsors of Senate Resolution 99, a resolution requiring the Architect of the Capitol to establish and implement a voluntary program for recycling paper disposed of in the operation of the Senate.

SENATE RESOLUTION 116

At the request of Mr. LAUTENBERG, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of Senate Resolution 116, a resolution commemorating the 50th anniversary of the United States Jewish Appeal.

AMENDMENT NO. 80

At the request of Mr. ROCKEFELLER, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of amendment No. 80 proposed to Senate Concurrent Resolution 30, an original concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal years 1990, 1991, and 1992.

SENATE CONCURRENT RESOLUTION 33—URGING THE GOVERNMENT OF GREECE TO EXTRADITE MOHAMMED RASHID TO THE UNITED STATES

Mr. HATCH submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 33

Whereas international terrorism undermines the security, strength and stability of all nations;

Whereas, the Government of Greece is a member of numerous multi-national organizations, including the United Nations and the North Atlantic Assembly, which have condemned terrorism in all its forms;

Whereas, on December 6, 1988, the Government of Greece overturned a decision by the Greek Supreme Court and denied the request of the Government of Italy to extradite Abdel al-Zomar, an alleged Palestinian terrorist charged with the bombing of a Rome synagogue on October 9, 1982, in which a two-year-old child died and over thirty people were wounded;

Whereas the Government of Greece then allowed Abdel al-Zomar to leave Greece for a country of his own choosing;

Whereas the Governments of the United States and Greece have been parties to a bilateral extradition treaty since 1932;

Whereas Mohammad Rashid, another alleged Palestinian terrorist, is currently completing a prison sentence in Greece for violating Greek immigration laws;

Whereas the United States has officially requested the Government of Greece to extradite Mohammed Rashid to the United States to stand trial for the August 11, 1982 bombing of a Pan American airline in which one person was killed and more than a dozen were injured;

Whereas a lower court in Greece has held that Mohammed Rashid can be extradited to the United States and the Greek Supreme Court is currently reviewing that decision; and

Whereas the Government of Greece's denial of the United States extradition request would allow Mohammed Rashid to leave Greece, escaping justice and further undermining efforts to combat terrorism: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) the Government of Greece should be condemned for permitting Abdel al-Zomar to leave Greece and denying the extradition request of the Government of Italy;

(2) the Government of Greece should adhere to the United States-Greek extradition treaty by granting the United States request to extradite Mohammed Rashid; and

(3) a failure of the Government of Greece to extradite Mohammed Rashid would be regarded as a breach of the United States-Greek extradition treaty and would cause grave concern in the United States regarding the Government of Greece's stated commitment to combat international terrorism.

Mr. HATCH. Mr. President, according to a Federal district court indictment and accounts published in the Wall Street Journal, the Washington Post, and other national media—accounts corroborated by counterterrorism experts, security officers, and FBI investigators—Mohammed Rashid, while flying from Hong Kong to Tokyo on a Pan American World Airways jumbo jet on August 11, 1982, carefully placed a small but powerful bomb beneath his seat cushion. Rashid deplaned in Tokyo; the bomb stayed behind. The plane continued from Tokyo to Honolulu as flight 830, carrying 285 passengers. One hundred and forty miles from Honolulu, the bomb exploded, tearing the legs off the teenaged Japanese boy seated above it, who bled to death, and wounding 15 other innocent people. The cabin lost pressure and filled with smoke. Fortunately—perhaps miraculously—the pilot was able to land his damaged plane safely.

Two weeks later, while cleaning a Pan Am jet in Rio de Janeiro, a woman found another bomb. FBI chemical analysts found that the explosive material used in this bomb exactly matched that used in the earlier one. Designed to slip through the security system, it succeeded, with nearly undetectable miniature electronic components and plastic explosives. Had it not been discovered, it too could have killed innocent passengers.

In December 1983, agents of our Central Intelligence Agency stationed in Greece managed to recover a suitcase containing another bomb, which fortunately had failed to detonate. This one utilized a barometric device as a trigger, adumbrating the technology used in the recent cold-blooded de-

struction of Pan Am flight 103 over Lockerbie, Scotland.

On April 2, 1986, a woman using the name May Mansur sat in seat 10-F of a Trans World Airlines 727. Later that day, after she left the plane, TWA flight 840 was en route to Athens from Rome when yet another terrorist bomb exploded, ripping a large and jagged hole in the fuselage. Four Americans were sucked out of the plane, including a 15-month-old baby. Nine others were injured. Mohammed Rashid acted as the "control," or supervisor, of May Mansur, according to State Department officials.

Rashid and Mansur are strongly suspected in the murders of the four Americans on TWA flight 840. Troubling evidence links them with similar activities elsewhere. Both Rashid and Mansur had been members of the "Arab Organization of 15 May," an anti-Israel, anti-American terrorist group headed by Husayn al-Umari, also known as Abu Ibrahim. Both Rashid and Mansur had moved into a similar terrorist group run by Abdullah Abdel Hamid Labib, who also calls himself Colonel Hawari. This Hawari, at one time Yasser Arafat's security chief, was convicted in absentia in France on October 20, 1988, on charges of transporting arms, ammunition, and explosives, and assembling an arms cache linked to bomb attacks in Europe in 1985 and 1986.

Counterterrorism experts and security officials have independently linked Rashid to several other terrorist organizations that strike against American targets. Rashid himself admitted to a Portuguese court that he belongs to Abu Nidal's Palestinian terrorist group. On November 1, the State Department publicized formerly secret intelligence identifying Rashid with a PLO special operations group.

On May 30, 1988, thanks to a tip from United States intelligence, Mohammed Rashid was arrested in Greece. On July 14 he was sentenced to 7 months in prison for entering Greece on a forged Syrian passport. His prior criminal record includes a hashish trafficking conviction in Greece in 1973, imprisonment for car theft in Turkey in 1978, escape the following year, a drug smuggling arrest in Milan in 1980, subsequent expulsion from Italy, and, in January 1984, a 3-year prison sentence in Portugal for using a forged passport.

But Rashid has never been tried for his most heinous crimes. The May 15 group and other Palestinian terrorist gangs with whom Rashid conspired have developed shocking expertise in the cold-blooded use of virtually undetectible plastic explosives. These secret combinations have placed deadly bombs in planes throughout the world. Considering the daunting nature of the task, we have been remarkably successful in identifying the terrorists behind the carnage. Regrettably, we have been far less successful in bringing them to justice.

The United States has formally requested that Greece extradite Rashid to stand trial here on charges connected with the 1982 Pan Am bombing. On October 10, 1988, a Greek judicial council found that the United States had presented sufficient evidence to warrant Rashid's extradition. The decision was appealed to Greece's Supreme Court. We await that body's decision.

Extraditing Rashid, on the other hand, would send a much-needed positive signal. It would allow the present Government of Greece to begin regaining the respect it has lost.

The tragic irony in this matter is that Greek citizens are victims of terrorism too. In July 1988, terrorists using grenades and automatic rifles attacked the *City of Poros*, a Greek excursion ship in the Aegean Sea, leaving 9 dead and 98 wounded. Although most of the passengers were foreign tourists—casualties included British, Danish, French, Israeli, Moroccan, Norwegian, and Swedish citizens—Greeks were not exempt from the terrorists' random killing. Among the dead was Antonis Demaizis, the first mate of the ship, a Greek. The message is clear: Appeasing terrorists will not prevent them from endangering Greeks as well as others.

But even if terrorists declared Greece a safe haven, and promised to refrain from further endangering Greek citizens, it would be profoundly wrong for that nation to cooperate with them. Even if such promises could be trusted. Greece has fundamental obligations to the international community. How many people need to die before the Papandreou government realizes that terrorism is a menace, not a political flirtation?

A favorable ruling from the supreme court, however, is no guarantee of extradition. Justice Minister Vassilis Rotis makes the final decision, and his track record is abominable. Only a few months ago, on December 6, 1988, he freed the terrorist Abdel Osama al-Zomar, an associate of the notorious Abu Nidal, breaking an agreement with Italy to extradite him. Why did Italy want this man? Because he attacked a Rome synagogue with machine guns and grenades, killing a 2-year-old boy and wounding 34 innocent worshipers. Mr. President, I cannot even begin to comprehend such depravity, such unmitigated evil.

Equally impossible for civilized people to comprehend, however, is the attitude of Prime Minister Andreas Papandreou's Socialist government, which granted this man safe passage to Libya. He spent only 40 months in jail. The rest of the civilized world wants to tell terrorists, "The game is over." The present Government of Greece tells them,"Have a nice flight."

Mr. President, the release of Abdel Osama al-Zomar demonstrated utter contempt for law and life. The Greek Supreme Court ruled in favor of extradition. Papandreou's government overruled that. Greece was a party to an extradition agreement with Italy. Papandreou's government broke that. The blood of a baby boy and the wounds of the worshipers cried for justice. Papandreou's government ignored that.

The government justified its action by maintaining that the attack on the Rome synagogue was not a criminal act, but a political one, justified by the PLO's declaration of an independent state in Israeli-occupied territory. The statement was variously translated, but one passage comes out something like this: The attack was "part of a struggle to obtain the independence of his homeland and constitutes, consequently, an act of freedom."

As Olympic Airways, Greece's national carrier, carried this thug to Libya, Secretary of State George Shultz expressed shock and outrage. A storm of protest in Europe and America expressed not just shock, but utter incomprehension; not just outrage, but fury.

Greece deported another terrorist suspect, Samir Salameh, to Libya in April 1987. Mr. President, if Mohammed Rashid is also set free, Greece will be publicly proclaiming its cavalier willingness to renege on its obligations; its refusal to respect even the most minimal requirements of international law; its surrender to terrorism; and its indifference to the victims of these primitive outlaws.

Will Greece cooperate in fighting international terrorism, or not? If so, we will be grateful. If not, we should consider imposing diplomatic and economic sanctions. And we should inform our citizens that they cannot safely travel in or to Greece.

Compelling evidence links Rashid to the 1982 Pan Am bombing. Persuasive evidence links him to the 1986 TWA bombing. Yet Greece appears unwilling to extradite him. For that reason, I am now submitting a Senate concurrent resolution urging the Government of Greece to extradite Mohammed Rashid to the United States.

One final note, Mr. President. Just before Christmas last year, Pan Am Flight 103 blew up over Lockerbie, Scotland. I quote from Newsweek's account of the tragedy, the January 2, 1989, issue, page 14:

> It rained death in Lockerbie last week. From 31,000 feet up, a wing of Pan Am's Flight 103 hurtled into the little Scottish town like a bomb, digging a crater 50 yards long and spraying its load of flaming jet fuel onto nearby houses and passing cars. A burning engine embedded itself in a roadway; pieces of fuselage ripped into houses.

Then came the bodies and bits of bodies, sprayed from the broken Boeing 747, plummeting to land in fields, in woods, on housetops. A cabin door fell 10 miles from the worst wreckage, and the plane's nose section landed in a field 4 miles from town, looking like the severed, staring head of a giant fish.

Around it, next day, was the hush of shock. Lines of searchers roamed the misty hills and found grisly relics of the flight, littered over some 50 square miles. It might be weeks before the last of the 258 bodies from the plane is found, the last of Lockerbie's 17 missing is identified. Shock waves of grief spread thousands of miles—to New York's John F. Kennedy airport, where relatives sobbed and shrieked at the news; to Syracuse University, where 35 exchange students would never return; to a dozen other States and to countries all over Europe. Everywhere, the joy of Christmas dimmed.

It could have been an accident, but the odds favored a terrorist's bomb.

Well, Mr. President, it was a terrorist's bomb. Investigators with Britain's Ministry of Transport found "conclusive evidence of a detonating high explosive."

Our people have suffered enough. We may never know exactly who sabotaged Pan Am 103. But we have determined responsibility for its precursor, the 1982 bombing. It is time to bring its perpetrator to justice.

SENATE RESOLUTION 120—RELATING TO FREE AND FAIR ELECTIONS IN PANAMA

Mr. MITCHELL (for himself, Mr. DOLE, Mrs. KASSEBAUM, Mr. GRAHAM, Mr. PELL, Mr. LUGAR, Mr. MCCAIN, Mr. MACK, Mr. DURENBERGER, Mr. KERRY, Mr. KENNEDY, Mr. ROTH, Mr. ROBB, Mr. COHEN, Mr. BOREN, Mr. BYRD, and Mr. LEVIN) submitted the following resolution; which was considered and agreed to:

S. RES. 120

Whereas the elections in Panama are of critical importance to the United States and to the people of Panama in determining whether the regime of General Manuel Noriega will give way to a democratically elected government;

Whereas on May 7, 1989 the Panamanian people will be called on to vote in elections for a new president, First and Second Vice Presidents, 67 legislators and 505 District Representatives;

Whereas an estimated 900,000 persons are eligible to cast ballots in the election which officially began on November 7, 1988;

Whereas a fair election requires that the rights of freedom of expression, association, and assembly be respected and that an accurate tallying of ballots take place;

Whereas free and fair democratic elections, expressing the will of the people, have recently been held in countries throughout the Western Hemisphere, including Venezuela, El Salvador, and Jamaica and a plebiscite in Chile;

Whereas the normalization of the relationship between the United States and Panama will be enhanced by the holding of free and fair elections in which the results are respected;

Whereas the Noriega regime has restricted the independent media, has denied opposition candidates equal access to regime-controlled media outlets, and has curbed constitutional guarantees, and

Whereas there is growing concern that the regime is manipulating voting lists, implementing a number of other fraudulent measures and curtailing the presence of international observer teams: Now, therefore, be it

Resolved by the Senate that it—

(1) expresses its support for the right of the Panamanian people to have a full and genuine democracy in Panama;

(2) condemns the Noriega regime's attempts to curtail the rights of participation in the election process thus far;

(3) insists the Noriega regime conduct the upcoming election in a free and fair manner so that the will of the Panamanian people is freely, fully, and accurately expressed by guaranteeing—

(A) free and open access to polling places;

(B) public access to voting lists and public tabulation of ballots in the presence of representatives of the three presidential tickets participating in the elections;

(4) calls upon the Noriega regime to accord full access for electoral activities to the official United States observer team, the Carter-Ford election observer group, as well as other international observer teams;

(5) urges President Bush to encourage other democracies around the world to send international observer teams to Panama;

(6) asks the President to report to Congress on the extent to which the May 7, 1989 elections in Panama were conducted in a free and fair manner and to consult with the Congress on the future course of action for United States foreign policy in Panama.

SENATE RESOLUTION 121—SENSE OF THE SENATE REGARDING LENDING AND FINANCIAL CREDITS TO THE SOVIET BLOC

Mr. SYMMS submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 121

Resolved, That it is the sense of the Senate that the President of the United States should instruct the Secretary of State, the Secretary of the Treasury, the Secretary of Defense, and the Secretary of Commerce to consult immediately with allied governments on the impact on Western security of various types of private and public sector credit flows and debt reschedulings to the Soviet Union, Warsaw Pact countries, Cuba, Vietnam, Libya, and Nicaragua, and to call for a multilateral voluntary initiative, supervised by the Organization for Economic Cooperation and Development, to end untied, general purpose lending to these countries for reasons both of national security and prudent commercial banking.

Mr. SYMMS. Mr. President, I continue to read article after article in countless newspapers and magazines that draw attention to the failing economies of the Communist bloc. The student demonstrations in China because of economic failures, inflation, and political repression are proof that even after several years of liberalization, state-dominated economies cannot function. I don't need to recite the sad tales of Yugoslavia, Poland, and Hungary, which have tried to liberalize and have very little to show for their efforts.

Mr. President, I think we should pause and appreciate that the failures of Communist economies to transform into efficient, or even subsistence level economic systems by introducing partial economic reforms is not due to a lack of effort, or a lack of good intentions, but it is a necessary result.

Most Senators would agree with me that if this Congress imposed wage and price controls, eliminated private property rights, eliminated labor's freedom to change jobs or move from one state to another, or imposed massive government regulation, the American economy would stagnate and go into a depression. Even after liberalization and perestroika, that is where a Communist economic system sits. It is not a free market system, even with liberalization and perestroika.

The Soviets have made significant penetration into Western capital markets since perestroika began. Lending institutions throughout the world are competing for a piece of the new Russia. They are designing loans and other means of financing Western-Soviet ventures.

First Chicago Corp. lent the Soviets $200 million in February of 1987. This loan was only one-eighth of 1 percent above the London Inter-Bank offer rate [LIBOR], and worse than that, it was an untied loan, meaning the Soviets could use it for whatever they chose, including the slaughter of innocent people in such places as Afghanistan.

In January 1988, Russia entered the international securities markets searching for more loans. In addition to this, a Soviet-owned bank in Switzerland sold approximately $65 million in bonds. As recently as last July, American businesses including Shearson, Lehman, Hutton, Salomon Brothers, Morgan Stanley, and Citibank helped to underwrite more Soviet bonds.

The Soviets are using every means available to enter Western markets. They are doing so not only through loans and bonds, but also through joint ventures. A recent article in Business Week summed this danger up by saying:

> More than anything, bankers see financing Western-Soviet joint ventures within the Soviet Union as the business with the largest potential and the greatest risk.

The risks referred to are the uncertainties U.S. investors face on legal restrictions on foreign investment, but U.S. businesses are increasingly taking that chance and engaging in joint ventures with Russia.

The United States is somewhat involved in this, but the majority of the lending is coming from banks in Europe and Japan. In fact, some of these banks have lent more money to

Russia than all of the U.S. banks combined.

The most disturbing thing about all of this, though, is the fact that many of these institutions have seemed to forget the current crisis with Latin American borrowers and are repeating the same mistakes with the Soviets. The collapse of the Latin American market seems to encourage European and Japanese banks to look to the Soviets for an outlet for their cash. Many believe they are doing this in order to make it easier in the future to deal with the Soviets.

There is great optimism in the West about reform and democratization in the Soviet bloc—about reform of their economy and hopefully an expanding horizon for economic growth. But many Soviets themselves believe it is virtually impossible for them to meet their currency needs by simply strengthening their economy. Russia is still unable to meet the basic needs of its people despite Gorbachev's reforms.

The last 3 years are witness to a Soviet economic decline. During these years, the growth rate in net material production has slipped from 4.1 percent to 2.3 percent, their terms of trade have deteriorated by 6 percent, and they are seeking financing for very small deals.

On October 18, 1988, the Senate adopted Senate Resolution 492 expressing the sense of the Senate that the President should instruct the Secretary of State, the Secretary of the Treasury, the Secretary of Defense, and the Secretary of Commerce to consult with allied governments on the impact on Western security of various types of private and public sector credit flows and debt reschedulings to the Soviet Union, Warsaw Pact countries, Cuba, Vietnam, Libya, and Nicaragua, and to call for a multilateral voluntary initiative to end untied, general purpose lending to these countries for reasons both of national security and prudent commercial banking.

Mr. President, as I continue to read and hear of declining economies and the problems that face leaders of the Communist bloc nations, I am increasingly convinced that the West must continue to scrutinize lending policies and recognize the flaws associated with central planning—Socialist economies are unable to provide basic necessities to their citizens let alone repay huge debts.

Communist countries continue to suffer severe economic setbacks that are crippling consumer markets and causing long-term economic woes that undoubtedly will directly relate to their ability to repay current loans. Judy Shelton in her excellent scholarly book, "The Coming Soviet Crash," notes that a prime reason the Soviet Union—and one might assume the Soviet bloc in general—is yearning for aid is the survival of perestroika itself.

The only problem, as Shelton points out, is that "little is produced in the Soviet Union for which much market demand exists in the West." This coupled with an internal budget gone awry, an uncontrollable black market, apathetic masses, and a growing distrust of Soviet authority points toward a coming Soviet crash.

The real issue for the East is whether loans to the Soviet bloc will actually be used for economic growth and investment, or whether we are looking at the beginnings of another "debt bomb" similar to the one that is ticking away in Latin America and the Third World. In order to evaluate whether Western capital should be transferred to the Soviets, we need to ask first: Will it ever be repaid?

Today, Congress is attempting to cope with a massive bailout of the savings and loan industry, which has come about largely because of bad investments in Texas and other parts of the Nation. It is just prudent to inquire whether the enthusiasm for joint ventures in the Soviet Union—with financing to be provided by the Western partner—and bank loans to the Soviet bloc "to finance economic restructuring" are likely to produce such results—or whether the capital will simply be squandered by a badly mismanaged economic system.

My answer to that question is firmly pessimistic. I see my responsibility as a member of the Senate Finance Committee and the Congressional Joint Economic Committee to sound the alarm against any financing of the Soviet economy by Western capitalism. The savings and investments of our people are needed in our own economies, where business ventures must withstand the tests of competition and must earn a profit sufficient to repay any borrowings with interest. Our own economic growth in the future requires us to increase our savings rate. Any Western capital that is lent or given to the Soviet bloc, particularly if it is badly invested or used inefficiently in those economies, is accordingly lost and subtracted from our own economic growth.

Although they call it "socialism," the economic system of the U.S.S.R. is actually a modern example of mercantilism, most closely resembling that of 17th century France. The main characteristic of mercantilism is legally sanctioned monopoly. In the earlier period, the selling of monopoly privileges was the king's main source of revenue—and monopoly rent was the main income source for the upper class.

Under that economy, the production of marketable output was heavily regulated by the government and these regulations were enforced by paid civil servants. These regulations were designed to enforce barriers against competitive entry, but the monarchy openly sold regulations as cartel enforcement services. The revenues this created was a chief source of the monarchy's funding. It is good to keep in mind that it was this regime that built the Palace of Versailles and maintained the largest standing army in Europe at the time. At least the French were honest about this, and didn't cover it up with ideological facades. The monarchy used it solely as a means of raising revenue.

Of course, there are numerous differences between the system in France and the one existing in the Soviet Union today. The French had no central planning bureaucracy, and the Soviet Union uses its army to seal its borders to potential emigrants. Some other basic differences exist. For example, positions of authority in the Soviet Union are earned through party loyalty, and are selected from approved lists drawn up by the KGB and the Communist Party.

These lists may prove to be significant in continuing the system in the light of the severe market restrictions in the Soviet economy. It serves as a large, powerful, organized and cohesive interest group whose members benefit from the current system, thus giving them the incentive to continue it. The continuing struggle the KGB fights against can be seen as the result of successful management of those in power. Unfortunately for the Soviet people, they are the only ones who lose.

The Soviet society today is a rent seeking one in which the government controls, or provides, monopoly profits for a privileged minority at the expense of society as a whole. The ideological claims made by the people who benefit from this system—Marxist doctrine—may play a very large role in maintaining the stability of the entire system, but that does not reflect their true economic motivations. These motives are what we must question in dealing with the Soviets.

Nobel laureate economist F.A. Hayek, and his teacher Ludwig von Mises, have shown that in principle an economic system that is planned by the government is impossible to attain and maintain. Students of the modern Soviet economy also do not believe that comprehensive central planning is actually practiced in the Soviet Union or in any other nation that practices their economic model. In spite of this, though, their economy is still alive, maybe a little sick, but alive nonetheless and furthermore, their model is very popular in other dictatorships throughout the world. This is a clue that it is an effective model for concentrating benefits to a governing elite.

The theoretical principles of socialism require centralized government planning, in lieu of markets. Only a small part of the Soviet economy is actually planned even though there is an incredibly high level of government intervention within. This is economically almost undistinguishable from governments with a market economy but which control large nationalized sectors such as health care and major industries.

Mr. President, practically speaking, the Soviet's central planning is observed almost entirely in the breach. However, some continue to assert that predominantly the entire economy is centrally planned. I presume that this means that the central planning authorities somehow reserve the right to intervene throughout the entire economy, even if their reach exceeds their grasp. The fact, however, is that there is a large private sector in the Soviet economy. This segment cannot be planned.

The importance of private agriculture in overall agricultural output is often mentioned. What is not mentioned, however, are the various economic activities, in which many citizens take part, in what are either illegal or quasi-legal activities. This sector is quite large. The estimates of this countereconomy range from between 10 to 40 percent of the Soviet GNP.

In addition to this, the legal private economy contributes between 10 and 20 percent of the GNP. This means that 20 to 60 percent of the Soviet Union's Gross National Product is already from private enterprise—a very large chunk. Furthermore, it has been estimated that the average Soviet citizen receives 11.5 percent of his total household income from private sources, and that he spends an average of 18 percent of his earnings on such illegal products. This private economy, however, is somewhat parasitic on the planned sector of the Soviet economy. Much of this illegal economy is based on the evasion of legal official entry restrictions.

Legal monopolies in the form of entry restrictions are very dominant in the Soviet economy, just as in 18th century mercantilism. The legal controls on price competition are the most important restrictions. This is the characteristic feature of a socialist economy—to abolish markets, it is necessary to eliminate the use of prices as economic indicators. In a free market system the government may own major industries within the market, but to be truly socialist, the free market price system must be abolished. Some analysts have argued that the central planning authorities actually do use a price system, but it is one in which every price is used solely as a tool for accounting purposes, not as a guide to supply and demand. In the latter case, the term "price" is misapplied.

Mr. President, in asking whether the West should contribute capital in the form of loans or joint ventures in this mercantilistic economic system, we should be concerned about whether the proposed investment will actually be profitable in an economic sense—or merely profitable in the sense that resources can be extracted from the system in the form of monopoly rents. Many comparative systems analysts admit the existence of monopolistic restrictions in the Soviet Union, but fail to ask what they do with the profits from these monopolies.

I believe that the obvious answer to this is that those profits are flowing right into the hands of those officials who are capable of transferring the resources from the consumers to their own pockets. One report cites a case in which the deputy director of the supervisory board of the Ministry for the automobile industry and some associates countersigned requisition notes for the supply of vehicle parts at a rate of 1,000 rubles per requisition. Which, I might add, is about what a Soviet worker makes in 3 months.

Another example of the abuse of power within the Soviet hierarchy is the deputy director and chief engineer of a construction trust that supplied state farms with building materials and received 20,000 to 40,000 rubles from each farm he dealt with in order to expedite deliveries. In still another case, an official working in the Novolipetsk metallurgical combine took bribes for releasing supplies of metal against dispatch notes.

Perhaps the best example of abuse of power is the 1964 KGB investigation that discovered the entire leadership of the government and Communist Party in Kirghizia had been on the payroll of underworld racketeers for years. The gang set up a conglomeration of clandestine factories, collective farms, and plantations which grew opium and cannabis, and shared the profits with the government officials in exchange for their protection. It seems kind of strange to me that out of all of those people, only the gang and one junior deputy minister were brought to trial.

Mr. President, we unfortunately have no way to accurately measure how much of this actually goes on in their economy. These accounts are even questionable because they were reported by the Soviet press, and we all know what kind of free press they have. In all probability they only publicize such things to deter others from doing the same thing. But, even with this publicity, most of the officials go unpunished, and the examples publicized are very likely only because those involved have acquired enemies more powerful than they. In light of this, it is also very possible that these stories are invented by the KGB. Thus, these examples cannot be taken as fact, but only as examples of rent seeking—which is the pursuit of monopoly profits—which I would assume are very widespread in the Soviet economy.

Other examples abound. The officials commanding entry barriers in the Soviet Union can easily make enormous profits from bribes resulting from their exercise of coercive restrictions on competition. You see, entry into competition is officially prohibited, but can be achieved in reality by bribing those who enforce the laws. Their system of fixed prices is an incredible incentive for bribery, and from artificially raising prices, which creates gains in legal monopoly revenues to those producers so favored. Not only are monetary bribes widespread, but, possibly more importantly, bribes in the form of transferring goods and services are common mostly because they are harder to trace.

One kind of free market system does abound in the Soviet Union: Officials can easily sell documents necessary for trade to the highest bidder, keeping the profits for themselves. An example of this, which has gained some attention in the West, is the marketing by doctors of above-minimal quality care to patients who can pay more, leaving those who cannot afford this with a lower quality of medical care.

The pursuit of monopolistic gains on the part of those in a privileged position doesn't at all resemble the Marxist dream of a scientifically planned economy. Rather, as I have said, the correct description of such a system would identify it with the mercantilist economy of France under Louis XIV. It was the final breakdown of this kind of pervasive economic intervention and rent extraction that we today call by the name of the "Industrial Revolution."

Clearly the Soviets, as well as the Chinese and some other nations wealthy in natural resources and large populations, are able to benefit from 300 years of Western scientific progress, which 18th century mercantilist France could not. With the aid of the West, the Soviets are able to create at least in their urban centers and in military applications the semblance of a modern economy. But it is in fact just a Potemkin Village.

Grigori Potemkin once humored Tsar Catherine the Great by erecting the equivalent of Hollywood movie sets in the form of neatly painted villages, complete with actors playing the role of happy peasants, during a tour she made down the Volga River. Based on our understanding of exactly how the Soviet system works, it is clear that Western investments and joint ventures in that country are not likely to be economically productive in the

same way that investing the same capital in Europe or North America or in the newly industrializing nations of the Pacific Rim would be.

Mr. President, the legislation I'm introducing is designed to monitor and control the flow of Western capital to the Soviet bloc, both for reasons of strategic defense of the Western Alliance—hard currency is needed by the Soviets to maintain a worldwide military and political presence—and for economic reasons. The Latin American debt situation has demonstrated that financial institutions that enjoy government privileges, such as deposit insurance and access to a central bank as lender of last resort, cannot always be trusted to exercise due diligence with quasi-public funds.

Moreover, the Savings & Loan deposit insurance crisis has shown us that billions of dollars and even the solvency of our financial system will always come home to roost, ultimately, with the American taxpayer. As a representative of that taxpayer, I cannot sit calmly by and excuse irresponsible lending of scarce Western capital to the corrupt Soviet oligarchy just because the papers are signed in the privacy of New York or London or Tokyo boardrooms instead of at Camp David or in Geneva by heads of state.

Moreover, I am troubled that the West is forgetting Soviet actions of but a few years ago. I would ask my colleagues: What was Stalin's response to tsarist and foreign financial claims upon his coming to power? What country walked away from International Monetary Fund and World Bank membership during its formation? President Bush recently made reference to this very point when he voiced the opinion that U.S. foreign policy should not be wholly based upon the existence of one individual as leader. A recent article in the Washington Post notes many of the problems Gorbachev is facing even though he has purged 25 percent of the Communist Party's Central Committee and attempted to dismantle a totalitarian society. Mr. President, it's as if the West is convinced Mr. Gorbachev will live forever. I might say to my colleagues that it's not been that long since Khrushchev himself was ousted from authority.

Mr. President, I'm introducing legislation similar to that passed during the 100th Congress in an effort to bring about an awareness of the severity of this issue. I would urge my colleagues to move forward on this legislation and send a clear signal to the new administration as to how the Senate views current financial relations with the Soviet bloc. This legislation expresses the sense of the Senate that it is high time the United States exert its influence to stop financing the hungry bear that makes us in turn finance a huge defense establishment in order to protect ourselves from overt threats of aggression. After all Mr. President, where are Soviet missiles aimed?

AMENDMENTS SUBMITTED

OMNIBUS CONGRESSIONAL BUDGET RESOLUTION

SANFORD (AND GRAHAM) AMENDMENT NO. 83

Mr. SANFORD (for himself and Mr. GRAHAM) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

At the end of the resolution, insert the following new section:

"SEC. . (a) The Senate finds that—

(1) this budget for fiscal year 1990 is within the parameters established by the President, and even if inadequate, is essential to keep the Government in operation;

(2) this resolution sets forth the deficit at only $99.4 billion;

(3) as set forth in section 3 of this resolution, one measure of the deficit, the increase in the pubic debt subject to limitation, is fully $264 billion;

(4) the Federal debt will rise to fully $3.1 trillion in 1990; and

(5) as set forth in section 5(a) (19) of this resolution, the level of gross interest on the public debt will be $263 billion in fiscal year 1990;

(b) It is the sense of the Senate that—

(1) as set forth in this resolution, the budget submitted by the President under section 1105 of title 31 of the United States Code and the concurrent budget resolution for fiscal year 1991, in order to more truthfully set forth the deficit, should reflect at least the following changes:

(A) all Social Security and other Federal retirement funds must be accounted for separately;

(B) all gross interest on the public debt subject to limitation must be fully reported and reflected; and

(C) the increase in the gross Federal debt that is subject to the legal debt limit should be shown as a measure of the deficit.

(2) Because a multi-year plan of debt and deficit reduction, based on sound economic assumptions, appears imperative, the President is requested to advice the Congress of any proposals relative to the reduction of the national debt, and to inform the Congress whether additional revenues are required for debt and deficit reduction, and if so, the President is invited to make specific revenue recommendations."

PACKWOOD (AND OTHERS) AMENDMENT NO. 84

Mr. PACKWOOD (for himself, Mr. BENTSEN, Mr. MOYNIHAN, Mr. DOLE, Mr. DECONCINI, Mr. DOMENICI, and Mr. HEINZ) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

At the end of the resolution, add the following new section:

RESERVE FUND FOR CHILD CARE

SEC. . (a) In the Senate, it is assumed that budget authority and outlays may be allocated to the Senate Committee on Finance for increased funding for child care, including funding through tax credits, if the Committee on Finance or the committee of conference reports funding legislation that—

(1) will, if enacted, make funds available for that purpose; and

(2) to the extent that the costs of such legislation are not included in this resolution, will not increase the deficit in this resolution for fiscal year 1990, and will not increase the total deficit for the period of fiscal years 1990 through 1992.

(b) Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if such a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under section 302(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this section. Such revised allocations, functional levels, and aggregates shall be considered for the purposes of such Act as allocations, functional levels, and aggregates contained in this resolution, and the Committee on Finance shall report revised allocations pursuant to section 302(b) of such Act for the appropriate fiscal year (or years) to carry out this section.

D'AMATO (AND OTHERS) AMENDMENT NO. 85

Mr. DOMENICI (for Mr. D'AMATO, for himself, Mr. MOYNIHAN, Mr. KERRY, and Mr. SPECTER) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

At the end of the resolution insert the following:

Since the funding levels for Function 750 for the administration of justice programs in the Committee Report is higher than the President's request by $800 million in budget authority and $500 million in outlays, and

Since the President's request already includes $658 million for prison expenses related to drug offenders,

It is the sense of the Senate that within the total amount available within the Budget Function 750, there shall be sufficient funds added to bring a level of federal support for correctional activities at the Federal, State, and local level for the expenses of drug offenders to a level of $1 billion.

GARN (AND OTHERS) AMENDMENT NO. 86

Mr. GARN (for himself, Mr. HEFLIN, Mr. WARNER, Mr. GORTON, and Mr. WILSON) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

At the appropriate place in the resolution, insert the following new section:

RESERVE FUND FOR CONTINUED SPACE STATION DEVELOPMENT

SEC. . (a) In the Senate, of the amounts specified in section 5 of this resolution, it is assumed that budget authority and outlays in amounts not to exceed the amounts specified in subsection (b) for fiscal year 1990 shall be allocated to the Senate Committee on Appropriations to provide for continued

development of the international space station Freedom when the Committee on Appropriations or the committees of conference on such space station development has reported legislation that will, if enacted, make funds available for such continued development.

(b) The amounts available for allocation under subsection (a) for continued development of the space station for fiscal year 1990 shall not exceed $1,800,000,000 of new budget authority and $1,080,000,000 of outlays.

(c) Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if such a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under section 302(a) of the Congressional Budget and Impoundment Control Act of 1974, altered by amounts not to exceed those in such legislation. Such revised allocations shall be considered for the purposes of such Act as allocations contained in this resolution, and the Committee on Appropriations shall report revised allocations, pursuant to section 302(b) of such Act for fiscal year 1990 to carry out this section.

WILSON (AND OTHERS) AMENDMENT NO. 87

Mr. WILSON (for himself, Mr. HUMPHREY, Mr. NICKLES, and Mr. SPECTER) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

On page 25, increase the amount on line 8 by $100,000,000 and increase the amount on line 9 by $100,000,000.

On page 26, reduce the amount on line 12 by $100,000,000 and reduce the amount on line 13 by $100,000,000.

FORD (AND OTHERS) AMENDMENT NO. 88

Mr. FORD (for himself, Mr. ROTH, Mr. DOLE, Mr. WILSON, Mr. HATCH, Mr. BOSCHWITZ, Mrs. KASSEBAUM, Mr. MCCONNELL, and Mr. DANFORTH) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

At the appropriate place insert the following:

BIENNIAL BUDGET PROCESS

SEC. . (a) The Senate finds that a biennial budget process would—

(1) create an orderly, predictable process for consideration of spending decisions responsive to policy priorities and improve Congressional control over the Federal budget;

(2) allow sufficient time for the fulfillment by the Congress of its legislative and oversight responsibilities, including the consideration of authorizing legislation, budget resolutions, appropriations bills, and other spending measures;

(3) provide greater stability and certainty for financial markets, and Federal, State, and local government agencies which need sufficient time to plan for implementation of programs; and

(4) streamline the Congressional budget process and therefore promote better accountability to the public.

(b) It is the sense of the Senate that the Congress should enact legislation in the 101st Congress to establish a biennial budget process.

BOSCHWITZ (AND OTHERS) AMENDMENT NO. 89

Mr. BOSCHWITZ (for himself, Mr. CONRAD, Mr. KASTEN, Mr. MACK, Mr. GORTON, Mr. SYMMS, and Mr. NICKLES) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

At the appropriate place insert the following:

CURRENT SERVICES BASELINE

SEC. . (a) The Senate finds that the use of a current services baseline in presenting budget information—

(1) does not provide the public with complete and clear information on the growth in Federal spending from one fiscal year to the next fiscal year;

(2) does not clearly identify the underlying growth rate in particular Federal programs within the Federal budget;

(3) leads to the misconception that Federal spending is being cut when in fact it has grown and

(4) does not present the Federal budget in terms the public can easily understand.

(b) It is the sense of the Senate that all Congressional and Executive budget documents, including analyses of the Federal budget and any deficit reduction agreements, should prominently include the current level of Federal spending in each category and clearly identify any proposed increase or decrease from that level.

HOLLINGS (AND OTHERS) AMENDMENT NO. 90

Mr. HOLLINGS (for himself, Mr. EXON, Mr. CONRAD, and Mr. ROBB) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

Strike all after "That the Congress determines" and insert in lieu thereof the following: "and declares that the concurrent resolution on the budget fiscal year 1990 is established and the appropriate budgetary levels for fiscal years 1991 and 1992 are set forth.

MAXIMUM DEFICIT AMOUNTS

SEC. 2. The following levels and amounts in this section are set forth for purposes of determining, in accordance with section 301(i) of the Congressional Budget and Impoundment Control Act of 1974, as amended by the Balanced Budget and Emergency Deficit Control Act of 1985 and the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, whether the maximum deficit amount for a fiscal year has been exceeded, and as set forth in this concurrent resolution, shall be considered to be mathematically consistent with the other amounts and levels set forth in this concurrent resolution:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1990: $1,074,400,000,000.
Fiscal year 1991: $1,146,000,000,000.
Fiscal year 1992: $1,214,500,000,000.

(2) The appropriate levels of total budget authority are as follows:

Fiscal year 1990: $1,311,300,000,000.
Fiscal year 1991: $1,399,700,000,000.
Fiscal year 1992: $1,468,800,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1990: $1,174,400,000,000.
Fiscal year 1991: $1,250,800,000,000.
Fiscal year 1992: $1,297,800,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1990: $99,800,000,000.
Fiscal year 1991: $104,800,000,000.
Fiscal year 1992: $83,300,000,000.

DEBT INCREASE AS ONE MEASURE OF DEFICIT

SEC. 3. The amounts of the increase in the public debt subject to limitation are as follows:

Fiscal year 1990: $264,800,000,000.
Fiscal year 1991: $268,700,000,000.
Fiscal year 1992: $245,200,000,000.

DEFICIT LEVELS EXCLUDING TRUST FUND SURPLUSES

SEC. 4. (a)(1) The amounts of the surpluses of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1990: $67,800,000,000.
Fiscal year 1991: $78,800,000,000.
Fiscal year 1992: $90,400,000,000.

(2) The amounts of the deficits excluding the receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1990: $167,600,000,000.
Fiscal year 1991: $183,600,000,000.
Fiscal year 1992: $173,700,000,000.

(b) The amounts of the deficits excluding the receipts and disbursements of all Federal trust funds are as follows:

Fiscal year 1990: $240,100,000,000.
Fiscal year 1991: $255,200,000,000.
Fiscal year 1992: $243,700,000,000.

RECOMMENDED LEVELS AND AMOUNTS

SEC. 5. (a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1990: $778,900,000,000.
Fiscal year 1991: $827,900,000,000.
Fiscal year 1992: $875,700,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1990: $5,800,000,000.
Fiscal year 1991: $5,800,000,000.
Fiscal year 1992: $5,800,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1990: $70,100,000,000.
Fiscal year 1991: $75,100,000,000.
Fiscal year 1992: $80,200,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1990: $1,021,700,000,000.
Fiscal year 1991: $1,087,500,000,000.
Fiscal year 1992: $1,135,800,000,000.

The appropriate levels of total budget outlays are as follows:

Fiscal year 1990: $952,300,000,000.
Fiscal year 1991: $1,017,200,000,000.
Fiscal year 1992: $1,055,000,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1990: $167,600,000,000.
Fiscal year 1991: $183,500,000,000.
Fiscal year 1992: $173,500,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1990: $3,123,200,000,000.
Fiscal year 1991: $3,391,900,000,000.
Fiscal year 1992: $3,637,100,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991, are as follows:

Fiscal year 1990:

(A) New direct loan obligations, $19,300,000,000.

(B) New primary loan guarantee commitments, $106,600,000,000.

(C) New secondary loan guarantee commitments, $93,200,000,000.

Fiscal year 1991:

(A) New direct loan obligations, $19,700,000,000.

(B) New primary loan guarantee commitments, $114,200,000,000.

(C) New secondary loan guarantee commitments, $97,100,000,000.

Fiscal year 1992:

(A) New direct loan obligations, $19,700,000,000.

(B) New primary loan guarantee commitments, $119,000,000,000.

(C) New secondary loan guarantee commitments, $100,900,000,000.

(B) The Congress hereby determines and declares that the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1990 through 1992 for each major functional category are:

(1) National Defense (050):

Fiscal year 1990:

(A) New budget authority, $298,600,000,000.

(B) Outlays, $295,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $310,700,000,000.

(B) Outlays, $303,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $323,600,000,000.

(B) Outlays, $314,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1990:

(A) New budget authority, $9,600,000,000.

(B) Outlays, $12,300,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $6,400,000,000.

(E) New secondary loan guarantee commitments, $200,000,000.

Fiscal year 1991:

(A) New budget authority, $9,500,000,000.

(B) Outlays, $11,100,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $6,700,000,000.

(E) New secondary loan guarantee commitments, $200,000,000.

Fiscal year 1992:

(A) New budget authority, $10,200,000,000.

(B) Outlays, $9,200,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $6,900,000,000.

(E) New secondary loan guarantee commitments, $200,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1990:

(A) New budget authority, $12,000,000,000.

(B) Outlays, $12,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $12,500,000,000.

(B) Outlays, $12,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $13,000,000,000.

(B) Outlays, $12,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1990:

(A) New budget authority, $5,900,000,000.

(B) Outlays, $3,500,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $6,000,000,000.

(B) Outlays, $3,900,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $4,400,000,000.

(C) New direct loan obligations, $2,300,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1990:

(A) New budget authority, $15,500,000,000.

(B) Outlays, $16,900,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $16,200,000,000.

(B) Outlays, $17,200,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $16,900,000,000.

(B) Outlays, $16,900,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1990:

(A) New budget authority, $18,400,000,000.

(B) Outlays, $15,200,000,000.

(C) New direct loan obligations, $10,000,000,000.

(D) New primary loan guarantee commitments, $4,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $21,100,000,000.

(B) Outlays, $17,100,000,000.

(C) New direct loan obligations, $10,200,000,000.

(D) New primary loan guarantee commitments, $4,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $20,500,000,000.

(B) Outlays, $15,100,000,000.

(C) New direct loan obligations, $9,700,000,000.

(D) New primary loan guarantee commitments, $5,000,000,000.

(E) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

Fiscal year 1990:

(A) New budget authority, $23,300,000,000.

(B) Outlays, $17,800,000,000.

(C) New direct loan obligations, $3,300,000,000.

(D) New primary loan guarantee commitments, $60,500,000,000.

(E) New secondary loan guarantee commitments, $93,000,000,000.

Fiscal year 1991:

(A) New budget authority, $21,900,000,000.

(B) Outlays, $17,000,000,000.

(C) New direct loan obligations, $3,300,000,000.

(D) New primary loan guarantee commitments, $66,400,000,000.

(E) New secondary loan guarantee commitments, $96,900,000,000.

Fiscal year 1992:

(A) New budget authority, $16,900,000,000.

(B) Outlays, $13,300,000,000.

(C) New direct loan obligations, $3,400,000,000.

(D) New primary loan guarantee commitments, $69,600,000,000.

(E) New secondary loan guarantee commitments, $100,700,000,000.

(8) Transportation (400):

Fiscal year 1990:

(A) New budget authority, $28,100,000,000.

(B) Outlays, $28,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $28,800,000,000.

(B) Outlays, $29,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $29,900,000,000.

(B) Outlays, $29,900,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1990:

(A) New budget authority, $5,000,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary guarantee commitments, $500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $4,800,000,000.

(B) Outlays, $6,100,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $4,900,000,000.

(B) Outlays, $4,900,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $500,000,000.

(E) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1990:

(A) New budget authority, $34,400,000,000.

(B) Outlays, $37,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $12,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $35,400,000,000.

(B) Outlays, $37,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $13,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $36,000,000,000.

(B) Outlays, $35,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $13,700,000,000.

(E) New secondary loan guarantee commitments, $0.

(11) Health (550):

Fiscal year 1990:

(A) New budget authority, $55,500,000,000.

(B) Outlays, $54,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $60,900,000,000.

(B) Outlays, $60,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $67,000,000,000.

(B) Outlays, $65,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $400,000,000.

(E) New secondary loan guarantee commitments, $0.

(12) Medicare (570):

Fiscal year 1990:

(A) New budget authority, $123,900,000,000.

(B) Outlays, $98,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $136,300,000,000.

(B) Outlays, $115,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $149,600,000,000.

(B) Outlays, $130,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(13) Income Security (600):

Fiscal year 1990:

(A) New budget authority, $180,300,000,000.

(B) Outlays, $144,100,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $190,000,000,000.

(B) Outlays, $152,600,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $197,500,000,000.

(B) Outlays, $159,600,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(14) Social Security (650):

Fiscal year 1990:

(A) New budget authority, $5,200,000,000.

(B) Outlays, $5,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $4,300,000,000.

(B) Outlays, $4,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $5,000,000,000.

(B) Outlays, $5,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1990:

(A) New budget authority, $30,300,000,000.

(B) Outlays, $29,600,000,000.

(C) New direct loan obligations, $800,000,000.

(D) New primary loan guarantee commitments, $21,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $31,300,000,000.

(B) Outlays, $31,200,000,000.

(C) New direct loan obligations, $700,000,000.

(D) New primary loan guarantee commitments, $21,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $32,300,000,000.

(B) Outlays, $32,200,000,000.

(C) New direct loan obligations, $700,000,000.

(D) New primary loan guarantee commitments, $22,900,000,000.

(E) New secondary loan guarantee commitments, $0.

(16) Administration of Justice (750):

Fiscal year 1990:

(A) New budget authority, $9,500,000,000.

(B) Outlays, $9,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $10,500,000,000.

(B) Outlays, $10,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $11,000,000,000.

(B) Outlays, $11,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1990:

(A) New budget authority, $9,700,000,000.

(B) Outlays, $9,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $10,000,000,000.

(B) Outlays, $9,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $10,400,000,000.

(B) Outlays, $9,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(18) Net Interest (900):

Fiscal year 1990:

(A) New budget authority, $196,600,000,000.

(B) Outlays, $196,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $210,300,000,000.

(B) Outlays, $210,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $218,800,000,000.

(B) Outlays, $218,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(19) The corresponding levels of gross interest on the public debt are as follows:

Fiscal year 1990: $261,500,000,000.

Fiscal year 1991: $278,800,000,000.

Fiscal year 1992: $289,900,000,000.

(20) Allowances (920):

Fiscal year 1990:

(A) New budget authority, $−200,000,000.

(B) Outlays, $−200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $−200,000,000.

(B) Outlays, $−200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $−200,000,000.

(B) Outlays, $−200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(21) Undistributed Offsetting Receipts (950):

(A) Fiscal year 1990:

(A) New budget authority, −$39,900,000,000.

(B) Outlays, −$39,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, −$32,800,000,000.

(B) Outlays, −$32,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, −$34,100,000,000.

(B) Outlays, −$34,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

RECONCILIATION

SEC. 6. (a) Not later than June 15, 1989, committees named in subsections (b) and (c) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEE

(b) The Senate Committee on Finance shall report changes in laws within its jurisdiction sufficient to increase revenues $5,300,000,000 in fiscal year 1990.

HOUSE COMMITTEE

(c) The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to increase revenues $5,300,000,000 in fiscal year 1990.

SALE OF GOVERNMENT ASSETS

SEC. 7. (a) It is the sense of the Congress that—

(1) from time to time the United States Government should sell assets to nongovernment buyers; and

(2) the amounts realized from such asset sales will not recur on an annual basis and do not reduce the demand for credit.

(b) For purposes of allocations and points of order under section 302 of the Congressional Budget and Impoundment Control Act of 1974, the amounts realized from asset sales or prepayments of loans shall not be allocated to a committee and shall not be scored with respect to the level of budget authority or outlays under a committee's allocation under section 302 of such Act.

(c) For purposes of this section—

(1) the terms "asset sale" and "prepayment of a loan" shall have the same meaning as under section 257(12) of the Balanced Budget and Emergency Deficit Control Act of 1985 (as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987); and

(2) the terms "asset sale" and "prepayment of a loan" do not include asset sales mandated by law before September 18, 1987, and routine, ongoing asset sales and loan prepayments at levels consistent with agency operations in fiscal year 1986."

HEINZ (AND OTHERS) AMENDMENT NO. 91

Mr. HEINZ (for himself, Mr. SIMON, Mr. PELL, Mr. MITCHELL, Mr. DECONCINI, Mr. BOREN, Mr. LEVIN, Mr. LAUTENBERG, Mr. LEAHY, Mr. ARMSTRONG, Mr. BOND, Mr. BOSCHWITZ, Mr. BURNS, Mr. COATS, Mr. COCHRAN, Mr. COHEN, Mr. D'AMATO, Mr. DANFORTH, Mr. DOLE, Mr. DOMENICI, Mr. DURENBERGER, Mr. GARN, Mr. GORTON, Mr. GRAMM, Mr. GRASSLEY, Mr. HATCH, Mr. HEINZ, Mr. HELMS, Mr. HUMPHREY, Mr. JEFFORDS, Mrs. KASSEBAUM, Mr. KASTEN, Mr. LOTT, Mr. LUGAR, Mr. MACK, Mr. MCCAIN, Mr. MCCONNELL, Mr. MURKOWSKI, Mr. NICKELS, Mr. PACKWOOD, Mr. PRESSLER, Mr. ROTH, Mr. RUDMAN, Mr. SIMPSON, Mr. SPECTER, Mr. STEVENS, Mr. SYMMS, Mr. THURMOND, Mr. WALLOP, Mr. WARNER, and Mr. WILSON) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra; as folows:

At the end of the concurrent resolution add the following new section:

WORLD HEALTH ORGANIZATION AND PLO MEMBERSHIP

SEC. . (a) FINDINGS.—The Congress finds that—

(1) the World Health Organization enjoys the strong support of the United States in its mission to eliminate disease and raise public health standards around the world.

(2) the Palestine Liberation Organization (PLO) has observer status at the WHO and other United Nations specialized agencies;

(3) the PLO is an umbrella organization that lacks key attributes of statehood as accepted under international law—it has no permanent population and controls no defined territory;

(4) it is the policy of the United States that the ultimate disposition of the territories under Israeli administration should be decided by negotiation and not by unilateral declarations or by solutions imposed by international organizations;

(5) the Secretary of State has declared that a change in the present observer status of the PLO in international organizations would lead to a halt in further US assessed and voluntary contributions to these organizations;

(6) a change in the PLO's observer status in international organizations would needlessly politicize these organizations and damage US support for them;

(7) the United States seeks the cooperation of all parties, including the members of the Arab League, in putting a halt to these harmful efforts to politicize important international organizations,

(b) SENSE OF THE SENATE—The Senate hereby—

(1) supports and commends the Secretary of State in his declaration calling for a halt to further US assessed and voluntary contributions to international organizations which grant full member status to organizations that lack key attributes to statehood;

(2) urges all parties to end efforts to secure a change in the PLO's observer status at the United Nations and its specialized agencies;

(3) calls upon member states of the World Health Organization and other UN specialized agencies to vigorously oppose all such efforts.

ARMSTRONG (AND OTHERS) AMENDMENT NO. 92

Mr. ARMSTRONG (for himself, Mr. DOLE, Mr. EXON, Mr. KASTEN, Mr. HELMS, Mr. D'AMATO, Mr. COATS, Mr. GRASSLEY, Mr. DECONCINI, Mr. LUGAR, Mr. SYMMS, Mr. CHAFEE, Mr. COHEN, Mr. DOMENICI, Mr. HATCH, Mr. WARNER, and Mr. BRADLEY) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

On page 3, decrease the amount on line 7 by $260,000,000.

On page 3, decrease the amount on line 8 by $670,000,000.

On page 3, decrease the amount on line 9 by $1,070,000,000.

On page 3, decrease the amount on line 14 by $260,000,000.

On page 3, decrease the amount on line 15 by $670,000,000.

On page 3, decrease the amount on line 16 by $1,070,000,000.

On page 3, decrease the amount on line 21 by $260,000,000.

On page 3, decrease the amount on line 22 by $670,000,000.

On page 3, decrease the amount on line 23 by $1,070,000,000.

On page 3, decrease the amount on line 26 by $260,000,000.

On page 4, decrease the amount on line 1 by $670,000,000.

On page 4, decrease the amount on line 2 by $1,070,000,000.

On page 5, decrease the amount on line 4 by $260,000,000.

On page 5, decrease the amount on line 5 by $670,000,000.

On page 5, decrease the amount on line 6 by $1,070,000,000.

On page 5, decrease the amount on line 8 by $260,000,000.

On page 5, decrease the amount on line 9 by $670,000,000.

On page 5, decrease the amount on line 10 by $1,070,000,000.

On page 5, decrease the amount on line 13 by $260,000,000.

On page 5, decrease the amount on line 14 by $930,000,000.

On page 5, decrease the amount on line 15 by $2,000,000,000.

On page 30, increase the amount on line 3 by $−260,000,000.

On page 30, increase the amount on line 12 by $−670,000,000.

On page 30, increase the amount on line 21 by $−1,070,000,000.

On page 34, increase the second amount on line 9 by $260,000,000.

On page 36, increase the second amount on line 1 by $260,000,000.

WIRTH (AND OTHERS) AMENDMENT NO. 93

Mr. SASSER (for Mr. WIRTH, for himself, Mr. CHAFEE, Mr. HEINZ, Mr. JOHNSTON, Mr. GORE, Mr. CRANSTON, Mr. LEAHY, Mr. DURENBERGER, Mr. KERRY, and Mr. GORE) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra; as follows:

At the appropriate place insert the following:

REDUCING THE GENERATION OF CARBON DIOXIDE

SEC. . (a) The Senate finds that—

(1) the concentration of the so-called "greenhouse" gases—including carbon dioxide, methane, nitrous oxide, chlorofluorocarbons, tropospheric ozone is rising;

(2) since the advent of the industrial revolution 150 years ago, a number of scientific experts estimate that the atmospheric concentration of—

(A) carbon dioxide, the most prevalent of these gases, has increased by 25 percent;

(B) methane has increased by 100 percent;

(C) nitrous oxide has increased by 10 percent;

(D) CFC's have increased from zero 60 years ago at an average rate of 5 percent per year; and

(E) tropospheric ozone continues to increase by 1 percent per year;

(3) a large number of the world's leading scientists, including members of National Science Foundation, have warned policy makers that—

(A) increased concentrations of these gases will alter climate; and

(B) such climatic alterations could have devastating effects on weather patterns, agricultural productivity, coastal population centers due to rising sea levels, and biological health;

(4) the majority of these gases are generated in the production of energy;

(5) in 1988, the Department found, based on data collected for the 1985 National Energy Policy Plan, that the United States' generation of carbon dioxide would increase from 1985 levels by 38 percent in the year 2010;

(6) leading scientific experts of the world, including members of the National Academy of Sciences, the National Academy of Engineering, and the Institute of Medicine have urged the President to take action to reduce the generation of these gases by the United States;

(7) international negotiations are underway to develop strategies to reduce the generation of these gases;

(8) the United States is chair of the Response Strategies Working Group of the Intergovernmental Panel on Climate Change (IPCC), which was established by the United Nations Environment Programme and the World Meterological Organization;

(9) at the first meetings of the IPCC's Response Strategies Working Group, the Secretary of State urged that global solutions to global climate change be as specific and cost-effective as they can possibly be;

(10) it is imperative that the United States and all nations take immediate steps to protect the global environment; and

(11) without action by the United States to protect the global environment, our ability to convince other nations to act on concerns such as global climate change will be constrained.

(b) It is the sense of the Senate that United States policy on global warming should be—

(1) to reduce the generation of greenhouse gases;

(2) to hold, in 1989, a global conference on the environment, hosted by the President;

(3) to encourage other nations to undertake measures to reduce the generation of greenhouse gases;

(4) to develop binding multilateral agreements with other nations by the end of calendar year 1992, or as early as is practicable, to reduce the global generation of greenhouse gases;

(5) to encourage the worldwide protection of tropical rainforests;

(6) to require each Federal agency to examine its programs to determine the impacts of global warming on its missions and activities and to evaluate and propose policies under its authority that could reduce the generation of greenhouse gases; and

(7) to develop new technologies and better utilize existing technologies that will provide reliable supplies of energy and service for the citizens of the United States while reducing the generation of greenhouse gases.

(c) It is also the sense of the Senate that the United States Government should adopt a position with respect to a "Framework Global Climate Convention", and through its representative to the Intergovernmental Panel on Climate Change, should begin discussions on such a convention when it chairs the next meeting of the "Response Strategies Working Group".

(d) To the maximum extent practical, the priorities set forth in this section should be reflected in the Federal budget.

BOND (AND OTHERS) AMENDMENTS NO. 94

Mr. SASSER (for Mr. BOND, for himself, Mr. CONRAD, Mr. WALLOP, Mr. LOTT, Mr. WILSON, Mr. GRAMM, Mr. MACK, Mr. GARN, and Mr. HELMS) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

At the end of the concurrent resolution add the following new section:

SEC. . (a) FINDINGS.—The Congress finds that—

(1) the United States is the world leader in the fields of commercial and military aerospace;

(2) if the United States is to maintain that leadership we must continue to invest in the research and development necessary to build the next generation of aerospace vehicles;

(3) the National Aerospace Plan, or X-30, program represents the United States' best hope for maintaining our lead in aerospace into the next century;

(4) the National Aerospace Plane program represents a model of cooperation between government and industry in which the Federal Government already has invested $487 million and private contractors have invested more than $700 million;

(5) the National Aerospace program is likely to result in advances in many areas which will have benefits for both commercial and military programs.

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that—

The Senate supports continued funding of the National Aerospace Plane program at the level recommended in the President's February 9, 1990 budget submission in functions 050, 250 and 400.

SASSER AMENDMENT NOS. 95 AND 96

Mr. SASSER proposed two amendments to the concurrent resolution (S. Con. Res. 30), supra, as follows:

AMENDMENT NO. 95

At the end of the resolution insert the following new section:

"SEC. . It is assumed that agreements reached between the administration and the congressional tax-writing committees on revenue legislation reconciled pursuant to this resolution will be advanced legislatively when supported by the President of the United States."

AMENDMENT NO. 96

RECOMMENDED LEVELS AND AMOUNTS

On page 28, line 23, decrease the figure by $6,400,000.

On page 28, line 24, decrease the figure by $5,960,000.

On line 3 of the Reserve Fund for Child Care, strike "child care" and insert "children".

On line 6, strike "child care" and insert "children".

GRAHAM AMENDMENT NO. 97

Mr. SASSER (for Mr. GRAHAM) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

At the end of the resolution insert the following new section:

(a) The Senate finds—

(1) The 1990 congressional bipartisan agreement to the budget submitted by the President represents the action most probable to avoid a budget impasse and sequester.

(2) The achievement of a reduction in the Federal budget deficit through agreement rather than confrontation between the

President and Congress is in the national interest.

(3) National security and international leadership rest on the foundation of a strong economy, capable of financing internally its investment needs;

(b) It is the sense of the Congress that—

(1) The 1990 budget agreement should be fully and quickly implemented;

(2) The Leadership of Congress and the administration immediately authorize resumption of negotiations aimed at a multiyear deficit reduction package, leading to a balanced federal budget;

(3) The economic and budgetary assumptions underlying the multiyear agreement be based on sound and realistic forecasts;

(4) The bipartisan, cooperative effort that made this agreement possible be sustained in addressing the Nation's remaining budgetary problems.

DOLE (AND BOREN) AMENDMENT NO. 98

Mr. SASSER (for Mr. DOLE, for himself, Mr. BOREN, Mr. NICKLES, Mrs. KASSEBAUM, Mr. KERREY, Mr. BENTSEN, Mr. WIRTH, Mr. DOMENICI, Mr. GRAHAM, and Mr. PRESSLER) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

At the end of the resolution, add the following new section:

DISASTER ASSISTANCE

SEC. . (a) The Congress finds that—

(1) agricultural producers in several Midwestern and Southwestern States have experienced adverse weather conditions since planting the 1989 crop of winter wheat, including a lack of rainfall, freeze damage, high-velocity windstorms, and recordbreaking high temperatures;

(2) such extreme conditions have combined to severely damage winter wheat production in several states, including Kansas, Oklahoma, Texas, Nebraska, Colorado, and New Mexico;

(3) the Kansas Wheat Quality Council, after a recent 3-day tour of these States, estimated that production in the Texas and Oklahoma Panhandles would be only one-third of normal;

(4) the mean average of 68 estimates of the 1989 crop of winter wheat in Kansas projected only 209 million bushels of wheat; and

(5) current budget estimates reveal there will be substantial savings resulting from higher prices and lower deficiency payments that could be applied towards disaster payments for drought-stricken winter wheat producers through an extension of the Disaster Assistance Act of 1988 (7 U.S.C. 1421 note).

(b) It is the sense of the Congress that—

(1) legislation should be enacted to extend the Disaster Assistance Act of 1988 (7 U.S.C. 1421 note) to apply to losses due to adverse weather conditions in 1988 or 1989 for agricultural commodities planted in 1988 for harvest in 1989;

(2) such legislation should not add to the deficits and such legislation should not discriminate against other program crops;

(3) such legislation should not discriminate against producers who are currently covered by Federal crop insurance; and

(4) drought assistance should be enacted in a timely fashion so as to ensure that savings from higher prices and lower deficiency payments offset the cost of such assistance.

ROTH AMENDMENT NO. 99

Mr. SASSER (for Mr. ROTH) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

SEC. . (a) The Congress finds that—

(1) Debt held by the public increased from $1.5 trillion in fiscal year 1985 to more than $2 trillion in fiscal year 1988 and continues to grow;

(2) Compliance with the Gramm-Rudman-Hollings targets each year would result in a debt held by the public of $2.38 trillion by the end of fiscal year 1993, when the Gramm-Rudman-Hollings maximum deficit target is zero;

(3) The Congressional Budget Office projects that the debt held by the public will reach $2.76 trillion by fiscal year 1993;

(4) Recognizing the need to control deficits and debt, many members have introduced legislation to provide additional fiscal restraint; and

(5) Growth in the debt held by the public is detrimental to economic growth and improvements in the nation's long term standard of living.

(b) It is the sense of the Congress that—

(1) A target for maximum debt held by the public be set at $2.38 trillion;

(2) The appropriate Committees of the Congress shall consider legislation strengthening budget procedures to promote compliance with this target; and

(3) The appropriate Committees of the Congress shall consider budget procedures which would take effect in the event that the target is exceeded.

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. INOUYE. Mr. President, I would like to announce that the Select Committee on Indian Affairs will be holding an oversight hearing on Friday, May 19, 1989, beginning at 9:30 a.m., in 485 Russell Senate Office Building on actions of the U.S. Civil Rights Commission affecting the White Mountain Apache Tribe.

Those wishing additional information should contact the Select Committee on Indian Affairs at 224-2251.

Mr. President, I would like to announce that the Select Committee on Indian Affairs will be holding a markup on Tuesday, May 16, 1989, beginning at 2:30 p.m., in 485 Russell Senate Office Building on a bill to establish the National Museum of the American Indian; S. 402, the Puyallup Land Claims Settlement Act; S. 611, the Federal Acknowledgment Procedures Act of 1989; and S. 321, the Buy Indian Act Amendments.

Those wishing additional information should contact the Select Committee on Indian Affairs at 224-2251.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LEAHY. Mr. President, I wish to announce that the Committee on Agriculture, Nutrition, and Forestry will hold a hearing on Friday, May 12, 1988, at 10 a.m., in SR332 to receive testimony on pending nominations.

For further information, please contact the committee at 224-2035.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY AND THE SUBCOMMITTEE ON FOREIGN OPERATIONS.

Mr. LEAHY. Mr. President, I wish to announce that the Committee on Agriculture, Nutrition, and Forestry and the Subcommittee on Foreign Operations of the Committee on Appropriations will hold a joint hearing on Wednesday, May 10, 1989, at 10 a.m., in SD192 Dirksen Senate Office Building to receive testimony on the potential impacts of global warming on the Third World, and U.S. policy responses.

For further information, please contact Fred Kenney of the subcommittee staff at 224-7209.

AUTHORITY FOR COMMITTEES

COMMITTEE ON ARMED SERVICES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Thursday, May 4, 1989, at 9:30 a.m. in open session to receive testimony on the amended defense authorization request for fiscal years 1990 and 1991 and on the fiscal years 1990-94 5-year defense plan.

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

SUBCOMMITTEE ON CONVENTIONAL FORCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Conventional Forces and Alliance Defense of the Committee on Armed Services be authorized to meet on Thursday, May 4, 1989, at 2 p.m. in open session to review implementation of the Army's armor and antiarmor programs.

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

COMMITTEE ON FINANCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on May 4, 1989, at 10 a.m. to hold a hearing on medicare reimbursement to rural hospitals.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the full Committee of the Energy and Natural Resources Committee be authorized to meet during the session of the Senate on May 4, 1989, at 9:30 a.m. to receive testimony on S. 694, the strategic petroleum reserve amendments of 1989.

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

COMMITTEE ON FINANCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to

meet during the session of the Senate on May 4, 1989, at 2 p.m. to hold hearings on and to consider the nominations of Rufus H. Yerxa to be a Deputy U.S. Trade Representative; Eric I. Garfinkel, to be an Assistant Secretary of Commerce; John E. Robson, to be a Deputy Secretary of the Treasury; Robert R. Glauber, to be an Under Secretary of the Treasury; David Campbell Mulford, to be an Under Secretary of the Treasury; Constance Horner, to be an Under Secretary of Health and Human Services; and, Mary Sheila Gall, to be an Assistant Secretary of Health and Human Services.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, May 4 at 10 a.m. to hold a hearing on USIA authorization.

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

SUBCOMMITTEE ON EDUCATION, ARTS, AND HUMANITIES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Education, Arts, and Humanities, of the Committee on Labor and Human Resources, be authorized to meet during the session of the Senate on Thursday, May 4, 1989 at 9:30 a.m. to conduct a hearing on the challenge of eliminating illiteracy.

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

SUBCOMMITTEE ON GENERAL SERVICES, FEDERALISM, AND THE DISTRICT OF COLUMBIA

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on General Services, Federalism, and the District of Columbia, of the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Thursday, May 4, 1988, at 10 a.m. to resume open hearings on infrastructure problems and intergovernmental solutions.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, May 4, 1989, at 2 p.m. to hold a closed hearing on intelligence matters.

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

SUBCOMMITTEE ON NUCLEAR REGULATION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Nuclear Regulation of the Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Thursday, May 4, beginning at 9:30 a.m., to conduct a hearing on the operation of the Rancho Seco nuclear generating station and on secret monetary payments to nuclear workers to restrict their testimony to the Nuclear Regulatory Commission regarding the Comanche Peak Nuclear Powerplant.

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

ADDITIONAL STATEMENTS

HUMAN RIGHTS DEVELOPMENTS IN THE SOVIET UNION AND EASTERN EUROPE SINCE VIENNA

● Mr. DECONCINI. Mr. President, as chairman of the Commission on Security and Cooperation in Europe, commonly known as the Helsinki Commission, I would like to take this opportunity to provide my colleagues with an update on the Commission's assessment on human rights developments in the Soviet Union and Eastern Europe. Almost 4 months have passed since the adoption of the Vienna Concluding Document—a Conference on Security and Cooperation in Europe [CSCE] document which, with respect to human rights and other humanitarian concerns, goes beyond any to date. Currently, the 35 signatory states of the CSCE are meeting in London for the information forum, and on May 30, they will gather in Paris for the first of three meetings of the Conference on the Human Dimension. These meetings, mandated by the concluding document, will address specific human rights concerns. For this reason, it is an opportune time to take a look at what has happened in the human rights sphere since the conclusion of the Vienna meeting on January 19, 1989.

There can be little doubt that the Helsinki process, in general, has been instrumental in focusing attention on human rights. As a result, it has improved tangibly the lives of millions of people in the Soviet Union and Eastern Europe. The flow of people and ideas is gradually widening, and the prison gates have opened for some of those who were previously sentenced for calling on their governments to live up to their commitments under the Helsinki Final Act. Clearly, important strides are being made regarding human rights compliance by a number of Eastern signatory states, particularly within the last few years. The once formidable intellectual, spiritual and physical barriers between East and West are showing signs of wear and are slowly beginning to crumble.

Despite these positive changes that have taken place since the Helsinki Final Act was signed in 1975, there are still all too many reminders that many of the promises of Helsinki have yet to be translated into reality; there are still all too many instances of noncompliance with commitments freely undertaken. Even though several signatory nations have shown improvements, especially when their current records are measured against their past practices, the standards of compliance we use must be the standards of Helsinki, Madrid and Vienna—clear and precise standards which aim toward the realization of an ultimately free, open and humane Europe.

While Soviet public life has been significantly liberalized under Gorbachev's rule and the boundaries of what is permissible continue to expand, repression has not ended. The Ukrainian Catholic Church and Jehovah's Witnesses continue to be denied legal status. About 120 known or suspected prisoner of conscience cases remain, and there have been few releases since the conclusion of the Vienna meeting. There are still occasional arrests and incarcerations in psychiatric hospitals. Politically-motivated short-term detentions are still frequent, particularly in conjunction with peaceful demonstrations, as are house searches and police interrogations. Since November, there have been 18 known arrests of political activists, 16 of them involving Armenian nationalists, who are members of the Karabakh Committee. Peaceful demonstrators are occasionally handled roughly by police, particularly in several non-Russian republics, despite the promising initial reversals of Russian political and cultural domination of the non-Russian half of the Soviet population. We especially deplore the deaths of Georgians during the violent dispersal of a peaceful demonstration in Tbilisi on April 9, and we are alarmed at the growing evidence that poisonous gas was used.

As troublesome as these specific instances are, we are also disturbed by the Soviet Government's April 8 decree which replaces previous articles penalizing political activity. This decree, which calls for up to 10 years imprisonment and introduces heavy fines for certain kinds of peaceful political activity, flies in the face of Soviet claims of liberalizing their criminal code. It is not an encouraging signal that genuine legal reform, as the Soviets have led us to believe, is near.

In the area of freedom of movement, the situation is also mixed. Emigration levels continue to rise dramatically over what they were just 2 years ago. Yet arbitrary and capricious restrictions, many based on alleged knowledge of state secrets, continue to prevent people such as Igor Uspensky and his family from emigrating. Indeed, 60 unresolved freedom of movement cases remain from a list of 600 that the Commission submitted to members of the Supreme Soviet during our November meetings in Moscow to dis-

cuss human rights. Unfortunately, the resolution rate of these cases has slowed since the Vienna concluding document was adopted.

Poland and Hungary continue to show the most progress toward human rights compliance as they press forward on the rocky road to political and economic reform. The Hungarian Government took an important step forward in showing greater respect for civil and political rights when, for the first time under Communist rule, they officially proclaimed and celebrated the anniversary of their 1848 revolution against the Habsburg Empire on March 15. In addition, legislation guaranteeing freedoms of association and assembly, as well as an unprecedented law providing for the right to strike, was passed early this year. Most recently, Hungarian authorities have announced a new media law, to be submitted later this year to the national assembly, allowing any individual or group to establish a newspaper, radio or television station.

Recent developments in Poland continue to underscore Poland's role in the forefront of reform in Eastern Europe. There are no political prisoners in Poland and a new passport law allows people to apply for and receive passports on roughly the same basis as in the West. On the political front, four Solidarity activists successfully settled in court a 2-year-old slander suit against Government spokesman Jerzy Urban. Finally, the recently concluded round-table discussions between the Government and Solidarity resulted in the relegalization of Solidarity and the reorganization of the parliament on a substantially more democratic line. We are hopeful that this new parliament will engage in continued reform of some of the more troubling legislation which remains on the books. Thus, progress in both Hungary and Poland has been encouraging although the human rights situation remains below Vienna standards.

Regrettably, the German Democratic Republic [GDR] is resisting the wave of reform efforts occurring in varying degrees in the Soviet Union and other East European countries. It has signalled its reluctance to follow Gorbachev's calls for reform by restricting or banning several Soviet publications. In January, as the Vienna meeting was coming to a close, East German authorities detained and threatened scores of activists who organized an unofficial demonstration in Leipzig. Likewise, officials continue to censor the content of church newspapers. And when GDR authorities published excerpts of the Vienna Concluding Document, they deviated from the official German-language text adopted by the 35 CSCE States in order to weaken a provision in the human contacts section—a flagrant misrepresentation of their CSCE commitments. On the positive side, a new law effective in January broadens categories of individuals eligible to submit travel applications and allows, after July 1, 1989, the right to appeal decisions in court, thus continuing the liberalization of travel.

Bulgaria continues its forcible assimilation campaign against the Turkish minority, banning the use of the Turkish language, forbidding various Muslim rites and reportedly forcibly resettling ethnic Turks to non-Turkish areas of the country. There are at least several hundred political prisoners, many of them ethnic Turks who had resisted the assimilation campaign. Since Vienna, Bulgarian authorities have continued to react to the unprecedented rise in the number of independent groups by breaking up meetings and not permitting activists to attend. They have also continued to harass, threaten with criminal prosecution, detain and vilify in their media, members of these groups, particularly those of the Independent Association for the Protection of Human Rights, or their supporters.

Czechoslovakia's human rights record also continues to be wretched. Increased independent opposition activities have, in general, been met with increased repression on the part of the regime. World renowned playwright Vaclav Havel remains in jail on spurious charges of disruption of the public order, and Charter 77 activist, Jiri Wolf remains in prison at grave risk to his progressively deteriorating health. Scores of others have been imprisoned or detained, or subjected to house searches and confiscation of property for the nonviolent expression of their beliefs, including over 130 signatories to the Democracy for All manifesto of the Movement for Civil Liberties.

The human rights situation in Romania remains especially bleak. There are no signs that Ceausescu's Rural Sistematization Program with its goal of destroying up to half of Romania's 13,000 villages and forcibly resettling their populations into agro-industrial centers will be abandoned. The Government continues to violate the rights of national minority members, religious believers, would-be emigrants and all who seek to exercise the freedom of expression. As a result, thousands of Romanian citizens, mostly members of the Hungarian minority, have taken refuge in Hungary. Hundreds more are in prison for attempting to cross the border illegally.

Since the conclusion of the Vienna meeting, several veteran Communist Party members addressed a critical open letter to Ceausescu and have been detained and interrogated as a result. In late January, several journalists, typesetters, and printers from the newspaper Romania Libera were detained, accused of printing antiregime pamphlets. Their whereabouts and condition are unknown. The Romanian Government's repressive policies are mirrored by its announcement following the adoption of the Vienna Concluding Document that it would abide only by those commitments it did not find objectionable. Since then, Romania has rejected the attempts of several CSCE States to use the new human dimension mechanism to raise several human rights cases.

Mr. President, in his remarks at the conclusion of the Vienna meeting, then-Secretary of State Shultz stated that "the Vienna meeting marks not the end of our journey from Helsinki, but a new beginning." It is encouraging that some states which previously refused to take even the first step are now making that journey. Others, despite the rapidly changing environment, are unfortunately reluctant to make that journey and are even moving backward. The gap between word and deed, between promise and performance, while narrower than 10 or even 2 years ago, still remains. The Helsinki Commission, in accordance with its mandate, will continue to stress the implementation by all signatories of their commitments under the Helsinki Final Act and Madrid and Vienna Concluding Documents. In doing so, we hope to do our part in narrowing further the distance between the still all too often harsh realities, and the noble, yet achievable standards of the Helsinki process.●

A TRIBUTE TO ALCOHOLISM AND DRUG ABUSE COUNSELORS

● Mr. GARN. Mr. President, no problem commands more attention than the scourge of substance abuse. The problem is sadly apparent here in our Nation's Capital, where last year there were recorded 372 homicides in which drugs were a major contributor. This year we are on a pace to top 60 killings. Drugs, again, are the major culprit. However, the problems here are only symptomatic of the larger national problem.

Alcohol also poses a very serious problem, and in some ways, even more menacing than drugs. In fact, alcohol is the most widely used and destructive drug in America. As a result of alcohol abuse, we see enormous costs in lost wages, productivity, and in increased health care and insurance costs. We Americans consume more than 2½ gallons of pure alcohol per person, per year—the equivalent of 50 gallons of beer. A 1983 study by the Research Triangle put the economic cost of alcoholism at $116 billion—a figure equal to one-tenth of the Federal budget. More than 22 million Americans age 14 and older suffer some negative effects from alcohol. That's equal to the combined populations of Washington State, Wisconsin, Virgin-

ia, Alabama, Arizona, and Maine. The national problems with alcohol and drugs have become a crisis affecting society as a whole.

Recent legislation has attacked the problems of alcohol and drug abuse on several fronts—treatment, prevention, interdiction, and research. All of these are important. Interdiction is vital, but it, in itself, is only a partial answer, because it attacks only one symptom. In terms of long-term solutions, there are more important strategies. With all the resources available for the fight against alcoholism and drug abuse, it is my honest belief that prevention is the ultimate answer to the substance abuse problem in our Nation.

That is why today, Mr. President, I rise to commend a particular group of people. As we have just completed Alcohol Awareness Month, I wish to recognize the persons who are in the forefront of the daily battle that is going on—the battle that determines whether a life is saved or lost.

And so today I would like to call to the attention of my colleagues the wonderful work of alcoholism and drug abuse counselors across this country. I am talking about that small group of people who work hard for others—for little money and less recognition, because they have a compelling desire to help others.

I assure you, Mr. President, the problems that I have enumerated here in our Nation's Capital and elsewhere would be far more serious were it not for the contribution that counselors have made. Individuals in this profession are the human beings who have the first and most profound impact on the addict and alcoholic who seeks a release from the living torment of substance abuse. Today there are hundreds of thousands of clean and sober individuals living happy, productive lives only because, in a moment-of-truth, a counselor was there and made the difference. While we here in this body, Mr. President, will continue to offer assistance, I assure you that counselors are the ones who will really make the difference. I, therefore, call on my colleagues to join me in saluting this important group of people.●

SARA O'MEARA SIGHOLTZ AND YVONNE FEDDERSON

● Mr. WILSON. Mr. President, I rise today to recognize and honor two remarkable Californians, Sara O'Meara Sigholtz and Yvonne Fedderson, for their extraordinary contributions to the young people of the world. Individually and in partnership, they have dedicated their lives to children in need, beginning in 1959 when they organized International Orphans, Inc. and created nine orphanages, a hospital and a school for over 15,000 Asian children who were fathered and then deserted by American servicemen.

In 1974, in response to their concern for neglected and abused children, Sara O'Meara Sigholtz and Yvonne Fedderson created Childhelp USA and in 1978, founded Childhelp Village, USA, where abused and neglected children from all over the world have received care and professional treatment in a nurturing environment of home-like residences located on 120 acres of land in Beaumont, CA.

These two dynamic people have succeeded in raising more than $32 million from nongovernmental sources for Childhelp USA/International, harnessing widespread support from many diverse sectors of the international community. Today, Childhelp USA has grown into the largest nonprofit organization combating child abuse and neglect in the United States. Its efforts focus on prevention, treatment and research through effective public awareness campaigns, collaboration with major universities, and pioneering programs including a family evaluation program and a national child abuse hotline.

For the past 30 years, Mrs. O'Meara and Mrs. Fedderson have created and inspired an army of enthusiastic and dedicated volunteers across the country and have led them tirelessly and unwaveringly in the fight against child abuse and neglect. Their extraordinary commitment to this cause is not only exemplary, but also worthy of the gratitude, appreciation, and a standing ovation of an entire nation. I salute Sara O'Meara Sigholtz and Yvonne Fedderson with admiration, with great pride, and in gratitude for the friendship Gayle and I are privileged to share with them. Today, in this Chamber of the U.S. Senate, their inestimable contributions and enrichment to thousands of young people are hereby recorded and inscribed for posterity.●

● Mr. D'AMATO. Mr. President, it is with great pride that I rise today to honor one of the truly great community leaders of our time. Rev. Dr. Arthur L. Mackey will soon celebrate his 25th pastoral anniversary at the Mount Sinai Baptist Church in Roosevelt, NY.

Throughout his quarter century at the pulpit, Reverend Mackey has been a beacon of hope and leadership in the community. As a compassionate man, his concern for the less fortunate extended far beyond his parishioners. Thousands can attest to his efforts to make the world more livable and just.

The reverend's leadership is perhaps most evident in his work on behalf of those who have no place they call home. As an advocate for the homeless and others struggling to realize the American dream, he is responsible for bringing many in from the cold, and providing not only physical shelter, but also spiritual strength to fortify them against that enemy called despair.

Reverend Mackey has been fighting the war on drugs long before many knew a war was raging. He has seen in a most intimate and clear way the ravages of addiction which cling relentlessly to the community body, sapping its life blood. His "Walk Against Drugs" has worked to enlighten our youth about drugs by shining the bright light of reality on the myths of glamour evilly perpetuated by pushers. All the while Reverend Mackey has remained steadfast in lending a strong hand to steady those as they journey out of the abyss of addiction.

Seeing the utter injustice of the evil called apartheid, Reverend Mackey committed long ago to end this system which—contrary to every notion of natural justice and humanity—makes man a master of man. He has worked tirelessly to call attention to this subjugation, and to lead the effort to abolish apartheid, once and for all.

Reverend Mackey's work does not end here. In countless ways through counseling, teaching, praying or simply being a friend, he has touched the lives of so many of our fellow citizens, instilling a sense of dignity and pride.

I am honored to call Reverend Mackey a friend. My regard for his work and leadership goes beyond mere recognition. To me, he is a hero. Reverend Mackey, I salute you.●

TERRY ANDERSON

● Mr. MOYNIHAN. Mr. President, today marks the 1,510th day of captivity for Terry Anderson in Beirut.

I ask that a November 3, 1987, editorial from Terry's hometown paper, the Daily News of Batavia, NY, be printed in the RECORD.

The editorial follows:

BACK TO THE FRAY

If anyone thought Peggy Say had given up her efforts to free her brother, Terry Anderson, from captivity in Beirut, he can now give up those thoughts. Peggy Say is back in the public eye once again, pursuing the goal she has never ceased to pursue—freedom for Terry.

Over the last year, Mrs. Say has pursued a policy of silence in the hope that, if all her earlier public efforts on Terry Anderson's behalf hadn't accomplished anything with Mr. Anderson's captors, maybe silence could.

But it didn't help. So she's back. We don't know which method is "best." Maybe there is no "best." But if nothing else, at least Terry Anderson, after two years and seven months of captivity, can be assured that one very devoted family member hasn't forgotten him. That has to mean a lot when you're locked in a prison for a non-existent crime.

Mrs. Say's renewed efforts come just after Mr. Anderson experienced a sad 40th birthday in captivity, his second such birthday. It's a bitter punishment for one who went to Lebanon only to pursue his craft as a neu-

tral newsman keeping the public informed of events in that war-torn nation.

Unfortunately, Mr. Anderson is in the grip of fanatics who don't understand the idea of neutrality or of informing the public, anymore than they understand the idea of neutral negotiators like Terry Waite, also in captivity and whose only crime was attempting to help the hostages.

One event that seems connected to the return of Mrs. Say to the public arena is the failure of the Reagan administration in its attempts to "do business" with the kidnappers. Mrs. Say is not to be faulted for thinking she can do better than that inept attempt. She is to be admired for her single-minded devotion to helping her brother. The Batavia community should demonstrate its support for her efforts to win the freedom of one of its former residents.

Perhaps the best approach now is to return to dealing with Syria, which holds important power in the Mideast, seems to understand better than the American government who it is dealing with and—most importantly—has had success with other hostages.●

OUR POLICY IN CENTRAL AMERICA

● Mr. REID. Mr. President, I recently entered into the CONGRESSIONAL RECORD some comments by former Nevada Gov. Mike O'Callaghan relating to our policy in Central America. Governor O'Callaghan is the general manager of the Las Vegas Sun newspaper, a highly decorated combat veteran, and is an authority in foreign affairs.

He has just returned from another trip to Central America and has written several additional columns about his trip, and about U.S. policy in the region. I believe that his views are a worthwhile contribution to the debate on our policy and I ask that three columns written by Governor O'Callaghan, which appeared in the Las Vegas Sun, April 24, 25, 26, be printed in the RECORD.

The columns follow:

[From the Las Vegas Sun, Apr. 24, 1989]

WHERE I STAND

(By Mike O'Callaghan)

Being awakened by singing and praying at 4 o'clock in the morning sounds like a bit of heaven on earth. This time it was the Miskito Indian guerrillas just beginning another long day of training for the time they can rebuild their burned-out homes in Nicaragua.

Feeling around on the dirt floor of the tent I eventually found my shoes and dressed. Stepping outside into the misty morning it was easy to forget that I was at the Miskito Indian base camp Lakia Tara (Morning Star) on the Honduras side of the Rio Coco. The now empty hammocks stretched between the trees looked like grazing deer in the early morning shadows.

It was too peaceful for a place where wounded and sick men lay in a nearby tent and others were preparing to return that day to the jungle on the other side of the river. All of their hopes remain in Nicaragua where homes and orchards have been burned, fishing boats sunk and family members herded into camps by the Sandinista soldiers of Daniel Ortega.

The day before I had caught a twin-engine airplane that took me from Tegucigalpa to Puerto Lempira on the Mosquito Coast. It was less than a two-hour flight over the mountains but the drive from Puerto Lempira to the Miskito base camp was more than three hours over dirt roads. The driver knew every bump and sharp curve on the road and drove like he was practicing for next year's Mint 400. We then left the rutted dirt road and were soon among the soldiers of a forgotten war being waged by a forgotten people.

Commandante Blass, a slender dark man with a dazzling smile, greeted us with open arms. His affection for my companion, given the Miskito name of Sula, meaning deer, was apparent. Also warmly greeted were the baseballs, gloves and Las Vegas Star baseball caps. Blass called a formation of the officers and troops so I could make a formal presentation and throw out the first ball. Then after a short talk they shouted in their native tongue "Until our land is free we won't give up our fight."

Later in the evening we were offered a canteen cup of wabul, a native drink made of bananas and other fruit. Blass, Sula and I passed the cup back and forth until it was empty. Then Sula and I shared an army mess kit full of rice and beans with the one spoon available.

Now was the time to sit down around a wooden table with Blass and his staff for a give-and-take session. Miskito Indians, long caught between different invaders and ruling factions, today find themselves caught between the Congress of a nation they consider friendly and the Sandinista communists who have attempted to destroy them and their civilization. Mono, a Miskito officer, said, "Every time we have the Sandinistas down, their friends in Congress rush in and give them oxygen." He said it with a tone of deep disappointment and without anger. Years of quiet suffering does this to people who have been betrayed by others they have considered to be friends.

The Miskitos fought like tigers beside the Sandinistas in their overthrow of the Somoza government. Ortega promised them autonomy or anything they wanted in return for the blood they shed. It wasn't long after the dictator had been deposed that the Miskitos soon learned they had been used by the communists. Mono adds, "The communists in Central and South America have always used Indians as foot soldiers and then forgotten them." He suggests, "The U.S. should use Miskitos to carry the message about what the communists have in store for other Indians and minorities."

Following the Sandinista victory they asked the Indians what they wanted. When the Miskitos said they wanted autonomy the communists called their leaders into Managua for a meeting. The Indian leaders were arrested upon their arrival in the city. Shortly thereafter, the Miskito community leaders were also rounded up and imprisoned. Just one more betrayal of the people who have lived for generations on the Mosquito Coast and the Rio Coco.

Commandate Blass told me, "We were unarmed then and now we are running low on ammunition and they know it. This worries us because we only have enough ammo for basic defense."

Blass, Mono and the other Miskitos remember what they call the "Red Christmas" of 1981 when the Sandinista troops came into their villages and told the people they were going to defend them from the Somoza troops across the Rio Coco. They were referring to the young men who had escaped in March of the year when the community leaders were taken into custody.

In more than one village the communists took them into churches and fired shots in the air to pretend they were defending them. They burned the homes, butchered the cattle, destroyed the orchards, sunk the fishing boats and shot those who refused to be herded out of town. "The most grim time in the Miskito history, it hurts us to see this happen on land we owned and lived on," Mono told me.

During the removal process the Sandinistas overloaded a helicopter with 80 Indian children who died when it crashed on the way to a relocation camp in Western Nicaragua.

"These were members of our families. We can never have faith in the Sandinistas. That's why we wear this uniform today. We trust now only in God and our AK-47," Mono told me.

[From the Las Vegas Sun, Apr. 25, 1989]

WHERE I STAND

(By Mike O'Callaghan)

"We are Indians and this is our land. Even the promise of giving us autonomy or even voting rights is nothing. We always had autonomy until they took it away from us," Commandante Blass answered when asked about Daniel Ortega's promise to hold free elections.

Blass and his Miskito guerrillas remember or have learned the story of how the Sandinista leaders had promised them participation in government when Somoza was overthrown but instead brutalized the Indians.

Nevertheless, the Miskitos are waiting to see if any candidates concerned about their welfare will appear on the ballot promised by Ortega. Most Nicaraguan Miskitos, guerrillas and families, live in the northeast part of Nicaragua. Although they have no faith in Ortega and the communists, they will vote if given a reasonable choice.

According to Blass: "Ortega takes three or four Miskito collaborators to the U.S. and Europe so they can say the Indians are in favor of the Sandinistas. This is wrong and its seems like only the Miskito Indians and our friends understand this."

Like his staff officer Mono, Blass would like the opportunity to tell the true Miskito story to the people of the United States and the world. But too many people would rather hear Ortega's smooth talk and believe his lies than to hear the truth from a Miskito Indian who speaks a language foreign to most of the world. The truth, like the Miskito language, is foreign to decision makers in too much of our world.

How do the Miskitos feel about the recent humanitarian aid voted by Congress? Mono replied, "Areas that we have held with our blood for several years we are losing bit by bit because of ammunition shortages." All of the Miskito guerrillas still operating freely on both sides of the Rio Coco believe that shipping additional guns and ammunition last year would have allowed them to secure a large part of their home area in Nicaragua and would have sent the Sandinistas back over the mountains.

Mono went on to say, "Now after more than a year without lethal aid, the Sandinistas have regained much of the territory that we held." He concluded by telling me his deepest worries are that by next "February they will have regained land we have held

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for years. So if there is no political solution, it may be too late for a military win."

So why not just lay down your weapons and go back into the country run by Daniel Ortega?

Blass jumped in to answer: "We have no intention to give up even our empty weapons. We have been tricked too many times."

Treatment of the Miskitos is proof that the only easing of Sandinista policies has come about when the Indians have weapons and ammunition. Both have been limited since Congress voted against President Reagan's lethal aid package. Now the Miskitos are down to only the basic loads for their AK-47 assault rifles.

Also being squeezed are the Miskito refugees because of the practices of the United Nations' high commissioner for refugees. The refugees are being given food and cover for a limited period of time before being told to return to Nicaragua.

Frenchman Jean Quartier runs the refugee camps and is only following orders. It appears to me that the United Nations wants to see the problem disappear and Ortega to strengthen his grip on Nicaragua. At least one vocal resident of Puerto Lempira said she believes that, "Jean Quartier is a communist."

She seemed surprised when I didn't argue with her or appear shocked. Maybe this is because of my experience with the U.N. in other parts of the world.

During a visit of but a few hours at a Miskito refugee camp near Mocoron, it becomes apparent that the people have little desire to return to a Nicaragua run by Daniel Ortega. When they run out of food it's not uncommon for the guerrillas to share their rice and beans with them. They are all one family.

The refugee camp has both a Moravian and a Catholic church. The Miskitos' deep belief in God and hatred for the communists has kept them going under unbelievably brutal circumstances.

Although the sun was shining and the Mocoron River was crystal clear like all creeks and rivers in the land of Miskitos, it takes little imagination to vision how the roads and rivers turn to mud during the rainy season. Just how many more rainy seasons the Miskitos can tolerate without outside help is tough to estimate.

Like true children of God, it's difficult for them to believe that an American jury and judge may imprison one of the few people who tried to help them. Commandante Blass buried his head in his hands when I told him that North could possibly go to jail for 25 or 30 years.

The Miskito Indians, as a people, will survive even if our Congress and/or media opinion makers let them continue their sufferings and refuse to help them return to live in their own country as free men and women. Land they have tilled and rivers they have fished for centuries are unavailable to them unless they are willing to give up their respect and freedom in exchange for these opportunities. Opportunities which the Sandinistas have taken from them through the use of force and brutality.

The Miskitos are a good people who deserve a better hand than fate has dealt them. There is still much our Congress can do to right these wrongs, but you and I know they probably won't because helping this small group of Indians doesn't get them votes or large political campaign contributions.

I'll be more than happy to help some of them find the Mistikos and spend a couple of days and nights with them to learn they are real people who are willing to fight for the freedom all people deserve and so many Americans have come to take for granted.

[From the Las Vegas Sun, Apr. 26, 1989]

WHERE I STAND

(By Mike O'Callaghen)

"Your friend Jehu should be able to walk again . . ." were the heartwarming words of Dr. Lonnie Hammargren after an examination of a young Nicaraguan resistance soldier who hasn't walked since being wounded by the Sandinistas Aug. 5, 1983.

Shortly after my return from the Rancho Grande rehabilitation farm outside of Tegucigalpa, Honduras, and the Yamales Valley in February, I received a letter from Lonnie offering to accompany me on my next trip. The offer of this exceptional physician was gratefully accepted and we returned to Honduras for a week in April.

The Las Vegas doctor joined U.S. Ambassador Everett E. Briggs and the U.S. Agency for International Development's Bill Schoux for a close look at the World Rehabilitation Fund-operated center for the production of artificial limbs and braces before going to Rancho Grande. Later he went into the Yamales Valley with Payo Cabrera by vehicle. The Contra helicopter that had carried me into the valley was unavailable. It had crashed, without loss of life, a few weeks after my prior visit. So Lonnie had a long drive into the Contra base camp where he met with the doctor and patients and even sketched a proposed quonset hut type hospital to replace the tents and shacks now being used.

Rancho Grande, where Jehu and at least 80 other wounded Contras are recuperating, has improved beyond belief since my earlier visit. The contract to run the center has been taken over by International Medical Corps. The Dooley Foundation had previously held the contract and was a failure in almost every sense of the word.

IMC's Stan Patrick, a U.S. Marine in the 1940s, has the rehabilitation center buzzing with activity. The patients are in the process of building an 80-person dormitory with funds provided by the Casey Foundation. Men without legs, arms and eyes are well ahead of schedule as they put up the walls of the dormitory.

Just behind the dormitory is a small shack constructed and being prepared for occupancy before the rainy season comes next month. Candado, without one hand and blind in one eye after being hit by a mortar shell, is the proud builder of the one-room building. He purchased the pine slabs with a few dollars saved over a period of many months.

Patrick introduced Candado with great pride and the 25-year-old Contra showed equal pride in his new home. It is a palace made by a man who has had more than his share of pain and grief during his short life.

About this time my friend Gato came over and shook my hand. He's almost 13 and despite his shoulder wound from rocket fire, has a good arm. Today he has his own glove and a baseball from the Las Vegas Stars.

Playing catch with Gato was 16-year-old Coyote, who lost his right leg when 14. He had found it necessary to start fighting two years earlier when Daniel Ortega's Sandinista soldiers raped and killed his mother and murdered his father. He and his brother escaped before the soldiers could force them into becoming Sandinistas.

Lonnie in the meantime was examining Jehu. It was Jehu who, in February, had reminded me the Contras "didn't begin our war with U.S. weapons but with Soviet weapons we took from the Sandinistas." He went on to say, "We may have to continue in the same way if you let us down."

Jehu's spirits are still high today and with the findings of Lonnie, they are probably even higher. With a properly fitted brace along with some hydrotherapy and other Hammargren recommendations to the camp doctor, Jehu should be moving around a bit without his wheelchair during my next visit.

Yes, Stan Patrick and Dr. Jose Castillo working together at Rancho Grande are making a difference. A fish pond to raise food, chickens for eggs and meat to go with the popular beans and rice dishes, and greens from the garden are good for their diets and equally good for rehabilitation jobs. When the last pig is butchered in the coming weeks, it will not be replaced because of the filth pigs add to the open ranch style center.

It was a warm and rather sticky day so the classes for basic math were being held outside. The wounded soldiers were responding as eagerly as any high school class I have ever taught or visited. These young guerrillas know that, to become productive members of Nicaraguan society, they must improve themselves and learn new skills. There's no doubt in their minds that they will someday return to their homes under better circumstances than those they were forced to leave by the Sandinistas.

The Americans now working on AID-funded projects in Honduras are dedicated and hardworking individuals who are goal-oriented. The results of their work are most obvious where they are working to help wounded soldiers and children. These qualities make them easily identifiable as our fellow countrymen. These American men and women are a most worthy complement to our embassy and foreign service personnel.

I will never forget the shocked look on Lonnie Hammargren's face when the rehabilitation people told us that Honduras schools don't have to, and oftentimes don't, take amputees or other handicapped children into the public school system.

When we departed the camp in early evening, we watched as the wounded men lined up for roll call and inspection. They gathered in straight military lines, answered roll call and ended by singing the national anthem of their native Nicaragua.

The spirit of these men combined with the skills being taught and the example being set by their American friends should make them very valuable to Nicaraguan society. A society they hope is sans Ortega and communism.●

RURAL HEALTH IMPROVEMENT ACT OF 1989—S. 921

● Mr. KERREY. Mr. President, I am pleased to join with my distinguished colleague from Wisconsin, Senator KOHL, in introducing the Rural Health Improvement Act of 1989, a bill that will take action necessary to maintain access to quality health care in rural America and rural Nebraska.

I do not have to remind my colleagues in the Senate that we are in the midst of a rural health care crisis. Each of us who serves a rural constituency has seen all too clearly the symp-

toms. Rural hospitals are financially stressed, access to care is imperiled, more resources and more health care professionals are desperately needed in rural areas. Just last year, 43 rural community hospitals throughout the Nation permanently closed their doors.

In considering rural health care policy, I believe we must address the problem on at least three separate levels.

First, the Federal Government must stop being a part of the problem. The great challenges and difficulties already facing rural communities need not be compounded by a Medicare system with a profound urban bias. The rural-urban Medicare reimbursement gap, established with the implementation of the prospective payment system, has been a Federal villain well-known to the rural hospital. The inadequate DRG rates created a system in which almost two-thirds of rural hospitals lost money in 1986.

Over the past 2 years, Congress has taken action to reverse the unfairness instituted under the original prospective payment system. Perhaps most importantly, rural hospitals have received greater update factors than urban hospitals, and the rural-urban gap—though still large—is shrinking. The legislation we introduce today would continue that progress by enacting the ProPAC update recommendations, which give rural hospitals an update factor 0.6 percent greater than for large urban hospitals, and 1.1 percent greater than for other urban hospitals.

The Rural Health Improvement Act of 1989 will also make much-needed changes in the wage index used for calculating Medicare reimbursement rates. Currently, the Federal Government compounds the problem of the urban-rural gap by using a wage index that tends to skew rural rates downward.

Our bill would require the Secretary of HHS to develop a new wage index that takes into account regional, rather than just local, salaries of professional personnel. This would prove particularly helpful to rural hospitals such as Regional West Medical Center in Scottsbluff, which must compete for health care professionals with Greeley and Fort Collins, CO, both of which enjoy significantly higher indexes.

The bill also requires that the new wage index take into account the severity of illness experienced by hospital patients. It is our intent that, in developing the severity index, the Secretary fully recognize that, by necessity, rural and urban facilities may treat similar conditions differently, simply as a function of available technologies and resources.

Finally, the Secretary would be required to study the impact of removing from the wage index calculations those hospital employees who are assigned to the operation of an attached, but distinct, long-term care facility. Under current law, the characteristically low wages of such employees are included in the index calculations, despite the fact that the nursing home care is not reimbursable under Medicare. Further, such affiliated nursing homes are much more common among rural than urban hospitals.

Our bill would also require a study of an alternative reimbursement system for small rural hospitals; provide for adequate reimbursement for such hospitals that are heavily dependent upon Medicare, until a new system is implemented; and extend rural referral center designations through 1991.

These steps, among others, are necessary to reach the first goal: Ensuring that the Federal Government is no longer a part of the problem. However, our efforts must not stop there. Our second goal must be to look to the future. We must offer flexibility and support to rural hospitals as they adapt to the changing demographics and health care needs of their communities.

For that reason, the Rural Health Improvement Act builds upon the successes of the Transition Grant Program—a program that assists individual hospitals in developing a health care plan that will best serve a changing population. Our bill would give to the Transition Grant Program an added dimension, by allowing the Secretary of HHS to give special attention to transition grant proposals that are based on a cooperative model.

This provision is designed to encourage health care facilities in neighboring communities to work together, to pool resources where appropriate, and to cut expenses through joint projects and purchases where possible. With transition grants, such cooperative enterprises would be voluntary, flexible, and tailored to community needs, so that the viability of each participating hospital could be ensured.

The bill includes a number of other provisions that I believe will enhance access to health care in rural areas in the coming years. Still, it is not a panacea for the rural health care crisis. This problem will require continued vigilance at every level of government. Perhaps most importantly, a permanent solution to the problem of access to health care in rural areas will require a constant dialog with those on the front lines of the battle.

Mr. President, when I began my remarks, I stated that we must consider rural health policy on at least three levels. The first level was taking corrective action so that the Federal Government will no longer be the problem. The second was to recognize that we need to offer support and flexibility in helping rural communities plan for the future.

The final level on which we must consider all health care legislation is, I think, in the context of our whole health care delivery system. Each time we identify a problem of access for a specific population—whether it be older Americans in rural America, or low-income children in inner city America—we must take pause and recognize the similarity of their plight, and the necessity of addressing the general issue of health care access.

The urgency of the rural health crisis leads me to support the specific provisions of this bill, and of S. 306, the Equity for Rural Hospitals Act, of which I am a cosponsor. The immediacy of the need requires prompt attention.

At the same time, I feel that it is incumbent on each of us to remember each time we address one aspect of the health care system, that much work must be done upon our entire system. Our overall goal in health policy must be ensuring access to health care for every American, regardless of place of residence or sufficiency of income.

Mr. President, rural hospitals are the key to health care access in communities across Nebraska and the Nation. Their continued existence is of fundamental importance to rural economies. The Rural Improvement Act of 1989 makes important progress toward maintaining the financial stability of rural hospitals in the immediate future, and helping them prepare for the changing needs and demographics of their communities. I urge my colleagues to join with us, in working to enact these important changes.●

MEETING WITH MULRONEY

Mr. DOLE. Mr. President, I was privileged this morning to join the majority leader in cohosting a coffee for Canadian Prime Minister Mulroney.

Most of us have known the Prime Minister for some time, admired his political leadership and courage, and appreciated just how reliable a friend he has been to this Nation, through some very tough times. So it came as no surprise that he spoke with so much incisiveness and common sense on issues like our free trade agreement and acid rain.

I hope that any Senators who were not able to be at the meeting will seek out their colleagues and get a good debriefing, because all of the Prime Minister's remarks are worth our serious attention.

In particular, though, I want to take this occasion to pass on some of the Prime Minister's comments on NATO. Prime Minister Mulroney is a proud leader of a great nation. He made absolutely clear that he views Canada as

a major player, on the world stage and in the alliance. And he is absolutely right.

But he also acknowledged this reality: The United States is the only real superpower in the Western Alliance, and must assert leadership if NATO is to remain United in purpose and action.

No other NATO nation can play that leadership role. And if we don't, then the alliance will not achieve the solidarity that is absolutely essential if we are to meet this great new challenge we have from Gorbachev's Soviet Union—a challenge made up of equal parts of possible opportunity and potential peril.

That is why the Prime Minister believes the upcoming NATO summit is so important. It is imperative that this be a summit from which the alliance emerges unified and reenergized, under American leadership. It is imperative that we resolve whatever differences may exist on issues like short range nuclear weapons—in a manner that preserves both alliance solidarity and American leadership.

I hope we will all give very careful heed to Prime Minister Mulroney's remarks on this matter. Because, in my view, at least, they bear application not only to the issue of alliance unity; but also to the question of our national unity, behind the President's leadership, on the great issues of national security and peace.

This is a free country; and certainly there may be no body of men and women in the world who are more determined to preserve their own freedom of word and deed than the Members of the U.S. Senate. That is how it has always been, how it should be, and how every one of us is determined to keep it.

But we are also all Americans, with a love for this Nation and a responsibility to have the national good at the very top of our agenda. Our Nation is at a very important juncture in its history. We must reassert our steady and sure leadership of the alliance. We must face our Soviet adversary with clear purpose, and speak with one voice.

More specifically, we must deal with the very sensitive issue of short range nuclear weapons in a way that does exactly what Prime Minister Mulroney prescribed—preserve alliance unity, under American leadership.

I hope that each of us will consider carefully whether right now—in the middle of this sensitive dispute with some of our alliance partners; when the President, Prime Minister Mulroney, and other alliance leaders are working actively and hard to try to resolve the differences which do exist; while some in Western Europe and, let us not forget, in the Soviet Union are poised to exploit any signs of American disunity for their own purposes—I hope we will consider whether right now is the right time to begin publicly peddling our own personal formulas for resolving issues which are under such sensitive negotiation.

The record of this first 100-plus days ought to make it clear to every Senator that this President wants, seeks, and listens to the views of the Senate, or individual Senators. I do not think we have ever experienced a President so open to dialog with this body.

But, in this instance, shouldn't this dialog be conducted quietly—in private meetings in the Oval Office or here on Capitol Hill—and not in public hearings or press conferences; events where the eyes and ears of the media are always so eager to find and report signs of disagreement; where nuances of difference in the full text of an exchange, become chasms of conflict in the next day's headlines; where the details of complex questions are lost in the need to meet deadlines and find "sound bites."

My guess is that—if any Senator has any bright ideas on how to deal with the short range nuclear weapons issue in a way that preserves both our vital national security needs and alliance unity—my guess is that President Bush would be happy to sit down quietly; quietly—and talk about those ideas.

It seems to me that is the best way to proceed. I hope all Senators will agree, and that we can carry on a productive, private dialog with the President on these very important matters—so that President Bush will go to Brussels later this month in the strongest possible position to speak for this Nation, and to provide vitally needed leadership to the alliance.

INTERNATIONAL NARCOTICS AND TERRORISM CONTROL ACT OF 1989

Mr. CRANSTON. Mr. President, I am glad to join my good friend from Massachusetts [Mr. KERRY] in introducing the International Narcotics and Terrorism Control Act of 1989. The results of the hearings and investigations conducted by the Subcommittee on Narcotics and Terrorism of the Committee on Foreign Relations during the last 2 years indicate that the problem of international drug trafficking is indeed serious. It is clear that we need to take steps to encourage cooperation among our Federal agencies involved in drug-interdiction activities and the State Department, as well as to encourage other countries to cooperate with us in our war on drugs.

The report of the subcommittee does much to explain how the lack of cooperation between the State Department and other law enforcement agencies has hampered efforts to stop the flow of drugs into our country. The legislation we are introducing today would provide some practical solutions to this problem which I believe will make our international drug-interdiction activities more effective.

With regard to those provisions in this legislation which are intended to encourage the cooperation of other countries with our drug-control efforts, I generally agree that the President should be authorized to impose optional sanctions—short of the mandatory sanctions authorized under current law—on those countries which refuse to cooperate with us. However, I have reservations about particular proposed sanctions.

For example, I am concerned that imposing the sanction which entails the denial or limitation of visas or border crossing cards to nonimmigrant nationals of a noncooperating country might unduly restrict legitimate travel from these countries. I do not believe that it is in our country's interest to deny visas to temporary workers, students, international organization personnel, foreign press, and other nonimmigrants from these countries when there is no evidence that these categories of nonimmigrants have been involved in drug-trafficking activities. Even in the case of visas issued to nonimmigrant tourists, where there is evidence of some abuse by drug traffickers, I believe that safeguards must be put in place to assure that legitimate travel is not impeded by this sanction. I am glad to see that the Senator from Massachusetts recognizes this problem, and I look forward to working with him to resolve this issue when this legislation is considered in committee.

In conclusion, I would like to reiterate that this legislation is necessary to increase the effectiveness of our drug-control efforts. The continuous supply of drugs into this country has created a crisis situation, and we must take all necessary steps to assure that our international drug-control strategy is effective. For these reasons, I urge my colleagues to support this legislation.

TRIBUTE TO DR. ERNEST STONE

Mr. HEFLIN. Mr. President, I rise today to pay tribute to Dr. Ernest Stone of Jacksonville, AL, who died on February 7. Dr. Stone devoted his entire life to the improvement of the educational system in Alabama. We remain indebted to him for his service and his many accomplishments in his various posts.

Dr. Ernest Stone distinguished himself in the classroom as well as in the work force. He earned a bachelor's degree in education from Jacksonville State University as well as bachelor's and master's degrees from the University of Alabama. He also studied at Michigan State University and Colum-

bia University. His stature in the education field has been such that he was awarded honorary doctorates from Samford University, the University of Alabama, and Jacksonville State University.

Dr. Stone's career in education spanned 48 years and included many different areas of the field. Few would have guessed the heights he would scale when he began his career as the principal of Kilpatrick Junior High School in DeKalb County, AL, near where he grew up. He served in many administrative positions before being selected to be the Alabama State school superintendent.

Alabama was fortunate to have a man of Dr. Stone's ability and intelligence serve as our State superintendent of education from 1967 to 1971. He was widely known as an expert in his field and often lent his services to others wishing to improve their education systems.

Dr. Stone believed firmly in the value of a good education at all levels and was able to support this belief while president of his alma mater, Jacksonville State University, from 1971 until he retired in 1981. He led the university through many changes in his 10 years as president and has left a lasting impression. The university has honored him by naming the Ernest Stone Performing Arts Center in his honor.

Mr. President, Dr. Ernest Stone was a fine gentleman and a devoted leader in education. He gave his life to improving education in Alabama and we will miss him greatly.

I ask unanimous consent that two articles describing Dr. Ernest Stone's accomplishments be printed in the RECORD.

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

[From the Birmingham Post-Herald, Feb. 8, 1989]

DR. ERNEST STONE, EX-JSU HEAD DIES

Dr. Ernest Stone, former state school superintendent and former president of Jacksonville State University, died yesterday after a long illness. He was 78.

The president of Jacksonville State from 1971 to 1981, Dr. Stone worked in education in Alabama for 48 years. The Ernest Stone Performing Arts Center on the JSU campus was named in his honor.

JSU's current president, Harold McGee, said Dr. Stone will be missed.

"Ernest Stone was my friend," he said. "I valued his support and continuing commitment to Jacksonville State University. His years at the university were a significant part of my heritage. We mourn the loss of that association."

Dr. Stone began his career in education as principal of Kilpatrick Junior High School in DeKalb County. After serving in various administrative posts, he became state school superintendent in 1967.

Dr. Stone grew up on Sand Mountain in DeKalb County.

Dr. Stone received a bachelor's degree in education at Jacksonville and went on to earn bachelor's and master's degrees from the University of Alabama. He studied at Michigan State University and Columbia University and received honorary doctorates from Stamford University, University of Alabama and Jacksonville State University.

Funeral will be held at 3 p.m. at Jacksonville First Baptist Church, with burial at Greenlawn Memorial Gardens, K. L. Brown Funeral Chapel presiding.

Survivors include his wife, Mrs. Katherine Stone; son, Lt. Col. William E. Stone of Fort Jackson, S.C.; sister, Mrs. Addie Wester of Albertville; and brother, D.C. Stone of Dalton, Ga.

[From the Birmingham Post-Herald, Feb. 9, 1989]

ERNEST STONE

Dr. Ernest Stone, who died Tuesday at age 79, spent his life working to improve education in Alabama.

In his 48-year career, he held a variety of administrative positions, most notably state superintendent of education from 1967 to 1971 and president of Jacksonville State University from 1971 until his retirement in 1981. Such was his reputation that on two occasions, in 1950 and again in 1969, he was asked to study or assess educational systems in other countries.

No individual serving in the positions that Stone held could avoid being involved in controversies not of his own making. But Stone preferred a low-key approach that kept the focus on his goal of providing the best possible education to Alabama's children and young adults. He believed strongly in the value of an education.

Even when serving as an elected state superintendent at a time when desegregation was being used for demagogic purposes by various politicians, he avoided the heated rhetoric and was able to serve as a link between the federal courts and local school systems, a role he took great pride in.

Dr. Ernest Stone served the people of this state well.

TRIBUTE TO RESOURCE LEARNING CENTER, SHADES VALLEY HIGH SCHOOL, BIRMINGHAM, AL

Mr. HEFLIN. Mr. President, I rise today to pay tribute to a group of students from the Resource Learning Center at Shades Valley High School in Birmingham, AL. I met Tuesday with the 24 students who are representing Alabama here in the Nation's Capital in the National Bicentennial Competition on the Constitution and Bill of Rights. These students have worked diligently to reach these national finals and have already shown their ability by winning both their district and State competitions.

Each person in this group has earned my respect for the hard work and personal sacrifices he or she has made to reach these national finals. During our meeting, the students showed a keen interest in the operation of our Government and a well-developed understanding of the Constitution. The Resource Learning Center has already gained much deserved recognition for their excellence in this area and I wish them the best of luck in their future endeavors.

In this day when so many students see the recognition gained from athletics, it is refreshing to see students receiving credit for academic excellence. I am a firm believer in this Competition on the Constitution and Bill of Rights and can think of no better way to help our students become better citizens. Through this program, over 1 million students have studied the curriculum and gained a greater understanding of our Constitution and the foundation of this country.

While the students from the Resource Learning Center deserve our respect for reaching this point, all students who participated in the program have gained from their experience. Many people have contributed to this program and helped make it a success. I want to join the students in thanking their teacher, Linda Jones, for all her support and instruction which helped them reach the finals. In addition, I would like to thank Anita Boles, the district coordinator, and Dr. David W. Sink, the State coordinator, for all their efforts. Dr. Sink especially has worked from the program's inception to ensure that as many students as possible benefit from the curriculum. He has been instrumental in developing a program in each of Alabama's seven congressional districts.

Mr. President, I am extremely proud of these students from the Resource Learning Center who are representing Alabama in the national finals of this competition. The students representing Alabama are:

Andrea Atchison, Ian A. Barnes, Ashley Belcher, Tiffany M. Brooks, Franz Bucker, Ericka D. Coats, Cynthia J. Cosby, Riley J. Farrell, Jeffrey D. Goodwin, Jennifer N. Guice, David Lin, Sandra B. Lo, Gregory J. Lukins, Jennifer D. Melvin, Jared E. Mitchem, Apryl H. Moose, Arthur B. Morrow, Jonathan L. Morton, Stephanie H. Settle, Michael W. Whitlark, Matthew L. Williams, James A. Wright, Teresia M. Hook, and Ronald K. Horn.

Thank you, Mr. President.

TRIBUTE TO DR. FREDERICK P. WHIDDON

Mr. HEFLIN. Mr. President, I rise today to pay tribute to Dr. Frederick P. Whiddon, who was selected by the Mobile Civitan Club as the 41st annual "Mobilian of the Year." I can think of no individual more worthy of this award than Dr. Whiddon.

Dr. Whiddon's most obvious and most amazing contributions to Mobile revolve around his duties as the president of the University of South Alabama. He was appointed as the university's first president in 1963 and has guided it through many trials and tribulations to the lofty status it

enjoys today. As the university's only president, Dr. Whiddon has seen the University of South Alabama undergo numerous changes during the past 25 years.

In this silver anniversary year of the University of South Alabama, Dr. Whiddon can look back over the tremendous progress he has fostered. One important aspect of a university is the students it attracts. Under Dr. Whiddon's able guidance, the university's enrollment has grown from 234 students to over 10,000 students—an incredible accomplishment by any standards.

Dr. Whiddon has not just ensured the academic success of the university, he has protected its financial security for generations to come. He led the fight to protect and document the university's ownership in Grant's Pass. His leadership in this effort defending the school's property of the Alabama coast provided the University with a perpetual endowment.

Mr. President, you might expect a man like Dr. Whiddon to be totally immersed in the operations of the university, but that is not the case. He also devoted himself to many worthy causes in the Mobile community, such as the Boy Scouts, the Allied Arts Council, the Mobile Area Chamber of Commerce, the American Red Cross, the Historic Mobile Preservation Society, and the Dauphin Way United Methodist Church.

Many of Dr. Whiddon's efforts to enhance the University of South Alabama have also directly improved the community as a whole. He was largely responsible for restoring the Saenger Theater as a center for the performing arts. He was also instrumental in obtaining Mobile General Hospital for the university and upgrading it into a modern medical facility.

Dr. Whiddon will be honored on April 7 at the awards banquet. Knowing Dr. Whiddon, I suspect he will offer credit to many others for his many accomplishments. Rest assured, Frederick Whiddon has been the driving force and the spirit which has propelled the University of South Alabama to such heights and contributed so much to Mobile. He is most deserving of this reward and I congratulate the Mobile Civitan Club on their most appropriate selection.

TRIBUTE TO JIM ODUM

Mr. HEFLIN. Mr. President, I rise today to pay tribute to a great Alabamian who has devoted over 30 years of his life helping make America's Space Program a success. Jim Odum, who is originally from Decatur, AL, recently announced his retirement from the National Aeronautics and Space Administration where he has been directing the Space Station Program.

Throughout his distinguished career at NASA, Jim Odum has held numerous vital positions in NASA. In each of these positions, Jim has exhibited the utmost ability and leadership which enabled him to succeed in these ventures. His involvement has helped bring NASA to the cutting edge of space exploration.

Jim Odum's life has been tied to the Space Program since before the Marshall Center existed. After earning a bachelor of science degree in mechanical engineering from Troy State College and Auburn University, Jim started working with Chemstrand Corp. in Decatur, AL. The call of space beckoned and in 1956, he joined the U.S. Army's rocket research and development team as a systems engineer at Alabama's Redstone Arsenal. His career with NASA was cemented in 1959 when he transferred and helped organize the Marshall Space Flight Center which opened in July 1960.

Much of Jim Odum's career was spent at the Marshall Space Flight Center in Huntsville, AL. While there, Jim managed many of NASA's most exciting and important programs. He served as the Director of the Science and Engineering Directorate, manager of the External Tank project, and manager of the Hubble Space Telescope project.

Jim Odum has long held the respect and admiration of those familiar with his work. His tireless efforts and ingenious management have enabled his programs to succeed. He has gained recognition both inside NASA and in the entire community. The numerous awards he has received for his contributions to the Space Program include two awards of the Presidential Rank of Meritorious and Distinguished Executive, earned for his efforts on the External Tank Program. He also earned the NASA Exceptional Service Medal for work on the second stage of the Apollo Saturn rocket. In addition, he won the NASA Distinguished Service Medal for work on the space shuttle and most recently, the National Space Club's Astronautics Engineer Award for Engineering and Management Leadership.

Jim Odum had one of the most distinguished careers in the history of America's Space Program. He has dedicated his life to making the United States the world leader in space research, technology, and exploration. He is a strong leader who has the sincere respect of the Congress, the administration and, most importantly, the scientific community. He will be sorely missed at NASA and in Government service, but I wish Jim all the best and hope that he will stay close to the business of space.

FSX RESOLUTION OF DISAPPROVAL

Mr. D'AMATO. Mr. President, I rise today as an original cosponsor of my good friend and distinguished colleague's resolution disapproving the proposed codevelopment and coproduction deal with Japan concerning the fighter support-experimental, or FSX, Program. While the changes made at President Bush's insistence have improved the deal, the FSX is still a bad deal for America. I urge my colleagues to join with the senior Senator from Illinois, the senior Senator from Kentucky, the junior Senator from Alabama, and myself in acting to block this program.

I plan to speak more fully on this issue during floor debate on the resolution, but I want to make these key points today:

The Japanese should have "bought American," purchasing at least 60 F-16's "off-the-shelf," rather than starting this FSX Program that will be at least three times more expensive and take twice as long to put aircraft on the runway.

The only reason for Japan not "buying American" is that they flatly refuse to do it—they want, instead, to gain vital aerospace technology which will help them dominate yet another industry, even if they have to pay three times more for these aircraft than for United States-made planes.

While "* * * sensitive source codes for the aircraft's computer will be strictly controlled; [and] access will be granted [to the Japanese] to only those codes that are essential to complete the project," according to the administration. I believe that this barrier will prove to be more Swiss cheese than Chinese wall—at the end, just as in the F-15 coproduction deal, the Japanese will get everything they want because we lack the political will to stop them.

The proposed FSX deal is indicative of a much larger problem. The United States is in the midst of an economic war with Japan and our Nation has not yet awakened to it. Consider the facts. In a 344-page report by 16 MIT—Massachusetts Institute of Technology—professors released May 2, the authors report on 2 years of study on what is wrong with U.S. corporations.

Their major findings include the fact that:

> Our weak production technologies result in the U.S. spending two-thirds of our time inventing products and one-third making them; while Japan does the opposite. Japan fields and markets technology invented in other countries so fast that other countries are forced out of the market.

A good example is the video cassette recorder [VCR]—invented in the United States but with the market now dominated by Japan.

Another fact from the MIT report is that at the peak of the Arab domination of the oil market, Arab investment in United States real property reached a level of $3 billion. It may come as a surprise to most to learn that Japan today owns over 4 billion dollars worth of United States property. Just last Monday, a prominent Japanese hotel operator agreed to pay a record breaking $110 million for the Los Angeles Hotel Bel-Air.

America must wake up, and wake up now. We are helping the Japanese business barons colonize the American economy.

The FSX deal is a good place to tell them—and those in the executive branch who have failed to preserve American jobs, technology, and economic leadership—that Congress cares and will do what is necessary to make certain that we will remain able to protect our national security without having to beg the Japanese for permission to act.

In 1982, in a report entitled "U.S. Military Coproduction Programs Assist Japan in Developing Its Civil Aircraft Industry," the General Accounting Office said the following about the Japanese decision to coproduce, and these words apply even more strongly to the FSX codevelopment and production project:

> Key objectives of Japan * * * when entering into military coproduction arrangements are obtaining advanced technology, enhancing their high-technology employment base, developing future export industries, and increasing their military self sufficiency. The Department of Defense estimates that coproduction of some items costs Japan two to three times as much as purchasing the equipment from U.S. production lines. * * * Apparently Japan considers the cost premium worth the investment in future industrial capability and increased military self-sufficiency.

In the section of this report containing GAO's conclusions and recommendations, the GAO stated "once a coproduction program has been implemented, the periodic releasability reviews by DOD [the Department of Defense] of technology previously denied result in the transfer of high technology without the other agencies' input into the decisionmaking process." This comment, too, has even more force in the FSX context.

I predict that, regardless of the statement that access to computer source codes will be strictly controlled, that this same releasability review process that GAO criticized in 1982 will take place again, and we will find that the barrier to transfer of this key technology resembles Swiss cheese instead of the Great Wall of China. The Japanese will get it all.

Let's look at what the GAO recommended in 1982:

> We recommend that the Secretary of State take the lead and, in cooperation with the United States Trade Representative and the Secretaries of Defense, Commerce, Treasury, Labor, and other relevant agencies, form a clear and more comprehensive military coproduction policy. This policy should fully recognize the trade and economic implications of military coproduction, as well as the political and military goals to be achieved. We also recommend that the Secretary of State take the lead and, in cooperation with the above-mentioned agencies:
>
> Establish procedures requiring coordination between the Office of the U.S. Trade Representative and Departments of State, Defense, Commerce, Treasury, Labor, and other relevant agencies when considering coproduction requests involving high-technology items.
>
> Develop, with input from industry, criteria for conducting economic assessments to include the impact of impending technology transfers on U.S. industry before approving and negotiating coproduction agreements.
>
> Participate with DOD in determining the releasability of high technology originally denied in MOU's.

These points have never been put into practice. Only the inclusion of Secretary Mosbacher in the review of the FSX deal takes a step in the right direction.

I point out, in particular, the final recommendation of the GAO, regarding review of the releasability of denied technology. In this case, we are not even talking about technology denied in the MOU. We are talking about a subsequent exchange of letters outside the MOU. If, in the past, we've given away denied technology which was specifically barred in the text of a MOU, how much easier will it be to give away the computer source codes allegedly protected in the FSX deal by this exchange of letters?

Mr. President, I make the point again that when the FSX deal is over, the Japanese will have taken all the United States technology they want, MOU's or letters to the contrary notwithstanding. After this debate is over, after the heat is off, the negotiations and reviews will take place behind closed doors. Rest assured that those of us who opposed this deal will never hear a word about what will be given away in these meetings. What is denied now, with great publicity, will be given away later, in secret.

What we are talking about is the survival of a dominant U.S. aerospace industry. Now, in a time of shrinking defense budgets, when the headlines are filled with news about canceled defense programs, we must not begin selling the seed corn for tomorrow's defense systems to Japan.

If we don't act, we will find ourselves buying more and more defense equipment from Japan. Then, we will find ourselves having to negotiate our foreign policy with Tokyo before we can act, because we have become dependent upon Japanese-produced military systems.

This is unacceptable and can't be allowed to happen. This is the place to draw the line and now is the time to fight this fight. If we don't, we will pay a price later.

Mr. President, I urge my colleagues to join me in supporting and voting for this most important resolution. Let's send a message to Tokyo—and to certain quarters in the executive branch—that business as usual is not good enough anymore.

THE LIFESTYLE OF THE IDAHO RANCHER

Mr. SYMMS. Mr. President, there is a dangerous pitfall in presuming that one can solve society's ills from a corner office on Pennsylvania Avenue, Washington, DC. The Federal Government, for all its great information gathering ability, will never comprehend what it takes to earn a living better than the men and women outside the beltway who struggle in that effort every day.

This could not be demonstrated more readily than in the chosen lifestyle of the western rancher. In a recent article in the Post Register of Idaho Falls, ID, Sally Larsen Bailey did a masterful job of describing the unique and instinctive individual who works for a living on the western range.

I ask unanimous consent, Mr. President, that a copy of her article be printed at this point in the RECORD.

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

INSTINCTS PROD COWS AND EX-RANCHERS AT TURN-OUT TIME

(By Sally Larsen Bailey)

Sometimes I feel like a voice in the wilderness among my newspaper colleagues who learned most of what they know at college.

You see, I eloped with a rancher at age 18. I didn't get a college education. But in a lovely little corner of the eastern Oregon desert, I learned to fight dry years, dust, April snow storms, and the Bureau of Land Management. I learned to save the dishwater for the matrimonial vine, slap mosquitoes, wash clothes in a wash boiler, cook on a wood-burning stove, and not cry when at the end of the year there wasn't enough money to pay the bank what we'd borrowed to buy for ourselves the pleasures of all of the above.

Along the way, I got an education that isn't available in books.

So when my colleagues raise their voices in righteous indignation over a rancher who dares to let his sheep set foot on land that "belongs" to elk—or when a coyote or grizzly bear can't sit down to a peaceful dinner of mutton, beef or chicken—I'm the one who says, wait a minute.

It's not always a popular stance.

Many journalists, it seems, see ranchers as tall, tanned, rich fellows who drive around in four-by-four pickup trucks with "The West Wasn't Won With A Registered Gun" plastered on the back windows. Men and women who inherited their land, and spend winters in the coffee shop, summers fishing.

Well, maybe some ranchers have it that way. We didn't.

Sure, our land had belonged to my husband's father. But we paid him the going price for it. Grandpa and Grandma Bailey couldn't retire on fresh air.

As a journalist, I'm incredibly protected. I write my little stories from a comfortable chair in an air-conditioned cocoon.

From here, it's easy to see the world "out there" as a place better run by regulations that come from studies and statistics. Where cattle are happy to live by the calendar, marching off to pasture on April 15, returning in October. (Can't you just see it—"Well, girls, just after daylight-saving time starts, we'll get to take our calves and head for the hillside!")

Believe me, it isn't that way. Since time immemorial, cattle (and ranchers) have smelled it in the wind and felt it in their bones when it's time to turn out.

My husband, who was born on the ranch, got "nervous as a pregnant nun," as he put it, when the grass was greening on the hillsides and the sky was clear and the springtime was coming early—and the cows were still confined in a tromped and muddy feed ground, sniffing the wind and getting more restless by the hour.

That wait until April 15 was worse than counting the days until Christmas.

Unless you own early range, there's nothing to do but keep on feeding hay. When cows can smell grass, they don't like hay.

And, for some reason known only to God and cows, giving birth to a calf is easier when a cow is eating grass and wandering the hillsides, not confined to a muddy corral.

A cow can't thrive on regulations alone. And neither can ranchers. I watched while the eastern Oregon desert was fenced and planted to crested wheat. The ranchers were told to take it smiling. Matter of fact, my husband, like most of the others, made ends meet for many a year by contracting out to build the fences that were ending our way of life.

Maybe we brought on a lot of our problems ourselves. When the co-op ran power lines across the desert, we signed right up for electric power, and a new stove and a washing machine and a water heater. Telephone lines soon followed. What a luxury. I could talk to my mother without driving 100 miles to town to call her.

And my husband's pictures of himself with his mowing machine and team of horses were souvenirs. We put up hay with tractors and swathers and balers. But the gasoline truck made regular visits to the ranch, the bills came regularly, and the taxes and grazing fees went up, but the price of calves never seemed to quite keep pace.

We left the farm about 20 years ago, feeling a bit like the tired old farmer in the tired old joke when the city slicker asks, "What would you do if you had a million dollars?" and the farmer says, "I guess I'd just farm 'till it was all gone."

We moved to Idaho, and my sons grew up not knowing the primal urge that tells a rancher when to torn out cows. I suppose by now that instinct has gone the way of sagebrush branding fires and long lines of wild horses trotting to water.

My sons are a carpenter and a welder. They seem happy. But sometimes, just sometimes, in the early spring when the grass is starting to come up, I wonder if we should have held on a little bit longer. Who knows, maybe there'd have come that one good year.

THIRTY-SEVENTY CONSECUTIVE OBSERVANCE OF THE NATIONAL DAY OF PRAYER

Mr. THURMOND. I rise today in support of the 37th consecutive observance of the "National Day of Prayer."

Our country was founded on a faith in God and has been supported by the prayers of its people throughout its history. We remember our forefathers who first said, "Find me the men on Earth who care enough for faith or creed today to seek a barren wilderness for simple liberty to pray." These men and women left their birthright to pursue the religious freedom which we so often take for granted. With their faith in God as its foundations, our forefathers built a nation which has prospered more than any other civilization in the history of our world.

Unfortunately, many people today have turned away from our religious heritage. As a result, the moral fabric of this country appears to be unraveling before our very eyes. Many people believe that God has simply abandoned us. I believe, however, that many individuals have abandoned God. We are no longer looking toward our Heavenly Father, in prayer and meditation, for guidance and direction as our forefathers did in centuries past. For this reason, our Nation is suffering.

If we hope to continue to enjoy the blessings of this Nation, then I believe we must again practice the faith upon which it was established. We must once again rely on prayer for the answers to the difficult questions which we face in this everchanging world.

Second chronicles chapter 7, verse 14 says: "* * * if my people, who are called by my name, will humble themselves and pray and seek my face and turn from their wicked ways, then I will hear from heaven and will forgive their sin and will heal their land." Let this be our prayer, today, on our country's National Day of Prayer. May God bless the Congress of these United States of America and may He install in each of us the wisdom and discernment required to meet the demands of the positions which we hold.

A TRIBUTE TO NURSES

Mr. BURDICK. Mr. President, Saturday, May 6, is "National Nurses Day." The 1.3 million nurses in this country deserve recognition for their outstanding work. Nurses play a lead in health care, spending more time with patients than any other group of health care professionals. These men and women are the backbone of our health care system.

Since Florence Nightingale first brought the spotlight to nursing, the field had changed substantially. Today's nurses are highly trained and educated to serve a variety of health care needs. The current shortage of nurses in many areas shows the demand for their services, but unfortunately salaries and Federal reimbursement policies do not adequately reflect their value in the health care community.

As cochair of the Senate rural health caucus, I believe that nurses can go a long way toward meeting the unique needs of our rural population. Their skills can mean the difference between life and death in any emergency.

I hope National Nurses Day will call attention to the honorable and rewarding profession of nursing. I call on my colleagues to join me in thanking the nurses of this Nation for their valuable work. Thank you.

REVENUE OPTIONS FOR THE FINANCE COMMITTEE

Mr. BUMPERS. Mr. President, this budget resolution calls on the finance committee to raise $5.3 billion in additional revenue for fiscal 1990. This resolution contains reconciliation instructions which will compel the Finance Committee to take action.

I am not a member of the Finance Committee but I would like to take a minute here to discuss some of the revenue options that the Finance Committee might want to consider in meeting its obligations under this resolution.

Over the last year I have been researching two revenue options with the congressional Joint Committee on Taxation. The two options are a freeze on tax indexation and a surcharge on income tax liability. I believe that the Finance Committee should give consideration to each of these two options as it considers tax legislation.

FREEZE ON TAX INDEXATION

This budget resolution calls on the Senate committees to freeze most spending programs at last year's level. If we are going to freeze most spending programs, it makes sense to me to consider freezing the Government tax system as well and that is what I want to discuss first.

Last year I requested a study by the Joint Committee on Taxation on the revenue implications of freezing tax indexation and I want to make that study available here.

I request that a copy of a letter of Mr. Ronald A. Pearlman, staff director of the joint committee, of July 7, 1988, with attachments be printed at this point in the RECORD.

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

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON TAXATION,
Washington, DC, July 7, 1988.

Hon. DALE BUMPERS,
U.S. Senate, Washington, DC.

DEAR SENATOR BUMPERS: This is in response to your request for a revenue estimate and distributional effects for several options relating to delaying inflation adjustments for the tax brackets (including the dollar amount used for phaseout benefits of the 15% bracket), the standard deduction amounts, and the personal exemption amounts.

Specifically, you requested revenue and distributional effects of one-year, two-year, and three-year delays of inflation adjustments. Using recent forecasts for inflation from the Congressional Budget Office (CBO), we have estimated these options to have the following revenue effects:

[In billions of dollars]

	Fiscal year—						
	1989	1990	1991	1992	1993	1988–91	1988–93
Delay of inflation adjustments:							
1 yr	2.8	6.7	9.3	10.6	11.1	18.8	40.5
2 yr	2.8	10.0	17.2	21.3	23.3	30.0	74.6
3 yr	2.8	10.0	20.6	29.5	34.3	33.4	97.2

For each of these options, the enclosed tables provide the distributional effects as specified by Chuck Ludlam of the Small Business Committee staff.

I hope this information will be helpful to you. If we can be of any additional assistance, please let me know.

Sincerely,

RONALD A. PEARLMAN.

DISTRIBUTIONAL IMPACT OF DELAYING INDEXATION OF BRACKETS, STANDARD DEDUCTION, AND EXEMPTIONS

Income class (1988 dollars)	Change in average tax liability	Percentage change in tax liability
1 YEAR		
Calendar year 1989:		
0 to $10,000	15	(1)
$10,000 to $20,000	19	2.8
$20,000 to $30,000	40	2.2
$30,000 to $40,000	49	1.6
$40,000 to $50,000	122	2.7
$50,000 to $75,000	172	2.1
$75,000 to $100,000	189	1.4
$100,000 to $200,000	296	1.1
$200,000 and over	234	.2
Total	71	1.6
Calendar year 1990:		
0 to $10,000	30	(1)
$10,000 to $20,000	37	5.1
$20,000 to $30,000	61	3.2
$30,000 to $40,000	62	2.0
$40,000 to $50,000	129	2.7
$50,000 to $75,000	219	2.5
$75,000 to $100,000	246	1.7
$100,000 to $200,000	367	1.3
$200,000 and over	295	.2
Total	90	1.9
2 YEARS		
Calendar year 1990:		
0 to $10,000	44	(1)
$10,000 to $20,000	55	7.7
$20,000 to $30,000	90	5.2
$30,000 to $40,000	97	3.1
$40,000 to $50,000	244	5.1
$50,000 to $75,000	409	4.6
$75,000 to $100,000	475	3.3
$100,000 to $200,000	708	2.5
$200,000 and over	509	.4
Total	158	3.4

DISTRIBUTIONAL IMPACT OF DELAYING INDEXATION OF BRACKETS, STANDARD DEDUCTION, AND EXEMPTIONS—Continued

Income class (1988 dollars)	Change in average tax liability	Percentage change in tax liability
Calendar year 1991:		
0 to $10,000	66	(1)
$10,000 to $20,000	85	11.4
$20,000 to $30,000	146	7.5
$30,000 to $40,000	151	4.7
$40,000 to $50,000	323	6.5
$50,000 to $75,000	515	5.6
$75,000 to $100,000	581	3.9
$100,000 to $200,000	843	2.8
$200,000 and over	566	.4
Total	213	4.3
3 YEARS		
Calendar year 1989:		
0 to $10,000	79	(1)
$10,000 to $20,000	103	13.8
$20,000 to $30,000	186	9.5
$30,000 to $40,000	189	5.9
$40,000 to $50,000	451	9.1
$50,000 to $75,000	697	7.6
$75,000 to $100,000	810	5.4
$100,000 to $200,000	1,155	3.8
$200,000 and over	707	.5
Total	280	5.7
Calendar year 1992:		
0 to $10,000	101	(1)
$10,000 to $20,000	135	17.4
$20,000 to $30,000	235	11.6
$30,000 to $40,000	247	7.4
$40,000 to $50,000	545	10.5
$50,000 to $75,000	812	8.4
$75,000 to $100,000	943	5.9
$100,000 to $200,000	1,294	4.0
$200,000 and over	822	.5
Total	338	6.5

[1] The average tax liability in this class is negative. This proposal reduces the average refund.

Source: Joint Committee on Taxation, July 5, 1988.

Mr. BUMPERS. Mr. President, there are many aspects of the Tax Code which are indexed for inflation, the tax brackets, including the phaseout for the benefits of the 15-percent bracket, the standard deduction amount, and the personal exemption amounts. The joint tax study analyzes the revenue impact of freezing all three of these items and it covers freezes for 1, 2, and 3 years.

A 1-year freeze generates $2.8 billion in revenue in the first year. The Finance Committee is called on in this budget resolution to raise $5.3 billion.

A 1-year freeze has an impact on revenue in each succeeding year because each year the tax brackets, standard deduction, and personal exemption would be affected by that 1-year freeze. So, the 1-year freeze would generate $6.7 billion in additional revenue in the second year, $9.3 billion in the third year, $10.6 billion in the fourth year, and $11.1 billion in the fifth year. The 5-year total increase in revenue would be $40.5 billion.

The reconciliation instruction to the Finance Committee only covers revenue for the first year and there are no requirements for raising revenue in succeeding years. In addition, the amounts of revenue which are raised by a 1-year freeze may be more than we need to raise. The economy may not be strong enough to raise such large amounts of additional revenue.

Just as important as the revenue impact of a tax freeze is the question of who would pay these additional taxes. The joint committee study presents a detailed chart showing the distributional effect of the freeze. It finds that the distribution is progressive in terms of the increase in dollar tax liability but it is not progressive in terms of the percentage change in tax liability. This troubles me.

There may be ways to limit the indexation freeze to create a more progressive distribution of the burden. The freeze might only apply to the 28-percent tax bracket, for example, or it might only freeze one of the tax items which are currently indexed. These options need to be researched.

I want to caution that the joint committee study was completed last year and its inflation assumptions might be slightly higher this year than they were last year. If this is true, then the tax system freeze option would generate more revenue than the study I have outlined here.

Let me make one final point. Indexation of the tax system reduces revenue, which increases the deficit. Indexation of various spending programs increases spending, which increases the deficit. Indexation of the tax system and of spending programs both increase the deficit. They constitute a double-whammy on the deficit. We need to be aware of this impact and to focus on what it means for coming to grips with the deficit.

TAX SURCHARGE

In addition to researching the revenue and distributional impact of a freeze on tax indexation, the joint committee has prepared for me a study of the revenue and distributional impact of adopting a 1- to 10-percent surcharge on tax liability.

In 1968 the Congress adopted a tax surcharge to pay for the Vietnam war and great society programs. That surcharge increased individual income tax liability by 7.5 percent in 1968 and 5 percent in 1969 and increased corporate income tax liability by 10 percent in 1968 and 5 percent in 1969. The surcharge analyzed by the joint committee is based on this same model except that it has analyzed surcharges of different percentage amounts.

The joint committee has found that a 1-percent surcharge on individual taxpayers generates $2.5 billion in 1990. A 2-percent surcharge raises $5 billion in 1990, almost exactly what this budget resolution calls for.

If the surcharge is extended, additional amounts of revenue are generated.

Similarly, a 1-percent surcharge on corporate taxpayers would generate $1.3 billion in fiscal year 1990. A 2-percent surcharge would raise $2.7 billion and a 3-percent surcharge would raise $4.1 billion.

Again, if the surcharge is extended, additional amounts of revenue are generated.

The distributional impact of a surcharge on individual taxpayers is strictly progressive, as one would expect. In this sense, it is more desirable than the tax system freeze option.

I request that a copy of a letter of Mr. Ronald A. Pearlman, staff director of the joint committee, of April 20, 1989, with attachments be printed at the conclusion of my remarks.

CONSISTENCY WITH TAX REFORM

I am sure that it will be argued by some that both of these proposals violate the President's no tax increase pledge.

Well, it's clear that they do violate that pledge, but I will say that both of these proposals are for temporary changes in the tax system, not permanent changes. Both of them can be implemented for 1 or more years.

In this sense they do not tamper with the structure and content of the tax reform law. As soon as the tax freeze or surcharge are lifted, the tax system would return to its present state. So, these two proposals do not present a threat to the tax reform law.

In addition, both of these proposals spread the impact of the tax increases out among all taxpayers. If we are moving to meet the deficit crisis, every one should make a contribution to the effort. If the Finance Committee chooses instead to close tax loopholes the tax increases will be paid by those unlucky few whose loopholes are closed.

A tax freeze and a surcharge both call on the American people to make a sacrifice. If we are serious about cutting the deficit, we must call on all Americans to join in the effort.

That is why I am suggesting here that these two revenue increase options be considered by the Finance Committee.

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

JOINT COMMITTEE ON TAXATION,
Washington, DC, April 20, 1989.

Hon. DALE BUMPERS,
U.S. Senate, Washington, DC.

DEAR SENATOR BUMPERS: This is in response to your request for a revenue estimate and distributional analysis of an income tax surtax similar in structure to that levied by the Revenue and Expenditure Control Act of 1968. That act increased individuals' tax rates 7.5 percent in 1968 and 5 percent in 1969, and increased corporate tax rates 10 percent in 1968 and 5 percent in 1969.

The attached tables show the revenue effects of alternative increases, ranging from 1 percent to 10 percent in individual and corporation tax rates. These estimates assume an effective date of January 1, 1990. We have also provided an analysis of the 1990 distributional effects on individual taxpayers for each rate option.

I hope that this information is of use to you. If we can be of further assistance, please do not hesitate to contact us.

Sincerely,

RONALD A. PEARLMAN.

SURTAX ON INDIVIDUAL INCOME

[Fiscal years 1990–94, in billions of dollars]

Surtax	1990	1991	1992	1993	1994	1990–94
1 percent	2.5	4.8	5.2	5.6	6.0	24.1
2 percent	5.0	9.6	10.3	11.4	12.0	48.3
3 percent	7.6	14.4	15.5	16.7	18.0	72.1
4 percent	10.1	19.2	21.6	22.3	24.1	97.3
5 percent	12.6	24.0	26.0	28.2	30.6	121.4
6 percent	15.2	28.7	31.0	33.5	36.1	144.5
7 percent	17.7	33.5	36.2	39.1	42.2	168.7
8 percent	20.2	38.3	41.4	44.7	48.2	192.7
9 percent	22.7	43.1	46.6	50.2	54.2	216.8
10 percent	25.3	47.9	51.7	55.8	60.2	240.9

Joint Committee on Taxation, Apr. 20, 1989.

Note.—Assumed effective date of Jan. 1, 1990.

SURTAX ON CORPORATE INCOME

[Fiscal years 1990–94, in billions of dollars]

Surtax	1990	1991	1992	1993	1994	1990–94
1 percent	1.3	2.5	2.7	3.0	3.3	12.9
2 percent	2.7	5.0	5.5	6.1	6.7	26.0
3 percent	4.1	7.5	8.4	9.2	10.1	39.4
4 percent	5.5	10.2	11.3	12.4	13.5	52.9
5 percent	7.1	12.8	14.2	15.6	17.0	66.7
6 percent	8.5	15.5	17.2	18.8	20.5	80.6
7 percent	10.1	18.3	20.2	22.1	24.0	94.6
8 percent	11.6	21.0	23.2	25.3	27.6	108.8
9 percent	13.1	23.8	26.3	28.6	31.2	123.1
10 percent	14.7	26.6	29.4	31.9	34.8	137.4

Joint Committee on Taxation, Apr. 20, 1989.

Note.—Assumed effective date of Jan. 1, 1990.

DISTRIBUTIONAL IMPACT OF 1 PERCENT SURTAX ON INDIVIDUAL INCOME

[Calendar year 1990]

Income class (thousands of dollars)	Tax increase			Percent change in tax liability
	Returns (thousands)	Amount (millions)	Average (dollars)	
Less than $10,000	4,963	21	4	(1)
$10,000 to $20,000	21,490	252	12	1.2
$20,000 to $30,000	21,201	442	21	1.0
$30,000 to $40,000	14,810	480	32	1.0
$40,000 to $50,000	8,101	403	50	1.0
$50,000 to $75,000	9,389	840	89	1.0
$75,000 to $100,000	1,960	282	144	1.0
$100,000 to $200,000	2,683	777	290	1.0
$200,000 and over	756	1,055	1,397	1.0
Total	89,353	4,552	53	1.0

[1] Percentage change meaningless due to negative tax liability.

Joint Committee on Taxation, Apr. 20, 1989.

DISTRIBUTIONAL IMPACT OF 2 PERCENT SURTAX ON INDIVIDUAL INCOME

[Calendar year 1990]

Income class (thousands of dollars)	Tax increase			Percent change in tax liability
	Returns (thousands)	Amount (millions)	Average (dollars)	
Less than $10,000	5,296	43	8	(1)
$10,000 to $20,000	21,807	504	23	2.4
$20,000 to $30,000	21,291	885	42	2.1
$30,000 to $40,000	14,836	959	65	2.0
$40,000 to $50,000	8,101	807	100	2.0
$50,000 to $75,000	9,389	1,679	179	2.0
$75,000 to $100,000	1,960	563	287	2.0
$100,000 to $200,000	2,683	1,454	579	2.0
$200,000 and over	757	2,113	2,790	1.9
Total	86,122	9,108	106	2.0

[1] Percentage change meaningless due to negative tax liability.

Joint Committee on Taxation, Apr. 20, 1989.

DISTRIBUTIONAL IMPACT OF 3-PERCENT SURTAX ON INDIVIDUAL INCOME

[Calendar year 1990]

Income class (thousands of dollars)	Tax increase			Percent change in tax liability
	Returns (thousands)	Amount (millions)	Average (dollars)	
Less than $10,000	5,380	65	12	[1]
$10,000 to 20,000	21,941	756	34	3.6
20,000 to 30,000	21,334	1,327	62	3.1
30,000 to 40,000	14,836	1,439	97	3.0
40,000 to 50,000	8,101	1,210	149	3.0
50,000 to 75,000	9,389	2,519	268	3.0
75,000 to 100,000	1,960	845	431	3.0
100,000 to 200,000	2,684	2,332	869	3.0
200,000 and over	760	3,174	4,176	2.9
Total	86,385	13,666	158	3.0

[1] Percentage change meaningless due to negative tax liability.

Source: Joint Committee on Taxation, Apr. 20, 1989.

DISTRIBUTIONAL IMPACT OF 4-PERCENT SURTAX ON INDIVIDUAL INCOME

[Calendar year 1990]

Income class (thousands of dollars)	Tax increase			Percent change in tax liability
	Returns (thousands)	Amount (millions)	Average (dollars)	
Less than $10,000	5,441	86	16	[1]
$10,000 to 20,000	21,972	1,009	46	4.8
20,000 to 30,000	21,344	1,769	83	4.1
30,000 to 40,000	14,839	1,919	129	4.0
40,000 to 50,000	8,102	1,613	199	4.0
50,000 to 75,000	9,390	3,359	358	4.0
75,000 to 100,000	1,960	1,127	575	3.9
100,000 to 200,000	2,686	3,109	1,157	4.0
200,000 and over	762	4,239	5,561	3.8
Total	86,498	18,229	211	4.0

[1] Percentage change meaningless due to negative tax liability.

Source: Joint Committee on Taxation, Apr. 29, 1989.

DISTRIBUTIONAL IMPACT OF 5-PERCENT SURTAX ON INDIVIDUAL INCOME

[Calendar year 1990]

Income class (thousands of dollars)	Tax increase			Percent change in tax liability
	Returns (thousands)	Amount (millions)	Average (dollars)	
Less than $10,000	5,454	108	20	[1]
$10,000 to 20,000	22,032	1,261	57	6.0
20,000 to 30,000	21,350	2,212	104	5.1
30,000 to 40,000	14,847	2,398	162	5.0
40,000 to 50,000	8,102	2,016	249	5.0
50,000 to 75,000	9,390	4,198	447	5.0
75,000 to 100,000	1,960	1,408	718	4.9
100,000 to 200,000	2,689	3,887	1,446	4.9
200,000 and over	763	5,305	6,952	4.8
Total	89,353	22,794	263	5.0

[1] Percentage change meaningless due to negative tax liability.

Source: Joint Committee on Taxation, Apr. 20, 1989.

DISTRIBUTIONAL IMPACT OF 6-PERCENT SURTAX ON INDIVIDUAL INCOME

[Calendar year 1990]

Income class (thousands of dollars)	Tax increase			Percent change in tax liability
	Returns (thousands)	Amount (millions)	Average (dollars)	
Less than $10,000	5,467	130	24	[1]
$10,000 to 20,000	22,059	1,514	69	7.2
20,000 to 30,000	21,358	2,654	124	6.2
30,000 to 40,000	14,847	2,878	194	6.0
40,000 to 50,000	8,102	2,419	299	6.0
50,000 to 75,000	9,392	5,038	536	6.0
75,000 to 100,000	1,960	1,690	862	5.9
100,000 to 200,000	2,689	4,665	1,735	5.9
200,000 and over	764	6,373	8,339	5.8
Total	86,637	27,361	316	6.0

[1] Percentage change meaningless due to negative tax liability.

Source: Joint Committee on Taxation, Apr. 20, 1989.

DISTRIBUTIONAL IMPACT OF 7-PERCENT SURTAX ON INDIVIDUAL INCOME

[Calendar year 1990]

Income class (thousands of dollars)	Tax increase			Percent change in tax liability
	Returns (thousands)	Amount (millions)	Average (dollars)	
Less than $10,000	5,481	151	28	[1]
$10,000 to $20,000	22,123	1,766	80	8.4
$20,000 to $30,000	21,376	3,097	145	7.2
$30,000 to $40,000	14,851	3,358	226	7.1
$40,000 to $50,000	8,101	2,822	348	7.0

DISTRIBUTIONAL IMPACT OF 7-PERCENT SURTAX ON INDIVIDUAL INCOME—Continued

[Calendar year 1990]

Income class (thousands of dollars)	Tax increase			Percent change in tax liability
	Returns (thousands)	Amount (millions)	Average (dollars)	
$50,000 to $75,000	9,397	5,878	625	7.0
$75,000 to $100,000	1,962	1,972	1,005	6.9
$100,000 to $200,000	2,689	5,443	2,024	6.9
$200,000 and over	766	7,443	9,718	6.7

DISTRIBUTIONAL IMPACT OF 7-PERCENT SURTAX ON INDIVIDUAL INCOME—Continued

[Calendar year 1990]

Income class (thousands of dollars)	Tax increase			Percent change in tax liability
	Returns (thousands)	Amount (millions)	Average (dollars)	
Total	86,746	31,930	368	7.0

[1] Percentage change meaningless due to negative tax liability.

Source: Joint Committee on Taxation, Apr. 20, 1989.

DISTRIBUTIONAL IMPACT OF 8-PERCENT SURTAX ON INDIVIDUAL INCOME

[Calendar year 1990]

Income class (thousands of dollars)	Tax increase			Percent change in tax liability
	Returns (thousands)	Amount (millions)	Average (dollars)	
Less than $10,000	5,495	173	31	[1]
$10,000 to $20,000	22,126	2,019	91	9.6
$20,000 to $30,000	21,377	3,539	166	8.2
$30,000 to $40,000	14,853	3,837	258	8.1
$40,000 to $50,000	8,102	3,225	398	8.1
$50,000 to $75,000	9,398	6,717	715	8.0
$75,000 to $100,000	1,962	2,254	1,149	7.9
$100,000 to $200,000	2,689	6,221	2,314	7.9
$200,000 and over	767	8,514	11,107	7.7
Total	86,768	36,499	421	8.0

[1] Percentage change meaningless due to negative tax liability.

Source: Joint Committee on Taxation, Apr. 20, 1989.

DISTRIBUTIONAL IMPACT OF 9-PERCENT SURTAX ON INDIVIDUAL INCOME

[Calendar year 1990]

Income class (thousands of dollars)	Tax increase			Percent change in tax liability
	Returns (thousands)	Amount (millions)	Average (dollars)	
Less than $10,000	5,507	195	35	(1)
$10,000 to $20,000	22,137	2,272	103	10.8
$20,000 to $30,000	21,388	3,981	186	9.3
$30,000 to $40,000	14,855	4,317	291	9.1
$40,000 to $50,000	8,102	3,629	448	9.1
$50,000 to $75,000	9,399	7,557	804	9.0
$75,000 to $100,000	1,962	2,535	1,293	8.9
$100,000 to $200,000	2,690	6,999	2,602	8.9
$200,000 and over	768	9,586	12,482	8.7
Total	86,807	41,071	473	9.4

[1] Percentage change meaningless due to negative tax liability.

Source: Joint Committee on Taxation, Apr. 20, 1989.

DISTRIBUTIONAL IMPACT OF 10-PERCENT SURTAX ON INDIVIDUAL INCOME

[Calendar year 1990]

Income class (thousands of dollars)	Tax increase			Percent change in tax liability
	Returns (thousands)	Amount (millions)	Average (dollars)	
Less than $10,000	5,523	216	39	(1)
$10,000 to $20,000	22,163	2,524	114	12.0
$20,000 to $30,000	21,391	4,424	207	10.3
$30,000 to $40,000	14,855	4,796	323	10.1
$40,000 to $50,000	8,102	4,032	498	10.1
$50,000 to $75,000	9,399	8,396	893	10.0
$75,000 to $100,000	1,962	2,817	1,436	9.9
$100,000 to $200,000	2,690	7,778	2,891	9.9
$200,000 and over	769	10,661	13,865	9.7
Total	86,855	45,644	526	10.1

[1] Percentage change meaningless due to negative tax liability.

Source: Joint Committee on Taxation, Apr. 20, 1989.

THE TRAGEDY OF THE U.S.S. "IOWA"

Mr. WARNER. Mr. President, the tragedy of the U.S.S. *Iowa* clearly reminds all Americans that the price of freedom is not cheap, but often comes at great cost.

The men and women of our armed services take risks every day. We must always remember that we owe them our total support and our greatest respect, for they are the defenders of our freedom and the protectors of our great Nation.

Mr. President, on May 1, the distinguished Senator from North Carolina [Mr. HELMS], inserted in the RECORD the text of the remarks made at the memorial service on April 24 at Norfolk.

On April 20, the Secretary of the Navy, the Hon. William Ball, addressed the Nation in Dover, DE, concerning the tragedy on board the U.S.S. *Iowa*. Mr. President, Secretary Ball's comments were particularly poignant in that only a few weeks prior he was with these men in turret two during a live fire exercise.

I ask unanimous consent that the text of the Secretary's remarks be printed in the RECORD. I am sure that my colleagues will agree that Secretary Ball humbly expressed the deep sorrow and sympathy of a grateful Nation.

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

SECRETARY BALL'S REMARKS IN DOVER, DE, ON APRIL 20, 1989

Today, we gather in time of great sorrow to mourn a terrible loss—a tragedy that has visited one of our great ships and taken from us 47 of our brave men. We are here to receive them on their last return from the sea and to share as best we know how in the grief that hangs over their families, their wives, sons and daughters, their fathers and mothers, and their friends.

Our President grieves with us this day. He knows the special agony which is like no other that attends the loss of a shipmate—he knows the dangers of serving at sea, he knows the incomparable sacrifices made by those who choose to wear the uniform of our naval service, those who must leave our friendly shores even in peacetime to train, to prepare, and to protect our ideals beyond distant horizons, across vast oceans, away from home and family.

The sacrifice made by these men is a jolting reminder of the dangers faced by those who freely make that choice and serve at sea * * * it is a reminder also of the struggle we as a nation must sustain to protect the heritage, the freedom, and the principles that undergird our national life.

These men understood that. They knew of the hazards of their work and they recognized its vital purpose. And they were proud of their ship, of their shipmates, of the captain, and of their guns. And they were proud of their own ability to do such extraordinary good work—hard, punishing, often grueling work performed with skill and dedication for a purpose so important to mankind. And yet so inadequately recognized by many of the world's free people today.

I had met a number of these men. I had sailed with them and had crawled around inside their turrets, shaken their greasy hands, felt the strong sure grip that only a gunners mate can give, seen the ready grin on their faces and watched the steady and rough way they went about their work. They were good sailors; grown accustomed to hardship at sea; and it was out of that hardship that there grew the devotion to one another that in turn created that unbeatable spirit which marks the crew of a good (gun) and which molds the crew of a fine ship. These men had come to share that kind of spirit, and theirs was the hallmark reserved for those who have struggled together, learned together, lived together, and overcome together the trials that would undo lesser men * * * and the adversities that those who do not go to sea cannot know or comprehend.

It is our prayer today that they will go from here to their resting places certain in the knowledge that a grateful nation will not forget—that we find their pride in themselves to be hard-earned and well-deserved and that our debt to them will not go unrecorded in the hearts and minds of those to whom freedom in God's greatest gift.

SOUTH AFRICA ANTI-APARTHEID ACTIVIST ASSASSINATED

Mr. LEVIN. Mr. President, earlier this week David Webster, a prominent anti-aparthied activist—a man of great compassion—was assassinated. The killing was brutal, and appears to have been the work of professionals.

It was a holiday in South Africa. David Webster and his companion had driven to a nursery to buy some plants. Back at his home, they were unloading the plants from the car when a speeding car drove past. Someone in the car gunned David Webster down. Police believe it was a shotgun, a weapon used by professional killers to guarantee death and to hide the identity of the assassin's weapon.

David Webster was dedicated to building nonracial unity. His vision was simple and decent. He wanted to help lay the foundations for a just and democratic future in South Africa. For this, he was assassinated. He died because he believed in unity and democracy in a country which has neither.

David Webster was a distinguished academic and a prolific writer. He was a senior lecturer in social anthropology at Johannesburg's Witwatersrand University. And he was a devoted civil rights campaigner. He was in the forefront of a variety of political action groups committed to nonviolent change, including the Johannesburg Democratic Action Committee; the Conference Academics for a Democratic Society; the Detainees' Education and Welfare; and the Detainees' Parents Support Committee—an organization which fights to improve the conditions under which those detained under South Africa's oppressive laws are imprisoned.

David Webster campaigned tirelessly for an end to detention without trial in South Africa. He campaigned for an end to apartheid in many ways. He wrote articles for papers and scholarly journals, made speeches and arranged gatherings for released detainees and relatives of those still incarcerated. These were harmless nonviolent get-togethers.

David Webster knew that his campaign was not without danger. The Detainees' Parent Support Committee—of which he was such an important member—was silenced on February 24, 1988, by a restriction order issued by the South African authorities. He was also ordered by a police officer not to hold any more tea parties for released detainees.

Life in South Africa is extremely difficult for those who seek a more just and democratic South Africa. David Webster was one of those people.

Mr. President, I know that David Webster was loved and respected by millions of South Africans. I have heard from sources inside South Africa that thousands are planning to attend his funeral on Saturday, May 6. In a letter to South Africa Ambassador Koornhof delivered earlier today, I urged the Ambassador to convey to

President P.W. Botha my concern that there be no restrictions placed on David Webster's funeral.

The Washington Post and the New York Times recently published articles on David Webster's assassination. I ask unanimous consent that they be printed in the RECORD.

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

[From the New York Times, May 2, 1989]

ANTI-APARTHEID WORKER KILLED

JOHANNESBURG, May 1.—A white anti-apartheid campaigner was shot and killed today outside his home by an assailant firing from a passing car, the police said.

Colleagues said they had no doubt that the man, David Webster, 44 years old, was assassinated because of his political activities.

Mr. Webster, a lecturer in social anthropology at the University of the Witwatersrand in Johannesburg and a prominent member in several anti-apartheid organizations, was a strong opponent of the Government's policy of detention without trial and held periodic tea parties for the families of detained blacks.

The police said Mr. Webster died shortly after he was hit in the back by a bullet fired from a heavy-caliber weapon outside his home in the Johannesburg neighborhood of Troyeville. Nothing was known about the assailant, police said, adding that they had no information on either the race or sex of the person who shot Mr. Webster.

With Mr. Webster at the time was Maggie Friedman, a fellow member of the Human Rights Commission, a Johannesburg-based monitoring group established by anti-apartheid workers last year.

She said she heard a noise from a passing car that she thought had backfired, then saw Mr. Webster stagger and tell her: "I've been shot with a shotgun. Get an ambulance."

"It is clear to me that his killing was a highly professional job," she said. "I find it frightening that those who opposed him were prepared to go to such lengths to eliminate someone."

Dozens of blacks who are active in the anti-apartheid movement have been killed in recent years in unsolved murders. The Five Freedoms Forum, a human rights groups with which Mr. Webster worked, said the shooting of Mr. Webster was one of the first assassinations of a white dissident.

"The only beneficiaries of his death are those who have an interest in perpetuating this evil system," said Mohammed Valli Moosa, an unofficial spokesman for anti-apartheid groups.

[From the Washington Post, May 2, 1989]

WHITE ACTIVIST IS ASSASSINATED IN SOUTH AFRICA

PROMINENT RIGHTS FIGURE AIDED POLITICAL PRISONERS

(By Allister Sparks)

JOHANNESBURG, May 1.—In the latest in a series of attacks on government opponents, a prominent white civil rights campaigner was assassinated today when gunmen in a speeding car shot him down outside his home in a Johannesburg suburb.

David Webster, 44, was active in groups that assisted political prisoners and their families. He was a senior lecturer in social anthropology at Johannesburg's Witwatersrand University and a strong supporter of student activists in the anti-apartheid National Union of South African Students, which recently named him an honorary vice president.

He had also made a study of what he called "informal repression," or techniques of intimidation, including assassinations and other attacks, designed to silence opponents of the government's apartheid system of segregation. Webster's friends said he had written a major article on the subject that was due to be published soon.

"Now he has fallen victim to what he was warning about," said Max Coleman, a long-time colleague who was one of the founders of an organization called the Detainee's Parents' Support Committee for which Webster worked.

"I suppose this must be taken as a message, as a threat, to the rest of us, but I don't think it is going to deter any of us one bit," Coleman added.

Webster was highly regarded even beyond his own political circle and his assassination has caused an outcry. A multiracial crowd of about 1,000 attended a memorial service at Witwatersrand University tonight, at which statements from a variety of organizations expressing outrage at his killing were read out.

Today was a public holiday in South Africa and Margaret Friedman, with whom Webster lived, said the two of them had planned to spend the day gardening. They had driven to a nursery to buy plants, and when they returned Webster parked his van in the street outside their modest Victorian-style home in the suburb of Troyeville. It was midmorning, with neighbors sitting on their porches and people strolling in the street.

Webster stepped out of the van and was about to take the plants out of the back, Friedman said, when a white car raced down the street and she heard a loud report as it passed them.

"I thought it was a backfire," Friedman said, "then I heard David say, 'I've been shot.'" He collapsed on the sidewalk and died.

Police said they thought the killer may have used a shotgun, a popular weapon among professional assassins because it leaves no bullet that ballistics experts can match to a gun.

There have been more than 100 assassinations, bombings and other attacks on apartheid opponents and their property over the last four years, according to a monitoring group called the Human Rights Commission.

Several prominent members of the exiled African National Congress, the main black nationalist movement, have also been assassinated in neighboring African countries and in Europe.

No culprits have ever been found or charged by the South African police, leading to a growing suspicion in anti-apartheid circles that a hit squad is operating with the tacit approval of the authorities. Police and government officials deny this.

Mr. LEVIN. Mr. President, I ask unanimous consent to have printed in the RECORD the statements of three prominent and highly respected organizations in South Africa on this tragedy.

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

STATEMENT ISSUED BY DETAINEES' EDUCATION AND WELFARE REGARDING THE ASSASSINATION OF ITS MEMBER DR. DAVID WEBSTER, MAY 2, 1989

Detainees' Education and Welfare (DEW) expresses its shock and loss at the assassination of one of our members, David Webster.

David was a central figure in DEW and took a leading role in the activities of the group, especially in the organising and running of tea parties for the families and friends of detainees and ex-detainees.

At the last three tea parties members of the security police, SAP and SADF interrupted the events in large and intimidatory numbers. More than once David was told that he would be held responsible for anything that occurred to them. After a tea party in Alexandra, David was told by the security police that DEW would not be allowed to hold anymore tea parties. However, we did and on the last occasion the police once more closed the meeting. This was a mere ten days ago.

Our anger at what has happened to David comes at a time when another member of DEW has, over the last few weeks, received threatening telephone calls.

We salute our comrade and friend David and his contribution towards a non-racial and democratic South Africa. His death will not be in vain.

Hamba Kahle David.

STATEMENT BY THE DETAINEES PARENTS SUPPORT COMMITTEE [DPSC] ON THE ASSASSINATION OF DAVID WEBSTER MAY 2, 1989.

The Detainees Parents Support Committee (DPSC) is shocked and outraged at the brutal assassination of David Webster. In our view, there is only one group which stood to gain from this act: those who are dedicated to perpetuating the brutal and vicious system which David dedicated his life to opposing.

David was known to us and thousands of others as a caring, committed and compassionate person. He has worked for many years to achieve one goal only: to help those who have been the victims of repression in this country and to put an end to the root causes of that suffering.

David was a long-time, active and dedicated member of the Detainees Parents Support Committee (DPSC). For many years he fought for the rights of those who are locked up in the prisons and police stations of this country for fighting for their basic rights as citizens of South Africa.

Through his active work in the Detainees Movement, David became an authority on various forms of state repression. More particularly, he investigated the different patterns of informal repression, such as assassinations of apartheid's opponents, vigilante attacks and so on. His work went a long way to exposing those acting under the cover of darkness to attack those fighting oppression and injustice.

David was greatly loved by the people who came to know him from the township communities. He was constantly in demand to address community gatherings, such as the meeting of the residents of Mamelodi after the Mamelodi Massacre in 1986.

As convenor of detainees' Tea Parties, David was extremely courageous in intervening on behalf of detainees' families when police and soldiers harassed and disrupted their tea parties. This led to David being involved in frequent confrontations with the Security Police. The most recent such confrontation was less than ten days ago when

security police broke up a gathering for detainees' families in St. George's Presbyterian Church in Johannesburg. Earlier this year the same thing happened at the Ipelegeng Community Centre in Soweto, and late last year David sprung to the defence of detainees' families at a tea party in the NGK Church in Alexandra.

All the halls were booked in David's name and in all three instances the security policy attempted to disrupt the meetings, leading to confrontations between David and the security police. Although diplomatic and polite, David always stood his ground on behalf of people being bullied by those in power.

We cannot imagine that anyone who has the interests of this country's people at heart, would want this true patriot of South Africa to die.

Issued on behalf of DPSC by Max Coleman.

CONGRESS OF SOUTH AFRICA TRADE UNIONS [COSATU] STATEMENT ON THE KILLING OF DAVID WEBSTER, MAY 1, 1989

COSATU condemns with outrage the brutal murder of David Webster. This is yet another manifestation of apartheid violence against the democratic majority in our country.

Not content with brutalizing our people in the townships with apartheid repression those who wish to perpetuate apartheid seek to destroy through death squads the democrats in the white community who have become involved in our struggle for freedom.

David Webster was not just a sympathiser in our struggle, he was a friend, a comrade and active participant in our democratic movement and its struggles to transform the nightmare of racism and apartheid. He was a conscious part of struggle to build a non-racial democratic society, with an elected government based on the will of the people. He recognised and strove to win many other people in the white community to accept that only a truly non-racial, democratic society would lead to peace and stability.

That is why he was murdered. His principles and democratic practices shone as a living example that there is an alternative to apartheid. His murder reminds us also that the hundreds of activists presently restricted are sitting targets for apartheid death squads.

He was loved by all of us. His untimely death is a blow to our struggle but it will only strengthen our determination to uproot and destroy the apartheid evils which David so consistently opposed. We share our grief with his family, friends and comrades here and internationally. We have truly lost a son of Africa.

Issued by Jay Naidoo, COSATU General Secretary.

The PRESIDING OFFICER (Mr. HARKIN). The Senator from Washington is recognized.

ENVIRONMENTAL IRRESPONSIBILITY

Mr. GORTON. Mr. President, yesterday I took the floor to criticize the Exxon Corp. for its miserable failure to fulfill its responsibilities to protect our environment. I proposed a new imposition of risk on companies like Exxon that I believe will dramatically improve their attitude toward environmental stewardship.

But I also pointed out that there are irresponsible extremists at the other end of the environmental spectrum—who flout responsibility with all of the arrogance of an Exxon. I want to discuss some of them today.

Consider the apple: From the days Johnny Appleseed walked the valleys west of here until just a month or two ago, the American apple symbolized plain, wholesome goodness. An apple a day kept the doctor away. And to the great joy of many a politican, eating apple pie was the mark of a patriot, no matter what his or her politics.

But no longer. Not since an environmental organization in New York, the Natural Resources Defense Council, joined with CBS to allege that apples carry a threat of cancer because they are sometimes treated with a substance called Alar.

What CBS, the NRDC, and their ilk share in common is a refusal to acknowledge sound scientific procedures—or to recognize any obligation of fairness in reporting. Perhaps they also share a desire for higher ratings—for each to stand astride their respective heaps. But in their research for self-promotion and sensation, they forsook their responsibility for what really matters—the health of our children.

In its report titled "Intolerable Risks: Pesticides in Our Children's Food," the NRDC alleges that children in particular face a "massive public health problem" from pesticides. It claims that 90 percent of the cancer risk to children from pesticides is attributed to Alar and its breakdown product UDMH.

Surely the NRDC knew, and CBS should have known, that the independent Scientific Advisory Panel—established by Congress precisely for the purpose of scientific peer review—in 1985 rejected the very basis for the NRDC claims. But neither the NRDC nor CBS's "60 Minutes" found anything wrong with portraying this data as valid, or with using other, also unproven, methods to calculate risk estimates.

And although most apple growers have voluntarily stopped using Alar over the last several years so as to maintain public confidence in their product while real scientists continued tests and sorted out the data, CBS essentially portrayed the apple growers and the EPA as, in effect, an unholy conspiracy to poison America's children.

That, Mr. President, is as irresponsible in its way as are the environmental attitudes of Exxon. I understand we are soon to be treated to an update by CBS. I cannot wait to see the next episode of this self-created pseudoscience. It will be a surprise only if it is fair and factual.

In the aftermath of the first NRDC and CBS debacle, a number of scientists and public officials came forward to try to calm public fears and set the record straight. One public offical who is not allowed artistic license is FDA Commissioner Dr. Frank Young, who told the Washington Post:

> You can't do risk assessment by media. There has to be a real scientific process, and we have to inform the American people where the risks are real . . . This is one of the worst instances of where statements are made without the benefit of scientific review. That's not the way to do business.

And Dr. Martyn Smith, associate professor of toxicology at the University of California at Berkeley's School of Public Health said:

> The method of presentation used in the report in which predictions of future cases of cancer are made from animal data is clearly unacceptable and scientifically invalid. I find the arguments presented in the report for childhood vulnerability to be very flaky.

Finally, Dr. Richard Jackson, chairman of the National Academy of Science's panel on pesticides and children said:

> The risks are not meaningful in day-to-day life for a single family. I don't see the risk as high enough to warrant driving across town to find the special Alarfree whatever. When you sort out the risks, maybe the risk of driving across town is higher.

On the subject of relative risk, one of the nation's leading authorities, Dr. Bruce Ames, professor of biochemistry at the University of California, Berkeley, has placed daminozide into proper perspective. In a recently published study, Dr. Ames found that the risk of cancer from daminozide is only one-tenth that of tap water, and a mere one one-thousandth that of ordinary mushrooms.

The latest irresponsible behavior toward apple consumers comes from none other than the May issue of Consumer Reports magazine, in an article that is balanced and fair only when compared with NRDC and "60 Minutes." Remarkably, the magazine says the latest animal tests show that Alar itself—or, more precisely, its key ingredient, daminozide—may not be carcinogenic at all, though the derivative UDMH probably is. Moreover, Consumer Reports says that raw apples are a good source of dietary fiber, that cities which rushed to pull apples out of school cafeterias overreacted to "confusing news stories," and that yes, apples are indeed safe for children to eat. All this sounds as though Consumer Reports rejected the "60 Minutes" and NRDC tactics.

The fine print further reveals that some apple-growing areas of the country have never used Alar at all, and that even apples of growers who stopped using the chemical may well show a residual presence for several

years. Then it reveals that Consumer Reports only tested apples from New York City supermarkets, although northeastern apple producers are known to rely more heavily on Alar than other growers. To unearth this rather useful information, however, one must delve into the details of the story.

Why? Because the sensationalist cover of this Consumer Report tells precisely the opposite story: A shiny red apple, held by a macabre, black-fingernailed hand—the classic portrayal of a wicked witch luring an innocent child to poison—all under the huge, red headline: "Bad Apples."

I am sorry to say, Mr. President, that in this instance, Consumer Reports is almost as guilty of misleading consumers as are the news organizations it admonishes. This is particularly disturbing considering Consumer Reports' purpose and reputation.

What are we to make of this sad state of affairs? Mr. President, we are left only with the reflection that freedom of speech is a fundamental American right, and that we do not restrict the freedom to be irresponsible on television programs, in print, or with respect to notoriety-seeking, self-appointed priests of nature.

Do you not suppose, Mr. President, that if the headline hounds at the NRDC really cared about people, they would turn their attention to something that actually hurts people? Smoking cigarettes, driving cars unsafely, and using illegal drugs kill real people every day. Apples, with or without Alar, have never killed anyone. Ever.

While every responsible public official charged with the safety of humans and chemicals says that Alar has not harmed anyone and that apples are still safe to eat, the irresponsible actions of CBS and the NRDC have caused immediate and substantial suffering for many conscientious, responsible people—apple growers from Washington State and throughout this country. They have hurt the health of thousands of young people who have no doubt substituted candy or junk food for apples.

And that, Mr. President, is irresponsibility of a very high order. At least Exxon promised to clean up its mess, and pay damages.

Yesterday I pointed out different paths of corporate behavior; I observed that corporations must earn the trust of the consumer, and suggested a variety of ways that they could do so, with and without government's help. Today, whether they realize it or not, the NRDC and CBS should also have lost credibility in the eyes of many. Indeed, as Yeats said,"the worst are full of passionate intensity." But can the center hold? Is innocence drowned?

We cannot legislate responsible behavior in the field of opinion. We can only work for the survival of sound ideas, of fairness. We can only hope that irresponsible environmental extremists, as they are found out, will not undermine a responsible environmental movement which has meant so much to us in the past and has so much still to accomplish.

We, too, have a choice, Mr. President. We, the center, must choose to stand. We, the center, must exert our conviction, that reason and facts and human values are what really count. With these principles in mind, we can manage the environment for nature and people. And we must say to the irresponsible extremists at both ends of the environmental spectrum: you have lost your right to lead. We reject you and your ways.

Yesterday, I began my remarks quoting Yeats. Let me conclude today with his thoughts, this time from his 1921 poem, "The Leaders of the Crowd":

They must—to keep their certainty—accuse
All that are different, of a base intent;
Pull down established honour; hawk for news.

We do not need to do that, Mr. President. We need to deal with these positions responsibly, objectively, and fairly.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. 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.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Public Law 100-607 appoints the following person to the National Commission on Acquired Immune Deficiency Syndrome: Dr. Charles Konigsberg, of Kansas.

THE EXECUTIVE CALENDAR

EXECUTIVE SESSION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations: Calendar item No. 63, William G. Rosenberg to be Assistant Administrator of the Environmental Protection Agency; and John R. Bolton to be Assistant Secretary of State, reported today by the Committee on Foreign Relations.

I further ask unanimous consent that these nominations be confirmed en bloc, that any statements appear in the RECORD as if read; that the motion to reconsider be laid upon the table en bloc; that the President be immediately notified of the Senate's action; and that the Senate return to legislative session.

Mr. GORTON. There is no objection.

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

The nominations considered and confirmed en bloc are as follows:

ENVIRONMENTAL PROTECTION AGENCY

William G. Rosenberg, of Michigan, to be an Assistant Administrator of the Environmental Protection Agency.

DEPARTMENT OF STATE

John R. Bolton to be an Assistant Secretary of State, reported today by the Committee on Foreign Relations.

STATEMENT ON THE NOMINATION OF WILLIAM G. ROSENBERG

Mr. BURDICK. Mr. President, I rise to support the nomination of William G. Rosenberg to be Assistant Administrator for Air and Radiation of the Environmental Protection Agency.

Mr. Rosenberg is a lawyer and real estate developer. He was chairman of the Michigan Public Service Commission and later, Assistant Administrator of the Federal Energy Administration. He is a father of three children.

Mr. Rosenberg is highly qualified. He is eager, bright and committed to environmental protection. He will have a difficult job in the months and days ahead as we and the administration wrestle with clean air amendments.

In the past, the Committee on Environment and Public Works has made several attempts to make needed changes to the Clean Air Act. Our efforts were met with outright opposition from the Reagan administration. The appointment of William K. Reilly as EPA Administrator, and now Mr. Rosenberg as his Assistant for Air and Radiation, is a good sign. These appointments show that this administration is serious about improving the quality of our air.

Clean air is the Environment and Public Works Committee's top priority. While our past efforts have been exhaustive, these efforts have not resulted in successful action on the Senate floor. I am optimistic that this Congress, we and the new administration, will work together to achieve an aggressive and workable clean air bill. I look foward to working with Mr. Rosenberg toward this goal.

I urge my colleagues to support the nomination of Mr. Rosenberg as Assistant Administrator for Air and Radiation of the Environmental Protection Agency.

I thank the Chair.

STATEMENT ON THE NOMINATION OF JOHN BOLTON

Mr. KERRY. Mr. President, I have voted to report out the nomination of John Bolton as Assistant Secretary of State for International Organizations, and will vote for his nomination when it reaches the Senate floor. However, I wish to record that I do so with significant reservations.

I base these reservations on the contradictions between his testimony and the testimony under oath of his former deputy, Kenneth Bergquist, regarding the handling by the Justice Department of a Foreign Relations Committee investigation in 1986 into allegations of arms smuggling, drug smuggling, and Neutrality Act violations involving supporters of the Nicaraguan Contras.

A number of things took place in the course of the Justice Department's response to the committee investigation which suggest that serious improprieties may have taken place, including the leaking of confidential Justice Department documents for the purpose of undermining or interfering with the congressional investigation.

Specifically, the investigation I conducted in the Subcommittee on Narcotics, Terrorism and International Operations found evidence that the following improprieties occurred:

First. Confidential materials of the Foreign Relations Committee were improperly provided to the Justice Department and to the U.S. attorney in Miami who was responsible for deciding whether or not to bring a grand jury regarding the allegations under investigation by the committee.

Second. Confidential law enforcement information from the Miami investigation was selectively made available to the committee while the Miami investigation was pending, at a time when the Justice Department generally—and Mr. Bolton specifically—was taking the position that no such material would be provided the committee on any pending case. The information that was made available, to Republican staff alone and withheld from Democratic staff, improperly discredited witnesses who were telling the truth, and allegations that proved to be true. The information was provided without the knowledge of the assistant US Attorney handling the case in Miami, and subsequently appeared in the press in articles attacking the committee investigation.

Third. Justice Department officials made statements to the press, attacking the credibility of potential witnesses and stating that the allegations under investigation by the committee had been investigated and determined to be false.

Fourth. The Justice Department did not provide information to the committee that would have corroborated the allegations being investigated by the committee, although the FBI possessed such information, including confessions of criminality from some of the persons identified by my staff and the committee as being involved in gunrunning and Neutrality Act violations. In light of the information possessed by the FBI, the information that was provided to the committee by Justice Department officials was misleading. Statements made to the press by Justice Department officials regarding the allegations was also misleading.

Mr. Bolton testified that he knew very little about these facts, because he allowed Mr. Bergquist, his deputy, to handle Justice Department responses to the inquiry I initiated on behalf of the committee, as he himself was focused on the nominations of Justice Rehnquist and Scalia to the Supreme Court. While Mr. Bolton did sign letters to me and to the committee regarding the investigation, according to Mr. Bolton he did not draft the letters, and should not be held responsible for matters in which he was uninvolved.

Perhaps the most serious contradiction between Mr. Bolton and Mr. Bergquist relates to the testimony regarding the leaking of the confidential material from the Miami prosecutor's office to the committee.

Mr. Bolton testified that he viewed the leak to be a serious one, and that the Justice Department investigated the leak and could not determine who did it. Mr. Bolton explicitly denied leaking the confidential material himself, or knowing who did so.

I accept Mr. Bolton's testimony on that matter. I will note, however, that it is flatly contradicted by the testimony under oath of his deputy, Mr. Bergquist, Mr. Bergquist, who was the liaison to the Committee for this matter, testified before the committee on September 28, 1987, that he reported to Bolton on essentially all matters concerning the handling of the committee investigation.

Explicitly contradicting the testimony of Mr. Bolton, Mr. Bergquist said specifically that the confidential Justice Department memorandum he provided to the committee, discrediting allegations which were in fact true, he obtained personally from Mr. Bolton, who received it from Mark Richard, another Justice official.

More generally the gist of Mr. Bergquists's testimony is that Mr. Bolton signed off on whatever he did regarding Justice's response to the committee investigation. The gist of Mr. Bolton's testimony is that Mr. Bergquist acted on his own, and that Mr. Bolton was not involved.

I cannot resolve the contradiction between Mr. Bolton's testimony and Mr. Bergquist's testimony on these matters, and believe the contradiction suggests that one of these witnesses was not telling the committee the full truth regarding their role in handling the committee investigation.

The matter is serious because I believe there is a significant question as to whether the U.S. attorney's office in Miami decided not to convene a grand jury on allegations of gunrunning and Neutrality Act violations in May 1986 because of concerns that the convening of a grand jury would increase the probability of an investigation into these allegations by the Senate Foreign Relations Committee, one that might have lead to the revealing of the Iran/Contra affair months before it was ultimately uncovered. Second, I believe this is a significant question as to whether Justice Department officials sought to interfere with the committee investigation itself because of fears it might damage the administration's goal of support to the Contras.

It is my understanding that Independent Counsel Walsh is reviewing these matters as part of his criminal investigation in connection with the Iran-Contra affair. After considerable thought, I have decided that I will accept Mr. Bolton's assurances that he was not involved personally in the handling of the Foreign Relations Committee investigation by the Justice Department, and on the premise that his testimony has been candid, I vote to report out his nomination.

Should other material later call into question Mr. Bolton's statements to the committee regarding his noninvolvement with the improprieties I have reviewed, I will take steps as are appropriate to return to this matter, including calling Mr. Bolton, Mr. Bergquist, and others relevant to the situation, to determine what really happened at the Justice Department in 1986.

At the conclusion of this statement, I ask unanimous consent to print in the RECORD the text of the appendix from the Subcommittee on Narcotics, Terrorism and Foreign Operations report on Drugs, Law Enforcement and Foreign Policy, regarding the Justice Department's handling of the committee investigation in 1986. That appendix reviews in more detail the matters I have touched on here, and more fully suggests why I would not be able to approve this nomination if Mr. Bolton were indeed involved with this matter, contrary to his testimony before the Foreign Relations Committee.

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

ALLEGATION OF INTERFERENCE WITH THE COMMITTEE INVESTIGATION

The current Subcommittee investigation grew out of a probe conducted in the spring of 1986 by Senate staff of the Subcommittee chairman, Senator John Kerry. This investigation moved to the full Foreign Relations

Committee following an Executive Session of the Committee June 26, 1986.

The Kerry probe explored a variety of charges from a variety of sources that the Contras and their supply operations had engaged in weapons smuggling, narcotics trafficking, misappropriation of funds, and related offenses. The probe also explored allegations that the NSC and Lt. Col. Oliver North were managing Contra military operations and supplies during the period when such activity was proscribed by the Boland Amendment.

Among the specific allegations of criminal activity focused on by Senator Kerry's office were charges relating to alleged weapons shipments involving the Civilian Military Assistance Group and Cuban Americans in Miami active in supporting the Contras, including a number of persons who have since been indicted on Neutrality Act, weapons charges, or narcotics charges.

Beginning in April, 1986, Senator Kerry sought for eight months to convene public hearings regarding these allegations. No such hearings took place, in part because material provided to the Committee by the Justice Department and distributed to members following an Executive Session June 26, 1986 wrongly suggested that the allegations that had been made were false.

On October 5, 1988, the Subcommittee received sworn testimony from an Assistant U.S. Attorney that officials in the Justice Department sought to undermine the attempts by Senator Kerry to have hearings held on the allegations. The Subcommittee also learned that confidential transcripts of Committee proceedings had been provided to the Justice Department without authorization, and placed in the files of the then US Attorney for the Southern District of Florida, Leon Kellner, who was responsible for prosecuting the Miami Neutrality Act cases.

AUSA Jeffrey Feldman, who prosecuted the Neutrality Act cases in Miami related to the Committee's investigation, testified under oath that on November 18, 1987, he met with Tom Marum, assistant head of the Internal Security Division of the Justice Department, and with the head of the Division, John Martin. Feldman testified that at this meeting Marum stated that representatives of the Justice Department, DEA, and FBI met in 1986 "to discuss how Senator Kerry's efforts to get Lugar to hold hearings on the case could be undermined." (Feldman MemCon of November 18, 1987, time-stamped 10:47 am at the Criminal Division of Justice, subpoenaed by Committee; Feldman Testimony, October 5, 1988, p. 24)

Feldman testified before the Subcommittee that a result of Marum's statements, he:

"Became concerned because I felt that perhaps the reason that my investigation was delayed was because I was looking at the identical allegations that you [the Senate Foreign Relations Committee] was looking at. It made sense that if the Department didn't support your investigation, then they wouldn't support my investigation. I became concerned that my investigation . . . could . . . have been quashed because had they gone forward with it, it would have lent credibility to the allegations that you wanted to explore." (Subcommittee Testimony of Feldman, p. 29)

Feldman testified that following his meeting with Marum and Martin, he returned to Miami and reviewed documents given to him by Leon Kellner, the former US Attorney for the Southern District of Florida. Feldman testified that in reviewing these files he found a transcript of an Executive Session of the Senate Foreign Relations Committee, documents from the Committee investigation, and memoranda between Deputy Assistant Attorney General Kenneth Bergquist and Committee staff on coordinating efforts "to basically show that what you [Kerry] were saying wasn't necessarily correct." (Subcommittee Testimony of Feldman, p. 29)

Feldman testified that he has a number of questions regarding the information he found in the files provided him by US Attorney Kellner. "If [the Justice Department] opposed your investigation, did Mr. Kellner know about it, and if he did know about it, did he let that factor influence his decision in delaying my investigation? . . . Was my memo revised for disinformation purposes? Was it revised so that it could be used against you? In other words, if going to the Grand Jury would lend credibility to the [Senate] investigation, the opposite decision would take away from it, and if you had a memo to that effect, it would detract from the allegations that you were trying encourage the Senate to explore." (Ibid pp. 45-46)

Feldman testified that he had recently learned that his memo, classified "sensitive," had been leaked to the Senate Foreign Relations Committee. He testified that he had recently reviewed a June 26, 1986 memorandum prepared by Committee staff in connection with reviewing the Kerry allegations. Upon reviewing that Committee memo, Feldman determined that it incorporated information from Feldman's memo to Kellner, including some material which was "verbatim." (Ibid p. 48)

Feldman testified that his memorandum had a "sensitive" classification on it and was prepared because Kellner asked Feldman to produce it, not for the purpose of going to a Grand Jury. (Ibid. p. 51)

Feldman testified that he would not draw conclusions as to the meaning of the documents he found, but that the documents Kellner had given him, taken together with Marum's statements, had aroused "questions in my own mind again about why the memo was changed." (Ibid pp. 57-58)

Previously, Feldman had testified before the Iran-Contra Committees that a memorandum he wrote recommending that the cases he was investigating be taken to a grand jury had been rewritten without his knowledge in late May, 1986. Feldman testified that the recommendation had been changed to suggest that a grand jury would be merely a "fishing expedition." Before the Subcommittee, Feldman testified that the statements made by Marum could create an inference that the decision not to move to a grand jury had been taken in order to slow down the Foreign Relations Committee inquiry.

In testimony under oath, Marum denied having told Feldman that there had been an agreement to undermine the Committee's investigation into the allegations concerning the Contras. Marum also denied that he had ever participated in discussions to undermine or block Senator Kerry's attempts to hold Congressional hearings. Marum said it was true that the Justice Department and the other participants in the meeting were opposed to such hearings taking place. (Subcommittee Deposition of Thomas E. Marum, October 25, 1988 p. 56)

Marum testified that he was "totally unaware of anything that could even be construed as an unethical attempt to mislead the Committee." Marum added that he did "recognize that the Department saw no need to have hearings about a matter which we were handling." (Ibid p. 75)

On November 7, 1988, Assistant Attorney General Mark Richard testified that Feldman was "wrong" about there being any meeting attended by Richard in which there was any attempt to undermine Senator Kerry's attempts to have hearings. (Subcommittee Deposition of Richard, p. 37) Richard said he was aware of a meeting which had taken place May 2, 1986 regarding the Kerry allegations which he did not attend, and a second meeting on October 15, 1986, which he did attend. Richard testified that the latter meeting, attended by 20 to 25 people, went down the list of outstanding items requested by the Committee to inventory and respond to them. (Ibid pp. 38-40) Richard recalled that the DEA did not want to provide any of the information the Committee had requested. (Ibid p. 39) Richard emphasized that his concern was to respond to the Committee's requests, not to block them. (Ibid pp. 99-100)

Richard recalled seeing the transcript of the Foreign Relations Committee Executive Session of June 26, 1986, but could not recall where or from whom he obtained it. (Ibid p. 52)

Richard testified that he was "aware of nothing that I would characterize as a sinister effort to frustrate" the Committee. (Ibid p. 91)

Former Miami US Attorney Leon Kellner testified before the Subcommittee that he did not recall seeing most of the documents which Feldman testified he had been given as a file by Kellner. Kellner stated that he did recall previously reading the transcript of the June 26, 1986 closed session of the Committee which discussed allegations concerning drug trafficking, weapons violations, corruption and related charges concerning the Contras, but he did not know how he got the material. (Subcommittee Deposition of Leon B. Kellner, November 8, 1988 pp 10-11). Kellner testified that he talked to Justice Department spokesman Pat Korten in May of 1986 after Korten told The New York Times that the allegations concerning the Miami Neutrality Act cases had been investigated and found not to be true. (Ibid pp. 29-30) Kellner testified that he told Korten his statements had not been correct and it was improper to comment on pending investigations. (Ibid) Kellner said that if anyone had come to him and asked him not to go forward with a case because of national security reasons, Kellner would throw the person out of his office. (Ibid p. 34)

The Subcommittee obtained departmental correspondence from the Miami U.S. Attorney's Office between Associate Attorney General Steve Trott and Deputy Assistant Attorney General Ken Bergquist regarding the Justice Department's response to Committee inquiries in the spring and summer of 1986. These documents show that Bergquist sought to release some material from the Miami investigation in order to put to rest contentions that the Justice Department was engaged in a cover-up. These documents, including memoranda between Trott and Bergquist, further show that the Justice Department closely monitored press accounts of the Committee's interest in the allegations concerning the Contras. The memoranda, together with statements made by Justice Department officials to reporters writing about the allegations, also document that some officials in the Department of Justice sought to discredit both the allegations concerning criminal activity relating

to the Contras and the persons making these allegations.

Bergquist testified that he provided the Committee with the arrest records and law enforcement histories of four individuals who had been identified as the key persons making the charges concerning the Contras. (Subcommittee Deposition of Ken Bergquist, September 28, 1987, p. 17)

Bergquist testified that the Office of Legislative Affairs of the Justice Department was provided by July, 1986 with a copy of the "Feldman memo" regarding whether to take the Miami cases to a Grand Jury. He testified he might also have seen it earlier "when Leon Kellner came by." (Bergquist Deposition, p. 59) Bergquist testified that the Feldman memo was the only material he was provided from the investigative files of the Miami investigation, and that he received it from John Bolton who in turn received it from Mark Richards. (Ibid pp. 60, 82)

Bergquist testified that he never had participated in any effort to interfere with Congress or any committee of Congress, and had never knowingly misled Congress or any committee. (Ibid p. 65) More recently, Bergquist denied participating in "any deliberate attempt to undermine a Senate probe," but admitted the administration opposed the hearings. (U.S. News & World Report, December 5, 1988)

The testimony before the Subcommittee by these witnesses and the documents provided by the Subcommittee by the Justice Department conflict in many essential areas. However, the material does enable the Subcommittee to reach some conclusions as to what happened.

It is clear that:

1. Confidential materials of the Foreign Relations Committee were improperly provided to the Justice Department and to the U.S. Attorney responsible for deciding whether or not to bring allegations being investigated by the Committee to a grand jury.

2. Confidential law enforcement information from the Miami investigation was selectively made available to the Committee while the Miami investigation was pending, at a time when the Justice Department was taking the position that no such material would be provided the Committee on any pending case, and without the knowledge of the AUSA handling the case in Miami.

3. The Justice Department provided information to the Committee that tended to discredit the allegations being investigated. The Justice Department advised the Committee that the persons who had made the allegations to Senator Kerry's staff had significant credibility problems, and that there was no truth to the allegations under investigation by the Committee. Justice Department officials made similar statements to the press, attacking the credibility of potential witnesses and stating that the allegations under investigation by the Committee had been investigated and determined to be false.

4. The Justice Department did not provide information to the Committee that would have corroborated the allegations being investigated by the Committee, although the FBI possessed such information. In light of the information possessed by the FBI, the information that was provided to the Committee by Justice Department officials was misleading. Statements made to the press by Justice Department officials regarding the allegations were also misleading.

The conflicting testimony under oath raises serious questions about the actions of Justice Department officials which this Committee cannot answer:

1. Did the U.S. Attorney's Office in Miami decide not to convene a grand jury on allegations of gunrunning and Neutrality Act violations in May, 1986 because of concerns that the convening of a grand jury would increase the probability of an investigation into these allegations by the Foreign Relations Committee?

2. Did Justice Department officials seek to interfere with the Committee investigation, because the investigation might damage the Administration's goal of supporting the Contras?

Related questions are raised by entries in the personal notebooks of Oliver North which appear to concern the Committee and Kerry probes.

The declassified North notebook entries include references to the Kerry and Foreign Relations Committee investigations and investigators on April 18, 1986; April 22, 1986; May 1, 1986; May 13, 1986; June 2, 1986; June 17, 1986; October 15, 1986, November 19, 1986; November 21, 1986.

The entries show that North was provided with information regarding Senator Kerry's attempts to have hearings in the spring and fall of 1986, at a time when the information was Committee confidential.

The North notebook entries raise the further question of whether North and others working with North took steps to interfere with the Committee investigation.

In August, North's courier, Robert Owen, was asked by John Hull to transmit copies of falsified affidavits charging the Kerry staff with bribing witnesses to both the US Attorney's Office in Miami and to the Senate Ethics Committee. The US Attorney then provided a copy of these affidavits to the Justice Department in Washington. Shortly thereafter, these false charges against Kerry staff appeared in press accounts, while the Committee investigation was pending.

Taken together, these facts raise the question of whether North, Owen, and Justice Department officials may have sought to discredit the Kerry investigation because of concerns that it might harm the Administration's efforts to support the Contras.

The Subcommittee views the allegations—that high ranking officials, including officials in the Justice Department, may have acted in concert to obstruct the Committee investigation—to be quite serious. When high ranking officials deliberately provide false or misleading information to a Congressional investigation, the result is that the Congress cannot carry out its Constitutionally mandated responsibilities, and our system of government is put at risk.

ORDER FOR STAR PRINT—S. 847

Mr. MITCHELL. Mr. President, I ask unanimous consent that a star print be made of S. 847, the Uranium Enrichment Organization Act, to reflect the changes I now send to the desk. The section-by-section analysis of the bill as previously printed is correct.

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

FORTIETH ANNIVERSARY OF FOUNDING OF COUNCIL OF EUROPE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of House Concurrent Resolution 104, a concurrent resolution congratulating the Council of Europe of the 40th anniversary of its founding.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 104) congratulating the Council of Europe on the 40th anniversary of its founding.

The PRESIDING OFFICER. Without objection, the concurrent resolution is considered and agreed to and the preamble is also agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

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

The motion to lay on the table was agreed to.

AUTHORITY FOR COMMITTEES TO REPORT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the committees may file reported Legislative and Executive Calendar business on Monday, May 8, from 12 noon to 3 p.m.

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

APPOINTMENT BY THE REPUBLICAN LEADER

Mr. GORTON. Mr. President, in accordance with S. Res. 106, section 2(a)(2)(B) on behalf of the Republican leader I hereby appoint the Senators listed below to the Central American Negotiations Observer Group: the Honorable CHRISTOPHER S. BOND of Missouri and the Honorable PHIL GRAMM of Texas.

ORDERS FOR FRIDAY

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 12 noon tomorrow, Friday May 5, and that on Friday the Senate meet in pro forma session only with no business being conducted.

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

ORDERS FOR TUESDAY

RECESS UNTIL 11 A.M.

Mr. MITCHELL. Mr. President, I ask unanimous consent that at the close of the pro forma session tomor-

row, the Senate then stand in recess until 11 a.m. on Tuesday, May 9.

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

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that on Tuesday, May 9, following time for the two leaders there be a period for morning business not to extend beyond 12:30 p.m. with Senators permitted to speak therein for up to 5 minutes each.

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

MID-DAY RECESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate stand in recess on Tuesday, May 9, from 12:30 p.m. to 2:15 p.m. in order to accommodate the party luncheon conferences.

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

PROGRAM

Mr. MITCHELL. Mr. President, as I stated earlier, and I will repeat now for the information of Senators, there will be a pro forma session of the Senate tomorrow and no session of the Senate on Monday. On Tuesday the Senate will be in session but there will be no rollcall votes. There will be, it is now anticipated, rollcall votes on Wednesday of next week.

RECESS

Mr. MITCHELL. If the distinguished acting Republican leader has no further business and if no other Senator is seeking recognition, I now ask unanimous consent that the Senate stand in recess under the previous order until 12 noon on Friday, May 5.

There being no objection, the Senate, at 8:23 p.m. recessed until Friday, May 5, 1989, at 12 noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 4, 1989:

DEPARTMENT OF STATE

JOHN R. BOLTON, OF MARYLAND, TO BE AN ASSISTANT SECRETARY OF STATE.

ENVIRONMENTAL PROTECTION AGENCY

WILLIAM G. ROSENBERG, OF MICHIGAN, TO BE AN ASSISTANT ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.